

#### 4-2 Effectiveness

Effectiveness examines the extent to which the project objective has been achieved in relation to the outputs. In this criterion, it is also examined whether or not there have been any promoting or impeding factors for or against the achievement of the project purpose.

##### (1) Developing Capacity of Human Resources

The counterpart training courses in Japan were the prime input of the Project, which enabled Chilean (mainly public officers and staff in private sector related to the public entities) to acquire the Japanese knowledge and practical experiences. As a result, the trainees could diffuse their learned knowledge and experiences to their belonging organizations and communities in the pilot areas, formulating “Knowledge Communities” which gather useful and practical knowledge and experiences in Japan and share them among the members (mainly trainees who participated in the Training from 2009 to 2010).

In fact, the administration capacity in the pilot provinces and region has been strengthened. Through the community activities, both public officers and staff in private sectors have shared their knowledge and experience each other and have aimed to promote regional economic development. Table 10 shows the actual activities realized in the pilot areas, with participation of public organizations like the municipal governments and the OPDPs. Thus, it can be considered that activating and developing more Knowledge Communities may increase the project effects and help to diffuse the Japanese knowledge to other regions in Chile.

Table 10 Knowledge Communities and Participation from Public Organizations

No.	Pilot Areas	Activities by Knowledge Communities and Participation from Public Organizations
1	San Antonio Province	5s Campaign and OVOP Movement by OPDP's Strong Initiative in the Province
2	Chiloé Province	Magic Incubator Plan with Participation of a few Municipalities (Ancud and Quemchi City)
3	Araucanía Region	Training Courses in 2011 for Regional and Municipal Officers (SERCOTEC supported by the Regional government)

Source: JICA documents

With regard to one of the pilot areas, Arauco province, the Knowledge Community was not formulated due to inevitable work response to earthquake occurred in February 2010 as well as a significant number of coordination activities regarding the public investment by special plan in the province. According to SUBDERE, activities by the trainees who participated in the Training from Arauco province have been consequently limited, although they have individually

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promoted their own activities. This is because the project team in SUBDERE headquarter did not achieve convincing the OPDP in the province about diffusing the work necessity, which coordinate the various initiatives of ex-trainees for the provincial project plan. However, regarding the concept OVOP, the OPDP is now considering to promote the coordination. Further measures should be taken for the province in order to enable the project effects rise.

#### (2) Local Trainings in the Pilot Areas

Approximately 400 Chilean participated in the local training courses of the pilot provinces and region. Although 100 professional staff at public organizations were target to be trained, other 300 personnel could join in the total of 12 local trainings (three times in four pilot areas). Mainly, the participants consisted of staff at OPDP, provincial and municipal officers, staff at SERCOTEC, etc, but actually included the staff in private sectors, too. Therefore, the total number of the participants became higher than what was originally assumed, and it can be judged that the project effects with more participants may have been developed in the pilot areas, influencing on the regional economy and the public entities.

#### (3) Manual to be used for Public Officers

SUBDERE supported by the expert has elaborated a manual "Territorial Economic Development". Though the manual was originally designed for public officers' use in regional, provincial and municipal governments, it is also useful for private enterprises. The concept of 5S campaign and Kaizen stated in the manual have given a significant impact on their mind. According to interview with the trainees participated in the Training as well as SUBDERE, they have been satisfied with the manual. Also, SUBDERE commented that the manual will be used even after the project completion for the purpose of diffusing the Japanese knowledge and experiences both to internal divisions and to other public entities like regional and municipal governments.

#### (4) Impeding Factors

In relation to impeding factors of the Project, although their operational difficulties such as earthquake and change of the national government have often been taken place due to the changes of the team's structure, the project team has played an important role in promoting various activities such as coordination between SUBDERE and the pilot areas as well as public relation works. SUBDERE had not had sufficient experiences for implementing projects directly related to local and community development like this project, since its principal role is providing regional and local governments with financial resources and technical assistances. However with the support of advices from the expert, the SUBDERE project team could

introduce the local vision in the project implementation.

Therefore, the Project has largely achieved its objectives; therefore its effectiveness is high.

#### 4-3 Efficiency

Efficiency examines how efficiently the various inputs are converted into outputs of the project during the implementation process. In this criterion, it is examined whether the inputs are appropriately used or not.

##### (1) Human Resources from the Japanese Side

In the Project, the expert has been dispatched since August 2008. The expert has not been changed and worked almost all of the project period with SUBDERE as well as with the pilot provinces and region, which both the expert and the counterpart have established good relationships each other throughout the period. Additionally, as stated at 3-5-4, the weekly report written by the expert has played an important role in conducting smooth communication with Chilean side. Furthermore, it is notable that the expert's performance has contributed greatly to SUBDERE and the pilot areas, since he introduced systematic methods regarding Japanese knowledge and examples to the Chilean side. The expert also participated partially in some training courses in Japan with Chilean trainees and he could know what the trainees learned and what action plans were presented. The procedure helped well to start up the local trainings in Chile, knowing the participants' needs as well as their knowledge level.

Based on the above, it is judged that the expert could contribute to the whole management of the Project as well as to the project's efficiency.

##### (2) Human Resources from the Chilean Side

In SUBDERE, 11 staff have been engaged in the Project with the expert. In fact, the staff were from different divisions inside SUBDERE, which has established a task force unit for the Project. According to SUBDERE, the number of staff was appropriate to conduct the Project. Cooperating with the expert, it is considered that the task force unit worked well during the project implementation.

##### (3) Japanese Training Courses

As described earlier, Table 3 showed the actual training courses held in Japan. According to interview with the trainees, it was confirmed that they were mostly satisfied with the provided courses and commented that they were very practical to know the Japanese methods like Kaizen, 5S, etc. Taking ex-trainee's opinion into account, the project team sometimes presented a

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request to the training institutions, such as increasing the components related to public administration in APU's training course. Before the training courses, the expert has often reported the trainee's needs and the background information. Since the communication between the expert and training institution is enough, training has been conducted efficiently considering project needs and participants' background.

It can be judged that the courses were very useful to promote the economic development in the pilot provinces and region and improve public organization's work activities.

Thus, both the Japanese and Chilean sides have contributed to promote the project effects; therefore efficiency of the project is high.

#### 4-4 Impact

Impact identifies the extent to which overall goal of the project has been achieved, and verify intended and unintended, direct and indirect, positive and negative changes in social-economic and institutional aspects, etc as a result of the project.

##### (1) Activities and Innovation Support in Poor Regions for Micro-enterprises and Ripple Effect

As a result of the expanded activities such as implementation of the local trainings and commencement of the Knowledge Communities in the pilot provinces and region, supports from the public entities have also been increasing. The supports are also on rise for micro-enterprises. For example, one ex-trainee in the Training (APU 2009) who is in charge of the Agricultural Development Program (PRODESAL) in Lautaro City formulated an action plan during the training course and started implementing it after he came back home. The plan mainly aims to stabilize the agricultural product's price of which indigenous produce, in the program of PRODESAL. Securing the selling destination of agricultural products, the trainee's activity has achieved to strengthen the chain of productivity. In July 2010, the agricultural association "Amley" was formed, which consisted of 35 indigenous families engaged in agriculture. The family member has begun cultivating raspberry. Then, 15 out of the 35 families have succeeded in receiving subsidies from Social Investment Fund (FOSIS) and installed irrigation facilities on their farm. Two families also have received subsidies from SERCOTEC. Furthermore, under the coordination of PRODESAL, excavators which Lautaro City owns have been lent, and use of underground water has also been urged. Therefore, supports from public services as well as subsidies like FOSIS actually exist and agricultural farmers could receive the opportunities.

##### (2) Knowledge Applied to other Provinces and/or Regions except the Pilot Areas of the Project

According to SUBDERE, based on the experience of the Project, SUBDERE will implement local training programs in other provinces or municipalities in the near future. Since demand of training programs from municipal governments is relatively high, SUBDERE is planning to respond it. Demand of training programs regarding the economic development is especially high. According to SUBDERE, manuals formulated in the Project will be used when the new training courses will be held in the other areas. Then, it is assumed that experiences and knowledge like 5S and Kaizen stated in the manuals will be applied widely.

### (3) Appearing Impact by the Trainees who Finished Their Trainings in Japan

Trainee's own activities in Knowledge Communities have also been developed. In other words, relationship among the pilot areas has gradually progressed. For example, the Knowledge Community in San Antonio is planning to visit Chiloé province for the purpose of studying the approach of Chiloé's tourism which has introduced 5S campaign and concept of Kaizen, etc. Several members of the Community in San Antonio will discuss the member in Chiloé and intend to obtain and share their ideas and experiences. As a result, it is considered that synergy impact will be produced through their exchange of knowledge and experiences.

### (4) Negative Impact

No negative impact has been observed with the activities of the Project. Based on the interview with Chilean sides, it was confirmed that no negative impact has occurred.

## 4-5 Sustainability

Sustainability examines whether project benefits are likely to continue after the project completion.

### (1) Sustainability for the Enforcement of Administrative Framework

The administrative framework has been strengthened throughout the pilot activities of the Project. In addition, according to SUBDERE, future plans and programs regarding the enforcement of the framework have been prepared. For example, a program called "Program for certificating Regional Governments (Introduction of Continuing Improvement "Kaizen")" will be implemented soon and promoted to all the regions in Chile. As for strengthening the framework of municipal governments, a training program called "National Capacity Building Program for Municipalities" will be implemented for all the 345 Municipal governments. According to SUBDERE, the concept and contents of these programs will adopt the experiences and knowledge of the Project, such as Kaizen and 5S Campaign. Therefore, there is possibility

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of securing sustainability of the administrative framework regarding the public organizations in Chile.

## (2) Operational Aspects of SUBDERE and OPDP

SUBDERE has also considered important that sufficient budgets for continuing the Project must be secured. To implement above plan and program, SUBDERE intended to disburse necessary budgets for OPDP until all knowledge and experiences are transferred to the regional governments. In addition, it is considered that allocating personnel and keeping the project task force unit can also be regarded as important element, in order to maintain the project effects after the project completion.

## (3) How Lessons Learned Obtained in the Pilot Areas and Job Manuals Will Be Used in Other Regions after the Project Completion

With regard to SUBDERE's future programs, the manuals and lessons learned obtained in the training courses held in the pilot areas will be used in various patterns. For example, a SUBDERE's future program, Management System of "Continuing Improvement (Kaizen)" in the Regional Governments (GOREs) will be introduced to the regional governments to improve the quality of formulating plans in the governments. The manuals will also be used particularly for public officers in the regions. Meanwhile, the OPDP in Araucanía region has launched a plan of new training courses starting in 2011, collaborating with the regional government. In the training courses, the job manuals prepared by the project team and knowledge and experiences what the trainees obtained in Japan will be used as course materials and practical examples. Therefore, it is confirmed that use of job manuals and lessons learned created throughout the Project will be realized in the near future.

In relation to the above, it is considered that sustainability of the Project is high.

## 5. Conclusion

This project is in compliance with development policy and needs. Furthermore, expected effects of the project such as capacity development of human resources have been achieved. In addition, the future training courses have already been planned applying the project's knowledge and experiences for other public officers in the pilot area. The Executing Agency, SUBDERE has also committed to continue its activities and diffuse the effects to other regions.

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In light of the above, this project is evaluated to be satisfactory.

#### 6. Recommendations

1) It is desirable that SUBDERE headquarter starts implementing activities related to the Project in other regions or provinces as soon as possible. By expanding the project effects to other areas while appearing, the synergy effects will also be occurred easily. As a result, contribution to the whole local administration system will be expected greatly.

2) It is desirable that measures (e.g., conducting monitoring for the activities) have to be prepared and taken sufficiently, in order not to let activities in the SUBDERE headquarter and four pilot areas split even after the project completion.

3) Although individual activities have been implemented by ex-trainees who participated in the Japanese trainings in Arauco province, it is desirable that SUBDERE headquarter should systematically link the activities in the province and should establish a Knowledge Community. SUBDERE should also support sustainability of the activities, so that the project effects will last long.

4) It is desirable that SUBDERE continuously secure personnel to monitor the activities in the pilot areas and revise the manuals when necessary in order to use them continuously.

#### 7. Lessons Learned

1) A strong leadership of local leaders is necessary for developing activities such as OVOP campaign, 5S, etc. Like the case of Ancud City, Chiloé province, the effects of the public administration can be improved by finding local leaders both from public and private sectors. The involvement of local leaders in the project activities can reinforce its effects, through facilitating the participation of various actors and public officers. Therefore, to consider and foster local leaders is important for JICA as well as other entities when coordinating project activities.

2) The selection of trainees for the Training should be carried out carefully, considering its future impact in the pilot areas. The followings are important for improving the quality of the trainees; (a) to identify well the objective of the participation which each trainee has, and (b) to design beforehand the action plan to realize after returning to Chile with the application of new knowledge. The sustainability of projects can be reinforced by improving the consistency between the selection of trainees and their activities after returning to the country.

3) From the interviews for several ex-trainees, it is observed that their participation itself in the Training made them reconsider their workplace and the local community. In this regard, the local viewpoint is very important for implementing training courses in Japan; therefore, it can

be recommended to involve the viewpoint as one of the training components, or to relate it with the training themes. Thus, the trainings in Japan can be more efficient and the sustainability of the effects can be more strengthened.

4) Taking the project's experiences into account, it is very important to systematize lessons and practices by the Knowledge Community. It is more efficient to develop activities in group through applying lessons and experiences systematized by the Community in a way which these would be adapted to the local characteristics, rather than implementing individual works of each ex-trainee. Thus, the sustainability of projects can be reinforced.

5) When developing group activities, such as Knowledge Community, it is important to consider the various types of incentives to stimulate participation of the activity. In addition, a slogan to motivate the people in the Community is important. Observed in Japan, the word like Kaizen ("Litoral de los Poetas" in case of Chile) contributes more to strengthen the Communities.

6) The following matters have been important for improving the consistency between the project's activities in Chile and the technical components of the training courses in Japan; the JICA expert's participation in the selection of trainees, his partial participation in the training courses, and the diffusion of components and effects of the training courses by weekly reports and the other means. Furthermore, it is important for the project team to consider the training theme in order to secure the consistency.

7) In a country where public administration system is well developed, like Chile, it is more efficient to strengthen the existing system through applying lessons generated by pilot activities respecting the ownership and initiative of the recipient country rather than establishing a new system by the initiative of Japanese expert. Through these cooperation, sustainability of the project activity is secured after the project completion.



**Appendix 1: Project Design Matrix**

**(PDM for Version 0.0, 1.0, 3.0)**

**Appendix 2: Plan of Operation (Version 3.0)**

**Appendix 3: Main Interviewees**

**Appendix 4: List of Trainees (Participants for training in Japan and for local training courses)**

**Project Title:**  
Strengthening of Regional Administrative Function for the Local Industrial Promotion.

**Target Area:**  
Socially and economically disadvantaged areas or in productive transition in the provinces of Chile, Aconcagua and San Antonio.

**Project period:**  
Three years from the date of arrival of the Japanese long-term expert.

**Target Group:**  
1) Professionals of SUBDERE and Regional / Provincial / Municipal Governments, and  
2) Associations of Municipal Offices, guilds, chamber of commerce, universities and public services in charge of economic and private sector development in the Provinces of Chile, Aconcagua and San Antonio.

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p><b>Overall Goal</b> To contribute in overcoming of provincial inequity in zones which are economically put behind in Chile.</p>	<ul style="list-style-type: none"> <li>- Increase in average earned income per capita in regional and provincial households. (Earned income: excludes income by subsidies)</li> <li>- Increase in the number of employment in the province.</li> <li>- Rate of unemployment</li> </ul>	<ul style="list-style-type: none"> <li>- National Survey of Characterization of social-economic research (CASEN)</li> <li>- National Survey of Employment (National Institute of Statistics, INE) / Regional Competitiveness Index Study (INE, SUBDERE)</li> <li>- CASEN / INE</li> </ul>	<ul style="list-style-type: none"> <li>-The Government of Chile maintains priority of public policy toward decentralization, equity and development of the country.</li> </ul>
<p><b>Project Purpose</b> To strengthen the institutional and management capacity of SUBDERE and Regions, in the field of economic development in the Provinces of Chile, Aconcagua and San Antonio.</p>	<ul style="list-style-type: none"> <li>- Integrated strategic plan for local industrial development and its implementation in the frame of the project</li> <li>- Existence of professional service to support the competitiveness, training, and employment in provinces.</li> <li>- Increase in number of new users who access to the SME support program in provinces, managed by Provincial Industrial Development Offices and Regional Government in the frame of the project.</li> <li>- Existence in the SUBDERE of a professional team with capability for implementing integral analysis of the public interventions in the provinces defined in the project.</li> </ul>	<ul style="list-style-type: none"> <li>- Publication / Project Document</li> <li>- Survey on key information sources. / Registry of provided services. / Annual report of budget execution (SUBDERE) / Manuals and published reports.</li> <li>- Registry of attended users and services provided at the office. / Annual report of Industrial Development Institutions.</li> <li>- Published Reports</li> </ul>	<ul style="list-style-type: none"> <li>-SUBDERE maintains political priority with respect to transfer of competencies and support to local government management.</li> <li>-The conditions of political institutional and social stabilities in the project stay maintainable.</li> </ul>
<p><b>Outputs</b> 1. A team in SUBDERE, in alliance with Regional Governments, is strengthened to make it capable of transferring knowledge, adapting and applying of the experiences and good practices acquired under this project.  2. A know-how transfer process addressed to the public sector professionals who are in charge of the territorial economic development is being established.</p>	<ul style="list-style-type: none"> <li>- There is a "Local Economic Development and Innovation Team", which supports the strengthening of Regional Governments in the field of local economic development.</li> <li>- Chilean professionals trained in Japan.</li> <li>- There is established quality standard for technical assistance and training in SUBDERE.</li> </ul>	<ul style="list-style-type: none"> <li>- Formal formation of the Team.</li> <li>- Official authorization by the External Service Commission of the Ministry of Interior</li> <li>- Project Document elaborated by the counterpart team and the long term expert.</li> </ul>	<ul style="list-style-type: none"> <li>- Project Document elaborated by the counterpart team and the long term expert.</li> <li>- Project document elaborated by Chilean counterpart and Japanese long term expert</li> </ul>

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ANNEX I PDM version 1

Project Title: Enforcement of Regional Administrative Function for the Local Industrial Promotion in the Republic of Chile.

Project period: From January 2010 to December 2010

Version No. 1

Date: December 18th, 2009

Target Group: 1) Prefectures of SUDAGERIA and Regional Governments of Bío-Bío, Valparaíso and Los Lagos, and 2) Associations of Municipal Offices, public chambers of commerce, universities and public enterprises in charge of economic and private sector development in the Provinces of Chilo, Aysén and San Antonio.

Threats/Asset: Society and economically disadvantaged areas or in productive transition in the provinces of Chilo, Aysén and San Antonio.

Overall Goal	Narrative Summary	Measurable Indicators	Means of Verification	Important Assumptions
Project Objective 1	Business activities and innovative support for MSMEs are generated in underprivileged zones	<ul style="list-style-type: none"> <li>Increase of investments for innovation, which will be operating in the regional, provincial and local territory.</li> <li>Increase in the support services for microbusinesses and entrepreneurs in the regional, provincial and local territory.</li> <li>Increase in the public and private business investment managed by agencies relevant to the regional, provincial and local territory.</li> </ul>	<ul style="list-style-type: none"> <li>Projects publications / Reports</li> <li>Register of the technical activities about the operation of the activity for innovation and innovation</li> <li>Questionnaire for key persons / register of the services contracted</li> </ul>	<ul style="list-style-type: none"> <li>The Government of Chile maintains priority of public policies toward decentralized, equity and development of the country.</li> </ul>
Project Objective 2	Framework for local economic development management is strengthened (Regional, provincial, and local)	<ul style="list-style-type: none"> <li>Comprehensive strategic plans for productive development implemented within the framework of the project</li> <li>Existence in SUDAGERIA of a professional team with capability for implementing comprehensive analysis of the public interventions in the business plan in the project.</li> <li>Existence of professional services to support the companies, training and employment in the provinces.</li> </ul>	<ul style="list-style-type: none"> <li>Projects Publications / Reports</li> <li>Survey on key information sources, / Register of provided services, / Annual report of local subsector (SUDAGERIA / Maresch and published reports...</li> <li>Registry of contracted users and services provided at the offices, / Annual report of institutions in the field of productive development, / Published Reports</li> </ul>	<ul style="list-style-type: none"> <li>SUDAGERIA maintains political priority regarding transfer of responsibilities and support to local government management.</li> <li>The capabilities of political institutions and social stability in the project areas remain the same.</li> </ul>
Project Objective 3	Human Resources of SUDAGERIA and local governments are developed	<ul style="list-style-type: none"> <li>Existence of the team and its work plan with budget.</li> <li>Existence of consulting plan.</li> <li>Existence of consulting plan.</li> <li>Existence of the report of consulting.</li> <li>Existence of this analysis of consultancy results.</li> <li>Existence of the plan for the Consultant Working Program in Japan.</li> <li>Existence of contracts and requirements for consulting business.</li> <li>Existence of a preliminary action plan.</li> </ul>	<ul style="list-style-type: none"> <li>Official Documentation by SUDAGERIA</li> <li>Project Report</li> <li>Website publications</li> <li>Meeting Minutes</li> </ul>	
Project Objective 4	Working Plan for the local economic development in SUDAGERIA, with local governments and POPO (Provincial Office of Productive Development) in San Antonio, Aysén and Chilo, is implemented.	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	<ul style="list-style-type: none"> <li>Official Documentation by SUDAGERIA</li> <li>Project Report</li> <li>Guidelines for Training and Technical Assistance</li> <li>Seminars/Workshops reports</li> <li>Webinars</li> </ul>	
Activity 1-1	To design the Economic Development and Provincial Incentive Teams (referred to as "Team 1", including officials of SUDAGERIA, Aysén, San Antonio and Chilo).	Japan	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 1-2	To create the Operational Unit for the Technical coordination, execution, and monitoring of the JICA-SUDAGERIA within the team	Japan	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 1-3	To define functions and tasks of the Unit	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 1-4	To design work plan and budget of the Team	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 1-5	To design a monitoring mechanism and its indicators	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 1-6	To conduct the monitoring for the progress of the implementation of seminars, workshops and setting up of web-sites.	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 1-7	To prepare preliminary results and give them feedback	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 2-1	To design and plan Consultant Training Program for Japan taking into account the requirements of the beneficiaries of the project	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 2-2	To establish criteria and requirements for indirect	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	
Activity 2-3	To elaborate trainer's preliminary action plan	Chile	<ul style="list-style-type: none"> <li>Existence of guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of a program for Training and Technical Assistance by SUDAGERIA.</li> <li>Approval of the Guidelines for Training and Technical Assistance by SUDAGERIA.</li> <li>Existence of report of seminars, workshops and webinars.</li> </ul>	

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ANNEX I

Project Design Matrix (PDM)

Project Title: Enforcement of Regional Administrative Function for the Local Industrial Promotion in the Republic of Chile  
 Project Period: From January 1, 2008 to December 31, 2010

Target Group:

- Professional staff of SUBDERE
- Professional staff of the Regional and Municipal Government in the three pilot provinces (Arauco, Chiloé and San Antonio) and a pilot region (Araucanía), and their direct counterpart of the private sector

Version No. 3 Date: August, 2009

	Narrative Summary	Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal	Business activities and innovative support for MSME are promoted in underprivileged zones.	<ul style="list-style-type: none"> <li>- Increase of instruments for innovation, which will be operating in the regional, provincial and / or local territory.</li> <li>- Increase in the support services for micro-enterprises and entrepreneurs in the regional, provincial and / or local territory.</li> <li>- Increase in the public and private investment managed by agencies relevant to the regional, provincial and / or local territory.</li> </ul>	<ul style="list-style-type: none"> <li>- Projects publications / Reports</li> <li>- Register of the services about the application of the subsidy for promotion and innovation</li> <li>- Questionnaire for key persons / register of the services realized</li> </ul>	<ul style="list-style-type: none"> <li>- The Government of Chile maintains priority of public policies toward decentralization, equity and development of the country.</li> </ul>
Project Objective	The framework for territorial (regional, provincial and local) economic development is strengthened in the three pilot provinces and the pilot region.	<ul style="list-style-type: none"> <li>- Existence of the training program for territorial economic development.</li> <li>- Successful examples of territorial economic development and innovation in the three pilot provinces and the pilot region.</li> <li>- Existence of the Job Manual diffused to SUBDERE's various divisions and the public institutions located in the three pilot provinces and the pilot region.</li> </ul>	<ul style="list-style-type: none"> <li>- Projects Publications / Reports</li> <li>- Survey on key information sources. / Registry of provided services. / Annual report of budget execution (SUBDERE) / Manuals and published reports.</li> <li>- Registry of assisted users and services provided at the offices. / Annual report of institutions in the field of productive development</li> </ul>	<ul style="list-style-type: none"> <li>- SUBDERE maintains political priority regarding transfer of competences and support to local government management.</li> <li>- The conditions of political institutional and social stability in the project sites remain the same.</li> </ul>
Output 1	The technical capacity of human resource is developed, with regard to the professional staff of SUBDERE and regional and local governments and private sector's representatives who work as public sector's counterpart, in the three pilot provinces and the pilot region.	<ul style="list-style-type: none"> <li>- Existence of the plan for the local course program and counterpart training course in Japan.</li> <li>- Existence of the material for human resource development</li> <li>- 12 local courses realized (4 territories x 3 times)</li> <li>- 100 professional staff whose technical capacity related to the territorial economic development will have been reinforced</li> <li>- Existence of trainees' action plan, which would mention the plan for application and the diffusion of knowledge learned.</li> </ul>	<ul style="list-style-type: none"> <li>- Official Documentation by SUBDERE</li> <li>- Project Report</li> <li>- Material for training</li> <li>- Reports of local courses</li> <li>- Action Plan approved by the Project counterparts</li> </ul>	

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