

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

COSTA RICA

PLAN OF OPERATIONS

PROGRAM TO ENHANCE PUBLIC MANAGEMENT EFFICIENCY

(CR-T1029)

This document was prepared by the project team consisting of: Stefano Tinari, Project Team Leader; Karen Abudinen; Joel Korn; Beberly Velásquez (ICF/ICS); Miguel Loría (ICS/CCR); and Miguel Coronado (LEG/SGO).

CONTENTS

EXECUTIVE SUMMARY

I.	FRAME OF REFERENCE AND RATIONALE.....	1
	A. Background.....	1
	B. Institutional framework.....	1
	C. Results-based public management	2
	D. Remaining challenges	3
	E. Value added	3
	F. The Bank’s country strategy.....	4
	G. Coordination with other donors.....	4
II.	THE PROGRAM	4
	A. Objectives	4
	B. Components	4
III.	COST AND FINANCING.....	5
	A. Sustainability.....	6
IV.	PROGRAM EXECUTION	6
	A. Executing agency.....	6
	B. Execution mechanism.....	7
	C. Readiness	7
	D. Execution period and disbursement timetable.....	7
	E. Procurement.....	8
V.	MONITORING AND EVALUATION.....	8
	A. Monitoring and reporting.....	8
	B. Technical and basic responsibility.....	8
VI.	BENEFITS AND RISKS.....	9
	A. Benefits	9
	B. Beneficiaries	9
	C. Risks.....	9
VII.	ENVIRONMENTAL AND SOCIAL IMPACT	9

ANNEXES

Annex I	Logical Framework
Annex II	Itemized Budget
Annex III	Procurement Plan

APPENDICES

Proposed resolution

BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

INFORMATION AVAILABLE IN THE ICS FILES

PREPARATION:

Country Financial Accountability Analysis report
PRODEV diagnostic and action plan
Consultant reports on the National Public Investment System, PRODEV Account A
Consultant reports on results-based budget management, PRODEV Account A
Letter from the Ministry of Finance (FUNDEVI, executing agency)

EXECUTION:

Consulting services for the conceptual, logical and physical design of the National Public Investment System
Report on evaluation methodology for results-based budget management
Plan of action of the Government of Costa Rica
Terms of reference
Action plan matrix, PRODEV

ABBREVIATIONS

CESI	Committee on Environment and Social Impact
DGPN	Dirección General del Presupuesto Nacional [National Budget Office]
CAIPA	Central American Institute for Public Administration
FUNDEVI	Fundación de la Universidad de Costa Rica para la Investigación [Research Foundation of the University of Costa Rica]
MIDEPLAN	Ministry of National Planning and Economic Policy
OC	Ordinary Capital
PND	Plan Nacional de Desarrollo [National Development Plan]
PRODEV	Program to Implement the External Pillar of the Medium-term Action Plan for Development Effectiveness
SINE	Sistema Nacional de Evaluación [National Evaluation System]
SNIP	Sistema Nacional de Inversión Pública [National Public Investment System]

PROGRAM TO ENHANCE PUBLIC MANAGEMENT EFFICIENCY

(CR-T1029)

EXECUTIVE SUMMARY

Beneficiary:	Republic of Costa Rica	
Project Team Leader/Members:	Stefano Tinari, Project Team Leader; Karen Abudinen; Joel Korn; Beberly Velásquez (ICF/ICS); Miguel Loría (ICS/CCR); and Miguel Coronado (LEG/SGO).	
Executing agency:	Fundación de la Universidad de Costa Rica para la Investigación [Research Foundation of the University of Costa Rica] (FUNDEVI)	
Beneficiaries:	Ministry of Finance Ministry of National Planning and Economic Policy (MIDEPLAN)	
Financing:	IDB: (PRODEV Account B)	US\$1,600,000
	Local contribution:	<u>US\$ 160,000</u>
	Total:	US\$1,760,000
Objectives:	The objective of this program is to strengthen the country's institutional capacity to select, execute, and evaluate public sector investments, and to evaluate budget management.	
Execution timetable:	Execution period:	30 months
	Disbursement period:	36 months
Special contractual clauses:	As a condition precedent to the first disbursement, the beneficiary must provide the Bank with evidence that a program execution agreement has been signed with the executing agency.	
Exceptions to Bank policy:	None.	
Environmental and social review:	The Committee on Environment and Social Impact (CESI) reviewed and approved the technical cooperation profile at its meeting 17-07 of 4 May 2007, calling for no additional action. Given the nature of the operation, no adverse environmental or social impacts are foreseen.	

Benefits: The operation will help to enhance the efficiency and effectiveness of public investment, and to deepen the culture of management-for-results in the public sector.

Coordination with other agencies: The program is consistent with the World Bank's Country Assistance Strategy 2004-2007, which focuses on helping the government maximize its efforts to attain sustainable economic and social development (see paragraph 1.17).

I. FRAME OF REFERENCE AND RATIONALE

A. Background

- 1.1 Costa Rica has undertaken a series of initiatives in the past several years to strengthen the planning and budgeting processes, aiming to use the evaluation of public sector management as a tool to support government decision-making. The country has gained valuable experience in this field, starting with the creation of the National Evaluation System (SINE) in 1996, followed in 2000 with the introduction of budget performance evaluation promoted by the Ministry of Finance through the National Budget Office (DGNP). Although the efforts to date are significant, it is also true that the planning, programming, and evaluation methodologies and instruments need strengthening and redesign. The evaluation reports prepared by both the Ministry of National Planning and Economic Policy (MIDEPLAN) and the Ministry of Finance document the system's principal weaknesses: a multiplicity of indicators that fail to report on progress toward the government's strategic priorities, scant use of evaluations in the decision-making process, and emphasis on input-based measurement of operational considerations rather than the allocation of public sector resources and accountability.
- 1.2 Management for results involves delegating management and procurement activities to senior management of public agencies who are responsible for programs and projects. Such delegation entails greater autonomy and strengthening of control and evaluation mechanisms, in order to strike the right balance between flexibility and transparency. It therefore becomes necessary to create incentive mechanisms and gradually delegate responsibilities associated with performance commitments.
- 1.3 In this context, the Bank helped Costa Rica to finance a sector diagnostic assessment that identified the weaknesses of the management model related to the efficiency and effectiveness of public sector investment and spending. The assessment focused on existing processes to manage public sector projects, and developed a plan of action. It also analyzed public sector procurement, financial management, supervision, and control. Based on this analysis, a first technical cooperation operation was designed, financed with PRODEV Account A resources (ATN/OC-9647-CR). One of the project outcomes was a diagnostic on the management-for-results capacity of the leading public administration institutions responsible for the allocation, execution, control, monitoring, and evaluation of national expenditure items.

B. Institutional framework

- 1.4 The Constitution of the Republic of Costa Rica provides the legal instruments for public financial administration, assigning responsibility for the sector to the Ministry of Finance and MIDEPLAN. The 2001 Financial Administration and Public Budget Act governs the formulation, approval, execution, and supervision of

the national budget, the general treasury account, the government accounting system, and the public sector investment and credit functions. It requires the public sector investment program to be consistent with the National Development Plan (PND) and the public sector investment and credit policies. Law 8131 on national financial administration and public budgets sets requirements for the evaluation of management and results of the central government administration and entities whose budgets are approved by the Government of Costa Rica, specifying that such evaluation must review the cost structure of public sector investment.

- 1.5 The Ministry of Finance and MIDEPLAN facilitate interagency coordination with regards to public sector investments and borrowings, evaluating the advisability of public sector investment projects based on key parameters applicable to their constituent agencies. Thus, they play a major role in ensuring that fiscal policies are aligned with public sector investment planning under National Planning Law 5525, which states that the National Planning System comprises MIDEPLAN, the planning units or departments of ministries and other public institutions, and existing coordination and advisory mechanisms such as advisory boards, interagency committees, and advisory committees.

C. Results-based public management

- 1.6 Costa Rica and the Bank executed the Public Financial Management Improvement Program (ATN/OC-9647-CR), financed with PRODEV Account A resources. This technical cooperation operation had the following outcomes: (i) a management-for-results model with the creation of a National Public Investment System (SNIP); (ii) a budget management evaluation model, with measurement indicators and applicable methodology; (iii) a model for evaluation of public sector budget management, with special emphasis on the ramifications of the recurring costs of the public sector investment program; (iv) an introductory human resources training plan for the relevant lead agencies and public sector management centers; (v) an information system for budget management evaluation, including decentralized public agencies; and (vi) a financial management policy, and a policy for public debt management.
- 1.7 The consultants hired in the first phase for the public investment capacity building component prepared a detailed design and expanded the scope of the initial assessment, proposing a work plan to implement development of the SNIP.
- 1.8 The recommendations arising from the budget management consulting work were used to devise a work plan to develop a budget management evaluation system, as well as a macroeconomic planning system for Costa Rica that has yielded better fiscal estimates and projections, thus enabling the Ministry of Finance to make better budgetary and fiscal decisions.

- 1.9 Lastly, consulting work on the public borrowing policy helped to develop a short- and medium-term sustainability analysis for the policy, which is closely tied to development of the public investment system and country macroeconomic planning.

D. Remaining challenges

- 1.10 The PRODEV-financed diagnostic assessment showed that Costa Rica does not possess a public investment administration and tracking tool capable of accurately gauging the total level of investments and their relationship to the PND, the national budget, and macroeconomic targets. This is a critical problem for budgeting and public investment planning, and a permanent link needs to be forged between planning, budgeting, execution, monitoring, and evaluation.
- 1.11 The country also has no national public investment system with policies, instructions and procedures to regulate public investment processes and make investment projects more economically, socially, and environmentally sound.
- 1.12 Although in recent years Costa Rica has made progress in terms of its macroeconomic indicators and public finances, bettering its fiscal position and bringing its fiscal deficit under control, the budgetary institutions were found wanting when it came to emphasizing aggregate fiscal discipline over other public budget targets, such as quality and efficiency.
- 1.13 However, Costa Rica's 2008 budget exercise included medium-term planning for the first time, using methodology developed with PRODEV Account A resources. However, the fragmentation of the public sector and the absence of an overall vision have meant that the government lacks a strong decision-making tool. What is more, there are weaknesses in the budget evaluation process owing to the multiplicity of indicators and their nonstandardized use.
- 1.14 In order to execute and put into effect the plans and designs resulting from execution of the first PRODEV technical cooperation operation, the Government of Costa Rica has requested fresh Bank financing from PRODEV Account B. For strategic reasons and due to resource constraints, the PRODEV Account B will finance implementation and startup of the SNIP, and strengthening of public sector budget management evaluation. Country resources will be used to finance preparation of the public borrowing policy.

E. Value added

- 1.15 The introduction of a SNIP and transformation of the Budget Management Evaluation System will generate management savings and enhance efficiency in the formulation, evaluation, allocation, and execution of public investment resources, under a policy framework designed to assure effective evaluation of budget performance.

F. The Bank's country strategy

- 1.16 The general objective of the Bank's strategy with Costa Rica is to help the country deepen economic growth and social progress. This program is consistent with the specific objective of strengthening the macroeconomic and public expenditure management framework, to provide a more solid analytical basis for government decision-making.

G. Coordination with other donors

- 1.17 The program is coordinated with the World Bank's Country Assistance Strategy 2004-2007, which focuses on helping the government maximize its efforts to achieve sustainable economic and social development. MIDEPLAN and the CRUSA Foundation have entered into a cooperation agreement for discrete consulting engagements and training activities that would supplement the PRODEV resources on a larger scale.

II. THE PROGRAM

A. Objectives

- 2.1 The objective of this program is to strengthen the country's institutional capacity to select, execute, and evaluate public sector investments, and to evaluate budget management. The specific objectives will be: (i) to promote criteria of efficiency, effectiveness, and transparency in public investment decision-making processes; and (ii) to foster a culture of management-for-results among Costa Rican public sector officials.

B. Components

- 2.2 This technical cooperation operation will have two components, as described below.
- 2.3 **Component 1. Development and strengthening of a National Public Investment System (SNIP).** The objective of this component is to strengthen the analysis, programming, prioritization, allocation, and execution of resources, as well as the monitoring and evaluation of public investment, by introducing a SNIP and an effective institutional framework to ensure funding for well formulated and evaluated investment projects.
- 2.4 This component will finance the following technical assistance activities to: (i) organize and administer a public investment system that facilitates planning, evaluation, and allocation of public investment resources, as well as tracks and controls the budget; (ii) institute a public sector project information system, providing the necessary hardware for its proper operation; (iii) develop,

- disseminate, raise awareness, and strengthen the policy framework related to operation of the SNIP; (iv) implement a comprehensive, ongoing training program for civil servants on project formulation, evaluation, and management; and (v) develop and refine methodologies, rules, and specific guidelines for project formulation and evaluation.
- 2.5 The expected end-of-project outcomes from this component will be: (i) public investment projects that are socially, economically, and environmentally sound and are tied to the PND; (ii) a transparent, efficient, and effective SNIP policy-setting and institutional body, with professionals trained in project formulation and social evaluation; (iii) a documented, standardized online information system; (iv) sector methodological guides to support priority sectors as identified by the government when formulating and evaluating projects; (v) a SNIP up and running that allocates budget funds efficiently, capable of supporting multiyear budget programming for the Ministry of Finance in close coordination with public borrowing policy; and (vi) project portfolios with their respective preinvestment and technical and financial viability studies, utilizing the SNIP methodology, that may be executed under different financing modalities.
- 2.6 **Component 2. Strengthening of public sector budget management evaluation.** This objective of this component is to facilitate implementation of the policies established in Law 8131 and its implementing regulations, concerning the scope of evaluations to be conducted by the Ministry of Finance and MIDEPLAN in relation to budget performance information. Strengthening of public sector budget management evaluation will make relevant, reliable, and timely information available on the performance of public agencies to support decision-making on public expenditure allocations at the sector, institutional, and operating levels. It will also generate reliable information on agency performance in using public sector resources, ensuring transparent accountability vis-à-vis external oversight bodies, political oversight bodies, and the citizenry.
- 2.7 This component will finance technical assistance to: (i) design and implement a costing system for public sector goods and services, with the necessary hardware for effective budget management evaluation; and (ii) institute an information system to support the public management results evaluation process.
- 2.8 The expected outcomes from this component will be a costing system up and running for public sector goods and services, and an information system instituted to support the budget management evaluation process.

III. COST AND FINANCING

- 3.1 The estimated total cost of the technical cooperation operation is US\$1,760,000. The Bank will contribute US\$1,600,000 in PRODEV Account B resources, and the

local counterpart contribution will be US\$160,000. The Bank's contribution will be used for the selection and contracting of individual consultants and consulting firms, the purchase of computer hardware, and the cost of an external audit of the operation. The counterpart will finance training and equipment related to execution activities.

Item	IDB	Local	Total
Component 1. Development and strengthening of a National Public Investment System			
1. Organize and administer a public investment information system	100	0	100
2. Institute a public sector project information system	258	80	338
3. Develop and raise awareness of the SNIP policy framework	100	0	100
4. Implement a comprehensive training program for SNIP staff	396	0	396
5. Develop methodologies, rules, and specific guidelines for project formulation and evaluation	100	0	100
Subtotal	954	80	1,034
Component 2. Strengthening of public sector budget management evaluation			
1. Costing system for public sector goods and services	283	30	313
2. Information system to support the public management results evaluation process	253	50	303
Subtotal	536	80	616
Management of the technical cooperation operation by FUNDEVI	100	0	100
Contingencies	80	0	80
Audit and evaluation	10	0	10
TOTAL	1,600	160	1,760

A. Sustainability

- 3.2 One key factor for the program's success is the government's keen interest in addressing the problems identified in the diagnostic assessment. With such active involvement, the first PRODEV-financed technical cooperation operation was successfully executed within the agreed time.

IV. PROGRAM EXECUTION

A. Executing agency

- 4.1 The executing agency for this technical cooperation operation will be Fundación de la Universidad de Costa Rica para la Investigación [Research Foundation of the University of Costa Rica] (FUNDEVI). In a letter of 17 December 2007, the Ministry of Finance of Costa Rica expressed its wish to use FUNDEVI as program executing agency. FUNDEVI is a nonprofit private foundation operating "in the public good," which supports the University of Costa Rica through research and development and the delivery, promotion, and financing of science and technology

services. The execution period will be 30 months, and the disbursement period 36 months, both running from the effective date of the letter of agreement.

- 4.2 Since its founding in 1988, FUNDEVI has specialized in providing administrative, financial, and accounting management services to manage more than US\$8 million annually in resources for some 800 projects of various university academic units and other national and international bodies.
- 4.3 Among the entities that have used FUNDEVI to execute and manage their funding are national and international nongovernmental organizations, international organizations such as the United Nations, and national and local government agencies and decentralized public-sector entities.
- 4.4 The management capacity and experience gained over 18 years enable FUNDEVI to offer these services to agencies and institutions related to its corporate purpose.

B. Execution mechanism

- 4.5 The Ministry of Finance will enter into an agreement with FUNDEVI, under which FUNDEVI will serve as executing agency for this technical cooperation operation. The agreement will establish the rights and obligations of the parties for the execution of activities, and the manner in which the Bank and local counterpart resources are to be transferred. It will also designate the national team at the Ministry of Finance who will take part in the planned program activities, and the manner in which the Ministry of Finance will be closely involved in review, approval, and ownership of the program outputs. The resources will be used in accordance with applicable policies and procedures for technical cooperation operations. The “Management of the technical cooperation operation by FUNDEVI” line in the budget will finance additional staff, based at FUNDEVI, to administer the operation during program execution.

C. Readiness

- 4.6 This technical cooperation operation is expected to be approved in the first quarter of 2008. The content of the work plan and its annexes have been reviewed and agreed upon with the Government of Costa Rica.

D. Execution period and disbursement timetable

- 4.7 The execution period of this technical cooperation operation will be 30 months, and the disbursement period 36 months, both running from the effective date of the letter of agreement. A revolving fund of up to 20% of the total funding may be established, as resource flows require. This level of resources will enable FUNDEVI to retain and pay for the consulting services proposed for the program.

E. Procurement

- 4.8 Procurement of goods and services, and the selection and contracting of consultants will be conducted in accordance with the applicable Bank policies (documents GN-2349-7 and GN-2350-7).
- 4.9 The procurement plan is attached to this plan of operations as Annex III. The procurement plan will cover a period of at least 18 months, updated annually and delivered to the Bank by the executing agency.

V. MONITORING AND EVALUATION

A. Monitoring and reporting

- 5.1 The operation will be monitored against the indicators set in the logical framework (Annex I). The executing agency—in this case FUNDEVI—will deliver semiannual reports and a final report.
- 5.2 The semiannual reports will address: (i) activities during the period just concluded; (ii) itemized activities to be carried out in the next six-month period; and (iii) compliance with the procurement plan, execution timetable, and expected outcomes.
- 5.3 The final report will be delivered 30 days after execution of the technical cooperation operation has ended. It will describe the activities completed, emphasizing achievements as measured against the procurement plan, execution timetable, and expected outcomes identified in the table of consulting services to be contracted (Annex IV).
- 5.4 Each year, FUNDEVI will provide the Bank with a financial statement of operation expenditures charged against the Bank's contribution and the local counterpart contribution, audited by an independent firm of auditors acceptable to the Bank and in accordance with terms of reference previously agreed upon with the Bank.

B. Technical and basic responsibility

- 5.5 The Bank's Institutional Capacity of State Division (ICF/ICS) will assume technical responsibility for execution of this technical cooperation operation. Basic responsibility will be assumed by the Bank's Country Office in Costa Rica (CID/CCR). FUNDEVI will be responsible for execution.

VI. BENEFITS AND RISKS

A. Benefits

- 6.1 Financing this technical cooperation operation under PRODEV Account B will make it possible to establish a national public investment system and strengthen the budget management evaluation system. These systems will generate management savings and enhance efficiency in the formulation, evaluation, allocation, and execution of public investment resources, under a policy framework designed to assure effective evaluation of budget performance. The operation will help to enhance the efficiency and effectiveness of public investment, and to deepen the culture of management-for-results in the public sector.

B. Beneficiaries

- 6.2 The direct beneficiaries will be the Ministry of Finance and the Ministry of National Planning and Economic Policy (MIDEPLAN), in addition to central government institutions, ministries, and related entities.

C. Risks

- 6.3 The principal risk to execution of this technical cooperation operation is that the public sector may not embrace new operating methodologies and processes. To mitigate this risk, the operation calls for participatory development mechanisms, as well as awareness raising, dissemination, training and consensus-building activities within the participating entities.
- 6.4 The innovative mechanism to be used for execution of this operation and the mechanisms for coordination between the Ministry of Finance and FUNDEVI may be regarded as an execution risk. This risk is mitigated, however, by FUNDEVI's experience in the delivery of administrative, financial, and accounting management services for over 800 projects of various university academic units and other national and international bodies, its good relationship with the government, and its demonstrated capacity to execute technical cooperation operations such as this one.

VII. ENVIRONMENTAL AND SOCIAL IMPACT

- 7.1 The Committee on Environment and Social Impact (CESI) reviewed and approved the technical cooperation profile, calling for no additional action. Given the nature of the operation, no adverse environmental or social impacts are foreseen. Nonetheless, execution of this technical cooperation operation and its outputs will comply with the requirements of Costa Rican laws on the protection of the environment and natural resources, as well as Bank policies and procedures for the evaluation of social and environmental impacts.

**PROGRAM TO ENHANCE PUBLIC MANAGEMENT EFFICIENCY (CR-T1029)
LOGICAL FRAMEWORK**

Narrative summary	Indicators	Means of verification	Risks
Goal			
To strengthen management-for-results in the formulation, evaluation, allocation, and execution of public investment resources, under a policy framework designed to assure effective evaluation of budget performance.	Public investment resources are used and allocated more efficiently and effectively.	Public investment resources are allocated according to the priorities set in the PND, and in compliance with technical standards, guidelines, and budget directives.	The political will remains to support the implementation of management-for-results.
Purpose			
To provide the Government of Costa Rica with a national public investment system that promotes criteria of efficiency, effectiveness, and transparency in public investment decision-making processes, and a budget management evaluation system that fosters a culture of management-for-results within the public sector.	<p>At the end of execution:</p> <ul style="list-style-type: none"> • A National Public Investment System (SNIP) is up and running that promotes execution of public investment projects that are socially, economically, and environmentally sound and are tied to the PND. • A costing system for public sector goods and services, and an information system to support the budget management evaluation system, are up and running. 	<p>Technical standards, guidelines, and directives for the formulation, evaluation, allocation of public investment resources.</p> <p>Technical, economic, social, and environmental advisory opinion.</p> <p>Institution reports on budget performance.</p>	Operators may resist the culture shift.

Narrative summary	Indicators	Means of verification	Risks
Components			
1. Component 1. Development and strengthening of a National Public Investment System			
Organize and administer a public investment information system that facilitates planning, evaluation, and allocation of public investment resources.	A SNIP is up and running that efficiently allocates budget funds earmarked for public investments, capable of supporting multiyear budget programming for the Ministry of Finance in close coordination with public borrowing policy.	Published executive decree establishing the structure and operation of the SNIP. Technical standards, guidelines, and directives for the formulation, evaluation, allocation of public investment resources. Technical, economic, social, and environmental advisory opinion. Evaluation by the Office of the Comptroller General of the Republic.	Operators may resist the culture shift. Political will and support. Availability of resources for maintenance.
Institute a public sector project information system.	A documented, standardized online information system is up and running.	External evaluation to certify operability of the system.	Operators may resist the culture shift. Operational compatibility with existing systems.
Develop, disseminate, raise awareness, and strengthen the policy framework related to operation of the SNIP.	The body of policies and institutional framework of the SNIP are disseminated, and participating institutions are duly apprised.	Published executive decree.	Political will and support. Institutional resistance to change.
Implement a comprehensive, ongoing training program for civil servants on project formulation, evaluation, and management.	200 civil servants trained in project formulation, evaluation, and management.	Consultant reports.	Operators may resist the culture shift. Availability of resources.

Narrative summary	Indicators	Means of verification	Risks
			Institutional commitment of participants and their supervisors.
Develop methodologies, rules, and specific guidelines for project formulation and evaluation.	5 sector methodological guides are added to the technical standards for public sector investments.	Consultant reports. Technical standards containing the methodological guides.	Operators may resist the culture shift.
2. Component 2. Strengthening of public sector budget management evaluation			
Implement a costing system for public sector goods and services.	The methodology and procedures are in place for implementing a costing system for public sector goods and services.	Methodologies and procedures as published and applied by the institutions. Comptroller's evaluation.	Operators may resist the culture shift.
Institute an information system to support the public management results evaluation process.	The information system is up and running.	External evaluation.	Operators may resist the culture shift.

**PROGRAM TO ENHANCE PUBLIC MANAGEMENT EFFICIENCY
(CR-T1029)
ITEMIZED COST TABLE**

Item	IDB	Local	Total
Component 1. Development and strengthening of a National Public Investment System			
Organize and administer a public investment information system	100	0	100
<i>International consultant, 180 days (US\$500)</i>	100	0	100
Institute a public sector project information system	258	80	338
<i>International consultant, 180 days (US\$500)</i>	108	0	108
<i>Equipment (hardware/software platform)</i>	150	80	230
Develop and raise awareness of the policy framework related to the SNIP	100	0	100
<i>National consultant, 180 days (US\$500)</i>	100	0	100
Implement a comprehensive training program for SNIP staff	396	0	396
<i>International consultant or consulting firm, 180 days (US\$800)</i>	126	0	126
<i>Training (short course, sector course, long regional intensive course)</i>	270	0	270
Develop methodologies, rules, and specific guidelines for project formulation and evaluation	100	0	100
<i>International consultant, 180 days (US\$500)</i>	100	0	100
Subtotal	954	80	1,034
Component 2. Strengthening of public sector budget management evaluation			
Implement a costing system for public sector goods and services	283	30	313
<i>International consultant, 180 days (US\$500)</i>	108	0	108
<i>Equipment</i>	130	30	160
<i>Training</i>	45	0	45
Institute an information system to support the public management results evaluation process	253	50	303
<i>International consultant, 180 days (US\$500)</i>	98	0	98
<i>Equipment</i>	110	50	160
<i>Training</i>	45	0	45
Subtotal	536	80	616
Management of the technical cooperation operation by FUNDEVI	80	0	80
Contingencies	20	0	20
Audit and evaluation	10	0	10
TOTAL	1,600	160	1,760

**PROGRAM TO ENHANCE PUBLIC MANAGEMENT EFFICIENCY (CR-T1029)
PROCUREMENT PLAN FOR THE FIRST 18 MONTHS**

I. GENERAL INFORMATION

1. Project information

Beneficiary: Republic of Costa Rica.

Executing agency: Fundación de la Universidad de Costa Rica para la Investigación
[Research Foundation of the University of Costa Rica] (FUNDEVI)

Beneficiaries: Ministry of Finance
Ministry of National Planning and Economic Policy (MIDEPLAN)

Financing: IDB: (PRODEV Account B) US\$1,600,000
Local contribution: US\$ 160,000
Total: **US\$1,760,000**

Execution timetable: Execution period: 30 months
Disbursement period: 36 months

2. **Date of Bank approval of the Procurement Plan:** The Bank's estimated approval date of the procurement plan is February 2008.
3. **Date of General Procurement Notice:** Within 90 days after approval.
4. **Period covered by this procurement plan:** First 18 months of execution.

II. GOODS AND WORKS, AND NONCONSULTING SERVICES

1. **Bank-approved thresholds for application of procurement procedures in member countries.** The thresholds set for each country serve as a basis for determining whether to use international competitive bidding (ICB), national competitive bidding (NCB), or price comparison (PC or “shopping”). All procurements subject to prior review by the Bank will be conducted in accordance with Appendix I of the policies for procurement of goods (document GN-2349-7).

	Procurement method	Prior review threshold	Bank review
1.	International competitive bidding (ICB) (goods and services)	≥ 250,000	Ex ante
2.	National competitive bidding (NCB) (goods and services)	> 50,000 and < 250,000	Ex ante
3.	Price comparison (goods and services)	Less than US\$50,000	Ex ante

2. Procurement packages with methods and timetables – Goods and services

1	2	3	4	5
Description of contract	Estimated cost (US\$)	Procurement method ¹	Prequalification (Yes/No)	Bank review
1. Goods				
- Computer hardware and furnishings -				
I. Development and strengthening of the SNIP				
Equipment	150,000	NCB	No	Ex ante
II. Strengthening of public sector budget management evaluation				
Equipment and training	330,000	ICB	No	Ex ante

Goods and services: **ICB:** International competitive bidding; **LIB:** Limited international bidding; **NCB:** National competitive bidding; **PC:** Price comparison; **DC:** Direct contracting; **FA:** Force Account; **PSA:** Procurement through specialized agencies; **PA:** Procurement agents; **IA:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate / Build, operate, transfer / Build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement under loans guaranteed by the Bank; **CPP:** Community participation procurement. **Consulting firms:** **QCBS:** Quality- and cost-based selection; **QBS:** Quality-based selection; **FBS:** Fixed Budget Selection; **LCS:** Least-cost selection; **SQS:** Selection based on the consultants’ qualifications; **SSS:** Single-source selection. **Individual consultants:** **NCQS:** National individual consultant selection based on qualifications; **ICQS:** International individual consultant selection based on qualifications.

III. SELECTION OF CONSULTANTS

1. **Bank-approved thresholds for application of procurement procedures in member countries.** The thresholds set for each country serve as a basis for determining whether to use selection with or without international publicity. All procurements subject to prior review by the Bank will be conducted in accordance with Appendix I of the policies for the selection and contracting of consulting services (document GN-2350-7).

	Selection method	Prior review threshold	Bank review
1.	Competitive method with international publicity	≥ US\$200,000	Ex ante
2.	Competitive method with national publicity	< US\$200,000	Ex ante

2. **Short list comprising entirely national consultants.** For the purposes of paragraph 2.7 of the policies for consultants, the shortlist of consultants with an estimated cost under US\$200,000 equivalent per contract may comprise entirely national consultants.

3. Consulting contracts with selection methods

1	2	3	4
Description of contract	Estimated cost (US\$)	Selection method ¹	Bank review
1. Services			
- Services of individual consultants			
I. Development and strengthening of the SNIP			
1. International consultant for the organization and administration of an information system, 180 days	100,000	ICQS	Ex ante
2. International consultant for public sector projects system	108,000	ICQS	Ex ante
3. National consultant for policy framework development	100,000	NCQS	Ex ante
4. International consultant for SNIP training program design for public officials	126,000	ICQS	Ex ante
5. International consultant in methodologies, rules, and guidelines for project design and evaluation	100,000	ICQS	Ex ante
6. SNIP training for public sector officials	270,000	QCBS	Ex ante
II. Strengthening of budget management evaluation			
1. International consultant for the costing system for public goods and services	108,000	ICQS	Ex ante
2. International consultant for the information system to support the public management results evaluation process	98,000	ICQS	Ex ante
Management of the technical cooperation operation by FUNDEVI			
1. National consultant to manage the operation (additional staff)	80,000	ICQS	Ex ante

Consulting firms: QCBS: Quality- and cost-based selection; QBS: Quality-based selection; FBS: Fixed Budget Selection; LCS: Least-cost selection; SQS: Selection based on the consultants' qualifications; SSS: Single-source selection. **Individual consultants:** NCQS: National individual consultant selection based on qualifications; ICQS: International individual consultant selection based on qualifications.