

WBI Evaluation Briefs

REPORTING ON CLIENT AND STAFF LEARNING PROGRAMS

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Fiscal Decentralization in an Era of Globalization

The Challenge

Issues of good government and of governance during the past years have become a growing concern within the World Bank. In both the IMF and the World Bank, the “good governance” agenda includes promoting transparency, accountability, efficiency, fairness, participation and ownership. The importance of good governance has been further highlighted in Europe and Central Asia by the transition from communism to democracy. This transition has resulted in the need to create a more balanced system of assigning tasks and revenues among national (e.g. central) and sub-national (e.g. local) governments.

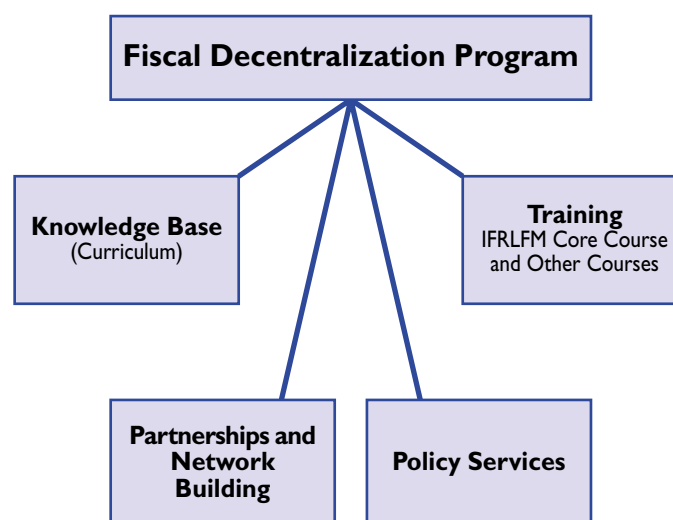
WBI Intervention

In response to the above need and driven by a larger development initiative called the Fiscal Decentralization Initiative¹, the World Bank Institute established the Fiscal Decentralization (FD) program in 1998. Based on a multi-tool approach to learning, the FD program is engaged in managing and enlarging the knowledge base on fiscal decentralization issues, along with providing training opportunities, policy services, and partnership and networking activities (figure 1).

- **Knowledge Base.** This knowledge base serves as the foundation of the program, specifically for its training initiatives, and is continuously being expanded to include documents related to regional contexts, country papers on fiscal decentralization, new themes, and newly commissioned reports. It is almost entirely accessible on the internet through the FD program website, and its contents are also available on a CD-ROM.
- **Training.** *Intergovernmental Fiscal Relations and Local Financial Management (IFRLFM) Core Course.*² First piloted

in Vienna in 1998, the IFRLFM core course was designed to provide participants with the analytical framework for understanding and implementing an efficient and equitable intergovernmental system, and to enhance the capacity of participants to successfully implement public sector resource management and reform initiatives in the context of transition economy reforms. It is delivered in face to face sessions over a period of five to ten days. The primary target audience comprises trainers, national and sub-national government officials responsible for the design and implementation of intergovernmental fiscal relations and local financial management, employees of public and private institutions who deal with fiscal issues and World Bank country office staff.

Figure 1: Four main components of the FD program



1. To help transition economies carry out intergovernmental reforms and create a knowledge base for disseminating best practices, a joint multi-year program called the Fiscal Decentralization Initiative (FDI) was launched in 1996. Initiated by the Council of Europe (CoE), Organization for Economic Cooperation and Development (OECD), United States Agency for International Development (USAID), and WBI, the initiative began in an effort to coordinate donor activities and to serve as a development and dissemination learning center. The World Bank's involvement in the FDI was an important catalyst for developing a core course on Fiscal Decentralization. Since 1996, new partners include the United Nations Development Program (UNDP), the Denmark Ministry of Interior, the Open Society Institute, the Swiss Agency for Intercultural Development and Cooperation, and beginning in 2001, the Czech Ministry of Foreign Affairs.
2. In response to the Institute's growing need for selectivity, focus, and quality in its training initiatives, WBI established a core course series in 1998. The IFRLFM course was a part of this series.

Between March 1998 and December 2001, 23 IFRLFM course offerings trained about 800 participants from about 95 countries from all regions.

Other courses. In addition to the IFRLFM core courses, the FD program offers other training activities that have a somewhat different emphasis from that of a typical IFRLFM course. In 1999, the FD program collaborated with the Monterrey Institute of Technology, Mexico, to offer its first distance learning course entitled the “Latin American Distance Learning Seminar on Municipal Management (SAAM)”. Since then, the FD program has organized or helped to organize nine distance-learning courses³ in the Latin America and Caribbean region that have reached 10,376 participants.

- **Partnerships and Network Building.** The FD courses are planned, programmed and delivered in close collaboration with regional and local partners (training institutes or universities). These training partners have increasingly taken over the lead role in the organization and design of courses and have modified the course design to meet their local needs. The program has maintained and expanded its contacts in Africa, East Asia, Europe and Central Asia, and Latin America and the Caribbean, but has yet to develop programs in South Asia and the Middle East and North Africa.
- **Policy Services.** The FD program team also organizes and/or participates in occasional policy services. The policy services are usually two-to-three day training events, often tailored to specific requests from governments and World Bank country offices. They can take the form of seminars, conferences, and regional forums. Information on the exact number of events and participants is not available as in many instances the FD program was not the primary organizer of these events.

Underlying Assumptions

The FD Program rests on the following assumptions:

1. Conceptual learning and the results of an improved dialog should prepare the groundwork for policy improvements in the financing and delivery of local and intergovernmental (shared) services.
2. Improvements in the fiscal system and service delivery will ultimately contribute to political stability and to poverty reduction.
3. The quality of partnerships is an integral part of the process to achieve improved conditions in transition and developing countries.
4. Strong and sustainable partnerships contribute to capacity-building that will have a knowledge spillover effect beyond the FD program.

Program Evaluation

The aim of the FD evaluation study⁴ was to gather information about outputs, outcomes, and impacts of the FD program, to determine its strengths and weaknesses and to recommend further improvements. The study evaluates all key program components with the exception of policy services. The evaluation combines qualitative and quantitative methods. The main data sources were:

- **Experts’ workshop:** A workshop held in Budapest in February 2001 assessed the quality of interactions within the partnerships and their effects on capacity-building. The workshop was attended by representatives of more than half of the FD program’s partner institutions, FD program team members, and three WBI evaluators. The partners presented case studies (from the LAC, AFR, and ECA regions) which served as inputs to discuss the strengths and weaknesses of the partnerships and to explore ways of further improving the FD program.

- **Survey of former participants of the program’s core course-IFRLFM:** A survey was distributed to all participants of the IFRLFM core course offerings from 1998 to 2000. Of the 512 participants in the WBI database, 422 could be contacted (80 percent) and 126 (25 percent) responded.
- **Other data sources included:** (i) document studies, (ii) interviews and (iii) participant observation of two course offerings and two policy service events.

Participants and Response Rate

While the IFRLFM course was offered in eleven different locations, two thirds (65.7 percent) of the participants were registered in offerings given in Budapest, Brasilia and two other Latin American cities, and over 80 percent of the respondents had attended offerings in these locations. Participant response rate for these offerings averaged about 30 percent, compared with 11 percent for participants registered in African offerings. Two thirds of respondents were male, about half held masters degrees, and about two-thirds were government employees.

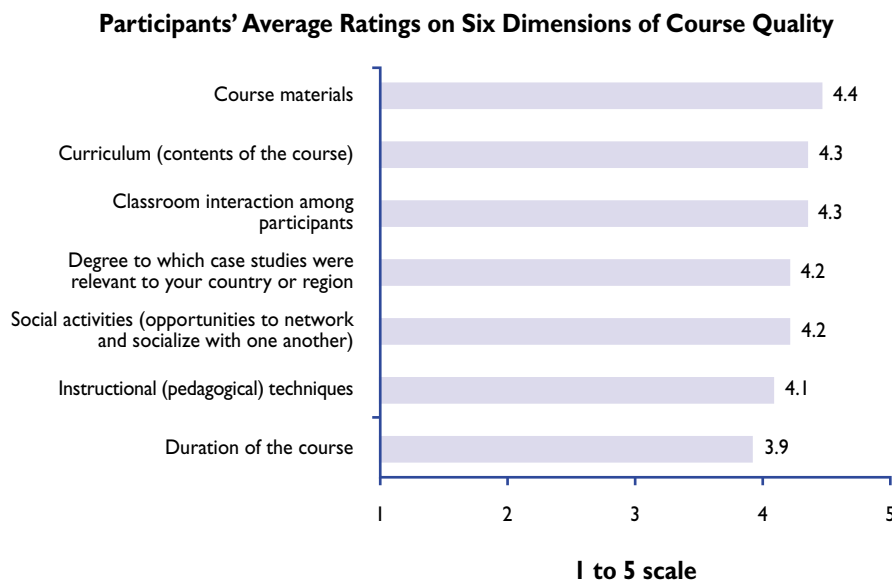
Impact of the Program

1. **Participants found the training useful overall and were satisfied with the main aspects of course delivery.** Eighty-four percent of the respondents rated the overall usefulness of the course as “4” or “5” (high) on a five-point scale, which is very close to the WBI quality benchmark of 85 percent for client and staff learning programs and is identical to the performance of other WBI core courses for this measure, although the average rating (4.1) was slightly lower than the average rating for core courses (4.2). Respondents also reported high satisfaction with the course materials and curriculum, but less satisfaction with pedagogical techniques (teaching

3. Including modified versions of the IFRLFM course.

4. Bussman, Werner, Maurya West Meiers and Adrian Hadorn (2002). *Making Fiscal Decentralization Work in an Era of Globalization: An Evaluation of the World Bank Institute’s Decentralization Program*. WBI Evaluation Studies, No. ES02-53.

Figure 2: Overall satisfaction with different aspects of the course



strategies, presentation, and pacing of content), and course duration, which was viewed as too short and intense (figure 2).

- The participants found the training useful and relevant on personal and professional fronts.** Eight-two percent of respondents gave high ratings to the course for “providing fresh/new ideas” when asked how the course *helped them personally*. Other highly-rated items were for improving professional skills (79 percent), updating previously acquired skills (79 percent) and providing a framework for thought (76 percent). The course was also highly rated for providing networking opportunities and meeting new persons (76 percent). However, only about 40 percent of respondents reported that the course had been helpful in solving existing problems or in increasing opportunities for promotion.
- Participants have maintained contacts and networks established through training.** On further exploration of “contacts and networking” dimension of personal usefulness, the evaluation reveals that 80 percent of respondents have maintained

contacts established during the course, with 58 percent reporting staying in contact with other course participants or their institutions (Table 1).

- Participants have applied enhanced skills at work.** Respondents reported having used the skills acquired from the IFRLFM course at work, giving high ratings to the application of “arbitrage” skills: making choices among various policies. They reported that the course helped them argue for or against certain policy options (80 percent high rating), support or oppose policy options by referring to best international practices

(76 percent high), and advise colleagues and managers (73 percent high). However, only 50 percent of respondents gave high ratings to the course for helping them to develop the technical content of policies.

- Participants have integrated elements of IFRLFM course in their local teaching, training and research activities.** Seventy percent of respondents have integrated elements of the IFRLFM course into their local training, teaching, or research activities, with about half of respondents using course materials in their own research.
 - The Program has helped create partnerships.** Based on feedback from the experts’ workshop, the FD program has been successful in building partnerships and networks, which have helped enhance the outreach of the FD program. Organization and presentation of the core courses have been transferred to client-partners, in some cases resulting in “south-to-south” learning.
- However,
- The partnerships created and the networks formed may not continue to function (well) if WBI fully ceases supporting these activities.** The consensus at the experts’ workshop was that continued WBI involvement and support was essential for the partners for another three to five years.

Table 1. Respondents reporting involvement with the course, its organizers, instructors and/or participants (percent)

Type of involvement	Percent*
Stayed in contact with course participants (students) and/or their institutions.	58
Stayed in contact with the regional organizers.	26
Visited the web site of the World Bank Institute’s Fiscal Decentralization team (www.decentralization.org or www1.worldbank.org/wbiep/decentralization).	25
Visited the web site of the regional organizers of the course.	23
Stayed in contact with instructors who are employed by institutions other than the World Bank or regional institutions that organized your course.	20
Stayed in contact with the World Bank Institute.	15
Requested documents on fiscal decentralization from the regional organizers of the course.	10
Other contacts or activities.	7
Requested documents on fiscal decentralization from the World Bank Institute.	5

*Based on 126 respondents

8. **The Program’s demand driven approach to partnerships has narrowed its reach.** The geographic distribution of the FD program’s main partners and of courses offered has been concentrated in two regions (Eastern Europe and Latin America, mostly Brazil).
9. **Reliance on the Internet for disseminating the FD program knowledge base has largely benefited developed country users.** The evaluation notes that only 3 percent of visits to the FD website in FY01 came from Internet providers in developing countries. The majority of visits (28,000 out of 30,000) came from four English speaking countries: the United States, the United Kingdom, Canada and Australia.

Partner and Participant Recommendations for Program Improvement

The experts’ workshop provided an opportunity for partners and participants to suggest areas for improvement, and these were documented in the evaluation study.

1. Partners would like to improve the regional knowledge and content base (e.g. by developing regional course modules) and to have the quality of their work assured by peer review or advisory groups. They would like to include more practitioners in courses and to extend its geographical limits.
2. Participants favor tailoring courses more to country and regional needs, providing advanced courses that develop specific skills and developing and using more examples and case studies. They suggest including more policymakers as participants, to build further regional networks for courses and for knowledge dissemination and to establish post-course communication networks for alumni.
3. The FD program’s partners also suggest increased research on the relation between fiscal decentralization and poverty reduction.

Implications for WBI

- **Develop strategies to overcome geographical concentration.** The FD program should extend its coverage to additional countries facing challenges related to fiscal decentralization. This may imply exiting from countries with more mature programs in favor of working intensively in countries where decentralization issues are more pressing at present.
- **Identify strategies for program sustainability.** The reluctance of partners to exit from dependence on donor and WBI finance for this program (which sources account for 60 and 40 percent, respectively, of the program budget) suggests that some partners need to work in developing strategies for program self-sustainability.

- **Improve course relevance.** The course content will need to become more relevant to all aspects of participants work and should include more country specific materials.
- **Increase emphasis on technical skill building.** Based on feedback from participants, the course content and design should allow increased opportunities for building and application of technical skills to participants’ particular professional situations.
- **Revise course duration and participant support.** Consider lengthening the course and providing for sustained support for participants as they attempt to utilize the lessons learned.
- **Improve the pedagogical quality of the offerings.** To help make courses more responsive to participant needs, the FD program will need to increase its attention to the special requirements of adult learners.
- **Develop more materials accessible in developing countries.** This will require translation of materials or other methodologies for reaching non-English speaking potential users, beyond reliance on the Internet.

Acknowledgement

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About WBI

The World Bank Institute (WBI) works to build the capacity of its client countries for poverty reduction and sustainable development. It supports the World Bank’s learning and knowledge agenda by delivering learning programs, providing policy services, facilitating action programs, supporting networks of professionals, and creating and managing initiatives for knowledge sharing.

The WBI Evaluation Unit (WBIES) works with the Institute’s program leaders and with sector managers Bank-wide to prepare, process, and report evaluation results for staff, client, and joint learning events. WBIES also offers distance learning and face-to-face training in program evaluation. WBIES Evaluation Briefs report on the evaluation results, lessons learned, and impact of the Institute’s major offerings.

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