Core Course:
Fundamentals of Risk Management and Project Selection in Infrastructure Finance

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Number 11
May 1998

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(Notation: The World Bank Institute was formerly called the Economic Development Institute (EDI), as reflected in some text)

The Regulatory Reform and Private Enterprise Division of EDI (EDIRP), in partnership with the Korea Development Bank, conducted a core course on Fundamentals of Risk Management and Project Selection in Infrastructure Finance in Seoul, Korea, from May 25-29, 1998. The objective of the course was to provide participants with knowledge and skills of how infrastructure projects are analyzed, appraised, managed, and financed. The course provided general concepts, analytical techniques and case studies of such key issues as project selection, risk mitigation, contract design, environmental impact and risk assessment, and international financing. Eighty-three participants attended this course, consisting of officials from the Korean government ministries, and mid- to senior-level managers from commercial banks and financial institutions.

The course was evaluated by the EDI Evaluation Unit (EDIES) using an end-of-course questionnaire. The questionnaire was completed by sixty-six respondents, 79.5 percent of the total number of participants. Fifty-four of the respondents had less than 5 years of work experience in infrastructure finance and/or development. Ten respondents had 5 to 10 years experience and two had 11 to 15 years experience. The highest degrees obtained by the respondents were either Certificates (3), Bachelors (39), MBAs (10), Masters other than MBAs (7), Ph.D.s (2), Law (3), or others (2). Of the 66 respondents, there was only 1 woman. There were three sections in the questionnaire. The first section asked respondents to rate the extent to which the course met its performance objectives. The second section asked the level of respondents knowledge about topics covered in the course, before and after completing the course. A 6-point Likert type scale that ranged from 1=minimum to 6=maximum was used to rate respondents rating for each question. Thirdly, respondents' written comments about the course were content analyzed. Following is a summary of the evaluation findings.

- Among all course performance indicators, including course content and delivery, the quality of trainers received favorable ratings from all respondents. Respondents indicated that the trainers presented a variety of viewpoints, and communicated their messages well. The mean scores of these two indicators were among the highest performance ratings, 4.50 and 4.48, respectively.

- Respondents from the private sector (N=50) felt that the course was a worthwhile use of their time, giving this indicator their highest course rating, 4.56. Results suggested that they particularly valued the availability of new information in the course (mean=4.50) and exposure to new concepts (mean=4.36) and suitable policies that they had not considered before (mean=4.20).

- Respondents from the public sector (N=16) had the highest course rating on the
quality of selected readings and materials (mean=4.50). They also indicated that the course focused on high priority issues (mean=4.25) and promoted productive interchange (mean=4.06).

- The depth of course coverage received the lowest course performance rating among all respondents, a mean score of 3.86. Nine respondents stated in their comments that the course was too overloaded to digest all materials in five days. They suggested a simpler course, one designed with fewer topics covered in depth, or a longer session for the course.

- Pre/post knowledge assessment showed positive increases in the level of respondents' understanding of all key issues presented in the course. The mean scores were in the range of 3.02-3.56 before the course and the 4.23-4.83 range after the course. The largest knowledge gain among all respondents was on the issues of risk identification and allocation. This topic had one of the lowest pre-course mean scores, 3.17. The post-course mean score increased by 52.6 percent to the highest post-course rating, 4.83.

- Among the private sector respondents, those who work in the financial, banking, or security markets (N=27) had the lowest knowledge gain in their ability to understand the role of contracting, while others who are engaged in the area of project development or construction (N=16) had the lowest gain in their ability to appreciate the problems faced by governments in involving private sector provisions. The percentage gains for the two groups on these topics were 24 and 20 percent, respectively. Course designers may need to focus more on these topics for the course.

- Two main suggestions for the course were made in respondents' written comments. First, the course should focus on case studies, using more practical examples relevant to Korea (N=12). Respondents felt that the discussions presented on contract design for transport infrastructure (N=10) and financing in bond markets (N=7) particularly lacked relevancy to their country and their jobs. Secondly, participants should be broken down into smaller and more homogeneous groups (N=7). This would allow participants to engage in the discussions effectively and learn from other participants with similar knowledge levels.

- A limitation to the evaluation is that pre/post self-assessment serves as an indicator of how much respondents felt they learned, but does not measure how much they actually learned. It would be useful to include indicators measuring changes in participants' knowledge and skills before and after the course.