

**PUBLIC DISCLOSURE AUTHORISED**

**CARIBBEAN DEVELOPMENT BANK**



**PROJECT COMPLETION VALIDATION REPORT  
WITH MANAGEMENT RESPONSE (APPENDIX I)**

**COMMUNITY INVESTMENT PROJECT**

**JAMAICA**

This Document is being made publicly available in accordance with the Bank's Information Disclosure Policy. The Bank does not accept responsibility for the accuracy or completeness of the Document.

**Any designation or demarcation of, or reference to, a particular territory or geographic area in this Document is not intended to imply any opinion or judgment on the part of the Bank as to the legal or other status of any territory or area or as to the delimitation of frontiers or boundaries.**

**OFFICE OF INDEPENDENT EVALUATION  
JANUARY 2022**

**PUBLIC DISCLOSURE AUTHORISED**

**CARIBBEAN DEVELOPMENT BANK**



**PROJECT COMPLETION VALIDATION REPORT**

**COMMUNITY INVESTMENT PROJECT**

**JAMAICA**

Head Office of Independent Evaluation	-	James Melanson
Evaluator	-	Denise Padmore

**OFFICE OF INDEPENDENT EVALUATION  
JANUARY 2022**

## **CURRENCY EQUIVALENTS**

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

USD1.00 = BDS2.00

BDS1.00 = USD0.50

## **ABBREVIATIONS**

AR	-	Appraisal Report
BOD	-	Board of Directors
CBOs	-	Community-based Organisations
CDB	-	Caribbean Development Bank
GOJ	-	Government of Jamaica
JMD	-	Jamaican dollars
JSIF	-	Jamaica Social Investment Fund
MDGs	-	Millennium Development Goals
NGOs	-	Non-Governmental Organisations
PATH	-	Programme of Advancement Through Health and Education
PCR	-	Project Completion Report
PIOJ	-	Planning Institute of Jamaica
PSR	-	Project Supervision Report
TDD	-	Terminal Disbursement Date
WB	-	World Bank

## TABLE OF CONTENTS

### **EXECUTIVE SUMMARY**

1. **BASIC PROJECT DATA SHEET**
2. **PROJECT DESCRIPTION**
  - Rationale
  - Expected Impact
  - Objectives or Expected Outcomes
  - Components/Outputs
  - Provision of Inputs
  - Implementation Arrangements
  - Identification of Risks and Mitigation Measures
3. **EVALUATION OF DESIGN AND IMPLEMENTATION**
  - Relevance of Design and Formulation
  - Project Outputs
  - Project Cost and Disbursements
  - Conditions and Covenants
  - Procurement
  - Monitoring and Evaluation Design, Implementation and Utilisation
4. **EVALUATION OF PERFORMANCE (PCR ASSESSMENT AND VALIDATION)**
  - Relevance
  - Effectiveness
  - Efficiency
  - Sustainability
  - Performance of the Borrower and Executing Agency
  - Performance of CDB
5. **OVERALL ASSESSMENT**
  - Overall Performance (Outcome) Rating
6. **COMMENTS ON PCR QUALITY**
7. **DATA SOURCES FOR VALIDATION**
8. **RECOMMENDATIONS FOR OIE FOLLOW-UP**

### APPENDIX 1

#### **MANAGEMENT RESPONSE**

## EXECUTIVE SUMMARY

### PROJECT SUMMARY

1. The holistic development of the island's communities, especially its most vulnerable areas, has been a crucial element of Jamaica's poverty reduction programme. While previous attempts to address national poverty had reaped some success, significant gaps still existed, especially in the rural areas.
2. In recognition of the urgent need to create an environment conducive to social stability and growth, the Government of Jamaica sought to address rural poverty by increasing its investment in rural areas and targeting interventions to at-risk groups.
3. On October 28, 2008, the Board of Directors of the Caribbean Development Bank (CDB) approved a loan in the amount of USD12.085 mn to assist in the financing of the Jamaica Community Investment Project for which the Jamaica Social Investment Fund was the Executing Agency.
4. Project completion was projected for December 2012, however actual completion occurred in April 2015.

### PROJECT OBJECTIVES

5. The overall objectives of the project were to improve the socio-economic conditions in poor rural communities by increasing access to basic social and economic infrastructure, social services and social development initiatives, as well as organisational strengthening interventions.

### EVALUATION OF PERFORMANCE

6. The assessment focused on the core evaluation criteria of *relevance*, *effectiveness*, *efficiency* and *sustainability*, as well as the complementary criteria of CDB and Borrowers' performance.

#### *Relevance*

7. The PCR and the Evaluator rated relevance as **Highly Satisfactory** as a result of the project's alignment with the Government's National Poverty Reduction Programme and the country's development needs.

#### *Effectiveness*

8. Effectiveness is calculated as the simple arithmetic average of the ratings for project outputs and outcomes. The PCR rates the achievement of outputs as *Marginally Unsatisfactory* and the achievement of outcomes as *Satisfactory*. The Evaluator, on the other hand, rates both the achievement of outputs and outcomes as *Marginally Unsatisfactory*. In both cases this equates to an average rating of **Marginally Unsatisfactory**. The difference in the rating of outcomes by the Evaluator is as a result of the significant variance between projected and actual beneficiaries of both the sub-projects and the Bridge Project interventions.

#### *Efficiency*

9. The PCR rates efficiency as **Satisfactory**. The Evaluator concurs with this rating and agrees with the justification that JSIF's project guidelines required the use of least cost analysis in the design and

appraisal of all sub projects. In addition, the interventions reflected good practice standards which were consistent with industry norms.

### *Sustainability*

9. The Sustainability of the project and its interventions were rated **Satisfactory** by the PCR and the Evaluator.

### **Performance of the Borrower and Executing Agency**

10. A rating of **Marginally Unsatisfactory** was assigned by both the PCR and the Evaluator as a result of several issues which arose during project implementation and resulted in delays in project activities.

### **Performance of the Caribbean Development Bank**

11. Both the PCR and the Evaluator agree that CDB's performance during project design and implementation was **Satisfactory**.

### **Overall Assessment**

12. Details of the ratings and justification for differences between those of the PCR and Evaluator are summarised below:

#### **SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL ASSESSMENT OF THE PROJECT**

<b>Criteria</b>	<b>PCR</b>	<b>OIE Review</b>	<b>Reason if any for Disagreement/Comment</b>
Strategic Relevance Poverty Relevance	Highly Satisfactory (4)	Highly Satisfactory (4)	
Effectiveness	Marginally Unsatisfactory (2.5)	Marginally Unsatisfactory (2)	
Efficiency	Satisfactory (3)	Satisfactory (3)	
Sustainability	Satisfactory (3)	Satisfactory (3)	
<b>Composite (Aggregate) Performance Rating</b>	<b>Satisfactory (3.125)</b>	<b>Satisfactory (3)</b>	
Borrower & EA Performance	Marginally Unsatisfactory	Marginally Unsatisfactory	
CDB Performance	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	

## 1. BASIC PROJECT DATA

<b>Project Title:</b>	Community Investment Project
<b>Country:</b>	Jamaica
<b>Sector:</b>	Social
<b>Loan No.:</b>	19/SFR-JAM
<b>Borrower:</b>	Government of Jamaica
<b>Implementing/Executing Agency</b>	Jamaica Social Investment Fund

<u>Approval and Disbursements (\$ mn)</u>	<u>OCR</u>	<u>CDB LOAN</u> <u>SFR</u>	<u>Total</u>
Loan Amount (Original)	-	12.085	12.085
Total Loan Disbursed	-	9.485	9.485
Cancelled	-	2.6	2.6

<u>Project Milestones</u>	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
Board Approval	28 October 2008	28 October 2008	0
Loan Agreement signed	09 December 2008	20 April 2009	(4)
Loan Effectiveness <sup>1</sup>	03 March 2009	2 December 2009	(8)

<u>CDB Loan</u>	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
First Disbursement Date	30 June 2009	04 February 2010	(7)
Terminal Disbursement Date	31 March 2013	30 April 2015	(24)
TDD Extensions (number)		3	

<u>Project Cost and Financing (\$ mn)</u>	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (mn)</u>
CDB Loan and Grant	12.085	9.485	2.6
Counterpart	3.023	2.066	0.957
<b>Total</b>	<b>15.108</b>	<b>11.551</b>	<b>3.557</b>

<u>Terms</u>	<u>Interest Rate</u>	<u>Repayment</u>	<u>Grace Period</u>
CDB Loan (SFR)	2.5%	30 years (incl. grace period)	10 years

<u>Implementation</u>	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
Start Date <sup>2</sup>	1 April 2009	20 April 2009	0
Completion Date	31 December 2012	30 April 2015	(27)
Implementation Period	3.8 years	6 years	28

<sup>1</sup> Date Conditions to First Disbursement satisfied.

<sup>2</sup> Implementation begins with satisfaction of conditions precedent

## **2. PROJECT DESCRIPTION**

### **Rationale**

2.01 The holistic development of the island's communities, especially its most vulnerable areas, has been a crucial element of Jamaica's poverty reduction programme.

2.02 While national poverty statistics indicated an overall downward trend, the incidence of poverty in Jamaica's rural areas and inner-city communities remained unacceptably high (65.7%). This was partly due to a contraction of and lack of diversification in the agriculture sector, on which there was a high dependence.

2.03 Previous attempts by the Government of Jamaica (GOJ) to address rural poverty produced some improvement in the areas of community infrastructure and access to basic services and amenities, however significant gaps still existed in infrastructure investment which were reflected in: 40% of households having access to potable water; the deterioration in the road network; and the lack of adequate Early Childhood institutions, basic schools, health care clinics/centres and agricultural and rural roads.

2.04 Recognising the urgent need to create an environment conducive to social stability and growth, the GOJ sought to address social deprivation and economic vulnerability of at-risk groups by increasing its investment and targeting interventions to enhance the development pattern of its rural communities.

### **Expected Impact**

2.05 The project was expected to improve the living conditions of over 150,000 persons in approximately 130 poor communities in rural Jamaica. At the sectoral level over 9,000 children were expected to benefit from an enhanced learning environment at the primary and pre-primary level and employment opportunities were to be generated for at least 400 persons during project implementation.

2.06 Interventions in education and rural infrastructure were expected to support the maintenance and advancement of the Millennium Development Goals (MDGs) through an enhancement of the macroeconomic and social environment in the form of improvements in healthcare facilities and road transportation systems. Skills training interventions were to be extended to women for training in non-traditional areas of employment.

### **Objectives / Expected Outcomes**

2.07 The project hoped to support GOJ in its efforts to promote social development, particularly among the poor. Its primary objective was to improve the socio-economic conditions in poor rural communities by increasing access to basic social and economic infrastructure; social services and social development initiatives; as well as organisational strengthening interventions.

## Components and/or Outputs

2.08 The project consisted of four main components:

- (a) Sub-project financing – The Jamaica Social Investment Fund (JSIF)<sup>3</sup> was to finance up to 95 per cent (%) of the cost of small-scale community projects in the areas of basic education and early childhood education; primary health, basic transportation services; and social capital development. No individual project was to exceed USD350,000.
- (b) Institutional Support – financing of JSIF staff salaries and other operating expenses; as well as providing training, seminars and workshops geared towards increasing the operational efficiency of JSIF particularly in the areas of social marketing and monitoring. Training was also to be extended to JSIF collaborators which included the Social Development Commission, Non-governmental organisations (NGOs), Community-based organisations (CBOs), contractors and members of the private sector.
- (c) Technical Assistance – financing was provided for a short-term consultancy geared towards assisting JSIF to undertake a review of the project cycle for a sample of sub-projects, from design to implementation, to identify areas where significant cost variances occurred.
- (d) The Bridge Jamaica Pilot Project<sup>4</sup> – support to the Bridge Project in rural communities sought to allow GOJ to develop a holistic framework for reaching poor families and improving the quality and coverage of social protection strategies and programmes.

## Provision of Inputs

2.09 By letter dated June 20, 2008, GOJ requested a loan in the amount USD12.085 mn to assist in the financing of the Community Investment Project. On October 28, 2008, the Board of Directors (BOD) approved the loan funds, the proceeds of which were made available through JSIF to allow the organisation to enhance the living conditions of poor communities through the provision of basic and economic infrastructure in the education, health and transportation sectors.

2.10 In 1999, the Caribbean Development Bank (CDB) provided loan and grant resources to GOJ in the amount of USD14.128 mn and USD124,000, respectively, to finance the Social Investment Fund – Jamaica project with JSIF as the Executing Agency. Approximately USD11.489 mn of the loan was allocated to sub-project financing in the areas of social and economic infrastructure, social services and organisational strengthening.

---

<sup>3</sup> JSIF was established in 1996 as the key facilitator of GOJ's poverty reduction efforts through the provision of basic social and economic infrastructure and social services to vulnerable communities throughout Jamaica.

<sup>4</sup> The Bridge Jamaica Programme follows the design of the Chilean Programa Puente, by providing a virtual "bridge" that connects persons living below the poverty line to greater access to social amenities; affording them greater opportunities to alleviate their current state of poverty. The programme seeks to address aspects of social marginalization and empower targeted families to achieve minimum standards, based on seven socio-economic pillars, which include Personal Identification, Health, Education and Training, Family Dynamics, Income, Employment, Housing and Disaster Management. Activities relating to each pillar of the Bridge include the provision of subsidies to each family to access civil documentation; facilitate family sessions on reproductive Health, Parenting, Healthy Lifestyle, Disaster preparedness and management, family excursions, educational grants, housing assistance grants, and labour activation grants. The targeted families are beneficiaries of the Programme of Advancement Through Health and Education (PATH).

**Implementation Arrangements**

2.11 The project was to be implemented during the period April 1, 2009 to December 31, 2012 (3 years, 8 months) in accordance with procedures set out in JSIF’s Operations Manual.

2.12 The Appraisal Report (AR) notes that JSIF had established sound management structures for project appraisal, implementation and monitoring. While JSIF’s BOD was responsible for providing oversight and policy guidance during implementation, as a condition precedent to first disbursement, a Project Manager with responsibility for implementation was to be recruited and assigned.

2.13 Technical, administrative and financial services were to be provided from JSIF’s core services, however, JSIF’s institutional review highlighted the need to augment its technical capacity via the recruitment of an Engineer and a Social Analyst. This was also stipulated as a condition precedent to first disbursement.

2.14 CDB was to be informed of any proposed management appointments to be made.

**Identification of Risks and Mitigation Measures**

2.15 The following table highlights the main risk identified at appraisal and during project implementation, as well as the mitigation measures employed:

**TABLE 1: RISK AND MITIGATION MEASURES**

<b>Risks</b>	<b>Mitigation Measures</b>
Rising construction cost may reduce the number of sub-projects and the number of beneficiaries from the project.	Cost effective standardised and functional designs were to be used for construction work. Resources were provided for the engagement of a Technical Advisor to review the implementation processes, identify possible cost overruns and make recommendations to reduce their probability.
The level of social capital will not be realised if beneficiaries are not involved in all stages of the project cycle.	The capacity of the JSIF’s staff was enhanced to allow for the social monitoring of all stages of the project life cycle. Emphasis was also to be placed on social marketing, particularly in the poorest communities.
Lack of resources for maintenance, as well as inadequate allocation of investment resources in the past have resulted in the poor state of basic social and economic infrastructure. Sustainability of benefits of sub-projects finance by JSIF, therefore is a major issue.	Community members were trained in preventative maintenance and disaster preparedness. On completion of sub-projects, a Facilities Maintenance Handbook, which outlined budgeting tools and a checklist for ensuring the safety of the building and its contents were given to communities.  In addition, it was mandatory that sub-project sponsors prepare specific maintenance plans as part of their proposal to JSIF. Line Ministries signed a Tri-Partite agreement stipulating that they were responsible for covering the operations and maintenance cost of the facilities.

## EVALUATION OF DESIGN AND IMPLEMENTATION

### **Relevance of Design and Formulation**

3.01 The project was designed to build on the main strength and solid track record of JSIF to implement small projects in poor communities in Jamaica.<sup>5</sup> Given that previous interventions by the World Bank (WB) and European Union targeted poverty in the urban communities, the Community Investment Project focused on the needs of Quartile IV of the poorest communities in the rural parishes of Jamaica.

3.02 A poverty map, as well as a poverty ranking system, developed by the Planning Institute of Jamaica (PIOJ), was used to identify the poorest communities in these parishes. The PIOJ ranking was based on the Consumption Approach (the ability of individuals to purchase basic provisions) and the Unsatisfied Basic Needs Approach (access to social services and amenities such as healthcare, education and potable water). Social analysis and social marketing were undertaken to increase the accuracy of targeting and enhance the capacity of the poorest communities to access project resources.

3.03 Sub-projects were capped at a cost of USD350,000 and implemented on a demand-driven basis with a system of active community participation at all stages of the project cycle to allow for a sense of ownership among community members. The appraisal, financing and supervision of sub-projects were to be in accordance with the Operations Manual and only sub-projects included in JSIF's menu of eligible sub-projects were eligible for funding. Any amendments to the menu required the prior approval of CDB.

3.04 Central and local government agencies, as well as NGOs, CBOs, community groups and private sector organisations were eligible sub-project sponsors. Communities were empowered to contract and manage sub-projects.

3.05 The Project Completion Report (PCR) highlights that the overall project design contributed positively towards the success of the project, in addition, it cites that environmental sustainability was a central consideration for sub-project design and operations. The Evaluator concurs with this assessment and rates project design and formulation as **Satisfactory**, however, the Evaluator agrees with the recommendation in the PCR that consideration should be given to a review of the financial ceiling for road infrastructure interventions since it is noted that an extensive road network is an important facilitator for economic and social development, especially in rural areas.

### **Project Outputs**

3.06 The PCR provides an assessment of planned outputs versus actual outputs for each of the project components. Table 2 provides a summary.

---

<sup>5</sup> From its inception in 1999, JSIF had implemented over 746 projects.

**TABLE 2: MATRIX OF PROJECT OUTPUTS**

No.	Planned Outputs	Outputs Achieved	Rating
1	<p>Sub-projects</p> <p><i>The original target of 158 sub-projects was revised to 131 as a result of fiscal challenges being experienced by GOJ. The planned projects were categorised as follows:</i></p> <p><i>Social Infrastructure: 40</i>  <i>Economic Infrastructure: 15</i>  <i>Social Services: 28</i>  <i>Organisational Strengthening: 48</i></p>	<p>A total of 105 sub-projects were completed as a result of: (a) an increase in the average cost associated with the drainage component of the infrastructure sub-projects (from USD92,000 to USD150,000) which pushed infrastructure projects close to the ceiling cap of USD350,000 and resulted in limitations on the scope of works and number of sub-projects and beneficiaries; and (b) the cancellation of 21% (USD2.6 mn) of the loan by GOJ due to fiscal challenges. Sub-projects were completed as follows:</p> <p><i>Social Infrastructure: 38</i>  <i>Economic Infrastructure : 14</i>  <i>Social Services: 25</i>  <i>Organisational Strengthening: 28</i></p>	<p>Marginally Unsatisfactory</p>
2	<p>Institutional Support</p> <p><i>Training seminars and workshops conducted for JSIF staff and other collaborators.</i></p> <p><i>Expenses paid on an ongoing basis.</i></p>	<p>The project provided training to 250 persons including JSIF staff and other stakeholders in the following areas:</p> <p><i>Project Cycle Management: 147 persons</i>  <i>Computerised Job Estimation Tool for small contractors and artisans: 55 persons</i>  <i>Contract administration, environment and procurement (consultants and contractors): 48 persons</i></p> <p>This training positively impacted the institution's ability to provide quality and timely service to its stakeholders.</p> <p>Unutilised funds under this component were used to review and update JSIF's Operations Manual to reflect adjustments to policies, guidelines and procedures since 2006.</p>	<p>Satisfactory</p>
3	<p>Technical Support</p> <p><i>Cost Variance analysis report completed and recommendations incorporated towards improving JSIF operations.</i></p>	<p>The procurement exercise for the cost database commenced in April 2010, however due to a low response rate, the procurement period was extended. A contract was awarded in December 2010 with a scheduled completion date of September 2011. The PCR noted that while the 9-month completion period was beyond the estimated three months at Appraisal, CDB's appraisal team was a bit over-optimistic and did not account for system testing and debugging.</p> <p>The Cost Variance Analysis Report was completed in March 2012. The PSR notes that the cost database system was being used by JSIF and improvements were reported in the timely production of bills of quantities.</p>	<p>Satisfactory</p>
4	<p>Bridge Jamaica Pilot Project</p> <p><i>50 families to be engaged in the Bride Project</i></p>	<p>The initial projection of 50 families was revised to 30 as a result of the inability of the Ministry of Labour and Social Services to support the project due to a lack of resources. JSIF was forced to engage the services of a social workers however budget constraints only allowed for the hiring of three social workers. By the end of the project 26 families had been fully engaged. The project was completed in 18 months rather than the 15 months which was anticipated.</p>	<p>Marginally Unsatisfactory</p>
<p><b>Average Rating: Marginally Unsatisfactory</b></p>			

3.07 The PCR assigned an overall rating of **Marginally Unsatisfactory** for the achievement of project outputs based on the following:

- (a) Despite a relatively early project start-up, loan effectiveness occurred 8 months after loan signature.
- (b) The project was implemented 28 months beyond the estimated implementation period at appraisal.
- (c) Although there were no cost overruns, the actual cost of sub-projects exceeded original cost as a result of inflation and changes in the scope of infrastructure sub-projects.
- (d) Fiscal constraints by GOJ resulted in the cancellation of funds and resulted in 26 sub-projects being cancelled.

3.08 In addition to the above justification, as well as information in the Exit Workshop which suggests that the USD350,000 limit on sub-projects resulted in the selection of wearing surfaces for road projects which had a reduced service life and hence required maintenance/replacement in a shorter time frame, the Evaluator agrees with the **Marginally Unsatisfactory** rating.

3.09 The 2015 PSR highlights the following gender related outputs:

**TABLE 3: GENDER IMPACT**

<b>Output</b>	<b>Male</b>	<b>Female</b>
<b>Education and training:</b> 28 schools upgraded	1,324	1,307
<b>Social and Economic Infrastructure</b> Secondary and other roads built/upgraded: 6.95 km	2,421	2,046
Community Infrastructure built/upgraded: 1	1,500	2,500
<b>Water and Sanitation</b> Sanitary Units Constructed: 6	These units were constructed at schools, therefore beneficiaries were covered under Education and Training	
<b>Economic Education &amp; Training</b> Communities trained in Agro Business Principles – 11	258	207

## Project Cost and Disbursements

3.10 The project was estimated at a total cost of \$15.18 mn with CDB financing 80% (12.085 mn) and counterpart financing provided by GOJ (2.428 mn; 16%), and beneficiaries/sponsors (595 k; 4%). Given that the project was similar to a line of credit, no provision was made for price or physical contingencies. A summary of original, revised and actual project costs is presented at Table 4.

**TABLE 4: SUMMARY OF PROJECT COSTS AND FINANCING PLAN  
(USD '000)**

Item	CDB				GOJ/ Beneficiaries			
	Original Costs	Revised Costs	Actual	Variance %	Original Costs	Revised Costs	Actual	Variance %
1. Sub-projects								
Social Infrastructure	7,816	6,725	4,400	(35)	868	748	852	14
Economic Infrastructure	2,405	3,571	3,571		268	397	509	28
Organisational Strengthening	243	130	130		27	14	19	34
Social Services	243	282	212	(25)	27	32	19	4
2. Institutional Support	650	650	520	(20)	1,785	1,785	1,399	(22)
3. Technical Support/Assistance	60	60	14	(76)	13	13	13	-
4. Bridge Pilot Project	250	250	220	(12)	35	35	26	(26)
<b>Total Base Costs</b>	<b>11,667</b>	<b>11,667</b>	<b>9,067</b>	<b>(22)</b>	<b>3,023</b>	<b>2,428</b>	<b>2,066</b>	<b>(15)</b>
Interest During Implementation	418	418	418	-	-	-	-	-
<b>Total Project Cost</b>	<b>12,085</b>	<b>12,085</b>	<b>9,485</b>	<b>(22)</b>	<b>3,023</b>	<b>2,428</b>	<b>2,066</b>	<b>(15)</b>

3.11 At Appraisal \$11.897 mn (76%) of the resources were allocated to the sub-project components, with an estimated \$8.684 mn earmarked for Social Infrastructure projects, however provision was made for the reallocation of funds depending on the demand for individual sub-projects and the required institutional support. During project implementation, resources were reallocated from other project components to the economic infrastructure component as a result of the increased demand and costs of the road infrastructure sub-projects.

3.12 In analysing the factors which influenced project success, the PCR notes that budgetary/local counterpart funds had a negative effect on project output delivery as a result of the GOJ being under an International Monetary Fund (IMF) Standby Arrangement which involved restrictions on government capital and expenditure, including loan funded projects of which the Community Investment Fund was part.

## Disbursements

3.13 The loan was expected to be disbursed over a period of three years and nine months, with first disbursement projected for June 30, 2009 and final disbursement by March 31, 2013. The loan was expected to be fully committed by June 30, 2011.

3.14 First disbursement was delayed by approximately six months due to GOJ's inability to furnish evidence of adequate budgetary allocations, which was a condition precedent. The AR notes that due to the need to deliver benefits to the communities in a timely manner, a disbursement mechanism was put in place to allow JSIF to reduce administrative delays in the financing of projects. This mechanism allowed

JSIF to maintain a Special Account at a Commercial Bank, acceptable to CDB. This Special Account was a revolving one funded with an advance of CDB loan resources, sufficient to cover three months of eligible expenses, and used exclusively to meet CDB's share of eligible expenditure as they were incurred. CDB was expected to reimburse the Special Account against a withdrawal application, supported by statements of expenditure and documentation of all eligible expenses.

3.15 Government restrictions on capital expenditure resulted in lower-than-expected disbursements and subsequent delays in the delivery of project outcomes. The Terminal Disbursement Date was extended on three occasions for a total of 24 months. An undisbursed amount of \$2.6 mn was cancelled in November 2015.

### **Conditions and Covenants**

3.16 One of the conditions of the loan was that GOJ was expected to contribute an amount not less than \$2.428 mn in a timely basis manner towards the financing of project components and furnish evidence of adequate budgetary provisions annually during project implementation. This proved to be challenging as GOJ found itself in fiscal difficulties. Therefore, by letter dated April 21, 2009, JSIF requested that, given the current situation and in order to maintain projected implementation schedules, CDB consider full financing of sub-projects until such time that the counterpart funding could be provided. In response, CDB staff prepared a request for variation of conditions for consideration by CDB's Management.

### **Procurement**

3.17 The AR stipulated that the procurement of works which was estimated at USD6.513 mn was to include construction/rehabilitation of schools, health centres, community centre, small scale water supply systems and roads. The procurement of goods was estimated at USD2.5 mn and was to include furniture and equipment, fencing and office supplies.

3.18 Evidence suggests that JSIF adhered to the procurement guidelines, however, protracted procurement timeframes and gaps in planning affected the timing and delivery of projects.

### **Monitoring and Evaluation Design, Implementation and Utilisation**

3.19 Overall project monitoring was the responsibility of a Project Manager appointed by JSIF. The specific areas to be monitored included: (1) project impact in terms of social and economic benefit to poor communities as it related to improvement in the quality, access and coverage of community infrastructure and services and the promotion of institutional capacity building at the local level; (2) outputs relating to the number of beneficiaries from the poorest communities served in relation to targets; and (3) the successful completion of cost effective, good quality and sustainable community infrastructure projects in education, health and transport. Key monitoring and performance indications, including the requirement of baseline surveys and beneficiary assessments, were outlined in JSIF's Operations Manual.

3.20 The following requirements were also put in place to support monitoring and implementation:

#### **JSIF**

- (a) An annual performance audit and audited financial statements no later than four months after the end of each financial year (July 31).

- (b) Submission of an Annual Environmental Performance Report by May 31 of each year, commencing the first year the project was completed.
- (c) Preparation and submission of management and project monitoring reports to enable CDB to assess the performance of JSIF in relation to performance indicators.
- (d) A mid-term review within two years of project commencement to assess project status against projected implementation with a view to identify constraints and develop approaches for successful project completion.

#### **JSIF and CDB**

- (a) An impact evaluation was to be undertaken 18 months after the project had been fully implemented.
- (b) An annual review was to be carried out no later than October 31, of each year of implementation.

3.21 In addition to the above a semi-annual Procurement Audit was to be conducted by CDB.

3.22 JSIF's Management Information System included a Cost Database which interfaced with the supervision, disbursement and financial sub-systems and tracked the timing and costs of projects at various stages of the sub-project cycle. The monitoring of the Bridge Project was facilitated through Focus Group Discussions, consultations with families and reviews of services accessed through the Social Network.

3.23 The PCR does not formally assess the monitoring and evaluation systems of the project, however, notwithstanding that the Impact Evaluation was not completed due to the cancellation of 2.6 mn of the loan, the Evaluator is of the opinion that adequate measures were put in place for project monitoring.

## **4. EVALUATION OF PERFORMANCE (PCR ASSESSMENT AND VALIDATION)**

### **Relevance**

4.01 The project was considered a critical part of Jamaica's National Development Plan – Vision 2030 which aimed at the attainment of development status by 2030, as well as the achievement of the MDGs which relate to basic education, health and gender equality.

4.02 At project appraisal, one of the major planks of the Government's National Poverty Reduction Programme was the implementation of social assistance programmes and community development and social infrastructure interventions aimed at empowering poor communities and at-risk groups. However, it was noted that despite improvements in national poverty levels, the incidence of poverty in the rural areas had still exceeded the national average and increased investment and targeting of interventions to enhance capabilities and reduce economic vulnerability was required.

4.03 Therefore, the project was in sync with the initiatives in GOJ's poverty reduction strategy, as well as in accordance with the objectives of CDB's Special Development Fund (Unified) IV programme which targeted the poor. There was also convergence with the attainment of the Bank's CSP objectives and proposed intervention of strengthening and supporting human resource development, as well as CDB's

strategic objective and corporate priority of fostering inclusive social development and promoting the building of social capital; and enhancing social risk management arrangements, respectively.

4.04 The PCR and PSRs rates Relevance as **Highly Satisfactory**. The Evaluator concurs with this rating since the project components and suite of sub-projects selected for approval and financing responded to the country's development needs and the needs of the rural communities.

### **Effectiveness**

4.05 The PCR assigns a **Satisfactory** rating to the achievement of development outcomes based on three main variables:

- (a) *Effective targeting* – Over 90% of the sub-projects were located in communities with the highest incidence of poverty. Investments were relevant and reflected the needs of the community.
- (b) *Fully operational facilities after three years of implementation* – The utilisation rate of the facilities ranged from high to very high and residents expressed overall satisfaction with the facilities and services being offered. The demand-driven nature of the projects; a community/stakeholder consultation process; and community-based contracting of some the projects activities, allowed the project to build community ownership and create employment opportunities. As noted in the PCR, all social and infrastructure sub-projects were being used for their intended purposes and the road rehabilitation sub-projects has facilitated transportation linkages from rural areas to basic social services such as hospitals, clinics and schools. The investment is reported to have a positive impact on small farmers in terms of a reduction in travel time to markets and vehicle operating costs, as well as a reduction of travel time to and from work and school by as much as 80%.
- (c) *Beneficiary satisfaction* – 96% of the residents interviewed during the mid-term review agreed that the sub-projects were relevant and successful in addressing the needs of the communities

4.06 In terms of the project's impact on institutional support, the PCR notes that JSIF's institutional capacity had been strengthened through training and a system upgrade which sought to improve operational efficiency, service delivery and knowledge management. Workshops/seminars were also conducted for consultants to improve their awareness of JSIF's processes and guidelines in the areas of contract administration, environmental management and procurement. Critical stakeholders such as CBO, NGOs, line ministries and the Social Development Commission also benefited from training and an effective and efficient working relationship with JSIF.

4.07 Inter-institutional coordination at the sector level was also enhanced between JSIF and line Ministries, particularly with regards to education and transportation (feeder roads) since these interventions were aligned with the Line Ministries' sectoral objectives of improving the learning environment of primary education, increasing economic activity in poor rural communities and increasing access to healthcare services such as potable water and proper sanitation facilities.

4.08 While the achievement of the above development outcomes were commendable, the Evaluator is of the view that the overall achievement of outcomes was **Marginally Unsatisfactory**. First, as noted in the PCR, there was a significant variance between the projected (150,000) and actual (51,000) beneficiaries, due to the cancellation of 26 subprojects from the portfolio. In addition, only 52% of the

targeted families had benefitted from the Bridge Project and there was no data to determine the percentage of families that had graduated out of the programme.<sup>6</sup>

4.09 In addition, the capping of sub-projects to USD350,000 meant that some important projects which had been previously approved by JSIF BOD were denied funding as a result of bids being in excess of the financing limit. For example, there was a request for funding for the Parotte Rural Feeder Road Rehabilitation project which catered to a fishing community which sustained damage during Hurricane Dean (2007) and Tropical Storm Gustav (2008) but was 35% over the financing limit. This request was denied by CDB as a result of loan agreement stipulations.

4.10 Since the Effectiveness rating is a simple arithmetic average of the individual ratings for project outputs and outcomes, an overall rating of **Marginally Unsatisfactory** is assigned as follows:

	<i>PCR</i>	<i>Evaluator</i>
Achievement of Outputs	Satisfactory (3)	Marginally Unsatisfactory (2)
Achievement of Outcomes	Marginally Unsatisfactory (2)	Marginally Unsatisfactory (2)
<b><i>Average Rating:</i></b>	<b><i>Marginally Unsatisfactory(2.5)</i></b>	<b><i>Marginally Unsatisfactory (2)</i></b>

### **Efficiency**

4.11 The AR notes that an analysis of JSIF’s operations indicated that the institution was deemed efficient in the cost-effective delivery of small and medium-sized projects to poor communities. This is reflected in the PCR’s rating of **Satisfactory** and the justification that JSIF’s project guidelines required the use of least cost analysis in the design and appraisal of all sub projects. This process was supported by transparent procurement procedures, competitive bidding and a rigorous evaluation process, supported by JSIF’s Cost Database. In addition, the PSRs highlight that construction was carried out by private contractors who were engaged using National Competitive Bidding procedures consistent with CDB’s guidelines for procurement.

4.12 As noted in the PCR, the average costs of sub-projects were as follows: Road infrastructure - JMD29.6 mn; Schools – JMD20.5 mn; Health centres – JMD19.8 mn; and Water supply – JMD8.2 mn. The high costs associated with the road infrastructure projects was linked to feeder road rehabilitation and the need to include drainage works. This is confirmed in JSIF’s 2014 Project Status Report which notes that many communities had not had their roads repaired in over 30 years and therefore were in dire state of disrepair and required the construction of drainage which was an expensive component of road repairs. The Status Report also cites that the project had undergone three revisions to the sub-project listing as a result of increased construction costs.

4.13 With respect to project timelines, delays were evident in the road and education sub-projects mainly as a result of fiscal constraints experienced by GOJ and adverse weather conditions.

4.14 The Evaluator also assigns a rating of **Satisfactory** on the basis that the interventions reflected good practice standards which were consistent with industry norms. In addition, feedback from the midterm review highlighted that, overall, respondent thought that contractors carried out their work in a satisfactory manner (77%); community contributions were timely (77%); delays during project implementation were minimal (75%); and there was satisfactory value for money (62%).

---

<sup>6</sup> It was projected that by project completion 70% of the 50 targeted families would have graduated from the programme.

## **Sustainability**

4.15 The lack of resources for technical maintenance was identified in the AR and PCR as one of the critical factors which could contribute to or undermine project Sustainability in the future. The PCR assigned a rating of **Satisfactory** based on the justification that maintenance training and Community Facilities Maintenance Handbooks and toolkits were provided to the sub-project beneficiaries. It was also noted that JSIF endeavoured to address sustainability by evaluating specific plans for maintenance and financing of recurring cost from sponsors during the screening stage.

4.16 While the Evaluator notes that the rating was assigned based on the sustainability of the infrastructure and related maintenance and cost, this rating is acceptable based on the fact that, from a social perspective, the capacity building aspect of the project was an important part of empowering the beneficiaries to plan and manage their investment on a sustainable basis. The evaluator also notes that the Bridge Project was important in assisting persons to lift themselves out of poverty by providing access to social amenities, as well as training in programmes such as steps to work.

4.17 The Evaluator concurs with the **Satisfactory** rating.

## **PERFORMANCE OF THE BORROWER AND EXECUTING AGENCY**

4.18 The PCR notes that the Borrower performed commendably during the project preparation stage as it was noted that sub-project identification and prioritization was in accordance with the country's national strategy to address poverty.

4.19 Overall, however, a rating of **Marginally Unsatisfactory** was assigned as a result of several issues which arose during project implementation and resulted in delays in project activities. First, JSIF was faced with a reduction in yearly capital expenditure allocations due to tight fiscal and budgetary constraints experienced by GOJ at the time. Second, human resource capacity constraints hindered JSIF's ability to meet stipulated reporting deadlines. For example, the final report for the Mid-Term Review which was scheduled to be completed in May 2010 was submitted in December 2016. The 2015 PSR notes that the quality of the Draft Report was marginally satisfactory and as a result was not accepted by CDB. The Completion Report for the Bridge Pilot Project was also submitted behind schedule.

4.20 The PSR also highlights that the delay in carrying out the mid-term review prevented the CDB supervision team from engaging in meaningful dialogue with JSIF and other stakeholders and resulted in a lost opportunity to critically look at the project and implement interventions to address bottlenecks, improve the rate of implementation and chart the way forward.

4.21 The Evaluator concurs with the **Marginally Unsatisfactory** rating based on the justification provided by the PCR, as well as the fact that actual project completion occurred more than two years later than expected. In addition, as cited in the PSR the project was flagged "at risk" in 2013 and 2014. The registry file cited that there was a need for stronger project management to forge ahead with project implementation.

## **PERFORMANCE OF THE CARIBBEAN DEVELOPMENT BANK**

4.22 The PCR rates the Bank's performance as **Satisfactory**. It was noted that during project implementation, CDB staff provided technical advice and guidance on procurement procedures and project management issues. In addition, disbursement claims, requests for extension of TDD dates and requests for 'no objections' were processed in a timely manner. The PSR 2015 notes however that the

reconciliation of the statements of expenditure took longer than anticipated as a result of the large volume of documentation submitted by JSIF at the end of the TDD.

4.23 Supervision visits were conducted by CDB as follows:

- April 27, 2011; 8 days in country
- November 14, 2012; 10 days in country
- December 1, 2014; 4 days in country
- June 5, 2017; 4 days in country

4.24 The Evaluator concurs with the **Satisfactory** rating as the registry files suggest that the supervision team maintained regular interaction with JSIF and implementation support was offered throughout the project.

## **5. OVERALL ASSESSMENT**

5.01 The PCR rates overall project performance as **Satisfactory**. This is based on an arithmetic average of scores from the four core evaluation criteria. Details of the ratings and justification for differences between those of the PCR and Evaluator are presented below.

**TABLE 5: SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL ASSESSMENT OF THE PROJECT**

<b>Criteria</b>	<b>PCR</b>	<b>OIE Review</b>	<b>Reason if any for Disagreement/Comment</b>
Strategic Relevance Poverty Relevance	Highly Satisfactory (4)	Highly Satisfactory (4)	
Effectiveness	Marginally Unsatisfactory (2.5)	Marginally Unsatisfactory (2)	
Efficiency	Satisfactory (3)	Satisfactory (3)	
Sustainability	Satisfactory (3)	Satisfactory (3)	
Composite (Aggregate) Performance Rating	<b>Satisfactory (3.125)</b>	<b>Satisfactory (3)</b>	
Borrower & EA Performance	Marginally Unsatisfactory (2)	Marginally Unsatisfactory (2)	
CDB Performance	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	

## Lessons

5.02 The following lessons which were based on previous CDB Social Investment Fund interventions, as well as similar interventions undertaken by WB and Inter-American Development Bank informed the design of the project:

- The poverty targeting and allocations mechanism must be based on objective criteria and poverty data to ensure that project benefits accrue to the poorest communities. The mechanism must also be flexible. The JSIF poverty targeting mechanism will comprise a two-stage process consisting of general targeting by Parish followed by an identification of needy communities within each Parish utilising the recent Poverty map.
- Sustainability of SIF operations can be enhanced by linking funding of sub-projects to capacity building that empowers the poor. Sustainability is also enhanced by being responsive to the local needs and priorities, systematic and continuous M&E and precise poverty targeting and promotion and outreach.
- Social Investment Fund activities must be consistent with sector strategies and priorities and activities of Parish Councils.

5.03 Lessons from the PCR which can inform the design of new projects:

- The time frame set by GOJ and CDB appraisal was too optimistic and ambitious. Given the demand-driven nature of the project and the inclusion of a new approach (bridge pilot project), care should have been taken to avoid over ambitious development objectives and targets. A more conservative approach should have been taken by the appraisal team with respect to the number of sub-projects and beneficiaries.
- Community/beneficiary participation throughout the sub-project cycle is key with respect to building ownership and support. It also helps to manage expectations and improve beneficiary satisfaction.
- More attention should be placed on raising awareness and strengthening the models for community organisation/participation that will enable and equip rural communities to respond effectively to and recover from the impact of hazard events.
- The number of beneficiaries should have been revised downward from 150,000 during supervision to reflect the change, at the time when the number of sub-projects were reduced from 158 to 131.
- The cap on sub-project cost affected the number and size of the sub-projects. Over the years, there have been substantial increases in the preparation and construction costs of sub-projects largely due to compliance standards required to improve functionality and sustainability of the sub-project outcomes. The upper limit placed on sub-projects under the portfolio was therefore too restrictive. This limited JSIF's ability to fully address the needs of sub-project beneficiaries.
- Interventions like Bridge can increase effectiveness of the Social Safety Net. However, this intervention requires adequate resources for service delivery.

- Attempts to increase sustainability through community-based approaches to maintenance of facilities should be encouraged/promoted however, it should not be an alternative to periodic maintenance by national authorities, which is necessary.

**6. COMMENTS ON PCR QUALITY**

6.01 The Evaluator rates the quality of the PCR as **Satisfactory**. The PCR provided an adequate discussion of each evaluation criteria and justifications were given for each rating assigned.

**7. DATA SOURCES FOR VALIDATION**

7.01 The primary data sources used for this validation exercise were the project's AR, PSRs, PCR, registry files and discussion with the assigned Project Officer.

**8. RECOMMENDATIONS FOR FOLLOW-UP**

8.01 No follow-up for the Office of Independent Evaluation is required.

**PUBLIC DISCLOSURE AUTHORISED**

**APPENDIX 1**

**CARIBBEAN DEVELOPMENT BANK**



**PROJECT COMPLETION VALIDATION REPORT**

**COMMUNITY INVESTMENT PROJECT**

**JAMAICA**

**JANUARY 2022**

## **MANAGEMENT RESPONSE**

We are pleased that there is general agreement with the findings of the Project Completion Validation Report and Project Completion Report (PCR) assessments. The Office of Independent Evaluation (OIE) has incorporated the comments of the Social Sector Division into the Report and where any differences in scores were observed, the justifications provided were acceptable.

Both the PCR and OIE teams agree that there were some valuable lessons learnt from the implementation of this project that would assist the Bank in designing and supporting the implementation of social development projects.