

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

TRINIDAD & TOBAGO

GLOBAL SERVICES PROMOTION PROGRAM

(TT-L1038)

MONITORING AND EVALUATION ARRANGEMENTS

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I. Introduction

The objective of the program is to support the positioning of Trinidad & Tobago as a world renowned location for global provision of IT-enabled services. The expected impacts are increased exports and employment in the sector. This will be accomplished through sector-specific training and support services; investment promotion and branding; and business climate improvement and regulatory updating.

The direct beneficiaries of the program are students, the unemployed and underemployed who receive training in the Services Internationalization Hub; exporting ITeS companies who require additional qualified labor to scale their exports; and SMEs who wish to increase their export capacity.

The operation comprises the following main components: 1) Global Services Internationalization Hub to be established in order to provide internationalization training, support services, finishing schools, as well as the necessary infrastructure (technology and workspaces); 2) Investment Promotion and Sector Branding, including a sector branding campaign, the organization of global services promotion forums and mechanisms to engage the TT's Diasporas, as well as, sector data collection and analysis; and 3) Capacity Building to Update Policy and Regulatory Framework.

The objective of the monitoring plan is to support program execution, the proposed activities, and the physical and financial execution of the outputs. The plan has three main elements: (i) administrative monitoring and control of the program; (ii) monitoring of activities and outputs; and (iii) monitoring of program outcomes.

The evaluation of the project aims, in terms of the expected outcomes of the program, to measure whether the interventions have been able to (i) increase the availability of qualified human capital and employment level in the ITeS sector; (ii) increase the export volume of the companies benefited by the Program; (iii) have an updated regulatory framework that will contribute towards the industry's competitiveness.

Before-and-after methods and ex post cost/benefit analyses will be used to monitor and evaluate expected outcomes.

Different entities responsible for the coordination and execution of the works are involved in the coordination and implementation of the monitoring and evaluation of Project. The executing agency, i.e. the Ministry of Planning and Social Development (MPSD), will be assisted with technical expertise from public and private sector stakeholders, including: the Ministry of Trade, Industry and Investment, InvestTT (the country's investment promotion agency), the Trinidad and Tobago Coalition of Services Industries (the body representing the private sector in ITeS), and ExportTT (the country's export promotion agency) to inform the decision-making process.

II. Monitoring

2.1 Program execution structure

The borrower will be the Republic of Trinidad and Tobago. The executing agency for the program will be the Ministry of Planning Social Development (MPSD). The MPSD will be assisted with technical expertise from public and private sector stakeholders, including: the Ministry of Trade, Industry and Investment, InvestTT (the country's

investment promotion agency), the Trinidad and Tobago Coalition of Services Industries (the body representing the private sector in ITeS), and ExportTT (the country's export promotion agency) to inform the decision-making process

As the executing agency, the MPSD will have broad oversight responsibility for all matters related to the Program and direct responsibility for the administration of resources and the procurement processes.

For the execution of the Program, the MPSD will hire with loan resources a Program Coordinator and a group of specialists that will form the Program Execution Unit (PEU). The PEU will be comprised of: a procurement specialist, a financial specialist and a project assistant.

Responsibilities of the PEU:

- (i) preparation, implementation and coordination of the Annual Operating Plans (AOPs);
- (ii) preparation of budgets, project accounting, including disbursements and reimbursement of Project funds;
- (iii) preparation of the Program's Procurement Plan, the procurement of works, goods and related services and consulting services for the Program;
- (iv) coordination of the preparation of technical reports, progress and financial reports;
- (v) monitoring of the progress of Program activities and analysis of variances of actual results against plans;
- (vi) hiring the external audit and ensuring that the approved recommendations are implemented;
- (vii) facilitation of external evaluations of the Program and ensuring, in collaboration with the participating entities, that the approved recommendations are implemented;
- (viii) serving as a liaison for the Program with the Bank;
- (ix) preparing and managing the lease of office spaces in the GSI Hub under Component I;
- (x) coordinating the activities of ~~TTCSIPSE~~, InvestTT and the MTII for the execution of the program;
- (xi) hiring the consultants for ~~TTCSIPSE~~, InvestTT, MTII and the ConnectAmericas program that will carry out the activities described in MOUs that the MPSD will sign with each of them.

For the execution of the works comprised in component I, the MPSD through the PEU will hire a contractor and a supervision firm, pursuant to terms of reference agreed upon with the Bank. In addition, the administration of the GSI Hub is expected to include the rental of space to companies of the ITeS industry, and suppliers of services that the GSI Hub will offer, including a cafeteria, a childcare facility and a lactation room for nursing women. The revenues from rental will be used to finance the activities comprised within component I of the Program, unless after five (5) years from the expiration of the disbursement period, the Bank and the Borrower agree to another use for such funds, without departing from the basic objectives of the Project.

The Program's Operations Manual will define the eligibility criteria to allow the use of the GSI Hub's premises, based on the following general guidelines: beneficiaries will be companies, students and professionals from the ITeS sector who are seeking to expand their export capacity; students who wish to learn the skills required to obtain a job in the ITeS sector; and SMEs who are users or have the potential to become users of the ConnectAmericas program.

Technical Coordinating Agencies. In order to assist the MPSD in the execution of the program and the attainment of the objectives and expected results, there will be coordinating agencies that will provide expertise to inform all of the program's technical decisions. In this sense, ~~the Trinidad and Tobago Coalition of Services Industries (TTCSI), as the body representing the ITeS private sector companies~~ a private sector entity representing the ITeS sector (hereinafter referred to as "PSE"), will act as the coordinating agency for Component I. ~~TTCSI~~ PSE will support the PEU in: the sector surveys that will help identify the Finishing School courses; the delivery of these courses (selecting the instructors, preparing the syllabi, etc); the promotion and management of the GSI Hub. For Component II, the coordinating agency will be InvestTT, the country's investment promotion agency. InvestTT will support the MPSD on the strategy to design and implement the sector branding campaign and the Diasporas engagement strategy, and it will assist in the organization of the services promotion forums. Finally, ExportTT will support the MPSD in the implementation of the ConnectAmericas program in the GSI Hub.

The program will support the functions of the Technical Coordinating Agencies with consultants who will be specifically assigned to assist the Agencies in the technical decision-making process. In addition, both the Project Execution Unit and the Technical Coordinating Agencies will be provided space within the GSI Hub to perform their functions.

Advisory Board. Finally, there will be an Advisory Board comprising a mix of public and private sector stakeholders. This board will meet twice a year to oversee the development of the program, and counsel the MPSD on the program's general strategy and execution. The Committee will be chaired by MPSD, and will include representatives from the Ministry of Trade, Industry and Investment (MTI); InvestTT; the TT International Financial Centre; the E-Business Roundtable; the Caribbean Industrial Research Institute; the ICT Society; ExportTT; ~~TTCSI~~ PSE; the TT Tourism Development Company; Anima Caribe, and the TT Animation Board. The Advisory Board will oversee the coordination among the participating entities mentioned above, monitor overall performance of the operation, and facilitate the work of the PEU.

These above entities were selected based on their institutional mandates to promote the ITeS industry in TT. The specific tasks entrusted to each of them – Executing Agency, Coordinating Agencies and Advisory Board – are spelled out in more detail in the Program Operations Manual.

On the part of the Bank, the technical supervision of program execution will be the responsibility of the Integration and Trade Division (INT/TIU), who will presence on the ground in Trinidad and Tobago, in addition to the team in Washington.

Joint meetings will be held every six months between the executing agencies and the

Bank, to discuss: (1) progress on the activities identified in the annual operation plans (AOPs) and the program execution plans (PEPs); (2) the degree of compliance with the indicators established in the results matrix; and (3) the AOP for the next 12 months.

2.2 Indicators

The indicators to be monitored are contained in the results matrix. Presented below are the indicators identified for monitoring progress in the implementation of the main outputs of the project.

Table 1
Output Monitoring Indicators

INDICATOR	DEFINITION	TARGET	MEANS OF VERIFICATION	FREQUENCY
OUTPUTS				
Component 1: Global Services Internationalization Hub				
a) Internationalization Training and Support				
Number of internationalization training programs completed		60	PEU semester progress reports.	Annual
Number of participants in internationalization training programs and services		500	PEU semester progress reports	Annual
b) Finishing Schools (short term technical training)				
Curriculums developed in collaboration with the private sector		26	PEU semester progress reports	Annual
Number of Finishing School graduates with passing qualification		1312	PEU semester progress reports	Annual
c) Collaborative Physical & Technological Infrastructure				
Number of ITeS firms in tenancy at the Hub		5	PEU semester progress reports	Annual
Number of individuals utilizing flexible work space and technology		200	PEU semester progress reports	Annual
Number of participants in training and support services utilizing the childcare and lactation facilities		120	PEU semester progress reports	Annual
Component 2: Investment Promotion and Sector Branding				
Sector branding strategy developed		1	PEU semester progress reports	Annual
Number of promotion forums organized		2	PEU semester progress reports	Annual
Participation in regional and international		10	PEU semester progress reports	Annual

INDICATOR	DEFINITION	TARGET	MEANS OF VERIFICATION	FREQUENCY
OUTPUTS				
promotion forums				
Diaspora mentorship events conducted		20	PEU semester progress reports	Annual
Component 3: Capacity Bilding to Update Policy and Regulatory Framework				
Know-how exchanges conducted		10	PEU semester progress reports	Annual
Develop map of institutional roles in ITeS regulation		1	PEU semester progress reports	Annual
Development of strategy for ICT sector		1	PEU semester progress reports	Annual
Capacity building events conducted for agencies		8	PEU semester progress reports	Annual

2.3 Data collection and instruments

The proposed indicators and means of verification optimize the use of the information available in Trinidad and Tobago, and the information that will be obtained during program execution. There is a baseline reference for all of the indicators, which is established based on information from the entire system or based on the sample works, as the case may be. The totality of the output indicators will be verified directly with measurements performed by the PEU or a third party contracted for that purpose. The results of the measurements will be compared with the expected values presented in the results matrix, some of which may also be redefined once the targeted corridors are known.

The PEU will conduct, among others, the following program planning activities:

- i) **Annual Operating plans (AOPs).** The AOP consolidates all of the activities to be conducted during a specific execution period by output, and has a physical and financial schedule. Semiannually, as an integral part of the semiannual monitoring reports, the executing agency will submit the AOP and the PEP for the following two six-month periods. These will include the activities, schedules, and estimated budgets for the projects financed during the previous year and those proposed for the following year. The AOP and PEP for the first year will be included in the initial program report. The AOP and the PEP will include at least the following information: (i) program execution status, broken down by component; (ii) the procurement plan for works, goods, and services, as well as the procurement plan for consulting services, including budget and disbursement projections; (iii) progress in meeting the program's targets and outcomes; (iv) progress in achieving the output indicators for each component of the program, according to the program's results matrix and implementation schedule; (v) problems encountered; and (vi) solutions implemented.
- ii) **Program execution plan (PEP).** The PEP establishes the schedule of disbursements (number and amount of disbursements) according to the performance indicators, already included in the results matrix, and the project execution period.
- iii) **Procurement plan (PP).** The purpose of this instrument is to present to the Bank and publicize the details of all procurements that will take place during a specific program execution period. The procurement plan will be delivered together with the AOP as an integral part of the semiannual monitoring reports for the Bank's consideration, and should be updated annually, or when necessary, throughout the program execution period.

In terms of program monitoring, the principal means of verification are **administrative and contract documents** from the PEU and other agencies involved in executing the program. In addition, other administrative and contract documents from the executing agency are included: (i) final consulting reports; (ii) service contracts; (iii) contracts for the purchase of goods; (iv) contractual conditions; (v) final audit reports; (vi) evaluation reports; (vii) curriculum vitae of contracted personnel.

In most cases, the instruments are available or do not require a special design. However, for some indicators it is necessary to perform prior diagnostics and studies to be able to identify the specific works and actions to be carried out. Once they have been identified, the executing agency, after receiving the Bank's no objection, will define the specific expected outputs the measurement frequency, and the appropriate means of verification. This information will be recorded in the progress monitoring report (PMR) and the results included in the corresponding reports.

Some conditions prior to first disbursement have been established and require the following means of verification: (1) Evidence that the MPSD has selected a Project Manager for the Program according to a professional profile satisfactory to the Bank; (2) Evidence that the MPSD has selected the specialists that will act as part of the Project Execution Unit, in accordance with terms of reference agreed upon with the Bank; (3) Evidence that MPSD has approved, with the prior non-objection of the Bank, an Operations Manual for the Project; (4) Evidence that MPSD has entered into agreement with ~~TTCSI~~ Ministry of Trade, InvestTT ~~and~~ ExporTT and a PSE acceptable to the Bank, establishing the roles and responsibilities of the parties in the execution of the Program

In addition, the Bank, through the project team, will make quarterly **inspection visits** for purposes of monitoring the program activities. It will also be supported by annual **administration missions** to analyze the program's progress and address specifically identified issues. Finally, during the program execution period, the executing agency will deliver annually to the Bank the program's financial statements for the **financial audit** to be performed by a firm of independent auditors acceptable to the Bank and in accordance with its requirements, based on the guidelines established in the terms of reference for external audits of Bank-financed programs (AF-400). The firm will be selected and contracted using the procedures established in the document on bidding for external audits (AF-200). The financial statements will be delivered to the Bank within the time periods established in Article 7.03 of the General Conditions of the loan contract. The costs of the audit will be part of the program cost and may be charged against the Bank's loan.

2.4 Presentation of reports

During program execution, **semiannual monitoring reports** will be delivered to provide information on the status of the works and other projected outputs. Such reports will be prepared by the program's executing agency and delivered to the Bank's Integration and Trade Division, through the Bank's project team leader, no later than 60 days after the end of each semester. The objectives of these evaluations will be to verify the degree of progress and compliance of the program's objectives, based on the indicators expressed in the Results Matrix; report the products achieved with the activities financed by the program; and identify risks that arise in the execution of the program, and propose mitigation measures, among others. These reports will be delivered within 60 days after the end of each six-month period. The results will be evaluated through several objective technical indicators specified in the results framework that will be determined before and/or during program execution.

The semiannual reports will include, at least: (i) descriptions of the executed activities per component; (ii) description of the procurement processes carried out during the reported period; (iii) updated schedule of progress and disbursements; (iv) level of compliance with the performance indicators; (v) identification of new risks / events that may potentially

affect the future implementation of the program; and (vi) execution plan to be completed in the following two six-month periods.

In addition, the executing agency will deliver an **annual progress monitoring report** to the Bank at the end of each calendar year with the information for the period that has elapsed. Finally, the Bank will submit the **loan results (LRR) report** 18 months after the start of program execution. This report will be drafted based on the semiannual progress reports and the results framework.

The reports will cover not only the progress on the works and the other outputs identified in the results matrix but also all relevant information for recognizing progress in the measurement of the indicators and identifying needs for improvement in the gathering, processing, analyzing, and reporting of data.

2.5 Coordination, work plan, and monitoring budget

The program monitoring and evaluation process will be coordinated by the PEU, as appropriate.

The PEU will be responsible for establishing the program baseline and will verify the progress and impact of program activities, for which it will conduct the following activities: (i) compile periodic information on progress (activities) and financial progress (available and invested funds); and (ii) maintain updated and accessible relevant information on the execution of program activities and resources.

For its part, the Bank, through the project team and project team leader, is responsible for coordinating and ensuring that the monitoring plan complies with the established technical quality requirements and deadlines. Accordingly, it will hold periodic meetings with those responsible for executing this plan and, if necessary, will request reports or presentations on unexpected results.

The outcomes of the indicators at the end of program execution will be included in the project completion report (PCR).¹ The Country Office is responsible for drafting the PCR, with the support of the project team and other specialists involved in the design, execution, and evaluation of the works financed.

The PCR is a report that will be presented 90 days after the date of the program's last disbursement voucher and will be prepared based on the semiannual progress reports, the results framework, the audited financial statements, the program evaluations, etc. This information will include, at least: (a) the financial execution results by component; (b) the impacts of program execution; (c) fulfillment of established targets, based on the agreed upon outcome indicators; (d) outcomes and outputs achieved during program execution; (e) fulfillment of contractual conditions; (f) processes and results of bidding for works, goods, and services; (g) cost itemization of the works by type; (h) an ex post cost/benefit evaluation based on the evaluation methods developed ex ante; (i) lessons learned; and (j) evaluation of implementation of the works, including the socioenvironmental aspects.

¹ For a more detailed description of the information contained in the PCR, see the following section.

**Table 2
Monitoring Work Plan**

Activities	Year 1				Year 2				Year 3				Year 4				Year 5				Responsible	Cost ² (US\$)	Funding
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Results Matrix	■		■		■		■		■		■		■		■		■		■		BID		
Semester Execution Plan	■		■		■		■		■		■		■		■		■		■		MPSD	ToRs for consultants hired for each component will include monitoring activities	Program's budget
Annual Operations Plan	■		■		■		■		■		■		■		■		■		■		MPSD		
Progress Reports		■		■		■		■		■		■		■		■		■		■	MPSD		
Acquisitions Plan	■		■		■		■		■		■		■		■		■		■		MPSD		
Audited Financial Statements			■				■				■				■				■		MPSD		
Disbursements Plan	■		■		■		■		■		■		■		■		■		■		MPSD		
Monitoring Plan																					BID	156000	BID
Inspection visits		■		■		■		■		■		■		■		■		■		■	BID		
TOTAL																						156000	

² / Costs estimates include the cost of the labor, inputs and contracts linked with the activity.

III. Evaluation

3.1 Main evaluation questions

The evaluation of the project aims, in terms of the expected outcomes of the program, to measure whether the interventions have been able to (i) increase the availability of qualified human capital and employment level in the ITeS sector; (ii) increase the export volume of the companies benefited by the Program; (iii) generate an improvement of the institutional capacity related to activities linked to investment promotion and attraction.

3.2 Principal outcome indicators and method

Presented below is the method used to calculate each one of the program's outcome indicators (Table 3) and program's impact indicators (Table 4).

Table 3
Outcome indicators

Outcome Indicators	Formula	Means of Verification	Measurement Frequency
Global recognition as IT-enabled services destination			
Inclusion in ranking of Tholons Top 100 Outsourcing Destinations	Index score of 1 indicates inclusion in the Top 100 ranking; score of 0 indicates non-inclusion.	PEU	Annual
Capacity building in export readiness for SMEs			
Percentage increase in number of SME ITeS firms exporting (%)		PEU - Program Special Registry	Annual
Number of SME ITeS firms that enter new international markets		PEU - Program Special Registry	Annual
Satisfaction rate among firms receiving internationalization support services (%)	Questions to be defined in survey design	PEU - Program Special Registry	Annual
Capacity building in skills required for employment in ITeS sector			
Number of participants in finishing school programs that secure employment in the sector within 6 months of completion.	To be measured by survey. Survey design included in M&E strategy. Survey to be undertaken under Comp. I career services consultancy. Data to be disaggregated by gender. Based on 1750 enrolled in Finishing School with 75% pass rate and 75% hire rate.	PEU - Program Special Registry	Annual
Establish enabling environment for ITeS export businesses			
Satisfaction rate on	To be measured by survey.	Consultant Report	Annual

technological infrastructure of Hub among users (%)	Survey design included in M&E strategy.		
Score on WEF Networked Readiness Index for Laws Related to ICTs	World Economic Forum's Networked Readiness Index (2013). Score determined by executive survey: "How would you assess your country's laws relating to the use of ICTs (e.g., electronic commerce, digital signatures, consumer protection)? [1= highly undeveloped; 7 = well-developed]	PEU	Annual

Table 4
Impact indicators

Impact Indicators	Formula	Means of Verification	Measurement Frequency
Impact: Increased exports of IT-enabled services			
Percentage increase in exports of ITeS (%)		Baseline to be measured as part of M&E strategy for Year 1 by PEU	Annual
Impact: Increased employment in the IT-enabled services sector			
Percentage increase in the number of people employed in the ITeS sector (%)	Tholons Inc. (2013) estimates 1298 employees in the sector.	Baseline data to be validated as part of M&E strategy for Year 1 by PEU	Annual
Percentage increase in the number of women employed in the ITeS sector (%)		Baseline to be measured as part of M&E strategy for Year 1 by PEU	Annual

3.3 Evaluation method

a. Sector Data Collection and Analysis.

Component II of the Program assigns USD 600,000 towards the elaboration of a sector-wide firm-level survey that will cover revenue, income, employment, growth, exports, and integration in international value chains among other things. The survey will be designed and implemented during the first year of the program in order to define the baselines and evaluate their evolution during the execution of the program, as per the evaluation plan below.

b. Export Promotion Program

The evaluation team will make use of the detailed firm-level data to be collected through the census that will be carried out in the framework of this project to both define an appropriate baseline and evaluate quasi-experimentally the impact of the trade promotion program on the exports of the objective services.

In particular, in order to identify this impact the difference-in-differences and propensity score matching difference-in-differences estimation approaches will be used (see, e.g.,

Volpe Martincus and Carballo, 2008, 2010, for similar exercises on exports of goods). In so doing, it is assumed that not all firms will simultaneously request assistance from the program at the beginning.

Hence, the export status (yes/no) and the growth rate of total exports (and that of the number of services exported and the number of destinations) of supported firms will be compared with the export status (yes/no) and the growth rate of total exports (and that of the number of services exported and the number of destinations) of their non-supported counterparts, conditioning by systematic differences between both groups of firms in terms of factors that could lead to different propensities to participate in the program and potential diverging trajectories of the outcome of interest (e.g., number of employees, age, previous export experience, etc.).

The sample size will be approximately 200 firms, which roughly corresponds to the total numbers of firms operating in the relevant sector in the country. Given this total sample size and the need to have enough participating firms, the main evaluation will be conducted at the need of the project to get a four year sample period.

Additionally a survey will be designed in order to capture, on one hand, the effectiveness of the finishing schools and, on the other, the client satisfaction with the physical and technological infrastructure as well as the support services offered.

c. Finishing Schools

In order to establish the impact of the finishing school component on the employability and income of trained individuals, the evaluation team will make use of the propensity score approach on household data on occupation and income from the Board of Inland Revenue over the period 2008-2013.

More specifically, the probability of getting employment in the sector and the level of income of trained individuals will be compared with those of non-trained individuals who are comparable in terms of their relevant characteristics including their previous labor history (see, e.g., Sianesi, 2004).

As for the sample size, approximately 1750 individuals are expected to be trained over the project period (treatment group) and the control group will be calculated once there is data available from the Board of Inland Revenue. The main evaluation will be conducted at the end of the project period.

d. Sector Promotion and Branding

The effect of the investment promotion component will be estimated by difference-in-differences, whereby the before-after change in sectorial FDI inflows in promoted sectors will be compared with those in non-promoted sector controlling for systematic differences between these groups of sectors (see, e.g., Javorcik and Harding, 2012).

Information on sectorial FDI inflows and a list of companies assisted by Invest TT should be the main source of information to be complemented with information from the WorldBase (see Alfaro and Chen, 2012) as well as with a survey aimed at identifying all foreign companies operating in Trinidad and Tobago.

In addition, collection and systematization of assistance information will be improved along the process in collaboration with Invest TT. Demand for investment promotion

assistance will be estimated for the project period. As for the evaluation of the finishing schools, for the reasons mentioned above, the main evaluation will take place at the end of this period.

3.4 Theoretical Background

Export Promotion: A series of evaluations carried out by the IDB (Volpe Martincus, 2010) reveal that trade promotion programs have been effective in increasing and diversifying exports of participating firms, primarily along the country extensive margin, but also along the product extensive margin. In particular, the impact of export promotion is stronger when informational problems are likely to be more severe, i.e., when entering new destination and to some extent starting to export new products. Diversification along these lines has been found to favor firms' survival in international markets (Volpe Martincus and Carballo, 2009) and, importantly, can be considered to have more potential to generate spillovers over time. Further, the impact of export support is not uniform across the differentiation spectrum. The degree of complexity of the goods is directly related to the severity of the information barriers faced by companies when transacting across borders. By helping firms overcome these barriers, export promotion actions are more likely to generate larger export gains to the degree to which products traded are more differentiated (Volpe Martincus and Carballo, 2012). In addition, firms are different and thus have different assistance needs. Due to the greater limitations they face in accessing relevant export information, firms that are relatively small and whose previous involvement in international markets has also been small suffer more from the deterring effects of information frictions. These companies have been accordingly found to benefit more from export assistance, provided that they turn out to be productive and able to survive in these markets (Volpe Martincus and Carballo, 2010 and Volpe Martincus et al., 2013). While these evaluations have been focused on exports of goods, their findings are also likely to hold for exports of services given the similarity of the problems that interventions aim at addressing as well as between that of the behavioral responses of firms carrying out both kinds of trade to trade enhancers and obstacles (Breinlich and Criscuolo, 2011).

Investment Promotion: Targeting and their timing have been recently used to estimate the impact of investment promotion on foreign direct investment attracted from the United States over the period 1990-2004. Results of this analysis suggest that promotion led to higher foreign direct investment inflows in developing countries (see Harding and Javorcik, 2011). According to Harding and Javorcik (2011), priority sectors in developing countries tend to receive 155% higher foreign direct investments in the post-targeting period, which for the median country-sector observation implies an additional annual inflow of USD 17 million. On the other hand, the average investment promotion organization spent USD 90,000 per targeted sector. Combining the benefit and the cost sides yields that a dollar spent in investment promotion leads to USD 189 of foreign direct investment inflows. Alfaro and Charlton (2007) also found a strong positive relationship between sector targeting and sector foreign direct investment inflows, but in a sample of mostly developed countries. Furthermore, targeted, recipient of more investment sectors have been found to have upgraded their exported products (i.e., have increased their unit values) relative to their non-targeted counterparts (see Harding and Javorcik, 2012).

3.5 Coordination of evaluation, work plan, and budget

All evaluation activities will be carried out by the executing agency, with support from the IDB team. The monitoring of all indicators is crucial in order to be able to track the from the IDB team. The monitoring of all indicators is crucial in order to be able to track the selected results indicators. At the end of each year, the monitored indicators will be used to build the results indicators and to adjust them, where necessary.

The budget for the revision and implementation of the evaluation plan includes:

- (i) Coordination of the monitoring activity ensuring timely and good quality information delivery.
- (ii) Consulting for the semi-annual review of the results of its application.

The total estimated cost for the evaluation plan is 58,000. This does not include the survey production and data collection efforts, which are included in the program budget separately.

**Table 4
Evaluation Work Plan**

Activities	Year 1				Year 2				Year 3				Year 4				Year 5				Responsible	Cost ³ (US\$)	Funding
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Production of reports	■		■		■		■		■		■		■		■		■		■		PEU	215,000	Program's budget
Semester Evaluations	■		■		■		■		■		■		■		■		■		■		PEU		
Final Evaluations		■		■		■		■		■		■		■		■		■		■	PEU		
TOTAL																						273,000	

³ / Costs estimates include the cost of the labor, inputs and contracts linked with the activity.