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CARIBBEAN DEVELOPMENT BANK



NOTIFICATION OF APPROVAL BY THE PRESIDENT OF THE USE OF FUNDS
MID-TERM REVIEW OF THE NINTH CYCLE OF THE
UNIFIED SPECIAL DEVELOPMENT FUND - REGIONAL

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Notified at the Two Hundred and Eighty-Fifth Meeting of the Board of Directors
held on March 28, 2019

<i>Vice-President (Operations)</i>	<i>Ms. Monica La Bennett</i>
<i>Deputy Director Corporate Strategy Division</i>	<i>Mr. Carl Howell</i>
<i>Chief Policy Analyst Corporate Strategy Division</i>	<i>Ms. Ann-Marie Warner</i>

MARCH 2019

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CARIBBEAN DEVELOPMENT BANK

**TWO HUNDRED AND EIGHTY-FIFTH MEETING OF THE BOARD OF DIRECTORS
TO BE HELD IN BARBADOS
MARCH 28, 2019**

PAPER BD 14/19

**NOTIFICATION OF APPROVAL BY THE PRESIDENT OF THE USE OF FUNDS
MID-TERM REVIEW OF THE NINTH CYCLE OF THE
UNIFIED SPECIAL DEVELOPMENT FUND - REGIONAL**

In accordance with the authority delegated by the Board of Directors at its Two Hundred and Eighty-Third Meeting (Minute 283.27), the President approved the Use of Funds in an amount not exceeding the equivalent of one hundred and forty thousand, five hundred United States dollars (USD140,500) from the Caribbean Development Bank's Special Funds Resources, to procure the services of consultants to conduct a Mid-Term Review of the administration and operation of the Ninth Cycle of the Unified Special Development Fund.

2. It is a condition of the aforementioned authority that each technical assistance project approved by the President, and the terms and conditions thereof, be reported to the Board at its first convenient scheduled meeting after approval of the project.
3. The Board is therefore asked to note the approval by the President of the above-mentioned project.

CARIBBEAN DEVELOPMENT BANK

RECOMMENDATION AND APPROVAL OF TECHNICAL ASSISTANCE
(UP TO USD150,000)

1. Country: Not Applicable (N/A)	2. Project Title: Mid-term Review of the Ninth Cycle of the Unified Special Development Fund (SDF 9)	3. PRN No: 4135
5. Borrower/Grantee: N/A	6. Executing Agency: Caribbean Development Bank (CDB)	4. Sector: 24010 Financial Policy and Administrative Management
8. Date of Application: N/A	9. Type of Financing: Use of Funds (UOF)	7. Beneficiary: CDB
10. Source of Funds: Special Funds Resources (SFR)		

11. Legal Status: N/A

12. Consistency with Strategic Objectives:

- (a) **CDB's Strategic Objective:** Enhancing Organisational Efficiency and Effectiveness.
- (b) **CDB's Corporate Priority:** Strengthen Results Measuring, Monitoring and Reporting; Promoting Value for Money; and Improving Client Responsiveness.
- (c) **Country Objective:** N/A.
- (d) **SDF (U) 9 Objective:** Good Governance, Building Capacity and Improving Institutional Effectiveness.

Gender Marker Summary

Gender	Analysis	Design	Score	Code
Marker	1	1	2	MM

MM: Marginally Mainstreamed - The project has limited potential to contribute to gender equality. Further details on the Gender Marker Analysis are outlined in Appendix 1.

13. Budget: (Details at Appendix 2)

<u>Contributors</u>	<u>USD</u>	<u>%</u>
CDB - SFR	140,500	85
CDB - In-kind Contribution	25,000	15
Total	165,500	100

14. Background:

In December 2016, Contributors to the replenishment of SDF 9 approved a programme level of USD355 million. As is typical, a Mid-term Review (MTR) of the Cycle will be undertaken at midpoint (early in 2019) to apprise Contributors on the progress towards the achievement of the agreed targets.

14. Background (Cont'd):

To provide Contributors with relevant and useful information on the performance of SDF 9, the MTR should cover the following issues:

- (a) progress on support for Borrowing Member Countries within the context of the Sustainable Development Goals, including poverty reduction and human development; building resilience to climate change; natural disaster events and promoting environmental sustainability; gender equality and good governance, as important cross cutting themes during SDF 9;
- (b) progress in terms of the performance measures in the Bank's Results Monitoring Framework inclusive of the Bank's Managing for Development Results Action Plan, and the SDF 9 matrix of priorities, expected outcomes and results indicators;
- (c) analyse progress on the SDF 9 Implementation Plan as outlined in the Resolution and Report of Contributors to SDF 9;
- (d) progress with respect to the refashioned Basic Needs Trust Fund, as the flagship programme for community-based poverty reduction and inclusive social and economic development;
- (e) progress and challenges in strengthening and scaling-up the operational programme for Haiti, with its special needs as a fragile state;
- (f) progress in promoting regional cooperation and support for regional public goods;
- (g) progress in operationalising a more strategic approach to technical assistance (TA) operations, including in support of good governance and institutional strengthening; and
- (h) resource availability and commitment authority for SDF 9 at mid-term.

15. Proposal/Description:

It is proposed that the President approve the UOF of an amount not exceeding the equivalent of one hundred and forty thousand, five hundred United States dollars (USD140,500) from CDB's SFR, to procure the services of consultants to conduct an MTR of the administration and operation of SDF 9, in accordance with the Terms of Reference set out in Appendix 3 hereto.

16. Project Objective:

The outcome of the TA project is the full commitment of SDF 9 resources. The Project will comprise:

- (a) a review the administration and operation of SDF 9 as at the mid-point of the cycle - December 31, 2018;
- (b) identification of the lessons learnt; and
- (c) recommendations to increase the effectiveness and impact of the balance of the resources available under SDF 9.

The logical framework for the project is presented at Appendix 4.

17. Project Justification/Benefits:

The MTR represents a central accountability mechanism for SDF 9 and provides an opportunity to review the institutional framework, operational guidelines and systems established for SDF 9. The lessons learnt will inform the design of programmes and projects for the use of the remaining resources, and assist in the identification of themes and issues for future replenishment discussions.

18. Risks and Mitigation Measures:

Risk Category	Description of Risk	Mitigation Measures
Developmental	Recommendations not implemented.	The Advisory Management Team (AMT), with the support of project teams will articulate via Management Response, the appropriate recommendations it will adopt to ensure that the objectives as set out in the Contributors’ Report are achieved.

19. Environmental Impact: Major Minor Not Applicable ✓

Social Impact: Major Minor Not Applicable ✓

Technical: Major ✓ Minor Not Applicable

20. Project Implementation

CDB will be responsible for the recruitment and supervision of the consultants. Funds from CDB’s SFR will finance professional fees, air travel, per diem and report preparation and reproduction costs of the consultants.

The consultancy shall be over a period of 16 weeks, commencing January 15, 2019. A Provisional Implementation Plan is set out at Appendix 5. The Project’s Performance Assessment Score is 3.25 or Satisfactory, indicating that the Project is likely to achieve its outcomes and that project performance is expected to be of an acceptable standard. The Performance Assessment Summary is at Appendix 6.

21. Cost and Financing

CDB will finance consultancy costs, airfare, accommodation and incidentals. The estimated budget is USD140,500. Funds are available from within existing resources and/or programmes.

22. Procurement:

Procurement will be in accordance with the procedures employed by CDB with respect to its UOF.

23. Loans Committee Recommendation:

Loans Committee considered this proposal *via* Round Robin on **December 10, 2018**, and agreed to recommend it for the approval of the President.

24. Recommendation:

It is recommended that the President approve UOF of an amount not exceeding the equivalent of one hundred and forty thousand, five hundred United States dollars (USD140,500) from CDB's SFR for the purpose stated in Paragraph 15.

Daniel M. Best

December 15, 2018

Signed:

Director, Projects Department

Date

25. Approval:

W^m. Warren Smith, Ph.D., CD

December 15, 2018

Approved by:

President

Date

SUPPORTING DOCUMENTATION

Appendix 1	Gender Marker
Appendix 2	Budget
Appendix 3	Terms of Reference
Appendix 4	Logical Framework
Appendix 5	Provisional Implementation Plan
Appendix 6	Performance Assessment Rating Criteria

APPENDIX 1

GENDER MARKER

Project Cycle Stage	Criteria	Score
Analysis: Background	Sex-disaggregated data included in the background analysis, and/or baselines and indicators, or collection of sex-disaggregated data required in TOR.	0
	Socioeconomic/Sector/Institutional analysis considers gender disparities, or TOR require the identification of socioeconomic, sectoral and institutional gender issues.	1
Design: Project Proposal/ Definition/Objective	TA interventions are designed, or will be identified as part of the project, that address gender disparities or enhance gender capacities.	1
	Project objective/outcome includes the enhancement of gender capacities, gender data collection, gender equality or the design of gender-responsive policies or guidelines.	0
Maximum Score 2		
<i>MM: Marginally Mainstreamed: The project has limited potential to contribute to gender equality</i>		

Scoring Code

Gender Specific (GS) or Gender Mainstreamed (GM): 3- 4 points

Marginally Mainstreamed (MM): if 2 points.

NO: if projects score 0-1, if NO give justification why or indicate Not Applicable

APPENDIX 2**MID-TERM REVIEW OF THE NINTH CYCLE OF THE
UNIFIED SPECIAL DEVELOPMENT FUND OF THE CARIBBEAN DEVELOPMENT BANK****(USD)**

ITEM	CDB	STAFF	TOTAL
Consultancy Services:			
1. Professional Fees	140,500	-	165,000
2. Air Travel and Transfers		-	
3. Per Diem		25,000	
4. Professional and Administrative Support			
Sub-Total			
5. Contingencies			
Total	140,500	25,000	165,500

**MID-TERM REVIEW OF THE NINTH CYCLE OF THE
UNIFIED SPECIAL DEVELOPMENT FUND OF THE CARIBBEAN DEVELOPMENT BANK**

TERMS OF REFERENCE

1. BACKGROUND

1.01 In December 2016, negotiations were completed for the replenishment of the Ninth Cycle of the Unified Special Development Fund (SDF 9) of the Caribbean Development Bank (CDB or the Bank). As is typical, a Mid-term Review (MTR) of the cycle will be undertaken at midpoint (early in 2019) to apprise Contributors on the progress towards the achievement of the agreed targets.

1.02 To provide Contributors with relevant and useful information on the performance of SDF 9, the MTR should cover the following issues:

- (a) progress on support for the Borrowing Member Countries (BMCs) within the context of the Sustainable Development Goals (SDGs), including poverty reduction and human development; building resilience to climate change; natural disaster events and promoting environmental sustainability; gender equality and good governance, as important cross cutting themes during SDF 9;
- (b) progress in terms of the performance measures in the Bank's Results Monitoring Framework (RMF), inclusive of the Bank's Managing for Development Results (MfDR) Action Plan, and the SDF 9 matrix of priorities, expected outcomes and results indicators;
- (c) analyse progress on the SDF 9 Implementation Plan as outlined in the Resolution and Report of Contributors to SDF 9;
- (d) progress with respect to the refashioned Basic Needs Trust Fund (BNTF), as the flagship programme for community-based poverty reduction and inclusive social and economic development;
- (e) progress and challenges in strengthening and scaling-up the operational programme for Haiti, with its special needs as a fragile state;
- (f) progress in promoting regional cooperation and support for regional public goods (RPGs);
- (g) progress in operationalising a more strategic approach to technical assistance (TA) operations, including in support of good governance and institutional strengthening; and
- (h) resource availability and commitment authority for SDF 9 at mid-term.

2. OBJECTIVE

2.01 The outcome of the TA project is the full commitment of SDF 9 resources. The output of the Consultancy will therefore comprise:

- (a) a review of the administration and operation of SDF 9 as at the mid-point of the cycle - December 31, 2018;
- (b) identification of the lessons learnt; and
- (c) recommendations to increase the effectiveness and impact of the balance of the resources available under SDF 9.

3. SCOPE OF SERVICE

3.01 The Consultant will carry out the activities described hereunder and any other activities necessary to accomplish the stated objectives of the assignment, whether or not a specific activity is cited in these terms of reference. The consultancy will primarily be a desk review of all the relevant documentation needed to provide an informed MTR of SDF 9. Throughout the assignment, the Consultant will liaise with the Project Supervisor from the Corporate Strategy Division, who will provide the necessary data/information, and facilitate follow-up tele/video-conferences with BMCs as appropriate.

3.02 The consultancy is expected to determine the progress towards the achievement of the agreed targets for SDF 9 and, in particular:

- (a) review the policies, procedures and systems currently in place for the administration, operation and monitoring of SDF 9;
- (b) assess the level of funding and the adequacy of financing available for various aspects of SDF 9, as well as the availability and use of commitment authority;
- (c) progress in terms of the performance measures in the Bank's RMF, inclusive of the Bank's MfDR Action Plan;
- (d) examine progress on the implementation of the operational strategy outlined in the Resolution and Report of Contributors on SDF 9;
- (e) analyse progress on the SDF 9 Implementation Plan as outlined in the Resolution and Report of Contributors to SDF 9. In particular, the Consultant will gauge performance relative to key SDF objectives of:
 - (i) supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13 and 17^{1/};

^{1/} **SDG 1** – End poverty in all its forms everywhere; **SDG 2** – End hunger, achieve food security and improve nutrition and promote sustainable agriculture; **SDG 4** – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; **SDG 6** – Ensure availability and sustainable management of water and sanitation for all; **SDG 7** – Ensure access to affordable, reliable, sustainable and modern energy for all; **SDG 8** – Promote inclusive and sustainable economic growth, full and productive employment and decent work for all; **SDG 9** – Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; **SDG 10** – Reduce inequality within and among countries; **SDG 11** – Make cities and human settlements inclusive, safe resilient and sustainable; **SDG 13** – Take urgent action to combat climate change and its impacts; **SDG 17** – Strengthen the means of implementation and revitalise the global partnership for sustainable development.

- (ii) building resilience to climate change and natural disaster events, and promoting environmental sustainability;
 - (iii) increasing regional cooperation and support for RPGs;
 - (iv) promoting gender equality;
 - (v) strengthening good governance among BMCs;
 - (vi) formulating and implementing reform measures to improve institutional capacity; and
 - (vii) enhancing development effectiveness.
- (f) identify any successes and challenges in the implementation of Items (c) and (d) above, and the potential impact on the success of SDF 9;
- (g) evaluate progress with respect to the refashioned BNTF, as the flagship programme for community-based poverty reduction and inclusive social and economic development;
- (h) consider progress in strengthening and scaling-up the operational programme for Haiti, with its special needs as a fragile state;
- (i) make recommendations on any operational adjustments which can:
- (i) inform the design of programmes and projects; and
 - (ii) ensure the achievement of the SDF 9 objectives; and
- (j) identify possible trends in concessional funding arrangements that may help guide the Bank's strategic posture in the upcoming Strategic Plan.

4. DELIVERABLES

4.01 It is expected that the Review will commence on January 15, 2019 and be completed by June 4, 2019. The Consultant will deliver the following:

- (a) three copies of an Inception Report within one week of the commencement of work which details the methodology for the Review and the schedule for the Review. CDB will provide comments on the Inception Report within one week of receipt, and the Consultants will adjust the work in accordance with comments received;
- (b) three copies of an Interim Report within nine weeks of the commencement of work with key findings and issues. CDB will provide comments on the Interim Report within two weeks of receipt, and the Consultants will take account of these comments in preparing their Draft Final Report;

- (c) three copies of a Draft Final Report within one week of receipt of CDB's comments, detailing the findings, conclusions and recommendations of the Review. The Consultant will also make a formal presentation to CDB's Advisory Management Team of the Draft Final Report. CDB will provide comments on the Draft Final Report within two weeks after its receipt and presentation;
- (d) three copies of the Final Report incorporating the comments of CDB within one week of receiving these comments. The Final Report shall include an Executive Summary with fully cross-referenced findings and recommendations; and
- (e) presentation of the Final Report to the Annual Meeting of Contributors in June 2019.

4.02 An electronic version of all reports must also be submitted in a format acceptable to CDB.

5. QUALIFICATIONS AND EXPERIENCE

5.01 The Consultant is expected to have a good grasp of the international and regional context within which the Bank and its BMCs operate. Further, the Consultant will be required to have a firm understanding of the MfDR principles with a solid understanding of the project cycle including quality at entry assessments, as well as post-project implementation monitoring and evaluation (M&E). The Consultant will also be required to show a good appreciation for financial analysis.

5.02 The Consultant should possess the following qualifications and experience:

- (a) Post-graduate qualifications in Banking, Finance, Economics or other relevant field.
- (b) At least 10 years' experience in M&E in the field of development banking.
- (c) Be familiar with the principles of financial analysis.
- (d) Experience working in the Caribbean is highly desirable.
- (e) Fluency in oral and written English.

**MID-TERM REVIEW OF THE NINTH CYCLE OF THE
UNIFIED SPECIAL DEVELOPMENT FUND OF THE CARIBBEAN DEVELOPMENT BANK**

LOGICAL FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/ Reporting Mechanisms	Assumptions/Risks																																
Impact: Continued financial support for the SDF.																																			
Outcome: Full commitment of SDF 9 resources.	By December 2020: <ul style="list-style-type: none"> Commitment of the SDF 9 allocation for country loans. 100% of Grant Set Asides committed. 	SDF Annual Reports.	Assumption BMC's utilise resources allocated for loans and grants.																																
Outputs: Independent assessment of the implementation progress of SDF 9 completed/generated.	The following reports completed by Consultant(s): <ul style="list-style-type: none"> Inception Report by Q1 2019. Interim Report completed by Q1 2019. Draft Final Report completed by April 2019. Final Report completed by June 2019. 	Consultants' Reports.	Assumptions for Achieving Immediate Outcome: <ul style="list-style-type: none"> Report is of acceptable quality and provided in a timely manner. CDB and other stakeholders provide timely and relevant information. 																																
Inputs: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th><th>CDB</th><th>Staff</th><th>Total</th></tr> </thead> <tbody> <tr> <td>Professional Fees</td><td>)</td><td>)</td><td>)</td></tr> <tr> <td>Airfare</td><td>)</td><td>)</td><td>)</td></tr> <tr> <td>Accommodation</td><td>)</td><td>)</td><td>)</td></tr> <tr> <td>Project Coordination</td><td>)</td><td>)</td><td>)</td></tr> <tr> <td>Contingency</td><td>)</td><td>)</td><td>)</td></tr> <tr> <td>Total</td><td>140,500</td><td>25,000</td><td>165,500</td></tr> <tr> <td>Percentage</td><td>85</td><td>15</td><td>100</td></tr> </tbody> </table>			CDB	Staff	Total	Professional Fees)))	Airfare)))	Accommodation)))	Project Coordination)))	Contingency)))	Total	140,500	25,000	165,500	Percentage	85	15	100	<ul style="list-style-type: none"> Consultant's contracts. SDF 9 Contributors' Report. SDF Annual Reports. Any other documents as required. 	<ul style="list-style-type: none"> Consultants engaged in a timely manner. Stakeholders support and actively participate in consultations and provide valuable inputs.
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PROVISIONAL IMPLEMENTATION PLAN

Activity	Start Date	End date	# of days	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
CDB Approval	10-Dec-18	10-Dec-18	1							
Procurement	10-Dec-18	28-Dec-18	12							
Inception Report	15-Jan-19	22-Jan-19	5							
First Draft Report	22-Jan-19	19-Mar-19	40							
Draft Final Draft	19-Mar-19	2-Apr-19	10							
Presentation to AMT	15-Apr-19	15-Apr-19	1							
Final Report	22-Apr-19	22-Apr-19	5							
Presentation to Contributors	4-Jun-09	4-Jun-09	1							

PERFORMANCE ASSESSMENT RATING CRITERIA

	Score	Justification
Relevance	4	The Project is consistent with CDB's Strategic Objective of improving organisational effectiveness and efficiency. It is also consistent with Corporate Priorities of: (i) improving client responsiveness; and (ii) strengthening results monitoring and reporting.
Efficacy	3	The expected outcome of the project, which is the full commitment of SDF 9 resources, an enhanced understanding of the measures required to improve programming and performance of SDF 9 resources is a critical input in informing (i) the approach the Bank may need to take to satisfy its SDF deliverables; and (ii) determining the future availability of concessional resources.
Efficiency	3	The utilisation of a Consultancy provides the most efficient use of resources and provides an independent perspective on the performance of SDF 9.
Sustainability	3	This Consultancy will provide valuable knowledge in strengthening the administration and operations of the SDF. It will greatly enhance the institution's ability to formulate, implement, monitor and evaluate future SDF cycles.
Overall Score	3.25	Satisfactory.