

**CARIBBEAN DEVELOPMENT BANK**



**SPECIAL DEVELOPMENT FUND (UNIFIED)**

**BASIC NEEDS TRUST FUND – SIXTH PROGRAMME**

**July 2008**

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## CURRENCY EQUIVALENTS

[Dollars (\$) throughout refer to United States dollars (USD) unless otherwise specified]

## ABBREVIATIONS

AO	-	Administrative/Accounts Officer
APPR	-	Annual Project Performance Report
AWPB	-	Annual Work Plan and Budget
BHN/ESP	-	Basic Human Needs/Employment Sector Project
BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
BNTF 4	-	Basic Needs Trust Fund - Third Programme
BNTF 4	-	Basic Needs Trust Fund - Fourth Programme
BNTF 5	-	Basic Needs Trust Fund - Fifth Programme
BNTFO	-	Basic Needs Trust Fund Office
BOD	-	Board of Directors
BOQs	-	Bills of Quantities
BZE	-	Belize
CBOs	-	Community-Based Organisations
CDB	-	Caribbean Development Bank
CDM	-	Comprehensive Disaster Management Framework
CED	-	Caribbean Education Development
CIDA	-	Canadian International Development Agency
CLO	-	Community Liaison Officer
CNA	-	Community Needs Assessment
CPAs	-	Country Poverty Assessments
DOM	-	Commonwealth of Dominica
DRM	-	Disaster Risk Management
DRR	-	Disaster Risk Reduction
EA	-	Environmental Assessment
GRN	-	Grenada
GUY	-	Cooperative Republic of Guyana
ICTs	-	Information Communication Technologies
JAM	-	Jamaica
JSIF	-	Jamaica Social Investment Fund
LIS	-	Local Institutional Strengthening
M&E	-	Monitoring and Evaluation
MDGs	-	Millennium Development Goals
MFI	-	Multi-lateral Financial Institutions
MIS	-	Management Information Systems
mn	-	million
MON	-	Montserrat
MTE	-	Mid-Term Evaluation
NDMS	-	Natural Disaster Management Strategy
NGOs	-	Non-Governmental Organisations
OM	-	Operations Manual
PCR	-	Project Completion Report
PE	-	Project Engineer
PM	-	Project Manager
PMC	-	Project Monitoring Committee

PRAP	-	Poverty Reduction Action Plan
Programme	-	Regional BNTF Programme
PRS	-	Poverty Reduction Strategy
PSC	-	Project Steering Committee
RBM	-	Results-Based Management
SCR	-	Sub-Project Completion Report
SDF U	-	Unified Special Development Fund
SKN	-	St. Kitts and Nevis
STL	-	St. Lucia
SVG	-	St. Vincent and the Grenadines
TCI	-	Turks and Caicos Islands
TOR	-	Terms of Reference
USAID	-	United States Agency for International Development

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## GRANT AND PROGRAMME SUMMARY

- GRANTEES :** Belize, the Commonwealth of Dominica, Grenada, Cooperative Republic of Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Turks and Caicos Islands.
- TYPE OF FUNDING:** Project Grants; Unallocated Grants to ten countries; and Use of Funds.
- AMOUNT:** Thirty-two million dollars (\$32 mn) comprising:
- (a) nine grants totalling \$24.6 mn to Grantees for sub-projects;
  - (b) Use of Funds by the Caribbean Development Bank (CDB) of \$2.4 mn for programme coordination and \$5.0 mn for provision of technical services to Borrowing Member Countries (BMCs).
- FUNDING SOURCE:** Unified Special Development Fund [SDF (U)] of CDB.
- CO-FINANCING:** Counterpart financing from participating Governments (including contribution by beneficiaries) of the equivalent of \$9.475 mn.
- SUMMARY FINANCING PLAN:**

### PROGRAMME BUDGET AND FINANCING PLAN

(\$'000)

Components	Total	Governments <sup>1/</sup>	CDB <sup>2/</sup>
<b><u>Country Projects</u></b>			
Belize	3,832	1,072	2,760
Commonwealth of Dominica	3,355	1,072	2,283
Grenada	2,594	824	1,770
Guyana	8,743	2,033	6,710
Jamaica	5,330	1,032	4,298
Montserrat	1,473	387	1,086
St. Kitts and Nevis	1,449	585	864
St. Lucia	4,074	1,342	2,732
St. Vincent and the Grenadines	2,666	886	1,780
Turks and CaicosI	559	242	317
Sub-total	34,075	9,475	24,600
Technical Services			
Belize	245	-	245
Jamaica	480	-	480
Other BMCs	4,275	-	4,275
Sub-total	5,000	-	5,000
<b>Country Totals</b>	<b>39,075</b>	<b>9,475</b>	<b>29,600</b>
<b>Regional Coordination</b>	<b>2,400</b>	<b>-</b>	<b>2,400</b>
<b>Total</b>	<b>41,475</b>	<b>9,475</b>	<b>32,000</b>

<sup>1/</sup> Government financing for Country Projects comprises 20% counterpart funding plus contribution to Local Project Management

<sup>2/</sup> CDB financing for Country Projects comprises funding for infrastructure and skills training sub-projects plus Local Institutional Strengthening

**SUMMARY PROJECT DESCRIPTION:**

The Sixth Programme will assist poor communities in BMCs to improve basic infrastructure and services and increase potential for economic activity through skills training and capacity-building initiatives. The Programme will provide resources for implementation of sub-projects, project management and technical services. It will also provide support to improve the capacity of Community-Based Organisations (CBOs) in the application of participatory approaches for planning and monitoring of sub-projects and decision-making. The regional component will provide programme support, coordination and administration.

**PROGRAMME IMPACT:**

An enabling environment to improve access to basic infrastructure and services, enhance employability and strengthen resilience through vulnerability reduction in participating countries. Contribution to BMCs in meeting targets of the Millennium Development Goals (MDGs) for poverty reduction and international covenants on equity and sustainability.

**EXPECTED PROGRAMME PERFORMANCE RATING:**

The expected programme performance rating is 6.6 or highly satisfactory. This rating implies that there is a high probability that the programme performance will be of a high standard and that the programme will achieve its development objectives.

**MAJOR RISKS:**

*Governments may find it difficult to provide the required level of funding for implementation and project operations.*

This risk will be partially mitigated by the provision of additional funding for human resources and institutional support to the Basic Needs Trust Fund Office (BNTFO) under the Local Institutional Strengthening (LIS) component.

*The potential impacts of community participation may not be realised.*

Programme resources are provided to assist communities to define priorities, make decisions on the types of intervention and monitor implementation. In BNTF 6, additional resources will be targeted to strengthen social organisation and skills required for the use and sustainability of public resources.

**MAJOR BENEFITS:**

The Programme will improve access to and satisfaction with basic infrastructure and services, while generating economic activity and strengthening community organisations in poor communities, for an enhanced quality of life.

## **1. INTRODUCTION**

### **BACKGROUND**

1.01 The Basic Needs Trust Fund Programme (the Programme), a regional poverty reduction programme managed by CDB, began in 1979 as the Caribbean Education Development and Basic Human Needs/Employment Sector Programme (CED & BHN/ESP). This initiative was launched by CDB with financial assistance from the United States Agency for International Development (USAID) with the aim of improving conditions in rural communities.

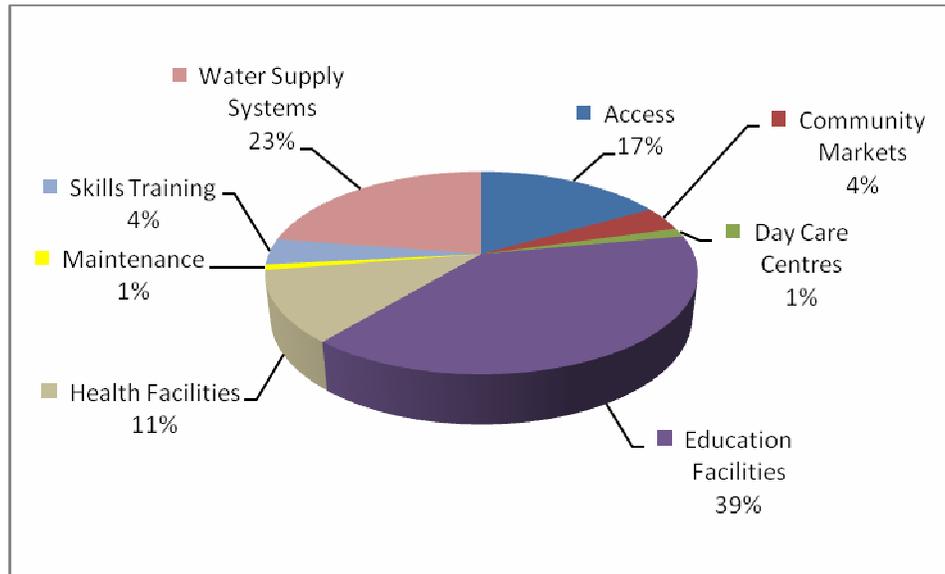
1.02 There have been five replenishments of Basic Needs Trust Fund (BNTF). The first two were funded in part by the USAID. Since 1979, BNTF has provided a 99 overall total of \$175.8 mn to BMCs and impacted the lives of more than 2.3 mn people living in poor communities. CDB's contribution has increased from \$10.0 mn in 1979 to \$32 mn in 2001, Appendix 1.1 refers. The participating Governments, having recognised the critical importance of these first two Programmes, agreed to provide counterpart financing for BNTF Third Programme (BNTF 3), BNTF Fourth Programme (BNTF 4) and BNTF Fifth Programme (BNTF 5). Nine BMCs, namely Belize, Commonwealth of Dominica, Grenada, Guyana, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines and Turks and Caicos Islands were included in BNTF 5 which is supported by SDF resources. In 2003, subsequent to the Board of Directors (BOD) approval, the Canadian International Development Agency (CIDA) made a contribution of CDN36 mn to BNTF 5 for sub-projects in the 9 BMCs and resulted in the inclusion of Jamaica in BNTF for the first time (Paper BD 77/01 Add. 1 refers). The BNTF 5 Programme is now scheduled for completion by June 30, 2010.

1.03 The objective of BNTF 5 is to assist poor vulnerable communities to improve their access to basic public services through the provision of social and economic infrastructure and the development of skills to enhance employability and community management.

1.04 The Programme supports assets and livelihood strategies of communities that live in poverty. Its method of implementation allows for a more socially inclusive development process. Sub-project activities include provision of infrastructure and services, training for income earning and institutional development for social re-adjustment and community organisation and management. Regional Programme activities have focused on strengthening the Programme's compliance with regional and international standards for environmental sustainability and gender equality, coordination and technical support through consultancy services. BNTF financed construction activities have provided short-term employment for residents of communities. Opportunities through small works contracts have also helped small local contractors and artisans. Sub-projects have assisted persons with pursuing various livelihood strategies and supported strategic interventions for individual and community stability and security.

1.05 In BNTF 5, Poverty Reduction Action Plans (PRAPs) were developed to target BNTF resources to increase the Programme's responsiveness to national policy objectives on poverty reduction in the social sectors (health, education, market facilities, maintenance, access, day care, water and skills training). Jamaica was permitted to utilise the logframe analysis prepared by Jamaica Social Investment Fund (JSIF) to allocate its resources. At May 31, 2008, cumulative grant approvals for the 10 BMCs by sector show close alignment to PRAP allocations with the 3 largest sectors being Education Facilities (39%), Water Supply Systems (23%) and Access (17%). Though there was a demand for Skills Training sub-projects, approvals in this sector have been slower than the infrastructure sectors. Graph 1.1 refers.

**GRAPH 1.1: BNTF 5 CUMULATIVE GRANT APPROVALS BY SECTOR**



#### **Strategic Relevance (CDB/Countries)**

1.06 The participating Governments are committed to the goals of BNTF and recognise the development impacts of the Programme on poverty reduction. They have all requested that CDB continue funding the Programme. CDB recognises the urgency with which this support must be provided, and has accorded the Programme very high priority with the allocation of increased resources during its current strategic plan period (2005-2009). BMCs are committed to the MDGs, endorsed as strategic benchmarks for SDF Programming, for the pursuit of national strategies aimed at stimulating growth, generating employment and eradicating poverty. The BNTF policy framework and programming modalities are aligned to the MDGs, a feature which enhances the Programme's strategic relevance to the implementation of CDB's poverty reduction strategy. The Programme is also aligned with CDB's Strategic Objectives of Fostering Inclusive Social Development and Promoting Good Governance; and will contribute to CDB's corporate priorities of Promoting the Building of Social Capital and Social Risk Management and cross-cutting themes of Environmental Sustainability, Disaster Risk Management (DRM) and Gender Equality.

### **ECONOMIC AND SOCIAL CONTEXT**

#### **Economic Context**

1.07 The participating countries of the BNTF share many common economic characteristics, and face a number of common challenges. As small, open economies, with limited diversity in production and a dependence on a few export commodities, all are highly vulnerable to changes in the global economy. Meanwhile, country capacity to address vulnerability due to size and openness is limited. Alongside this vulnerability, BNTF countries continue to grapple with the challenges of difficult economic conditions and persistent poverty.

1.08 Decades of reliance on preferential trade access to traditional export markets for sugar and bananas and, for a few countries, tourism development, have supported sustained periods of high economic growth averaging about 7% prior to the 1990s. Since then, the reliance on preferential trade regimes has given way to a new reality of an increasing competitive global environment and, in turn, lower growth outcomes averaging between 3% and 4%.

1.09 With the erosion of trade preferences, economic diversification has been a policy priority for most Governments. Most have undertaken substantial structural changes to adapt to the global economic changes, and to re-invigorate growth performance. In most countries, including St. Kitts and Nevis and Jamaica, resources have been re-allocated to encourage new sources of growth such as tourism development and other economic services, as the leading foreign exchange earners. For others, including Jamaica, St. Lucia, the Commonwealth of Dominica, and Belize, adaptation strategies have also incorporated the sustainable development of the sugar and banana industries through efforts to improve production yields, raise value-added, strengthen marketing and address quality concerns.

1.10 A high exposure to natural hazards is a further source of vulnerability which has contributed to entrenching difficult economic conditions within BNTF countries. Since the approval of the BNTF 5 programme in 2001, growth outcomes have, for the most part, remained positive, although moderate with some slowing in 2007 influenced, in part, by the passage of several intense storms during this period (see Table 1.1). Montserrat has continued to experience economic decline<sup>1/</sup> as a result of structural weaknesses in that economy brought about by ongoing volcanic activity, while Grenada experienced severe output volatility as a result of hurricane impacts in 2004 and 2005.

**TABLE 1.1: COUNTRY GROWTH RATES, 2001-2007**

	BELIZE	DOMINICA	GRENADA	GUYANA	MONTSERRAT	JAMAICA	ST. KITTS & NEVIS	ST. LUCIA	ST. VINCENT & THE GRENADINES	TURKS & CAICOS ISLANDS
Average										
1997-2001	6.6	0.8	4.8	1.7	-9.7	0.3	3.6	1.5	2.7	5.1
2001	4.9	-3.8	-4.9	2.2	-2.8	1.4	2.0	-5.5	-0.1	7.3
2002	5.1	-4.0	1.6	1.1	3.3	1.6	0.9	2.4	1.4	-0.3
2003	9.3	2.2	7.1	-1.0	-0.8	2.7	0.8	3.5	1.5	8.6
2004	4.6	6.4	-5.7	3.3	4.5	1.1	8.8	3.8	9.1	11.6
2005	3.1	3.4	11.0	-2.2	-0.4	1.8	4.1	4.6	2.2	12.7
2006	5.6	4.6	-2.4	5.1	-2.8	2.5	4.0	4.9	6.7	16.8
2007	2.0	1.6	3.5	5.4	-2.7	1.4	3.5	0.5	6.9	11.2
Average										
2002-2007	5.0	2.4	2.5	2.0	0.2	1.9	3.7	3.3	4.6	10.1

<sup>1/</sup> Periodic growth stemmed from large, public infrastructure projects to rehabilitate and rebuild.

1.11 In a context of these countries' macroeconomic vulnerabilities and difficult economic conditions, significant portions of the population of beneficiary countries remain in poverty. For most countries, the pace of per capita real income growth has been inadequate, alongside labour market rigidities, to permit the absorption of significant portions of the labor force, leading to double-digit unemployment and poverty. In many settings, policy frameworks, while favouring vested sector growth, have not facilitated adequate investment in other growth-supporting areas (such as technological progress, human capital, social infrastructure, rural infrastructure, health and nutrition, institution capacity building, environmental sustainability), which interact positively for sustaining longer-term broad-based, and more equitable growth. With the shift out of agriculture, new growth poles including tourism, informatics and off-shore services, in most instances, have had weak economic links to the rural sector, are low technology oriented and less employment-intensive. Significantly, the growing dependence on tourism, while facilitating economic growth, has also reinforced vulnerabilities in some countries.

1.12 In addition to the above factors, the high volatility in income growth (as a result of external shocks including natural disasters and shifts in external demand) has disproportionately affected the poor and vulnerable and set-back progress made in poverty alleviation in countries including Grenada. At the same time, vulnerabilities arising from macroeconomic shocks, within the context of weak macroeconomic fundamentals, have also often been related to the poor conduct of macroeconomic policy. Key to this has been weaknesses in fiscal policy to, on the one hand, prevent and mitigate the impact of external shocks to the economy and, on the other hand, provide adequate resources for effective social protection and for social assistance. Since the Fifth cycle of BNTF, with few exceptions, domestic policy efforts to consolidate fiscal positions and to slow the accumulation of debt, has gained some ground. Most countries, in particular Dominica, have made progress in consolidating fiscal positions by narrowing imbalances. That notwithstanding, policy responses needed to effectively respond counter cyclically to shocks or downturns are still being severely constrained by the current high levels of debt.

1.13 Given the links between growth, employment and poverty, sustaining steady and robust income growth alongside the following imperatives – restoring fiscal and debt sustainability, diversifying the economy and reducing human development vulnerabilities while securing added opportunities for employment generation – will be necessary economic conditions for achieving faster poverty reduction. However, the recent deterioration and heightened uncertainties within the external environment, evidenced by a slow-down in the United States, have dampened collective near-term prospects. Added to this, rising global prices are likely to prevail in the medium term and food prices over the next decade are expected to remain well above the levels of the past decade. Given the high share of household spending (over 50%) allocated to food expenditures within BNTF countries, the poor and other vulnerable social groups such as the indigent, the unemployed and the landless poor, whose subsistence wages will not keep apace with food prices, are being particularly affected. Added to this, safety nets are likely to be further compressed by a decline in remittance inflows in the wake of a slowing US economy. Prices have already risen beyond the means of many people, who will now require, *inter alia*, more permanent assistance in the form of well-targeted public safety net measures. However, the prospect for a noticeable worsening in economic and social conditions in oil-dependent BMCs will put significant pressure on fiscal balances and could adversely affect anti-poverty strategies.

1.14 Against this backdrop, BNTF 6 resources will assist beneficiary governments to smooth the adjustment to higher food and fuel prices while safeguarding anti-poverty strategies by creating the fiscal space for stepping up expenditures related to social protection. BNFT 6 funded initiatives will continue to empower the poor to reduce their own vulnerability and preserve living conditions through skills enhancement, short-term employment and through improved access to enabling public services. At the same time, given the high indebtedness and lower growth prospects, continued access to additional BNTF grant resources will assist these countries to guard against reversals in recent fiscal gains through borrowing imprudently to address these emerging social issues.

## **SOCIAL CONTEXT**

1.15 Despite improvement in socio-economic indicators over the last five decades, poverty persists and is a major problem in the Region. Social vulnerability indices show that inherent characteristics, structural features and other determinants within BMCs increase their susceptibility to factors which easily reverse these development gains. These determinants at the community level include households' inequitable access to household services, low educational levels of household heads and, in many cases, the psycho-social condition of anomie and powerlessness.

1.16 Approximately one-third of the Region's population currently live below nationally determined poverty lines. However, the incidence of poverty in Jamaica in 2006 stood at 14.3% of the population and this translated to 390,651 persons. This number accounted for approximately 45% of the total population of the poor in the 10 BNTF 5 beneficiary countries. Poverty in Jamaica continues to disproportionately affect rural communities and although poverty has been on the decline island wide, rural poverty is declining less slowly than urban poverty. Several Country Poverty Assessments (CPAs)<sup>2/</sup> financed by CDB and other development partners since 1995, recognise that poverty is a multi-dimensional phenomenon, not only related to income and other non-monetary resources, but spans a broad range of non-monetary needs.<sup>3/</sup> CPAs have been conducted in 17 of the 18 BMCs and have highlighted the following characteristics:

- (a) poverty is largely a rural phenomenon;
- (b) women and youth are among the poorest segments of the population;
- (c) the 'working poor' is becoming more visible;
- (d) in multi-ethnic societies, indigenous people are represented in the poorest quintiles and are usually classified as an 'at risk' group;
- (e) the poor tend to exhibit low educational achievement and low skills attainment levels; and
- (f) access of the poor to health, education, water, sanitation and other basic services is usually limited.

1.17 Further, CDB's Working Paper on Poverty (2001) states, "The most vulnerable and deprived households live in chronic poverty; and others, as shown by data from longitudinal living-standards measurement surveys done in Jamaica, move in and out of poverty with varying degrees of regularity. Typically, the poor have large families and live in substandard housing with limited access to water and sanitation. Moreover, fluctuations in prices in international markets, coupled with the risks of natural hazards increase income vulnerability generally and that of rural households particularly". The effects of hurricanes and related adverse weather conditions have significantly affected the productive sectors of BNTF countries' economies and have also had severe impact on communities and community infrastructure. The destruction of communities diminishes social interaction and community cohesiveness and can lead to increased anxiety and social pressures which disrupts the community's equilibrium.

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<sup>2/</sup> CPAs seek to assess the current conditions affecting the welfare of people, identify policies, strategies, action programmes and projects that would reduce the extent and severity of poverty in BMCs.

<sup>3/</sup> Progress Report on implementation of the CDB's PRS: 4.

1.18 At 2004, a Sub-Regional Assessment of MDG progress in the Organisation of Eastern Caribbean States informed that there have been advances in some of the goals: reduction of extreme poverty and hunger, universal primary-level education, gender equality and improved maternal health. On the other hand, greater effort would be needed if the other goals are to be fully achieved by the year 2015. In Jamaica, progress in the MDGs has increased except in gender equality and health which is disappointingly slow. In relation to Goal No. 7 which targets attainment of a safe sustainable environment, Jamaica has made steady progress. Challenges remain in providing access to safe drinking water to rural households. The MDGs provide a framework for tracking progress and at the country level efforts must be made to ensure that cross-cutting areas such as gender equality, climate change and disaster risk management, are integrated within programmes of support in order to enhance the quality of human development outcomes.

1.19 Efforts at poverty reduction are unlikely to progress without significant improvements in access to health, water, sanitation and other public services, training and skills enhancement especially for the empowerment of persons involved in low-wage income-earning activity, young people and disadvantaged populations. BNTF 6 resources will continue to support the targeted approach to social spending for poverty reduction in BMCs.

## **2. REVIEW OF BNTF 5**

2.01 BNTF is a targeted poverty reduction programme which has developed special mechanisms, over the years, to increase its effectiveness in providing access to physical infrastructure and services, employment and skills enhancement for the empowerment of vulnerable persons through a demand driven community development approach. Through its focus on social infrastructure BNTF has provided grant resources for needed capital investments in alignment with national poverty reduction priorities. The Programme also provides funding in sectors that are not adequately covered by other resources.

2.02 Crucial issues that have shaped new approaches within the Programme over the years include: the need for improved targeting, the desire for self determination by communities in the identification, monitoring and sustainability of these interventions, and recognition of community participation as desirable for good governance and accountability and for the determination of priorities and needs.

2.03 In BNTF 5, Jamaica became a beneficiary country. Changes were also introduced in the programme design and several innovations pioneered to improve efficiency, sustainability and development effectiveness. Additional procedures and mechanisms have been introduced to facilitate better targeting of poor communities and greater beneficiary participation. Emphasis was given to governance issues through a focus on local government and community participation and to building the capacity of community organisations or groups to initiate planning and long-term development. Efforts to address the vulnerability of persons through capability enhancement and skills development have been strengthened.

2.04 The most significant measures introduced were:

- (a) The formulation of the PRAP by each BMC as a measure for targeting the poorest people and communities and for the allocation of resources.
- (b) More funds allocated for small and skills training sub-projects, in partnership with Non-Governmental Organisations (NGOs) and CBOs.
- (c) Active involvement of communities in the identification, proposal and implementation of sub-projects.
- (d) Introduction of a Tripartite Agreement between the beneficiary community, the responsible public agency or civil society entity and the local BNTFO.
- (e) Upgrading of the post of community worker to that of Community Liaison Officer (CLO) with broader responsibility for networking with other public and civil society institutions and to reach and increase the participation of socially disadvantaged groups and beneficiary groups in general.
- (f) The requirement that all sub-projects address issues of stakeholder participation, preventative maintenance, social development, gender equality and sound environmental management and sustainability.

2.05 Initial implementation of BNTF 5 was slow due to the time involved in the adoption of new concepts and methodologies. Regional and in-house training workshops for country staff were conducted by CDB to further facilitate this process, and dealt with targeting mechanisms, participation methodologies, environmental screening and gender awareness and analysis. Project Steering Committees (PSCs) were also provided with information on the new Programme design to facilitate their

governance role and guide their decision-making. Performance of the Projects in all participating countries has since improved.

## **PROGRAMME ACHIEVEMENTS**

2.06 Selected indicators which represent the achievements of successive Programmes are outlined in Table 2.1. A summary of the status of implementation of BNTF 5 presented at Appendices 2.1 and 2.2 include an analysis of sub-projects by sector, costs, numbers, country, beneficiaries, and person-weeks of employment, up to May 31, 2008.

**TABLE 2.1: BNTF ACHIEVEMENTS**

<b>Programmes</b>	<b>No. of Sub-projects Implemented</b>	<b>Direct Beneficiaries</b>	<b>Person-weeks of Employment Generated</b>
First Programme	100	297,500	110,000
BNTF 2	276	328,000	110,034
BNTF 3	175	520,624	34,000
BNTF 4	796	539,933	160,074
BNTF 5 @ May 31, 2008	529	691,390	75,947

## **MID-TERM EVALUATION (MTE)**

2.07 A MTE of BNTF 5 was conducted by independent consultants and completed in March 2008. Prior to the finalisation of the MTE Report, CDB convened a regional meeting in Barbados in January 2008 among CDB staff, the Consultants, the Chairpersons of the BNTF 5 PSCs, Project Managers (PMs) and CLOs, to discuss the draft findings and recommendations of the evaluation and share information on 'best practices' among BNTF participating countries. The Consultants' Final Report of the MTE was submitted, along with CDB's Management's comments on the findings and recommendations, for consideration at the First Formal Negotiation Meeting of Contributors to the Seventh Cycle of the SDF (U) held in Belize from April 9-12, 2008, (Paper SDF 7/1-NM-6 refers) and at the Annual Meeting of the Board of Governors in May 26, 2008. (Paper BD 47/08).

2.08 The findings of the MTE showed that BNTF continues to be relevant in all participating BMCs. That relevance is anchored in the conceptualisation of poverty as multi-dimensional and in BNTF's responsive Programme design which seeks to have comprehensive, multi-sectoral interventions linked to national policy making. Further, the design of BNTF 5 was found to be in congruence with a new generation of anti-poverty programmes that regard governance as a vital link between growth and poverty reduction, which target inequality and give emphasis to empowerment of the poor and vulnerable.

2.09 BMCs indicated overwhelming support for the value of the new design approach taken in BNTF 5. However, the Programme's vision of a broad holistic and less sporadic approach to poverty reduction was still a challenge in many countries requiring design changes to enhance the targeted approach. Some strategic and operational issues were identified as impeding the performance of the Programme. These included the need for:

- (a) Greater communication on the objectives of the Programme to facilitate stakeholder involvement and increased community participation across the sub-project cycle.
- (b) Increased resources (the time and skills) to effect new approaches within the Programme for the desired results of increased effectiveness and sustainability.

- (c) Improvements to the quality of the Community Needs Assessments (CNAs) through staff training, to reflect deeper knowledge and understanding of the Region's diverse communities.
- (d) More emphasis on community participation during implementation and monitoring during the project cycle and in policy formulation.
- (e) A strategy on skills training and for activities for building community or organisational capacity in social services and maintenance delivery and in social policy formulation.
- (f) Improved targeting for selection of communities and to enable more adequate distribution of BNTF sub-projects to the poorest communities.
- (g) For the analysis to address institutional weaknesses of the BNTFOs and CDB in terms of staff capacity to grasp the additional demands of the BNTF and in skills complement to manage and operationalise a complex programme with new cross-cutting themes.
- (h) A closer review of operational issues which hinder performance such as: greater flexibility in Programme procedures to reflect participating countries' implementation capacity and experience; staffing at the BNTFOs and CDB; and standard setting and accountability for the PSC and consultants.
- (i) Strengthen efforts to integrate the cross-cutting themes of gender equality and environmental sustainability.
- (j) The establishment of an effective system for monitoring and evaluation (M&E) to capture and report on outcomes.

## **LESSONS LEARNED AND ACTIONS PROPOSED BY CDB**

2.10 CDB considered the findings and recommendations of the MTE and identified the lessons learned and actions to be taken during the remaining period of BNTF5 and for consideration in the design and implementation of the Sixth Programme. These are as follows:

- (a) **Lessons Learned (Programme Design, Operational and Management Methods, Responsiveness of Programme Approaches and Sustainability)**
  - (i) Targeting: Appropriate and improved targeting contributes to the achievement of targeted milestones for poverty reduction and within the Programme's objectives.
  - (ii) Cross-cutting Themes: Enhanced environmental, gender and social analyses using participatory approaches contribute to improved sub-project development and maximise the effectiveness of the BNTF Programme.
  - (iii) Community Participation: Promoting community participation through the cycle of the project is a major management challenge.
  - (iv) Skills Training: A defined strategy, technical support and partnerships with service providers will improve the effectiveness of skills training sub-projects.

- (v) Institutional Arrangements: Working closely with local offices also benefits governments' operations.
- (vi) Human Resources: In planning for implementation of the Programme, a well designed system of human resources and a plan for human resource development is required.
- (vii) Information Sharing: Training, consistent expectations, rules procedures, financial resources, and transparent linkages with national strategies together make possible the local capacity building so central to BNTF.
- (viii) Standard Setting: Experience has shown that applying and integrating more efficient standards of operations, affects the pace of implementation.
- (ix) Maintenance: Monitoring the use and maintenance of BNTF financed infrastructure must be promoted in local communities to increase the sustainability of such interventions.

**(b) Actions Proposed by CDB/BNTF**

- (i) Ensure that the PRAP is consistent with national development and growth strategies and informed by the most recent data drawn from CPAs, Surveys of Living Conditions and other relevant poverty and sectoral data.
- (ii) Upgrade the knowledge and skills of staff of CDB and BNTFOs and stakeholders to support the integration of the cross-cutting themes and to apply Programme tools and Programme modalities.
- (iii) Facilitate the dissemination of knowledge and information to communities; support innovative approaches to community development; and build community organisations to enable groups of citizens to carry forward development activities.
- (iv) Align BNTF's infrastructure development agenda with national priorities for community development through the PRAP.
- (v) Conduct a regional audit on community development processes and institutions to support community strengthening.
- (vi) Define an implementation strategy for the skills training component of the Programme.
- (vii) Continue to shift accountability to participating countries:
  - (aa) by assessing each BNTFOs operational strengths and weaknesses and holding discussions with BMCs on the preparedness of the BNTFOs to bridge gaps between the Programme requirements and the BMCs' established standards in relation to financial and project management;

- (bb) where countries are considering synergies in the delivery of social programmes, including the BNTF, the Bank will conduct, through technical assistance, institutional assessments to provide recommendations on the most appropriate arrangements in that regard; and
  - (cc) by strengthening the operations of technical consultants through knowledge sharing.
- (viii) continue to strengthen operational and management methods by:
- (aa) increasing technical support to BNTFOs, recognising staffing regulations and budgeting arrangements by government;
  - (bb) strengthening regional management through a Social Development Analyst and additional staff and/or skills;
  - (cc) focusing on building synergies across the Bank's Divisions, increased by the services of the Projects Department, to provide expertise and guidance to the Programme;
  - (dd) engaging short-term consultants for specific assignments when required skills are not available in-house and when the demands of the Programme preclude staff involvement; and
  - (ee) engage consultants to assess work flows and processes and identify current gaps in technical and staff competencies to address resource constraints which impede both country and regional work programmes and to guide transition to a more effective Programme.
- (ix) augment efforts at knowledge sharing through an enhanced CDB/BNTF website and special interventions to strengthen regional communication across the Programme.

2.11 Establish a more effective system for M&E. The Management Information System (MIS) will be enhanced to capture data on key performance indicators so as to support M&E and facilitate reporting on outcomes and results. The monitoring will be ongoing throughout the life of the sub-projects and will include the tracking of budget commitments and disbursements.

2.12 Increase flexibilities and modalities of project implementation within BMCs, while ensuring efficient standards of operation.

2.13 Support community approaches to maintenance through support for training in relevant maintenance skills and the development of maintenance plans.

2.14 Expand training in participatory, planning and monitoring techniques to community groups and BNTF stakeholders.

2.15 A Results Framework to the end of BNTF 5 is at Appendix 2.3

## **PROPOSED CHANGES BNTF 6**

2.16 Strategic and operational approaches proposed in BNTF 6 are collectively intended to more appropriately focus BNTF's mission as a “community development programme that supports health, education, water and sanitation, access and economic activities through skills training, organisational development and infrastructure and services”: (*MTE of the BNTF 5 Final Report: Strategic Recommendations Page 44*).

2.17 The proposed changes are listed below:

- (a) Strengthen the targeting of BNTF resources through the design of the PRAP for closer alignment with national poverty reduction objectives and sector strategies for reducing household and community vulnerability and the Programme's holistic, integrated approaches to poverty reduction.
- (b) Increase community participation and networking to promote and sustain participation in long-term development initiatives through building networks of BNTF supported CBOs [including Project Monitoring Committees (PMCs)] and capacity development for organisational development, project management and project monitoring.
- (c) Continue to emphasise gender equality, environmental sustainability concerns as cross-cutting themes through awareness raising, training in analysis for key stakeholders (Consultants, BNTFO, Ministries, PSC, PMC) and concrete strategies and discrete activities for the full integration of these issues into the Programme.
- (d) Develop a strategy for the skills training and capacity-building components to enhance programme effectiveness.
- (e) Increase authority and accountability of BMCs by increasing PSC authority for approval of grant amounts for sub-projects to the value of \$50,000 and the management of consultants for sub-project of similar value, where capacity exists.
- (f) Improve development outcomes of the Programme by the promotion of more holistic and integrated approaches to sub-project design. This will include sub-projects with infrastructure and skills training/capacity-building activities, and “The Integrated Community Sub-Projects” pilot which will target resources to communities that require a number of development interventions for measurable development impact.
- (g) Strengthen the M&E process by the establishment of an appropriate results framework and an evaluation cycle to track annual performance, cumulative effects and lessons learned. Recognition will be given to the diversity of stakeholders (community, consultants, BNTFO, ministries, CDB) and their roles in project cycle monitoring. Appropriate approaches will be taken in strengthening of skills and systems required. Impact assessments will be conducted on focused areas of the Programme to inform programme management.
- (h) Increase the human resource capacity through increased staffing, technical services, and specialists in related Programme areas and to meet the needs of Programme implementation, in the BNTFOs and at CDB.

- (i) Facilitate greater sharing of experiences and knowledge among Programme staff and stakeholders through the development of two communities of practice for CLOs, and PMs to cover issues related to programme performance, concepts and approaches, operational issues, skills enhancement and best practice. This would be facilitated through the CDB/BNTF 5 website and programme assistance at CDB for managing the resource.
- (j) Enhance the MIS to improve the capture of information on all key phases of the sub-project cycle.

2.18 CDB will continue to fund 80% of sub-project costs and an increase in local project management costs through the LIS component, in light of serious fiscal challenges being experienced by all BMCs.

2.19 Through the Grant allocation to Jamaica in BNTF 6, CDB will continue the existing partnership arrangements with JSIF to deliver BNTF programming in Jamaica.

2.20 These proposed changes are reflected in the design and operational modifications to BNTF 6 and will expand the reach of the SDF (U) resources to benefit a significantly larger number of beneficiaries and improve the effectiveness and efficacy of the Programme. A Results Framework is at Appendix 2.4.

### **3. THE SIXTH PROGRAMME**

#### **RATIONALE**

3.01 The BNTF 6 Programme will provide resources to poor communities in order to improve access to basic public infrastructure services, provide temporary employment enhance economic activity through skills enhancement and reduce beneficiaries' economic and social vulnerability to risks that impact on income and well being. The Programme is able to respond quickly and, through participatory methods can more effectively involve poor communities in assessing their assets, and in determining their priority needs for funding of relevant sub-projects.

3.02 Previous programmes have achieved significant success in providing the means for improved access to social infrastructure and essential services. There has been limited success in strengthening livelihood assets and the organisational capability of communities though investments in this area through skills training remain critical to sustaining efforts at poverty reduction. Active engagement with beneficiaries in communities, especially with disempowered groups, has increased the knowledge base, critical thinking and decision-making on asset ownership and on broad development priorities, so that BNTF interventions can be more appropriately linked to these priorities and aimed towards improving the social and economic opportunities for community members. The occurrence of frequent natural and other disasters, the need for major adjustments to deal with the socio-economic impacts of globalisation, and the loss of preferential access to traditional markets, require that the most vulnerable BMCs continue to receive external support for programmes that will promote broad-based growth.

3.03 A Logical Framework Matrix summarising the design of the Programme is presented at Table 3.1. The logical framework for each Project will be developed in each participating country as part of PRAPs.

#### **OBJECTIVE**

3.04 The objective of the BNTF Programme is the reduction in vulnerability of the poor, using gender sensitive, participatory and environmentally sustainable approaches to:

- (a) expand and conserve the stock of basic infrastructure, to enable access to a wide range of basic public services;
- (b) improve the human resource base through skills development and social re-adjustment; and
- (c) promote and strengthen community organisations and their capacity for initiating and managing change.

**TABLE 3.1: LOGICAL FRAMEWORK MATRIX SUMMARISING PROGRAMME DESIGN**

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	CRITICAL ASSUMPTIONS	
<p><b>1. Goal:</b></p> <p>To improve social stability and increase productivity of the poor.</p>	<p><b>Measures of Goal Achievement:</b></p> <ol style="list-style-type: none"> <li>1. Proportion of people below poverty line.</li> <li>2. Level of Unemployment.</li> <li>3. Crime Rate Statistics.</li> <li>4. Gini Coefficient.</li> <li>5. Health Indicators.</li> <li>6. Education Indicators.</li> </ol>	<ol style="list-style-type: none"> <li>1. Poverty Assessment</li> <li>2. Poverty Mapping.</li> <li>3. Labour Force Statistics.</li> <li>4. Reports on crime.</li> <li>5. National Health Report and Statistics.</li> <li>6. Education Reports and Statistics.</li> <li>7. the Convention on the Elimination of all Forms of Discrimination against Women Reports.</li> <li>8. Sector impact assessment of BNTF.</li> </ol>	<p><b>Assumptions for Achieving Goal:</b></p> <ol style="list-style-type: none"> <li>1. No significant economic downturn.</li> <li>2. Governments establish and maintain national policies supporting PRAP.</li> <li>3. Beneficiaries seek access to project resources and make full use of completed sub-projects.</li> <li>4. Economic opportunities continue to increase.</li> <li>5. Governments allocation to social spending through Ministries of Health, Education and Social Transformation/ Development does not fall below 3%.</li> </ol>	
<p><b>2. Project Purpose:</b></p> <p>To improve access to social infrastructure and services, increase employment opportunities and strengthen institutions in targeted communities.</p>	<ol style="list-style-type: none"> <li>1. Reduction in losses/damage associated with natural hazards and disasters.</li> <li>2. Environmentally sustainable, improved public infrastructure and services providing access to 60% of the target group.</li> <li>3. Networking for community development, among 100 beneficiary communities by 2012 in six BMCs.</li> <li>4. Increased participation by women, young men and young women in production related sectors..</li> </ol>	<ol style="list-style-type: none"> <li>1. Income Level Statistics (proxy).</li> <li>2. M&amp;E Reports.</li> <li>3. PRAP, MIS.</li> <li>4. Government Statistical Data.</li> <li>5. MTE.</li> <li>6. Training Statistics and Reports.</li> <li>7. MDG Reports.</li> <li>8. Living Standards Measurement Surveys (LSMS).</li> <li>9. Core Welfare Indicators Questionnaire Surveys (CWIQs).</li> </ol>	<p><b>Assumptions for Achieving Purpose:</b></p> <ol style="list-style-type: none"> <li>1. Attitude change of beneficiaries for maintenance, ownership</li> <li>2. Equitable distribution of benefits.</li> <li>3. Joint venture partners willing to cooperate in apprenticeship/training programmes.</li> <li>4. Key stakeholders have knowledge of Programme and Programme modalities.</li> </ol>	
<p><b>3. Outputs:</b></p> <ol style="list-style-type: none"> <li>(a) Basic community infrastructure completed.</li> <li>(b) Skills enhanced for service delivery, productive/economic activity.</li> <li>(c) Skills enhanced for community planning and management, and maintenance and advocacy in Environmental Sustainability, DRR, &amp; Gender.</li> </ol>	<ol style="list-style-type: none"> <li>1. 400 sub-projects completed in compliance with programme standards in ten BMCs by 2012.</li> <li>2. Number of training programs delivered to targeted groups.</li> <li>3. M&amp;E system established and functional.</li> <li>4. Percentage and cost of project targeting women, men, vulnerable groups.</li> <li>5. Number of persons trained by sex, and age.</li> <li>6. Number of environmental screening assessments completed as part of project documentation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Site inspection /monitoring visit reports</li> <li>2. Management Reports</li> <li>3. Supervision Reports</li> <li>4. Project Completion Report (PCR)</li> <li>5. Consultants Reports</li> <li>6. Training material/documentation</li> <li>7. Reports of training</li> </ol>	<p><b>Assumptions for Implementing Project:</b></p> <ol style="list-style-type: none"> <li>1. Executing agency engages qualified staff.</li> <li>2. Favourable weather conditions prevail during construction.</li> <li>3. Beneficiaries willing to provide in-kind contribution.</li> <li>4. Beneficiaries participate in training sessions.</li> <li>5. Beneficiaries identify and request funding for sub-projects.</li> <li>6. Unforeseen circumstances do not hamper programme delivery.</li> </ol>	
<p><b>4. Inputs:</b></p>	<b>FINANCING PLAN (\$'000)</b>			
<p><b>Components</b></p> <p><b>A. Country Projects</b></p> <p>A5 &amp; A6: Local Project Management and Institutional Strengthening</p> <p>A4 Technical Services</p> <p><b>B. Regional Programme Coordination</b></p>	<b>CDB</b>	<b>Governments</b>	<b>Total</b>	<p><b>Assumptions for Procuring Inputs:</b></p> <ol style="list-style-type: none"> <li>1. Timely provision of programme funding including local counterpart contribution.</li> <li>2. Qualified PSC Members, Manager and other staff are available.</li> <li>3. Availability of consultants and contractors.</li> <li>4. Required materials are available in a timely manner.</li> <li>5. Target group is clearly identified.</li> <li>6. PRAP, MIS and OM adopted for use by PSC and BNTFO.</li> </ol>
<p><b>A. Country Projects</b></p>	23,134	5,783	28,917	
<p>A5 &amp; A6: Local Project Management and Institutional Strengthening</p>	1,466	3,692	5,158	
<p>A4 Technical Services</p>	5,000	-	5,000	
<p><b>B. Regional Programme Coordination</b></p>	2,400	-	2,400	
<p><b>Total Programme Costs</b></p>	<b>32,000</b>	<b>9,475</b>	<b>41,475</b>	

## **DESCRIPTION AND SCOPE**

3.05 The Programme will comprise the following components and sub-components:

- (a) **Component 1: Country Projects:**
  - (i) Basic Community Infrastructure (Small and Large Sub-projects);
  - (ii) Skills and Capability Enhancement Training;
  - (iii) LIS; and
  - (iv) Technical Services.
- (b) **Component 2: Regional Coordination:**
  - (i) Regional Programme Support;
  - (ii) Programme Implementation; and
  - (iii) Programme Monitoring and MTE.

## **COUNTRY PROJECTS**

### **Basic Infrastructure (Small, Large and Integrated Sub-Projects) and Services**

3.06 Construction or rehabilitation of basic infrastructure is included for several sectors and sub-sectors of the economy. The enabling physical environment will provide for improved services or the rehabilitation of existing facilities that can have an immediate impact on productive activities and local living standards. The benefits will also be derived from short-term employment generated during sub-project implementation. Project initiatives will be set out in a PRAP will be ranked in priority based on an expanded sub-project selection criteria as outlined in Appendices 3.1 and 3.2, respectively. Where appropriate, opportunities for the introduction of Information Communication Technologies (ICTs) at the sub-project level will be encouraged to improve the development impact. Sub-projects will be considered for the following sectors/sub-sectors:

- (a) Water and Sanitation: Water reservoirs/tanks, supply and distribution lines constructed/extended to provide potable water. The construction or refurbishment of public toilets/baths/laundry facilities in remote communities.
- (b) Education: Construction, upgrading and extension of educational facilities, including new or expanded pre-schools.
- (c) Day-Care Centres for Children: Construction, upgrading and extension of day-care centres.
- (d) Health: Construction, upgrading and extension of primary health clinics and community hospitals.

- (e) Physical Welfare of Vulnerable Persons: Construction, rehabilitation or extension of facilities that provide day-care facilities, enhance the physical environment of the elderly, persons with disability, half-way houses for victims of domestic violence, the infirmed or youth or children at risk.
- (f) Production-Related Infrastructure: Construction or rehabilitation of craft and produce markets, small-scale production and marketing infrastructure and infrastructure related to the conservation of natural resources, culture and heritage.
- (g) Access: Rural roadways, drains and footpaths constructed or upgraded to provide continuous all-weather usage and to mitigate flooding and soil erosion.
- (h) Maintenance: This component will be used to assist beneficiaries with the maintenance of basic social and economic infrastructure.

### **Skills Training**

3.07 Skills acquisition can make a significant contribution to the reduction of poverty through enhanced opportunities for employment and increased earnings, as well as through strengthening cohesion in communities. Where core economic activities such as agriculture or tourism provide the greatest opportunity for resource-poor persons, skills training can contribute towards increasing their income. Income generation activities which target the rural poor will focus on rural youth through three broad themes, namely those that are based on the agriculture sector, those based on non-farm alternatives, including the introduction of new technologies, and those based on the conservation of natural resources, culture and heritage.

3.08 The level of resources to support specific capacity-building/skills training activities will be sustained at the minimum of 7%. These activities will be provided at training institutions as well as at job sites through joint ventures with employers and national training organisations and institutions. Strategic linkages to the private sector and to NGOs offering specific services will be valuable in this regard. Project resources will be used to fund the cost of training materials, small stipends (to cover transport), basic hand tools, curricula development, support materials, ICTs and for tuition. Efforts will also be made to provide care services for children where women are in training. The latter will be integrated into the sub-project design. Partnerships with training institutions, human resource and labour market specialists, service organisations and the private sector are critical for the successful outcomes of this Programme component. The implementation of this component will be further guided by the recommendations of the skills training strategy and the expert experience of CDB's Caribbean Technological Consultancy Services Network in service delivery and enterprise delivery.

3.09 Areas of skills training will be targeted as follows:

- (a) **Integrated Skills Training**

It is also proposed to integrate skills training activities in as many infrastructure sub-projects as possible, where services which complement the operations of the facilities can be developed or improved.

(b) **Livelihood Enhancement Skills**

Opportunities for the acquisition of skills that support economic activity will continue to be a primary vehicle through which BNTF will contribute to the reduction of poverty. Skills training programmes will, therefore, seek to empower individuals (and where appropriate, groups) to achieve independence and esteem through increased capabilities to earn and attain secure livelihoods. Skills training will be provided for youth and adults and will seek to enhance and sharpen knowledge, technical skills and social attributes necessary for entry and satisfactory participation in the labour force.

(c) **Community Capacity-Building Skills**

BNTF will promote other forms of training directed towards the inclusion of vulnerable individuals and groups in the mainstream of economic and social activities. Such programmes will facilitate training to acquire skills in leadership and decision-making, ICTs, conflict resolution, participatory planning and monitoring and other community organising activities such as disaster mitigation planning. BNTF 5 has collaborated with over 500 community groups in participating BMCs. In BNTF 6, networking of community groups will be a heightened focus and will be supported by the use of ICTs and other resources from the Regional Programme.

**Integrated Community Sub-Projects**

3.10 The existing approach by BNTF of targeting resources to one sub-project per community will not significantly impact on poverty reduction in some communities, given their level of deprivation. BNTF will embark upon a pilot project in which at least one community within selected BMCs will be singled out for more focused integrated and comprehensive solutions. The selection of the community will be determined through the use of existing poverty data and national priorities. This approach will require substantial collaboration amongst stakeholders for project design, financing and the development of strategies for efficiency and equity and will integrate information and communication technologies to further enhance the development results of the intervention. The pilot will be monitored closely and continuously. An Impact Evaluation, funded from the regional Programme resources, will inform the BNTF Country Project and CDB on continuation with this approach.

**LIS**

3.11 CDB will fund a portion of costs associated with: selected project staff; provision of hardware and software as well as training in the use of MIS software applications; intranet facilities; travel and other expenses of the PSC; social marketing activities; and the preparation/revision of the PRAP for each country to guide project implementation.

3.12 A social marketing sub-component is included to assist in promoting more community involvement, especially of youth, in all project activities and to emphasise maintenance of facilities (social and economic infrastructure). The CLO will be required to promote awareness of the project, its activities and any temporary employment which may be available. Support by the private sector to enhance the design and implementation, or particularly for sustainability of sub-projects in “adopted communities”, will be encouraged.

### **Local Project Management**

3.13 This will consist of an enhanced PSC and BNTFO as described in paragraphs 3.20 to 3.26.

### **Technical Services**

3.14 CDB will devolve increased responsibilities and accountabilities to BMCs for project implementation, where the capacity exists. Towards this end, a new position of Project Engineer (PE) or such services satisfactory to CDB, will complement the BNTFO staff resources.

3.15 Based on the findings of an institutional assessment of the Belize BNTFO which showed that the office has the required capacity, responsibility for the engagement and management of technical services consultancy will be delegated to Belize as is currently practiced in the Jamaica BNTFO. Responsibility will be devolved to the remaining BNTFOs based on the findings of the operations audit of the BNTFOs and discussions with each BMC.

3.16 CDB will continue to engage technical consultants to prepare/review designs of infrastructure sub-projects and to manage the implementation of approved works where the PE or such services do not exist. The consultants will be required to work in close collaboration with the PM, PE and CLO and interface with beneficiary groups and sponsoring agencies at various stages of the project cycle. Consultants, with other relevant expertise, will also be engaged by the BNTFO and CDB, as needed, to facilitate skills training sub-projects and regional activities respectively, and for other activities as may be determined by CDB.

## **REGIONAL PROGRAMME COORDINATION**

### **Programme Implementation**

3.17 The Programme will be coordinated by CDB through: project launch workshops/meetings in each country; approval of large sub-projects and no-objection to small sub-projects; project supervision (both desk and country/field visits); procurement and administration of consultancy services for sub-projects; no-objection to consultants engaged by BNTFOs; and training/attachments of Project and CDB staff and key stakeholders. At the Regional level, resources will be provided to strengthen activities which facilitate the deepening of Programme approaches, techniques, strategic interventions on selected poverty issues, and the use of ICTs to support community networking and knowledge sharing.

3.18 CDB will manage programme activities with an expanded core of professionals which include a Gender Specialist, Social Analyst and Programme Assistant. Additional resources may be drawn as necessary from other Divisions within the Bank and/or through external consultancies.

### **MTE**

3.19 Independent consultants will be contracted by CDB to perform the MTE of BNTF 6. The Terms of Reference (TOR) will require the Consultants to make an assessment of the implementation performance of the BNTFOs and make recommendations for institutional strengthening and efficiency improvements. The MTE will be timed so that recommendations made with respect to meeting or enhancing the objectives of BNTF 6 can be implemented within the remaining period of the Programme. It is estimated that the MTE should be completed by July 31, 2010.

## NATIONAL PROJECT

### PSC

3.20 The role of the PSC continues to be strategic and includes ensuring: that targeting is adequate; adherence of the Project to broader national policy objectives on poverty reduction; compliance with standards and covenants set out in the Grant Agreement between the Government and CDB; and exploration of the potential for linkages with other investment programmes to leverage BNTF's contribution.

3.21 Each participating government will be required, as a condition precedent to first disbursement, to appoint a PSC or such other body acceptable to CDB, which will be responsible for the execution of the Project. The PSC will be responsible for project administration and management and will comprise as a minimum, representatives from the ministries responsible for Community/Social Development, Education, Health, Planning/Economic Development, Communications and Works, NGOs representing women, youth and persons with disabilities, a CBO and the private sector. The Chairperson will be selected by government from among the members of the PSC. The PM, an ex-officio member, will be the Secretary and the Chairman can co-opt, from time to time, such other persons as required to advise and inform decision-making may be relevant. The BNTFO will be the secretariat of the PSC, providing the support and services as required. In its deliberations, the PSC will be assisted by the CLO and PE (where it exists) who shall attend all meetings of the PSC, and representatives of the relevant BNTF sectors in which sub-projects are being considered.

3.22 The PSC will provide oversight for the preparation/revision of PRAP as a guide to allocating resources and designing BNTF interventions. As a condition to each Grant, PRAP must be approved by CDB and adopted by the PSC by March 31, 2009. The duties of the PSC include:

- (a) adoption of the revised OM, for use in the implementation of BNTF 6. This will be a condition precedent to first disbursement of the Grant.
- (b) approval of **all** sub-projects as follows:
  - (i) eligible small skills training sub-projects costing up to \$50,000, prior to submission to CDB for no-objection;
  - (ii) eligible large skills training sub-projects (\$50,000 to \$500,000), prior to submission to CDB for approval;
  - (iii) eligible small infrastructure sub-projects, costing up to \$50,000 (costing up to \$200,000 in the case of Jamaica), prior to submission to CDB for no-objection;
  - (iv) eligible large infrastructure sub-projects (\$50,000 to \$500,000), (\$200,000 to \$500,000 in the case of Jamaica), prior to submission to CDB for no-objection; and
  - (v) eligible maintenance sub-projects costing up to \$10,000, prior to submission to CDB for no-objection.

## **BNTFO**

3.23 As a condition to first disbursement of each Grant, the BNTFO or any other institutional arrangement approved by CDB will continue its operations in independent accommodation accessible to the community, and its staff will be responsible for the day-to-day management of project activities. Staff of the BNTFO must be identified, who will be responsible for the administration and maintenance of the MIS and all supporting technologies and will ensure the accurate and timely recording of all data for monitoring and evaluation and report generation and will support networking with other BNTFOs and information sharing. The BNTFO shall comprise the following staff, assigned full or part-time, as may be agreed with CDB, all of whose qualifications and experience shall be acceptable to CDB, and such other staff as may be necessary to effectively carry out the functions of the BNTFO:

- (a) The PM will manage the Project on a day to day basis with responsibilities including programming, cost control, maintaining standards, production of periodic reports in particular the Annual Project Performance Report (APPR) and the Annual Work Plan and Budget (AWPB) to be drafted by November of each year and will specify the activities to be undertaken in the following year, the expected outputs and the budgeted costs on which contracts/expenditure will be based. The AWPB must be approved by the PSC. CDB will comment on the draft AWPB before it is implemented. The PM will be responsible for the management of staff and other resources, including consultants where applicable and other technical experts, towards optimal performance of the country Project. The PM will report directly to the PSC through its Chairperson;
- (b) a CLO(s), will be responsible to the PM for the active involvement of beneficiary communities, including communities of interest in the identification, implementation, monitoring and maintenance of all sub-projects funded by the project. The CLO(s) will assist in the training and sensitisation of stakeholders and be responsible for problem analyses and the design of BNTF sub-project proposals. Particular attention must be paid to constraints experienced by poor women and very needy community groups in identifying and preparing sub-project proposals;
- (c) an Administrative/Accounting Officer (AO) will be responsible to the PM for the provision of administrative services; the maintenance of Project accounts in accordance with internationally accepted accounting principles; annual audit reports; and the recording of other project monitoring indicators.

3.24 Where the services of the PE are available to the BNTFO, the PE will be responsible to the PM for the preparation of sub-project profiles in accordance with the OM and implementation and maintenance of all sub-projects funded by the project. The PE will assist in the selection and supervision of technical consultants engaged by the BNTFO and monitoring those technical consultants engaged by CDB.

3.25 It has been the experience of BNTF that technical consultants have not responded well to invitations to provide services for maintenance sub-projects due to the small value. It is therefore proposed that the PE be responsible for the implementation of maintenance sub-projects; certification of expenditure; and reporting in accordance with the procedure as outlined in Appendix 3.3.

3.26 The TORs of the PSC and key staff of the BNTFOs are presented at Appendices 3.4 to 3.8, respectively. The Project Organisational Chart is included in Appendix 3.9.

### **CBOs and NGOs**

3.27 CBOs and NGOs comprise groups of community residents or persons organised to service community interests. They will identify and request subprojects, which, if satisfying the eligibility criteria, will be further developed with the assistance of BNTFO or technical specialists provided by the BNTF. An organisational needs assessment will determine the extent to which the NGO can implement the sub-project.

### **Strategic Partnerships**

3.28 Inter-sectoral coordination is a necessary aspect of the management of the BNTF Programme. This will involve government ministries, NGOs, development partners and the private sector. PRAP provides the framework for identifying and engaging with these stakeholders - identifying the roles they can play including maintenance support, provision of relevant data for M&E and technical assistance or complementary services in certain sub-project priority areas.

## **IMPLEMENTATION**

### **Implementation Period**

3.29 The Sixth Programme will run concurrently with the BNTF 5. Programme implementation of BNTF 6 will last five years, commencing in 2008. In the first six month a number of activities related to the satisfaction of conditions precedent, project launch workshops/meetings, targeting exercises, staff training and establishing new operational systems will be implemented. The period of commitment of funds for sub-project implementation will be four years, 2008-2011. The Programme Implementation Schedule is presented at Appendix 3.10.

## **PROCUREMENT**

3.30 Goods and services to be funded from each Grant shall be procured in accordance with CDB's Guidelines for Procurement and CDB's Procedures for the Selection and Engagement of Consultants. Given the small size of contracts, it has been the experience of BNTF that most goods and services are obtained locally in accordance with those Guidelines. A Procurement Plan is provided at Appendix 3.11.

## **DISBURSEMENT**

3.31 Disbursement of the Grants will be made against invoices and certificates for approved expenditure in accordance with the procedures specified in the Grant Agreement between CDB and each respective BMC. It is expected that disbursement will occur over a period of four years, with the first disbursement to be made by August 1, 2009 and final disbursement by December 31, 2012.

## **GOOD GOVERNANCE**

3.32 The Programme will support the achievement of good governance in the context of CDB's policy on Good Governance, through broad-based participatory methods, accountability mechanisms, transparent procedures, clearly defined responsibilities for Project operations and in sub-project selection and implementation. In selecting and implementing all sub-projects, therefore, the PSC and BNTFO shall ensure that:

- (a) all sub-projects are demand-led (by targeted communities) and must have the written sponsorship of the beneficiary community groups (NGOs, CBOs, faith-based groups),

They must be in compliance with the targets established for gender equality, environmental sustainability and relevant sector policy standards for poverty reduction. The sub-project design must be discussed at the widest possible fora within the community in an effort to maximise participation, promoting equitable representation of men and women. Decisions must be recorded and be verifiable through surveys or other means;

- (b) a PMC, comprising representative of the beneficiary community, will be established for the implementation of each sub-project. The roles and responsibilities of the sponsoring agency, BNTFO and PMC will be detailed in a Tripartite Agreement (beneficiary community, responsible Ministry/department, BNTFO), or similar document;
- (c) a gender-awareness stakeholder analysis will identify the stakeholders, determine the nature and magnitude of stakeholder interests in and influence on the project. The stakeholder analysis matrix will summarise and compare stakeholder categories in terms of their relevance to the project, their characteristics, their interests and their influence;
- (d) arrangements are made by the PM for a sub-committee of the PSC to visit selected sub-project sites to verify that the selection criteria are met, or otherwise, and report their findings to the meeting of the full PSC;
- (e) resources from the LIS component are used for public promotion of all aspects of the project/sub-project in the public media (newspapers, radio, television and community spaces) including dissemination of information on BNTF. This is to ensure public awareness of project resources and to empower poor communities to participate in all aspects of the project, including disaster mitigation and undertaking continuous good preventative maintenance practices on completed sub-projects;
- (f) the design of sub-projects shall, in all cases, be the least-cost effective solution, conform to the specific criteria and sector policy standards established for each type of sub-project; minimise recurrent maintenance costs; and comply with all relevant local planning requirements and building codes including best practices for mitigation of hurricane and other hazards; and
- (g) the list of eligible contractors to be invited to tender for the execution of all sub-projects shall be compiled by BNTFO in conjunction with the sponsoring agency. Contractors engaged for implementation of sub-projects shall, as far as practicable, be encouraged to employ as many artisans drawn from residents of the beneficiary community. The bidding process must conform with CDB's Guidelines For Procurement of Goods and Services.

## **ENVIRONMENTAL CONSIDERATIONS**

### **Environmental Assessment (EA)**

3.33 BNTF is a Category "B" project based on CDB's Environment and Social Review Guidelines. Sub-projects are primarily for basic infrastructure and often a single component, such as the construction or rehabilitation of a small building (e.g. schools, health clinics, community centres) or the construction or rehabilitation of minor roads or footpaths. Although these activities, by themselves, are unlikely to have major negative environmental impacts, they sometimes present environmental impacts, which if left unmitigated, could undermine the sustainability of project objectives. In addition, few BMCs benefiting

from the Programme operate within a robust national physical planning and environmental regulatory permitting system and even where there are formal requirements, BNTF type sub-projects are exempt because of the size of the interventions.

3.34 The approach employed by other Multi-lateral Financial Institutions (MFI) for programmes operating within a well-defined management and administrative structure such as BNTF, has been to integrate environmental requirements within the operational and administrative structure requirements of the programme with the MFI providing technical “back-stopping”. Resources were allocated for the design of a specific environmental review framework for the Programme using resources from the CIDA’s contribution to the project. Independent consultants were hired to carry out the work, which was completed in December 2006. The review framework includes a suite of checklists, guidance notes and other EA and management resource tools developed specifically for each major sub-project group (e.g. roads, footpaths, drains, schools, clinics) routinely financed under the Programme. Explicit EA procedures and reporting requirements have been detailed for the BNTF project cycle and these have been incorporated in the OM for the Programme. In July, 2007, a three-day workshop was held and attended by all BNTF PMs to sensitise them about the new requirements and to provide training in the use of the tools, using field examples from sub-projects in the host country, Grenada.

3.35 The MTE of the BNTF 5 Programme (March 2008), suggested that delays in introducing the EA guidelines and in providing associated training, made it too early to judge progress on environment sustainability as a cross-cutting theme. Under this new Programme a discrete environmental sustainability component has been included to provide funds for heightening community environmental awareness and education; improve BNTF’s EA administration and management and encourage promotion of environmentally beneficial projects in national programmes. It is envisaged that this component will provide resources for activities which will:

- (a) provide further training strengthening capabilities of BNTF project staff on integrating environmental sustainability considerations in national programmes and sub-project designs. This could include
  - (i) further development of practical monitoring indicators and environmental reporting systems;
  - (ii) further training of BNTF staff in EA, management and administration;
  - (iii) training for small contractors on environmentally sound construction and management practices; and
  - (iv) building awareness among all stakeholders on sustainability issues related to green building standards (maintenance, energy efficiency and use of renewable energy, water conservation) in sub-project designs.
- (b) promote discrete community-based environmentally beneficial projects and or collaborate with others on these interventions to address a declared national environmental priority issue. These may include the co-management of precious resources (e.g. forestry, protected areas). This could include reforestation of degraded buffer zones because of the dependence on these areas for fuel wood or other forest products important to local livelihoods, the planting of trees specifically for fuel wood and introducing more energy efficient charcoal production kilns, and maintenance of slopes stability associated with critical infrastructure such as roads and drainage. For these projects, consideration will need to be given to the additional time and technical resources often required for careful

participatory design, preparation and implementation, which are critical for successful outcomes. These projects will also require closer collaboration with relevant public sector agencies.

3.36 Under BNTF 6 all sub-project applications submitted to CDB, will be required to include a completed and signed copy of the Environmental Screening Form. This will help to ensure that the appraisal of all sub-projects explicitly details significant environment considerations requiring a detailed EA and or specific mitigation measures. CDB's BNTF staff will, in collaboration with co-sponsors, determine simple and practical environmental monitoring indicators to be used in project appraisal, implementation and operations which will enable better capture of environmental performance in future evaluations.

### **DRM and Climate Change**

3.37 Following the preparation of the Hyogo Framework for Action 2005-2015, a global disaster management agenda that emphasises disaster loss reduction through risk management, the Caribbean Region has adopted a Results-Based Enhanced Comprehensive Disaster Management (CDM) Framework 2007-2012.

3.38 The goal of the CDM framework is to enhance regional sustainable development through comprehensive disaster management. The outcome identified in the CDM framework to enhance community resilience to mitigate and respond to the adverse effects of climate change and disasters building community resilience in DRM is most appropriately aligned to the objectives of the BNTF.

3.39 As part of its 1998 Natural Disaster Management Strategy and its new initiative in disaster mitigation, CDB will assist its BMCs with improving their level of disaster management, with emphasis on disaster mitigation.

3.40 Where applicable, all engineering design and construction which form part of BNTF 6 project activities will address disaster mitigation issues. The review by CDB staff of designs for new construction and for improvement/upgrading of existing works will include verification that they incorporate hazard-resistant techniques. Guidelines for hazard-resistant design and construction will be included in the OM.

3.41 Climate change is a major obstacle to continued poverty reduction efforts. The poorest people will likely suffer the most from climate change since they are already living in marginal locations and have insufficient income to make the necessary adaptations. In particular, the poor will be vulnerable to increased prevalence of pests and diseases, degradation of natural resources on which they depend, increased food prices, changes in water availability, shifting patterns of employment, geographical displacement, more frequent extreme weather events, and increasing psychological stress due to uncertainty about livelihoods and lifestyles. Adaptation to climate change is viewed as a priority by the international community for ensuring the long-term effectiveness of investment in poverty reduction and sustainable development

3.42 In light of the above, BNTF's response to DRR will be to incorporate disaster mitigation principles into their design. BNTF's response to climate change adaptation measures will be through specific support for building community resilience to adapt to climate change. Wherever possible, climate change and disaster risk management approaches will be combined in a comprehensive manner.

## **GENDER EQUALITY**

3.43 The BNTF Programme, through its Regional Gender Strategy (2007), seeks to more fully integrate gender equality into the project process. Using an integrated model in the BNTF Programme requires that the Programme focuses on equality as an objective. This provides a framework within which to seek a nexus between strategies for reducing poverty and gender inequality. As such, consideration will be given to identifying and removing limitations to women and men in gaining access to BNTF resources and opportunities and to their efforts to shape their future. It incorporates a gender analysis in institutional analyses and across the project cycle, in the management of outcomes and in advocacy strategies among beneficiary communities and stakeholders. A gender analysis looks at the relations between different groups of men and women in a particular society. It examines other relations based on age, ethnicity, religion, and wealth. It takes account of the division of labour and the value society places on different kinds of labour. It identifies who has access to and control of assets, resources and benefits in the community, and the factors that influence change over time. The analysis allows particular conditions of specific groups of men, women, girls and boys to be highlighted and targeted for better development outcomes in programme or project planning.

3.44 Approval and no-objections of sub-projects will be linked to the assessment of how the sub-project identifies and is responsive to gender disparities. Gender specific and gender integrated activities will be monitored for their development impact at the country project and programme levels.

## **M&E**

3.45 The M&E activities will facilitate assessments of outcomes and impact of the BNTF Programme at the country and programme level and will be used to align the Programme towards achievements of performance and development results. The responsibility for evaluation is shared by the PSC, CDB and the government and is an integral part of an ongoing review of project implementation on a quarterly, bi-annual and annual basis.

3.46 The tools are as follows:

(a) At the Programme Level:

- (i) A baseline study based on the Country PRAPs will be conducted to set realistic Programme targets.
- (ii) AWPB and APPR on actual and cumulative results achieved.
- (iii) MTE.
- (iv) Final Report of the Programme.

(b) At the Country Project Level:

- (i) The PRAP will be developed with baseline data, targets and indicators through a broad consultative process and approved by the Cabinet.
- (ii) The Reports linked to Appendix 3.12 at the times specified.
- (iii) Monitoring of sub-projects at the community level by the BNTFO will involve the use of Beneficiary Assessments and Community M&E tools. This M&E

system will measure the achievement of targets set by each sub-project for outputs and outcomes and provide both quantitative and qualitative information, including gender disaggregated data on the performance of each sub-project.

3.47 The M&E System will pay special attention to impact and consequential changes on the communities and groups such as women, youth and poor households, arising from implementation of sub-projects. It will also keep track of who is participating in each sub-project, the intensity of participation by different stakeholders and the factors that help or inhibit stakeholder participation. Suggested elements of a participatory M&E System are provided at Appendix 3.13.

3.48 The MIS will be enhanced for use across the participating BMCs to facilitate capture, storage and analysis of key project indicators and other relevant data on all aspects of the Project's performance and for the timely generation of project reports.

### **EXPECTED PROGRAMME PERFORMANCE RATING**

3.49 The expected composite score of the performance rating of the Programme, based on the six standard criteria of CDB's Project Performance Evaluation System is 6.6 or highly satisfactory. This rating implies that there is a very high probability that the Programme will achieve its development objectives and that Programme performance will be of a high standard. The Programme continues to be given high priority by BMCs and in CDB's Strategic Plan for the period. It is consistent with CDB's objectives and mission for poverty reduction. The LIS component is designed to enhance project performance and, with the increased emphasis on community participation for accountability and monitoring, it contributes to the objectives of CDB's strategy for good governance in project implementation. The Programme will also promote closer economic integration through joint action among the participating BMCs by sharing information on good practices and training activities. The details of the rating are included at Appendix 3.14 and a summary is provided at Table 3.2.

**TABLE 3.2: EXPECTED PROGRAMME PERFORMANCE RATING**

<b>Criteria</b>	<b>Expected Score</b>	<b>Brief Rationale for Expected Performance Score</b>
Strategic Relevance	7.5	The Programme is accorded very high priority by BMCs and in CDB's Strategic Plan. Previous performance has also attracted additional donor interest.
Poverty Relevance	9.0	The Programme is specifically targeted at improving the living conditions and welfare of the most vulnerable in the ten participating BMCs by increasing access to social services and economic infrastructure. It will contribute directly to poverty reduction through access to services, access to livelihoods, social cohesion, and by facilitating broad-based growth.
Efficacy	7.5	The Programme is expected to meet most of its programme objectives and policy objectives for compliance standards. Specific mechanisms have been included in the Programme design to address each objective.
Cost Efficiency	5.5	Though the least cost approach will be used in infrastructure development, costs associated with in kind contribution of communities in meetings, project design, project monitoring and networking are significant costs to be valued. They also provide additional social benefits.
Institutional Development Impact	6.0	Several mechanisms have been included in the Programme design to develop institutional capacity at the local level for good governance and greater project impact. These include: additional expertise at CDB and a PE in BNTFOs, skills for implementation, training for BNTF staff, stakeholders and the PSC, project launch meetings in each BMC, preparation and use of a PRAP, OM, AWPB, electronic MIS, tools for M&E, integration of gender and environmental sustainability and an improved BNTFO to provide easier access to potential project beneficiaries to access project resources and to obtain enhanced productivity of BNTF staff.
Sustainability	5.5	The risk to full realisation of project benefits is low. CDB and BMCs are fully committed to the Programme and BMCs place a high priority on providing counterpart funding and staff to implement the projects to ensure maximum outputs. However, exogenous factors and the macro-economic climate may make it difficult for BMCs to provide funding because of reduced revenues.
Composite Score	6.6	This means that the performance of the Programme is expected to be highly satisfactory.

#### **4. PROGRAMME FUNDING**

##### **SDF CONTRIBUTION TO BNTF 6**

4.01 Contributors to SDF 6 supported a strong emphasis on those programmes where CDB's continuing evaluation work shows a strong relationship with poverty reduction and broad-based economic growth with emphasis on:

- (a) enhancement of capabilities of people who are poor or vulnerable to poverty;
- (b) reduction of vulnerability of deprived social and population groups; and
- (c) good governance, to support poverty reduction and broad based growth.

4.02 In this respect, contributors made an allocation of \$32 mn for the BNTF Programme [refer to SDF Paper "Replenishment of the Resources of the Special Development Fund (SDF 6) - Resolution and Report of Contributors on SDF 6"]. This allocation continues the substantial support to the ten BMCs, from early contributions.

4.03 The total Programme funding is estimated to be \$41.475 mn, with the 10 beneficiary Governments providing \$9.475 mn to be committed over the period 2008 to 2011 and expended between 2009 and 2012. Table 4.1 is a summary of the Programme Budget.

**TABLE 4.1: PROGRAMME BUDGET**  
(\$'000)

<b>Components</b>	<b>Contribution by Governments</b>	<b>CDB</b>	<b>Total</b>
Country Projects	5,783	23,134	<b>28,917</b>
Local Project Management (Government) and Local Institutional Strengthening (CDB)	3,692	1,466	<b>5,158</b>
Technical Services	-	5,000	<b>5,000</b>
<b>Sub-total</b>	<b>9,475</b>	<b>29,600</b>	<b>39,075</b>
Regional Coordination	-	2,400	<b>2,400</b>
<b>Total</b>	<b>9,475</b>	<b>32,000</b>	<b>41,475</b>

##### **FUNDING RATIOS**

4.04 CDB will continue to apply the 80:20 formula in respect of sub-project costs where 20% remains as counterpart funding by all BMCs. Pro-poor policy interventions require additional skills, resources and partnerships with a variety of stakeholders to ensure that resources reach to the target group.

The increased interaction between the many stakeholders also requires more time and resources to ensure positive outcomes. In response to these constraints, it is therefore proposed that CDB:

- (a) continue to fund all costs for the Regional Programme Coordination component, but include additional resources for BNTF staff training and community capacity building;
- (b) continue to fund 100% of the cost of technical services needed in connection with sub-projects; and
- (c) increase funding of the LIS component by 33.24% to 1.466 mn which considers the historical inflation rates for each BMC over the period 2002-2007 and includes support to local staff costs and BNTFO overheads (see Appendix 4.1). This represents 5.95% of CDB's contribution to Country Component costs.

4.05 A minimum of 7% and 20% of resources for sub-projects has been budgeted for skills training and small sub-projects respectively, and the remainder for large sub-projects. The funding ratios CDB: BMC, are reflected in the Financing Tables. Appendix 4.2 shows the country components by funding source and the individual amounts by project components to be provided by Governments and CDB respectively.

**SDF 6 COUNTRY ALLOCATION FORMULA FOR BNTF 6**

4.06 A sum of \$24.6 mn of BNTF 6 allocation of \$32 mn has been allocated to the 10 beneficiary countries on the same basis of the SDF 6 resource allocation strategy approved during SDF 6 negotiations and used to allocate BNTF 6 resources (as stated in the paper cited in paragraph 4.02 above). The distribution takes into account needs, vulnerability, population, GDP per capita, performance/readiness, including the BNTF portfolio performance scores and a judgement on each BMC Poverty Reduction Effectiveness Situation. The distribution ratios are reflected in Table 4.2.

**TABLE 4.2: SDF 6 DISTRIBUTION PERCENTAGE FOR BNTF 6**

<b>Country</b>	<b>BZE</b>	<b>DOM</b>	<b>GRN</b>	<b>GUY</b>	<b>JAM</b>	<b>MON</b>	<b>SKN</b>	<b>STL</b>	<b>SVG</b>	<b>TCI</b>
Distribution %	11.2	9.3	7.2	27.3	17.5	4.4	3.5	11.1	7.2	1.3

**MTE**

4.07 The MTE of the Programme, to be conducted by independent consultants, within two years of satisfaction of conditions precedent of the Grant Agreements, on the following three broad performance criteria:

- (a) Effectiveness: Assessment of country performance in relation to achievement of objectives and targets as defined in the PRAP and the integration of cross cutting issues.
- (b) Quality of Sub-Projects: Assessment of community participation and prospects for maintenance.
- (c) Efficiency: Capacity to implement resources in an efficient manner.

4.08 The Programme components and financing plan is shown at Table 4.3 and the distribution of BNTF 6 funding allocations by country project components and financing plan follows at Table 4.4.

## **COUNTERPART FUNDING**

4.09 The Governments of beneficiary countries have continued to accord the BNTF very high priority for providing counterpart funding and for other local management and administrative expenses. These costs are estimated for the implementation period of five years, shorter than the previous programme. In keeping with the recommendation for full accounting, accountability and transparency, all local administrative costs have been estimated and included in the Programme budget. The total local management costs therefore include: estimates for BNTFO staff (some on a part-time basis), PSC activities, office accommodation, equipment and maintenance, travel, utilities including internet access and communications, and public relations in connection with sub-project/activities. These are estimated to be \$5.158 mn over the five-year implementation period.

4.10 The beneficiary Governments will make their counterpart contributions to the project in cash, as funds are required for disbursement to contractors and suppliers over the Programme implementation period. In order to ensure timely implementation, they will be required to deposit their contributions in the existing BNTF accounts they operate at commercial banks, by March 31, of each year from 2009 to 2012, unless CDB otherwise agrees. All sub-project funds will be contributed to the account in installments. Disbursement projections will be based on the expenditure and disbursement patterns over the life of the Programme. To finance the Programme, it is expected that Governments will provide the local counterpart contribution as required. CDB's contributions will be provided on a pro-rata basis as disbursements are made on a reimbursement basis, unless CDB otherwise agrees. The estimated annual local sub-project counterpart contributions are based on the pattern of expenditure of BNTF 5 and are set out in Appendix 4.3.

**TABLE 4.3: PROGRAMME COMPONENTS AND FINANCING PLAN**  
(\$'000)

Programme Components	BNTF 6 Allocation	Financing Plan		% of Total Programme Funds
		CDB	Governments	
<b><u>A. Country Projects:</u></b>				
A1 Large sub-projects (> \$50,000 < \$500,000) <sup>1/</sup>	21,110	16,888	4,222	50.9
A2 Small sub-projects (<= \$50,000) <sup>2/</sup>	5,783	4,627	1,156	13.9
A3 Skills Training sub-projects	2,024	1,619	405	4.9
A4 Technical Services	5,000	5,000	-	12.1
<b>Sub-Total</b>	<b>33,917</b>	<b>28,134</b>	<b>5,783</b>	<b>81.8</b>
A5 LIS	1,466	1,466	-	3.5
<b>Sub-Total</b>	<b>35,383</b>	<b>29,600</b>	<b>5,783</b>	<b>85.3</b>
A6 Local Project Management (BMCs)	3,692	-	3,692	8.9
<b>Sub-Total A</b>	<b>39,075</b>	<b>29,600</b>	<b>9,475</b>	<b>94.2</b>
<b><u>B. CDB Regional Coordination:</u></b>				
B1 Project Launch Workshops	150	150	-	0.4
B2 Training and Attachments	150	150	-	0.4
B3 Travel and Per Diems	375	375	-	0.9
B4 Administrative Support	480	480	-	1.2
B5 MTE and Seminar	300	300	-	0.7
B6 Regional Programme Support	645	645	-	1.5
B7 M&E	100	100	-	0.2
B8 Contingencies	200	200	-	0.5
<b>Sub-Total B</b>	<b>2,400</b>	<b>2,400</b>	<b>-</b>	<b>5.8</b>
<b>Grand Total</b>	<b>41,475</b>	<b>32,000</b>	<b>9,475</b>	<b>100.0</b>

<sup>1/</sup> In the case of Jamaica, large infrastructure sub-project costs exceed \$200,000 but do not exceed \$500,000.

<sup>2/</sup> In the case of Jamaica, small infrastructure sub-project costs do not exceed \$200,000.

**TABLE 4.4: PROGRAMME COMPONENTS BY COUNTRY AND FINANCING PLAN**  
(\$'000)

Programme Components	Project Components						Financing Plan		
	Large Sub-projects	Small Sub-projects	Skills Training Sub-projects	Local Institutional Strengthening	Local Project Management	Other	Total	Governments	CDB
<u>Country Projects:</u>									
Belize	2,404	659	230	126	413		3,832	1,072	2,760
Dominica	1,935	530	185	163	542		3,355	1,072	2,283
Grenada	1,474	404	141	154	421		2,594	824	1,770
Guyana	5,869	1,608	563	278	425		8,743	2,033	6,710
Jamaica	3,765	1,032	361	172	-		5,330	1,032	4,298
Montserrat	903	247	87	96	140		1,473	387	1,086
St. Kitts and Nevis	670	184	64	130	401		1,449	585	864
St. Lucia	2,311	633	222	199	709		4,074	1,342	2,732
St. Vincent ant the Grenadines	1,499	409	144	138	476		2,666	886	1,780
Turks and Caicos Islands	280	77	27	10	165		559	242	317
<b>Sub-Totals</b>	<b>21,110</b>	<b>5,783</b>	<b>2,024</b>	<b>1,466</b>	<b>3,692</b>		<b>34,075</b>	<b>9,475</b>	<b>24,600</b>
<u>Technical Services:</u>									
Belize						245	245	-	245
Jamaica						480	480	-	480
Other BMCs						4,275	4,275	-	4,275
<b>Country Totals</b>	<b>21,110</b>	<b>5,783</b>	<b>2,024</b>	<b>1,466</b>	<b>3,692</b>	<b>5,000</b>	<b>39,075</b>	<b>9,475</b>	<b>29,600</b>
Regional Coordination						2,400	2,400	-	2,400
<b>Total</b>	<b>21,110</b>	<b>5,783</b>	<b>2,024</b>	<b>1,466</b>	<b>3,692</b>	<b>7,400</b>	<b>41,475</b>	<b>9,475</b>	<b>32,000</b>

Note: Errors due to rounding.

## **5. PROGRAMME IMPACT AND RISKS**

### **BENEFITS**

5.01 BNTF financing of social and economic infrastructure, skills training and community-based capacity-building sub-projects, will help increase community assets and develop the human resource potential within communities to improve livelihoods and social conditions. Community groups will be better able to prepare, manage and sustain community level projects. Beneficiary communities will be equipped with the skills to develop solutions and strategies to mitigate their vulnerability and lay foundations for long-term development. By financing small infrastructure projects, resources are available from Ministry budgets to finance capital projects and improve policy making. By working closely with the BNTFO and implementing Ministries, there is a transfer of procedures and processes for transparency, accountability and efficient standards of operations.

5.02 The Programme is expected to improve living conditions in communities by increasing assets and employability through infrastructure and skills training. Programme modalities such as targeting, community participation and the quality of assessments, will be enhanced to contribute to the achievement of targeted milestones. It is envisaged that there will be improvements in project outcomes and sustainability of those outcomes. Major benefits to targeted beneficiaries and their communities include improved access to services, products and markets. Improvements in social infrastructure facilities will result in improved quality of care for children and vulnerable persons. By improving health facilities and services there is an expected increase in health care delivery and reduced vulnerability to diseases, especially those for which treatment is available through primary health care services. Lower levels of morbidity rates and reduced incidence of diseases are anticipated as sanitary facilities through improved water systems. Improved organisational capacities in targeted communities will increase community morale and enable residents to mobilise additional resources and participate more meaningfully in the decision making. These approaches will engage the participation of beneficiary groups and stakeholders for greater ownership and sustainability as well as contribute to their capabilities in long-term development efforts.

5.03 BNTF's focus on providing basic infrastructure, inclusive of productivity related infrastructure and technology, will continue to support activities in the social, economic and rural sectors and stimulate demand for construction services particularly from small contractors. Through workshops, contractors are expected to realise significant improvements in the quality of their work, and in related bid and contract documents. Opportunities will exist for skilled workers to gain employment during the construction phase of the sub-projects. Investments in the skills training programmes will enhance beneficiaries' potential for economic activity and employment.

5.04 CDB's contribution will improve the efficiency and effectiveness in public investments through a more comprehensive targeted approach to poverty reduction, greater autonomy given to BMCs for procurement of consultants for small projects and consultation among State, community/NGOs and the Private Sector. The management of the project will be improved by increased staffing at CDB and within the BNTFO. Measures to improve the operations of technical consultants and provide knowledge and technical support to the PSC and BNTFO staff will improve the efficiency and effectiveness of the programme. The OM will specify standard operational procedures and provide effective guidance of staff. The more holistic approach to poverty reduction, including the piloting of the integrated community sub-project and reflected in PRAP, will increase the development impacts of the Programme. MIS will be enhanced to support the requirements for M&E and for more detailed project reporting.

5.05 Based on the historical performance of the Programme, it is estimated that benefits will accrue to 600,000 direct beneficiaries are persons in 200 communities from a total of 400 sub-projects.

### **SOCIO-ECONOMIC IMPACT**

5.06 In addition to providing improvements in social and economic infrastructure and assets in deprived communities, the implementation of sub-projects would continue to:

- (a) increase the capabilities of those living in poor communities through the expansion of education, health and other social services, creation of opportunities for employment and access to skills, knowledge and information;
- (b) have a direct impact on the reduction of poverty through: dedicated skills-building projects designed to increase or enhance employability with an emphasis on youth and women; sub-projects that facilitate agricultural diversification, application of new technologies and increased agricultural output with a focus on the rural sector; and economic diversification through support provided to micro and small-enterprise development;
- (c) preserve local culture and tradition through the provision of training and establishment of handicraft centres and community markets;
- (d) strengthen communities and their organisational structures to facilitate meaningful participation in decision-making and in the formulation of policies which affect communities and national development;
- (e) strengthen social protection systems in communities by reducing vulnerability to poverty and improving households' access to public goods and services, and market opportunities; and
- (f) enhance social inclusion and gender equity by increasing access of diverse individuals and groups to development opportunities and strengthen capabilities in the form of human and social capital.

### **PROJECT RISKS**

5.07 The overall success of the project at the country level is based on a number of important assumptions, as given in the logframe, about the internal and external environments of the project. The major areas of risk to the successful implementation and operation of the project and the sub-projects are as follows:

- (a) *Some Governments may be unable to provide counterpart funding for sub-project operations and implementation*

This risk is mitigated by the contribution of 80% by the Programme to sub-project activity and significant additional support for institutional strengthening of the BNTFO.

- (b) *Limited availability of consultants to provide technical services.*

More emphasis will be placed on supervision of the design process and implementation of sub-projects. CDB will market the Programme across BMCs through professional associations and regional development organisations. In the case of infrastructure sub-

projects, given their small size, Programme approaches will be geared towards making consultancies attractive to available consultants. A strategy developed for implementing the skills training component will identify sub-sectors to be considered, the type of expertise needed and the implementing arrangements. The Programme provides the resources for strengthening implementing arrangements; build capacity of implementing institutions and further resources for targeted interventions. CDB will engage the services of a Social Analyst and other such expertise required to augment performance in this component.

- (c) *There is the risk that the anticipated level of community participation in the sub-project cycle is not realised.*

This risk is mitigated by providing additional resources for community capacity-building activities with a focus on networking, monitoring, management and maintenance.

- (d) *Limited knowledge of the Programme and ineffective partnerships among key country stakeholders will hinder implementation.*

To mitigate this risk, a strategy for building partnerships among government officials, community stakeholders and development agencies will be implemented. Continued sharing of knowledge on the Programme and guidance for PSC members will be provided in the initial stages of BNTF 6 to ensure that they are better able to fulfill their role. Country supervision visits by CDB staff will deepen this awareness.

- (e) *Incremental changes to expand accountability to BMCs may slow performance in the short term.*

Where increased staffing is proposed, Governments' regulations on staffing, speed of recruitment and level of salaries must be taken into account. To mitigate this risk, additional resources are provided in the LIS component of the Programme as a contribution to administrative costs, staff remuneration and technical skills.

## **6. TERMS AND CONDITIONS**

6.01 It is recommended that the Board approve the Sixth Phase of the BNTF Programme (BNTF 6) as outlined in Chapters 3 and 4 of this Report.

6.02 It is further recommended that the Board approve:

- (a) subject to the approval of the Contributors to SDF 6, the inclusion of the Government of Jamaica as an eligible Government for the purposes of BNTF 6; and
- (b) Grants to the Governments of the BMCs eligible to participate in BNTF 6, (the Eligible Governments) in the amounts set out in Appendix 6.1 to this Report on CDB's standard terms and conditions and on the following terms and conditions:
  - (1) **Disbursement:**
    - (a) The first disbursement of each Grant shall be made by August 1, 2009, and each Grant shall be fully disbursed by December 31, 2012, or such later dates as may be specified in writing by CDB.
    - (b) Except as CDB may otherwise agree, not less than seven percent (7%) and twenty percent (20%) of each Grant shall be disbursed in respect of skills training sub-projects and small sub-projects, respectively.
    - (c) Disbursement shall only be made in respect of sub-projects meeting the selection criteria set out in Appendix 3.2 to this Report.
    - (d) CDB shall not disburse more than eighty percent (80%) of the estimated cost of any sub-project.
  - (2) **Procurement:** Procurement shall be in accordance with the procedures set out and/or referred to in each Grant Agreement. The Procurement Plan set out in Appendix 3.11 was approved by CDB for the purpose of each Grant. Any departure therefrom shall require the prior written consent of CDB.
  - (3) **Conditions Precedent to First Disbursement of Grant to each Eligible Government except Jamaica:**
    - (a) The PSC referred to in sub-paragraph (6)(d)(ii)(bb)(i) below shall have been established.
    - (b) The PSC shall have adopted the OM referred to in sub-paragraph (6)(d)(ii)(iv) below.
  - (4) **Condition Precedent to First Disbursement of Grant to Jamaica:**
    - (a) The Board of Directors of the Jamaica Social Investment Fund (BOD of JSIF) shall adopt the OM referred to in sub-paragraph (6)(d)(ii)(iv) below.

(5) **Conditions Precedent to First Disbursement of Grant with respect to each Sub-Project:**

- (a) Prior to disbursements in respect of any sub-project financed by any Grant except the Grant to Jamaica:
  - (i) CDB shall be satisfied that the sub-project has been prepared in conformity with the format set out in the OM and approved by the PSC; and
  - (ii) CDB shall have given:
    - (aa) its “no objection”, in the case of a sub-project, the estimated cost of which does not exceed fifty thousand dollars (\$50,000) (a small sub-project); or
    - (bb) its “approval”, in the case of a sub-project, the estimated cost of which exceeds \$50,000 but does not exceed \$500,000 (a large sub-project).
  
- (b) Prior to disbursements in respect of any sub-project financed by the Grant to Jamaica:
  - (i) CDB shall be satisfied that the sub-project was prepared in conformity with the format set out in the OM referred to in sub-paragraph (6)(d)(ii)(iv) below and approved by the BOD of JSIF; and
  - (ii) CDB shall have given:
    - (aa) its “no objection”, in the case of:
      - (i) a sub-project in respect of training, institutional strengthening or capacity development, the estimated cost of which is fifty thousand dollars (\$50,000) or less; and
      - (ii) any other sub-project the estimated cost of which is two hundred thousand dollars (\$200,000) or less; or
    - (bb) its “approval”, in the case of:
      - (i) a sub-project for training, institutional strengthening or capacity development, the estimated cost of which exceeds fifty thousand dollars \$50,000 but does not exceed \$500,000; or
      - (ii) any other sub-project, the estimated cost of which exceeds two hundred thousand (\$200,000) but does not exceed five hundred thousand dollars (\$500,000).

(6) **Other Conditions:**

- (a) Except as CDB may otherwise agree, each Eligible Government shall, during the lifetime of BNTF 6:
  - (i) maintain an account at a commercial bank acceptable to CDB, through which all activities under the Project, and only such activities, will be financed; and
  - (ii) pay into such account, in accordance with the date and instalment schedule set out in Appendix 4.3, the respective amounts set out in Appendix 4.2.
- (b) The account maintained by JSIF on behalf of GOJ shall be operated in accordance with the terms and conditions set out in Appendix 6.2.
- (c) JSIF shall establish and during the implementation period of the Project maintain internal controls acceptable to CDB for the proper operation of the account.
- (d) Except as CDB may otherwise agree, each Eligible Government shall:
  - (i) contribute to the Project an amount not less than the respective amounts set out in Appendix 6.1, which shall include the amounts to be paid into the account referred to in paragraph (6)(a)(i) above;
  - (ii) during the lifetime of BNTF 6 maintain:
    - (aa) in the case of Jamaica, BOD of JSIF which shall be responsible for executing the Project on behalf of GOJ; and
    - (bb) in the case of the other Eligible Governments:
      - (i) PSC, with the composition set out in paragraph 3.21 above, or such other composition as may be acceptable to CDB, to perform the functions set out at Appendix 3.4 to this Report; and
      - (ii) BNTFO, with the composition and functions set out in paragraph 3.23 above;
  - (iii) by June 30, 2009, prepare/revise the PRAP in form and substance acceptable to CDB to be used as a guide for allocating resources and for poverty reduction initiatives under the Project;
  - (iv) prepare/revise the OM jointly with CDB for use in the implementation of BNTF 6;
  - (v) engage the services of a PE whose qualification and experience are acceptable to CDB to provide the services specified in the TOR set out in Appendix 3.8 within six (6) months of the satisfaction of conditions precedent of the Grant, or such later date as CDB may agree;

- (vi) facilitate and make all necessary arrangements in consultation with CDB for a MTE of BNTF 6 and the Project to be conducted by independent consultants, beginning within two (2) years of the satisfaction of conditions precedent to first disbursement of the Grants or such later date as CDB may agree. Each Eligible Government shall ensure that the recommendations resulting from the MTE are implemented within the time specified thereof and to the satisfaction of CDB; and
  - (vii) by April 30, in each year, engage independent auditors acceptable to CDB, to perform an annual performance audit of the Project, which shall include a financial audit of the account referred to in paragraph (6)(a)(i).
- (e) Except as CDB may otherwise agree, each Eligible Government shall procure that BNTFO/JSIF:
- (i) by November 30, in each year, submit to CDB for comments and to PSC/JSIF's BOD for approval, a draft AWPB specifying the activities to be undertaken in the following year, the expected developmental outputs/results and the budgeted costs on which contracts/expenditure will be based;
  - (ii) by January 31, in each year, submit to CDB a draft APPR outlining activities undertaken in the previous year, output and outcome results, variances and development impacts;
  - (iii) support the MIS and web technologies through internet connection and access to CDB's extranet, to be utilised by BNTFO/JSIF staff for recording, tracking and monitoring of Project activities and expenditure, information sharing and research; and
  - (iv) furnish or caused to be furnished to CDB the reports listed in Appendix 3.11 to this Report in such form or forms as CDB may require, not later than the dates/periods stated for so doing.
- (f) CDB shall have the right to suspend or terminate the right of PSC or in the case of Jamaica, BOD of JSIF to approve small sub-projects should CDB not be satisfied with the manner in which such right is being exercised, or for any other reason concerning the implementation or administration of the Project.

6.03 It is further recommended that the Board authorise the President to approve, on behalf of CDB:

- (a) large and small sub-projects which are eligible for financing in accordance with BNTF 6;
- (b) additional grants to the Eligible Governments of up to four million two hundred and seventy-five thousand dollars (\$4,275,000) in the aggregate, from the SDF 6 allocated to BNTF 6 (the BNTF Resources) to finance the engagement of independent engineering/architectural consultants, on the basis of operations audits of Project performance, on CDB's standard terms and conditions and on the terms and conditions set out in paragraph 6.02 above; and

- (c) approve the use of funds from BNTF resources:
  - (i) not exceeding the equivalent of five million dollars (\$5,000,000) in the aggregate to finance the engagement of independent architectural/engineering consultants to prepare/review designs of infrastructure sub-projects and to manage the implementation of approved work within agreed terms and conditions as may be required for implementation of BNTF 6; and
  - (ii) not exceeding the equivalent of two million four hundred thousand dollars (\$2,400,000) in the aggregate for regional coordination of BNTF 6, including the engagement of independent consultants to perform the MTE.

## THE BNTF PROGRAMME

Item	First Programme	BNTF 2	BNTF 3	BNTF 4	BNTF 5 <sup>1/</sup>	Total
Date of BOD's Approval	June 1979	April 1984	May 1992	May 1996		
Participating Governments	Belize, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Antigua & Barbuda and Barbados <sup>2/</sup>	Belize, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Antigua & Barbuda, British Virgin Islands and Turks & Caicos Islands	Belize, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines, Turks & Caicos Islands and Guyana	Belize, Commonwealth of Dominica., Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Turks & Caicos Islands and Guyana	Belize, Commonwealth of Dominica., Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Turks & Caicos Islands, Guyana and Jamaica	-
No. of participating countries	9	11	9	9	10	-
Funding (\$ mn):						
USAID	18.5	19.7	-	1.4		39.6
CIDA					24.8	24.8
CDB Grant	8.0	8.5	15.0	18.0	32.0	81.5
CDB Loan	2.0	-	-	-		2.0
Government Counterpart	-	-	6.3	7.9	13.7	27.9
<b>Total Funding</b>	<b>28.5</b>	<b>28.2</b>	<b>21.3</b>	<b>27.3</b>	<b>70.5</b>	<b>175.8</b>
No. of Sub-projects implemented	100	276	175	796	529	1,876
- Large sub-projects	100	276	175	210	218	979
- Small sub-projects	-	-	-	586	231	817
- Skills Training sub-projects	-	-	-	-	80	80
Direct Beneficiaries (no.) <sup>3/</sup>	297,500	328,000	520,624	539,933	672,808	2,358,865
Skills Training Beneficiaries	-	-	-	4,900	18,582	23,482
No. of Person-weeks of employment generated	110,000	110,034	34,000	160,074	75,947	490,055

<sup>1/</sup> Status of BNTF 5 as of May 31, 2008

<sup>2/</sup> Loan

<sup>3/</sup> Variation in numbers due mainly to mix of sub-project types implemented

**STATUS OF BNTF 5 PROGRAMME AS AT MAY 31, 2008**

(\$)

ITEM/COUNTRY		BZE	DOM	GRN	GUY	JAM	MON	SKN	STL	SVG	TCI	TOTAL	PERCENT
<b>Country Components Approved by BOD</b>													
A1	Large Sub-Projects	5,242,965	2,817,690	2,466,935	10,455,794	2,712,931	1,633,862	1,715,793	4,357,759	3,488,862	1,177,241	36,069,832	75.8
A2	Small Sub-Projects	787,000	410,000	105,010	1,566,000	-	241,000	247,000	644,000	517,000	174,000	4,691,010	9.9
A3	Skills Training Sub-Projects	414,656	221,586	0	827,310	138,793	128,965	134,276	343,104	274,965	92,896	2,576,551	5.4
A6	LIS	105,203	144,797	150,000	202,646	16,552	82,850	103,898	175,123	114,667	38,940	1,134,676	2.4
A7	Local Project Management	346,000	484,000	405,677	309,000	-	120,000	321,000	625,000	396,000	131,000	3,137,677	6.6
	<b>TOTAL</b>	<b>6,895,824</b>	<b>4,078,073</b>	<b>3,127,622</b>	<b>13,360,750</b>	<b>2,868,276</b>	<b>2,206,677</b>	<b>2,521,967</b>	<b>6,144,986</b>	<b>4,791,494</b>	<b>1,614,077</b>	<b>47,609,746</b>	<b>100.0</b>
<b>Funding Sources</b>													
	Counterpart Funding	1,634,724	1,173,655	405,677	2,878,621	570,345	520,965	739,414	1,694,173	1,251,965	419,827	11,289,366	23.7
	CDB (BOD Approved Grant) <sup>1/</sup>	5,261,100	2,904,418	2,721,945	10,482,129	2,297,931	1,685,712	1,782,553	4,450,813	3,539,529	1,194,250	36,320,380	76.3
	CDB as % of Total for Country	76	71	87	78	80	76	71	72	74	74		76
	CDB Performance Incentive to be Allocated	1,118,368	961,951	707,001	2,944,547	887,773	567,085	417,723	1,397,833	821,274	176,445	10,000,000	
<b>Cumulative Commitments (Sub-projects and LIS)</b>													
	TOTAL COST	7,272,325	2,947,451	3,972,616	13,641,378	3,315,526	1,535,419	1,762,986	6,206,260	3,716,508	1,149,355	45,519,824	
	CDB	5,562,100	1,999,721	3,566,939	10,706,430	2,655,731	1,148,904	1,157,001	4,500,032	2,624,211	822,472	34,743,541	
	CDB % Commitment of BOD Approved	106	69	131	102	116	68	65	101	74	69		96
<b>Cumulative Disbursement (Sub-projects and LIS)</b>													
	CDB Amount Disbursed	3,385,606	514,288	2,186,628	7,309,542	1,840,267	640,207	417,013	2,061,507	355,232	48,885	18,759,173	
	CDB % Disbursed of BOD Approved	61	26	61	68	69	56	36	46	14	6		54
<b>Analysis of Large Sub-projects Approved<sup>2/</sup></b>													
	CDB Grant Commitments	4,481,209	1,289,765	3,302,758	8,815,607	572,869	978,626	920,378	3,674,275	2,485,902	691,728	27,213,117	
	Number Approved	30	18	21	90	3	4	11	26	14	2	219	
	Average cost	149,374	71,654	157,274	97,951	190,956	244,657	83,671	141,318	177,564	345,864	124,261	
	No. of beneficiaries	31,809	12,714	364	206,753	5,731	2,435	6,148	62,904	4,046	193	333,097	
<b>Analysis of Small Sub-projects Approved<sup>3/</sup></b>													
	CDB Grant Commitments	418,318	462,448	114,181	1,500,789	1,937,859	36,000	75,603	374,572	23,642	54,800	4,998,211	
	Number Approved	47	30	6	100	21	2	3	18	1	2	230	
	Average cost	8,900	15,415	19,030	15,008	92,279	18,000	25,201	20,810	23,642	27,400	21,731	
	No. of beneficiaries	14,254	29,175	2,399	154,299	78,677	265	1,735	31,760	780	26,367	0	
<b>Analysis of Skills Training Sub-projects Approved</b>													
	CDB Grant Commitments	557,370	102,711	-	187,388	128,451	51,428	57,122	276,062	-	37,004	1,397,536	
	Number Approved	13	22	-	8	13	4	5	13	-	2	80	
	Average cost	42,875	4,669	-	23,424	9,881	12,857	11,424	21,236	-	18,502	17,469	
	No. of beneficiaries	8,534	857	-	1,096	5,051	114	187	2,393	-	350	18,582	

<sup>1</sup> CDB (BOD Approved Grant) reflects actual amounts as per Grant Agreement, varying rates were used in applying CIDA contribution (CAD to USD) for Board Paper and Grant Agreements

<sup>2</sup> For the purposes of analysis, large sub-project costs exceed \$35,000 but do not exceed \$500,000

<sup>3</sup> For the purposes of analysis, small sub-project costs do not exceed \$35,000

**BNTF 5 CUMULATIVE GRANT APPROVALS BY SECTOR**

<b>BMCs</b>	<b>Access</b>	<b>Community Markets</b>	<b>Day Care Centres</b>	<b>Education Facilities</b>	<b>Health Facilities</b>	<b>Maintenance</b>	<b>Skills Training</b>	<b>Water Supply Systems</b>	<b>Total</b>
Belize	458,184	262,654	70,350	1,316,813	143,412	294,662	557,370	2,353,452	<b>5,456,897</b>
Dominica	597,995	-	-	564,408	272,691	-	102,711	317,119	<b>1,854,924</b>
Grenada	-	-	-	2,780,001	486,938	-	-	150,000	<b>3,416,939</b>
Guyana	2,214,642	509,772	-	2,614,882	1,498,744	-	187,388	3,478,356	<b>10,503,784</b>
Jamaica	-	-	-	2,335,574	175,154	-	128,451	-	<b>2,639,179</b>
Montserrat	180,594	400,000	-	282,130	143,902	8,000	51,428	-	<b>1,066,054</b>
St. Kitts & Nevis	206,211	-	-	554,289	235,481	-	57,122	-	<b>1,053,103</b>
St. Lucia	838,619	133,098	73,130	863,747	873,051	-	276,062	1,267,202	<b>4,324,909</b>
St. Vincent and the Grenadines	1,125,125	-	300,000	1,084,419	-	-	-	-	<b>2,509,544</b>
Turks and Caicos Islands	-	-	27,872	718,656	-	-	37,004	-	<b>783,532</b>
<b>Total</b>	<b>5,621,370</b>	<b>1,305,524</b>	<b>471,352</b>	<b>13,114,919</b>	<b>3,829,373</b>	<b>302,662</b>	<b>1,397,536</b>	<b>7,566,129</b>	<b>33,608,864</b>
Percent	17	4	1	39	11	1	4	23	100

**BNTF 5 ACTION PLAN TO JUNE 2010**

<b>ACTION</b>	<b>TIME</b>	<b>RESPONSIBILITY</b>
<p>Progress on strengthening compliance with gender equality and environmental sustainability:</p> <ul style="list-style-type: none"> <li>Regional Workshop on Environmental Impact Assessments. Practical Approaches.</li> </ul>	September 30, 2008	CDB
Identify priorities and strategy for BNTF support to skills training for income generation, productive activities and improved delivery of services.	October 31, 2008	CDB
<p>Strengthen Monitoring and Evaluation system. Key milestone:</p> <ul style="list-style-type: none"> <li>M&amp;E framework for monitoring outputs and assessment of BNTF5 (country and regional).</li> </ul>	December 31, 2008	CDB
Community capacity building requirements to strengthen community participation, planning, implementation and monitoring, sustainability and policy formulation.	February 28, 2009	CDB
Undertake an Innovation Maintenance Study and host maintenance conference to improve the maintenance response of BMCs and beneficiary communities.	June 1, 2009	CDB
Undertake a Results-Based Management consultancy to improve Programme reporting.	April 30, 2009	CDB
Conduct an audit of institutional arrangements and programme operations in BMCs and at CDB.	July 31, 2009	CDB

**BNTF 6 RESULTS FRAMEWORK**

OUTCOME RESULTS	INDICATORS	RESPONSIBILITY
<b>To support targeted capacity building at the regional and country level</b>		
<p>Strengthened operational capability in BNTFOs through:</p> <ul style="list-style-type: none"> <li>• Identification and procurement of PE or alternative arrangements found satisfactory to CDB.</li> <li>• Strengthened institutional arrangements and more efficient operations.</li> <li>• Strengthened capabilities of staff.</li> </ul>	<ul style="list-style-type: none"> <li>• PE identified and approved by each BMC in the first six months of Programme.</li> <li>• BNTFO or arrangement satisfactory to BMCs with improved standards of operations for efficiency and effectiveness by June 2009.</li> <li>• No. of immersion and other training sessions conducted for staff, PSC and key stakeholders in procedures and processes as needed.</li> </ul>	CDB
<p>Increased sharing of knowledge and information across the Programme.</p>	<ul style="list-style-type: none"> <li>• Two “Communities of Practice” established with support of CDB’s Information and Technology Management Services Division by March 2009.</li> <li>• CBD BNTF website information updated monthly.</li> <li>• Re-branding strategy developed and implemented by December 2009.</li> </ul>	CDB BNTFOs
<p>Programme documentation in alignment with new Programme design and modalities.</p>	<ul style="list-style-type: none"> <li>• Documentation (OM and ancillary documentation) reviewed and approved for consistency with new program approaches and disseminated to BMCs by November 2008.</li> <li>• On-line formats of Programme documentation available to stakeholders by December 2009.</li> </ul>	CDB

<b>OUTCOME RESULTS</b>	<b>INDICATORS</b>	<b>RESPONSIBILITY</b>
<b>To support targeted capacity building at the regional and country level</b>		
Improved quality of assessments and problem analyses for subproject preparation, financial management and monitoring.	<ul style="list-style-type: none"> <li>• No. of training opportunities to strengthen capabilities of different groups of staff and stakeholders, annually.</li> <li>• No. of consultations for knowledge sharing held with technical consultants, annually.</li> </ul>	CDB
Increased participation by communities across the project cycle and for maintenance.	<ul style="list-style-type: none"> <li>• No. of training programs delivered to community groups by type and participation by sex, annually.</li> <li>• No. of community networks established in six BMCs, annually.</li> </ul>	CDB BNTFOs
<b>To implement BNTF Programme strategies and strengthen results based management</b>		
Information shared with BMCs on design, modalities and expected development impacts of BNTF6.	<ul style="list-style-type: none"> <li>• Ten Project launches to BMCs by November 2008.</li> </ul>	CDB
Monitoring and evaluation system guiding the achievement of targets at the country and Programme level.	<ul style="list-style-type: none"> <li>• Base-line study completed and results indicators developed by March 2009.</li> <li>• MIS capturing, storing and tracking data for further analysis by September 2009.</li> <li>• Staff identified and trained for maintenance of MIS system and generation of project M&amp;E reports by October 2009.</li> <li>• Sector and pilot impact assessments; case studies; lessons learned completed at specified times.</li> <li>• M&amp;E Reports completed and submitted as requested.</li> </ul>	CDB BNTFOs

<b>OUTCOME RESULTS</b>	<b>INDICATORS</b>	<b>RESPONSIBILITY</b>
Programme resources more efficiently targeted.	<ul style="list-style-type: none"> <li>No. of PRAPs revised and approved by March 2009.</li> <li>No. of Integrated Community Sub-projects identified in selected BMCs by February 2009.</li> </ul>	CDB BMC
<b>To implement BNTF Programme strategies and strengthen results based management</b>		
Increased participation by community groups in project formulation, management and policy formulation.	No. of CBOs successfully proposing and implementing development initiatives in coordination with governments.	CDB BNTFOs BMC
Continued enhancement of RBM in BNTF operations.	Processes and procedures linked to RBM reporting.	CDB BNTFOs
Improved targeting of BNTF resources to skills training and capacity building.	No. of skills training initiatives successfully implemented, annually.	CDB BNTFOs
<b>To strengthen partnerships to improve programme delivery and to strengthen development impact</b>		
Increase in integrated approaches to poverty reduction implementation.	No. of sub-projects prioritised through inter-sectoral dialogue and implemented annually.	CDB
Joint approaches by CDB Divisions and other specialists to community capacity building, DRM and environmental sustainability, gender equality and entrepreneurship development.	<ul style="list-style-type: none"> <li>No. of sub-projects proposed in collaboration with CDB specialists annually.</li> <li>No. of discrete sub-projects addressing gender equality, sustainability and DRR, annually.</li> </ul>	CDB
Increased compliance with quality standards and management for development results in specific Programme areas.	No. of sub-projects specifically targeted towards improving or establishing quality standards.	CDB BMC
Strengthened approaches to gender integration and integrated social programming in beneficiary communities.	No. of sub-projects specifically targeting women, youth and vulnerable groups proposed in collaboration with development partners, annually.	CDB BMC

**OUTLINE OF BNTF POVERTY REDUCTION ACTION PLAN**

**INTRODUCTION**

1.01 Since its establishment in 1970, CDB has put development and poverty reduction at the centre of its activities. This is important given that poverty, historically and contemporaneously, is a major concern in the Caribbean. Poverty levels in the Caribbean are relatively high and on average, one-third of the Caribbean Region's population is living below the poverty line.

1.02 The literature suggests that there are some distinctive features of Caribbean poverty which link to the volatility in markets, industry restructuring, and the consequential loss in income and human and social capital. Several CPAs<sup>1/</sup> financed by CDB and other development partners highlight that poverty in the Region is more extensive in rural and marginal areas where the poor are engaged in primary production occupations such as agriculture, fishing, mining and timber extraction. Urban poverty also presents some concern with persons in this group affected by high unemployment, low wage occupations and the informalisation of self employment. In addition, fluctuations of prices in international markets, coupled with the risks of natural hazards increase income vulnerability of rural households. Other groups such as indigenous people, older persons (particularly those living alone), school-aged youth and households with large numbers of youthful and elderly dependents are also prominently represented in the poverty statistics.<sup>2/</sup>

**COMMITMENT TO POVERTY REDUCTION**

1.03 In the late 1970's, the Bank's Borrowing Member Countries (BMCs) faced major financial setbacks leading to economic recession, significant social challenges and concomitantly increased levels of poverty. During 1979 in response to the socio-economic situation, CDB introduced and institutionalised the Basic Needs Trust Fund Programme BNTF in an effort to provide a new approach to poverty reduction to ensure that its investments could have greater direct and positive impact and meaning in the lives of the Region's poor. This programme is integral to the Bank's mission to systematically reduce poverty in its BMCs through social and economic development.

1.04 BMCs continue to demonstrate their commitment to poverty reduction and in 2000 adopted the MDGs Framework with the commitment to accelerate the collective campaign to reduce poverty within specific time frames. The MDGs provide a systematic approach to poverty reduction and emphasise the importance of harmonising data collection systems in order to address the issues of effective and sustained poverty monitoring and policy making. In addition, this approach enhances data comparability across the Region particularly as BMCs are required to report every five years at the global level on progress made towards achieving the MDGs.

1.05 The process of integrating the MDGs into National Development Plans and PRS of BMCs was catalysed with the adoption of Caribbean-specific targets and indicators in 2005.<sup>3/</sup> To date, with the further support of CDB and its development partners, BMCs are at varying stages of incorporating the regionalised targets and indicators into national development strategies.

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<sup>1/</sup> CDB has been supporting its BMCs to conduct CPAs since 1995.

<sup>2/</sup> CDB (2004), *Draft Poverty Reduction Strategy*: 2.

<sup>3/</sup> The MDGs global targets and indicators were localised/regionalised at a Regional workshop convened at CDB and jointly hosted by CDB and UNDP in 2005.

## **DESIGN FEATURES OF BNTF 5**

1.06 The BNTF is a poverty reduction programme which shifted direction from a focus on investment in small-scale infrastructure projects during its first three phases to the explicit aim of creating employment and providing quality social amenities. The social development thrust of the programme since inception of the Basic Needs Trust Fund – Fourth Programme (BNTF 4), has gradually intensified as the initiative has become a more overtly poverty reduction programme. BNTF 4 was enhanced with the introduction of a Skills Training component, aimed largely at out-of-school youth, and greater priority was given to sub-projects supporting child development. BNTF 5 continued on this path by introducing a ‘targeted, transparent, demand-led’ approach that sought the identification of at-risk groups more vulnerable to deprivation; and required their involvement in decision-making, sub-project implementation and management.

1.07 BNTF 5 reflected the current development principles and practice and attendant CDB corporate priorities on socially inclusive development and good governance which together significantly assisted in shaping its design and impacts on its operations. The BNTF programme is a community based participatory poverty reduction initiative that has positive impacts on the lives of the poorest people in communities. Its objectives are being pursued through:

- (a) **targeting** the poorest people and communities;
- (b) **engaging** individuals and communities as stakeholders in the development process;
- (c) requiring their **participation** in the full sub-project cycle;
- (d) responding to **demands** defined by communities; and
- (e) building the capacity for **sustained** development in communities.

1.08 New perspectives, methodologies and tools to deal particularly with the concept of ‘participation’ and ‘equity’ are being used to assist in transforming people from the dependent position of being passive ‘beneficiaries’ to active participants with rights and responsibilities in identifying and enhancing community assets. In addition, this integrated approach allows members of the community to participate as partners in development planning and in the establishment of standards during sub-project implementation, thereby enhancing sustainability. As a result of such transformation and empowerment, communities gain greater entitlement to have their voices heard and inputs valued; while accruing greater control over their contribution to the development process and consequently, in improving their life chances.

## **THEMATIC AREAS FOR BNTF 6**

1.09 A MTE of BNTF 5 was concluded in March 2008 and reported that despite relatively challenging start-up conditions, the programme performed adequately.<sup>4/</sup> One of the main conclusions drawn was that as a development programme aimed at addressing poverty reduction; BNTF 5 has the potential to demonstrate a good adhesion to the recently-developed criteria for aid effectiveness including ownership, reporting for results and accountability<sup>5/</sup>. Drawing on the findings and lessons learnt, elements were identified that could be included in BNTF 6 and recommendations at both the strategic and operational levels were made which emphasised among others, the need for greater integration of the programme.

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<sup>4/</sup> Mid-term Evaluation of the BNTF 5, Volume 1-Final Report (2008: vi). The report was prepared by the consulting firm Universalia.

<sup>5/</sup> Ibid.: vi.

1.10 Specifically, it was recommended that the BNTF should continue to favour a shift from one-off sub-projects in the community to a more integrated and comprehensive targeted approach to poverty reduction. It was recommended further that the BNTF should enhance integration of the cross-cutting themes that are most directly relevant to the BNTF (such as gender and the environment), but make others such as HIV/AIDS, less explicit in the Programme design and implementation. These design features emphasise participation as a critical ingredient to community development as well as the need for the programme to further define its strategic partnerships with government ministries, NGOs, and other development partners in BMCs. These elements will be strengthened throughout BNTF 6.

### **PRAP for BNTF 6**

1.11 As in BNTF 5, the PRAP is a targeting tool (see Appendix 1 for examples of targeting approaches in BMCs) providing evidence of explicit allocation of BNTF 6 resources to activities for community demand-led development for poverty reduction. The PRAP describes poverty and seeks to allocate resources to the poorest areas, taking into consideration the priority areas identified at both the country level and the BNTF programme. Programmes and allocations differ across countries contingent upon local conditions and development needs. The PRAP for BNTF 6 will provide macro level analysis and is intended to map out linkages with national level and sector specific strategies and programmes. Hence, emphasis should be given to how the PRAP synergistically corresponds to overall development objectives and frameworks and sector strategies.

1.12 Adherence to the PRAP will be used as a measure of achievement. Therefore, attention must be paid to identifying and prioritising PRAP interventions as well as clarifying the implications of the PRAP for targeting, sub-project identification, implementation, monitoring and supervision. As a planning document it should be reviewed regularly and adjusted to reflect changes in national development goals and the poverty situation.

1.13 Countries should link their PRAPs to national economic policies to enhance the eventual impact of national policies on pro-poor growth. The PRAP must therefore bring coherence to national approaches to poverty reduction through targeted interventions in an effort to overcome the tendency to rely on disjointed incremental interventions.

1.14 As a multidimensional issue, poverty reduction should be addressed using a multi-sectoral approach cutting across ministries, government departments, private sector, non-governmental and CBOs, diverse interest groups and communities. It is important that poverty reduction spending through BNTF investments be explicit and not be confused with general social spending since these investments must disproportionately benefit the poor.

1.15 Given concerns over the impact of BNTF on levels of deprivation in communities in many countries, it is proposed in BNTF 6 that efforts be made to identify communities that can benefit from multiphase activities. This approach, if developed and executed in partnership with development partners including the private sector and non-state actors will redound to greater positive impact and sustainability of interventions.

### **GOVERNANCE**

1.16 Good governance emerged in the 1990s as a major issue in social and economic development. Evidence points to the importance of governance systems and processes in the success of development interventions. The literature is very clear that responsive and accountable institutions of governance are critical to ensuring poverty reduction impacts and lessons of experience show overwhelmingly that weak governance systems often nullify positive outcomes. BNTF 6 will emphasise good governance as one of its pillars and mechanisms such as the PMC and the Tripartite Agreements will be strengthened within the

Programme. In addition, the Programme intends to strengthen activities around capacity building for community and stakeholder groups and will seek to introduce new technologies (e.g. virtual groups) to make information readily available.

**BACKGROUND TO REVISION/UPDATE OF PRAP**

1.17 All participating BMCs are required to update their PRAPs so that the BNTF grant condition for the allocation of BNTF 6 funding will be satisfied as soon as possible in order to optimise funds disbursement. It is in this regard that this *Guidance Note* has been prepared by CDB to assist BMCs with updating their respective PRAPs. **BMCs will need to indicate to CDB as early as possible, if any technical assistance/expertise is needed to assist them in this exercise.**

Overall, the objectives of updating the PRAP are to:

- (a) target BNTF resources to poor and vulnerable communities in line with national and sector priorities and BNTF Programme objectives;
- (b) establish a coherent policy framework for targeted poverty reduction in established sectors;
- (c) use up-to-date poverty data and maps, identify opportunities for integrated, inter-sectoral approaches for the application of BNTF resources;
- (d) identify partnerships among government ministries, NGOs, the private sector and development agencies for support to Programme implementation, monitoring and sustainability;
- (e) identify the institutional mechanisms and framework for implementation of the Programme.

**PRAP Evaluation**

1.18 The following will be considered in evaluating the PRAP:

- (a) How has the PRAP linked with national priorities.
- (b) To what extent has the PRAP achieved its targets, e.g. sector targets.
- (c) How has the PRAP incorporated the cross-cutting themes of gender equality and environment; and
- (d) To what extent has the PRAP contributed to policy and project development.

**MODEL FORMAT FOR THE PRAP**

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**SELECTION CRITERIA - MENU OF TARGETED SECTORS AND SUB-SECTORS**

**INTRODUCTION**

1. The sub-project selection criteria previously used for BNTF 5 have been modified with the specific purpose of ensuring that priority must be given to the selection of sub-projects which will achieve the objective of poverty reduction and sustainability in poor communities and among vulnerable groups in the respective sectors of the beneficiary countries. To this end sub-project requests, irrespective of origin, must have the sponsorship of the diverse members of the targeted poor communities or vulnerable groups and address sustainability issues of recurrent operating costs and maintenance. All sub-projects must also be subject to environmental assessment and gender analysis. Except as may be agreed by CDB, all physical assets financed by BNTF shall be publicly owned, or constructed on land which is publicly owned. Facilities or services which are significantly supported by Government (e.g. church run/owned schools) are eligible.

2. Opportunities for the introduction of Information and Communication Technologies (ICTs) at the sub-project level will be permitted where appropriate.

3. Sub-projects will be selected in accordance with the criteria for selection of sub-projects in each sector/sub-sector as set out below, by the PSC.

**WATER AND SANITATION**

4. The development and repair of water systems, minor production structures, treatment facilities for existing untreated water supplies, and the extension of existing systems are eligible when:

- (a) the existing source is untreated and unsafe for human consumption and poses a health threat through spread of water-borne diseases; and
- (b) the proposed system will reduce access time to a safe water supply to the relevant population to less than 15 minutes walking distance.

5. Construction and refurbishment of public toilet/bathrooms/laundry facilities in remote communities.

**EDUCATION FACILITIES**

6. The following indicators shall be used to measure the deficiency of education facilities' coverage to assist in the decision to build additional or rehabilitate school infrastructure or provide basic equipment, when any one of the following criteria is met:

- (a) Overcrowding: The existing school is operating significantly over capacity, i.e. less than 1.86 m<sup>2</sup> (20 ft<sup>2</sup>) of classroom space per pupil, or where a shift system is in use, or additional students cannot be admitted due to lack of space;
- (b) Distance: The distance to school in travel time exceeds one hour;
- (c) Disrepair: The status of physical condition of the buildings/facilities poses an environmental threat and is not conducive for learning/teaching;
- (d) Secondary Schools: Funding for secondary schools will be restricted to extensions and rehabilitation of existing schools, given the cost of a viable new secondary school;

- (e) Special Needs: The facilities do not meet the requirements of special needs students; especially those who are physically challenged; and
- (f) Water Storage: Adequate water storage facilities for operating an emergency water supply.

7. Policies, decreed by respective governments of beneficiary countries, that stipulate the criteria and specify the methods to be adopted for specific interventions, shall take precedence over those defined above.

### **DAY-CARE CENTRES FOR CHILDREN**

8. The following indicators should be used to assist in the decision to build, rehabilitate or extend a day-care centre or provide basic equipment when any one of the following criteria is met:

- (a) number of children per caretaker is greater than 15:1;
- (b) space available per child is less than 1.86 m<sup>2</sup> (20 ft<sup>2</sup>);
- (c) no facilities are available which are centrally located within the community, near to an industrial estate or other catchment area of major employment;
- (d) the financial viability of the centre can be guaranteed by providing evidence that adequate financing and staffing are available to ensure effective and continuous operation of the centre; and
- (e) physical layout of building has separation of activities for younger and older children, with dedicated internal play area for younger children.

### **HEALTH FACILITIES**

9. The following indicators, which are in accordance with the World Health Organisation guidelines, shall be used to assess deficiencies of health care services, to assist in the decision to build or rehabilitate rural health facilities and to provide basic equipment:

- (a) Minimum Level of Services: There is a deficiency, if any, of the following minimum service elements not being provided due to physical/space constraints:
  - (i) promotion of proper nutrition;
  - (ii) availability of safe water and emergency water supply;
  - (iii) immunisation to principal infectious diseases such as diphtheria, tetanus, whooping cough, measles, polio-myelitis and tuberculosis;
  - (iv) maternal and child health (trained personnel for attending pregnancy and childbirth) and caring for children up to at least one year of age;
  - (v) provision of at least 20 essentials drugs;
  - (vi) family planning and curative medicine;

- (vii) prevention, control and treatment of endemic diseases, including sexually transmitted diseases;
  - (viii) counseling for persons that are victims of gender-based violence and related abuse;
  - (ix) health education for men, women and male and female youth and information (including HIV/AIDS infections and other sexually transmitted diseases); and
  - (x) counseling for persons requiring tests for HIV/AIDS infections and persons living with HIV/AIDS.
- (b) **Population of the catchment area:** The geographic area to be served has a population of at least 2,000 inhabitants.
- (c) **Distance:** The catchment population must travel in excess of one hour to gain access to health services.
- (d) **Overcrowding:** Overcrowding of the facility exists if utilisation exceeds 100% of planned capacity, i.e. the population of the catchment area has increased since construction of the facility and additional space, rehabilitation, or a new clinic/facility is needed to provide services more efficiently.
- (e) **Remote Location:** Where it is difficult to staff the clinic on account of its remoteness in sparsely populated regions/islands and overnight or weekend emergency services are required, quarters for medical health personnel must be provided to guarantee the availability of services at all reasonable times.

### **VULNERABLE GROUPS**

10. Where continuous community and financial support can be demonstrated for the residential accommodation and care of groups in the community at risk, e.g. safe houses for children and victims of gender-based violence and abuse; women's counseling and referral centres, people living with HIV/AIDS, the aged, the infirm, and the homeless.

### **PRODUCTION-RELATED INFRASTRUCTURE**

11. Construction or rehabilitation of community and craft markets, small-scale production and marketing infrastructures and the development of projects based on the conservation of natural resources, culture and heritage should be considered in response to the following indicators:

- (a) demand for the facility is based on a sampling assessment of the needs of the community;
- (b) the facility is expected to improve and sustain the livelihood strategies of vulnerable persons and groups such as farmers and vendors associations.
- (c) existing facilities in the local community pose health hazards and degradation of the environment from unplanned and inadequate management of disposal of solid and liquid waste;
- (d) the capital investment is designed to increase output, or saving in time by users which can be used for other productive and/or social activities;

- (e) market facility is non-existent in the area, the nearest facility exceeds the traveling time of one half hour and transportation is either irregular or unavailable;
- (f) the community can demonstrate that user fees e.g. monthly rental charges, will be charged to ensure that regular maintenance of the facility will be assured. Demonstrate consideration given/waivers for deprived households; and
- (g) In the design of such systems, due consideration must be given to the protection of the environment and conservation of watersheds.

### **ACCESS**

12. Roadways, including short bridges that may provide for access across a ghaut, ravine or similar geological feature, drainage and footpaths (new or rehabilitation), are considered a basic need whenever it is found that the lack thereof has adverse effects on the living conditions and health of the target population, and hence causes a reduction in their productivity. These sub-projects will be justified if:

- (a) current traffic on the proposed road is at least 20-vehicle movements per day;
- (b) the state of disrepair poses a health threat from rising dust, considerable slowing of traffic, or is dangerous and can cause accidents;
- (c) the area is prone to flooding, land slippage and erosion causing environmental degradation, destruction of capital assets, and loss of production and income;
- (d) access to homes, especially in informal settlements with minimal infrastructure, is difficult or dangerous in inclement weather, given the nature of the terrain;
- (e) access to farm lands and other areas of agricultural production is difficult, or to ease the movement of essential inputs to small-scale farms as well as produce to markets; and
- (f) access to homes by emergency or service vehicles is difficult or impossible.

### **MAINTENANCE**

13. Assistance will be given for the maintenance of facilities in such sectors and sub-sectors as education, health, production-related infrastructure and community tourism. However, maintenance for facilities receiving previous funding under any BNTF Programme is not eligible for funding, since it was a condition of BNTF funding that such facilities must be adequately maintained. This funding condition will continue and will be strengthened by requiring the preparation of a maintenance plan and training in routine basic maintenance activities by community personnel for each infrastructure sub-project funded by BNTF.

### **SKILLS TRAINING/UPGRADING**

14. In recognition of the significant contribution which skills acquisition can make to the alleviation of poverty through enhancing employability to obtain increased earnings, a larger allocation of resources has been made to support specific skills training activities. These activities are provided at training institutions as well as at job sites through joint ventures with employers and national training organisations and institutions. Project resources will be used to fund the cost of training materials, basic hand tools, curricula development and support materials and tuition (teachers/instructors).

15. It is proposed to integrate skills training activities in as many infrastructure or other sub-projects where skills can be developed to improve service delivery, enhance organisational effectiveness, as well as to acquire the potential for income earning after project implementation. Participating countries will be encouraged to include an element of skills training in all infrastructure sub-projects.

16. Skills training/upgrading activities will be supported under the following conditions:

- (a) There are opportunities for income generation or income enhancement, but (men, women and male and female youth) in the community lack the required and appropriate level of skills, knowledge and/or abilities to take advantage of those opportunities, including where men, women or youth require assistance in identifying and securing employment, training and coaching in job-search skills (e.g. resumé development and writing, job-search techniques, and interview skills).
- (b) Men, women and male and female youth in the community are already engaged in productive work, but the quality and level of productivity could be enhanced to meet the market demands and other relevant standards which will lead to improved earnings.
- (c) Groups of unemployed men, women and male and female youth are organised and willing to work on identified sub-projects (building or maintaining community facilities) and need to acquire specific job-related skills to participate which will lead to improved personal and community well-being.
- (d) A joint venture partner (an employer/training provider/organisation) identifies opportunities for men, women and male and female youth of the community to enter into employment or engage in a viable economic venture. There is willingness to partner with BNTF in developing and implementing the training, provided that the partner can demonstrate capability and experience in providing job-specific training.
- (e) Resource persons are unavailable, but through CDB's Caribbean Technological Consultancy Services Network or otherwise, these can be identified and made available to communities with identified training needs.
- (f) Where training, counseling and other services in support of persons living with HIV/AIDS require support.

**PROCEDURES FOR THE IMPLEMENTATION OF  
MAINTENANCE SUB-PROJECTS BY THE BNTFO**

**BNTFO Action:**

1. Maintenance sub-projects are approved by the PSC and submitted to CDB for “no objection”.
2. The BNTFO will liaise with the Beneficiary Group, identify the Project Monitoring Committee (PMC) and sponsoring ministry, and arranges for parties to sign the Tri-partite Agreement for the implementation of the works.
3. The contract drawings, specifications and Bill of Quantities (BOQs) will be prepared by a registered BNTFO Engineer in accordance with accepted Codes of Practice.
4. Invitations to tender will be sent out by the BNTFO to pre-qualified/registered contractors.
5. Bid opening and evaluation will be done by the BNTFO Bid Evaluation Committee as prior agreed by CDB.
6. The PM will certify that the procurement methods used are in compliance with the CDB guidelines.
7. The BNTFO will request CDB’s “no objection” for award of contract on the basis of a submitted bid evaluation report with a recommendation of a contractor/supplier for the works.
8. The contractor/supplier and the PMC will be notified, once “no objection” is received from CDB.
9. The Contractor/Supplier will be invited by the BNTFO to sign the contract documents which will indicate the commencement and completion dates for the works.
10. The Engineer referred to in the contract to manage construction activities will be the PE, BNTF.
11. Technical inspection of the sub-project will be done on a weekly basis or more frequently as required, by the PE, BNTF. The PE will carry-out an inspection of the works and compare it to the contractor’s work plan, specifications, drawings and BOQ. Checks will be made to ensure that the maintenance being done is in accordance with that stipulated in the contract documents.
12. A weekly monitoring report will be prepared by the PE within 2 working days of an inspection and submitted for review to the PM and/or Unit Head. These reports will be the basis for the completion of the PM’s Monthly Report and will be regularly reviewed by CDB during supervision missions.
13. A payment invoice will be supplied by the respective contractor/supplier to the PE at the BNTFO.

14. A Payment Certificate will be generated and placed in the BNTF MIS by the PE, verified and approved by the Unit Head and/or Project Manager.
15. The amount certified on the Payment Certificate will be paid to the Contractor/Supplier, at the local level.
16. In the event that a variation is identified by the contractor/supplier or at the time of sub-project inspection by the PE, the contractor/supplier will provide estimates of such variation, both in terms of cost and time and submitted to the BNTFO for approval.
17. After acceptance of the variation costs, a memo will be prepared by the PE requesting the approval of the variation by the PM and “no objection” by CDB. Any cost over-run that exceeds the limit of USD10,000 for maintenance sub-projects will be to the Government’s account.
18. An amendment will then be made to the contract to reflect the variation and appropriate documentation prepared for signing by the parties to the contract.
19. Upon completion of the contract, the handing over record will be signed by the contractor/supplier, the Chairperson of the PMC and the PE. A Sub-project Completion Report (SCR) will be prepared for submission to CDB and will include a synopsis of relevant activities as well as the outcome of any integrated skills training activities undertaken (preventative maintenance, management, health/hygiene training etc.). The form and format of the SCR shall be as agreed with CDB.

**CDB Action:**

20. The CDB Supervisor will review the SCR and confirm its acceptance, before the BNTFO is informed to submit an application for reimbursement of expenditure for any completed maintenance sub-project.
21. Only one (1) application for reimbursement shall be submitted in respect of any completed maintenance sub-project or group of such completed sub-projects, after acceptance of the respective SCRs.

**TERMS OF REFERENCE FOR THE PROJECT STEERING COMMITTEE**

1. The Project Steering Committee (PSC) or such other body acceptable to the Caribbean Development Bank (CDB), will have overall responsibility for the execution of the Basic Needs Trust Fund (BNTF) Project and its Chairperson will report directly to the Permanent Secretary of the Executing Ministry.

**OBJECTIVES**

2. (a) To liaise with relevant Ministries/agencies/departments and other social partners and stakeholders, on national planning issues, constraints and priorities, in order to ensure that the social development and poverty reduction strategies of the country are aligned with the Poverty Reduction Action Plan (PRAP), developed to assist with the administration of the project.
- (b) To ensure that the project is implemented in accordance with the Grant Agreement and the guidelines of the Operations Manual (OM), developed for the project
- (c) To ensure that the projects are undertaken in a participatory, gender-sensitive manner and that the project reaches the intended beneficiaries/participants.
- (d) To ensure that project resources are allocated and used efficiently.

**COMPOSITION**

3. The PSC will comprise as a minimum the following: five senior representatives from the Ministries responsible for Community/Social Development, Planning/Economic Development, Education, Communications and Works, Health; four representatives from Non-governmental Organisations (NGOs), Community-Based Organisations (CBOs); one representative from the Private Sector; and the Project Manager (PM), an ex officio member who will serve as Secretary. The PSC membership should be representative of the diversity of the country and, in particular, representative of those sectors identified for intervention in the PRAP. Representatives of relevant BNTF sectors can participate in PSC discussions on sub-projects when necessary. These representatives will not have voting rights. The Community Liaison Officer (CLO) and Project Engineer (PE) shall attend meetings and report as necessary but shall be non-voting members. A Recording Secretary shall be assigned to the PM to take minutes of the proceedings at all PSC meetings.

**REPRESENTATION AND DEPUTATION**

4. For continuity, each ministry and organisation should nominate its PSC representative and indicate an alternate member.

**CHAIRPERSON**

5. The Chairperson of the PSC will be a representative from the Executing Ministry, but not the Permanent Secretary of that Ministry, unless CDB may otherwise agree.

**ATTENDANCE BY NON-MEMBERS**

6. Non-members of the PSC, including the CDB staff, may attend meetings subject to approval of the Chairperson on a meeting-by-meeting basis. The BNTF Recording Secretary will attend all meetings of the PSC.

**MEETING -FREQUENCY AND QUORUM**

7. The PSC will meet at least quarterly, and more often as required. The Chairperson, or their designated representative, will convene the PSC meetings. A quorum will consist of four members, two each from governmental and non-governmental representatives plus the PM, PE and CLO.

**RESPONSIBILITIES**

8. (a) Utilise the PRAP prepared on behalf of and endorsed by Government, as an objective guide to implement pro-poor, gender responsive policy and achieve poverty reduction when allocating project resources for initiatives under BNTF.
- (b) Review and approve revisions to the OM in consultation with CDB.
- (c) Review and approve the BMC's Annual Work Plan and Budget, and Annual Project Performance Report in consultation with CDB.
- (d) Select eligible sub-projects from among those proposed by community groups, NGOs, CBOs, and Government, using the selection criteria specified in Appendix 3.2 of this Agreement and elaborated further in the OM. The PSC must consider proposed sub-project profiles prepared in accordance with the OM. A sub-committee shall be established to conduct site visits at times and intervals determined by the PM in consultation with the PSC Chairperson.
- (e) Approve eligible small sub-projects including maintenance sub-projects up to \$10,000 and small infrastructure and skills training sub-projects which cost up to \$50,000 and advise Government to submit such to CDB for "no-objection. The total value of such small and skills training sub-projects will be a minimum of 20% and 7% respectively, of the amount allocated for sub-projects. These minimum allocations may be increased subject to approval by CDB.
- (f) Approve all other eligible large sub-projects (\$50,000 to \$500,000), and advise Government to submit such to CDB for approval.
- (g) Advise Government on screening and selection of competent staff viz. PM, CLO, PE and an AO.
- (h) Establish the framework with each cooperating partner, for BNTF partnerships with relevant Government Ministries/agencies/departments, for preparation of draft designs and indicative costs, implementation, monitoring and evaluation, and operation of the BNTF project including review of progress reports.

- (i) Promote support from men and women, male and female youth in communities as well as the private sector to, in turn, promote the long-term sustainability of the project.
- (j) Promote and direct the marketing of the BNTF project, to ensure that the most needy communities and the most vulnerable and disadvantaged men, women and male and female youth are appropriately targeted in the use the project's resources.

**TERMS OF REFERENCE FOR THE PROJECT MANAGER**

1. The Project Manager (PM) will head the Basic Needs Trust Fund Office (BNTFO) and will be an ex officio member and Secretary of the Project Steering Committee (PSC). As head of the BNTFO, the PM will hold ultimate responsibility for managing project resources and all BNTFO staff and supervise the implementation of all sub-projects. The PM shall be responsible for cost control and observation of relevant standards and policies of the Programme. The PM will assist the PSC and Government to develop and implement a Poverty Reduction Action Plan and coordinate project activities with other similar donor-funded projects which address poverty.

2. Specific responsibilities include:

- (a) Reporting to the Project Steering Committee (PSC) through its Chairperson and attending all PSC meetings, to be convened at least quarterly during project implementation.
- (b) Preparing minutes of PSC meetings, distributing to relevant local stakeholders and the Caribbean Development Bank (CDB), and placing of minutes on the BNTF Management Information System (MIS).
- (c) Participating in the selection of the BNTFO staff.
- (d) Evaluating the performance of the staff of the BNTFO and reporting annually to CDB.
- (e) Maintaining a register of all sub-project requests received by the BNTFO for reporting to the next scheduled meeting of the PSC.
- (f) Maintaining and update a register of technical consultants and contractors.
- (g) Submitting monthly progress reports on sub-project implementation to the PSC and CDB. Such reports shall also comment on the performance of each Project Monitoring Committee (PMC) and the services provided by technical consultants. These reports will consist of information on the capital cost and expenditure for each sub-project, actual employment generated on the sub-project, or persons trained, the status of and notes on any meetings/discussions held with the communities.
- (h) Coordinating activities for submission to CDB of documentation to satisfy the conditions precedent of the Grant Agreement.
- (i) Ensuring that all requirements for integrating gender analysis and environmental analysis are met by the Community Liaison Officer (CLO) and the Project Engineer (PE) in the preparation of sub-projects.
- (j) Developing the Annual Work Plan and Budget for the Project and presenting the draft Annual Work Programme and Budget (AWPB) annually to the PSC, the Planning Ministry, the Executing Ministry, and the Ministry responsible for Finance for approval, and to CDB for comments. The final AWPB will be submitted to the PSC for approval and to CDB for notification.

- (k) Preparation of the Annual Project Performance Report for approval of the PSC and presentation to the CDB.
- (l) Coordinating the preparation of sub-project profiles for the approval by the PSC and CDB, to be coordinated with the sponsoring Ministry agency department's in-house staff in accordance with the OM.
- (m) Submitting approved sub-project profiles and relevant sub-project documentation to CDB for no-objection or approval as appropriate.
- (n) Fostering good relations with all stakeholders, especially with the sponsoring Ministry/agency/department, other social partners and consultants for efficient and effective delivery of project outputs.
- (o) Assisting CDB with the placement of local advertisements in the public media for consultants' services, advising CDB on the previous performance of consultants submitting proposals, and of their current workload.
- (p) Ensuring good governance practices in sub-project contracting.
- (q) Monitoring and inspection of sub-project activities to be performed in conjunction with the CLO, PE, the consultant engaged for sub-project design and/or review of design, and implementation, the sponsoring Ministry/agency/department or social partner and PMC.
- (r) Approving and submitting progress payment vouchers and applications for disbursement to CDB for sub-project activities accomplished; to be coordinated with the sponsoring agency and certified by the consultant appointed and where appropriate, by the PMC
- (s) For social infrastructure sub-projects:
  - (i) Accepting completed sub-projects and as-built drawings;
  - (ii) Handing-over facilities to sponsoring agencies/community groups for operations and maintenance, following the submission of the consultant's completion report, deemed acceptable by the PM and CDB; and
  - (iii) Submission of completed sub-project maintenance plans to sponsoring ministries and CDB.
- (t) For skills training sub-projects:
  - (i) Accepting inception, interim and final Reports; and
  - (ii) Recommending disbursements based on approved reports.
- (u) Developing relationships and sharing information with other PM's in the Programme.
- (v) Preparing and submitting to CDB a Sub-Project Completion Report, in a form to be specified by CDB.

- (w) Carrying out post-implementation monitoring of functional and operational aspects of the facilities and persons trained to establish a database of gender-sensitive monitoring indicators which will be used to improve on subsequent designs. The data to be collected will be agreed and outlined in the OM for each type of sub-project.

**QUALIFICATIONS**

3. The PM is expected to have at least a Bachelor's degree and a minimum of five year's experience in project management. Expertise in the management of rural development projects and proficiency in computer skills are prerequisites. It would be advantageous if the PM has demonstrated competence in managing donor-funded programmes and the ability to effectively communicate with community groups, Government officials, donors, private sector representatives and Non-Governmental Organisations. Knowledge of gender analysis and environmental sustainability are also desired.

**TERMS OF REFERENCE FOR THE COMMUNITY LIAISON OFFICER**

1. The Community Liaison Officer (CLO) will be responsible to the Project Manager (PM) for the active involvement of communities in the identification, formulation and implementation of all sub-projects funded by the project. The CLO is expected to take the lead for the Basic Needs Trust Fund Office team in project cycle activities related to skills training sub-projects.
  
2. Specifically, the CLO will:
  - (a) Consult, along with the PE, the key government ministries including the Community Development Department or any other appropriate Ministry/agency, Non-Governmental Organisations (NGOs), Community-Based Organisations (CBOs) or other social partner, periodically to inform them of the Project and to discuss ways in which communities could participate in and benefit from project resources with their assistance.
  - (b) Assist in training and sensitisation within the community, be responsible for problem analyses, the preparation of the Community Needs Assessment or Organisation Needs Assessment, and assist in the preparation of the sub-project application. The CLO will pay particular attention to constraints experienced by poor men and women, male and female youth, Persons Living With HIV/AIDS, and deprived members of communities and will assist in preparing proposals to be submitted to the Project Steering Committee (PSC), Government and the Caribbean Development Bank (CDB).
  - (c) Work closely with the PM, Project Engineer (PE) the sector ministries, NGOs and CBOs and any other social partners to identify appropriate sub-projects for consideration under the Project.
  - (d) Assist the PM in processing applications for sub-projects for submission to the PSC for funding under the Project.
  - (e) Organise community meetings in collaboration with stakeholders, guide the formation of Project Monitoring Committees (PMC) for the implementation of each sub-project and prepare appropriate briefs to discuss with members of the community, the community's contribution to the design and implementation of prospective sub-projects.
  - (f) Develop public relations programmes along with the CDB, NGOs and CBOs to educate community members about the Project and encourage their active participation and ownership in sub-projects.
  - (g) Support the PMC in the monitoring, implementation and operation of sub-projects via field visits, reports and surveys, and prepare reports of monitoring visits.
  - (h) Estimate communities' overall in-kind contribution to sub-projects including cost of voluntary contributions made by men, women and male and female youth.
  - (i) Assist the PE in the preparation of profiles for the approval and financing of sub-projects by the PSC and CDB, coordinating with the sponsoring Ministry/agency/department's in-house staff and beneficiary communities in accordance with the Operations Manual (OM).

- (j) Monitor the post implementation activities in partnership with sponsoring agencies.
- (k) Assist in evaluation of social and economic impact of sub-projects on all members of the communities, using participatory approaches and contribute to the sub-project completion report.
- (l) Attend PSC meetings as required, to provide information on proposed sub-project profiles and to report on activities.
- (m) Utilise the OM and the Poverty Reduction Action Plan for guidance of all sub-project activities as appropriate.
- (n) Perform any other duties that may be assigned.

**QUALIFICATIONS**

3. The CLO is expected to have at least a Bachelor's degree in Sociology or Rural Development or in a related field with at least five years' relevant project experience working with rural communities and in the application of participatory methods. Proficient computer skills are required. Administrative and management competence would be an asset. Good written and oral communication skills are required.

**TERMS OF REFERENCE FOR THE ADMINISTRATIVE/ACCOUNTING OFFICER**

1. The Administrative/Accounting Officer (AO) will assist the Project Manager (PM) with managing the financial and other administration data of the project, including payments to contractors and suppliers.
2. Specifically, the AO will:
  - (a) Set up a Management Information System (MIS) and maintain sound financial and database management procedures in accordance with the OM for the MIS.
  - (b) Set up and maintain the project's accounting system.
  - (c) Prepare the general ledger and books of accounts.
  - (d) Assist the PM in the preparation and monitoring of project budgets.
  - (e) Prepare monthly cash flow statements and analyses.
  - (f) Reconcile bank statements and prepare expense statements.
  - (g) Manage an ordering and procurement system and administer procurement contracts in accordance with the Caribbean Development Bank's (CDB) Guidelines for Procurement and any other applicable local Guidelines.
  - (h) Maintain an inventory of Project assets and ensure insurance coverage at all times, including for assets, during implementation/construction.
  - (i) Manage the payroll and relevant worksheets.
  - (j) Monitor project accounts and prepare:
    - (i) payments to suppliers, contractors, trainees and training agents etc; and
    - (ii) applications for proceeds of grant funds from CDB in accordance with CDB's Policies and Procedures Manual – 'Guidelines for Withdrawals of Proceeds of Loans' – as applied to grants.
  - (k) Prepare statements for, and liaise with, auditors.
  - (l) Assist the PM in preparing financial and Project performance reports.
  - (m) Up-loading information on Project activities, including examples of best practices, to CDB's web site for incorporation into the information sharing database for the Programme.
  - (n) Utilise the Poverty Reduction Action Plan and the Operations Manual, as a guide for all Project operations.
  - (o) File and maintain all records of the Project and its assets including office furniture, equipment and vehicles.
  - (p) Perform any other duties that may be assigned by the PM.

**QUALIFICATIONS**

3. The AO is expected to have a Bachelor's degree in accounting or related field or mid-level accounting professional qualification (e.g. Level 2 ACCA, Level 3 CGA). A minimum of three years experience in accounting is required, in addition to proficiency in computer skills, including use of spreadsheets, database management and word processing. Good written and oral communications skills are required. Prior project-related experience would be an asset.

**TERMS OF REFERENCE FOR THE PROJECT ENGINEER**

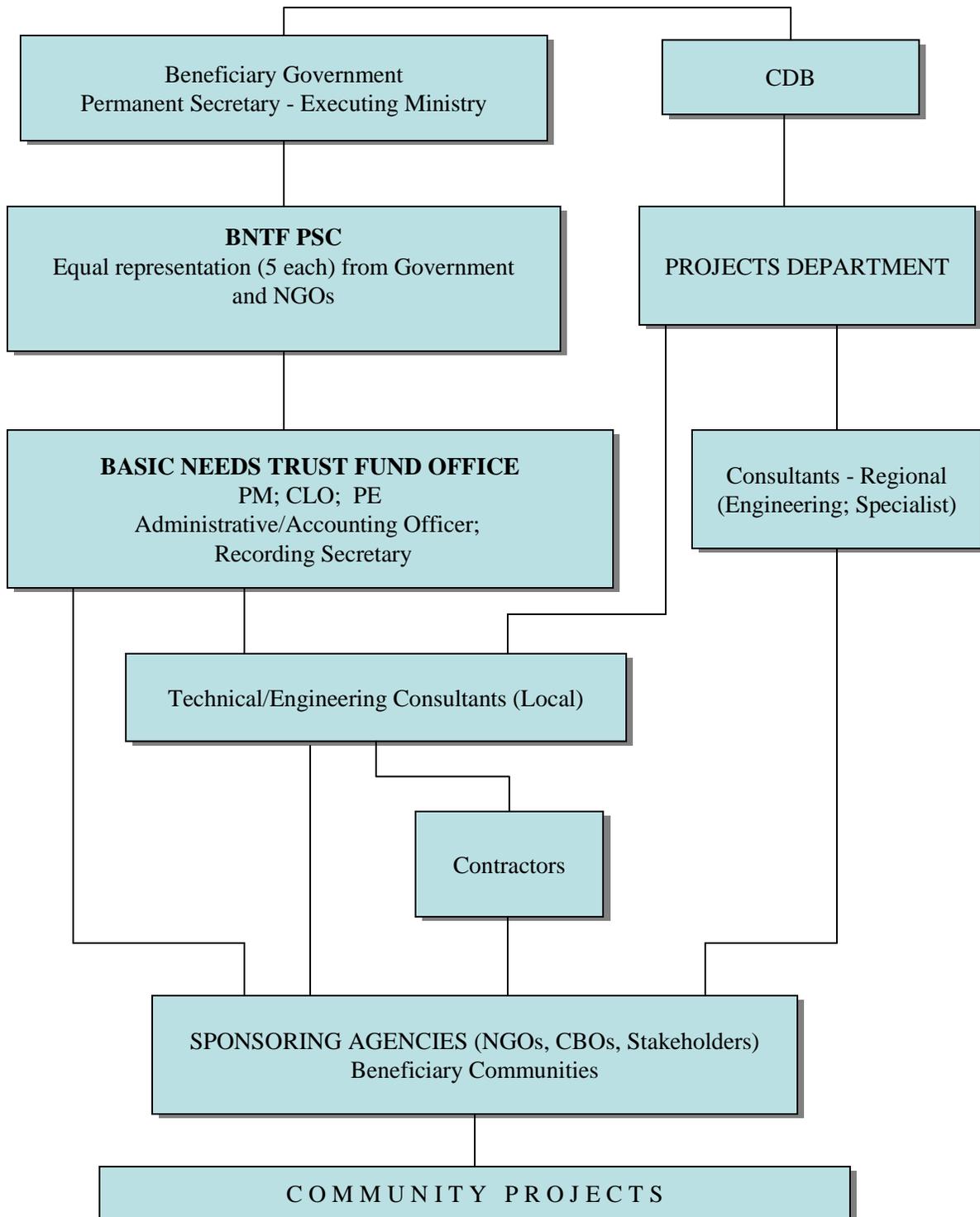
1. The Project Engineer (PE) will be responsible to the Project Manager (PM) for the preparation of all technical aspects related to the formulation and implementation of all sub-projects funded by the Project. The PE will be an integral part of the Basic Needs Trust Fund (BNTF) team.
2. Specifically, the PE will:
  - (a) Assist the PM in processing applications by providing technical inputs for sub-projects for submission to the Project Steering Committee (PSC) for funding under the project.
  - (b) Prepare infrastructure sub-project profiles for the approval by the PSC and the Caribbean Development Bank (CDB) in accordance with the Operations Manual (OM), including the completion of various checklists such as those for the Environmental Impact Assessment/ Natural Hazard Impact Assessment and Disaster Risk Reduction.
  - (c) Monitor all sub-projects contracting for the implementation of sub-projects by appointed contractors, being implemented by Force Account or self-help, to be coordinated with the sponsoring agency and guided and administered by the technical consultants.
  - (d) Procure, supervise and report on all aspects of the work of technical consultants engaged for the design and implementation of small infrastructure sub-projects and similarly for technical consultants for large infrastructure sub-projects, subject to the approval of CDB.
  - (e) Supervise the implementation of maintenance sub-projects, including certification of expenditure and preparation of status reports in accordance with procedures as outlined for the implementation of such sub-projects.
  - (f) Expedite progress payment vouchers prepared by technical consultant to facilitate applications for disbursement to CDB for sub-project activities accomplished.
  - (g) For social infrastructure sub-projects:
    - (i) Arrange for the hand-over of each completed sub-project to sponsoring agencies along with the sub-project final reports and as-built drawings prepared by the technical consultants.
    - (ii) Coordinate with the technical consultants, the preparation of sub-projects' maintenance for incorporation into the sponsoring agency's maintenance programme.
  - (h) Attend community meetings organized by the Community Liaison Officer in collaboration with stakeholders and prepare appropriate technical briefs, the community's contribution to the design and implementation of prospective sub-projects.
  - (i) Assist technical consultants with the estimation of communities' overall in-kind contribution to sub-projects including cost of voluntary contributions made by men, women and male and female youth.

- (j) Attend PSC meetings, to provide information on proposed sub-project profiles and to report on activities.
- (k) Utilise the OM and Poverty Reduction Action Plan for guidance of all sub-project activities, as appropriate.
- (l) Perform any other duties that may be assigned.

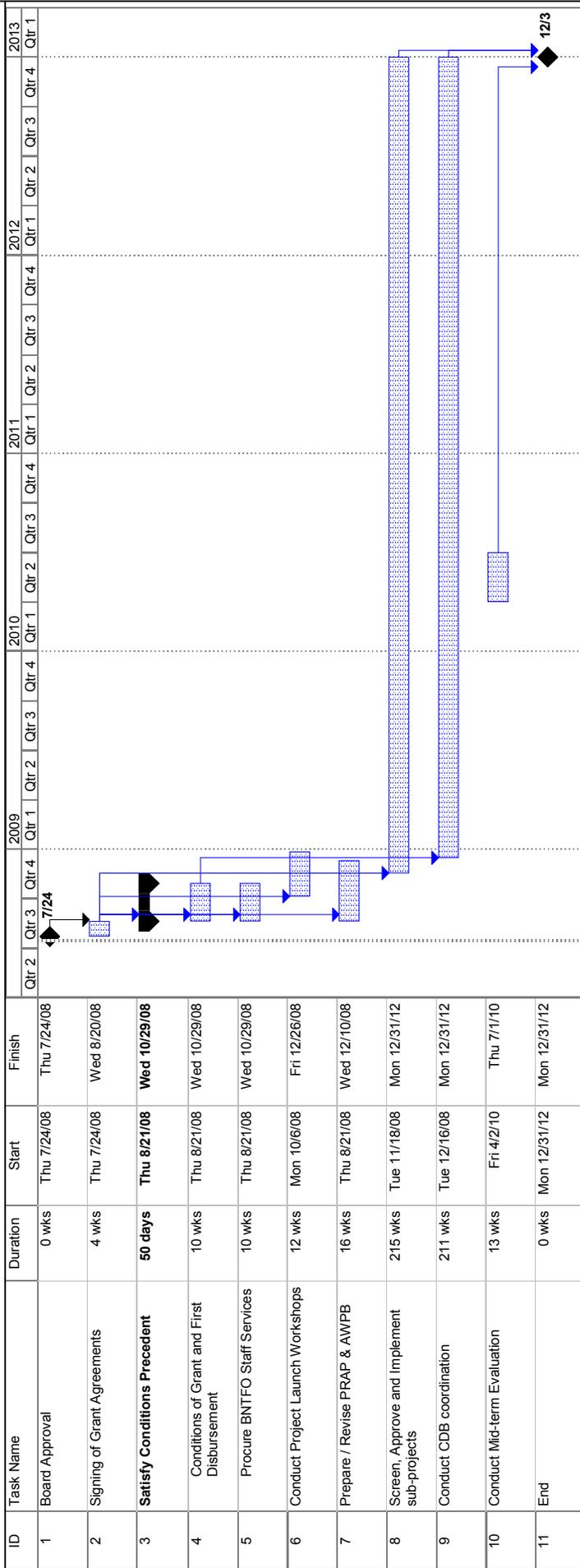
**QUALIFICATIONS**

3. The PE is expected to have at least a Bachelor's degree in Civil or Building Engineering or in a related field, with at least three years' working experience. Proficiency in computer skills is required. Administrative and management competencies would be an asset. Good written and oral communication skills are required. Prior project related experience would be an asset.

**BNTF 6 ORGANISATIONAL CHART**



PROGRAMME IMPLEMENTATION CHART



**PROCUREMENT PLAN**

**I. General**

**(a) Project Information:**

Country: BNTF Beneficiaries Countries  
Borrower: Government of BNTF Beneficiary Countries  
Project Name: Basic Needs Trust Fund – Sixth Programme  
Project Executing Agency: BNTF Office

**(b) Bank’s Approval Date of the Procurement Plan:** N/A

**(c) Period Covered By This Procurement Plan:** July 2008 – December 2012

**II. Goods and Works and Non-Consulting Services**

**(a) Prior Review Threshold:** Procurement decision subject to prior review by the Bank as stated in Appendix 2 to the Guidelines for Procurement:

	<b>Procurement Method</b>	<b>Prior Review Threshold</b>	<b>Comments</b>
1.	National Competitive Bidding and Force Account – Large Sub-projects	> \$50,000	Value of Contracts less than those indicated will be subject to post review.
2.	Shopping, Direct Contracting and Force Account – Small Sub-projects	> \$10,000	- ditto -
3.	Shopping, Direct Contracting and Force Account – Maintenance Sub-projects	> \$10,000	- ditto -
4.	Shopping and Direct Contracting-OTS – Skills Training Sub-projects	> \$10,000	- ditto -

**(b) Prequalification:** Bidders shall be qualified in accordance with the provision of paragraphs 2.9 and 2.10 of CDB’s Guidelines for Procurement, as required in accordance with the OM.

**(c) Reference to (if any) Project Operational/Procurement Manual:** For NCB, CDB’s Guidelines for Procurement and appropriate bidding documents acceptable to CDB will be used.

- (d) **Any Other Special Procurement Arrangements:** N/A.
- (e) **Procurement Packages with Methods and Time Schedule:** To be agreed as sub-projects are identified in each participating BMC.

**III. (a) Goods and Works**

1	2	3	4	5	6
Contract Type	Value (\$)	Procurement Method	Pre-Qualification	Review By Bank	Comments
Large Sub-project	50,000 – 300,000	NCB	No	Prior	
Large Sub-project	300,000 – 500,000	NCB	Yes	Prior	
Small Sub-project	10,000 – 50,000	Shopping	No	Prior	
Small Sub-project	10,000 – 50,000	Direct Contracting-OTS	No	Prior	
Goods	< 50,000	Shopping	No	Prior	

Direct Contracting Off-the-Shelf is limited to \$50,000 per sub-project, no individual item costing more than \$7,500.

**(b) Consulting Services**

Procurement Packages with Methods and Time Schedule:

1	2	3	4	5	6	7
Ref No.	Assignment (Description)	Estimated Cost Per Contract (\$)	Selection Method	Review by Bank (Prior/Post)	Expected Proposal Submission Date	Comments
1.	Technical Consultancy (TC) –Design and Technical Inspection	< 100,000	QCBS	Yes	n/a	TC engaged by the BNTFO for sub-projects

- DC – Direct Contracting
- FA – Force Account
- NCB – National Competitive Bidding
- OTC – Off-the-Shelf
- QCBS – Quality and Cost-Based Selection

**PROJECT REPORTING SCHEDULE**

<b>Report</b>	<b>From</b>	<b>To</b>	<b>Frequency</b>	<b>Submission</b>
PRAP	PM	CDB	Once, subject to review at mid-term	By March 31, 2009.
AWPB	PM	CDB	Annually for the following calendar year	November 30 of each year.
PSC Minutes with sub-project profiles approved or recommended	PM	CDB	Quarterly or more frequently as required	Within 30 days after the end of each quarter/PSC meeting.
Progress Reports (for each sub-project)	PM	CDB	Monthly	Within 14 days after end of each period.
Sub-project Completion Report	PM	CDB	After completion of each sub-project	Within 30 days after the completion of each sub-project.
Post-Implementation Report (on outcomes, for each sub-project)	PM	CDB	Determined by OM	Determined by OM.
Consultants Reports	Independent Consultants	CDB	Monthly	Within 30 days after end of each period.
Performance Audit	AO, through PM	CDB	Annually for calendar year	June 30 of following year.
APPR	PM	CDB	Annually for the previous calendar year	January 31 of each year for the previous year.
MTE	Independent Consultants	CDB	Once	By July 31, 2010.
Integrated Community Sub-project Completion Report	Independent Consultants	BMC, CDB	Once	Within 6 months of the completion of the sub-project.
PCR	PM	CDB	After final disbursement of Grant	Within six months after CDB's Terminal Disbursement Date.
Evaluation Report	EM/PSC	CDB	Once	One year after submission of the PCR.

Note: Report formats to be agreed with CDB.

**DRAFT ELEMENTS OF A PARTICIPATORY  
MONITORING AND EVALUATION SYSTEM**

1. The objective of the BNTF M&E system is to provide both quantitative and qualitative information on performance of the Programme as a whole, and the Project and sub-projects in each country. It will also provide information that would help CDB Project Supervisors and country PMs adapt their approaches and mechanisms to encourage greater participation. The M&E system will pay special attention to impact and consequential changes arising from implementation of sub-projects on the communities, including groups such as women, youth and poor households.

2. It will be important therefore, for each Project to keep track of who is or is not participating, the intensity of participation by different stakeholders, and the factors that help or inhibit participation by stakeholders. To address these areas, consideration will be given to, e.g.:

- (a) making technical and financial monitoring processes of BNTF more participatory;
- (b) the incorporation of monitoring participation into the technical and financial monitoring of BNTF processes; and
- (c) institutionalisation of an iterative design process.

3. These concerns can be addressed by applying a combination of Beneficiary Assessment and Community M&E tools. Beneficiary Assessments involve the use of participatory tools to engage beneficiaries and other stakeholders.

4. Community M&E should be undertaken by the BNTFO country staff and members of the beneficiary community. It will require training the BNTFO staff in participatory management and both the staff and a community-based monitoring group in the use of participatory implementation and appraisal techniques. It will also require providing information on all aspects of the sub-projects including copies of design drawings and cost estimates to the monitoring group. This group will work in collaboration with the consultants in supervising the performance of the contractors on the sub-projects. Community M&E can also involve post implementation exercises conducted by BNTFO staff with community members and primary beneficiaries, to ascertain:

- (a) community satisfaction with the quality of work done;
- (b) frequency of use of the constructed works; and
- (c) information on whether or not the sub-project meets the expectations of the community.

**EXPECTED PROGRAMME PERFORMANCE EVALUATION RATING**

1. The expected performance rating of the Programme, based on the six-standard criteria of CDB's new Project Performance Evaluation System is set out below. **The composite score is 6.6.**

**Strategic Relevance Score = 7.5**

2. The Programme is accorded very high priority by BMCs and in CDB's Strategic Plan for the period 2005-2009, with continued level of funding as in BNTF 5. It is expected to meet the objectives of CDB's Strategic Plan by:

- (a) fostering more rapid economic growth through the generation of both temporary and permanent employment;
- (b) helping to reduce poverty and improving the status of the most vulnerable in Caribbean society through specific targeting mechanisms to seek out and invite the most needy to access project resources;
- (c) promoting good governance and efficiency in use of public resources by requiring greater accountability and providing training to major stakeholders to understand the policy objectives for the use of SDF 6 resources in approving use of project resources;
- (d) providing training and guidelines in managing environmental and disaster risks, and integration of gender equality; and
- (e) fostering closer economic integration of BMCs through regional training for BNTF staff who administer the project; and sharing information and best practices for replication in the various projects.

**Poverty Relevance Score = 9.0**

3. The Programme is specifically targeted to improving the living conditions and welfare of the most vulnerable in the nine participating BMCs by providing the enabling infrastructure in which increased access to public social services can be offered. It will contribute directly to poverty reduction through:

- (a) employment creation and by facilitating broad-based growth;
- (b) the preparation and implementation of the PRAP which will ensure more effective targeting of programme resources to the poor; and
- (c) improvements in essential infrastructure which will expand the options of the poor to develop their capacities as well as increase their connectedness to markets and services.

**Efficacy Score = 7.5**

4. The project is designed to meet objectives in the following areas: mechanisms for policy formulation (PRAP and OM); physical production (sub-projects); financial cost sharing and accountability; social development through the building of social capital of the neediest and most deprived; institutional strengthening of the PSC, BNTFO, community groups and service providers, to more effectively deliver project outputs; better management of environmental risks through training and the provision and use of guidelines, identification of gender disparities through training and the application of analytical tools and programme support to gender specific interventions.

**Cost Efficiency Score = 5.5**

5. Increasing construction inflation rates over the 2001 rates will impact on construction costs. Stakeholder and community participation throughout the sub-project cycle is of significant value, with benefits to operations and maintenance.

**Institutional Development Impact Score = 6.0**

6. MTE recommendations have been incorporated in the design of BNTF 6 and include the preparation of a PRAP, OM and AWPB to guide project operations, project launch workshops/training in each BMC for an enlarged group of stakeholders to better share information on the Programme design and modalities for the use of resources. Additional skills will be added to the BNTFO and further training provided for more effective functioning of the BNTFO. Specific funds have been provided by CDB for social marketing. The use of an electronic MIS and a dedicated CDB-sponsored BNTF web site will enable quicker response to the needs of the BMCs, replication and knowledge of best practices, and lower communications costs. These interventions are designed to make more efficient use of BMCs human and financial resources and cause positive changes to the BNTF/PSC organisational structure, procedures, and capacity to deliver project resources to the most needy in the BMCs more effectively.

**Sustainability = 5.5**

7. The risk to full realisation of project benefits is low. However, exogenous factors and the macro-economic climate may make it difficult for BMCs to provide funding because of reduced revenues. CDB and BMCs are fully committed to the Programme and BMCs place a high priority on providing counterpart funding, staff and expertise to implement the projects to ensure maximum outputs. Previous Programme performance has assured continuation of donor support.

**LOCAL INSTITUTIONAL STRENGTHENING COMPONENT – CDB FUNDED**

(\$)

<b>Items</b>	<b>BZE</b>	<b>DOM</b>	<b>GRN</b>	<b>GUY</b>	<b>JAM</b>	<b>MON</b>	<b>SKN</b>	<b>STL</b>	<b>SVG</b>	<b>TCI</b>	<b>Total</b>	<b>Average</b>
Public Relations	20,000	20,000	20,000	20,000	20,000	10,000	15,000	20,000	15,000	5,000	165,000	16,500
BNTFO Staff and Office Costs	105,721	142,226	134,493	258,537	151,920	86,623	114,897	178,636	122,693	5,000	1,300,746	130,075
<b>Total LIS - CDB Contribution<sup>1/</sup></b>	<b>125,721</b>	<b>162,226</b>	<b>154,493</b>	<b>278,537</b>	<b>171,920</b>	<b>96,623</b>	<b>129,897</b>	<b>198,636</b>	<b>137,693</b>	<b>10,000</b>	<b>1,465,746</b>	<b>146,575</b>
Local Project Management - Gov'ts Contribution <sup>2/</sup>	413,481	542,258	420,568	424,720	-	139,949	401,327	708,916	475,519	165,357	1,891,068	189,107
<b>Total Local Administration Costs<sup>3/</sup></b>	<b>539,202</b>	<b>704,484</b>	<b>575,061</b>	<b>703,257</b>	<b>171,920</b>	<b>236,572</b>	<b>531,224</b>	<b>907,552</b>	<b>613,212</b>	<b>175,357</b>	<b>5,157,841</b>	<b>515,784</b>
Average Yearly Costs	134,801	176,121	143,765	175,814	42,980	59,143	132,806	226,888	153,303	43,839	1,289,460	128,946
Average Yearly LIS CDB	31,430	40,557	38,623	69,634	42,980	24,156	32,474	49,659	34,423	2,500	366,436	36,644
CDB % of Total Administration Costs	23.3	23.0	26.9	39.6	-	40.8	24.5	21.9	22.5	5.7	28.4	28.4

<sup>1/</sup> Refer to paragraph 4.04 (c).

<sup>2/</sup> Reflects local administration costs supplied by BMCs in 2001, adjusted by historical inflation rates over the period 2002-2007. Jamaica Local Project Management costs are provided by the Government through JSIF.

<sup>3/</sup> Differences among BMCs in local administration costs are due to: Geography (multi-island or country size); currency; local cost structure; and institutional arrangements (cost-sharing only in some cases).

**COUNTRY COMPONENTS BY FUNDING SOURCE**  
**(\$'000)**

<b>Component</b>		<b>BZE</b>	<b>DOM</b>	<b>GRN</b>	<b>GUY</b>	<b>JAM</b>	<b>MON</b>	<b>SKN</b>	<b>STL</b>	<b>SVG</b>	<b>TCI</b>	<b>Technical Services</b>	<b>Total</b>
<b><u>Total Funding</u></b>													
A1	Large Sub-Projects	2,404	1,935	1,474	5,869	3,765	903	670	2,311	1,499	280	-	21,110
A2	Small Sub-Projects	659	530	404	1,608	1,032	247	184	633	409	77	-	5,783
A3	Skills Training	230	185	141	563	361	87	64	222	144	27	-	2,024
A4	Technical Services	245	-	-	-	480	-	-	-	-	-	4,275	5,000
A5	LIS	126	163	154	278	172	96	130	199	138	10	-	1,466
A6	Local Project Management	413	542	421	425	-	140	401	709	476	165	-	3,692
<b>Total</b>		<b>4,077</b>	<b>3,355</b>	<b>2,594</b>	<b>8,743</b>	<b>5,810</b>	<b>1,473</b>	<b>1,449</b>	<b>4,074</b>	<b>2,666</b>	<b>559</b>	<b>4,275</b>	<b>39,075</b>
<b><u>CDB Funding</u></b>													
A1.1	Large Sub-Projects	1,923	1,548	1,179	4,695	3,012	723	536	1,849	1,199	224	-	16,888
A2.1	Small Sub-Projects	527	424	324	1,286	825	198	147	507	328	61	-	4,627
A3.1	Skills Training	184	148	113	451	289	69	51	177	115	22	-	1,619
A4.1	Technical Services	245	-	-	-	480	-	-	-	-	-	4,275	5,000
A5.1	LIS	126	163	154	278	172	96	130	199	138	10	-	1,466
A6.1	Local Project Management	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>		<b>3,005</b>	<b>2,283</b>	<b>1,770</b>	<b>6,710</b>	<b>4,778</b>	<b>1,086</b>	<b>864</b>	<b>2,732</b>	<b>1,780</b>	<b>317</b>	<b>4,275</b>	<b>29,600</b>
<b><u>Counterpart Funding</u></b>													
A1.2	Large Sub-Projects	481	387	295	1,174	753	180	134	462	300	56	-	4,222
A2.2	Small Sub-Projects	132	106	80	322	207	49	37	126	81	16	-	1,156
A3.2	Skills Training	46	37	28	112	72	18	13	45	29	5	-	405
A4.2	Technical Services	-	-	-	-	-	-	-	-	-	-	-	-
A5.2	LIS	-	-	-	-	-	-	-	-	-	-	-	-
A6.2	Local Project Management	413	542	421	425	-	140	401	709	476	165	-	3,692
<b>Sub-Total</b>		<b>1,072</b>	<b>1,072</b>	<b>824</b>	<b>2,033</b>	<b>1,032</b>	<b>387</b>	<b>585</b>	<b>1,342</b>	<b>886</b>	<b>242</b>	<b>-</b>	<b>9,475</b>

Note: Errors due to rounding

**ANNUAL LOCAL SUB-PROJECT COUNTERPART (2008-2012)<sup>1/</sup>**  
**(\$'000)**

<b>Country</b>	<b>Total</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Belize	<b>659</b>	132	198	198	131
Commonwealth of Dominica	<b>530</b>	106	159	159	106
Grenada	<b>404</b>	81	121	121	81
Guyana	<b>1,608</b>	322	482	482	322
Jamaica	<b>1,031</b>	206	310	309	206
Montserrat	<b>247</b>	49	74	74	50
St. Kitts & Nevis	<b>183</b>	37	55	55	36
St. Lucia	<b>633</b>	126	190	190	127
St. Vincent and the Grenadines	<b>411</b>	83	123	123	82
Turks and Caicos Islands	<b>77</b>	16	23	23	15
<b>Total</b>	<b>5,783</b>	<b>1,158</b>	<b>1,735</b>	<b>1,734</b>	<b>1,156</b>
<b>Percentage of total for each year</b>	<b>100</b>	20	30	30	20

<sup>1</sup> Annual local counterpart contributions due by March 31 of each year

**PROGRAMME COMPONENTS BY COUNTRY AND FINANCING**  
**(\$'000)**

<b>Components</b>	<b>Total</b>	<b>Gov'ts<sup>1/</sup></b>	<b>CDB<sup>2</sup></b>
<b><u>Country Projects</u></b>			
Belize	3,832	1,072	2,760
Commonwealth of Dominica	3,355	1,072	2,283
Grenada	2,594	824	1,770
Guyana	8,743	2,033	6,710
Jamaica	5,330	1,032	4,298
Montserrat	1,473	387	1,086
St. Kitts & Nevis	1,449	585	864
St. Lucia	4,074	1,342	2,732
St. Vincent and the Grenadines	2,666	886	1,780
Turks and Caicos Islands	559	242	317
Sub-total	34,075	9,475	24,600
<b><u>Technical Services</u></b>			
Belize	245	-	245
Jamaica	480	-	480
Other BMCs	4,275	-	4,275
Sub-total	5,000	-	5,000
<b>Country Totals</b>	<b>39,075</b>	<b>9,475</b>	<b>29,600</b>
<b>Regional Coordination</b>	2,400	-	2,400
<b>Total</b>	<b>41,475</b>	<b>9,475</b>	<b>32,000</b>

<sup>1/</sup> Government financing for Country Projects comprises 20% counterpart funding plus contribution to Local Project Management.

<sup>2</sup> CDB financing for Country Projects comprises funding for infrastructure and skills training sub-projects plus Local Institutional Strengthening

**TERMS AND CONDITIONS FOR THE OPERATION OF A SPECIAL ACCOUNT**

1. After the Bank has received satisfactory evidence that the Special Account (SA) has been duly opened by the Executing Agency (EA), the EA shall make a request to the Caribbean Development Bank (CDB) for an amount not exceeding three months eligible expenditure to be paid from the Grant and deposited in the SA (“the Authorised Allocation”). On the basis of such request or requests, CDB shall, on behalf of the EA, withdraw from the Grant and deposit in the SA such amount or amounts as the EA shall have requested.
2. Payments out of the SA shall be made exclusively for expenditures in respect of the reasonable cost of goods, works and services required for the components of the Project allocated for financing by CDB as shown in the Financing Plan for the Project up to the respective limits specified therein (“Eligible Expenditures”).
3. The EA shall furnish to CDB at regular intervals requests for subsequent withdrawals from the Grant to be deposited in to the SA to replenish that account. Prior to or at the time of each such request, the EA shall furnish to CDB the documents and other evidence required by CDB for the payment or payments in respect of which replenishment is requested. On the basis of each such request, CDB shall, on behalf of the EA, withdraw from the Grant and deposit into the SA such amount as the EA shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the SA for Eligible Expenditures.
4. For each payment made by the EA out of the SA, the EA shall, at such time as CDB shall reasonably request, furnish to CDB such documents and other evidence showing that such payment was made to meet expenditures in connection with the Project as they were actually incurred.
5. Notwithstanding the provisions of paragraph 2 hereof, CDB shall not be required to make further deposits into the SA:
  - (a) if, at any time, CDB shall have determined that all further payments should be made to the EA directly from the Grant in accordance with the provisions of this Grant Agreement;
  - (b) if the EA shall have failed to furnish to CDB, within the period of time to be specified in this Grant Agreement any of the audit or other reports required to be furnished to CDB pursuant to the said Grant Agreement in respect of the monitoring and audit of the records and accounts for the SA; or
  - (c) if, at any time, CDB shall have notified the EA of its intention to suspend in whole or in part the right of the EA to receive payments of the Grant pursuant to the provisions of this Grant Agreement; and
  - (d) once the total unwithdrawn amount of the Grant allocated to the Eligible Expenditures, less the amount of any outstanding special commitment entered into by the Bank pursuant to this Grant Agreement with respect to the Project, shall equal ten percent (10%) of the Grant Amount.

6. Within the period of six (6) months prior to the terminal disbursement date of the Grant, payments of the remaining Grant allocated to Eligible Expenditures shall follow such procedures as CDB shall specify by notice to the EA. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the SA as of the date of such notice will be utilised in making payments for Eligible Expenditures.

7. (a) If the Bank shall have determined at any time that any payment out of the SA:
- (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 hereof; or
  - (ii) was not justified by the evidence furnished to CDB;  
the EA shall, promptly upon notice from CDB:
    - (aa) provide such additional evidence as CDB may request; or
    - (bb) deposit into the SA (or, if CDB shall so request, refund to CDB) an amount equal to the amount of such payment or the portion thereof not so eligible or justified.
  - (iii) Unless CDB shall otherwise agree, no further deposit by CDB into the SA shall be made unless the EA has provided such evidence or made such deposit or refund as the case may be.
- (b) If CDB shall have determined at any time that any amount outstanding in the SA will not be required to cover further payments for Eligible Expenditures, the EA shall, promptly upon notice from CDB, refund to CDB such outstanding amount.
- (c) If the SA is inactive for a period of six (6) months, CDB shall notify the EA that it will request a refund of the outstanding balance unless, within ninety (90) days the EA submits evidence satisfactory to CDB of Eligible Expenditure financed through the SA.
- (d) The EA may, upon notice to CDB, refund to CDB all or any portion of the funds on deposit in the SA.
- (e) Refunds to CDB made pursuant to sub-paragraphs 7 (b), (c) or (d) hereof shall be credited to the Grant for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Grant Agreement.

8. Once CDB has received satisfactory documentation from the EA for all amounts advanced to the SA, the EA shall furnish a bank statement to CDB showing that the account balance has been reduced to zero and the SA shall be closed.