

66635



Using Knowledge Exchange for Capacity Development: What Works in Global Practice?

Three case studies in assessment of knowledge exchange programs using a results-focused methodology

Joint Study by the Korea Development Institute and World Bank Institute

About the Korea Development Institute

The Korea Development Institute is Korea's leading think tank in economic and social sciences. Its mission is twofold: contribute to Korea's development by setting long-term national agendas and providing policy recommendations based on rigorous analysis and share Korea's development experiences to support the institutional and capacity building of partner countries, primarily through the Knowledge Sharing Program. For more information, visit www.kdi.re.kr.

About the World Bank Institute

The World Bank Institute's mission is to be a global facilitator of capacity development for poverty reduction, helping leaders, institutions, and coalitions address their capacity constraints to achieving development results. It spearheads coordination of South-South knowledge exchange for the entire World Bank, cutting across regions and sectors. For more information, visit www.worldbank.org/wbi.

Using Knowledge Exchange for Capacity Development: What Works in Global Practice?

Three case studies in assessment of knowledge exchange programs using a results-focused methodology

Joint Study by the Korea Development Institute and World Bank Institute

Copyright © November 2011

The World Bank

1818 H Street, N.W.

Washington, D.C. 20433, USA

All rights reserved

Overall Guidance

Wonhyuk Lim, Korea Development Institute

Aki Nishio, World Bank Institute

Samuel Otoo, World Bank Institute

Report Preparation

Korea Development Institute Team:

JiHwan Kim

Saebyul Chun

World Bank Institute Team:

Cristina Ling

Dawn Roberts

Contributors

Ja-Kyung Hong, Korea Development Institute

Jang Saeng Kim, Korea Development Institute

Sharon Fisher, World Bank Institute

Sara Okada, World Bank Institute

Design

Sharon Fisher, World Bank Institute

Photos from the World Bank collection:

Cover, Curt Carnemark; p15 and p52, Dave Lawrence;
p30, Dominic Sansoni; p72, Jonathan Ernst; p88, Arne Hoel.

Contents

Acronyms	7
Summary	9
Lessons Learned	11
Background	
The Role of Knowledge in Development	16
Introduction to Korea's Knowledge Sharing Program and the World Bank's South-South Knowledge Exchange	19
Capacity Development and Results Framework	24
Applied Methodology for the Study	28
Case Studies	
Korea Development Institute Knowledge Sharing Program with the Dominican Republic	
Introduction	31
Program Description	32
Outcomes and Analysis	36
Lessons and Implications	47
Korea Development Institute Knowledge Sharing Program with Mongolia	
Introduction	53
Program Description	54
Outcomes and Analysis	57
Lessons and Implications	69
NESAP-ICT South-South Experience Exchange with India: Results in Ghana and Nigeria	
Introduction	73
Program Description	74
Outcomes for Ghana	76
Outcomes for Nigeria	81
Lessons and Implications	85
Recommendations	89
Appendix	
1—Sample Interview Questions	91
2—List of Participants and Organizations	94
3—References	96

Acronyms

ADOZONA	Dominican Association of Free Zones
BNVP	Bank of Housing and Production
BPO	Business Process Outsourcing
CDRF	Capacity Development and Results Framework
CDEEE	Dominican Corporation of State Electrical Companies
CEI-RD	Export and Investment Center of the Dominican Republic
DEXIM	Dominican Export-Import Bank
DR-ETC	Dominican Republic Export Trading Company
EDCF	Economic Development Cooperation Fund
FRC	Financial Regulatory Commission
GASSCOM	Ghana Association of IT Software and Service Companies
GDP	Gross Domestic Product
ICO	Intermediate Capacity Outcome
ICT	Information and Communications Technology
ITES	Information Technology Enabled Services
KDI	Korea Development Institute
KDIC	Korea Deposit Insurance Corporation
KEPCO	Korea Electric Power Corporation
KEXIM	Korea Export-Import Bank
KSP	Knowledge Sharing Program
MDIC	Mongolian Deposit Insurance Corporation
NASSCOM	National Association of Software and Service Companies
NESAP	New Economy Skills for Africa Program
NDIC	National Development and Innovation Commission
ODIN	Outsourcing Development Initiative of Nigeria
OECD	Organisation for Economic Co-operation and Development
PFS	Preliminary Feasibility Study
PIMAC	Public and Private Infrastructure Investment Management Center
PPP	Public-Private Partnership
SCU	Savings and Credit Union
SME	Small and Medium Enterprises
SPC	State Property Committee
SSKE	South-South Knowledge Exchange
WBI	World Bank Institute

Summary

Knowledge exchange—the sharing of information and experiences for customized learning—helps to lessen the knowledge divide, build consensus and coalitions for reform, and promote the concept of Open Development. In other words, knowledge exchange meets immediate, operational knowledge gaps by fostering the sharing of countries' experiences.

South-South knowledge exchange encourages cross-country partnerships that can help strengthen local ownership and leadership of development issues by providing just-in-time support on "how-to." Lessons drawn from the practical experience of others can improve stakeholder buy-in and subsequently create an enabling environment for designing and implementing difficult development initiatives and reforms. As a result, a country's ability to identify, design, implement, and evaluate development solutions becomes more efficient and effective, leading to an overall improvement in performance.

However, the results of knowledge exchange programs have not been rigorously explored in a systematic manner. How then do we know how effective they are in meeting countries' needs? And how do we know what works and does not work so we can replicate successes or avoid potential pitfalls?

In this joint study, the Korea Development Institute (KDI) and World Bank Institute (WBI) assess three of their South-South knowledge exchange programs to analyze their effectiveness as well as gather lessons that can inform global practice. WBI's Capacity Development and Results Framework (CDRF) provides the conceptual foundation and methodology for facilitating the assessment. The framework supplies

logic for understanding how institutions change, as well as sets of institutional and intermediate indicators that can be flexibly applied to measure and analyze capacity development outcomes across sectors and countries.

The study examines three programs: (1) KDI's Knowledge Sharing Program (KSP) for advancing export development in the Dominican Republic; (2) KDI's KSP for promoting public-private partnerships and pre-feasibility studies in Mongolia, along with providing support for deposit insurance reform; and (3) the World Bank's South-South Experience Exchange Facility for the New Economy Skills for Africa Program (NESAP) in India for sharing knowledge on information and communications technology with African countries, including Ghana and Nigeria.

The study's findings reveal concrete evidence of institutional outcomes from knowledge exchange and how these results were achieved through intermediate capacity outcomes. The results highlight lessons for the design and management of knowledge exchange programs for future replication or improvement, including ways to:

- Respond to the demands of the partner country, to better target the knowledge exchange for a more efficient and effective program.
- Ensure local ownership and commitment to the reform process, to establish conditions on the ground to promote change.
- Strategically select participants on both the demand and supply sides of the knowledge exchange, to ensure participants have relevant experience to share and are in key positions to effect change.

The results of knowledge exchange programs have not been rigorously explored in a systematic manner. How then do we know how effective they are in meeting countries' needs?

- Promote and sustain cross-country and within-country peer-to-peer interactions, to facilitate the exchange of tacit knowledge and contribute to local institution-building.

The assessment also identifies good practices in managing knowledge exchange for results, by demonstrating the value of a results focus, clear change logic, and indicators to monitor and measure progress.

The merits of South-South exchanges have become increasingly evident for capacity development, and the role of knowledge in the development agenda will only continue to grow. Thus, it is necessary for those involved in designing and implementing knowledge exchange programs to focus on improving their effectiveness and results. Development practitioners and local partners can apply the lessons learned from this study to help improve future knowledge exchange programs.

Lessons Learned

This study reveals important lessons for effectively conducting knowledge exchange programs that are applicable across sectors and countries. Its findings indicate support for innovative, results-focused capacity development approaches that emphasize the roles of state and non-state actors and promote collective action. The programs in this study used a variety of traditional and innovative instruments to foster collaborative behavior between diverse stakeholders that facilitated institutional change.

The study's findings elaborate on the factors that contribute to successful knowledge exchange programs, and how using a systematic framework helped to reveal how these programs achieved results.

Customize for Local Context

To develop an efficient knowledge exchange, knowledge seekers must be able to identify their needs and describe their demands. In this respect, non-governmental stakeholders, such as academia and the private sector, play an important role.

A key challenge in the knowledge exchange process is the matching of demand and supply of knowledge. In the case of the Dominican Republic, the government expressed strong demand for the KSP on export development and articulated its demands based on a needs assessment conducted in the local context together with Korean consultants. KDI conducted interviews with local stakeholders to understand the local context in order to design the knowledge sharing intervention to meet the needs of Dominican stakeholders.

Identify Key Change Agents

Participant selection is critical to both sides of the knowledge exchange. On the sup-

ply side, knowledge exchange programs should involve policymakers and practitioners who have firsthand experience in the reform process and understand the inherent capacity and political economy constraints of the process. In the case of Mongolia, KDI carefully selected the Korean participants based on their expertise and personal experience in facilitating the changes in the areas and policies in Korea for which the Mongolians were requesting support: public-private partnership (PPP), pre-feasibility study (PFS), and transition to limited deposit insurance. The targeted change agents who were anticipated to implement reform in Mongolia were essentially matched up with Korean experts who had already gone through the process in Korea.

On the demand side in the knowledge seeking country, programs must target and engage the appropriate change agents—the individuals or groups best positioned to initiate and manage needed changes. In the case of the Dominican Republic, the minister-level executive director of the Export and Investment Center selected participants from an array of relevant stakeholder groups to encourage interaction among the Dominican participants.

It is also critical to identify participants who are committed to leading the change processes and in a position to catalyze change in terms of timing and resources. Efforts to apply the lessons of experience (no matter how relevant) will encounter challenges in the country context. However, even if commitment and intentions are strong, the timing for the knowledge exchange should align with decision makers' priorities and their abilities to focus on and implement targeted changes. In other

words, knowledge exchange programs should be sequenced to the policymaking process. It is also important to make sure relevant resources—funding, staffing, and institutions—are available locally to support an ongoing change process as envisioned.

In the case of Mongolia, the key components of participant commitment existed for the knowledge sharing intervention on transforming the deposit insurance system from blanket deposit guarantee to limited deposit insurance. The Mongolians were committed to the transition and KDI provided knowledge and support to catalyze preparation for the transition, which needed to be underway but had not yet begun. The Mongolians were able to mobilize the necessary resources to embark on the steps toward transition.

Build Sustainable Momentum for Change

Successful knowledge exchange activities are characterized by continued engagement, regular consultations, and evidence-based recommendations. Acquiring, adapting, and applying knowledge is a medium-term process. This is why recurrent interaction is necessary in both vertical (within-country) and horizontal (cross-country) relationships.

One way to encourage repeated interaction in both horizontal and vertical ways is to assure the knowledge exchange program is situated within a series of other relevant capacity development interventions. In the case of NESAP, multiple videoconferences, in addition to study tours and field visits, encouraged repeated interactions between participants in various settings to promote collaborative action. In Ghana, follow-up activities sponsored by related World Bank projects facilitated additional interactions and knowledge exchange among key stakeholders. For example, the Ghana Association of Software and IT Services Companies hosted an international conference in 2009, “Outsourcing to Ghana, Africa’s Golden Gateway.”

Another approach for sustaining momentum is for the knowledge exchange to conduct ongoing programming or even establish twinning arrangements to continually provide motivation and support to the partner country. In the case of the KSP, each engagement is for one year, but it is often followed up with another KSP at the request of the partner country. For example, there were two KSPs held in Mongolia and four in the Dominican Republic. In the Dominican Republic, the 2009 KSP on infrastructure development for exports was designed in follow-up to the 2008 KSP where policies were recommended for export development. The 2010 KSP focused on export financing, with experts from the Korea Export-Import Bank supporting the Dominican effort to establish its own export-import bank.

Maintaining peer-to-peer interaction is the most effective way to exchange tacit knowledge and sustain horizontal partnerships. Also, an important aspect of learning is knowledge exchange within a country—central, regional, and local governments—an area that has been overlooked. This can be critical in facilitating the building and formalization of relationships among local stakeholders, e.g., businesses, entrepreneurs, consumers.

In the case of NESAP, coalitions among public and private actors were strengthened in Ghana through the knowledge exchange by opening a formal connection between the Ghana Association of Software and IT Services Companies and the government. The delegation members needed to work closely with each other to build action plans and country strategies for ICT development. After the knowledge exchange, the Ministry of Communications facilitated “matchmaking events” so that potential business process outsourcing investors had the opportunity to meet and network with Ghanaian companies.

In terms of building sustainable motivation, site visits are an effective inspirational tool. Site visits not only allow participants to observe how things work on the ground and experience firsthand how success was

Summary of Lessons Learned for Conducting Knowledge Exchange Programs

- **Customize for the local context** by matching the demand and supply of knowledge and making sure the knowledge exchange program responds to the articulated needs of the partner country.
- **Identify key change agents** on both sides of the knowledge exchange to ensure those who have firsthand experience of the reform process are providing knowledge and support to those who are able to mobilize resources and drive targeted changes toward reform.
- **Build sustainable momentum for change** by encouraging and managing recurrent horizontal (cross-country) and vertical (within-country) interactions, as well as by using knowledge exchange instruments that motivate or inspire, such as twinning arrangements or site visits.
- **Understand what is meant by results** by focusing on changes in capacity—at the level of institutional capacity and the level of intermediate outcomes—for a more systematic documentation and analysis of results.
- **Trace the change logic** to illuminate the results story of how knowledge exchange leads to intermediate outcomes that contribute to institutional changes that affect the development goal.
- **Assign indicators to monitor and measure change** that will help practitioners to track progress, document practical lessons in implementation, and make timely adjustments to the program when necessitated.

achieved, it encourages them to imagine what can happen in their own countries if recommended actions are implemented. This was true in all three case studies. In reflecting on his visit to Korea, the minister of the Export and Investment Center of the Dominican Republic described his experience as “going to heaven and coming back” in being able to observe firsthand what the Dominican Republic could achieve in the future.

Understand What is Meant by Results
Often, a result is thought of in terms of outputs (e.g., number of people trained), deliverables (e.g., policy recommendations delivered), or milestones (e.g., learning module completed). These serve an important monitoring function, along with results information, for assessing whether a project is being implemented as planned and adjustments are needed to achieve results. But these are not counted as results—they do not demonstrate evidence of increased capacity.

The results approach applied in the case studies requires monitoring results at two levels. First is at the higher level of institutional capacity in the areas of strengthening stakeholder ownership, enhancing efficiencies in policy instruments, and

improving effectiveness of organizational arrangements. Second is at the level of intermediate outcomes, which includes improvements in the ability or disposition of stakeholders to take action in the form of raised awareness, enhanced knowledge and skills, improved consensus and teamwork, stronger coalitions, enhanced networks, and increased implementation know-how.

These institutional and intermediate level results provide a systematic way to document, compare, and analyze information. Systematic analysis of results using this approach can help the development community to learn what works and does not work in knowledge exchange.

Trace the Change Logic

The case studies demonstrate the importance of having a clear change logic: picturing the flow of how knowledge services and activities affect agents and their capacities (i.e., intermediate capacity outcomes), then how they affect change in institutional capacities (i.e., stakeholder ownership, policy instruments, and organizational arrangements), which finally affect development goals.

In the case of the KSP in the Dominican Republic, tracing the knowledge exchange

activities illuminated how the knowledge exchange interventions led to intermediate outcomes that contributed to institutional changes. For example, the program led to the creation of networks for international trade and exports, such as the Dominican Republic Export Trading Company; strengthened coalitions between public and private sectors for export development, such as private sector input into the National Development Strategy; and led to the formulation of new policies and laws, such as the amendment of General Electricity Law to criminalize power theft.

In the case of the KSP in Mongolia, articulating the results chain and identifying the intermediate outcomes showed the progress made toward achieving institutional outcomes. For instance, the KSP was successful in raising the awareness of high-level government officials on the importance of PPP. It improved teamwork and working relations between key stakeholders across ministries and departments to enhance efficiency in implementation of PPP. The knowledge shared during the KSP was applied by the Mongolian government in its formulation of PPP guidelines.

Assign indicators to monitor and measure change

The absence of high-quality, precise results measures and failure to effectively track them limit the possibility to make needed, timely adjustments to knowledge exchange programs. The case studies illustrate the importance of embedding indicators and results monitoring in the design and implementation of knowledge exchange programs.

In the case of the Bank's knowledge exchange in Nigeria, one of the participants noted that the trip provided valuable and relevant lessons for Nigeria, and that "there was some energy" when the delegation returned home. But without any follow-up actions or funding to continue facilitating the change process, "people return each to their harried programs, engage in survivalist activity, and the energy fades." A results monitoring system tracking the

change process and participants' motivation for example, would have alerted program leaders to the decrease in participants' motivation after the knowledge exchange ended, and allowed them to intervene to increase participants' resolve to facilitate change.

Overall, developing indicators for monitoring knowledge exchange practices will help to facilitate adaptive management and assessments of outcomes. Further, the tracking of intermediate and institutional level outcomes will contribute to the growing body of knowledge on what works in knowledge exchange programs. Disseminating practical lessons learned is critical for future knowledge exchange programming by the development community.



The Role of Knowledge in Development

It is now commonly understood that sustainable development happens when results and performance are locally owned and can be replicated and scaled up by local actors.

The end of the Cold War, acceleration of globalization, and resurgence of emerging countries have dramatically transformed the international development landscape. The emergence of new sources of growth and aggregate demand in the world economy, combined with better domestic economic management, has also led to increased fiscal and policy space for developing countries. This in turn has opened up opportunities for experimentation on the design of development strategies and policies, thereby expanding demand for relevant knowledge.

The emphasis on knowledge as a key instrument for catalyzing change is evident by the development community's current focus on Open Development. Recent reports, notably, "The State of World Bank Knowledge Services: Knowledge for Development 2011," indicate that countries rate the acquisition of knowledge as more valuable than financial lending, such as project loans offered by the World Bank or export-import banks. The demand for practitioner knowledge and customized transformational learning is now at the forefront of the development agenda.

After decades of frequently unsuccessful efforts, the development community has come to understand that standard, one-size-fits-all approaches to development do not work. Past development practice focused on applying technical solutions to development challenges rather than on customized approaches based on locally driven diagnoses of issues within country contexts. Current approaches to capacity development respond to development challenges by emphasizing result-oriented approaches that use transformational learning.

It is now commonly understood that sustainable development happens when results and performance are locally owned and can be replicated and scaled up by local actors, including non-state actors such as civil society, private sector, service users and providers, academia and citizens. Hence, it is necessary to employ instruments to advance development that bring together diverse actors to promote collaborative change and leadership.

In other words, development practitioners must go beyond traditional investments in training, knowledge products and technology and draw on capacity development instruments that facilitate practitioner knowledge exchange and experiential learning. This provides countries access to unique tacit knowledge that is only revealed through peer-to-peer knowledge exchanges. Capacity development also needs to incorporate the concept of change management and include the enabling environment and coalition building as key factors for success.

Indeed, recent attention to South-South knowledge exchange reflects the growing demand for practical knowledge as opposed to theoretical knowledge. Countries are seeking to share their knowledge and development experiences, while developing countries are seeking to find development partners that can share experiences that provide insights and practical knowledge to guide them in how to implement their own reforms.

Reflecting this trend, the G20 Seoul Development Consensus for Shared Growth selected knowledge exchange as the ninth and final pillar, which supports, through mainstreaming, the other pillars that are essential to enhancing growth

potentials and managing risks. This framework was well received among the G20 members and international community (Winters 2010).

What would be an effective way to promote knowledge exchange for development? Imagine a two-tiered structure for knowledge exchange consisting of "Wikipedia" and "Facebook," where (1) Wikipedia represents the general infrastructure to share knowledge, and (2) Facebook provides customized consultation for knowledge exchange between participants (Lim 2011a).

(1) General infrastructure for knowledge exchange requires:

- **Knowledge exchange platform:** This is a search-and-match platform that provides practical information on development solutions and case studies. It could be organized by sector with international organizations playing a supportive role, e.g., World Bank on infrastructure, United Nations on food security, and the Organisation for Economic Co-operation and Development (OECD) on growth with resilience (Lim 2011a). A common quality standard should be applied to make the knowledge exchange platform(s) readily accessible for suppliers and demanders.

- **Knowledge exchange network:** This is a network of government officials, experts, and practitioners with an intimate knowledge of development challenges.
- **Knowledge exchange forum:** This is a regularly held policy dialogue to share knowledge on policy challenges. Figure 1 illustrates the general infrastructure of knowledge exchange.

(2) Customized consultation for knowledge exchange:

- This aims to contribute to capacity development and institution building by addressing specific policy challenges. Activities include interviews and meetings, joint research and dialogue, study tours, and seminars, with a view toward building cross-country and within-country partnerships. The emphasis is on horizontal or peer-to-peer interaction since it not only facilitates tacit knowledge exchange but also creates empathy and inspiration. This helps to build cross-country partnerships. For effective implementation, coalition building among government officials, experts, and practitioners is also important. This is the vertical or within-country reform partnership aspect. Figure 2 depicts customized consultation for knowledge exchange.

Figure 1. Knowledge Sharing in Action Stage 1: General Infrastructure

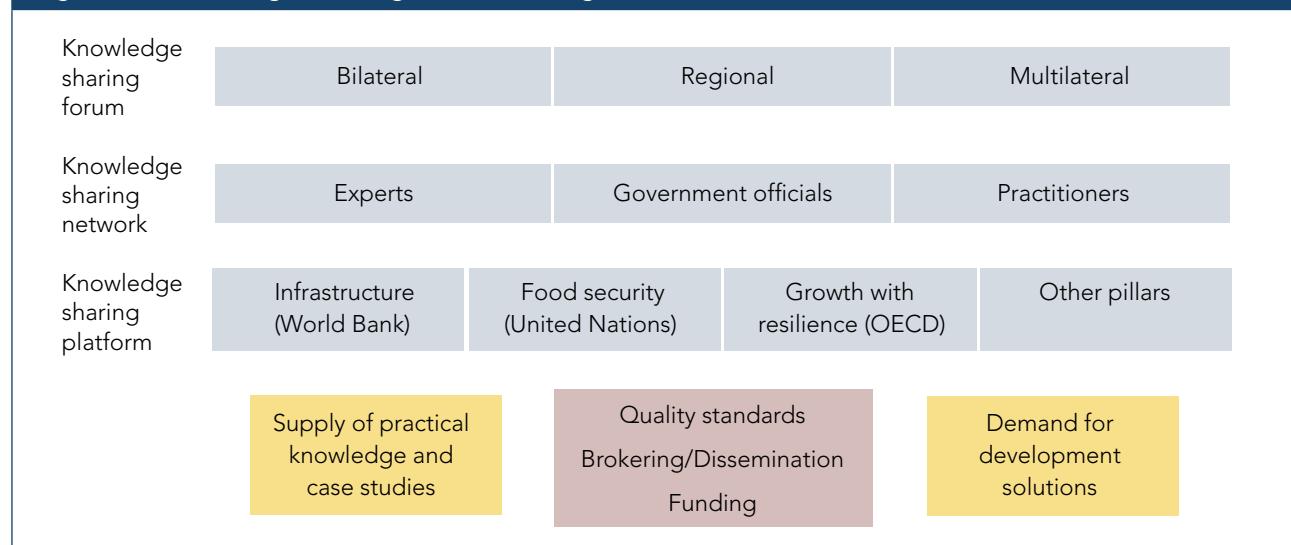
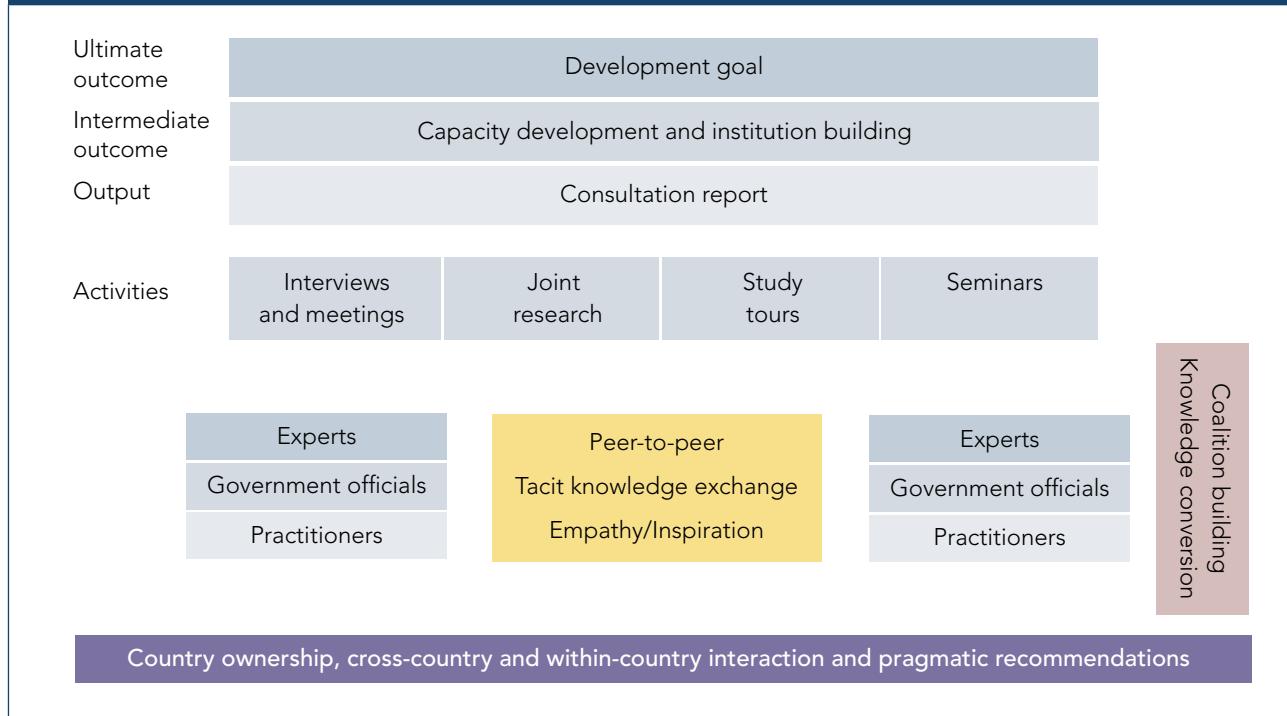


Figure 2. Knowledge Sharing in Action Stage 2: Customized Consultation



Introduction to Korea's Knowledge Sharing Program and the World Bank's South-South Knowledge Exchange

Korea's Knowledge Sharing Program

Overview

Korea's development cooperation effort took off when the government of Korea launched the International Development Exchange Program at KDI in 1982. Subsequently, the Economic Development Cooperation Fund (EDCF) and the Korea International Cooperation Agency were established to manage the provision of Korea's concessionary loans and grants, respectively. However, Korea's piecemeal and microscopic policy approach to aid and development lacked coordination and did not fully take into consideration the socioeconomic environments and policy demands of its partner countries (Lim 2011b). In response to these challenges, KDI launched the KSP in 2004 with support from the Korean Ministry of Strategy and Finance (formerly known as the Ministry of Finance and Economy).

The KSP is a knowledge-intensive development cooperation program in which Korea shares its development experiences to support the institutional and capacity building of partner countries through a series of collaborative research works, policy consultations, and technical assistance, on policy issues identified by the partner countries. The KSP is comprised of three parts: (1) the systemization and modularization of Korea's development experiences into case studies; (2) bilateral policy consultation through knowledge sharing with partner countries; and (3) joint

consulting with international organizations in a triangular format.

Since inception of its KSP in 2004, Korea has provided policy consultations to 22 countries on topics ranging from development planning to crisis management (list available at <http://www.ksp.go.kr/ksp/01/bilateral.jsp>). In 2011, Korea is working with 26 countries on a budget of KRW 10 billion (USD 9 million) for KSP's bilateral consultation program.

At the start of each year's KSP, the Korean government sends out demand surveys to potential partner countries through its embassies and crafts its consultation projects tailored to the needs of these countries. Former high-ranking government officials are directly involved in these policy consultations to share their intimate knowledge of development challenges. They describe in detail the decision-making process, provide interesting anecdotes, empathize with government officials in developing countries, and complement the analytical work of policy experts and specialists who have extensive experience of their own in their fields.

These government officials and practitioners effectively pair up with their counterparts in development partner countries to work jointly on pressing policy challenges and share development knowledge in the process. Instead of offering a one-size-fits-all or template approach, this knowledge-sharing exercise is customized to the needs of the country. Furthermore, in a number of cases, policy consultations led to substantive follow-up projects, linked to

concessional loan and technical assistance programs, to produce tangible outcomes.

Main Features

Many multilateral organizations and governments have developed knowledge exchange initiatives. Most of these knowledge-intensive development cooperation projects can be categorized into three groups: technical assistance/cooperation, study tours, and policy dialogues. In many cases of technical assistance, experts are sent to a partner country and conduct studies in the field, after which recommendations are drawn to complete the project. The set of policy recommendations is then submitted to the government of the partner country. However, this mode of crafting and delivering recommendations has drawbacks in that it is limited in fostering ownership within the partner government as well as in building capacity to convert these recommendations into actionable policies. Once foreign experts leave, often all that is left behind is a consultation report (Lim 2011b).

In the case of study tours, policy practitioners and experts of developing countries get to see industrial sites and relevant institutions, which may help give participants different perspectives from what they are accustomed to at home. However, unless the participants take specific actions to change after returning home, study tours have little chance of contributing to institution building. Even if the participants take specific actions based on newly acquired knowledge from the study tours, such as amendment of a law, it usually takes a long time for the law to be implemented. This wait is often due to a lack of common understanding among the relevant stakeholders, or in other words, a lack of vertical interaction among key stakeholders.

Bilateral and multilateral dialogues allow policymakers to have in-depth discussions and to build networks, but the actual outcome of these changes is still left as mid- and long-term tasks. Also, if key policymakers do not guarantee continued interest and participation, such an in-depth

discussion is likely to become a one-time event and have limited results. In other words, these methods are often limited in the results that can be achieved, particularly when the initiatives are supply-driven or of a one-shot nature.

The KSP's goals are institution building and capacity building. The KSP selects its participants by matching experts and policy practitioners of a partner country with their respective Korean counterparts. This facilitates close collaboration through active dialogues and research work conducted both in Korea and its partner countries, where the final policy recommendations are co-authored by the collaborators of both countries. Therefore, the process is geared to enhance the likelihood that recommendations are implemented because the actual policymakers and their experts are highly involved in making the recommendations. This is particularly relevant when the KSP is in a partner country that is supported with financial assistance from Korea's EDCF or grants to assist in implementing development strategies that were recommended.

In addition, the KSP plans study tours and on-site visits taking into consideration the capacity development needs of partner countries. The focus is on establishing mid- and long-term working relationships between the participants of partner countries and of the organizations that they visit to produce practical outcomes in institution building. For example, site tours would be conducted at the Small and Medium Business Corporation and the Small and Medium Enterprises (SME) Clusters if SME development was a KSP policy topic. Likewise, a team of policymakers would visit the Korea Institute of Science and Technology and the Daeduk Innopolis, a cluster of technology-oriented, research and development centers, and venture companies, to demonstrate the importance of institution and capacity building. These kinds of activities are possible and relatively manageable to carry out under the KSP since participants are current policy practitioners and experts from Korea and its partner countries.

Key Activities of Korea's Knowledge Sharing Program

- **For Policy Research**, the KSP teams identify, analyze and conduct research on current policy issues of a partner country, where case studies are reviewed and workshops organized to discuss the preliminary results and get feedback from policy practitioners and experts.
- **For Policy Consultation**, the KSP teams discuss the current development issues and policy alternatives with top policymakers and heads of relevant organizations from a partner country. This is to ascertain the needs of partner countries; to share Korea's development experience; and to enhance the applicability of the research outcomes as actual development policies.
- **For Capacity Building**, the KSP teams invite policy practitioners and experts from a partner country to Korea to discuss the research outcome, take part in a series of seminars on Korea's development experience, and visit relevant Korean institutions to build institutional and personal networks.
- **For Dissemination**, a workshop is held both in the partner country and Korea in which policy outcomes and the experiences of the KSP are disseminated to policy practitioners, experts, academia, the private sector, and the general public.

The KSP has five distinctive characteristics. First, it is a *policy-based* development cooperation program, which applies Korea's own experience in offering practical development policy alternatives to partner countries. To this end, former high-level policymakers that executed these policies and experts that helped to make the policies, as well as current practitioners from the public and private sectors, participate in the KSP. Second, it is a *demand-driven* program in which the development concerns and needs of high-level policymakers and current policy practitioners of partner countries are taken into consideration. Third, it is a *capacity building* program, aimed at enhancing the policymaking and implementing capabilities of the participants through sectoral research, consultation, and training. In particular, the KSP strives to maximize the effectiveness of learning and strengthen development partnerships by inviting policymakers and experts of a partner country to Korea to discuss policy recommendations and show firsthand how policy is implemented by touring relevant institutions. Fourth, it is a *comprehensive* program that seeks to help a partner country achieve its development goals. It is a departure from existing aid programs that merely offer a blueprint for development or directional policy advice. Instead, it tries to assist in developing and

implementing result-driven policies, backed by a series of institutional and financial commitments made through other development cooperation programs. Lastly, it is a *flexible* program in which projects can be developed into multi-year cooperation programs, if needed. The KSP also seeks to establish strategic development relationships with non-official development assistance countries to broaden participation as a way to meet the needs of the international community.

Key Players and Activities

The Ministry of Strategy and Finance of the Republic of Korea is the supervisory ministry for the KSP. The Ministry sets out the yearly plan and budget of the KSP and periodically monitors its progress. KDI is the main implementation organization of the KSP. It is Korea's leading think tank and has played a critical role in policy analysis and prescription since the 1970s.

KDI selects appropriate Korean specialists according to the needs of individual KSP projects. KDI assigns a project manager and 3–5 researchers to each project depending on the number of consultation issues. One person on the consultation team is usually an in-house expert from KDI, which assures the implementing role of KDI. A program officer is also designated to each project from the KDI Center for International

Development to coordinate and implement the project (<http://cid.kdi.re.kr>).

Apart from the experts, former high-level government officials also take part in the project by providing advice based on their firsthand experiences. Local consultants are also important resources for the KSP since they provide local information and data and often participate in the writing of the consultation report.

The KSP project consists of four key activities: policy research, policy consultation, capacity building, and dissemination. They are conducted over a span of 12 months and consist of various stages for each activity. The sidebar on page 21 provides more detail about each activity.

The World Bank's South-South Knowledge Exchange

Overview

As a global development institution, the World Bank offers financing, knowledge, and connecting services to provide support for South-South knowledge exchange in a "global connector" role. Having a country office presence in 120 countries positions the Bank well to assist in identifying opportunities for effective peer-to-peer practitioner learning. The Bank can assist in matching those who have relevant experience to those who are in need of practical learning, in addition to financing.

In response to client demand, the Bank has begun to scale-up support for South-South knowledge exchange in more systematic ways, including new types of analytical services, such as Bank-facilitated practitioner networks and support for knowledge exchange built into Bank-financed projects. For example, the Social Protection Unit in the Latin American and Caribbean Region supports a platform to connect Conditional Cash Transfer practitioners across countries in the region to learn from one another's experiences in handling implementation issues and challenges. On the lending side, the government of Brazil, in partnership with

the Bank's Brazil country team, works to integrate knowledge exchange of Brazil's experience into new loans. In Africa, South-South knowledge exchange has been successfully incorporated into a technical assistance loan.

The Bank staff behind these efforts are learning about opportunities and challenges for replicating and deepening Bank support for peer-to-peer learning, including issues around incentives for knowledge partners to turn their experiences into knowledge products.

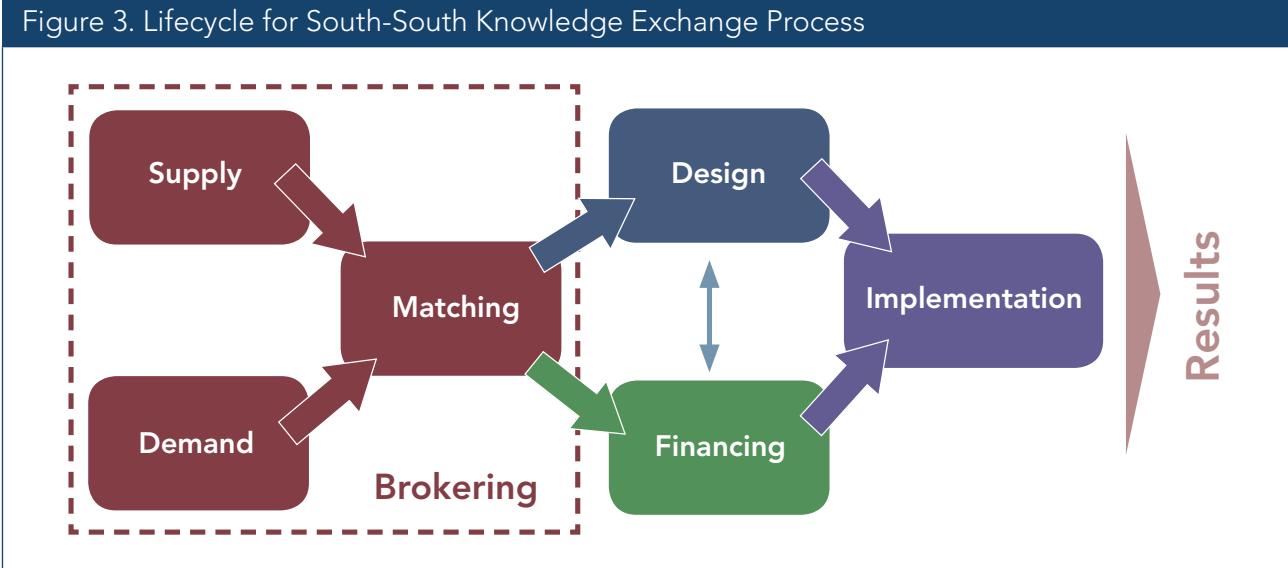
Role of WBI

In March 2010, the Bank's Executive Directors asked the Bank to mainstream South-South knowledge exchange in Bank products and services, and WBI was mandated to lead the agenda in collaboration with the rest of the organization. WBI spearheaded coordination of South-South knowledge exchange for the entire Bank, cutting across regions and sectors. WBI is working on systematically identifying and helping to address challenges, capturing lessons learned, and providing a one-stop-shop for tools, information, guidance, and good practices. This work will foster even more effective regional and sectoral initiatives for developing the Bank as a facilitator of knowledge exchange among practitioners.

Figure 3 illustrates the lifecycle of the South-South knowledge exchange process, including the brokering role. WBI established a South-South Knowledge Exchange (SSKE) hub to support this lifecycle:

- **Brokering** to help countries offer their successes to other countries and help them identify their learning needs.
- **Financing** to develop financing mechanisms for SSKE such as the South-South Experience Exchange Facility.
- **Design** to offer know-how on how knowledge exchanges can be designed for lasting results.
- **Implementation** to advise and support countries in developing their capacity to implement SSKE, using the Global Development Learning Network.

Figure 3. Lifecycle for South-South Knowledge Exchange Process



The State of World Bank Knowledge Services: Knowledge for Development 2011

- **Results** to document the results through this online knowledge platform.

The SSKE hub serves as a central repository for information on supporting South-South knowledge exchange, including best practices and a library of results stories. The SSKE seeks to help match countries that want to share knowledge with countries that need knowledge through a brokering mechanism that was piloted with 10–15 countries in 2011. This mechanism has the potential to address issues of incentives, transaction costs, and Bank value added in a more systematic and coordinated way, building on ongoing initiatives.

South-South Experience Exchange Facility

Created in 2008, WBI's South-South Experience Exchange Facility is a demand-driven, multi-donor trust fund that provides just-in-time small grants (up to US \$150,000) for Bank teams to support country requests for South-South knowledge exchange. The grant application integrates a results-focused approach for program design and M&E arrangements. Grant requests are country-driven but administered by the Bank to facilitate rapid implementation.

Nine partners, including five middle-income countries, support the South-South Facility. In addition to funding, these part-

ners act as knowledge providers in facility-funded grants and bring together their significant experience in development. Current partners are China, Colombia, Denmark, India, Mexico, the Netherlands, Russian Federation, Spain, and the United Kingdom.

The South-South Facility aims to meet immediate operational knowledge gaps by catalyzing the sharing of country experiences between practitioners; documenting and disseminating lessons learned through an online results stories library; and mainstreaming demand-driven South-South knowledge exchange into Bank-financed operations.

To date, grants are associated with nearly US \$2 billion in Bank project financing. Part of this financing was funded through the South-South knowledge exchange competition, which supported 25 new knowledge exchange activities in the context of other products and services in 2010. Exchanges cover a wide range of topics, such as agriculture, education, finance, industry and trade, public administration, and law and justice.

The South-South Facility also supports the design of effective knowledge exchanges and documents their results. Lessons learned are disseminated through a library of results stories (<http://wbi.worldbank.org/sske>) that strive to pinpoint outcomes in capacity building linked to the CDRF.

Capacity Development and Results Framework

WBI's CDRF is a strategic and country-led approach to capacity development that emphasizes the empowerment of local agents through learning, knowledge, and innovation. The CDRF serves as a valuable tool for evaluators by articulating the results chain of capacity development activities—the progression from needs assessments and interventions to outcomes and impact toward development goals. Figure 4 presents an overview of the capacity development process as defined by the CDRF.

Knowledge exchange practitioners can use the CDRF to facilitate an assessment of results in existing or completed knowledge exchange programs. The following features of the CDRF support a guided assessment

of South-South knowledge exchange, from understanding the initial capacity constraints and needed change process(es) to identifying the indicators and measures to assess outcomes:

- A structured framework to guide and define a theory of change for capacity development.
- A change process logic to facilitate the assignment of measurable results indicators.
- Categories of intermediate and institutional outcomes that can be flexibly applied across sectors and countries.

When identifying the results of knowledge exchange programs, questions to keep in mind include:

Figure 4. CDRF Capacity Development Process

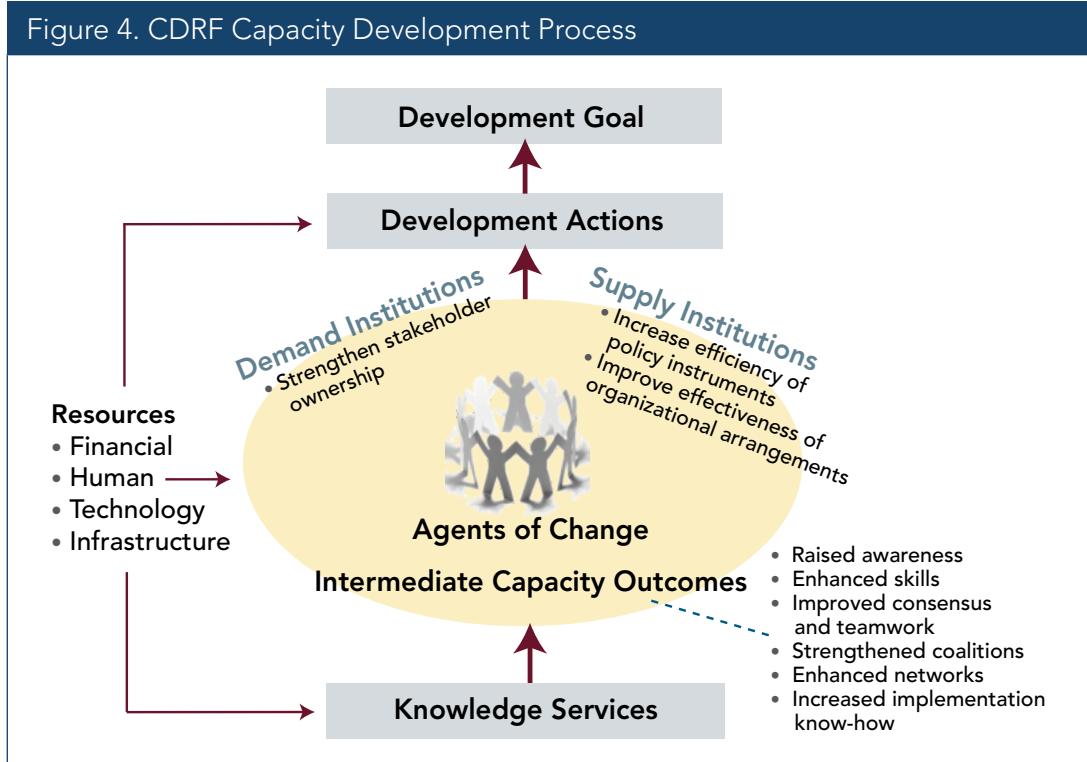


Table 1. Institutional Capacity Areas and their Contributing Characteristics

DEMAND INSTITUTIONS	SUPPLY INSTITUTIONS	
Contributing to the Strength of Stakeholder Ownership	Contributing to the Efficiency of Policy Instruments	Contributing to the Effectiveness of Organizational Arrangements
<ul style="list-style-type: none"> • Commitment of political and social leaders • Compatibility of social norms and values • Stakeholder participation in setting priorities • Demand for accountability • Transparency of information to stakeholders 	<ul style="list-style-type: none"> • Clarity in defining rights and responsibilities of stakeholders • Consistency • Legitimacy • Incentives for compliance • Ease of administration • Risk for negative externalities • Flexibility in addressing varying situations • Resistance to corruption 	<ul style="list-style-type: none"> • Clarity of mission • Achievement of outcomes • Operational efficiency • Financial viability and probity • Communications and stakeholder relations • Adaptability in anticipating and responding to change

- What capacity challenges was the program designed to address?
- Was change observed at the *institutional level*, that is, in terms of making the sociopolitical environment more favorable (i.e., strengthening stakeholder ownership), improving the efficiency of policy instruments, and enhancing the effectiveness of organizational arrangements?
- What evidence is there of *intermediate capacity outcomes*, that is, changes in local agents' behaviors, relationships, processes, and actions, that lead to institutional changes?

society, and the private sector give to a development goal. Shifts in this area are reflected by widespread changes in attitudes or behaviors that cut across society.

Efficiency of policy instruments—comprising the administrative rules, laws, regulations, standards, and other formal incentives that a society uses to guide stakeholder actions to achieve development goals. Policy-related capacity changes extend beyond the design or implementation of a new policy, rule, or procedure to focus on the effects on stakeholder actions that have occurred as a result.

Effectiveness of organizational arrangements—comprising the systems, rules of action, processes, personnel, and other resources that state or non-state stakeholders bring together within a specific organization to achieve a development goal. These capacity changes extend beyond the development of individuals' knowledge and skills to focus on the results that occur due to shifts in organizational behavior.

For each of these institutional capacity areas, the CDRF specifies contributing characteristics that may be enhanced through

Institutional Capacity Areas and Outcomes

The CDRF specifies three institutional capacity areas that can be enhanced through capacity development interventions. Any assessment of knowledge exchange results is contingent on understanding these three areas in the program context. Capacity development objectives are defined in terms of improvements in stakeholder ownership, policy efficiency, and organizational effectiveness:

Strength of stakeholder ownership—comprising the formal and informal political and social forces that determine the priority that government, civil

knowledge exchange programs (Table 1). These capacity characteristics provide a comprehensive approach to measure capacity development results.

According to the conceptual framework provided by the CDRF, knowledge exchange projects are either explicitly or implicitly designed to address one or more of three types of capacity constraints or challenges, directly aligned to the CDRF's areas of institutional capacity:

- Low priority attached to the development goal by key stakeholders (strength of stakeholder ownership).
- Deficiencies in the policy framework guiding pursuit of the development goal by different stakeholders (efficiency of policy instruments).
- Weak performance of the organization(s) charged with achievement of the goal (effectiveness of organizational arrangements).

Identifying and understanding the capacity challenges that a project has been designed to address is critical for assessing the knowledge exchange program's effectiveness in contributing to the capacity development objective(s).

Intermediate Capacity Outcomes

The CDRF provides a typology of intermediate capacity outcomes (ICOs) that change agents can achieve to contribute to institutional level changes (Table 2). An ICO is an improvement in the ability or disposition of agents to take actions. This improvement is considered intermediate because the expectation is that stakeholders or agents—due to their changed ability or disposition—will be empowered to bring about a process of change that strengthens institutional capacities toward the development goal.

The CDRF specifies six types of ICOs.

(1) Raised awareness, which is an increased disposition to act, through, for example, improved understanding, attitude, confidence, or motivation.

(2) Enhanced knowledge or skills, which is an increased ability to act

through acquisition or application of new knowledge or skills.

(3) Improved consensus and teamwork, which is a strengthened disposition or ability to act through improved collaboration within a group of people tied by a common task. This improved collaboration may involve, for example, a stronger agreement among team members, improved communication, coordination, or cohesion among team members, or improved contributions by team members to the group's common task.

(4) Strengthened coalitions, which is a strengthened disposition or ability to act through improved collaboration between individuals or groups with diverse objectives to advance a common agenda. This improved collaboration may involve, for example, a stronger agreement among coalition members on a common agenda for action, increased commitment to act, improved trust among members, or improved ability of the coalition members to leverage their diverse strengths.

(5) Enhanced networks, which is a strengthened disposition or ability to act through improved collaboration between individuals or groups with a common interest but not a formal common agenda for action. This improved collaboration may involve, for example, improved processes for collaboration, stronger incentives for participation in the network, or increased traffic or communication among network members.

(6) New implementation know-how, which is a strengthened disposition or ability to act arising from the formulation or implementation of policies, strategies, or plans. This involves discovery and innovation associated with "learning by doing."

ICOs reflect the initial change results of capacity development interventions and are determined by the needs of local change agents to advance the institutional change process. ICOs therefore serve two critical purposes in the overall assessment of capacity development results: scoping

Table 2. Intermediate Capacity Outcomes and their Operational Attributes

Intermediate Capacity Outcome	Operational Attribute
Raised awareness	Understanding, attitude, confidence, motivation
Enhanced knowledge and skills	Acquisition or application of new knowledge and skills
Improved consensus and teamwork	Communication, coordination, cohesion, contributions
Strengthened coalitions	Common agenda for action, commitment to act, trust, leverage diverse strengths
Enhanced networks	Common interest, process for collaboration, incentives for participation, generating traffic
Increased implementation know-how	Formulation or implementation of policies, strategies, or plans

out and defining each agent's role in the envisioned change; and setting milestones against which knowledge partners can monitor progress toward achieving capacity development objectives.

Once the targeted ICOs are identified, it is necessary to trace the change process intended to strengthen the identified institutional capacity characteristics. The program change process logic can be explored by asking the following questions:

- Who were the change agents who initiated or managed the desired change process(es)?
- What ICOs achieved by selected agents empowered the process of change, and led to the measurable improvements in institutional capacity characteristics?
- What capacity development interventions contributed to the targeted ICOs?

Thus, to identify the results of knowledge exchange programs, the primary step is to trace the program logic and associated measures to explore the cause-and-effect relationships between knowledge exchange program activities and outcomes. Once this basic understanding is established, it is necessary to explore how the program was implemented and what discrepancies exist between expected and actual outcomes.

Applied Methodology for the Study

A retrospective assessment of the results of knowledge exchange requires going beyond the review of project documents to interview knowledge partners and other key stakeholders. The case studies in this report illustrate the results stories for three knowledge exchange programs in varying sectors and country contexts.

The assessment process for the studies is based on the following steps.

Assemble program documents and materials

Collect any project reports available from the entire program cycle. This includes not only final outputs and evaluation reports at the end of the cycle, but also needs assessment documents and demand surveys conducted at the beginning of the program and interim monitoring reports. In addition, obtain materials developed by participants during the knowledge exchange program such as presentations, action plans, or other artifacts.

Review the program background, objectives, and activities

Conduct a desk review of program documents and related materials to understand the country context and development goal(s) toward which the program is oriented. Depending on the quality of information available, the reviewer should be able to construct preliminary hypotheses about the key components of the capacity development change story(ies):

- **Development goal.** Who will be better off and how over the longer term, as a result of the knowledge exchange program and related activities?

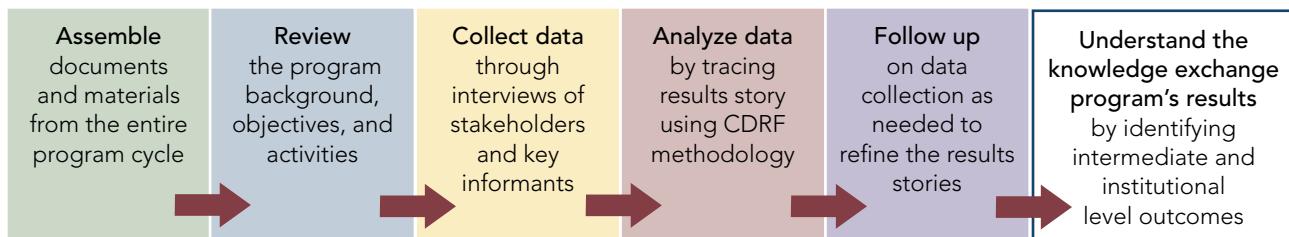
- **Targeted capacity constraints.** Which institutional capacity areas that are currently impeding the achievement of the development goal are targeted for enhancement through program activities? What kind of evidence might be available to measure the needed changes for specific institutional capacity characteristics? (Table 1)
- **ICOs.** What raised awareness, enhanced knowledge or skills, improved consensus and teamwork, strengthened coalitions, enhanced networks, or increased implementation know-how is needed to achieve the desired changes in the targeted institutional capacity characteristics? What evidence might be available to identify these outcomes? (Table 2)
- **Change agents.** Which individual stakeholders, groups, or organizations should initiate or manage the needed changes?

Interview the program officer(s) or other lead stakeholder(s)

Fill information gaps and continue to develop an understanding of the capacity development change process(es) by interviewing one or more knowledgeable individuals about the program. Explore the validity of current assumptions and identify data sources or data collection opportunities for gaining evidence of intermediate and/or institutional outcomes.

Sample interview questions can be found in the Appendix. The interview guide does not need to be followed in sequence; instead, a collaborative, conversational approach could dictate the order in which topics are addressed.

Steps in the Assessment Process



Conduct additional interviews of key informants

As possible, collect qualitative data from other program designers, knowledge providers, participants, and other stakeholders well positioned to provide useful contextual information or evidence of outcomes. This step could include field visits and in-person interviews (Dominican Republic and Mongolia examples) or could be limited to email exchanges and telephone interviews (NESAP example).

Follow up as needed to collect evidence from key informants

Continue to develop and refine the results stories through an iterative process, constructing a more detailed description of the relevant change process(es) and requesting additional clarification and evidence when possible.

Simple, consistent qualitative data collection techniques work effectively for revealing and compiling the evidence of results from knowledge exchange programs. Applying the CDRF to identify and analyze intermediate and institutional outcomes through these steps provides a detailed understanding of how knowledge exchange facilitated by KDI and knowledge exchanges coordinated by WBI have contributed to capacity development results.



KDI Knowledge Sharing Program with the Dominican Republic

Introduction

Overview of Program Context

KDI launched the KSP with the Dominican Republic in 2008. The objectives included conducting policy research, consultation, and training programs to advance export development of the Dominican Republic. The 2008 KSP focused on finding policy priorities and challenges of developing exports and providing pragmatic and viable policy recommendations tailored to meet local conditions. It was followed by another KSP in 2009 that focused on infrastructure development for export promotion in conjunction with Korea's EDCF and on improvement in the electric power system in the Dominican Republic.

The KSP aimed to improve vertical (within-country) interactions. That is, the program strived to promote coalition building among relevant stakeholders, including policymakers, practitioners, scholars, private sector leaders, and exporters within the Dominican Republic. The KSP also tried to encourage horizontal (cross-country) interactions—peer-to-peer learning—between Korean and Dominican participants to assist capacity building of the Dominicans through exchange of knowledge and experience with their Korean counterparts.

At the request of the Dominican Republic, participants were selected from a variety of areas, including policymakers, practitioners, scholars, exporters, and export associations from Korea and the Dominican Republic. Participants from the Korean side included the main KSP consultant team of 3–4 experts as well as representatives from

KNOWLEDGE SHARING PROGRAM INFORMATION

Title: Export Development of the Dominican Republic (2008), Improving the Export Infrastructure and Electric Power System of the Dominican Republic (2009)

Knowledge Partners: Government officials and private exporters of the Dominican Republic, Korean consultants

Program Period: March 2008–April 2010

government ministries, public and private agencies, and exporters and export associations. Study tours in Korea were designed to address the needs of the Dominican Republic in both the public and private sector through sharing Korea's knowledge and experience from several perspectives.

The KSP's mix of vertical and horizontal interactions facilitated final policy recommendations customized for the local context. This section reports the outcomes of the knowledge exchange based on findings from a qualitative analysis of interviews with program implementers and beneficiaries and relevant program documents (2008 and 2009 KSP final reports). Data were analyzed using the CDRF, which offers a blueprint for tracing results stories. The CDRF shows how the knowledge exchange armed change agents to achieve needed ICOs for supporting the longer-term development of institutional capacity.

Development Goal and Capacity Development Objectives

During his visit to KDI in July 2006, President Leonel Fernandez Reyna of the

Dominican Republic participated in a seminar and engaged in lively discussions on Korea's development experience. By comparing Korea's development experience with that of the Dominican Republic, he found out that the Dominican Republic had a higher per capita income than Korea until 1974. Despite similar geopolitical and economic conditions, Korea had pursued strong export-driven policies throughout the 1960s and 1970s, which impressed President Fernandez. He was motivated to instruct Minister Eddy Martinez Manzuela of the Export and Investment Center of the Dominican Republic (Centro de Exportación e Inversión de la República Dominicana, or CEI-RD) to seek cooperation with KDI to learn from Korea's export development experience.

Despite the country's small domestic market of about 10 million people, export was not traditionally strong and not viewed as important in the Dominican Republic. The volume of export was anticipated to decline, from 35 percent of the country's GDP in the 1990s to 27 percent in 2003 to 15 percent in 2007. The Dominican Republic had an average export growth rate of approximately six percent from 2005 to 2007, among the lowest in the Caribbean region, including the member countries of DR-CAFTA, the free trade agreement between the U.S. and Central American countries and the Dominican Republic (Lim et al. 2009:43). Multiple factors explain reasons for the stagnation in the country's exports: complicated customs procedure; insufficient financial support, including the absence of export financing tailored to the needs of exporters and companies; collateral-based loans; and lack of systematic support.

A key development goal in the Dominican Republic is to promote export development. With this goal in mind, the Dominican government wished to achieve certain objectives through the KSP with Korea:

- Learn and apply best practices that worked in Korea's development process.
- Build capacities of policymakers, practitioners at the working level, and export-

ers through knowledge and experience exchange with Korean counterparts.

- Learn from the benchmarking of Korea's export-oriented strategies and apply the results strategies to become acquainted with key factors that caused export development in Korea to soar.

To achieve these objectives, the 2008 KSP focused on the development of policies and systems for export promotion, export financing, and human resource capacity building. As a follow-up to the first-year's policy recommendations, the Dominican government requested related technical and financial assistance on export infrastructure, electric power, and establishing an export-import bank in 2009.

Based on an analysis of a series of interviews with Dominican policymakers, practitioners, private sector leaders, and Korean participants, along with in-depth reviews of the final KSP reports, the capacity development objectives of the two KSPs were to:

- Increase the strength of stakeholder ownership by building the commitment of political and social leaders of the Dominican Republic to promote export development.
- Improve the efficiency of policy instruments for encouraging export development.
- Enhance the effectiveness of organizational arrangements by improving the operational efficiency of state electrical companies to better generate and distribute electrical power.

Program Description

Stages of the Program

The KSP with the Dominican Republic was implemented through a series of program stages set within the KSP framework. The participants from Korea and the Dominican Republic visited each other's respective countries to conduct the following activities in the 2008 KSP:

- **High-level Demand Survey:** Identification of policy priority areas regarding export development through interviews

between policymakers and export leaders of Korea and the Dominican Republic.

- **Pilot Study:** Interviews with policy practitioners, export agencies, and exporters to concretize policy research and consultation topics and to collect data for in-depth research and studies, including respective presentations on the export experiences of Korea and the Dominican Republic.
- **Local Reporting Workshop and Additional Study:** Presentation of preliminary findings and discussion with local participants to tailor policy recommendations.
- **Interim Reporting and Policy Practitioners' Workshop:** Presentation of interim findings and discussions, seminars, and study tours to Korea's export agencies, ministries, and private export companies to experience first-hand Korea's export development.
- **Senior Policy Dialogue and Final Reporting Workshop:** Presentation and dissemination of findings to local policymakers, social leaders, and local stakeholders, including government officials, export agencies, specialists, media, and local exporters, etc.

The Korean expert group felt the highlight of the 2008 program was a meeting with President Fernandez held at the National Palace in June 2008; the meeting helped to ensure local ownership and support for the KSP. For Korea, export development—for which the nation has continuously had to measure itself against global benchmarks—has been the engine of growth and the organizing principle under which industrial upgrading, infrastructure development, and human resource development could be pursued. To President Fernandez, the Korean expert group suggested that the Dominican Republic similarly use exports to change the Dominican people's mindset and overcome the limits of its small domestic market. Dr. Wonhyuk Lim, project manager and director of the Office of Development Cooperation at KDI, emphasized that the government could

play a significant role by working with the private sector on a regular basis to monitor progress and devise solutions to emerging problems (Lim et al. 2009:8).

The 2009 KSP was implemented based on the same framework, with the exception of the High-level Demand Survey and Local Reporting Workshop. The policy priorities and detailed topics were decided at the last stage of the 2008 program through the Senior Policy Dialogue. The Policy Conference for EDCF Country Strategy, which was held during the Pilot Study, replaced the Local Reporting Workshop.

The exchange of visits and interviews with diverse stakeholders, including policymakers, practitioners, and the private sector, provided the Korean consultants with the opportunity to learn varying perspectives from all sectors. Through the KSP, the Dominican delegation—composed of a mix of policymakers, practitioners and the private sector—were encouraged to ponder and discuss challenges to export development and possible policy solutions. In addition, by seeing and experiencing Korea's export development experience firsthand, the Dominican delegation observed in practice the methods and techniques on how to develop their export that they had read about in the literature.

Participants from Korea

For the 2008 program, "Export Development of the Dominican Republic," the government and KDI selected four topics through a series of discussions with the Dominican counterparts. In line with the number of topics, four Korean consultants, based on their expertise and knowledge on each of the topics, participated in the program (Table 3).

The Korean ministries, export agencies, and private exporters contributed to the content during the Dominican delegation's study tour to Korea. During the Policy Practitioners' Workshop, the Dominican delegation met with high-ranking officials at the Blue House and Ministry of Strategy and Finance and visited export-related agencies and organizations as well as firms

Table 3. Korean Consultants for 2008 KSP with the Dominican Republic

Topics for 2008 KSP: Export Development of the Dominican Republic

1. Strategic Re-positioning for the Dominican Republic
 - Dr. Wonhyuk Lim (Project Manager), Director, Office of Development Cooperation, KDI
2. Industrial Upgrading and Export Diversification
 - Dr. Jongil Kim, Professor, Dongguk University
3. Human Resource Development
 - Dr. Byoung-Hoon Lee, Professor, Chung-Ang University
4. Export Financing in the Dominican Republic and Its Medium- to Long-term Promotion Plan
 - Mr. Sung-Kyu Choi, Senior Manager, Korea Export-Import Bank

Table 4. Korean Consultants for 2009 KSP with the Dominican Republic

Topics for 2009 KSP: Improving the Export Infrastructure and Electric Power System of the Dominican Republic

1. EDCF Country Strategy for the Development of Export Infrastructure of the Dominican Republic
 - Mr. Sung-Kyu Choi, Senior Manager, Korea Export-Import Bank
2. Improving the Electric Power System of the Dominican Republic
 - Dr. Wonhyuk Lim (Project Manager), Director, Office of Development Cooperation, KDI
 - Mr. Kab-Joon Yoo, Representative, Suez Energy
 - Dr. Jung-Shin Park, Professor, Uiduk University

in the public and private sector including: the Dongdaemun Fashion Center, Korea Electric Power Corporation (KEPCO), Samsung Electronics, Hanyang University Ansan Campus, SK Group Headquarters, and Korea Export-Import Bank (KEXIM).

The same logic was applied to the 2009 KSP, which focused on improving the export infrastructure and electric power system. Four Korean consultants participated, based on their expertise and knowledge on each of the topics (Table 4).

Experts from KEPCO contributed heavily to the content, focused on improving the electric power system in the Dominican Republic. KEPCO participated in the pilot study and presented Korea's development experience in the electric sector. In addition, during the Policy Practitioners' Workshop when 13 Dominican delegates—composed of government officials and experts on export and electricity—visited Korea for the study tour, KEPCO, Korea Institute of Energy Research, Korea Advanced Institute of Science and Technology, Incheon Free

Trade Zone, Kumho P&B Chemical, and Daewoo International Trading Company provided valuable information on Korea's development experience in export and electric power development.

Participants from the Dominican Republic

Another main characteristic or feature of the KSP, apart from selecting detailed topics and consultants, is its selection of a counterpart organization within the partner country that will coordinate all of the necessary arrangements among different local stakeholders. The Dominican government designated CEI-RD to cooperate with KDI since it was the main organization in charge of promoting Dominican Republic exports.

The participants of the Dominican Republic can be divided into two categories: members of the Dominican delegation who participated in the study tour in Korea, and attendees of the local reporting workshops, such as the Launching Seminars, Policy Conference on EDCF Country

Strategy, and Final Reporting Workshop. A number of Dominican officials and experts made presentations and comments at these events. In addition, a couple of Dominican experts subsequently contributed consultant papers on human resource development issues.

The Dominican delegates who visited Korea for the Interim Reporting and Policy Practitioners' Workshop were selected at the discretion of the Dominican counterpart, CEI-RD, building on guidelines provided by the Korean counterpart, KDI:

- Delegation must be led by a senior government official (e.g., vice minister) responsible for policymaking in export development, economic planning, electric sector development, or any area relevant to the KSP topics.
- Delegation must include a mix of policymakers, practitioners, and private exporters.
- Delegates must have expertise and knowledge of the relevant areas studied.

CEI-RD suggested that the delegation include multiple high-level officials across ministries and agencies so that they could not only see Korea's development experience firsthand, but also engage in intensive discussions on Dominican policy challenges over the course of the trip and work together to implement reform after returning home. KDI agreed, believing that additional resources committed to the study tour as a result would be justified if it led to substantive reform.

Based on these criteria, 15 Dominican delegates were selected for the 2008 program on export development: three minister-level policymakers and 12 policy practitioner-level experts from varied organizations. For the 2009 program on improvements in the export infrastructure and electric power system, 13 Dominican delegates were selected using the same criteria. (The list of participants and organizations is found in the Appendix.)

For the seminars and workshops held in the Dominican Republic for the 2008 and 2009 KSPs, a wider range of stakehold-

ers from additional relevant organizations participated, to provide comments and feedback on findings and recommendations prepared by the Korean counterparts as well as to make their own presentations on policy challenges for the Dominican Republic. Organizations included ministries, banks, public agencies, the private sector, and universities. (The complete list of participants and organizations is found in the Appendix.)

The KSP process occurs at multiple levels, with assistance to government ministries, public and private organizations, and businesses. Since the KSP is a comprehensive program consisting of policy research and recommendations that aim to assist the socioeconomic development of the counterpart country, it is essential to consider the perspectives of all stakeholders in preparing the final policy recommendations. The KSP also provides opportunities to strengthen vertical interactions within the Dominican Republic by bringing various stakeholders together at seminars and workshops to discuss issues related to the topic.

Policy Recommendations

After working through each of the stages in the KSP framework, the KSP produced final policy recommendations for each year's project topic: Export Development of the Dominican Republic (2008) and Improving the Export Infrastructure and Electric Power System of the Dominican Republic (2009).

In the 2008 program, the Korean consultants and Dominican officials and experts agreed that a resolute pursuit of coordinated export development was necessary to achieve macroeconomic stability and long-term economic growth in the Dominican Republic. In addition, export development strategies had to become the organizing principle under which industrial upgrading, infrastructure development, and human resource development would be pursued. Moreover, the Dominican government was advised to recognize that competitive exports based on domestic industrial capabilities could

provide a solid basis for maintaining macro-economic stability.

Based on the main findings, policy recommendations included:

- Establish regular public-private consultation meetings on export headed by the president to set up various information-sharing mechanisms to monitor progress on export development and devise solutions to emerging problems.
- Develop international trade networks and strengthen international information collection efforts to share information on foreign markets, identify foreign buyers, etc.
- Establish an export promotion fund and expand it to an export-import bank to provide export financing, insurance, and credit services to exporters.
- Set out a clear vision in a multi-year plan to coordinate mid- to long-term development policies and ensure policy consistency.

For the 2009 program, the primary objective was to formulate an EDCF Country Assistance Strategy for the Dominican Republic within the framework of a comprehensive export infrastructure development plan, by identifying an extensive list of projects that would allow 3–4 years of stable and continuous EDCF assistance to the country. The main objective for improving the electrical power system was to seek effective solutions to chronic problems in the Dominican electric power sector.

Based on the findings of the electricity sector and identification of the necessary infrastructure for export development, policy recommendations included:

- Proceed with the EDCF project on the establishment of the CIBAO Trade Center to better assist export development with basic infrastructure.
- Establish a control tower in the energy sector in charge of policy implementation as well as its formulation.
- Reform pricing and subsidy policies to reduce massive debt of power distribution companies and thereby secure business certainty.

- Reduce technical and non-technical losses by changing outdated electricity distribution lines and equipment, legislating a law to prevent power theft, improving meter-reading work, etc.

Outcomes and Analysis

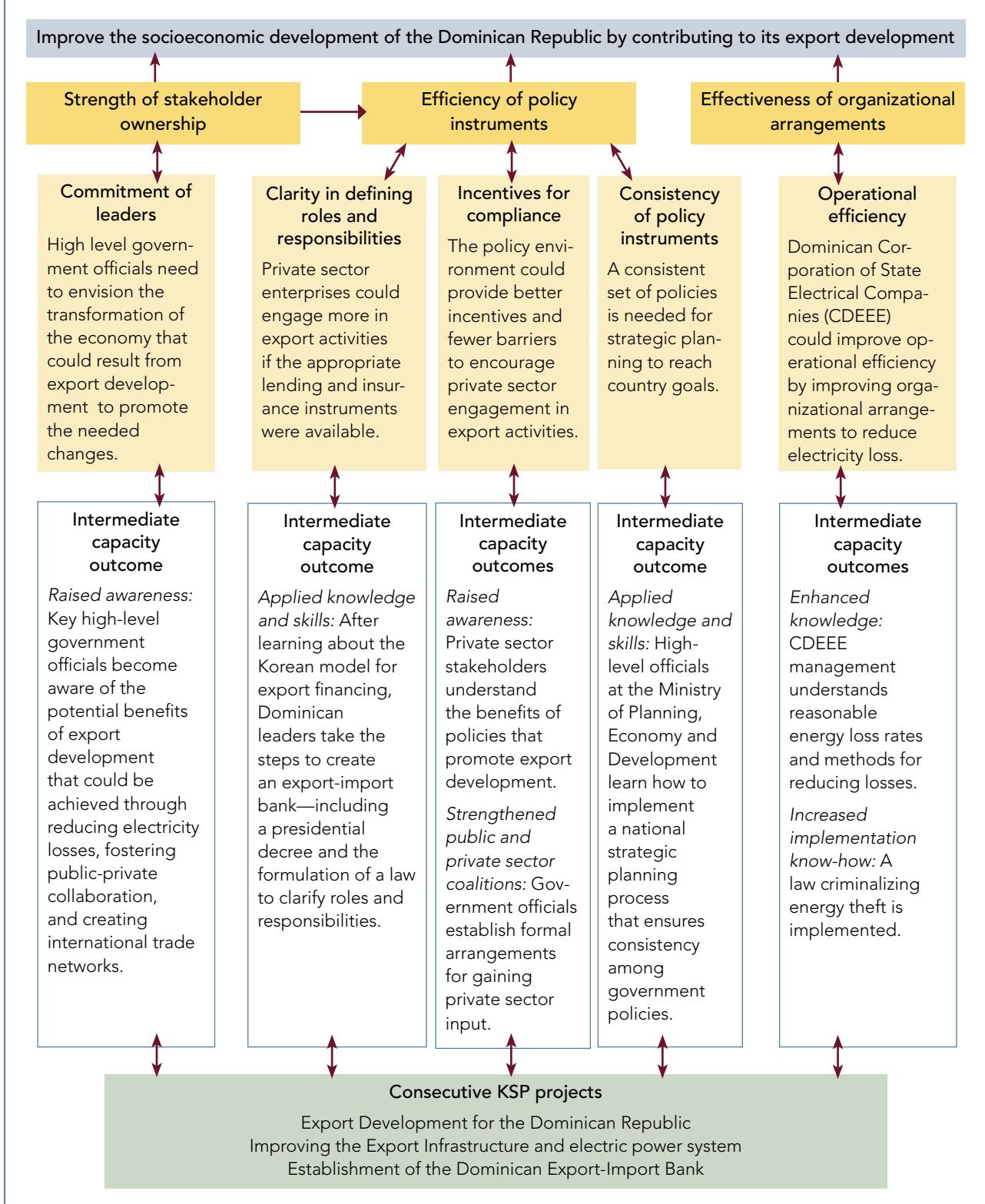
Summary of the Capacity Development Change Logic

The KSPs sought to address five main institutional constraints to export development. First, the government was not committed to export development. Second, the private sector did not have the policy incentives in place to promote exports. Third, the financial resources and support for companies to start exporting were not available. Fourth, the infrastructure for exports was weak—particularly in terms of export financing and assistance—due to absence of a government authority in charge and in the energy sector because of operational inefficiencies. Fifth, a lack of multi-year strategic planning led to inconsistencies in policies slowing export development.

In order for the government to establish their commitment to export development, government officials and business leaders needed to be able to understand the importance of developing exports to create a sociopolitical environment conducive to export development. The KSP allowed the key stakeholders to envision how export development would help the country to transform its economy and improve the lives of its people. The knowledge exchange from the KSP and seeing firsthand the successes of Korea had the catalytic effect of inspiring key governmental decision makers (the president and ministry heads) and business leaders to commit to export promotion in the Dominican Republic.

It is not until higher-level political officials and private sector leaders established their commitment to export development that progress toward influencing policy changes and organizational efficiencies could begin. The political leadership's commitment to the development of exports led

Figure 5. Overview of the Change Logic for the KSP with the Dominican Republic



to a high prioritization of export development in the national strategy, the upgrading of the current infrastructure to improve operational efficiencies in the energy sector, and the facilitation of financing and lending operations for exports.

The KSP imparted knowledge on how to improve energy sector efficiencies and how to establish financing and insurance for exports through practitioner-to-practitioner exchanges. Observing how these models worked in practice and discussing the challenges with the experts who implemented them in Korea motivated and informed local stakeholders, not only on what needed to be done, but also in how to take action from a practical level. The KSP connected the Dominican Republic delegation members to their Korean counterparts who had grappled with the same issues in the past (i.e., KEPCO and KEXIM). This led to formal twinning arrangements whereby the Korean institutions will provide assistance, training, and the technical guidance necessary to implement the new policies.

Likewise, the officials from the Ministry of Economy, Planning and Development learned from the KSP how to engage in strategic long-term planning to achieve national goals. This empowered the Ministry to integrate multi-year planning into the development of their national strategies. The importance of planning to successful development was emphasized by Minister of Planning Juan Montas's preface to the *The Face of Hope: The Miracle of South Korea Seen by a Dominican Diplomat*, written by Ambassador Hector Galvan, which he wrote after the KSP (Montas 2008).

Figure 5 presents an overview of the change logic for the KSP with the Dominican Republic. The individual results stories in the following sections describe how the KSP influenced key change agents to achieve ICOs that lead to greater institutional outcomes. The ICOs are critical points in the change process that encompass outcomes achieved by participants in the intermediate term. In the Dominican Republic, participants achieved raised awareness of the importance of export

development and were motivated to take action. They enhanced and applied knowledge acquired from the KSP in their respective areas. They also strengthened coalitions between the public and private sectors.

Strength of Stakeholder Ownership: Changes in the Mindset and Commitment of the Government toward Export Development

Targeted Institutional Outcomes

Before the KSP, high-level government officials had limited knowledge and willingness on the need to take necessary steps to promote changes in current policies, infrastructure, and financing needed for export development. To strengthen their commitment, these leaders needed to first envision the transformation of the economy that could be achieved through export development.

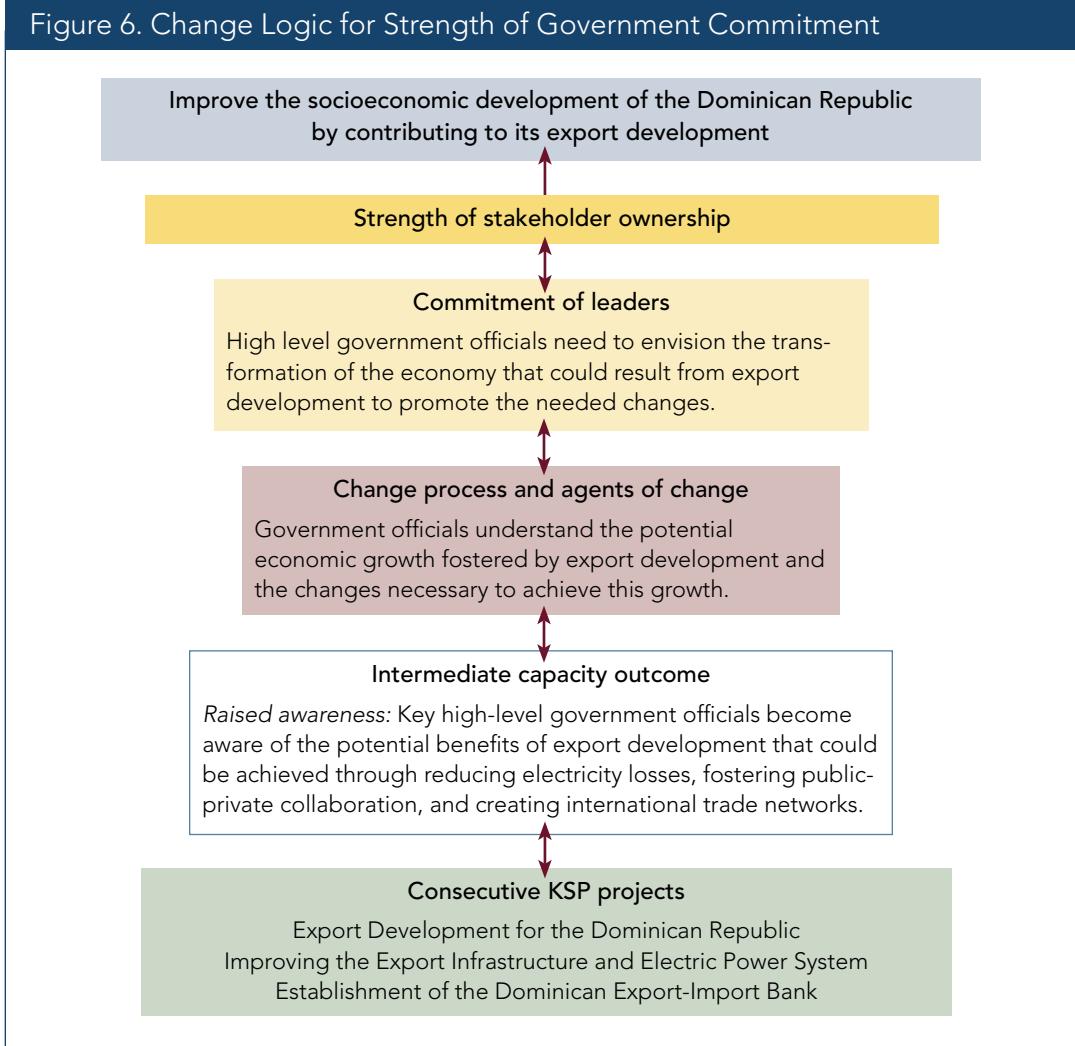
By sharing Korea's development experience with a strong emphasis on the role of exports in sustainable growth, the KSP helped to shift the mindset of policymakers, practitioners, and private exporters toward one that embraced exports. The knowledge gained through the KSP informed key stakeholders and raised their awareness of the importance of the Dominican Republic developing its export, which strengthened their commitment to implement needed change (Figure 6).

Intermediate Capacity Outcomes

In results-focused capacity development, the achievement of raised awareness demonstrates an ICO. In this KSP, participants' raised awareness reflected a change in the ability and disposition of stakeholders (or change agents) to take action. After the KSP, Dominican participants were highly motivated to take action to achieve the development goal.

Minister Martinez of the CEI-RD said his awareness had been raised dramatically from his participation in the KSP. During his interview, he said, "There have been numerous country reports that we

Figure 6. Change Logic for Strength of Government Commitment



have read in the literature on the need to develop the export but they never felt real. However, after we visited Korea and engaged in discussions with those who actually participated in the process of developing Korea's exports, it made us believe that the Dominican Republic could also do it. Seeing was totally different from just reading about it in the literature. We could now clearly see the future of the Dominican Republic. The Dominican Republic can be the Korea of the Caribbean."

This sentiment was echoed at the highest government level when President Fernandez used the same expression in his remarks in March 2011 at a seminar on future challenges for humanity. After specialists in future studies made their presen-

tation at FUNGLODE, the Dominican foundation for democracy and development that he had founded, President Fernandez said: "We try to build the future knowing that is uncertain... Nothing can be done in this world in transition if we do not visualize the future. And we want the Dominican Republic to be the Korea of the Caribbean" (Fernandez 2011).

Likewise, Minister of Planning Montas demonstrated his awareness had been raised in the preface he wrote for *The Face of Hope*. Montas's preface was based on his reaction to the stark realization that the Dominican Republic had a higher GDP per capita than Korea until 1974 (Montas 2008).

The preface begins by stating, "In 1950, South Korea was poorer than the Dominican Republic. The GDP per capita of the

Asian nation represented 83 percent of the Dominican Republic's GDP. In 1965, the Dominican Republic's GDP per capita still exceeded South Korea's; however, in 2006, the GDP per capita of South Korea was almost four times superior to the Dominican Republic..." Montas also said the title of the book, *The Face of Hope*, captured "what South Korea is for all those countries who want to radically transform the social and economic conditions of their people in the course of a single generation." This statement illustrates the KSP's inspirational and motivational influence on Minister Montas.

Institutional Outcomes

The KSP enhanced the commitment of high-level government officials and business leaders, which represented improved stakeholder ownership at the institutional level. Several examples demonstrate the public sector's increased commitment to promote exports.

A presidential decree was issued to hold private-public consultation meetings.

According to the 2008 KSP final report and interviews conducted in April 2011, presidential decrees had been issued to hold private-public consultation meetings. This action was a direct result of the KSP recommendation that was based on Korea's experience of the President convening "Monthly Export Promotion Meetings" from the 1960s to 1980s. In the Dominican case, the meetings have been held every 3–4 months upon the request of the private sector when there was a need for public and private actors to come together and solve problems relevant to exports. Members of the meetings include the president, relevant ministers, leaders of export agencies, and private sector leaders, such as the president of the Dominican Association of Exporters. The president demonstrates his strong support for exports by convening these meetings.

Direct results from the meetings include the One-Stop Shop for Investment established by the president, high-level govern-

ment officials, and private sector representatives. Another result is a proposal to establish the Dominican Republic Export Trading Company (DR-ETC), prepared jointly by public and private actors based on the Korean model of general trading companies promoting local export. The CEI-RD collaborated with other ministries and export associations to develop business plans to establish the DR-ETC, which are currently under review. Once established, the DR-ETC will be dedicated to the commercialization of Dominican goods and services in international markets. The DR-ETC is expected to function exclusively as a trader, i.e., serving as a matchmaker for intermediary sales, without taking possession of goods and services.

International trade networks were enhanced, which led to stronger information collection efforts.

CEI-RD and the Dominican Ministry of Foreign Relations signed a memorandum of understanding to collaborate on strengthening the international trade networks. The first achievement of the collaboration was inviting Dominican representatives from the public and private sectors living abroad to Santo Domingo for training. The training encompassed exports, foreign direct investment, and approaches to foster international trade networks, based on Korea's experience with the Korea Trade-Investment Promotion Agency and general trading companies.

In addition, the Dominican Republic hosted the first international Food Show (exhibition) and invited foreign buyers to participate. The CEI-RD and Ministry of Foreign Relations arranged more than 600 business-to-business meetings between foreign buyers and domestic exporters.

The president established support for mechanisms to facilitate access to funding.

Specifically, the president of the Dominican Republic mandated the conversion of the Bank of Housing and Production (BNVP) into the Dominican Export-Import Bank (DEXIM) and has taken concrete steps to

facilitate the process. During interviews with BNVP managers and staff, it was noted that President Fernandez directly instructed the conversion of BNVP into a development bank. President Fernandez assigned the presidency of BNVP to a pro-export candidate, Mr. Federico Antun, and ordered him to oversee the conversion of BNVP to DEXIM. This was corroborated by the 2010 KSP country report, which cited President Fernandez's strong support for DEXIM and requested regular briefings about its progress. Minister Martinez of CEI-RD reported that the Minister of Economy, Planning and Development and Finance, Governor of the Central Bank, and other officials of related institutions are also supportive of the project. In addition, the law to implement the conversion of the BNVP to assist Dominican exporters with export credit and insurance is strongly supported by the three largest political parties in Congress.

Currently, CEI-RD, BNVP and the Central Bank are collaborating to convert the main functions of BNVP to conduct export financing and insurance services as DEXIM. To make a smooth transition, high-level management meetings are being held between CEI-RD, BNVP, and the Central Bank. Together these actions indicate concrete commitment from the leadership level toward the establishment of DEXIM and ultimately toward export development of the Dominican Republic.

Efficiency of Policy Instruments for Encouraging Export Development by the Private Sector

Targeted Institutional Outcomes

The Dominican Republic lacks incentives in the policy environment to encourage private sector engagement in export activities. The KSP helped government officials and private sector leaders to learn how export development could transform the Dominican economy as it did for Korea. The KSP helped them to identify policy changes needed to promote this transformation. Although new policy incentives to

encourage export development by the private sector have not been fully established, valuable ICOs have been achieved toward that end. The KSP influenced the private sector's mindset to become significantly more pro-export and strengthened coalitions between the public and private sectors (Figure 7).

Intermediate Capacity Outcomes

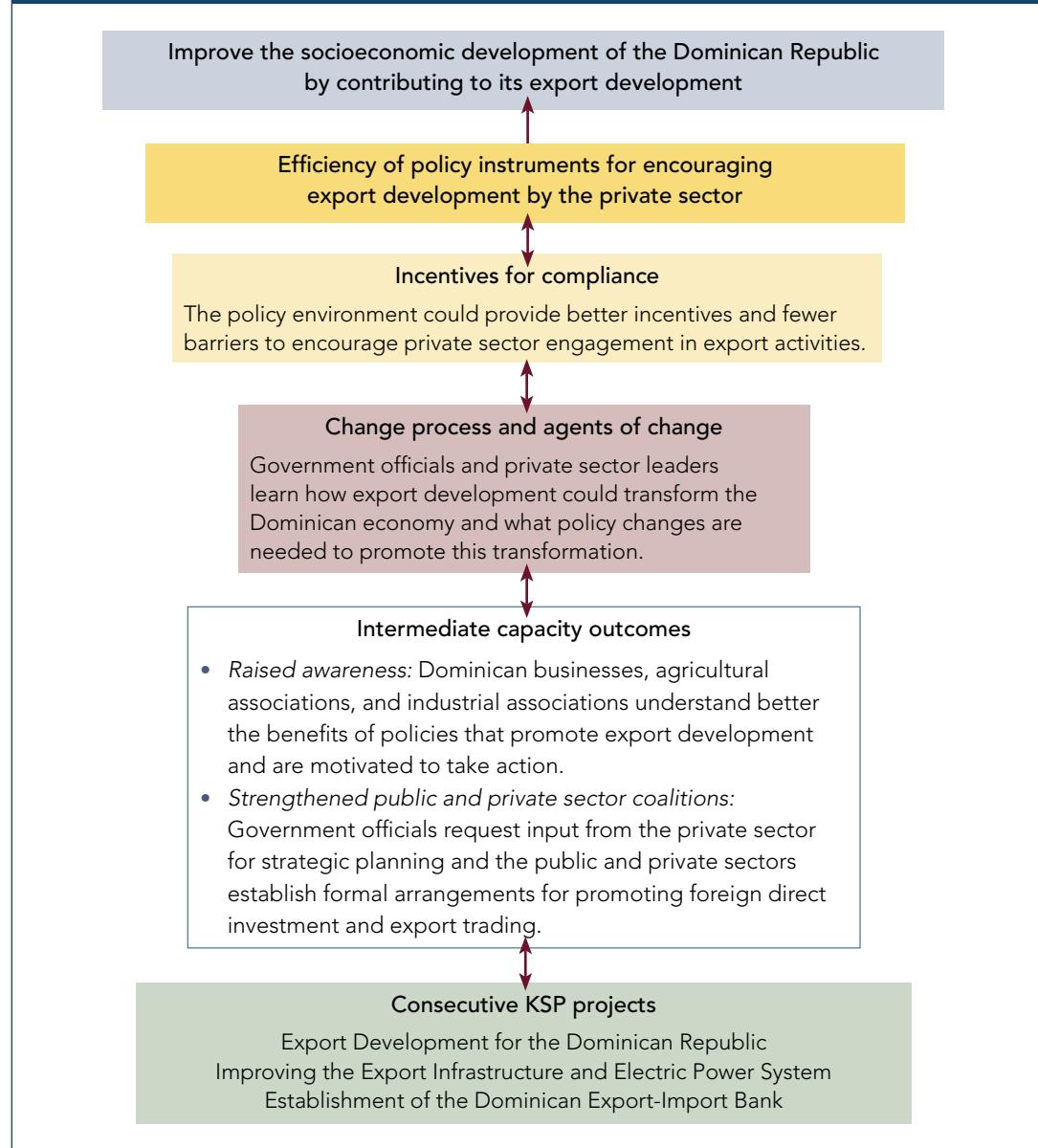
The KSP raised awareness of policymakers and private sector leaders on the importance of developing exports. Strong evidence, based on interviews conducted in April 2011 with policymakers and private sector leaders, indicates the mindset of the private sector has become pro-export.

In the past, the private sector was not supportive of export development and unaware of the importance of exports to the country and potential profits. Throughout the 1980s, agricultural and industrial associations favored isolationist policies to protect local markets. An interview with the executive vice president of the Dominican Association of Free Zones (ADOZONA) revealed that in the past, exporters and export associations used their "leftover" production as exports. Today, exporters and associations are producing products with the primary goal of exporting them.

Since the first KSP in 2008, the private sector has become the biggest advocates for pro-export policies in the country. The private sector actively engages in related decision-making processes and frequently requests better incentives and systems to improve their export competitiveness and skills. Newspapers feature frequent reports about the private sector promoting the need to establish policies and incentives for exports. This was unheard of previously because businesses clung to policies protecting domestic markets. Today, these associations defend international treaties, free trade agreements, and policies to keep the borders open. Export associations demand policies to promote export development.

The KSP also led to private and public actors strengthening coalitions to facilitate

Figure 7. Change Logic for Policy Incentives from the Private Sector

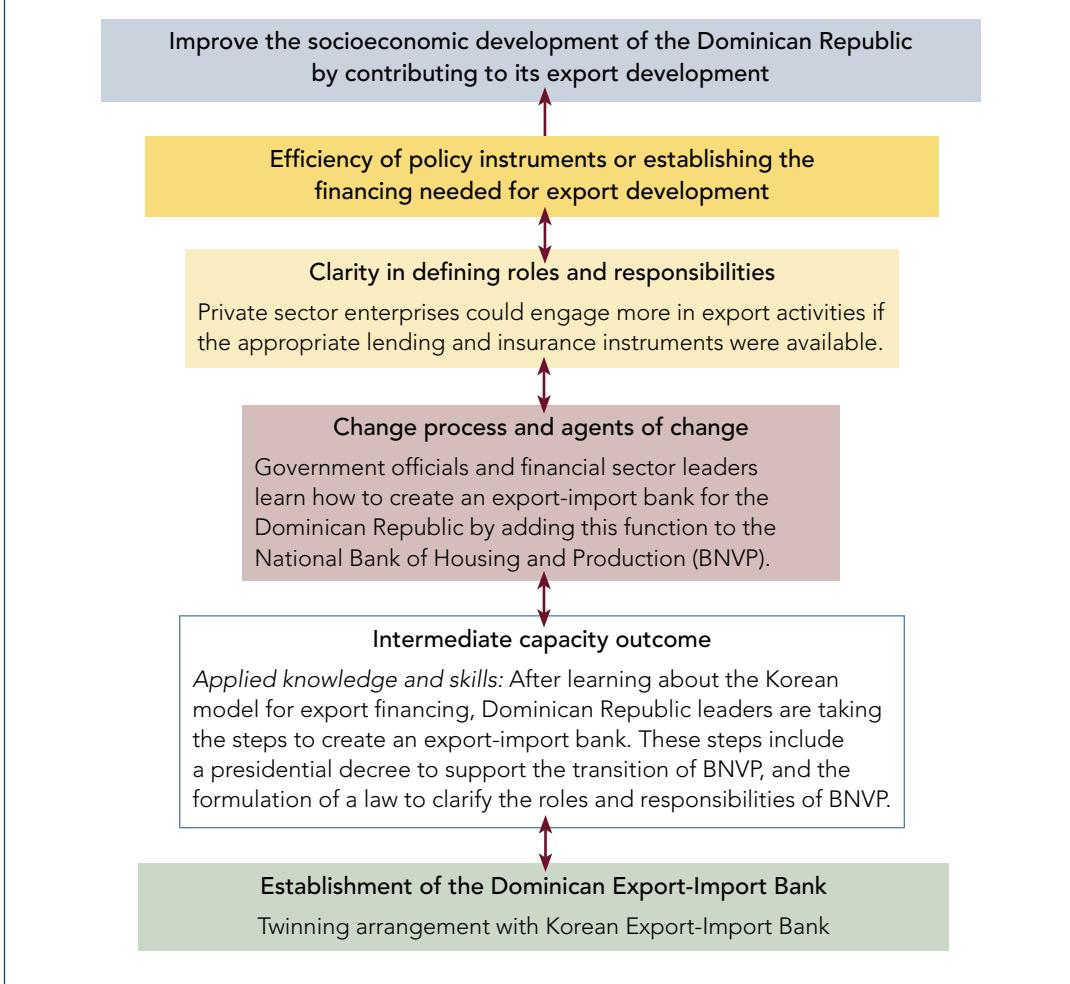


export development. Participation in the KSP brought together public and private actors. It encouraged them to collaborate in formulating strategies and policies and solve challenges to economic development by applying models from Korea's experience through local adaptation and innovation. For instance, private sector representatives participate in presidential meetings and ministerial meetings on export development. Another important example of strengthened public and private sector coalitions is the private sector's

participation in the national development strategy. The Ministry of Economy, Planning and Development requested input from the private sector on formulating the national development strategy and incorporated revisions from ADOZONA.

The collaboration to develop the DR-ETC is further evidence of strengthened coalitions. The private sector is expected to participate as a shareholder of the DR-ETC once it is established. The company will be structured as a limited liability company with CEI-RD serving as a

Figure 8. Change Logic for Clarity in Providing the Needed Export Financing



majority shareholder (approximately 50%), and the remaining shares divided among the private sector, mostly through powerful private sector associations, including the Dominican Association of Exporters, Dominican Industrial Association, and ADOZONA.

Efficiency of Policy Instruments for Providing Export Financing

Targeted Institutional Outcomes

Exporters in the Dominican Republic currently have little or no access to long-term financing and insurance needed for their businesses. In particular, the Dominican Republic does not yet have an export credit agency and therefore is only able to provide minimal financial assistance in the

form of trade finance to exporters through a state-owned development bank and a few commercial banks. This issue has been a bottleneck to the promotion of exports in the private sector. The KSP addressed the lack of policies mandating export financing by bringing government officials and representatives from the Dominican BNVP together with KEXIM to learn about the Korean bank's experiences and technical advice for export financing. As a result of the KSP, the Dominican government is in the process of converting BNVP into DEXIM (Figure 8).

Intermediate Capacity Outcomes

BNVP staff applied knowledge and skills acquired from the KSP to transform BNVP into DEXIM. BNVP staff applied the Korean

model for export financing by proposing a reform bill to change its mandate to establish DEXIM. The preparation and submission of this reform bill represents the application of knowledge and skills gained through the KSP. The reform bill for BNVP's conversion to DEXIM is under revision at the Monetary Board of the Central Bank. According to interviews with the BNVP president and his staff, the bill is expected to pass the revision process at the Central Bank and the national Parliament.

The KSP also led to a partnership between BNVP and KEXIM that was formalized through an agreed memorandum of understanding. The institutions have established twinning arrangements whereby KEXIM will provide guidance and technical support to DEXIM. This will lead to ICOs in the near future through its planned activities, including training, secondee arrangements, and technical assistance.

Progress Toward Institutional Outcomes

Agreement among the change agents—CEI-RD, BNVP, and the Central Bank—on the reform bill to convert BNVP's role demonstrates strong progress toward an institutional outcome. The policy will clarify and define BNVP's role and responsibility as DEXIM. According to the 2010 KSP final reports, intense debate occurred over whether to establish a new DEXIM or to add the role of exporting financing and insurance services to an existing agency. There were also differing views as to which agency should take the responsibility and roles of export financing and insurance services. The agreement reached between the stakeholders to convert BNVP into DEXIM strongly suggests that the law will be passed, representing an improvement in the efficiency of policy instruments in terms of clarity in defining rights and responsibilities.

Effectiveness of Organizational Arrangements to Provide the Needed Export Infrastructure

Targeted Institutional Outcomes

The electrical power system in the Dominican Republic currently suffers from tremendous inefficiencies due to losses caused by obsolete machinery and energy theft. The targeted institutional outcome is to improve the electric power system and export infrastructure through increased operational efficiency in the Dominican Corporation of State Electrical Companies (CDEEE). Learning about how the Korean Electrical Power Corporation (KEPCO) overcame challenges with energy efficiency revealed to the Dominicans not only how low their efficiency rates fared in comparison, but also how quickly they could improve if they applied the right policies.

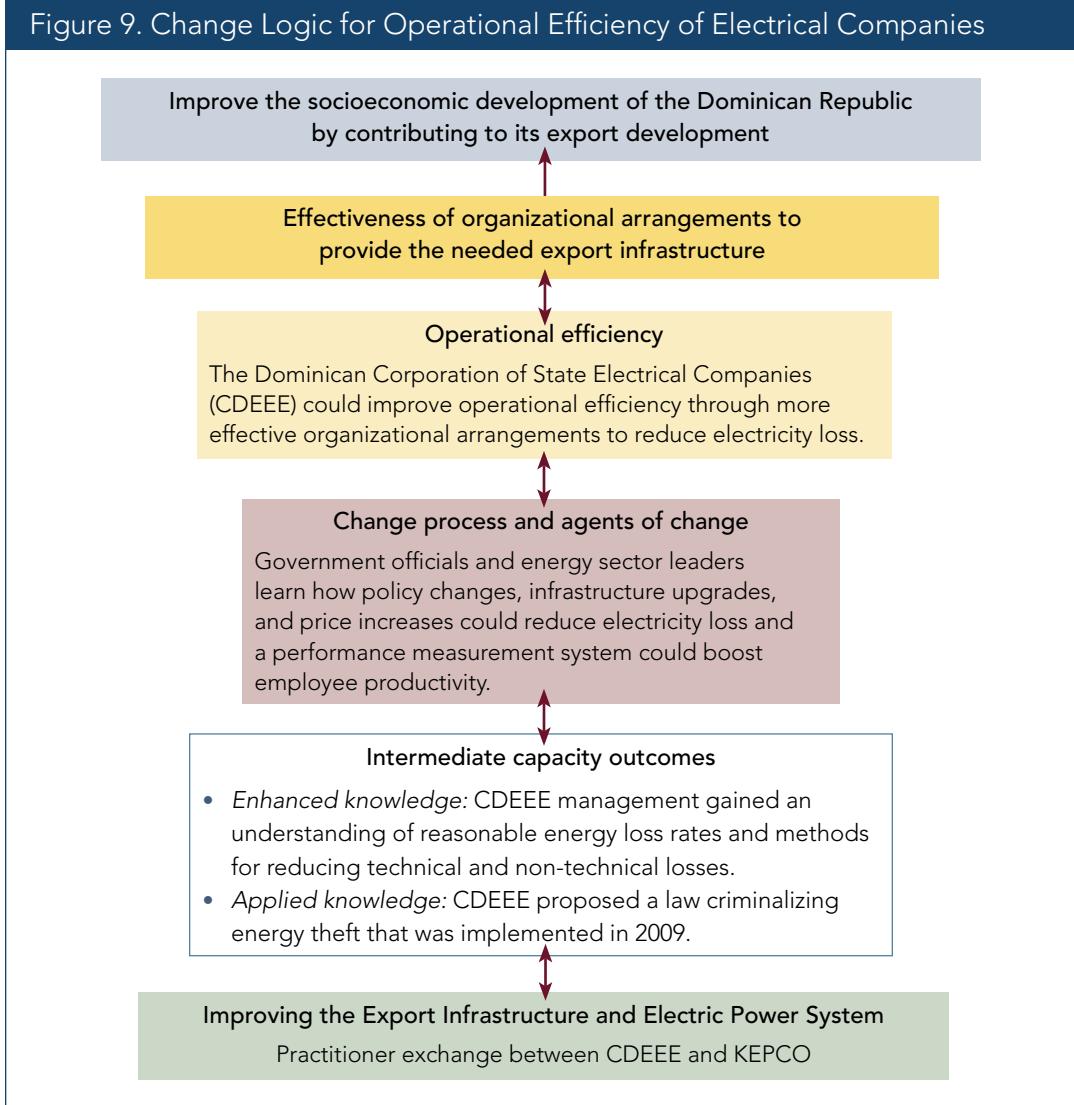
This knowledge inspired Minister Marranzini, the head of CDEEE, and his staff by motivating the adoption of new policies and the design of projects to implement new machinery to improve operational efficiencies and increase access. Progress toward improvements in organizational efficiencies at CDEEE is evidenced by the achievement of the following ICOs (Figure 9).

Intermediate Capacity Outcomes

CDEEE applied knowledge gained through the KSP in a variety of ways. The most important knowledge acquired through the KSP by members of CDEEE and National Energy Commission (CNE) was the realization of, as Minister Marranzini of CDEEE puts it, "how far behind the Dominican Republic was compared to Korea." CDEEE adopted and implemented the following measures based on the 2009 KSP recommendations:

The General Electricity Law No. 125-1 was reformed to criminalize power theft. Reducing non-technical losses in distribution systems such as electricity theft was the most important factor in improving the poor status of the power system in the Dominican Republic. Seven thousand cases of power theft have been brought to justice since 2009 when the law was passed, and as a result,

Figure 9. Change Logic for Operational Efficiency of Electrical Companies



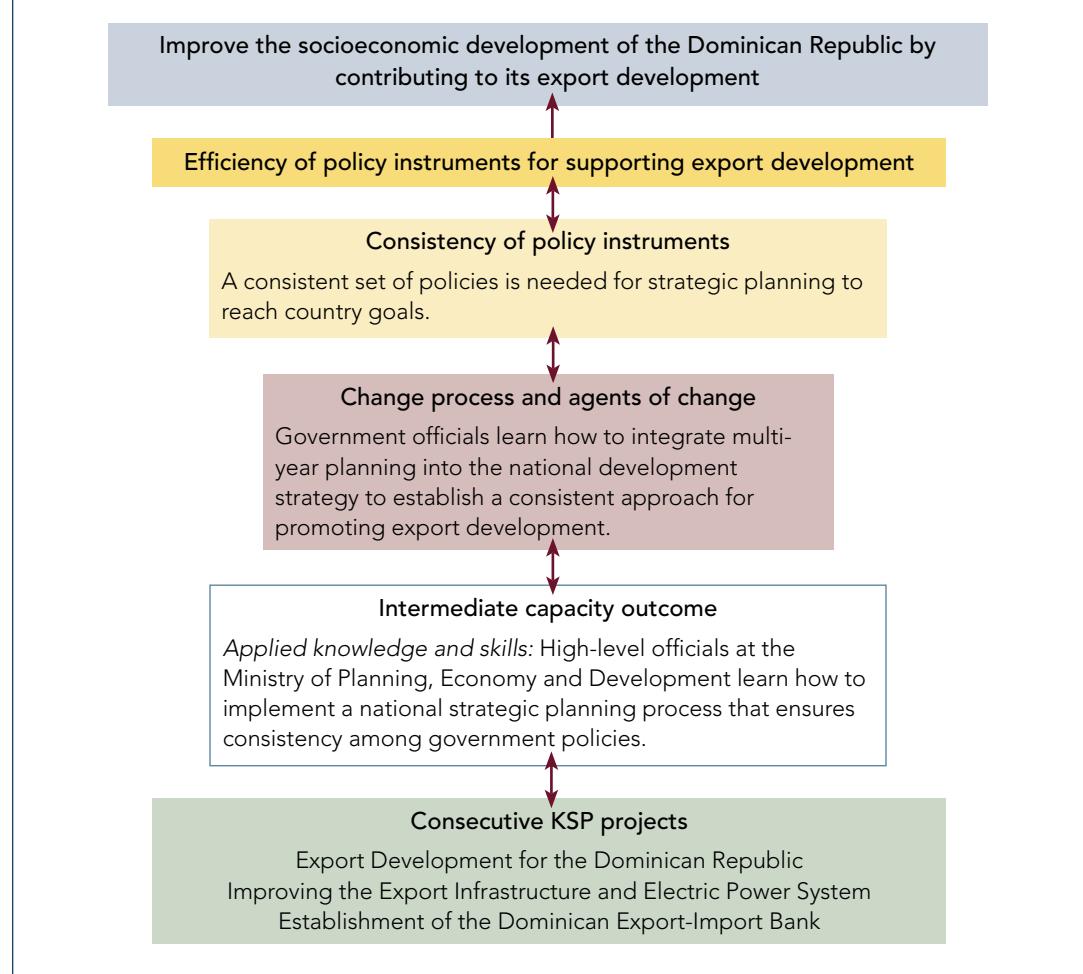
according to Minister Marranzini, "the traditional culture where electricity theft was not considered as a wrongdoing or illegal is now changing."

The CDEEE reformed electricity prices. One of the reasons for the power distribution companies' losses was low electricity prices. Therefore, the CDEEE increased the electricity prices by five percent in May 2011 and is planning on increasing it an additional 11 percent in November. With the criminalization of power theft and increase in electricity prices, CDEEE expects to improve the business conditions of its power generation companies.

Old power distribution lines will be upgraded to reduce technical losses. The CDEEE signed a USD 46.5 million contract with KEPCO to upgrade the old electricity distribution lines of more than 400 km in three major cities. With this upgrade, CDEEE expects better distribution of electricity in the three cities with fewer technical losses.

An additional intermediate outcome was a memorandum of understanding to establish a kind of twinning arrangement between CDEEE and KEPCO. The partnership with KEPCO is likely to lead to ICOs in the near future from the technical assistance and training offered by KEPCO to CDEEE.

Figure 10. Change Logic for Consistency of Policy Instruments



Efficiency of Policy Instruments for Supporting Export Development

Targeted Institutional Outcomes

Historically, the Dominican government suffers from a lack of results-focused, long-term planning in its policy instruments, including its national development strategy. This led to inconsistencies and a lack of alignment across policies and budgets. The targeted institutional outcome is consistency of policy instruments for strategic planning to reach the country's goals.

From working with the Koreans through the KSP, the Dominican government learned how to develop strategic plans to obtain long-term country goals over several years. This led them to implement policy changes to mandate multi-year strategic

planning with program priorities consistent with the national strategy through an amendment to the Constitution. The change process took place by achievement of the following ICOs (Figure 10).

Intermediate Capacity Outcomes

The Ministry of Economy, Planning, and Development applied the knowledge and skills they obtained through the KSP to modify the Constitution and national development strategies. According to an interview with Director Magdalena Lizardo of the Ministry of Economy, Planning and Development, the KSP made clear the importance of economic planning in particular, and setting multi-year plans to assure the consistency of policies. As a result, the following measures are in process:

The Ministry of Economy, Planning and Development incorporated the KSP recommendations into the national development strategy. According to interviews at the Ministry, the Korean consultants' recommendation of establishing a competitive and stable real exchange rate to promote export development is reflected in the national development strategy of the Dominican Republic, which is under review at the national Parliament.

The government modified the Constitution and national development strategy according to KSP recommendations of establishing a clear vision for the nation in a multi-year plan. The modified Constitution now mandates the national development strategy to include multi-year development plans. For example, five-year development plans and the multi-year development plans must reflect the national policy priorities of the Dominican Republic. The Ministry of Economy, Planning and Development is confident that such changes will assure consistency of policies and facilitate execution of the Dominican Republic's development goals, such as export development.

Overall, the KSP with the Dominican Republic was effective in providing knowledge to local stakeholders so that they may achieve ICOs that would contribute to institutional changes. Major changes and reforms are still in progress, and institutional level outcomes are expected in the near future, for example, when DEXIM is finally established, and measurable operational efficiencies are observed within CDEEE.

Lessons and Implications

Continued Interest and Participation from High-level Public and Private Actors

It is relatively easy to attract the attention of high-level public and private actors once,

by inviting them as speakers at local or international seminars. However, it is difficult to maintain their continued interest and participation throughout the entire program, especially with programs that have a long-lasting cycle, such as the KSP. Therefore, it is important to design knowledge exchange services that provide incentives for high-level public and private actors to pay continued interest and sustain willingness to participate. For that purpose, the KSP provides one-to-one matching of government officials at the policymaker level between Korea and the partner country.

First, the KSP starts with a High-level Demand Survey mission, where Korea's former or present high-level government official meets with high-level government officials of the counterpart country to identify main policy priorities. Then, high-level government officials of the counterpart country visit Korea, where they meet again with Korea's high-level officials and discuss the ongoing program, this time with the emphasis on Korea's development experience. At the final stage of the program, the same Korean high-level public figure meets with his or her counterpart to disseminate final findings and policy recommendations.

For the KSP with the Dominican Republic, this standard format was modified. During his official visit to Korea in July 2006, President Fernandez of the Dominican Republic met with the president of KDI and subsequently instructed Minister Martinez of CEI-RD to commence the KSP between the two countries. President Fernandez also met with the Korean consultants during their visit to Santo Domingo in June 2008 to receive key policy recommendations and lend his support for the program.

In the Written Demand Survey Form, the KSP mandates the partner government to designate a high-level government official who will be in charge of the program. For the KSP with the Dominican Republic, Minister Martinez of CEI-RD was placed in charge of the KSP from the Dominican side for two consecutive years. Minister Martinez coordinated local activities, recommended the Dominican delegation to Korea,

delivered key remarks during seminars and workshops, and reported the findings to the president and other ministers.

Minister Martinez also played the bridging role between the public and private sector, inviting presidents of relevant associations and exporters and informing them of the government's policy to drive export development. Minister Montas of Economy, Planning and Development visited Korea as the head of the Dominican delegation in the 2008 program and met with the president of KDI, vice-minister of Strategy and Planning, chairman of the National Competitiveness Council, and other leading figures of Korea. He participated in the Interim Reporting Workshop and provided comments to the interim findings presented by the Korean consultants. Minister Marranzini of CDEEE and Minister Ramirez of CNE visited Korea as the head of the delegation in the 2009 program and met with the president of KDI, president of KEPCO, and the Ministry of Strategy and Finance, and also participated in the Interim Reporting Workshop.

Therefore, it is important to design knowledge exchange programs that continuously induce high-level public and private figures to participate in the program stages and detailed content-building processes. Through continued involvement, the program should draw out sustained interest and monitor the change in their disposition that influences them to formulate and implement new policies and strategies toward achieving the development goal. In CDRF terms, it is essential to assist and guide the change agents through follow-up knowledge services so that they do not stop at the intermediate capacity level changes, but implement concrete actions or behaviors that can affect institutional outcomes.

Coalition Building among the Participants

Policymakers and working-level practitioners, along with relevant private actors, must understand the objectives, content, and expected outcomes of new policies or

strategies for them to be effectively implemented. Vertical (within-country) interaction among the relevant stakeholders—public and private—is therefore essential for new policy drives to have positive spillover effects in the relevant sector development. A common understanding has to be established on the government's new strategies before they are implemented.

The KSP with the Dominican Republic aimed to create such a common understanding by encompassing all relevant actors, from high-level leaders to working-level officials to private exporters. First, policymakers, practitioners, and private exporters were invited to local workshops or seminars. These gatherings provided a forum where relevant stakeholders discussed and shared the KSP's policy recommendations. Participants had a chance to listen to varying perspectives from government officials and private exporters and think of practical solutions to overcome the challenges with the policy recommendations provided by the Korean consultants. Second, the Dominican delegation to Korea was composed of public and private actors, from ministers and presidents to working-level officials and private exporters. They together saw how Korea had developed its policies and discussed with their Korean counterparts how to envision their future.

Knowledge exchange services plays an important role in providing opportunities for building coalitions among participants themselves. Programs must not aim to involve only high-ranking or working-level officials because new knowledge or skills learned may not be properly shared or transferred. Knowledge exchange services must provide a communication channel where vertical interactions can be enhanced.

Demand-oriented Program Design and Strengthening of Ownership

For knowledge exchange programs to have a sustained effect, it is important for the beneficiaries, in this case, the Dominican participants, to have a spirit of ownership. In order to strengthen the ownership of the

participants, knowledge exchange programs need to emerge out of country-led processes, from program initiation to producing outcomes. In addition, the content and results of knowledge exchange programs need to be tailored to meet the demands of the partner country.

The KSPs start with a written demand survey where the partner government submits its priority policy areas after coordinating the different needs of other ministries. Then among the policy areas, topics for the KSP are selected after discussions with the Korean counterparts. Throughout the program, government officials and local experts participate in local workshops, practitioner workshops, and final reporting workshops, and their comments are incorporated in preparing final policy recommendations. Local experts and consultants also participate in analyzing their local conditions and identifying their strengths and weaknesses, which then motivates them to look for alternative policy solutions through Korea's development experience in the relevant area. Such a system of active participation from the Dominican experts helped them to develop the spirit of ownership to the program.

Therefore, knowledge exchange programs need to be demand-oriented from design to implementation. At the initial stage of the program, it is vital to identify the needs of the partner country together with the participants. The contents of the program must not focus on one-sided views and intentions but on the demand from local stakeholders. Programs must also have diverse participatory mechanisms so that participants can contribute to producing the final outcome. Once the participants' spirit of ownership is well developed, then the program results are likely to continuously affect the partner country because the country will take its own initiative to follow up on the results.

Sharing of Practical and Timely Knowledge Content

For developing countries, it is not easy to implement needed policies at precisely the

right times due to capacity constraints in formulating necessary policies and identifying exactly when the policy should be implemented. Even though good policies are developed, if they are not implemented at the appropriate moment, their effectiveness is minimal. Moreover, the country can become even worse off if unpractical policies are implemented at needed times.

For the Dominican Republic, it was a struggle to find a new growth engine to boost its economic growth. The collaboration through the KSP provided the necessary knowledge to identify a breakthrough strategy. The Dominican counterparts realized that the Dominican Republic resembled Korea's economic situation in the 1960s and 1970s. The Dominican Republic was able to envision its future by looking through the window of Korea's history at its economic development. Korea could become the benchmark for the Dominican Republic and the Dominican Republic could be the "Korea of the Caribbean," as Minister Martinez put it. However, this vision could never be realized if it were not for the sharing of practical knowledge and experience between the two partners.

This implies first that the development experiences of knowledge partners, in this case, Korea and the Dominican Republic, should be relevant to each other. In this way, participants know what kind of knowledge or skills are necessary in similar situations and the participants can expect what will happen with the acquired knowledge and skills. Second, the sharing of knowledge must be based on the demand and active participation of the knowledge beneficiaries. Knowledge can be successfully shared only when participants are able to digest the new knowledge through active involvement in the process.

Monitoring and Continued Assistance in Application of Program Results

The experience thus far with the KSP is that most partner countries request second-year programs after the first KSP is complete to obtain detailed technical assistance in applying their newly acquired knowledge

The Dominican Republic was able to envision its future by looking through the window of Korea's history at its economic development. Korea could become the benchmark for the Dominican Republic and the Dominican Republic could be the "Korea of the Caribbean."

and skills in their countries. This request occurs because most knowledge seeking countries lack capacity in the actual process of implementing new strategies. For example, in the Dominican Republic, the first KSP's recommendation to establish an export-import bank was accepted by the Dominican government; however, the Dominican stakeholders lacked the know-how and experience to readily implement it. Thus, a follow-up KSP was requested and implemented on how to manage and operate export financing and insurance services for an export-import bank.

Knowledge exchange programs, therefore, must not stop at providing knowledge content but also have a follow-up mechanism to monitor and assist how knowledge exchange outcomes are applied in the partner country. In addition, knowledge exchange programs should be linked to other technical assistance programs or loan programs needed by the partner country to implement recommended projects.

For the Dominican Republic, the KSP played a bridging role, linking Korea's EDCF to financing export infrastructure development projects such as the establishment of the CIBAO Trade Center. KEXIM and BNVP have further developed its partnership in the third (2010) and fourth (2011) KSPs, which are currently building the capacity of BNVP staff in export financing and insurance services. In addition, through KSP, CDEEE and KEPCO were able to sign a memorandum of understanding to change old power distribution lines of 400 km in three cities. KEPCO is also providing training programs and staff exchanges with CDEEE to build the capacity of the Dominican participants to improve efficiency in the electric power sector.

In results-focused capacity development, knowledge exchange programs must be structured to continue to affect institutional outcomes. Programs should not stop at the ICO level but continue to have follow-up programs or links to other technical assistance programs that can help achieve targeted institutional outcomes.



KDI Knowledge Sharing Program with Mongolia

Introduction

Overview of Program Context

In 2010, KDI launched the KSP with Mongolia to provide policy research, consultation, and training programs to tackle two development challenges confronting the Mongolian government: management of fiscal expenditure and increased alternatives for infrastructure investment; and establishment of guidelines for a new deposit protection scheme.

One key aspect of the KSP is that it is initiated by the partner country's request. This is part of an effort to ensure strong commitment and ownership of the partner country to the program. The Mongolian government requested consultation in topics where Korean experience could be of value. The government, along with the KDI team, finalized the topics for the 2010 KSP after evaluation of the requested topics and intense discussions between Mongolian officials and Korean counterparts based on an in-depth assessment of the current socioeconomic situation in Mongolia.

The KSP is designed to foster both vertical (within-country) and horizontal (cross-country) interaction. This interaction is one of the core factors leading to the implementation of policy recommendations in Mongolia. In terms of vertical interaction, the program enhanced cooperation of government officials representing various agencies within Mongolia. Meanwhile, peer-to-peer cooperation between the Mongolian practitioners and Korean counterparts through exchange of knowledge and experience promoted horizontal interaction.

KNOWLEDGE SHARING PROGRAM INFORMATION

Title: Public-Private Infrastructure Investment and Deposit Insurance in Mongolia (2010)

Knowledge Partners: Government officials of Mongolia, Korean Consultants

Program Period: June 2010–February 2011

More than 120 policymakers and practitioners from Mongolia participated in the program. The KSP consultant team, government ministries, and public and private agencies contributed to the program to share Korea's know-how in infrastructure management and deposit insurance.

This chapter describes the program, articulates the change processes, and identifies the results chains and related outcomes. The first section explains the development goal toward which the capacity development intervention was designed to contribute. The program activities are then described, highlighting potential variables that led to the conditions under which capacity outcomes were observed. The analysis comprised a review of program documents, 2010 KSP final reports, and interviews with Mongolian KSP participants.

Development Goal and Capacity Development Objectives

The KSP was designed to contribute to two development goals for Mongolia:

- Promote economic growth through increased infrastructure, in transportation and energy sectors.

- Improve the government's financial stability by introducing a limited deposit insurance system.

Promote Economic Growth through Investment in Infrastructure

Currently, Mongolia has a great shortage of public infrastructure. This shortage is of major concern, taking into account the growing urbanization around Ulaanbaatar and increasing demand from the developing mining industry. The Mongolian government recognizes that the continued under-investment in infrastructure is negatively impacting economic growth, living standards, and the transaction costs of businesses (Kim et al. 2011:79). At the same time, the country suffers from limited budget resources to build and manage large-scale projects.

The government adopted the Preliminary Feasibility Study (PFS) to assess project potential and prioritize implementation in order to make the best use of the country's limited resources. In addition, the government has turned to the private sector as a partner in the provision of infrastructure services to reduce investment gaps by broadening financing options for infrastructure investments. However, Mongolia is challenged by a lack of experience and knowledge in implementing PFS and PPP, areas in which Korea has substantial experience.

Improve Financial Stability through Deposit Insurance

In November 2008, the Mongolian government introduced a four-year law, "The Blanket Guarantee for Bank Deposit," to save the country from being severely hit by the global financial crisis. The law stipulates that the government protects deposit and account holders of every bank in Mongolia without any ceilings on their possessions in banks. The deadline of the law is drawing near, and it is now crucial for the Mongolian government to prepare an exit strategy that will neither cause moral hazard nor place a heavy burden on the budget.

To develop its capacity to achieve the institutional changes necessary for advancing the two development goals, the Mongolian government identified the following objectives for the KSP (as indicated in the KSP demand survey submitted by the Mongolian government in April 2010):

- Learn and adopt Korea's legal framework, procedural guidelines, and regulations on deposit insurance.
- Enhance the abilities and skills of policymakers and practitioners at the working level to implement the guidelines, through the exchange of knowledge and experience with Korean counterparts.

The capacity development objectives of the KSP with Mongolia were to enhance the efficiency of policy instruments by:

- Improving clarity in defining the rights and responsibilities and ensuring legitimacy in providing policy instruments to boost infrastructure development.
- Addressing the risk of negative externalities associated with the transition from blanket deposit to limited deposit insurance to ensure financial stability.

Program Description

Stages of the Program

The KSP with Mongolia was composed of a series of activities executed during various stages of the KSP framework. Korean consultants and Mongolian participants exchanged visits throughout the program.

- **High-level Demand Survey and Pilot Study I:** Identification of policy priorities and topics based on an analysis of the Mongolian economy with policymakers of Mongolia; interviews with policy practitioners to set the scope of policy research; information and data collected for in-depth studies; and a brief presentation of Korea's development experience to Mongolian policy practitioners to enhance their general understanding in the fields of PFS, PPP and deposit insurance, so that they become aware of the current status of Mongolia in comparison and have a blueprint in mind.

Table 5. Main Knowledge Partners for 2010 KSP with Mongolia

Topics for 2010 KSP: Public-Private Infrastructure Investment and Deposit Insurance in Mongolia
1. Improvement in Legal and Procedural PPP System in Mongolia <ul style="list-style-type: none"> • Dr. Kang-Soo Kim (Project Manager), Director, Private Infrastructure Investment Management Center, KDI • Mr. Batjargal Zayabal, Head, Public Private Partnership and Concession Department, State Property Committee
2. Improvement on the PFS System in Mongolia <ul style="list-style-type: none"> • Dr. Hyungtai Kim, Research Fellow, Private Infrastructure Investment Management Center, KDI • Ms. Sosor Tsend-Ayush, Senior Specialist, Fiscal Policy and Coordination Department, Ministry of Finance • Dr. Davaadorj Baljinnym, Officer, Sectors Development and Investment Policy Department, National Development and Innovation Commission
3. A Study on the Foundation for Introducing Limited Deposit Protection Scheme in Mongolia <ul style="list-style-type: none"> • Dr. Jae-Youn Lee, Research Fellow, Korea Institute of Finance • Dr. Seungkon Oh, Research Fellow, Korea Deposit Insurance Corporation • Mr. Bayarkhuu Tsokhnuu, Officer, Financial and Economic Policy Department, Ministry of Finance • Mr. Battulga Ulziibat, Senior Supervisor, Supervision Department, Bank of Mongolia

- **Policy Seminar and Policy Practitioners' Workshop I:** Presentation of policies in Mongolia and Korea; discussion on preliminary findings with local participants to tailor policy recommendations; participation in study tours to topic-related agencies; and field visits relevant to Mongolia's economic development.
- **Pilot Study II:** Discussion on research findings with local participants; collection of additional data and information; interviews with relevant policymakers and policy practitioners in Mongolia.
- **Interim Reporting and Policy Practitioners' Workshop II:** Presentation of interim findings and discussions; participation in lectures and study tours to topic-related agencies; and field visits relevant to Mongolia's economic development.
- **Senior Policy Dialogue and Final Reporting Workshop:** Presentation of final findings to local policymakers and social leaders; and dissemination of final findings to local stakeholders, including government officials, specialists, media, etc.

Participants from Korea

Korea was an ideal knowledge partner for Mongolia because it had addressed similar challenges to properly exercise PFS and PPP and sought an alternative to replace its blanket deposit insurance system.

In Korea's case, the government officially introduced the PFS system in 1999 after the Asian financial crisis to better use its limited fiscal resources. The system stands on a sound legal framework with published guidelines, including the National Finance Act and its Enforcement Decree, operational guidelines, and analytical guidelines. The government selected KDI to act as an objective evaluator and to be in charge of conducting PFS.

The Korean PPP system is also based on a strong legal framework, with the Act on Public-Private Partnerships in Infrastructure and its Enforcement Decree at the core, together with annually updated Basic Plans for PPP and detailed implementation guidelines. Korea has a PPP-specialized agency called Public and Private Infrastructure Investment Management Center (PIMAC) at KDI.

With regard to deposit insurance, Korea has experience carrying out the transition from a full coverage scheme to a limited coverage scheme. In November 1997, in the immediate wake of the Asian financial crisis, the Korean government temporarily adopted a blanket guarantee system. The government managed to transition to a limited coverage system in 2001. The government established the Korea Deposit Insurance Corporation (KDIC) to provide protection for bank depositors even before the Asian financial crisis.

KSP designates expert consultants in Korea in accordance with the policy research topics selected by the partner country. These Korean consultants, in turn, choose their knowledge partners in Mongolia as local consultants. Table 5 presents knowledge partners from Korea and Mongolia according to their areas of expertise and KSP topics.

During the Policy Practitioners' Workshop II, PIMAC and KDIC heavily contributed to the content by organizing a three-day training session for PPP/PFS and deposit insurance scheme, respectively. The workshop was attended by 30 Mongolian policy practitioners from the line ministries, central bank of Mongolia, and government institutions, plus officers from the World Bank.

The Korean ministries, institutions, and lecturers from public and private sectors also contributed to the content of the workshops. During the two Policy Practitioners' Workshops, the Mongolian delegation visited the Ministry of Strategy and Finance, Korea Federation of Banks & Credit Union, Korean Financial Services Commission and Korean Financial Supervisory Service, Incheon Bridge, and Busan Port. As means of transportation, the delegation took Korea Train eXpress (KTX) to get firsthand experience of infrastructure development. The workshop also included visits to Gori Nuclear Power Plant and SK Energy to reflect Mongolia's interest in the field of industrial development and mining and energy.

Participants from Mongolia

Effective vertical and horizontal interaction requires that KDI work with a counterpart organization within the partner country. KSP selects a counterpart organization as a focal contact point to promote cooperation between the two countries. The organization assumes the responsibility of coordinating necessary arrangements among different local stakeholders. For the KSP with Mongolia, the Mongolia government designated the Ministry of Finance to cooperate with KDI.

The participants of the KSP with Mongolia can be divided into two groups. The first group was involved in PFS and PPP, and the other group was involved with deposit insurance. All of the delegates were approved to participate by their affiliation and the Ministry of Finance. The two groups jointly participated in the program.

Thirty-seven Mongolian delegates visited Korea for a Policy Seminar and Policy Practitioners' Workshop I and Interim Reporting and Policy Practitioners' Workshop II. The delegates were selected at the discretion of the Ministry of Finance, on the following rationale provided by the Korean counterpart, KDI:

- The delegation must be led by a senior government official responsible for policymaking in an area relevant to the KSP topics.
- At least one policy practitioner must be included to represent the organizations involved with the KSP topics.
- Possible local consultant candidates for KSP topics must be included.
- Delegates must have expertise and knowledge of the relevant areas studied.

The Final Reporting Workshop took place in Mongolia. Stakeholders from the aforementioned organizations participated in the program to provide comments and feedback on the findings and recommendations presented by the Korean counterparts. The workshop received great interest from the Mongolian media. Policy recommendations were broadcast on television news and covered in newspapers.

The KSP is a comprehensive program that triggered the interaction of stakeholders within Mongolia to use a holistic approach in preparing policy recommendations. In addition, the program promotes bilateral cooperation between participating countries. Since the program is designed to meet the demands of the partner country, the resulting policy recommendations are timely and practical and can be well received by the Mongolian government.

Policy Recommendations

The KSP covered two critical development problems the Mongolian government faced related to managing fiscal expenditures, creating a greater source of investment for infrastructure, and changing the deposit insurance scheme. Based on Korea's prior experience in PPP, PFS, and deposit insurance, the Korean experts conducted in-depth research with help from the Mongolian local consultants. The policy recommendations for each topic are:

(1) PPP

- *Strengthen the existing legal framework (Law on Concessions, 2010) by adopting enforceable guidelines that are coherent with line ministries.*
- *Build a transparent and competitive procurement process via preparation of standard documents to ensure competitiveness within the PPP market.*
- *Adopt incentives and risk-sharing measures to attract more private partner investments.*
- *Educate policy practitioners through training and capacity building, especially those from the State Property Committee (SPC), which is the main implementation entity, so that PPP projects can be carried out under proper supervision.*

(2) PFS

- *Adopt intermediate evaluation systems to establish an efficient and sustainable evaluation system.*
- *Establish and elaborate on operational and analytical guidelines so that legal foundation is firm and practical.*

- *Clarify the rights and duties of involved parties to ensure effective practice of PFS.*

(3) Deposit Insurance

- *Facilitate the full cooperation of stakeholder organizations for a swift transition from blanket guarantee system to limited guarantee system.*
- *Introduce a deposit protection scheme for the Savings and Credit Union (SCU) after a thorough restructuring phase.*

Outcomes and Analysis

Efficiency of Policy Instruments: Improving Clarity in Defining Rights and Responsibilities of Stakeholders in PPP

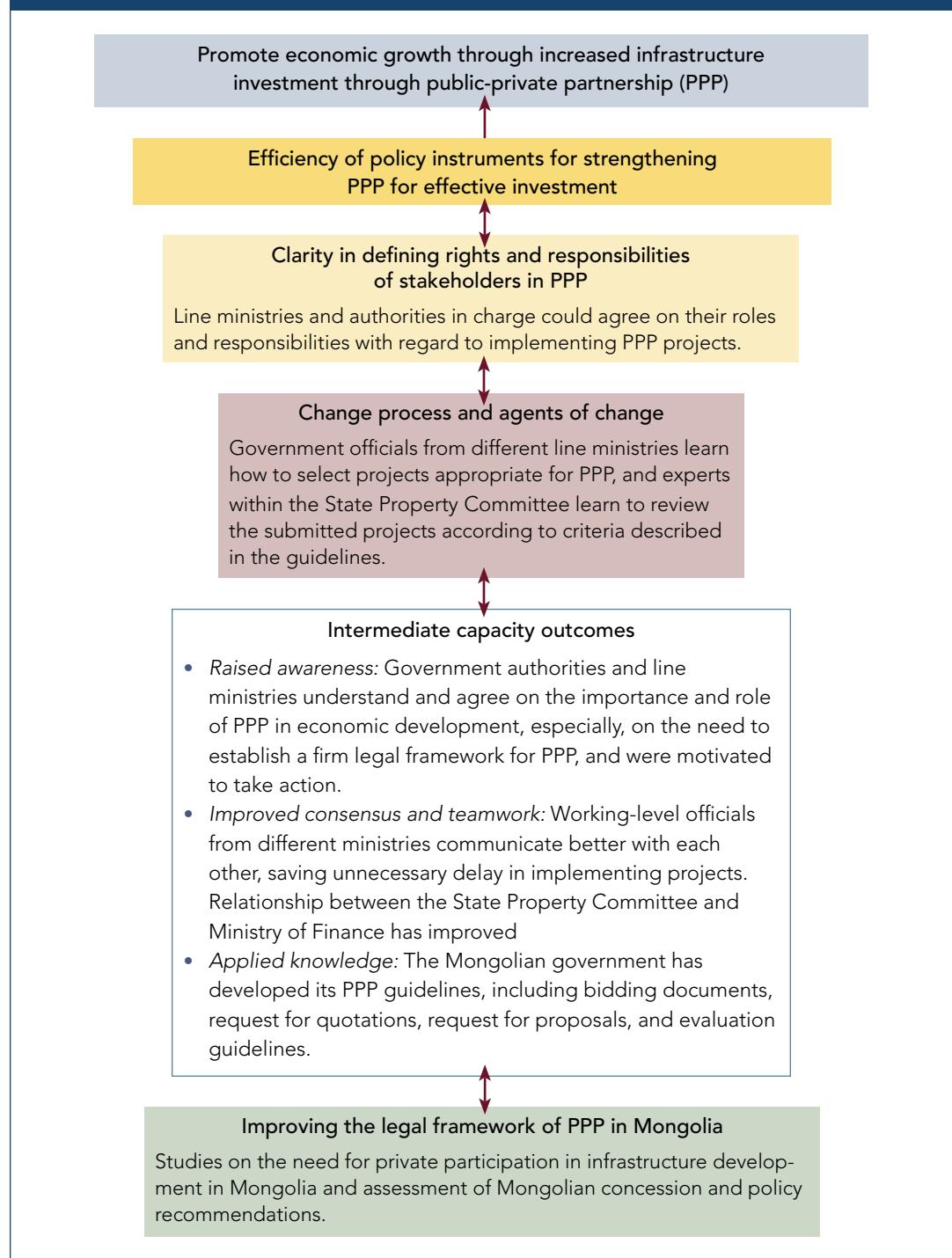
Targeted Institutional Outcomes

The targeted institutional constraint is the limitation in the legal framework to promote and exercise infrastructure development via PPP. The KSP enabled key stakeholders to progress toward the targeted institutional outcome of improving clarity in defining rights and responsibilities of stakeholders in PPP.

First, the program motivated the key stakeholders to act through raising their awareness on the nature of PPP. It informed them of the potential successes that could be achieved through PPP by showing them examples during the workshops, which included visits to Incheon Bridge in Korea. Second, the program not only enhanced their knowledge about PPP but also promoted application of the knowledge. For instance, through the provision of sample concession contracts used in Korea, the SPC developed customized documents for Mongolia. Third, the KSP enhanced the working relations among the key stakeholders to implement PPP: SPC, Ministry of Finance, line ministries, Cabinet, and National Development and Innovation Commission (NDIC).

These intermediate outcomes contributed to the development of PPP guidelines for implementing PPP in 2011 based on the

Figure 11. Change Logic for Improving Clarity in Rights and Responsibilities of Stakeholders in Public-Private Partnership



Concession Law passed in January 2010. The interviews indicate that the guidelines have initially been successful in defining the rights and responsibilities of stakeholders in implementing PPP. For example, ministries know their roles and responsibilities with respect to implementing PPP and are now able to identify and submit appropriate PPP projects. The Ministry of Finance is more informed about the budgetary implications for funding PPP projects and therefore more likely to be supportive of the projects. As a result, SPC is more effective and efficient as an entity in charge of implementing PPP because the stakeholders understand their roles and are better equipped to carry out the projects. Based on the improvement, the organization is currently in the initial stage of pursuing the recently approved PPP projects in the energy and roads sectors (Figure 11).

Intermediate Capacity Outcomes

One of the most important and fundamental changes at the intermediate level for PPP is the enhancement in understanding and change in attitude with regard to the importance and role of PPP, and in particular, the need to set up a firm legal framework for PPP.

Over the course of the program, the knowledge participants constantly pointed the lack of a legal framework as the main barrier to properly exercising PPP in Mongolia. The two workshops mentioned deficiencies in the various stages of a PPP project cycle in Mongolia. These deficiencies included missing guidelines, lack of clear criteria describing the right conditions for a project, unclear procedures for the approval of a project, and lack of transparent and competitive bidding procedures with a clearly identified entity that has the right to enter into negotiations when selecting the projects.

Dr. Kang-Soo Kim, the Korean expert on PPP, warned the Mongolian participants at the workshops that the current institutional set-up was incomplete because it lacked guidelines to handle and oversee PPP, which could lead to many risks such

as PPPs being misused to bypass spending controls.

Mr. Batjargal Zayabal, head of the PPP department, SPC, who participated in the KSP as the local PPP consultant, stated during the discussion session in the Interim Reporting workshop that the presentations impressed upon him the urgency of setting up a proper working system to exercise PPP. In addition, Mr. Zayabal stated that KSP acted not only as a channel by which to learn about Korea's PPP system but it also motivated Mongolian officials to develop their own system based on the Korean materials. Ten officials for PPP had visited Korea to attend the Policy Practitioners' Workshop II, which focused on highlighting the importance of a sound PPP legal system by sharing Korea's PPP structure and legal system.

In addition, Mr. Batkhuu Idesh, officer of the PPP department, SPC, remarked during an interview in April 2011, "Before, people had talked about different things about PPP. But after KSP, people had clear knowledge of what PPP was, and how essential it was for development, and what its role was." He stated that prior to the KSP the line ministries would propose any projects as PPP for which they lacked funding. This resulted in a long list of PPP project candidates lying on the shelf. However, after the KSP, the line ministries now understand better the criteria for identifying potential PPP projects and are able to propose projects that are more appropriate and precise.

Increased understanding and awareness on PPP also facilitated better collaboration among the stakeholders. Ms. Ninjin Nansanjargal, officer of the PPP department, SPC, commented, "Before the KSP it was difficult to work with line ministries because they did not understand PPP... Now, they can give quick responses and useful feedback and information and they do so more willingly." She explained that in the past, the line ministries gave only technical details, but now they are aware of the economic implications of PPP and able to provide input on the projects from an economic perspective.

It was also observable from the line ministry participants that KSP contributed to raising their awareness of the importance of PPP. Ms. Gunsendari Sharavtsambuu, officer of the Ministry of Road, Transportation, Construction, and Urban Development stated that with the knowledge from the KSP, there is now a better understanding of PPP in her ministry and there seems to be a more uniform understanding of PPP among the line ministries.

Another line ministry officer from the Ministry of Finance, Mr. Tserendash Sedvanchig, stated that decision makers' views had changed regarding the burden of budget with respect to PPP. He claimed that before the KSP, there were widespread misconceptions about PPP, which would cause budget pressures in the long term. After the KSP, however, it became clear that the implementation of PPP, if executed correctly, would not cause such difficulties. As a result, Ministry of Finance working-level officials are now able to propose PPP projects for funding without facing pushback from high-level decision makers based on their misconceptions about long term budgetary strains resulting from PPP projects. In other words, high-level decision makers are now open to approving PPP projects for funding.

As was the case with the Dominican Republic, site visits, and seeing firsthand the case stories of a similar experience contributed strongly to raising the awareness of the importance of PPP. Ms. Oyundelger Bauudorj, officer at NDIC, who participated in one of the KSP workshops, reported that the KSP site visits raised her awareness of the potential value of PPP by seeing the completed Incheon Bridge project. Observing the project up-close inspired her to embrace the concept of PPP and consider the potential value for Mongolia.

Raised awareness motivated the change agents of Mongolia to improve their consensus and teamwork toward establishing a firm legal system for PPP.

The KSP invited members from various ministries to seminars and practitioner

workshops. In the Mongolia case, the workshops were exceptionally well attended; a large number participated due to the overwhelming demand created by the large base of stakeholders across line ministries.

According to Mr. Batkhuu of the SPC, the relationship between the agencies improved as a result of their interactions with the KSP. They were able to get to know each other better and develop better working relations based on a shared knowledge of PPP. For instance, they are now not only better at communicating with each other in a more informed way, they are also faster at responding because they are motivated to do so from the KSP. Batkhuu said, "When we contact line ministries, we are now able to call our friends from the KSP and hear back from them within one hour versus a one-week turnaround." In addition, the interviews revealed stakeholders were better able to inform their decision makers of the value of the PPP projects and obtain cabinet approval quicker, partially because of cabinet members' involvement in the KSP.

Two concrete examples of how the KSP fostered better relations between the line ministries were reflected in two projects—one in the energy sector and the other in an ongoing road project.

The KSP contributed to fostering consensus and teamwork because the Korean participants had recommended that the PPP Unit (within the SPC) work closely with the Ministry of Finance to avoid the rise of fiscal risks. In addition, the KSP ensured continued interaction between the two bodies by involving officials from both the SPC and Ministry of Finance during the PPP meetings.

For example, Mr. Zayabal mentioned that the KSP strengthened ties between the SPC and the Ministry of Finance by ensuring continued interaction through KSP-related activities and by emphasizing the importance of cooperation. Mr. Batkhuu also reported an improvement in teamwork between the SPC and Ministry of Finance through weekly meetings, where the SPC presented their progress on the guidelines

and the Ministry of Finance provided comments based on their experience in managing traditional government procurements and in controlling budget expenditures.

By sharing Korea's knowledge and skills on PPP, the Mongolian participants were able to apply the acquired knowledge and establish a firm ground for its PPP system in Mongolia.

As mentioned, the KSP shared knowledge about Korea's PPPs and how it could be applied to Mongolia through various knowledge sharing activities such as meetings, seminars, workshops, and study tours. Mongolian participants from related ministries were exposed to both general and in-depth knowledge regarding PPP based on Korea's experience in PPP project initiation, bidding, contract management, and construction of the Incheon Bridge.

The KSP introduced Korea's case as an example and provided sample documents to support Mongolia in developing its own PPP guidelines. The KSP provided a comprehensive review of Korea's PPP legal framework including PPP procurement and evaluation processes. The KSP also shared Korea's comprehensive PPP system for implementation, including all of the necessary guidelines, from how to initiate projects to controlling projects.

Applying the knowledge acquired from the KSP, the SPC developed the PPP handbook and distributed a draft among relevant stakeholders. The SPC committee also completed bidding documents, including request for quotations and request for proposals documents and evaluation guidelines to be used for the bidding. Further, in February 2011, knowledge sharing partners from the SPC applied what they learned by organizing seminars and training for their colleagues to foster understanding in PPP among local, provincial, and ministry level staff as well as representatives from the private sector. In addition, they disseminated materials on PPP from the KSP among the line ministries.

Mr. Batkhuu from the SPC explained in his interview that the Korean documents

were helpful particularly because they did not have any other sample concession contracts from other foreign advisors. They could adopt and modify the Korean sample documents to create Mongolia state contracts. These state contracts will be distributed to the provinces as reference materials to develop provincial contracts.

Institutional Outcome

The KSP raised awareness among the PPP stakeholders, which motivated them to work together and build consensus on PPP as well as to improve teamwork in developing PPP guidelines, handbook, bidding documents, etc. The PPP guidelines, which were developed in collaboration with all the relevant stakeholders, clarified the responsibilities and roles of various actors in proposing, bidding and implementing PPP projects in Mongolia.

As noted in the interviews, PPP was a new concept in Mongolia and stakeholders had misconceptions about PPP, i.e., each ministry did not know which projects were appropriate for PPP nor did they know who should be in charge of compiling the final list of PPP projects from diverse ministries. In addition, stakeholders were not clear about who should review and select the final PPP projects from the candidate list, submit it to the cabinet, and carry out the bidding procedure. However, due to development of the PPP guidelines based on the knowledge acquired from the KSP, it has now become clear to all relevant actors who should be responsible for what and the role each actor should play. Additionally, the guidelines describe the necessary documents to be used throughout the PPP procedure (e.g., project proposal, bidding, evaluation, etc.).

Consequently, each ministry submits its desired PPP list based on the PPP handbook and guidelines. Unlike in the past, the proposed lists of projects are precise and short because now there is a clear understanding of the nature of PPP projects and the categories that explain which projects are appropriate for PPP. The PPP unit at SPC then reviews the list of candidate PPP

projects submitted by each ministry and provides feedback.

Following this review, the ministries and SPC meet to coordinate their views on which projects should be included in the list and sent for cabinet approval. The interviews indicate that the private sector also participates during this phase, since private sector involvement is essential in implementing successful PPP projects. Once the coordination is complete, the SPC submits the list to the Cabinet for approval and then opens the project to the public for competitive bidding.

The PPP guidelines define the coordination of responsibilities and differentiating roles in PPP procedures. This resulted in one PPP project in the energy sector and two PPP projects in ongoing road sector projects in Mongolia. Among the two road projects, one has completed its bidding process. The draft agreement is to be signed and the other project is waiting for cabinet approval.

Effectiveness of Organizational Arrangements: Achievement of Outcomes via Adopting a PFS-Specialized Agency

Targeted Institutional Outcomes

The targeted institutional constraints are the limitations in the legal framework and organizational arrangements to properly exercise PFS for infrastructure development projects, including PPP projects. For PPP projects to be successfully implemented, the selection procedure for investment projects needs to include transparent processes that are less vulnerable to political interference. Therefore, a firm legal framework and organizational arrangements for proper PFS need to be established by local agents. Since Mongolia lacked both a legal and organizational framework, the KSP aimed to raise awareness of the importance of a sound PFS legal system and the need for establishing an independent entity to carry out the PFS. In addition to raising awareness, the KSP enhanced knowledge among Mongolian participants and facili-

tated their application of new knowledge and skills. Once the independent administrative body for PFS is established, it is expected that the institutional outcome will be that the government of Mongolia is better able to achieve successful PPP projects through the implementation of PFS in selecting PPP projects (Figure 12).

Intermediate Capacity Outcomes

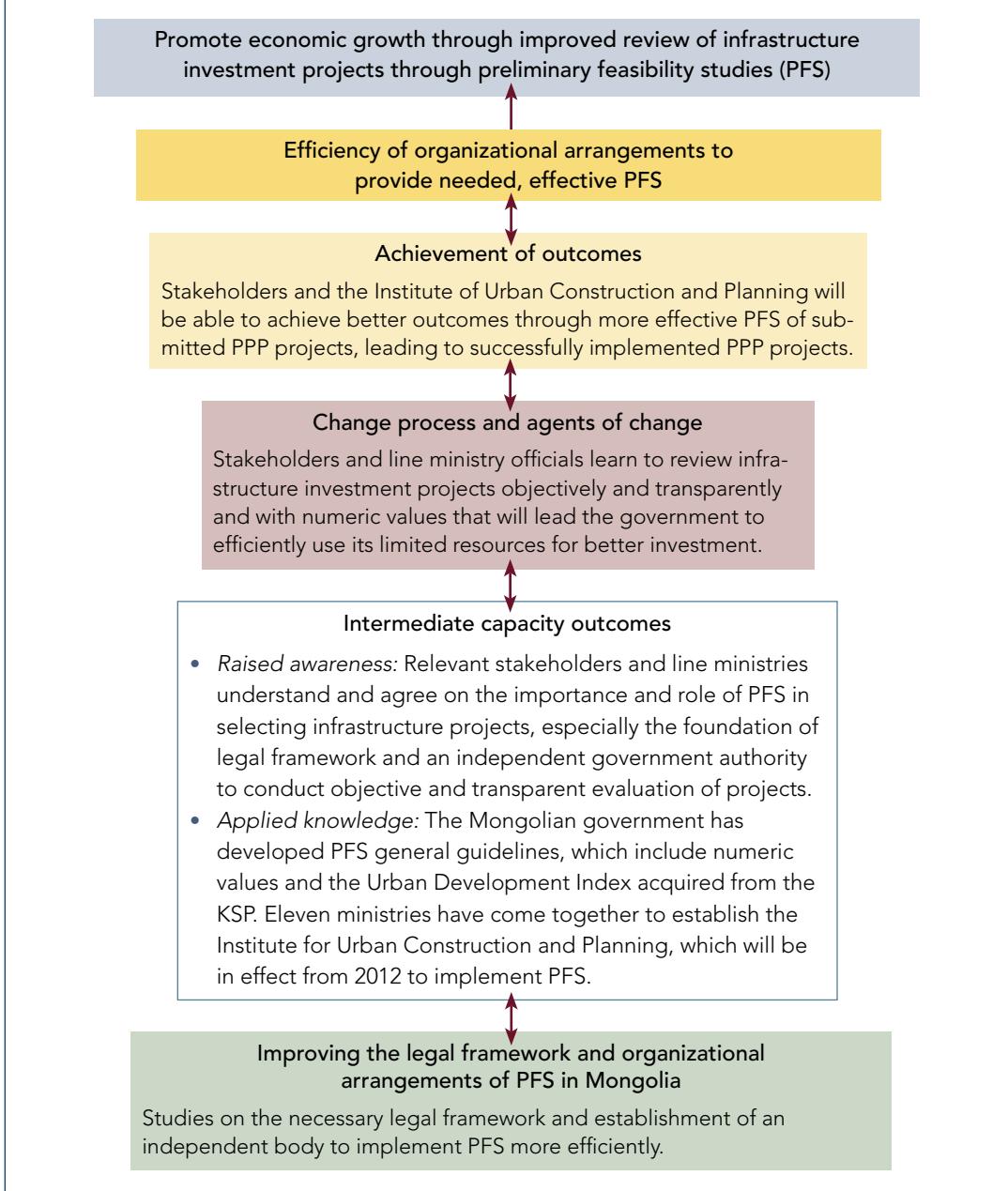
The KSP raised awareness of the Mongolian government officials on the importance of PFS.

Like PPP, PFS was also a new concept in Mongolia and therefore, it was first essential to highlight the significant economic benefits PFS could bring to the economic development in Mongolia.

Mr. Baterdene, head of the Fiscal Policy and Coordination Department, Ministry of Finance, stated in his interview that there was a lack of knowledge about the value of PFS in general before the KSP. The decision-making process for selecting investment projects was not transparent and at times vulnerable to the influence of political interests. Thus, there have been growing concerns within Mongolia as to how to deal with this problem. He said the KSP contributed to raised awareness of the importance of implementing PFS for all projects in Mongolia and how this could help solve current problems.

Ms. Tsendl-Ayush Sosor, senior specialist of the Fiscal Policy and Coordination Department, Ministry of Finance, also stated that the KSP helped officials at the working level to better understand PFS. Further, the Ministry of Finance organized a seminar on PFS to present what the Mongolian participants learned from the KSP and the materials used during the workshops to relevant line ministries. She said this contributed to the understanding of PFS among stakeholders. In addition, Mongolian officials became aware of the need to establish detailed guidelines with numeric values as was the case in Korea. Ms. Soyolmaa Dorjnamjaa, officer of the Fiscal Policy Department, Ministry of Finance, added that she and her colleagues

Figure 12. Change Logic for Organizational Arrangements of Establishing a Preliminary Feasibility Study -Specialized Agency



realized that the existing vague guidelines in Mongolia need to be replaced with less generic terms if they are to be used in the practice of PFS.

The KSP enhanced participants' knowledge and skills about PFS so that they were able to apply what they learned.

The application of knowledge and skills is evidenced by the NDIC effort on

completing the PFS general guidelines. The KSP provided guidance on content for developing the guidelines. In addition, the NDIC presented Korea's PFS system as a model system, making direct references to the Korean documents shared in the two KSP workshops as examples for Mongolia to follow.

Stakeholders learned from Korea's experience that PFS guidelines include specific

benchmarks and therefore adopted the Urban Development Index as a factor to be considered in PFS implementation. Another example of applying the knowledge from the KSP is the addition of quantitative values to the PFS conducted for the Road PPP project.

Raised awareness of the importance of PFS further motivated the Mongolian participants to establish an independent PFS organization. From the beginning stage of the KSP, the knowledge sharing partners from Korea referred to the absence of an institution in Mongolia to establish strategic priorities and to effectively appraise project proposals submitted from the line ministries as one of the major weaknesses. The Investment Division of the Ministry of Finance was given the task but lacked the necessary staff with skills to conduct PFS. Despite the establishment of the NDIC as an organization responsible for strategic planning and for the independent appraisal of public investment projects, the system still lacked an effective process for coordination with the Ministry of Finance. This worried both Korean experts and Mongolian government officials, since it may lead to the danger of fragmentation between the capital and recurrent budget and of projects being approved without considering the resources available.

During the workshops, the Mongolian knowledge sharing partners were advised that it may be more appropriate for Mongolia to set up an independent agency capable of conducting an objective and transparent evaluation to ensure that selective projects are implemented instead of dividing the responsibilities between the line ministries, NDIC, and Ministry of Finance.

Interviewees for PFS reported they had been aware of the need for an independent organization but that the KSP provided them with the impetus to take action. They applied the knowledge learned through the KSP, in particular, from their interactions with PIMAC, the Korean PFS agency.

During the interviews, Ms. Tsend-Ayush from the Ministry of Finance and Mr. Baljinnyam from NDIC stated that the Korean experience motivated Mongolian officials to push for the creation of an administrative body to be in charge of conducting PFS. They also added that the Mongolian participants visited PIMAC and attended the workshops on how PFS was conducted in Korea along with technical sessions on implementation.

Following this, 11 ministries agreed to establish an independent organization in charge of conducting PFS. The decree establishing the independent organization was passed on December 19, 2010. The decree states that the organization, the Institute for Urban Construction and Planning will be housed in the Ministry of Road, Transportation, Construction and Urban Development and be effective in early 2012.

Prospective Institutional Outcome

The KSP raised awareness of PFS in general, the need to set up specific PFS guidelines, and the importance of establishing an independent administrative body for PFS. It also enhanced the knowledge and skills of Mongolian participants on how PFS should be properly implemented and managed by sharing Korea's experience. These ICOs led to development of new PFS guidelines and the creation of an independent entity to effectively and efficiently practice PFS, providing objective results for project implementation. Once the Institute for Urban Construction and Planning is established and put into practice, the government of Mongolia will be better able to implement successful PPP projects through the use of PFS in selecting PPP projects and better using the country's limited resources to invest in infrastructure.

Efficiency of Policy Instruments: Address Risk of Negative Externalities Associated with the Transition from Blanket Deposit to Limited Deposit Insurance

Targeted Institutional Outcomes

The targeted institutional constraint is the possible negative consequence of the transition from the blanket guarantee system to the limited deposit insurance scheme (for example, to avoid a run on the banks). The Mongolian government was already aware of the need to transition its system and the potential negative side effects that could arise during the process before the KSP, but it was reluctant to take necessary measures. The KSP helped to impress the urgency of the need to prepare for the transition and to demonstrate how to successfully carry it out, based on the Korean experience through achieving three ICOs.

First, the KSP helped raise awareness of the importance of setting up a proper deposit insurance scheme. Second, the KSP enhanced Mongolian government officials' knowledge on deposit insurance by providing relevant example documents and case studies and by improving their general understanding of the concept of deposit insurance. Lastly, the KSP helped improve working relations among the related ministries. The knowledge sharing partners from Mongolia became motivated to cooperate and work together. They set up a working group that drafted the deposit insurance law, including establishing the Mongolian Deposit Insurance Corporation (MDIC). Through these measures, it is expected that unintended negative impacts from transition would be minimized, and the Mongolian government would reduce its trial and error, thereby minimizing the cost or ill effects (Figure 13).

Intermediate Capacity Outcomes

The KSP raised awareness among stakeholders about the urgent need to prepare for a new insurance system.

Prior to the KSP, some Ministry of Finance officials had increasing concerns about the current deposit insurance system because the blanket guarantee system would end in 2012. However, there was also hesitation to act because the government was under the illusion that it had ample time before the change in system was due

to take place when in fact, the preparation and planning should have already been under way. The KSP provided a platform for knowledge sharing partners from both countries to discuss the current state of Mongolia.

Interviews with Tsookhuu Bayarkhuu, an officer for the Financial and Economic Policy Department, Ministry of Finance, and the local consultant for the KSP, indicated that similarities between Mongolia and Korea inspired and motivated participants to realize the urgent need to prepare for deposit insurance in Mongolia. He explained, "The Korean success helped a lot because before that, everyone had different ideas and opinions on deposit insurance... After the KSP, everyone knew about deposit insurance and the main principles of successful deposit insurance around the world."

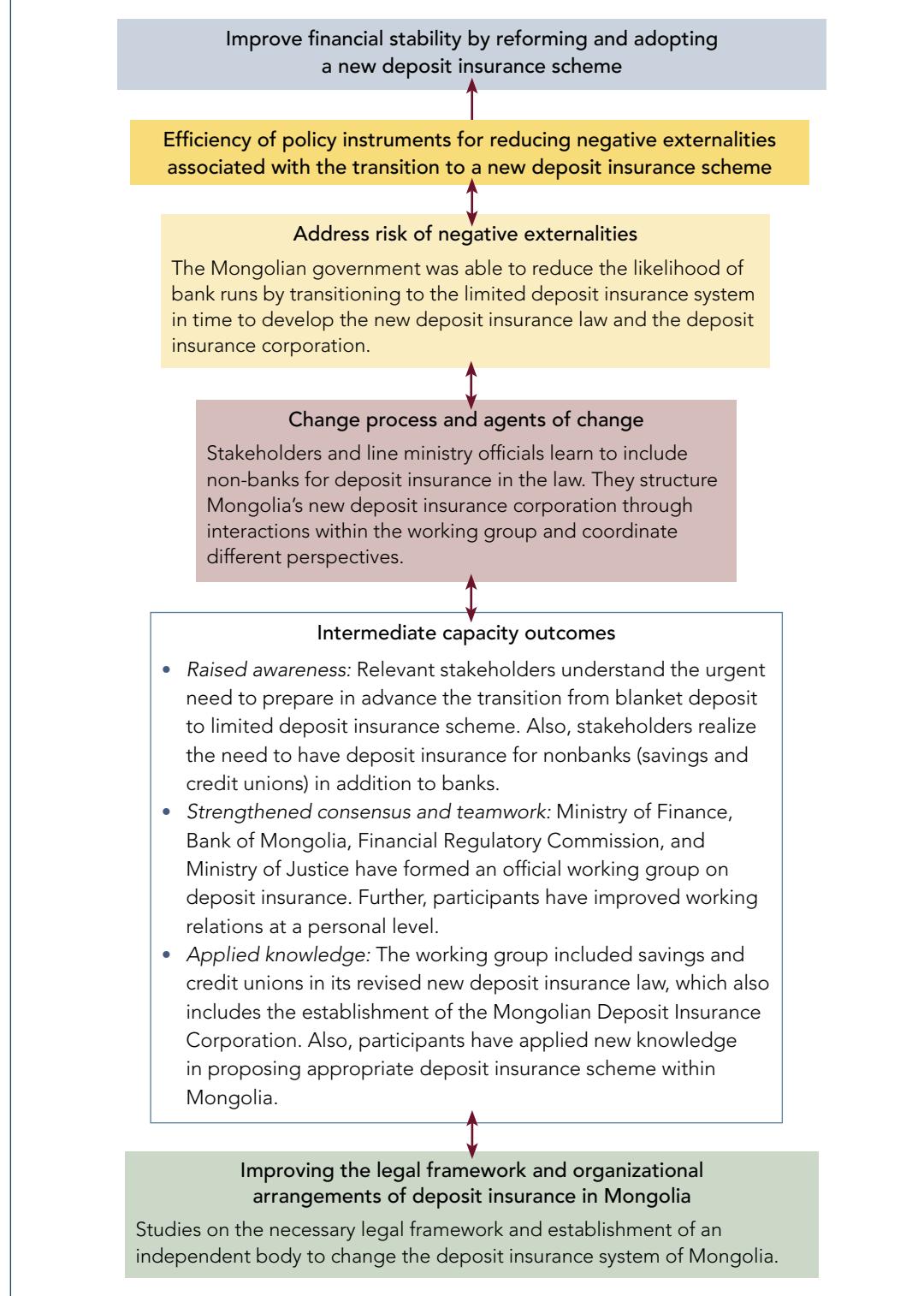
During the KSP stages, the Korean experts met with officials from the Ministry of Finance, Bank of Mongolia, and Financial Regulatory Commission (FRC). The participants discussed the existing deposit insurance system in Mongolia, as well as Korea's experience in preparing for a transition from full deposit protection to a partial deposit protection system. In Korea, the KDIC spent almost two years preparing for a smooth transition.

Mr. Battulga expressed that Mongolia would benefit from learning about KDIC's experience in guiding Mongolia's transition strategy in this short time frame. In addition, Ms. Zambaga, an official from the Ministry of Finance, reported that the KSP's focus on the issue led to raised awareness and a strong willingness to act among some Mongolian officials from related agencies after witnessing the formation of the working group.

The KSP also highlighted the importance of improving the soundness and supervisory ability of Savings and Credit Unions (SCUs) among Mongolian government officials.

The SCUs are categorized under non-bank financial institutions and thus were

Figure 13. Change Logic for Reducing Negative Externalities Arising from Transition from Blanket Deposit to Limited Deposit Insurance



not of major concern. However, the KSP emphasized that non-bank financial institutions should also be considered when setting up a new deposit insurance system.

During the additional pilot study, Mr. Sharavtsambuu, member of the FRC board, thanked the Korean knowledge sharing partners for raising the FRC's general awareness of SCUs and promoting understanding of the need to have deposit insurance not only for banks but also for SCUs among the officers in the FRC. Both of the KSP workshops emphasized the importance of protecting small depositors and the need for governmental guarantees to protect funds for SCUs to shield small depositors and ensure competitiveness.

In addition, the advantages and disadvantages of separate and consolidated protection schemes were discussed in-depth. The Korean consultants advised Mongolian officials that adoption of a consolidated scheme is desirable in the long run given the economies of scale in management costs and the difficulties of merging separate systems later on. The Mongolian officials came to understand the need to have deposit insurance for banks but also for the SCUs to ensure balanced development of the deposit insurance sector.

As a result of the KSP's final policy recommendations that deposit insurance be implemented gradually after the supervisory role function is implemented for banks, representatives from the Ministry of Finance and Bank of Mongolia reported during the final workshop that Mongolia will implement deposit insurance for non-Bank financial institutions.

The KSP enhanced the knowledge of Mongolian officials on deposit insurance through knowledge sharing in visits, presentations, and discussions.

This knowledge was then applied in writing joint policy recommendations. Participants were presented with case studies from Korea and Japan to learn the stages of transition from blanket guarantee to limited guarantee system in detail. Mr. Bayarkhuu stated that the KSP was more

informative than any other program in which he had participated thus far. He expressed appreciation for the KSP's emphasis on the participation of the Mongolian officials in making policy recommendations. The program included five visits in total, allowing enough time to absorb what was learned and to build on the newly acquired knowledge by asking follow-up questions through continued interaction with the Korean experts.

Ms. Tserendejid Purevjav, head of the Insurance Policy and Planning Division, FRC, reported in a September 2011 interview that the KSP greatly enhanced the FRC's knowledge of deposit insurance. She said she learned about three types of deposit insurance scheme: (1) blanket guarantee system, (2) paybox with extended power and (3) risk minimizer. The second strategy adds some proactive features to exercise regulatory powers to the blanket system that is reactive and focused on paying out to the protected depositors. The third strategy requires minimizing exposure to loss and thus the institution has to be proactive in terms of on-going risk identification, assessment and management. She then applied the knowledge gained and pushed for the second strategy within the working group.

Although the second strategy did not get adopted because the third strategy was chosen based on the majority vote, Purevjav said she understood the three types of deposit insurance systems as a result of KSP. She also learned the advantages and disadvantages of deposit insurance and the technical aspects of deposit insurance. She said she now has a clear understanding on what products should be included as part of the deposit insurance. In addition, she reported that she was able to apply what she learned from the KSP in the arguments she made to the working group both verbally and in her written proposals. Based on the KSP, she wrote two proposals on financial stability; one to put more emphasis on the SCUs in achieving financial stability; the other to pose her idea on the establishment of stability fund and the scope of coverage.

The KSP presented Mongolia with initial research on deposit insurance, which led them to do additional research through the working group on how other countries implemented deposit insurance. The interviews revealed that the working group drafted the deposit insurance law based on many country examples such as Germany, Bulgaria, and Hungary. However, the interviewees claimed that Korea's case was particularly helpful because of the site visits that provided practitioner knowledge exchange and a three-day workshop at KDIC.

To reflect this, guidelines drafted by the working group included the same structure as those purported by KDIC. For instance, the general structure of the MDIC is based on the KDIC. MDIC is to be set up once the law is enacted. In addition, guidelines on information sharing among stakeholders and penalty sections are few of the examples that indicate the Mongolian participants learned from KDIC through the KSP and used the knowledge gained.

The KSP strengthened the consensus and teamwork among the Ministry of Finance, Bank of Mongolia, FRC, and the Ministry of Justice in their task to draft legislation on deposit insurance on both official and personal levels.

The Korean consultants emphasized the need to have unity among the affected agencies for a successful transition. The Ministry of Finance, Bank of Mongolia, FRC, and Ministry of Justice issued an official decree in September 2010 to establish a working group to collaboratively draft the Law on Deposit Insurance. Signing a consolidated decree such as this is an exceptional case in Mongolia, thereby signifying the importance of the stakeholders' collaboration.

The KSP also helped improve working relations among line ministries at a personal level.

For instance, joining the KSP with colleagues from the Ministry of Justice improved relations on a personal level,

which promoted better ministerial working relations. To quote Mr. Bayarkhuu, "We [Participants to the workshops] went [to Korea] as one group and that made us quite closer in terms of communication... Being closer friends made us work together more easily in all fields, not just deposit insurance—including budgeting and anti-corruption." He claimed that improved working relations at a personal level also contributed to the success of the working group. The working group met more frequently than is typical of other working groups as a result of the KSP.

Prospective Institutional Outcome

The working group drafted and submitted the Law on Deposit Insurance to Parliament. The draft law reflects opinions of all the stakeholders in the working group, which were influenced by the KSP. The law seeks to address the potential negative consequences of implementing the new deposit insurance system, such as a run on the banks. For instance, the law does not limit beneficiaries solely to banks. The KSP advised that SCUs only be subject to the limited deposit law once they reach the level of banks in terms of management and transparency. This would help to minimize difficulties in having a consolidated protection scheme in the future. This idea was strongly supported by FRC. The law also includes a section on establishing the MDIC.

During the KSP, the Mongolian participants visited KDIC and learned about the organization in detail. The three-day workshop conducted by the KDIC influenced the officials by firmly establishing in participants' minds the need for Mongolia to create an entity that will carry out the activities of KDIC in Mongolia. During his interview, Mr. Bayarkhuu stated the visit to KDIC was one of the most influential factors that led the Mongolian government officials to push for MDIC. KDIC is likely to provide further assistance to Mongolia once it embarks on formally establishing MDIC.

In June 2011, KDIC signed a memorandum of understanding with the Min-

istry of Finance and Bank of Mongolia to work together in creating MDIC. Once the law is implemented, it will represent an improvement in the effectiveness of policy instruments in addressing the negative externalities associated with transition from blanket deposit to limited deposit insurance. In August 2011, the cabinet rejected the deposit insurance law and the working group had to clarify 27 issues. The working group answered all of the questions and resubmitted the proposal for approval. Cabinet meetings are in progress to review the revised proposal.

Lessons and Implications

Matching Countries with Similar Experiences

It is crucial to select topics that are requested by the country to secure willingness of the knowledge recipient. The country that is sharing its knowledge should also have the necessary experience and know-how to meet the request to provide relevant information. In this vein, the KSP with Mongolia was successful because the topics requested by the Mongolian government were well matched with Korean know-how.

In the beginning stage of the program, the Mongolian government submitted a Demand Survey form listing eight topics as candidates for the KSP. Based on the request of the Mongolian government, KDI tried to select and provide consultation in the areas where Korea has the necessary know-how and is ready to share its experience. In the case of the PPP and PFS, Korea had more than 10 years of experience with sound legal background and guidelines. In addition, Korea has a PPP-specialized agency, which ensures the Mongolian officials are exposed to a pool of knowledge sharing partners with real experiences to share. For deposit insurance, Korea also had to transit from a blanket guarantee system to a limited coverage system starting in the late 1990s and is thus able to provide consultation based on prior experience. Korea also has KDIC, a corporation in charge of deposit insurance scheme.

Understanding both countries' current situation also played an important role in selecting topics. Mr. Hyoung Kwon Ko, a World Bank advisor to the minister of finance of Mongolia, acted as an intermediary during the procedure. He was not only well aware of Korea's experience, but understood the local situation in Mongolia. He shared his opinion as the Korean team tried to narrow down the submitted list of topics. This involvement was of great help when prioritizing the topics, since Korea was in a position to know issues that are timely and can be of help to the Mongolian government based on Korea's experience. Ko engaged in discussions with the Korean team on the current status of Mongolia. He stated that PPP was new to Mongolia upon the passing of the Concession law and the establishment of the PPP Division within the SPC. The nearing deadline for the blanket guarantee system was highly emphasized. Based on these local conditions, Ko said PPP, PFS, and deposit insurance should be considered as the key topics.

During the stage of the Demand Survey and Pilot Study I, then vice minister of finance, Mr. T.Ochirkhuu, welcomed the Korean delegation. The Korean team posed three areas of research selected based on three factors: demand of the Mongolian government; available expertise in Korea; and understanding of the Mongolian economic situation. Mr. Ochirkhuu showed enthusiasm for the topics, requested knowledge sharing from the Korean experts, and promised full cooperation.

Thus, the program yielded results because it was composed of topics of interest to Mongolian government officials and areas of expertise for Korea. In addition, the topics were well suited to local conditions. Overall, the topics met the necessary criteria to be well received by the Mongolian government officials, leading them to guarantee their participation in the KSP.

Strengthening of Program Ownership with Participation from Stakeholders

To ensure transparency and minimize conflict of interest, policymakers and working-

It is said that “seeing is believing.” It is crucial the knowledge participants learn in seminars and workshops but are also exposed to real-world examples. The cases play a visionary role to motivate participants working toward a goal.

level practitioners from the relevant ministries must communicate and share their opinions when working toward a common goal. The vertical (within-country) interaction among the relevant stakeholders from various line ministries is therefore crucial.

The KSP brought about participation from various related line ministries to work together toward a common goal of managing fiscal expenditure, increasing alternatives of the investment for infrastructure and establishing guidelines for a new deposit protection scheme.

PPP, PFS and deposit insurance had various line ministries involved, respectively. Policymakers and practitioners from 14 organizations and ministries related to the KSP topics attended the workshops and seminars. Throughout the workshops, officials from different ministries involved in the same topic communicated frequently and shared opinions. The meetings provided a forum for stakeholders to realize the importance of cooperation. The formation of the working group as the result of the KSP in the case of the deposit insurance system illustrates this cooperation.

Improved communication among stakeholders from various ministries also led to building good working relations. In the deposit insurance section, interviewees said joining the KSP with colleagues from various ministries improved relations on a personal level, which promoted better ministerial working relations. In the PPP section, interviewees also stated that improved working relations helped them to work in a more efficient manner, because officials from different ministries could communicate more often instead of having to wait for a longer time period in exchanging viewpoints.

Designing the Program to Provide Firsthand Experience

It is said that “seeing is believing.” It is crucial the knowledge participants learn in seminars and workshops but are also exposed to real-world examples. The cases play a visionary role to motivate participants working toward a goal.

The KSP with Mongolia not only provided informative sessions to share Korea’s experience and knowledge, but also gave firsthand experience to the Mongolian participants. As mentioned, the program included study tours to organizations related to the topics. For PPP and PFS, the Mongolian delegation visited PIMAC, Incheon Bridge and Busan Port. For deposit insurance the delegation attended a seminar hosted by KDIC as part of KSP, and met with officials from Korea Federation of Banks & Credit Union, Korean Financial Services Commission and Korean Financial Supervisory Service to learn from experts with field experience.

The interview results show these visits motivated the Mongolian government officials to work toward improving its current system. As illustrated in the PFS, the officials who participated in the KSP stated that the program—especially the visit to PIMAC—motivated them to take action, based on what they were already aware of, in pushing for an independent agency in charge of PFS. The case is similar for deposit insurance. The visit to KDIC triggered the participants to push for the creation of MDIC in its new deposit insurance law, which takes on its basic foundation from KDIC.

Strategic Targeting of Participant Selection through Identifying Change Agents

One of the factors that contributed to achieving the ICOs is the selection of KSP participants who were anticipated to have the power to act toward bringing about desired outcomes. A program itself cannot automatically lead to intermediate outcomes unless the program participants are in the position to understand, learn and practice based on knowledge gained from the program.

For instance, government officials who have interest in the program topics are to participate in the program, so that they are enthusiastic and are more willing to take part compared to officials who have no relation to the issues. This includes officials

who work in related fields and are in the right position to use the knowledge gained from the program when doing their job.

In the case of Mongolia, the KSP participants were appropriate for the three topics covered. Understanding the local environment, including the organization in charge and the organizational structure, helps to ensure that participants are relevant. In the case of PPP, the SPC was the main body in charge, so the majority of participants for PPP were from SPC, specifically under the PPP division. For PFS, NDIC and the Ministry of Finance were the key agencies involved. Under the Ministry of Finance, the fiscal policy department mostly dealt with the PFS, so the program coordinator and local consultant for the PFS were selected from that department to ensure relevancy. Regarding deposit insurance, working-level officials from the Bank of Mongolia, Ministry of Finance, and FRC were invited to participate because they were all equally concerned with the issue and highly likely to benefit from the KSP.

Another important factor is to not only have the participants who are at the working level report to the higher ranks and voice their opinions based on the knowledge gained, but also those who have the authority to make the final decisions. This was one of the main reasons why the local consultant for the PPP was the head of the PPP division who had the power within the division in selecting PPP projects. If only the working-level officers participated in the program, they may have had difficulty in exercising PPP as learned from the KSP. The KSP thus selected participants to ensure efficiency and boost cooperation within the same department. For PPP, a member of the cabinet also participated in the KSP because PPP project selection procedure involved getting approval from the cabinet. The interviewees reported that including the cabinet member in the KSP enhanced cabinet members' understanding on PPP so that PPP projects could be carried out in a more efficient manner.



NESAP-ICT South-South Experience Exchange with India: Results in Ghana and Nigeria

Introduction

Overview of Program Context

In 2008, the World Bank launched New Economy Skills for Africa Program-Information and Communication Technology (NESAP-ICT) to support countries in Sub-Saharan Africa in building skills for the knowledge economy. The initial focus was to develop benchmarked, employable skills for the IT-ITES industry. South-South knowledge exchange initiatives were integrated into the broader NESAP-ICT program to share lessons of experience among peer countries, and to use these lessons in implementing country-level interventions.

The first experience exchange was a two-week South-South learning visit to India designed to expose participants to the Indian IT-ITES industry. This visit covered the IT hubs of Mumbai, Hyderabad, and Bangalore. Fifty-four people participated in this South-South experience exchange, including senior policymakers, entrepreneurs, and educators from eight African countries—Ghana, Kenya, Madagascar, Mozambique, Nigeria, Rwanda, Senegal, and Tanzania—along with their World Bank counterparts. These countries have ongoing or pipeline World Bank-financed operations with a focus on education, and thus the Bank invited them to participate in the visit.

The South-South experience exchange with India was implemented in concert with other ongoing development activities to catalyze a capacity development change

KNOWLEDGE EXCHANGE PROGRAM INFORMATION

Title: New Economy Skills for Africa Program-Information and Communication Technology South-South Experience Exchange

Knowledge Recipient Countries: Ghana, Kenya, Madagascar, Mozambique, Nigeria, Rwanda, Senegal, and Tanzania

Knowledge Provider Countries: India, Philippines, and Korea

Program Period: January 2009–July 2010

process. While the eight recipient countries participated in the same knowledge exchange program, the mix of participants in their delegations, their country contexts, and the balance of other contributing interventions varied widely. These diverse circumstances provide a rich opportunity to qualitatively examine what characteristics and conditions help to foster capacity development results for knowledge exchange initiatives.

The CDRF offers a blueprint for tracing the results stories to show how, or whether, participants acted as change agents to achieve needed ICOs to support longer-term development of institutional capacity. This chapter relies on review of program documents and interviews with program implementers and participants to explore two country results stories from this South-South initiative and identify potential success factors.

Development Goal and Capacity Development Objectives

Although the eight African delegations came from different country contexts, the main development goal was similar: to develop the IT-ITES industry and requisite skills in order to stimulate economic growth and employment. The capacity development objectives targeted by the experience exchange were designed to contribute to this higher purpose.

At the opening ceremony for the South-South Learning Visit in India, Jee-Peng Tan, an education advisor for the Africa Region at the World Bank, described the general objectives of the broader NESAP-ICT initiative of which the South-South knowledge exchange was one component. These overarching objectives of NESAP-ICT are to:

- Equip the workforce with more and better ICT skills benchmarked to global standards.
- Support the specific ICT educational and skills needs of targeted African countries.
- Build capacity to better design and implement ICT projects and components.
- Pilot a new way of working collaboratively across sectors to address a common need.

Interviews with knowledge providers at the World Bank and a review of South-South experience exchange program documents clarified the capacity development objectives for this knowledge exchange. The primary focus was to increase the strength of stakeholder ownership for developing the IT-ITES industry by building commitment among industry leaders and policymakers. Anubha Verma, World Bank Operations Officer, said, "All countries wanted to learn about the IT industry and its impact on the economy. However, they were not able to envision the transformation of the economy and the urban development as a result of the IT industry development... An attitudinal shift and different mindset was necessary to nurture this industry."

The South-South experience exchange grant funding request for NESAP ICT also noted that the learning visit could serve a key role in supporting ICT skills development as a means to competitiveness in IT-ITES. The knowledge exchange was designed to address the need for "market-responsive training programs" and would seek to "introduce innovative skills development models deemed necessary for the country's present and future needs" (World Bank Grant Funding Request, p5-8).

In CDRF terms, the knowledge exchange component was designed to contribute to the longer-term objective of increasing the effectiveness of organizational arrangements at learning institutions to better produce graduates prepared for the IT-ITES industry. This capacity development objective was important but secondary (longer-term) for this knowledge exchange, which first required increasing commitment among the leaders noted above. That is, to participate in the program, the participants had to demonstrate sufficient promise to promote ICT. The purpose of the knowledge exchange was to increase their commitment to a level that would lead to action.

Program Description

Design of the Knowledge Exchange Initiative

The centerpiece of this South-South experience exchange was a two-week learning visit to India, hosted by the National Association of Software and Service Companies (NASSCOM). The main elements of this visit included:

- Presentations from Indian and international experts.
- Networking and learning at the NASSCOM Annual Leadership Forum.
- Site visits to IT firms and skills development institutions.
- Sessions to share country experiences among the eight participating African countries and prepare country action plans.

Though the primary focus was on skills development, other areas critical for the

IT-ITES industry's growth were also included in the learning activities: infrastructure, policies and institution, and business environment.

Prior to the visit, three videoconference sessions were held to prepare the country delegations and inform the planning of the overall agenda, and after the visit, one videoconference session was held to discuss the lessons learned. To follow up on country progress, a workshop and panel discussion was incorporated into the 2010 eLearning Africa conference held in Zambia, with videoconference connections to explore lessons learned and progress achieved by the knowledge-receiving countries (<http://nesap-ict.pbwiki.com>).

The learning visit provided the opportunity for peer countries to share their experiences related to the IT-ITES industry. The Africa delegations from Ghana, Kenya, Madagascar, Mozambique, Nigeria, Rwanda, Senegal, and Tanzania met with their India counterparts and also learned about experiences in the Philippines and Korea.

Knowledge Providers

India was selected to be the key knowledge provider and to serve as the site of the learning visit because it is a global leader in IT engineering and IT-enabled services. Program materials noted that in 2007–2008, the industry contributed an estimated 5.5 percent of India's GDP, compared with 3.6 percent in 2003–2004 and 1.2 percent in 1997–98. This rapid growth occurred within the context of still widespread poverty and low literacy rates, thus offering relevant lessons for the knowledge receiving countries in Africa. The IT-ITES industry is of particular interest to these countries because the global market potential is substantial and because of the demonstrated potential of IT-ITES to create jobs, particularly for young people.

The main content providers in India included industry association representatives and skill development experts. The learning visit was hosted by NASSCOM and covered the India IT hubs of Mumbai,

Hyderabad and Bangalore. IT companies, consulting firms, higher education institutions, and senior policymakers provided content.

Presenters from the Philippines and Korea brought a global perspective to IT-ITES. A representative from the Business Processing Association-Philippines shared experiences on how the Philippines rose from a newcomer in ITES to the status of a dominant global player, using private-public sector alliances to achieve growth. A representative from POSTECH shared an overview of Korea's IT experience and how to build world-class educational institutions for ICT excellence.

Participants in the Knowledge Exchange

The members of each country delegation were strategically selected based on their positioning to initiate or manage new action based on lessons, and to attain a comprehensive representation from relevant stakeholder groups. One participant in each country group was designated a "champion." A program designer explained the selection rationale: "We looked for champions in each country before the project. We made sure we included not just the leaders but also the implementers."

In keeping with this rationale, the mix of participants was structured to represent the following stakeholder groups (Tan, 2009):

- Senior government officials from the ministries responsible for ICT development.
- ICT regulatory bodies.
- Education and training institutions involved in ICT skills development.
- Entrepreneurs from the private sector and industry association members.

The composition of each country's delegation varied to some degree. For Ghana, the participants included high-level representatives from the public sector, private sector, and skills development institutions (complete list in Appendix). For Nigeria, the country delegation also represented

the public and private sectors and a skills development institution (complete list in Appendix).

Summary of the Capacity Development Change Logic

The CDRF provides guidance to identify how capacity development interventions can catalyze and facilitate transformational change processes that enhance institutional capacity. This capacity development results chain logic is directly applicable for assessing South-South knowledge exchange programs. The capacity changes can be traced by establishing which institutional capacity areas are constraining the achievement of a particular development goal, which local stakeholders or change agents are well situated to manage or initiate the needed change(s), and which ICOs are being achieved to advance progress toward the higher-level institutional capacity results.

Following this logic, two capacity development change stories are emerging in Ghana and Nigeria following the South-South visit to India. First, to promote needed action steps, policymakers, industry leaders, and other decision makers must be able to envision the transformation of the economy that could result from developing the IT-ITES industry. By helping government officials, industry executives, and representatives from skills building institutions better understand this growth potential and the relative advantage of their country—and by helping to empower each group of participants to articulate these benefits to other leaders back home—the South-South experience exchange is helping to foster the needed stakeholder ownership.

These same participants should be well positioned to implement changes for increasing the effectiveness of skills building institutions in preparing graduates for IT-ITES employment. The learning visit provided the country delegations with the opportunity to learn from experiences in India about how to prepare graduates in line with internationally recognized standards. Implementing the needed changes in this case will take more time and require

the increased commitment of leaders described above.

The individual components for each of these two results stories are described in detail in the following sections, with specific evidence and lessons learned provided related to the emerging outcomes in each country. Figure 14 provides an overview of this change logic.

Outcomes for Ghana

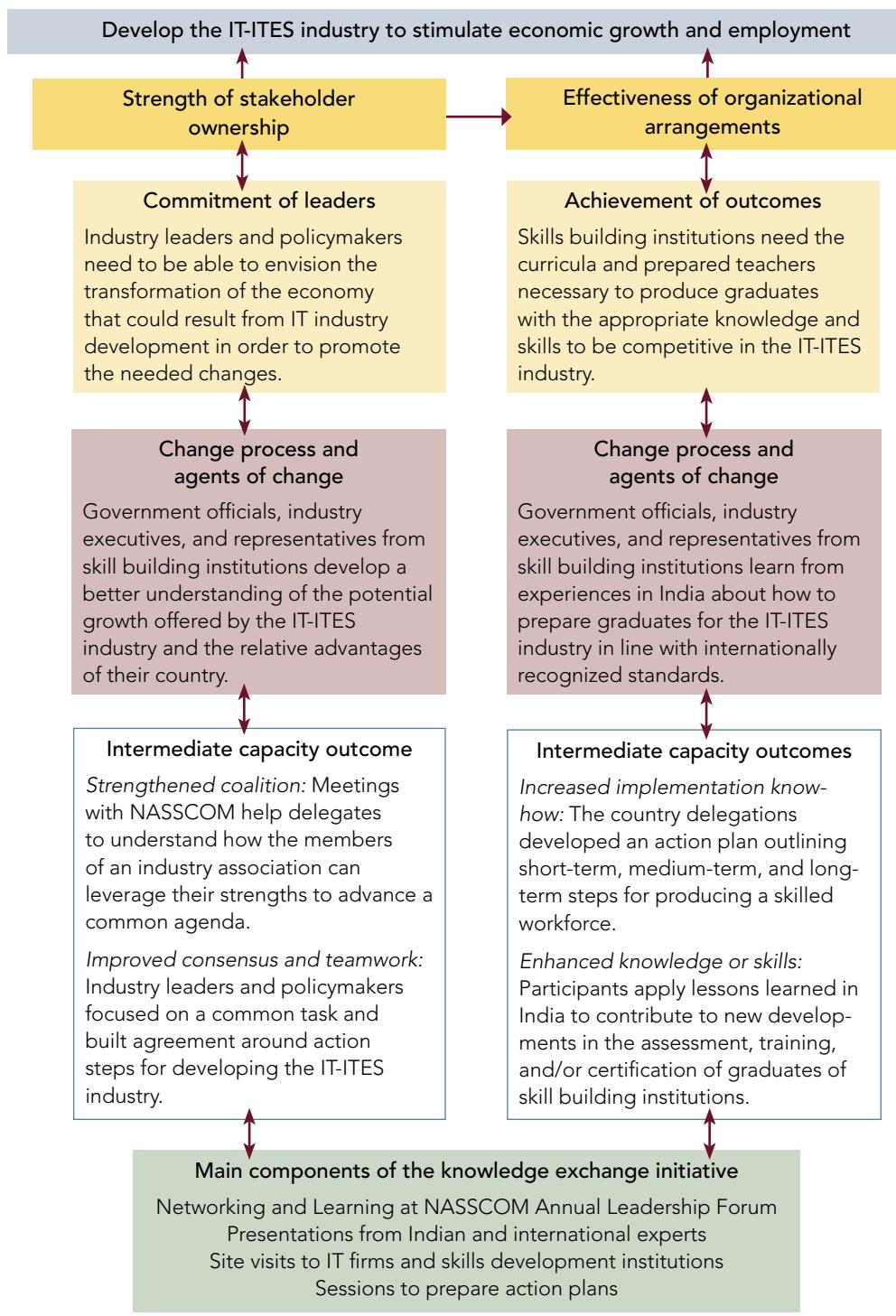
Country Context

Ghana is a low-income, agriculture-driven country that is striving to become middle income through knowledge-based and technology-driven economic growth. In its opening presentation, the Ghana country delegation highlighted various steps that have been implemented for supporting this transformation, including the following:

- Formulation of the ICT for Accelerated Development Policy, with ongoing work to refine the policy pillars and sectoral strategies.
- Establishment of the Ghana Multimedia Incubator Centre in 2005 to train people for the Business Process Outsourcing (BPO) industry and to develop incubators.
- Establishment of the ITES Division of the Ministry of Communications in 2007 to facilitate the development of the private sector.
- Establishment of the Ghana Investment Fund for Telecommunications to enable Telecom Operators to extend their services to rural communities.
- Completion of the first phase of the National Communications Backbone Project to provide open access broadband connectivity to most major towns and cities.

According to the Ghana Association of Software and IT Services Companies (GASSCOM), the growing global need for BPO services was estimated to have reached \$180 billion by 2009, with Ghana identified as a favored destination. The country delegation attending the learning visit in India

Figure 14. Change Logic for the NESAP-ICT South-South Experience Exchange with India



outlined several advantages that could allow Ghana to capture a growing share of this market. Important strengths included the presence of a large talent pool, a location near to Europe, and a foundation of government support with financial incentives to position IT-ITES as focus areas for economic growth.

However, the Global Competitiveness Report for 2008-2009 indicated that Ghana was relatively weak in the areas of technological readiness, innovation, and labor market efficiency (World Economic Forum, 2011). Limited skills and productivity present challenges for Ghana, along with the problem of “perception” as described by the country delegation: local stakeholders, including leaders, are not yet grasping Ghana’s potential as a BPO destination (Ghana country delegation presentation, May 2009). Reshaping these perceptions to strengthen stakeholder ownership will be an important early step in overcoming barriers.

Changing Attitudes Among Industry Leaders and Policymakers

By design, capacity development interventions should aim to affect the ability or disposition of stakeholders who are well situated to initiate or manage the changes needed to achieve capacity development results. As defined by the CDRF, this changed ability or disposition reflects an intermediate step toward higher-level institutional capacity results.

A review of program documents and interviews with key stakeholders identified evidence indicating that the South-South experience exchange contributed to two ICOs. These ICOs are critical for strengthening stakeholder ownership in promoting the IT-ITES industry in Ghana.

Consensus and teamwork improved among influential ICT champions.

The delegation from Ghana included a strategic mix of high-level representatives from the public and private sectors, including stakeholders well positioned to influence policy, resource allocation, and

training curricula. As the task team leader of the South-South experience exchange noted, the participant selection process was designed to target “high-level influential champions to be leaders, and not necessarily technological leaders, but those who could influence policy and establish a vision for promoting ICT in their countries.”

An important outcome therefore was the increased ability of this diverse set of stakeholders to collaborate effectively on the common task of establishing this vision. This cohesion is reflected in the following:

- The delegation worked collaboratively to produce a country presentation and an action plan outlining short-term, medium-term, and long-term steps.
- Stakeholders have continued to carry out their designated roles as set forth in the action plan. As reported by a participant from the Ministry of Communication, a leadership committee was established following the visit composed of the Minister of Communication, Deputy Minister of Finance, Deputy Minister of Education, and representatives from the Ministry of Trade. This committee has met approximately four times to track progress in achieving the action steps and “keep the skills agenda on course.”

Coalitions among public and private actors strengthened.

The experience exchange also strengthened the relations between the public sector and GASSCOM. A participant from the Ministry of Communication reflected that the learning visit “opened a formal connection” between GASSCOM and the government because the delegation needed to work closely with GASSCOM to prepare the concept paper and the country presentation. As the participants learned how NASSCOM pushed the BPO agenda in India, they better understood how important it is that “industry and government and academia should get together so that the skills that are produced would be industry and demand-driven.”

Following the learning visit, GASSCOM established a stronger disposition for

influencing the BPO agenda, reflected by the following:

- With World Bank support, GASSCOM hosted its first international conference in July of 2009: “Outsourcing to Ghana, Africa’s Golden Gateway.”
- The government of Ghana’s e-Ghana project supported GASSCOM with institutional capacity building and expansion of membership.
- The Ministry of Communication now holds at least a quarterly meeting with the CEO of GASSCOM and invites GAS-SCOM representatives in regularly to discuss skills development issues. As one participant noted, “They have a say in prioritizing the agenda for government. At the end of the day, they are going to use the skills of the people whom we train.”
- The ITES Secretariat of the Ministry of Communications facilitates “matchmaking events” so that potential BPO investors visiting Ghana have the opportunity to meet and network with GASSCOM members. GASSCOM is now viewed as playing an instrumental role in the promotion of Ghana as a destination for BPO/ITES industry investment.

The South-South learning visit to India was conceived primarily for African participants to gain exposure to the Indian IT-ITES industry and to distill lessons for possible application in Africa. The experience exchange was therefore strategically positioned to help advance diverse capacity development objectives and interventions, including World Bank work in Ghana addressing ICT issues and the ongoing, multi-year NESAP-ICT initiative. While the learning visit alone would not be expected to achieve these development objectives, evidence of improvements in targeted institutional capacity indicates how change processes facilitated by the knowledge exchange contributed to capacity development.

In terms of strengthening stakeholder ownership, a clear focus of this initiative was to further increase the commitment of

leaders in Ghana to the development goal. The multi-year NESAP-ICT program targets eight countries that satisfy certain eligibility criteria, one of which is strong government commitment at the leadership and operational level to the project’s agenda. At the launch of NESAP-ICT in 2008, Ghana demonstrated sufficient stakeholder ownership to meet this requirement. However, interviews with stakeholders and a review of program documents highlighted the need to strengthen and broaden commitment among stakeholders in instrumental leadership and decision-making positions. Real commitment is reflected by action steps implemented and/or supported by leaders: leaders needed to demonstrate increased philosophical buy-in to promote IT-ITES industry growth, as well as increased motivation to act and knowledge about what activities were needed. In other words, real commitment is reflected by action steps implemented and/or supported by leaders.

As described in the discussion of ICOs (improved consensus and teamwork), a leadership committee was established following the participants’ return from India to Ghana to promote, implement, and monitor various steps in the action plan. This high-level committee included the Minister of Communications, Deputy Minister of Finance, Deputy Minister of Education, and representatives from the Ministry of Trade. The committee participated in a follow-up South-South exchange to Singapore, designed exclusively for higher-level decision makers. Evidence of increased commitment to developing the IT-ITES industry by these leaders following the South-South experience exchange includes:

- The committee requested the World Bank’s support in critical areas of economic growth, including ICTs, oil and gas and agriculture. Following this discussion, Ghana launched the Ghana Skills and Technology Development Project with support by the World Bank. This project was launched after the Singapore learning visit. Participants emphasized that the lessons from India solidified leadership for this project

and clarified what steps needed to be supported to achieve results for Ghana. The leadership committee was designated as the Project Steering Committee for the Ghana Skills and Technology Development Project, and the project is due to become effective between July and September of 2011.

- The project targets ICT industry as a priority area. The Ghanaian participants used the lessons learned from the India visit to select high-impact areas to be targeted by the competitive fund instrument, the main vehicle of financing in the Ghana Skills and Technology Development Project. These areas are modular, industry-based training, just-in-time training for workforce needed by ICT investors, employability training among graduates through bridging method and capacity building in industry association GASSCOM for large-scale impact.

Strengthening Skills Building Institutions

Program documents and interviews with key stakeholders also indicated that the South-South experience exchange helped catalyze a capacity development change process related to increasing the effectiveness of the organizational arrangements of skills development institutions so that they could produce graduates better prepared for IT-related jobs. Two intermediate outcomes in particular appeared to serve as stepping stones to this higher-level capacity development objective.

IT champions increased their knowledge and skills to reform the skills-development cycle.

Participants developed an increased ability to act related to IT-ITES skill development. The participant from the ITES Secretariat observed that “the knowledge exchange was very helpful in getting us to craft the curriculum: there are global or international skills sets that are important for the IT-BPO industry.” Key stakeholders have been studying the evolution of the

Indian BPO-ITES industry on an ongoing basis, and a BPO-ITES Training Roadmap had recently been completed before the learning visit as part of the World Bank’s eGhana project.

The experience exchange strategically aimed to educate the delegation about what reforms and action steps were needed for effective skills development to prepare graduates for IT-ITES employment. Implementation of these action steps, described below, demonstrate how participants applied newly acquired knowledge and skills in following the BPO-ITES training roadmap.

New implementation know-how.

Participants from Ghana not only formulated an action plan but also followed through to implement action steps. As alluded to previously, developing the action plan provided practical insights on how to improve IT-ITES skills development, which led to the following progress.

- Immediate
 - Completion of BPO skills standards/curriculum guidelines.
 - Validation of standards/curriculum guidelines.
 - Hiring of training consultant (content development/training of trainers).
 - Planned launch of training grants program in June, 2011, following the consultant’s completion of training content (currently nearing completion).
 - Launch of the skills development fund as part of the Ghana Skills and Technology Development Project.
- Medium-term
 - Planned accreditation of training of trainers following the completion of the training content.
 - Planned training of learners and agents program will happen within two months. After 50 trainers and 500 learners are trained, the full learners course will be reviewed and revised as needed. Following that, approximately 7,000 learners are expected to complete the training.

- Long-term
 - Ongoing rapid deployment of modern IT/BPO infrastructure. Increasing submarine cable capacity to three eliminated the monopoly and drastically reduced the cost of bandwidth. One participant emphasized that “when we went to India, we realized that our bandwidth capacity was SO low,” and this realization motivated rapid cable deployment.
 - Ongoing promotion of Ghana as a destination for BPO/ITES industry investment, with participants organizing inbound events to promote the advantages of locating in Ghana. A team from Ghana also visited the United States to learn about investment promotion in BPO- ITES, and as a result, the American BPO Teletech visited Ghana and took over the Vodafone call center in Ghana, resulting in 500 new jobs.
 - Ongoing development of technology parks, with the design stage now complete. The strategy is to build an office complex and BPO hall that will then entice private sector firms to locate there. The government identified some warehouses, which are to be rehabilitated into BPO shacks with plug-and-play access for use in the next three months. These warehouses were public works department buildings that were abandoned.

Overall, the NESAP-ICT South-South Experience Exchange with India worked in concert with other key development interventions in Ghana to improve the effectiveness of institutions promoting the IT-ITES industry. An important factor for developing the IT-ITES industry in Ghana is increased human capacity, which includes improved preparation and competitiveness among graduates from skills development institutions. These organizations need to produce a more skilled workforce. Investment in training, curriculum development, and infrastructure requires demonstrated

commitment from a broad group of stakeholders, which continues to strengthen as described above.

Evidence of improvements in workforce skills is not yet available, but near-term measurable improvements in the effectiveness of skills development institutions are indicated by the following (described previously in the overview of the delegation’s action plan):

- Completion and validation of BPO skills curriculum guidelines, in line with internationally recognized standards.
- Development of training content that complies with the new curriculum guidelines.
- Training of trainers to deliver the training content.
- Training of learners to test the effectiveness of the content and planned delivery.
- Administration of skills development funding to support the delivery of tested approach and content at skills development institutions.

The results framework for the Ghana Skills and Technology Development Project includes monitoring and assessment of changes in human capacity over time through measuring things like employer satisfaction with the skills of trainees entering the labor market, employers’ ratings of workers’ competencies, and the proportion of those trained who become certified. These data will confirm whether the capacity of skills development institutions has improved to produce graduates better prepared for IT-ITES jobs.

Outcomes for Nigeria

Country Context

Nigeria has taken important steps to promote the growth of the IT-ITES and BPO sectors over the past decade. Notable milestones include creation and approval of the National IT Policy, establishment of the National Information Technology Development Agency in 2001, development of a framework for IT education by the Federal Government of Nigeria in 2008, and a

steady increase in information and communication technology expenditures (Nigeria country delegation presentation, February 2009). The IT-ITES industry represents a substantial opportunity for non-oil economic growth in Nigeria: the Outsourcing Development Initiative of Nigeria (ODIN) estimated in 2009 that the global off-shoring market grew from approximately USD 32 billion in 2001 to USD 85 billion in 2008.

In many ways, Nigeria is well situated to capitalize on the growing BPO market, and to attract foreign direct investment to further accelerate industrial and economic growth. Advantages cited by the Nigeria country delegation during this South-South experience exchange include the large English-speaking population, relatively low labor costs, strong contract enforcement laws, and a highly educated workforce (with more than 10,000 tertiary institution graduates annually).

But significant challenges remain. The Nigeria country delegation highlighted the poor infrastructural base, lack of an adequate legal and regulatory framework to support BPO, and shortage of skilled labor among the barriers that need to be addressed. A World Bank-supported study, *The IT-ITES Industry in Africa*, helped identify existing challenges, but also identified Nigeria as one country where significant progress had been achieved in establishing an environment conducive to growth in the IT-ITES industry. The study concluded, "All that is required is high level government commitment to taking the necessary steps" (World Bank, Tapping the global IT-BPO potential).

Changing Attitudes Among Industry Leaders and Policymakers

Like in Ghana, the Nigeria country delegation was strategically selected based on their positioning to strengthen stakeholder ownership to promote the IT-ITES industry in Nigeria. The potential capacity development change processes for Nigeria follow the logic of those in Ghana, but the results are less clear at this time. Participants noted that the trip provided valuable and

relevant lessons for Nigeria, and that "there was some energy" when the delegation returned home. But without any follow-up actions or funding to continue facilitating the change process, "people return each to their harried programs, engage in survivalist activity, and the energy fades."

Interviews and program documents for Nigeria suggested that the experience exchange contributed effectively to the following emerging ICOs, but further interventions will likely be needed before these will lead to an increase in commitment among leaders to promote the IT-ITES industry.

Consensus and teamwork among influential ICT champions improved.

As with Ghana, the team from Nigeria represented a diverse set of stakeholders. These included delegates representing the office of the Presidency, Ministry of Science and Technology, Digital Bridge Institute, and iNterra Networks, Inc., a global provider of IT solutions and services. Participants were strategically selected based on their potential to serve as "champions" for the IT-ITES industry given their ability to manage or initiate needed changes. The learning visit to India therefore improved cohesion of and collaboration within this group, as evidenced by the drafting of a country action plan for Nigeria outlining what steps are needed to promote the IT-ITES industry.

This could potentially be an important ICO because effective teamwork within this group is critical for continued advancement of the capacity development objective upon their return to Nigeria. However, unlike in Ghana, it is unclear whether this new collaboration can continue without further interventions.

Public and private actors strengthened their coalitions.

ODIN was legally registered prior to the South-South experience exchange, but it had not been promulgated as an institution, and the learning visit to India was instrumental in educating delegates about what an industry association can do.

The meetings with NASSCOM helped the country team to understand how ODIN can facilitate needed changes related to human capacity, the legal framework, the enabling environment, the infrastructural base, network connectivity, and other factors. One participant explained, "We had a lot of discussion about the need to have an industry association that could drive the agenda in Nigeria where the public sector is very strong and sets the agenda. So let's just have the right association that would bring both worlds together to decide the future of this industry."

Following the visit to the NASSCOM Annual Leadership Forum, ODIN held its first National Outsourcing Conference in June 2009, supported by the World Bank. The conference aimed to create awareness and sensitize the public and private sectors on the need to develop the ICT, BPO, and ITES sectors in Nigeria (<http://www.odinconference.com/>). Although the conference "met with a lot of support and a very high level of participation from the ministerial side," the energy and activity has decreased since then.

The South-South experience exchange has potentially contributed to an increase in commitment among leaders to developing the IT-ITES industry. Some actions reflecting this increased commitment include the following:

- *ICT Skills Technical Assistance was launched in 2010.* ACCESS (Assessment of Core Competence for Services Sector) Nigeria has broadened support among stakeholders positioned to promote and support growth in the IT, ITES, and BPO sectors. The program's pilot is now entering its second phase, and it is envisioned that ODIN will anchor the initiative in the long-term with the Digital Bridge Institute under the National Communications Commission designated as the governmental counterpart.
- *The President's Job Creation Initiative was included as part of the 2011 budget.* President Jonathan, in his speech introducing the 2011 budget, asserted

that "the time has come to create jobs and lay a new foundation for Nigeria's economic growth." A National Job Creation Strategy will be developed with business process outsourcing as one of the priority sectors for boosting growth and jobs.

However, it is important to note that more focused attention on the commitment of leaders could be warranted to build on the momentum of the knowledge exchange and ensure the continued implementation of the action plan. In the words of one participant, "Building commitment among Nigeria leaders is an issue. Washington could have understood this issue and set up strategies and mechanisms to address it and keep addressing it. It is naïve to think that one can just go on a trip to solve their problems."

Strengthening Skills Building Institutions

The South-South experience exchange also started the process of changing the organizational arrangements for skills development in Nigeria. Like Ghana, this process is only in its beginning stages, but two ICOs are emerging:

IT champions enhanced their knowledge.

Members of the Nigeria country delegation were exposed to innovative ICT skills development strategies and programs during their learning visit to India, and they developed a common understanding of the priorities for ICT skills development. This enhanced knowledge was evidenced in part when the Nigeria delegates helped to design and implement a pilot initiative to assess core competencies for the IT-ITES and BPO sectors after the visit. The ACCESS Nigeria initiative, launched in January 2010, is linked with the knowledge exchange in the following ways:

- The project is based on an adapted version of the National Assessment of Competencies for IT and BPO sector, which has so far only been implemented at a public scale in India and Egypt.

- The initial needs assessment in Nigeria was conducted by an IT-BPO industry skills development expert from India, who made a presentation to African delegates during the learning visit in India.
- ODIN is expected to anchor the ongoing World Bank-supported technical assistance (ACCESS Nigeria) as the effort expands.

The first phase of the ACCESS Nigeria pilot was completed in January 2011 with the assessment tool tested on 300 students in Lagos. The test was then rolled out in five cities to 3,000 students, with the results expected later in 2011. Parallel components to the piloting of the assessment tool have included the development of a training program, design of a skills set dictionary and curriculum framework, a training matching grant model, and preliminary identification of training providers. Phase II of ACCESS Nigeria will continue to establish a full, globally benchmarked cycle of Assessment-Training-Certification accompanied by candidate job placement. To help industry endorsement of ACCESS Nigeria, ODIN is holding industry round-tables in Abuja, Lagos, and Port Harcourt in September and October 2011.

New implementation know-how.

The action plan developed by the Nigeria country delegation outlined short-, medium-, and long-term steps for producing a skilled workforce and achieving IT-ITES industry growth. Immediate steps focused on developing human capacity through changes to organizational arrangements, starting with the skills assessment study conducted via ACCESS Nigeria. The review and enhancement of curricula used by skills development institutions was also identified as an immediate priority, with a medium-term step established for developing the Centre for Skills Development in IT-ITES.

The Nigeria country action plan developed during the learning visit resulted in improved ability to strategically plan IT development tasks within resource constraints. It also reflected the delegation's

increased ability to act to advance their capacity development objective. The action plan set overarching goals, identified the conditions and steps necessary for achieving those goals, and identified the resource requirements, potential funding sources, and partnerships needed to implement the delegation's strategic agenda for Nigeria.

The formulation of this plan is potentially an important intermediate step toward increasing the effectiveness of skill development institutions to produce graduates prepared for IT-ITES employment. However, participants indicated that the plan relied too heavily on uncommitted resources. In particular, support for specific action steps was expected to come via the Nigeria Growth and Employment in States project and the Science and Technology at the Post-Basic level (STEP-B) project.

As in Ghana, increased human capacity is needed in Nigeria. Skills development institutions need to produce graduates with appropriate skills sets for IT-ITES jobs. As described above, ongoing commitment will be required by key stakeholders to implement steps to produce a more skilled workforce. But the following developments, if implemented, could contribute to the targeted institutional capacity result of increasing the effectiveness of organizational arrangements to produce graduates with more relevant skills and competencies:

- ACCESS Nigeria, by developing and implementing an assessment and benchmarking tool, is producing a baseline measurement and skills gap analysis for students in five cities.
- Activities and resources are under development to address identified skills gaps, including a training program, a skills set dictionary and curriculum framework, a training matching grant model, and a database of training providers.
- A roll-out sample (1,500 trainees) will be trained and given access to the various resources and their performance in the job market will be tracked.
- As ACCESS Nigeria is scaled up, ODIN will develop a certification framework

- and seek recognition of the certification from service sector players.
- Over the longer term, assessment centers will be established across the country and accredited trainers will provide training.
When these steps are completed, data could become available to track changes in the skills and preparedness of Nigeria's workforce for IT-ITES employment.

Lessons and Implications

Success Factors

Ghana and Nigeria were chosen as the focus for this case study because these two knowledge recipient countries were reported by program implementers to have the richest sets of emerging outcomes associated with the NESAP-ICT South-South Experience Exchange. Program documents and interview data helped to illuminate which characteristics of the experiences for these two countries appeared to facilitate these successes. This review identified four factors that are necessary for an effective knowledge exchange.

The right mix of learning components in the program's content.

The participants benefited from their learning visit to India because the program was designed to provide an in-depth view of what is needed to develop the IT-ITES industry, and what benefits a country can reap as a result of such efforts. Participants highlighted two characteristics as being especially helpful for building this understanding:

- Exposure to varied contexts of site visits. The IT hubs of Mumbai, Hyderabad, and Bangalore provided three very different settings in India. This diversity increased the chances that at least one of these contexts would resonate with each participating country delegation. One participant described this phenomenon in detail and noted, "Hyderabad was somewhat like Nigeria, and it was good to share experiences on building from scratch."

- A firsthand look at company operations. Site visits included more than just meetings with a few key informants. Instead, delegations had the opportunity to observe day-to-day operations and engage with management in discussions about actions pursued on a large scale and how to build such capacity. One participant observed that this on-the-ground experience not only helped guide strategic planning but also provided simple, practical, and useful lessons for implementation. For example, at the Reliant Telecom call center, little mirrors were provided for staff so that they could see themselves and monitor their own demeanor as they talked to customers. The participant, a CEO of a private telecommunications services firm, is now applying this use of mirrors.

Strategic participant selection.

As described earlier, the rationale for selecting participants focused on identifying individuals who could help to initiate and manage needed changes. More than one program implementer underscored the importance of finding champions: "not just the leaders but also the implementers."

How this approach played out in reality varied by recipient country. For Ghana and Nigeria, the country delegations represented a mix of organizations from the public and private sectors to reflect various roles related to oversight, policy, academia, and industry, among others. This was not always the case. For example, a program implementer said that the mix of people in Kenya's delegation "was not ideal because they were mainly from Education." Thus, while some notable outcomes were still achieved in the other participating countries, the groups were less effective in solidifying the needed ICOs by building relationships and collaborating across organizations and sectors.

Relevance of the knowledge provider's experience.

Participants provided useful reflections about the circumstances in which a

*The rationale
for selecting
participants
focused on
identifying
individuals who
could help to
initiate and
manage needed
changes.
More than
one program
implementer
underscored
the importance
of finding
champions: "not
just the leaders
but also the
implementers."*

knowledge exchange is likely to be effective. A learning visit is intended to have a catalytic effect by inspiring participants. The experience must therefore have the right timing and content to capitalize on current opportunities for change in a recipient country. The extent to which the context and experience provided by India related to each country receiving knowledge varied. For example, the Indian Diaspora has played an important role in fostering India's IT-BPO industry, and both Nigeria and Ghana were poised to draw on these lessons for tapping into their own Diaspora contacts and networks for investment and leadership.

Sustained interaction through follow-up activities.

The South-South experience exchange visit was short, but education and inspiration of participants were expected to continue after the program ended. In Ghana, the momentum of the learning visit was propelled by establishment of a leadership committee to monitor the implementation of the action plan, as well as through participation in another knowledge exchange activity in Singapore. The leadership committee became the steering committee for the Ghana Skills and Technology Development Project, and lessons from the knowledge exchange continue to inform the design and implementation of this project.

In Nigeria, the follow up has been less clear. The planned action steps have not been systematically implemented over time, and follow-up financial resources and technical support have not emerged.

Lessons

The NESAP-ICT South-South Experience Exchange offered a typical knowledge exchange format, with one or more knowledge provider countries collaborating to host multiple knowledge recipient countries on an intensive learning visit. The findings derived from examining the experiences of participants from Ghana and Nigeria help to illustrate the potential role of these programs in achieving capacity

development results and provide guidance on how to harness the catalytic effects of knowledge exchanges going forward.

The case studies for show how the knowledge exchange helped to contribute to capacity development objectives. Participant testimony about program effectiveness and recommendations for improvements shed light on potential successes but also highlight ways that the program fell short of expectations. Together, these findings can help strengthen future South-South knowledge exchange programs.

Maximize the success factors.

The experiences shared by participants provide clear guidance:

- Obtain a thorough understanding of recipient countries' learning expectations.
- Provide concrete, firsthand exposure to activities in the relevant content area so that participants can see up close how things are done in the knowledge provider country.
- Choose settings and contexts for site visits relevant to the current situations in the knowledge receiving countries.
- Select participants strategically to enable the knowledge exchange to catalyze a capacity development change process.
- Consider how realistic it will be for participants to apply their lessons of experience in their home countries and make the program as relevant as possible for their country context(s).
- Expose participants early on to objectives and activities, and bring them together using videoconferencing to help them get to know each other and start a conversation.
- Build in a timeline of follow-up activities to help participants maintain momentum once they return home.

Integrate the knowledge exchange in a broad, ongoing set of related capacity development initiatives.

Follow-up activities for the knowledge exchange alone might not be sufficient for

participants to implement real changes that overcome identified capacity constraints. Instead, a knowledge exchange should ideally be embedded in, or linked to, a larger related capacity development intervention or an integrated set of ongoing activities. The experience of Ghana was particularly instructive for this lesson, with the Ghana Skills and Technology Development Project providing one vehicle through which participants could promote the changes they wanted to see happen.

- *Set realistic goals.* South-South knowledge exchanges are of limited duration and should not be expected to alone affect changes in the targeted development goal. Instead, these initiatives provide the opportunity to achieve or work toward ICOs as part of a longer capacity development change process. One participant from Nigeria articulated this lesson clearly by pointing out that the success of the learning visit to India was inappropriately assessed by the degree to which all of the steps of the delegation's action plan were implemented. Given that these steps involved a longer-term process and the ongoing infusion of additional resources, this assessment did not provide an accurate or fair measure.
- *Facilitate action planning and ensure that needed resources are available.* Directly related to the previous point, any action planning that occurs during a South-South experience exchange with similar format and duration should be guided and monitored so that participants establish realistic objectives and timelines that rely on available resources. Inspiration established within a delegation after a learning visit could otherwise quickly dwindle by repeated attempts to locate additional funding or other necessary support.



Recommendations

This study provides concrete evidence that impact at the institutional level can be achieved through knowledge exchange. Moreover, the case studies demonstrate how institutional change was achieved through intermediate outcomes. In other words, the study provides examples of the “how-to” of capacity development through knowledge exchange by explicitly showing how interventions empowered key agents to achieve specific outcomes. The study points to two overarching recommendations on the successful design and implementation of knowledge exchange and the importance of results-focused capacity development.

Build on current evidence and lessons learned through more knowledge work

Knowledge exchange offers new instruments that allow practitioners to consider an increasingly diverse range of development experiences and to tap into the tacit knowledge that is often key to understanding the “how to” of development solutions. However, it is important to use knowledge exchange instruments more strategically. Development practitioners need to understand how and when different instruments can be used effectively in supporting local actors to achieve change toward their country goals.

The study’s findings point to the need for building on the lessons from the current case studies by testing their applicability and generalizability in a larger and more diverse sample of cases. In other words, a broader investigation is necessary, using the results-focused methodology to obtain more evidence of results, and perhaps even more importantly, to better understand the change process and the cause and effects

related to knowledge exchange across a wider spectrum of topics and countries.

In addition, a deeper exploration of the instruments and platforms used in the knowledge exchange process is in order to discover the conditions under which certain types of tools work and do not work. By examining the knowledge exchange instruments and how they connect to intermediate outcomes, practitioners will have more information for replicability and scaling-up. For instance, the World Bank’s South-South Experience Exchange Facility has amassed a library of results stories on knowledge exchange programs that is searchable by sector, theme, knowledge exchange instrument, and ICO (<http://wbi.worldbank.org/sske>).

Practice results-focused knowledge exchange

The study’s findings indicate the need to implement a results-focused approach throughout the knowledge exchange program life cycle. Knowledge exchange activities can benefit from consideration of the change process during the design phase. Mapping out intermediate and institutional capacity outcomes to be achieved would strengthen the design of future activities. For example, the World Bank’s South-South Experience Exchange Facility Trust Fund requires a results-focused planning process to be conducted as part of the application for its trust fund. Finally, implementing knowledge exchange programs with measurable indicators would facilitate monitoring and adaptive program management as well as post-program assessments. Such practices should enhance the likelihood of achieving results as well as provide information and guidance for future programs.

Sample Interview Questions

Instructions

The interviews are most effective when conducted with two people on the interview team. One person leads the discussion asking questions from the respondent, and the other person focuses on taking notes, while also potentially jumping in to ask follow-up or clarification questions. It is helpful to record the session to document the results. Videos could provide interesting testimonial evidence as well. However, the quotes could also be transcribed and reported as a narrative.

Protocol

The interviewer greets the respondent and gives a brief background to explain that the purpose is to explore outcomes from the knowledge exchange. The interviewer may segue into the questions with a statement such as, "Since the knowledge exchange ended, we would like to follow up on what happened with the activities that were planned based on the policy recommendations."

Notes to the Interviewer

- The interview guide does not need to be followed in sequence; instead, a collaborative, conversational approach could dictate the order in which topics are addressed.
- Probes and instructions are provided in italics to assist the interviewer in eliciting more details as needed.
- The interviewer should use this guide to qualitatively explore the capacity development change process(es) supported by the knowledge exchange program. Existing challenges and reported outcomes should be translated into the CDRF terms for the corresponding institutional capacity constraints and types of ICOs (listed at the end of this guide).

Program Overview

1. Could you briefly describe your role in the design and implementation of this project?
2. What were the challenges or problems that this program was designed to address? Specifically, what barriers did the recipient country face?

Probe as needed to define each challenge in terms of an institutional capacity constraint.

3. Did this knowledge exchange occur within a larger ongoing initiative? If yes, could you briefly describe the major components or activities supported for the knowledge exchange?

Participants

4. Who was targeted or selected in each recipient country to participate in this knowledge exchange program? What were these individuals' roles and organizations?

Probes as needed to ascertain participants from private, civil society and government sectors.

5. What was the rationale for selecting these participants?

Probe as needed to understand how the participants were positioned to help overcome the institutional capacity challenges that the program was designed to address. Interviewer should focus on the specific challenges mentioned in Question 2.

6. How were the knowledge providers selected to participate?

Probe as needed to understand the rationale for selecting these individuals.

Outcomes

7. The project report described some results and follow-up activities from this knowledge exchange that we would characterize as intermediate capacity outcomes. We would like to briefly review some of these outcomes with you to clarify our understanding.

Probe should focus on the following questions, with ICOs as a reference point:

- Do you believe the knowledge exchange activities directly contributed to [INSERT]? Why or why not?
- What evidence could support the claim that the knowledge exchange directly contributed?

8. We also examined the report for evidence that the program helped to address the identified institutional capacity challenge [name challenge listed in Question 2]? What indicators were or could be used to assess a change for the [name institutional capacity characteristic]?

Probe should focus on the following questions, with the institutional capacity challenges as a reference point:

- Do you believe the knowledge exchange activities directly contributed to [INSERT]? Why or why not?
- What evidence could support the claim that the knowledge exchange directly contributed?

Probe for possible indicators for each identified institutional capacity challenge separately. Probe for attribution and evidence as appropriate.

9. Are there other notable outcomes of this knowledge exchange that we have not discussed yet? If so, please describe.

Probe as needed to understand whether outcome is at intermediate or institutional level and what measure and evidence is available.

Additional Information

10. Are there any additional materials or existing resources that you suggest we review to learn more about this knowledge exchange program's design, implementation, and outcomes? In particular, we are interested in:

- Any results available from evaluations.
- Any tangible evidence that would help us better understand outcomes. Examples might include copies of countries' action plans, documentation related to the formation of associations, etc.

11. Who are other key informants whom we should contact to learn more about the program's design, implementation, and outcomes?

12. Are there any final comments or suggestions that you would like to share regarding this knowledge exchange program and its capacity development results?

Institutional Capacity Areas and Their Contributing Characteristics

Strength of Stakeholder Ownership

- Commitment of social and political leaders
- Compatibility of social norms and values
- Stakeholder participation in setting priorities
- Transparency of information to stakeholders
- Stakeholders demand for accountability

Efficiency of Policy Instruments

- Clarity in defining rights and responsibilities of stakeholders
- Consistency
- Legitimacy
- Incentives for compliance
- Ease of administration
- Risk for negative externalities
- Suitable flexibility
- Resistance to corruption

Effectiveness of Organizational Arrangements

- Clarity of mission
- Achievement of outcomes
- Operational efficiency
- Financial management (financial viability and probity)
- Communications and stakeholder relations
- Adaptability

Intermediate Capacity Outcomes and Their Operational Attributes

Raised Awareness

- Attitude
- Confidence
- Intention to act
- Motivation

Enhanced Knowledge and Skills

- Acquisition of new knowledge
- Application of new knowledge
- Improvement in understanding

Improved Consensus and Teamwork

- Communication
- Coordination
- Contributions
- Cohesion

Strengthened Coalitions

- Common agenda for action
- Commitment to act
- Trust
- Leveraging diversities

Enhanced Networks

- Common interest
- Processes for collaboration
- Incentives for participation
- Generating traffic

Increased Implementation Know-How

- Formulated policies and strategies
- Implemented strategies and plans

List of Participants and Organizations

KDI's KSP with the Dominican Republic

2008 KSP Dominican participants

- Ministry of Economy Planning and Development – Minister, Director, and Advisor in Economic and Social Analysis
 - Ministry of Higher Education, Science and Technology – Under Secretary
 - Ministry of Finance – Economic Studies Analyst
 - Export and Investment Center – Minister, Manager in Promotion of Exports, Manager in Communications, Coordinator, Research Assistant
 - National Competitiveness Council – Minister
 - Reserves Bank – General Manager in International Business
 - Export Association – Member
 - Free Zone Association – Vice President
 - National Council of Free Trade Zones – Executive Sub-director
 - Bank of Housing and Production – Investment Projects and Working Capital Official
-

2009 KSP Dominican participants

- Dominican Corporation of State Electrical Companies – Minister, Advisor
 - Export and Investment Center – Minister, Coordinator
 - National Energy Commission – Minister
 - Industry Association – President
 - EGE Haina – President, General Manager
 - Free Zone Council – Executive Director
 - Presidential Office for the Information and Communication Technologies – Director General
 - Bank of Housing and Production – General Comptroller
-

2008 and 2009 KSP participants for seminar and workshops held in the Dominican Republic

- Ministries – Ministry of Labor, Ministry of Agriculture, Ministry of Education, Ministry of Industry and Commerce, Ministry of Public Administration, Ministry of Foreign Affairs
- Banks – Central Bank, Banco Leon, Banco Popular Dominicano, Scotiabank
- Public Agencies – National Institute for Professional Technical Training, National Customs Agency, Center of Development and Industrial Competitiveness, National Energy Commission, Electricity Coordinator Entity, Superintendency of Electricity, Rural and Suburban Electrification Unit, Dominican Confederation of Small and Medium Business
- Private Sector – Dominican Agro-Business Association, Global Foundation for Democracy Development, Dominican Association of Foreign Investment Companies, Microtek Dominicana, National Association of Young Businessmen
- Universities – Las Americas Institute of Technology, Santo Domingo Institute of Technology

KDI's KSP with Mongolia

KSP Mongolian delegates

- Cabinet Office
- Financial Regulatory Commission of Mongolia
- Ministry of Education, Culture and Science
- Ministry of Finance, Expenditure Division
- Ministry of Finance, Financial and Economic Policy Department
- Ministry of Finance, Fiscal Policy and Coordination Department
- Ministry of Justice and Home Affairs
- Ministry of Mineral Resources and Energy of Mongolia, Finance and Investment Department
- Ministry of Roads, Transportation, Construction and Urban Development
- National Development and Innovation Committee, Sectors Development and Investment Policy Department
- Office of the President
- State Property Committee, Public Private Partnership and Concession Department
- Bank of Mongolia, Supervision Department

World Bank's NESAP-ICT for Ghana and Nigeria

NESAP-ICT Ghana country delegation

- Ministry of Communications – Director of Policy, Planning, and Evaluation
- Ministry of Communications – Deputy Director for Human Resources in ITES
- Ministry of Education – Executive Director of Council for Technical and Vocational Education and Training
- Ghana Outsourcing Association representative and founder of multiple technology firms in the private sector
- Intercom Programming and Manufacturing Company – Chief Executive Officer of Ghana's leading IT company
- Intercom Programming and Manufacturing Company College of Technology – Head of Training

NESAP-ICT Nigeria country delegation

- Cabinet Secretariat in the Office of the Presidency – Permanent Secretary
- Federal Ministry of Science and Technology – Honourable Minister and Director of Planning and Policy
- Digital Bridge Institute, an international center for communications studies affiliated with the National Communications Commission – President and Chairman of the Governing Board
- iNterra Networks Inc., a business process outsourcing firm backed mainly by Nigeria Diaspora investors – President and CEO (who was also steering an initiative to establish an outsourcing industry association)

References

- Fernandez, Leonel. 2011. Remarks at a FUNGLODE seminar on "The State of the Future 2010: Fifteen Challenges of the Millennium." March 15. Santo Domingo, Dominican Republic. <http://www.funglode.org/Noticias/Detailedelart%C3%ADculo/tabid/82/smid/370/ArticleID/1135/reftab/130/t/Especialistas-en-estudios-del-futuro-presentan-el-estado-de-los-15-retos-del-milenio-para-el-mundo/Default.aspx>.
- Ghana country delegation. 2009. "Skills for ICT – A South-South experience exchange between Africa and India." Presentation during the Elearning Conference in Zambia, May 27-28.
- Ghana country delegation. 2009. "Country action plan." Presentation during the South-South Learning Visit to India, February 20. <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:22403094~menuPK:282428~pagePK:64020865~piPK:51164185~theSitePK:282386,00.html>.
- International Bank for Reconstruction and Development/World Bank. 2011. *The state of World Bank knowledge services: Knowledge for development* 2011. Washington, DC: World Bank. <http://siteresources.worldbank.org/PROJECTS/Resources/40940-1316471060185/KnowledgeBookletcomplete.pdf>.
- Kim, Kang-Soo et al. 2011. *Public-private infrastructure investment and deposit insurance in Mongolia*. Seoul, Korea: KDI.
- Lim, Wonhyuk et al. 2009. *Export development for the Dominican Republic*. Seoul, Korea: KDI.
- Lim, Wonhyuk. 2011a. "G20 Seoul development consensus and knowledge sharing." Presentation at the KDI-OECD Joint Workshop on Knowledge Sharing for Development, July 11-12. Paris, France. http://cid.kdi.re.kr/upload/20110720_2.pdf.
- Lim, Wonhyuk. 2011b. "Korea's knowledge sharing program (KSP)." In *Sharing knowledge for development*. Edited by Wonhyuk Lim. Seoul, Korea: KDI.
- Montas, Juan Temistocles. 2008. "Presentacion." In *El Rostro de la Esperanza: El milagro de Corea del Sur visto por un diplomatico dominicano* (*The face of hope: The miracle of South Korea seen by a Dominican diplomat*). Santo Domingo, Dominican Republic: NG Media, pp.9-13.
- NESAP-ICT wiki page. <http://nesap-ict.pbwiki.com>.
- Nigeria country delegation. 2009. "Nigeria country report." Presentation during the South-South Learning Visit to India, February 20. <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:22403094~menuPK:282428~pagePK:64020865~piPK:51164185~theSitePK:282386,00.html>.
- Nigeria country delegation. 2009. "Nigeria and IT Development," Presentation during the South-South Learning Visit to India, February 9. <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:22403094~menuPK:282428~pagePK:64020865~piPK:51164185~theSitePK:282386,00.html>.
- Otoo, Samuel, Natalia Agapitova, and Joy Behrens. 2009. *The capacity development results framework: A strategic and results-oriented approach to learning for capacity development*. Washington, DC: WBI. <http://wbi.worldbank.org/wbi/document/capacity-development-and-results-framework>.

Outsourcing Development Initiative of Nigeria. 2009. National Outsourcing Conference, "Offshore to Nigeria." <http://www.odinconference.com>.

Tan, Jee-Peng. 2009. "New economy skills for Africa program information and communication technology." Presentation during the South-South Learning Visit to India, February 8. <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:22403094~menuPK:282428~pagePK:64020865~piPK:51164185~theSitePK:282386,00.html>.

Winters, L. Alan, Wonhyuk Lim, Lucia Hanmer and Sidney Augustin. 2010. *Economic growth in low income countries: How the G20 can help to raise and sustain it.* Economics Department Working Paper Series No. 8-2010. University of Sussex. (Also available as Working Paper 2010-01. Seoul, Korea: KDI. http://cid.kdi.re.kr/cid_eng/public/report_view.jsp?pageNo=4&pub_no=11569)

World Bank. Draft report 2011. *Tapping the global IT-BPO potential for growth and jobs in Africa.* Washington, DC: World Bank.

World Bank. 2008. *South-South learning visit to India: The new economy skills for Africa program's (NESAP) lessons on skills development to foster an IT-ITES industry in Africa.* World Bank Grant Funding Request (GFR) Ref. 1262.

World Bank Institute. 2011. *The art of knowledge exchange: A results-focused planning guide for development practitioners.* Washington, DC: World Bank. <http://wbi.worldbank.org/sske/how-to>.

World Economic Forum. 2011. *The global competitiveness report 2011-2012.* <http://www.weforum.org/reports/global-competitiveness-report-2011-2012>.

The demand for practitioner knowledge and customized learning is now at the forefront of the development agenda, leading to a proliferation of South-South knowledge exchange programs.

In this joint study, the Korea Development Institute and World Bank Institute assess the impact of three knowledge exchange programs on capacity development. Using a results-focused methodology, the study reveals concrete evidence of institutional and intermediate outcomes from knowledge exchange. The study also shows the importance of country ownership and sustained cross-country and within-country interactions in facilitating tacit knowledge exchange and building momentum for change.

Development practitioners can apply the lessons learned from the study's findings to improve the design and implementation of knowledge exchange programs and more effectively meet the needs of partner countries.