

**CARIBBEAN DEVELOPMENT BANK**



**SPECIAL DEVELOPMENT FUND (UNIFIED)**

**MID-TERM EVALUATION  
OF THE BASIC NEEDS TRUST FUND 5  
FINAL REPORT**

The Final Report of the Mid-Term Evaluation (MTE) of the BNTF 5 is attached.

An earlier draft of the MTE was circulated to the BNTF Borrowing Member Countries (BMCs), for review. Written submissions from countries together with comments of the Caribbean Development Bank and additional discussions with representatives of BMCs at a Regional Meeting held from January 28 to 31, 2008 have been taken into account by the Consultants in revising the Report.

**March 2008**

# **Mid-term Evaluation of the BNTF 5**

Volume I – Final Report



March 2008



## A c k n o w l e d g e m e n t s

An evaluation of this complexity cannot be accomplished without the support of many people in providing information and logistical support critical to the conduct of the work. Universalia would like to thank the representatives from the Caribbean Development Bank, the Canadian International Development Agency and the Basic Needs Trust Fund Offices in the ten Borrowing Member Countries, who shared their knowledge and experience with the Evaluation Team and without whose invaluable support both before and during the field missions the completion of this report would not have been possible.

Special thanks are also extended to all the communities visited for their kind collaboration.

Universalia also wishes to thank the members of the Evaluation Team who led the different components of the work; undertook the country and special mission reports; did analytical work and provided logistical and administrative support. The main findings of the evaluation result from their collaborative effort. The team members are listed in Volume III, Appendix II.

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## Executive Summary

### Introduction

The Basic Needs Trust Fund (BNTF) is known as the Caribbean Development Bank's (CDB) flagship poverty reduction initiative. The CDB launched the BNTF Programme, initially called the Caribbean Education Development and Basic human Needs/Employment Sector Programme, in 1979, with financial assistance from US Agency for International Development (USAID). At the beginning, the BNTF was a programme of small public works typically involved in constructing schools, roads and health facilities. The BNTF 4 phase, which began in 1996, constituted a transition from the "top down" and essentially physical infrastructure approach to development to a more holistic method of community development. This approach has been enhanced when, in 2001, the fifth cycle of the BNTF was approved by the Board of Directors of the CDB with a significant contribution made by the Canadian International Development Agency (CIDA). CIDA's involvement in the BNTF introduced a number of shifts in the Programme, including: the cross-cutting themes of gender equality, environmental considerations and HIV/AIDS; an emphasis on a results-based approach in project management; and the inclusion of Jamaica, through the Jamaica Social Investment Fund (JSIF).

This evaluation is the external independent Mid-Term Evaluation (MTE) included in the BNTF 5 Programme cycle as part of its performance monitoring.

### Objectives and Methodology

The methodology for the MTE of the Basic Needs Trust Fund Programme (Fifth Phase) was based on key review questions contained in the evaluation framework, as approved by the CDB in May 2007 (see Volume III, Appendix I). The methodology consisted of a mix of qualitative and quantitative techniques that included document review, projects review, group interviews and a field visit in the ten BMCs eligible for BNTF 5 funding, i.e. Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint-Kitts and Nevis, Saint-Lucia, Turks and Caicos Islands and Saint Vincent and the Grenadines. Work planning and data collection for the study took place between May and September 2007. The study was carried out by a team of specialists in program evaluation, poverty reduction programs, development and gender. In addition, in a special effort to accommodate Programme needs, two consultants, including one gender specialist, were used for almost all missions.

The scope of the evaluation findings was limited by the inability to contact some of the key informants and visit some project sites due to time constraints, heavy rains, Hurricane Dean and the non-availability of some respondents. In particular, because of the effects of the hurricane, only one team member was able to conduct the mission in Saint-Lucia (as opposed to two in the other countries).

### BNTF 5 Profile

The BNTF's 5th phase, which was approved in December 2001, was planned to run for 6 years beginning in 2002. Ten BMCs participate in the Programme : Belize, the Commonwealth of Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands.

A number of measures were introduced to expand and strengthen the delivery of BNTF 5 from its inception, the most significant being: the formulation of a PRAP by each BMC as a measure for targeting the poorest people and their communities and for the allocation of BNTF resources; more funds being allocated for small and skills-training sub-projects; the active involvement of communities in the identification, proposal and implementation of sub-projects, with each initiative being sponsored by a community, community group or service provider; the introduction of a tripartite agreement between the beneficiary community, the responsible public agency or civil society entity and the local BNTFO, with a formal Project Operations Manual (OM) intended to improve project management; the upgrading of the Community Worker post to that of Community Liaison Officer (CLO) with a broader responsibility for networking with other public and civil society institutions as well as working to increase the participation of beneficiary groups; and the requirement that all sub-projects address issues concerning stakeholder participation, preventative maintenance, social development, gender equality, sound environmental management and sustainability (especially after the CIDA contribution).

### **Summary of BNTF 5 Results**

The BNTF 5 mid-term evaluation resulted in 22 major findings, grouped under the themes of program design, effectiveness, efficiency and efficacy, programme administration and programme performance.

### **Program Design**

The rationale for the social orientation of BNTF 5 is sound and well accepted among community and government stakeholders. The shift from an infrastructure program to a social infrastructure program has contributed to provide greater likelihood of on-going effectiveness and sustainability of the program. This shift, realized through the use of the CNA process and other participatory tools, has had several positive effects, among which a greater involvement of the community in the project cycle, a more transparent process to address community needs and a more demand driven approach. However, it appears that the time and skills required to put into action the redesign have been underestimated. Hence, the quality of CNAs raises some concerns and community participation, although evident in most BMCs in the design phase of subprojects, still encounters challenges in other stages of the project cycle, in particular in the implementation and maintenance phases.

### **Effectiveness**

The BNTF 5 is making progress towards its broad objectives, particularly in its support to initiatives that increase access to social infrastructure for vulnerable groups. This type of initiatives have led to a series of positive changes at the community level, including access to better social infrastructure facilities, improved access to services, products and markets, enhanced community linkages and morale and improved health conditions.

As for skills-training sub-projects, they have led to the enhancement of skills of both males and females in many of the countries in diverse areas, but there have been limited effects on better employability or increased income generation. In fact, on one hand, the program has lacked an implementation strategy and, on the other hand, specificities of national contexts, such as small market or lack of access to financing small business, represent major constraints to the effectiveness of skills-training.

The program's objective of implementing 1000 sub-projects by 2008 has not been achieved and only 410 sub-projects have been completed as at December 2006. In addition, all countries are far below the targets set out in their respective PRAP. This can mainly be attributed to the set of unrealistic targets for this fifth phase of the programme. As mentioned above, time and skills required to put into action the redesign have been largely underestimated and this has resulted in a slow pace of project implementation. On a positive note, several countries seem to get back on track as the number of completed sub-projects or approvals has doubled since early 2007.

Regarding the PRAP exercise, stakeholders have considered it useful to link the BNTF 5 interventions to the broader country development strategy, but gap still persist between the broad linkages expressed in the PRAP, the vision of a more holistic and less sporadic approach to poverty reduction and the patterns observed in BNTF 5 subprojects.

### **Efficiency and Efficacy**

The efficiency and efficacy of the program have been affected to a large extent by the presence of several points of delay in the sub-project cycle with implications for the community, the effectiveness of the Programme and its overall credibility. The average timeframe between the submission of the request to the BNTFO to contractor commencement date ranges between 310 and 1399 days and although it is not possible to state which the 'normal' timeframe should be, its actual duration has been criticized by all the stakeholders interviewed. Numerous consequences result from these delays, including the post-pone of season-sensitive projects (e.g.: roads), the increasing of cost burden for Contractors and the effect on Programme reputation.

BNTFO staffing and productivity in terms of completed sub-projects vary enormously across the 10 BMCs and it does not seem to have any defined pattern between BNTFO staffing and the number of completed sub-projects in a country.

### **Programme Administration**

The redesign of the Programme has implied several innovations not only at the content level, but also at the program administration level, namely the upgrading of the Community Worker post to that of Community Liaison Officer (CLO) with a broader responsibility for networking with other public and civil society institutions as well as for increasing the participation of beneficiary groups and the expansion of the size of the PSC in order to give more representation to the civil society.

Although the general compliance with CDB-BMC Agreement, several challenges hinder the effective implementation of the programme in the ten BMCs. In particular, the inadequate level of staffing in BNTFOs and at CDB has led to difficulties to respond to the shift in orientation towards a social infrastructure programme and to fully integrate the three cross-cutting themes, to a slow pace of implementation and to the inability to meet the expectations for a flagship Programme.

Given that the BNTF has generally been administered as a "blueprint" in the participating BMCs, the BMC stakeholders expressed the need for greater flexibility in the parameters and procedures to reflect the country's past experience and implementation capacity.

### **Programme Performance**

The results in terms of the programme performance are mixed. As for the integration of the three cross-cutting themes, evident efforts and progress have been made in the theme of gender equality, although they are still in the early stages in most countries. More limited results have been achieved in the integration of the environmental assessment. Concerns have been expressed by most of the

stakeholders interviewed in relation to the integration of the HIV/AIDS cross-cutting theme as BNTF value-added and relevance are widely questioned in this area.

Greater involvement and responsibility of all the stakeholders have been searched through the introduction of Tripartite Agreements, but the maintenance phase is still characterized by limited stakeholder involvement, thus affecting the sustainability of social infrastructure projects.

BNTF 5 has articulated performance monitoring and evaluation frameworks and is making progress in introducing a results-based approach. However, the systems in place are not yet capturing and reporting on contributions to outcomes.

### Recommendations

Overall, the BNTF 5 MTE reports an adequate performance for the Programme under relatively challenging start-up conditions. There is overwhelming support, shared by the evaluators, for the value of the new design approach taken in this phase of the Programme and a sustained demand for the services provided. The BNTF 5 continues to fill a gap for punctuated, modest, yet needed interventions in the most disadvantaged groups of the Caribbean region. At this stage, to make the Programme work will require fine-tuning but no overall redesign or change of direction. As a development programme aimed at addressing poverty reduction it can be said that BNTF 5 has the potential to demonstrate a good adhesion to the recently-developed criteria for aid effectiveness, including ownership, accountability, reporting for results and accountability. This exercise was conducted as a Mid-term Evaluation, which means that it has a formative intent with regards to the BNTF 5 Programme. However, given that it is being conducted fairly close to the planned closing date of the Programme, stakeholders at the CDB also expressed interest in receiving input on potential design parameters for BNTF 6. Therefore, the recommendations, at both the strategic and operational levels, also identify elements that could be considered in the design of BNTF 6.

### Strategic Recommendations

This set of recommendations focuses on different aspects of the strategy of the BNTF 5 Programme and elements that might be considered in BNTF 6.

**Recommendation 1: The BNTF 6 should continue to be grounded in the community participation that provided the foundations of the social orientation of the BNTF 5. At the same time, it should be defined by its emphasis on community development in support of basic needs.**

BNTF 5 has made a concerted effort to build on the shift towards the more inclusive philosophy introduced in BNTF 4. The fifth phase has therefore placed more emphasis on engaging community members in the decision-making processes pertaining to investments in social infrastructure or skills-training in their community. This social orientation has proven to be a relevant and generally appreciated change in the Programme. However, community involvement was neither consistent across all countries nor continuous throughout the project cycle. These are worthwhile investments and thus should be continued in order to improve participation throughout the project cycle.

As described in CDB documents and the Partnership Proposal to CIDA, the goal of the BNTF Programme is to “increase the extent to which basic needs are met in participating BMCs”. This goal is meant to be achieved through the support to social and economic infrastructure sub-projects in targeted communities. In the future, rather than emphasize one type of infrastructure or another, the team would recommend that the Programme describe itself in terms of supporting community development and responding to priorities identified by communities.

**Recommendation 2: The BNTF 6 should enhance and further define its strategic partnerships with government ministries, NGOs, and other development partners in the BMCs.**

In addition, the BNTF should enhance and further define a strategy of strategic partnership with government ministries, NGOs, and other development partners. This could be achieved both through the PRAP, which provides a framework for engaging these stakeholders in strategy development and identifying the roles they can play in the Programme, and the profiles and/or CNA, in which to identify the key partner organizations that will support or complement the sub project in different ways, including but not limited to maintenance.

**Recommendation 3: The BNTF should continue to favor a shift from one-off sub-projects in the community to a more integrated and comprehensive targeted approach to poverty reduction.**

The BMC PRAPs and interviews do suggest that a shift is being introduced towards a more holistic approach to poverty reduction in the 5<sup>th</sup> Programme. The BMC documents note an “implicit” vision in BNTF 5 of moving beyond single sub-project approaches to multi-project community building approaches. The shift to a multi-project approach can have positive implications for improved Programme effectiveness and efficiency.

The MTE evidence suggests countries have made little progress in implementing a multi-project approach. There is a tendency to spread the resources that arise from the stakeholders’ pressures that are inevitable in any country. Nonetheless, a number of steps could be taken to strengthen the intention of a more holistic approach to poverty reduction.

**Recommendation 4: The BNTF 6 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.**

Gender equality considerations are very relevant to the BNTF Programme and generally valued by the different stakeholders. At the same time, the stakeholders recognize that the extent of awareness-raising, skills development and introduction of concrete strategies in the sub-projects is still insufficient for fully integrating these concerns into the Programme. In BNTF 5, the emphasis on gender equality should continue and several measures could be taken to achieve this objective.

Given the natural phenomena that affect the region, such as hurricanes, environment and disaster prevention/mitigation are viewed as germane issues to be addressed by a poverty reduction programme with emphasis on social infrastructure and skills development. Given the delays in providing training and introducing guidelines on environmental assessment, it is too early to judge the progress. This area should be further strengthened in BNTF 6.

The issue of HIV/AIDS should be addressed differently. Nonetheless, given the resources available and the effort still required to integrate gender and environment concerns, it is proposed that HIV/AIDS not be considered as a cross-cutting issue to be integrated into all of the Programme’s activities.

**Recommendation 5: The BNTF 6 should continue to support skills-training projects, but needs to refine the design of these projects and the kind of technical support that is required for this line of programming.**

The skills-training projects are limited in their effectiveness and the identification, design, approval and implementation of these projects pose challenges to the BNTFOs. Additional thought and consideration must be given to the intent of the sub-projects and the kind of support that may be required to design and implement projects that can successfully meet that intent.

In most of the BMCs, human resource development is central to their development plans and priorities. During the course of the MTE, a few respondents expressed their desire to invest even more funds in this area. The Evaluation Team is of the view that it would probably not make sense to shift an inordinate percentage of resources to skills-training because that would begin shaping the BNTF into a Human Resources Development (HRD) program. It is recommended, rather, that gradual increases be made to this amount once stakeholders have in place a robust strategy for this project area, taking into account the issues raised in the MTE.

**Recommendation 6: The BNTF 6 should continue to introduce a results-based approach into its programme management. The framework for planning and monitoring results should be simple and appropriate for the types of interventions that are being implemented by the Programme. It should be complemented by an evaluation cycle that helps to track cumulative effects and lessons learned in certain areas.**

Results-based Management approaches and reporting have been introduced with the BNTF 5 and progress has been made in this area. However, some important challenges still exist with respect to the articulation of and reporting on outcomes from the sub-projects. There are several areas for improvement in terms of the use given and time allotted to the CNA as well as of resources available to BNTFOs for monitoring and evaluation

While the introduction of RBM does put increased demands on BNTFOs, the definition of clear outcomes and indicators at the outset for each sub-project could allow for outsourcing the subsequent monitoring and assessment of change. In order to do this, the project documentations (profiles, CNAs) need to have well recorded statements of what changes the projects are intended to achieve.

The approaches to monitoring and evaluation at a Programme level adopted thus far (annual performance reports, MTE) help to identify progress being made, insights on effects of the sub-projects, and potential areas for improvement. At present, however, there are limited means for reporting on the cumulative effect of BNTF interventions in the BMCs because each of the evaluations focuses on a particular period. For BNTF 6, the CDB may wish to propose an additional component to the evaluation cycle that could give it more information on the outcomes or impacts of the sub-projects and focused “lessons learned” studies in particular areas.

### Operational Recommendations

In this area the MTE makes a series of recommendations which are more operational in nature. The intent of most of the recommendations is to foster the spirit of ownership and participation which underpins the BNTF.

**Recommendation 7: BNTF 5 should continue shifting accountability to the BMCs, by strengthening decision-making authority and the roles and responsibilities of the PSC and the PM. At the same time, it should increase the monitoring role played by its staff.**

One of the concerns voiced by many BMCs is that the PSC is not empowered to play its role in the governance of the BNTF. Although BNTF 5 shifted the approval of projects under \$35,000 to the PSC for decision-making, these projects still go to the CDB for no-objection and for the approval of a Consultant. The authority and the accountability given on paper are thus lost through the layers of processes that are often slower than desired by the BMC stakeholders. Therefore, it would be necessary to operationalize the decision-making authority given to the PSC.

The PSC should play a constant role in putting the PRAP principles into action, but this role is often not played as fully as it should be and the PSC would require further guidance in several areas in order to reinforce and strengthen the roles and responsibilities for the PSC. BNTFO should take clear guidance out of the Operations Manual and shape it into a short, two- or three-page document specifically targeted for the PSC members, describing their key functions and activities, as well as key criteria for project selection.

One of the issues that continue to affect programme management and implementation is the reporting relationship between the CDB Consultant and the CDB. This issue is not new to the CDB as it has already been referenced in the evaluation of BNTF 4. Therefore, the relationship between the PM and the CDB Consultant should be clarified.

Finally, BNTFO stakeholders recognize that if there is greater authority/accountability given to the PSC there must also be more monitoring by the CDB. These increased requirements for monitoring should be contemplated in the staffing complement that is put in place at the regional level. While these changes may not all be possible in the timeframe remaining for BNTF 5, they should be contemplated in the design of BNTF 6.

**Recommendation 8: BNTF should increase flexibility with regards to the grant amounts given the agreements with the contributors to BNTF.**

Contributors to special funds at the CDB will always introduce their special requirements. At the same time, country stakeholders are clearly requesting more flexibility in order to better align BNTF programming with their priorities. The CDB (and its contributors) should review the caps on the amounts on certain sub-sector and review the upper limits of \$35,000 (for local PSC approval) and \$500,000 (overall) see if these are still reasonable given the change in context in the BMCs.

**Recommendation 9: BNTF should allow for flexible approaches to staffing at BNTFO.**

The BNTF 5 was put in place with a standard model (three-person staff) for operation of the BNTFOs. The exceptions were Jamaica and Belize, where the BNTFO was integrated into the Social Investment Fund, and St. Kitts and Nevis, where two BNTFO are in *de facto* operation.

In many BMCs, the staffing approach has resulted in some drawbacks in that it tends to place an increasingly diverse set of responsibilities on the CLO or the PM. Yet the alternative of hiring more permanent staff with different kinds of expertise would greatly increase the administrative costs of the Programme. As a result, the Evaluation Team recommends that the BNTFO be able to hire short-term advisory support at the country level, giving the PM and CLO additional flexibility to cope with additional demands and pressures as they arise.

The introduction of greater flexibility also puts the burden on the BMCs to clarify the respective roles and responsibilities of the team and to inform the CDB of changes in the mode of operating. In St. Kitts and Nevis, the operating modality is different than the one originally agreed to with the CDB. There are two *de facto* BNTFOs, one for each island, although this arrangement was not envisioned in the agreement with the country. This relationship would have to be clarified.

**Recommendation 10: BNTF should facilitate a greater amount of sharing of experiences among CLOs.**

The training provided by the BNTF to PMs and CLOs gives them the opportunity to come together in structured sessions. One of the aspects that has been missing from BNTF 5 is the opportunity for greater sharing of lessons learned and best practices among CLOs on the implementation of the BNTF. The CDB is trying to set up an intranet facility for this kind of exchange, which could be reinforced by face-to-face meetings that allow for greater exchange.

**Recommendation 11: The CDB should ensure full staffing of the BNTF Programme.**

Some of the delays in the implementation of the BNTF derive from the staffing shortages in the Programme at the CDB thus affecting the credibility of the Programme at the country level. In this context, the management fee of 6% charged to CIDA may in fact be insufficient to implement the additional workload for the Programme; the CDB should carefully review this fee structure in relation to actual costs of operations in the process of negotiating for BNTF 6.

**Recommendation 12: The CDB should analyze the feasibility of introducing a few changes in procedures that could improve overall efficiency in the Programme's management.**

It may be time to review in consultation with the CDB's Legal Department the potential for changes in certain procedures, such as the potential for entering into "Standing Offer" arrangements; the possibility of a shortened tender process and simplified contract for minor works projects; the replacement of Monthly Report with Quarterly report; broader and periodic "compliance" audit; and the improving in the use of the MIS.

**Recommendation 13: CDB should revise the MIS so as to capture all key phases of the sub-project cycle. This would allow the CDB to better track the different steps and delays and to take all appropriate actions to eliminate factors causing delays.**

Concerns have been expressed by most of the key stakeholders concerning the length of the sub-project cycle. In particular, concerns have been expressed in relation to the long time taken by CDB for the projects approval as well as consultant agreement. Because of the absence of sufficient information in the MIS, the Evaluation Team has not been able either to confute or affirm the origin of these concerns. CDB should therefore revise the MIS in order to capture the data for all the sub-projects related to the different phases of the cycle. This would enable CDB to intervene and make the necessary corrections where required.

**Recommendations on Formula for Unallocated Amounts**

The BNTF 5 includes unallocated amounts of US\$5 million to the first nine BMCs (excluding Jamaica) and C\$5 million to all 10 participating BMCs to be determined based on performance to date. The TORs for the MTE required the Consultants to recommend a formula for the distribution of these unallocated amounts.

The Evaluation Team began by reviewing the nine criteria identified by the CDB for defining the allocation that are presented in the CDB staff report to the Board of Directors requesting approval of the BNTF 5.<sup>1</sup> The Evaluation Team concluded that the nine original criteria were somewhat cumbersome and difficult to weigh and did not capture explicitly some of the key considerations the CDB and BMCs had agreed to focus on in BNTF 5, such as sustainability; the three cross-cutting themes; and adopting a Management for Development Results (MfDR) approach in the design and implementation of the Programme. These overall observations, in addition to the assessment of the appropriateness of several individual criteria, led to a revision of the indicators and formula for assessing performance of the BMCs in the implementation of BNTF 5.

The formula thus recommended for the unallocated amounts focuses on the country performance in program implementation and is based on three performance criteria, i.e. effectiveness, the quality of the completed sub-projects and the efficacy. However, the performance criteria do not capture several elements of the context that could favor or limit successful implementation of the remaining BNTF 5 resources within the project timeframe. Therefore, the CDB should consider additional factors that relate to the context at the country level, allocation decisions with regard to SDF resources, as well as the BNTF project funding cycle.

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<sup>1</sup> CDB Basic Needs Trust Fund-Fifth Programme, Paper BD 77/01, December 13, 2001, p. 24



## Acronyms

AO	Administration Officer
BMC	Borrowing Member Countries
BNTF	Basic Needs Trust Fund
BNTFO	Basic Needs Trust Fund Office
BOD	Board of Directors
BZE	Belize
CBO	Community-based Organization
CBO	Community Based Organization
CDB	Caribbean Development Bank
CED/BHN/ES SP	Caribbean Education Development/Basic Human Needs/Employment Sector Programme
CIDA	Canadian International Development Agency
CLO	Community Liaison Officer
CNA	Community Needs Assessment
CPA	Country Poverty Assessment
CPAR	Country Poverty Assessment Report
CTCS	Caribbean Technological Consultancy Services
DADP	Dominica Association of Disabled Persons
DCC	Daycare Center
DFAIT	Department of Foreign Affairs and International Trade
DOM	Dominica
FAM	Finance and Administration Manager
GA	Grant Agreement
GDP	Gross Domestic Product
GLSC	Guyana Standard of Living Conditions
GoD	Government of Dominica
GoG	Government of Guyana
GRN	Grenada
GRO	Grass-roots Organization
GS	Gender Specialist
GUY	Guyana

## A c r o n y m s

HIPC	Highly-Indebted Poor Country
HRD	Human Resources Development
JAM	Jamaica
JSIF	Jamaica Social Investment Fund
LFA	Logical Framework
LIS	Local Institutional Strengthening
M&E	Monitoring & Evaluation
MfDR	Management for Development Results
MIS	Management Information System
MoF	Ministry of Finance
MON	Montserrat
MTE	Mid-term Evaluation
MTESP	Medium Term Economic Strategy Paper
NESDC	National Economic and Social Development Council
NGO	Non-Governmental Organization
NPEAP	National Poverty Eradication and Action Plan
NPES	National Poverty Elimination Strategy
NPESAP	National Poverty Eradication Strategy and Action Plan
NSDC	National Skills Development Centre
ODA	Official Development Assistance
OM	Operations Manual
PAR	Poverty Assessment Report
PIP	Project Implementation Plan
PM	Project Manager
PMC	Project Monitoring Committee
PPA	Participatory Poverty Assessment
PRAP	Poverty Reduction Action Plan
PREU	Poverty Reduction and Environment Unit
PRS	Poverty Reduction Secretariat
PRSP	Poverty Reduction Strategy Plan
PRTF	Poverty Reduction Task Force

## A c r o n y m s

PS	Permanent Secretary
PSC	Project Steering Committee
PTA	Parent-Teacher Association
RBM	Results-based Management
SDC	Social Development Commission
SDD	Social Development Division
SDF	Social Development Fund
SDM	Social Development Manager
SIF	Social Investment Fund
SKN	St. Kitts & Nevis
SLAR	Standard of Living Assessment Report
SLC	Standard of Living Conditions
SLU	St. Lucia
SVG	St. Vincent & the Grenadines
TCI	Turks and Caicos Islands
ToR	Terms of Reference
USAID	United States Agency for International Development
WBD	Water-borne Disease

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## 1. Introduction

### 1.1 Background

The Basic Needs Trust Fund (BNTF) is known as the Caribbean Development Bank's (CDB) flagship poverty reduction initiative. The CDB created the BNTF in 1979 with funding from the United States Agency for International Development (USAID). The fifth cycle of the BNTF was approved by the Board of Directors of the CDB in 2001. The Canadian International Development Agency (CIDA) is making a significant contribution to the Programme. As part of its performance monitoring, the BNTF 5 Programme cycle includes an independent, external mid-term evaluation (MTE).

During the first quarter of this year, the CDB concluded a public request for proposals to carry out the MTE of the BNTF 5 Programme. The Universalia Management Group, a monitoring and evaluation firm based in Canada, was selected to execute the work. Universalia presented the Draft Report to BNTF stakeholders from the CDB and the Borrowing Member Countries (BMC) in January 2008. The report was subsequently discussed at the BNTF workshop on "Programme Performance: Mid Term Evaluation and Annual Programme Performance Review 2007" held from January 28 – 31, 2008. This document constitutes the Final Report of the MTE; it incorporates revisions that are based on the CDB and BMCs comments to the Draft Report.

### 1.2 Organization of the Report

The Final MTE report consists of three volumes. Volume I contains the draft synthesis report of the evaluation of the BNTF 5 Programme. Volume II presents the 10 Country Mission Reports. The list of respondents, bibliography, and other references are included as Volume III.

Volume I is structured according to the evaluation issues that were presented in the Inception Mission Report and Work Plan approved by the CDB in May 2007. The first two sections provide an overview of the Methodology used in the MTE and the context of the BNTF 5, including highlights of its evolution. The subsequent sections present the Findings on Program Design, Effectiveness, Efficiency and Efficacy, Program Administration and Program Performance. The final section presents concluding comments and recommendations to be considered in the remaining period of implementation of BNTF 5 and in the design of BNTF 6.

## 2. Methodology

### 2.1 Introduction

The methodology for the MTE of the Basic Needs Trust Fund Programme (Fifth Phase) was based on key review questions contained in the evaluation framework, as approved by the CDB in May 2007 (see Volume III, Appendix I). The methodology consisted of a mix of qualitative and quantitative techniques that included document review, projects review, group interviews and a field visit in each BMC eligible for BNTF 5 funding. Work planning and data collection for the study took place between May and September 2007.

The study was carried out by a team of specialists in program evaluation, poverty reduction programs, development and gender. A list of the team members with the schedule of the ten field missions is included in the evaluation data sheet in Volume III, Appendix II.

#### **Document Review**

The Evaluation Team analyzed a series of corporate documents including the Mid-term Evaluation of BNTF 4, CDB and CIDA annual reports, CIDA Contribution Agreement, the Programme Implementation Plan (PIP), the Operations Manual (OM), and newsletters. In addition, the Team reviewed country and project-level information, including the Poverty Reduction Action Plans (PRAP), Community Needs Assessments (CNAs), project profiles, final reports of completed activities, Monthly Reports and reference material related to the case study countries. More general reference documents were also reviewed in the course of the study. A complete list of documents reviewed is presented in Volume III, Appendix III.

The team also reviewed quantitative data on allocations, disbursements, and expenditures provided by the CDB.

#### **Country Missions Reports**

The Evaluation Team prepared Country Mission Reports for each of the ten visited BMCs based on short field missions conducted between June and September 2007. These Country Mission Reports are included in Volume II. The purpose of the country missions was to assess the quality of the completed sub-projects as well as the achievements and the efficiency of the BNTF 5 Programme with the aim of identifying the extent to which the implementation of the BNTF 5 Programme in each of the ten BMCs has been able to positively influence broader patterns of development in the visited communities. In order to capture the effects, at the outcome level, of the completed sub-projects implemented in the visited communities, it was agreed with CDB that the MTE of BNTF 5 would review sub-projects completed between January 1, 2003 and December 31, 2006. Out of a population of 231 completed sub-projects as at December 31, 2006,<sup>2</sup> a total of 62 sub-projects were the object of a more in-depth review during the field missions. The cut-off date (December 31, 2006) for the evaluation means that the progress made during 2007 is not reflected in the MTE report.

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<sup>2</sup> Source: CDB Management Information System. However, according to the CDB 2006 Annual Report, the number of completed sub-projects as of December 31, 2006 is 221.

## Interviews and Focus Groups

Overall, over 300 individuals were consulted in the course of the study. (A complete list is provided in Volume III, Appendix IV.) The key approaches to stakeholder consultation included:

- Individual, small group interviews and focus groups conducted during field missions to the ten BMCs;
- Interviews with CDB staff in CDB headquarters in Barbados;
- Interviews with CIDA and Department of Foreign Affairs and International Trade (DFAIT) staff at CIDA headquarters; and
- Interviews with officials from the High Commission of Canada in Guyana.

### Types of stakeholders Interviewed during Field Missions

BNTFO staff  
 Project Steering Committee Members  
 Central, regional and municipal government officials  
 Community members  
 Contractors  
 Consultants  
 NGO representatives

## 2.2 Limitations

Although a large number of interviews and community visits were scheduled by the Basic Needs Trust Fund Offices (BNTFOs), some of the interviews with key stakeholders and visits to the communities originally could not be carried out due to factors like time constraints, heavy rains, Hurricane Dean and the non-availability of some respondents. In particular, because of the effects of the hurricane, only one team member was able to conduct the mission in Saint-Lucia (SLU) (as opposed to two in the other countries). Another limitation is due to the incomplete data in the MIS, which affects the ability to provide useful analysis of efficiency in program management, particularly in assessing the timeframes for approval of BNTF projects.

### 3. BNTF 5 Context

#### 3.1 Brief history of the BNTF

Poverty continues to be a major concern in the Caribbean, despite substantial improvements in socio-economic indicators over the last fifty years. On average, one-third of the Caribbean region's population is living below the poverty line, vulnerable to economic, social and natural disasters. The majority of the Caribbean's poor are found in marginalized rural populations, the urban unemployed and under-employed, indigenous communities, and among the elderly, children and youth, and women. Unable to meet many of their basic needs, typically the region's poor live in sub-standard housing with limited access to water, sanitation and other basic social services. According to the CDB, existing social welfare programmes are inadequate to quickly identify and address the highest investment priorities of people in poor communities, with budgets being insufficient to address both the short-term survival needs and long-term sustainable improvements in the quality of life of the poor.

In the mid-late 1970s, the CDB BMCs faced major financial setbacks following the oil crisis, which led to economic recession, widespread unemployment, and increased political and social turbulence in a number of countries. In this context, previous development and reform experiences started to show that although economic growth was necessary for employment and well-being, it alone did not ensure rapid and sustained improvement in the lives of the poor. The CDB therefore began to develop a new approach so that its investments could have more direct meaning in, and impact upon, the lives of the region's poor. One of its principal initiatives was the Basic Needs Trust Fund Programme.

The CDB launched the BNTF Programme, initially called the Caribbean Education Development and Basic human Needs/Employment Sector Programme, in 1979, with financial assistance from US Agency for International Development (USAID).

At the beginning, the BNTF was a programme of small public works typically involved in constructing schools, roads and health facilities. It was specifically designed to provide short-term, emergency response to deprivation and social unrest in rural communities, which constituted 1/3 of the region's poor. Essentially, the BNTF aimed to use the public works to enhance social and economic infrastructure while creating temporary employment as a means both of relieving poverty as well as stemming the growing social unrest.

During its first three phases (1979-1994), the BNTF Programme was under the supervision of the CDB's Infrastructure Division and implemented in-country by the Public Works Departments of the participating BMCs, which provided in each country a small office with a project manager and a secretary.

#### **Milestones in BNTF**

- June 1979: CDB Board of Directors' approval of CED/BHN/ESP programmes (BNTF 1)
- April 1984: CDB Board of Directors' approval of BNTF 2
- May 1992: CDB Board of Directors' approval of BNTF 3
- May 1996: CDB Board of Directors' approval of BNTF 4
- October 2001: CDB's regional design workshop
- December 2001: CDB Board of Directors' approval of BNTF 5
- March 2003: CIDA/CDB Grant Agreement for C\$38 million to benefit 10 BMCs
- January 2004: BNTF Programme Implementation Plan
- May-November 2007: Mid-term Evaluation of BNTF 5

At the end of the second BNTF Programme, USAID withdrew its support (subsequently restored in BNTF 4 with a small contribution), but the BNTF had proved so effective in helping BMCs to solve small-scale infrastructure deficiencies that participating governments accordingly agreed to make up the shortfall. It was agreed that for every US\$1 provided by governments, the CDB would match it with US\$2 from its Social Development Fund (SDF) resources.

The BNTF's first three phases, up to 1996, were characterized by a 'top-down' approach in which only minimal beneficiary involvement was involved. The BNTF Programme content was largely determined by participating governments, while the involvement of communities in the design and implementation of BNTF projects was nominal.

During the 1990s, the CDB started developing a broader policy agenda that focused on poverty reduction and the social sectors, and incorporated collaboration between donors and beneficiary countries, more public-private-community partnerships and encouraged dialogue with civil society. In 1994, the supervision of the BNTF was moved from the Infrastructure Division to the Poverty Reduction and Environment Unit (PREU) of the newly established Social Development Division (SDD). The incorporation of the BNTF into PREU resulted in a new approach focused on people-centered development and beneficiary participation that has gradually reshaped the objectives and implementation methods of the Programme, focusing it more directly on people, communities and the reduction of poverty. This change corresponded with a more general philosophical shift among international donor agencies towards the need for the greater involvement of beneficiaries and civil society in the planning, design and implementation of investments and interventions.

The BNTF underwent several important changes that started to address the lack of local ownership and beneficiary participation in the Programme. Nevertheless, the transformation of the BNTF Programme from the 'top-down' approach to being 'demand-led' within targeted areas, has been a gradual one, spanning more than ten years.

The Programme is now considered CDB's flagship poverty reduction initiative. Over more than 25 years and five phases, the BNTF has developed special mechanisms to target poor communities more effectively, increase local government and community participation, strengthen capacity related to social infrastructure in the region, provide skills-training and employment to beneficiaries where feasible, and improve the efficiency of its implementation processes and systems.

### 3.2 Innovations and lessons of BNTF 4

The BNTF 4 phase, which began in 1996, constituted a transition from the "top down" and essentially physical infrastructure approach to development to a more holistic method of community development. The following innovations were introduced:

- The introduction of small sub-projects costing less than US\$20,000 that would address immediate community problems and allow for innovation and increased local ownership;
- The delegation of greater authority to local levels. In particular, national Project Steering Committees (PSC) were instituted (comprising equal public sector/civil society membership) to screen and approve small sub-projects;
- The introduction of a new post of Community Worker in the BNTF country offices to mobilize and facilitate community participation and strengthen beneficiary involvement throughout the project cycle;
- The addition of a new component to fund skills-training activities; and
- Increased use of participatory methods and awareness of gender equality concerns in the design and implementation of projects.

This transitional phase generated some important lessons learned that were then largely incorporated in BNTF 5, in particular regarding community processes, management skills and the sharing of decision-making. At a regional design workshop in October 2001, new principles began to emerge as guidelines for ensuring that BNTF 5 adhered to the CDB's strategy to reduce poverty through growth, capacity enhancement, vulnerability reduction and improved community participation in governance.

### 3.3 Profile of BNTF 5

#### Design Elements

A number of measures were introduced to expand and strengthen the delivery of BNTF 5 from its inception in 2002, the most significant being:

- The formulation of a PRAP by each BMC as a measure for targeting the poorest people and their communities and for the allocation of BNTF resources;
- More funds being allocated for small and skills-training sub-projects, in partnership with NGOs and Community-based Organizations (CBOs);
- The active involvement of communities in the identification, proposal and implementation of sub-projects, with each initiative being sponsored by a community, community group or service provider;
- The introduction of a tripartite agreement between the beneficiary community, the responsible public agency or civil society entity and the local BNTFO, with a formal Project Operations Manual (OM) intended to improve project management;
- The upgrading of the Community Worker post to that of Community Liaison Officer (CLO) with a broader responsibility for networking with other public and civil society institutions as well as working to increase the participation of beneficiary groups; and
- The requirement that all sub-projects address issues concerning stakeholder participation, preventative maintenance, social development, gender equality, sound environmental management and sustainability (especially after the CIDA contribution).

#### BNTF 5 Mission Statement

The BNTF Programme provides resources to poor communities in order to improve access to basic public services and enhance employability which could reduce beneficiaries' economic and social vulnerability to risks that impact on income and well-being.

Source: Draft Operations Manual, 2004

Exhibit 3.1 BNTF funding in million US\$

Source	BNTF 1	BNTF 2	BNTF 3	BNTF 4	BNTF 5
CDB Grants	2	8.5	15	18	32
BMCs Counterparts			6.25	8	12.74
USAID grant	14	19.7		1.6	
CIDA grant					24
<b>Total</b>	<b>16</b>	<b>28.2</b>	<b>21.25</b>	<b>27.6</b>	<b>68.74</b>

Source: CDB, 2005. People, Poverty and Potential. The BNTF in the Caribbean. pp. 21, 30 and 33.

The BNTF's 5th phase, which was approved in December 2001, was planned to run for 6 years beginning in 2002. Ten BMCs participate in the Programme : Belize, the Commonwealth of Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands.

### Allocations to each of the BMCs

The funds allocated to each of the BMCs participating in the BNTF 5 are presented in Exhibit 3.2.

**Exhibit 3.2 BNTF 5 Allocations to BMCs (US\$)**

BMC	ALLOCATION
Belize	5,261,100
Dominica	2,904,418
Grenada	2,721,945
Guyana	10,482,129
Jamaica	2,866,897
Montserrat	1,685,712
St. Kitts and Nevis	1,782,553
St. Lucia	4,450,813
St. Vincent and the Grenadines	3,539,529
Turks and Caicos Islands	1,194,250
<b>TOTAL</b>	<b>36,889,346</b>

Note: Includes CIDA and CDB funding.  
Source: CDB

### Contribution of the Canadian International Development Agency

In 2003, BNTF 5 benefited from a major contribution from CIDA, raising its total funding amount to an unprecedented US\$69 million.<sup>3</sup> CIDA's involvement in the BNTF introduced a number of shifts in the Programme, including:

- The cross-cutting themes of gender equality, environmental considerations and HIV/AIDS;
- An emphasis on a results-based approach in project management;
- The inclusion of Jamaica, through the Jamaica Social Investment Fund (JSIF).

CIDA influenced the Programme in other ways as well. As mentioned in CIDA's Policy Statement on Strengthening Aid Effectiveness, *"[e]ngaging civil society and the people directly affected by aid programmes is an integral part of the comprehensive development model addressed in this paper. CIDA agrees with the importance of ensuring that local ownership is defined and achieved through consultative processes involving government, civil society and other groups within developing countries and will continue to foster this in its programming. CIDA will develop an approach which will prioritize responsive programming that is supportive of nationally-owned poverty reduction*

<sup>3</sup> The total funding amount includes US\$24 million from CIDA, US\$32 million from CDB and US\$12.74 million from the ten BMCs.

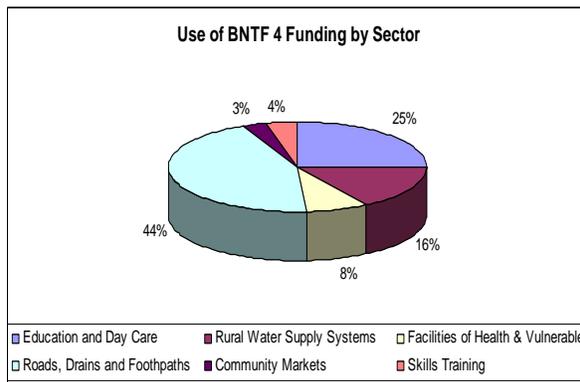
strategies.”<sup>4</sup> As a consequence of this new approach pursued by CIDA in providing international aid, the Contribution Agreement signed with CDB to provide funding for the BNTF 5 Programme states that the new Programme “has also been designed with focus on the following two of Canada’s six Official Development Assistance (ODA) programming priorities:

- To support efforts in Basic Human Needs (BHN) to provide primary health care, basic education, family planning, nutrition, water and sanitation and shelter; and
- To help developing countries to deliver environmentally-sound infrastructure services, with an emphasis on poorer groups and on capacity building.”<sup>5</sup>

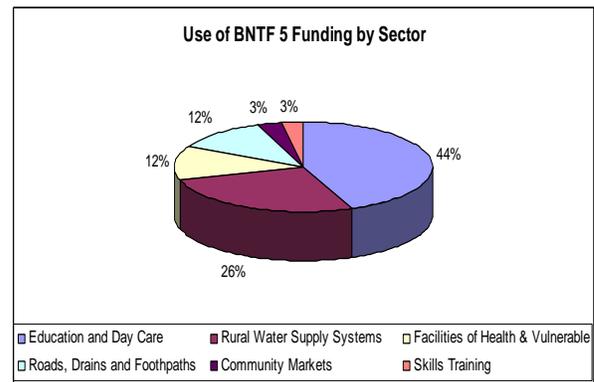
This focus on the one hand enhanced participation of communities in the project cycle and, on the other, prompted a shift in the primary sectors financed by the Programme in order to give more importance to infrastructure such as schools, daycare centres and health facilities than to roads, drains and footpaths.

The pie charts in Exhibit 3.3 clearly illustrate the change in sector disbursement from BNTF 4 to BNTF 5. By comparing the two phases, it is evident that while in the earlier phase of the BNTF Programme the focus was placed on roads, drains and footpaths, to which 44% of the funding was allocated, in the current phase of the Programme an equivalent percentage of the funding is used in the education and daycare sector, with the roads, drains and footpath sector representing only 12% of its budget.

**Exhibit 3.3 Changes in Sector Disbursements**



Source: CDB 2006 Annual Report, p. 3



Source: CDB 2006 Annual Report, p. 3

<sup>4</sup> CIDA Policy Statement on Strengthening Aid Effectiveness. Online: <http://www.acdi-cida.gc.ca/aideffectiveness#1>

<sup>5</sup> CIDA Contribution to CDB’s BNTF Programme, p. 5.

## 4. Findings

### 4.1 Program Design

This section presents findings on programme design. There were a number of elements introduced into the BNTF during its current cycle, described in Section 3.3 and briefly summarized in the text box. This section focuses on those elements of design that were highlighted as key evaluation questions during the development of the evaluation Work Plan, namely the social orientation of the Programme and the involvement of community stakeholders in the project cycle. The other distinguishing aspects of the BNTF 5 Programme are addressed in the sections on Effectiveness, Programme Administration, and Programme Performance.

#### Elements introduced in the Design of BNTF 5

- a) Preparation of Poverty Reduction Action Papers (PRAP);
- b) Increased funding for skills-training;
- c) Expanded Project Steering Committees (PSC);
- d) Upgrading Community Worker to Community Liaison Officer (CLO);
- e) Community involvement in the full cycle of the sub-projects;
- f) Tripartite agreements with public institutions and the community;
- g) Cross-cutting themes of gender, environment and HIV/AIDS; and,
- h) Formal Project Operations Manual and MIS.

**Finding 1: The relevance of the BNTF 5 focus on social infrastructure projects is confirmed by stakeholders.**

Social infrastructure is defined as primary and secondary schools, preschools, daycare centres, facilities for vulnerable groups, primary health facilities, water systems, sanitation facilities, rural roads, drainage, footpaths and market infrastructure.

In all BMCs, government stakeholders confirmed the need and the ongoing relevance of a grant fund that supports the large- and small-scale infrastructure projects supported by the BNTF. The relevance is anchored in three characteristics of the BNTF: its provision of grant resources for needed capital investments, its alignment with national poverty reduction strategies, and its funding in sectors that are not covered by other sources.

- 1) **BNTF responds with grant resources to the needs for capital investments in BMCs.** In most countries, the demand for these kinds of projects exceeds what the national governments are able to budget for capital investments due to a number of financial and economic constraints, including:
  - The small size of the population as well as of the economies, which are mostly agriculture-dependent, limits the size of the market and the capacity to generate income;
  - The location of the ten BMCs in the Caribbean Sea exposes these countries to recurrent natural disasters, with consequently serious impacts on the national finances. For instance, Grenada was almost completely devastated by Hurricane Ivan in 2004 (the damages amounted at 200% of the GDP) and was seriously damaged by Hurricane Emily in 2005 (the damages were estimated at 12% of GDP). Part of the island of Montserrat has been evacuated as the Soufriere Hills volcano makes it unsafe. In addition, the island is constantly threatened by acid rain and ash. In Guyana, the seasonal heavy rains provoke major flooding along the coastal regions, where the majority of the population is concentrated; and,

- Some countries are highly indebted. The Government of Guyana (GoG) is a member of the Highly-Indebted Poor Country (HIPC) initiative and the Government of Dominica (GoD) has been recently involved in a fiscal structural adjustment.

All these factors seriously affect the availability of financial resources necessary to provide and assure wide access to social infrastructure and, as such, BNTF 5 funding is particularly appreciated for providing additional funds on a grant basis rather than as a loan.

- 2) **BNTF supports national development strategies or poverty reduction strategies.** BNTF funding is seen as a useful support to achieve the objectives stated in the various national development strategies or in other documents such as the Poverty Reduction Strategy Papers (PRSPs). For instance, in Belize and Guyana, which have national poverty reduction strategies, the BNTF 5 programme has been aligned into the broader efforts carried out by Social Investment Funds (SIF). In Belize, in fact, because the SIF was actively involved in preparing the National Poverty Elimination Strategy (NPES) and the National Poverty Eradication Strategy and Action Plan (NPESAP), it was able to then link the BNTF to the strategy. In addition, the SIF poverty action plans were included in the NPEAP.
- 3) **BNTF provides funding in sectors where other resources are not available.** The BNTF 5 Programme, thanks to its flexibility and broad scope, steps in with assistance to sectors where other sources of funding are not available. This is the case of Grenada after Hurricane Ivan: the BNTF 5 funding has been directed to the construction and renovation of pre-primary schools and daycare centres for which it was the only source of funding available. In Montserrat, the importance of the Programme is enhanced due to the status of the island as a British Oversea Territory, which does not qualify for most bilateral aid.

Overall, the relevance of the Programme's focus is beyond doubt, although some adjustments may increase its relevance for certain BMCs. For instance, in a country like SLU which is clearly re-orienting its economy into a service-based one, government officials indicate that BNTF would be more relevant if it were to provide greater support for the development of human resources. Likewise, In Grenada, in order to enhance its relevance in the future, BNTF 5 should consider financing more skills-training projects, with an emphasis on youth as part of the Government of Grenada's (GoG) broader Youth Development efforts.

**Finding 2: The rationale for the social orientation of BNTF 5 is sound and well accepted among community and government stakeholders.**

BNTF 5 increased the social orientation of the Programme by introducing tools and methods to enhance participation at the community level and improving sub-project effectiveness through greater understanding of how social infrastructure projects affect men, women and youth. In doing so, BNTF 5 aimed to become more demand driven and less "top-down" in its approach.

Stakeholders are generally satisfied with the participatory approach and feel that it provides a greater likelihood of on-going effectiveness and sustainability of the Programme. Community participation is also valued as a tool to enhance the ownership of projects and guarantee a more transparent process to address community needs. As noted by one of the Permanent Secretaries (PS) of the Ministry of Finance (MoF) interviewed by the MTE team, "even though community participation is time consuming, it pays off."

The Evaluation Team noted only some isolated viewpoints from two government representatives in St. Vincent and Grenadines who preferred the approach put forward by the BNTF 4 and had strong concerns about recent delays in implementation of sub-projects, which they attribute to the social dimension of the BNTF 5.

At the same time that they support the new social orientation, the stakeholders signal that both the CDB and BNTFO significantly underestimated the time and skills required to put it into action. The learning process and requisite skills and resources for a more participatory BNTF are issues that will resurface in subsequent findings.

**Finding 3: The CNAs introduced by BNTF 5 have been incorporated at the country levels, but there are concerns about the quality of these assessments.**

In order to make the project cycle more participatory and, therefore, the sub-projects more aligned with a community's needs, the BNTF 5 introduced the CNA, which is a process to identify key characteristics and needs of the community.<sup>6</sup> The CNA process includes an analysis of gender roles and responsibilities in the community, and is prepared by the CLO after participatory consultations which include meetings with the community, transect walks and other techniques.

In all the countries visited for the purposes of this study, the CNA is well accepted and is recognized as a tool that facilitates the prioritization of communities' needs. Even though in countries like Guyana the consultation with communities in the identification phase of a project is not considered by ministries as a new *modus operandi*, its formal/explicit introduction in the operating procedures for the implementation of BNTF 5 is positively valued. In particular, the CNA is seen as a useful tool to ensure that the identified project responds to the most pressing needs and priorities of the community and not to political interests.

It should be noted, however, that the CNA is used differently in each BMC. In some countries, such as Guyana and to some extent the Turks and Caicos Islands (TCI), the CNA is used to identify and prioritize potential sub-projects before presenting them to the BNTFO. In most other countries, the CNA is used to check if the sub-project requested by a community representative or other stakeholder is in fact a priority for the community.

One of the major concerns frequently raised during the field missions is that the time allocated to conduct a CNA is not adequate to fully capture all the key elements and characteristics of a community, or to carry out the gender analysis and environmental assessments that are also required. The pressure to complete the document and continue with the project cycle means that CLOs only conduct one or two meetings with a limited group of people in a given community to identify projects, thus compromising the CNA process. In some countries (Saint-Lucia, Grenada, Belize), the CLOs have specifically highlighted the tension between the need to submit projects and 'spend the money' and the need to complete comprehensive CNAs that would ensure that the 'right' projects were designed and implemented. In addition, from the review of the CNAs received by the BNTFOs, it emerges that the information of these documents is sometimes imprecise; the CNAs in fact require a deep understanding and knowledge of the community.

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<sup>6</sup> Such as main economic activities realized by the residents, types of construction, the kind of access to water, etc.

Some concerns have also been raised regarding the definition of «community,» particularly for schools infrastructure sub-projects, where often students from more than one community are attending. The definition has in fact major implications for the process of identifying the needs of a community as well as on the capacity of the CLO in gathering its members. If «the community» is considered in a geographical sense, the CLO would encounter a major challenge in organizing and mobilizing all its members in projects that could be perceived at the advantage of a small group of people (such as a back road or a pipeline). On the other hand, if the community is represented by the potential beneficiaries of a project, the CNA process risks being auto-referential and therefore of limited utility.

Finally, although the use of the CNAs in selecting and implementing sub-projects is a strong feature of the BNTF 5, the MTE data is inconclusive with regard to an increase in community ownership as a result of the demand-led approach. This is largely due to the fact that the majority of the completed sub-projects visited during the field missions have been completed only recently and it is therefore premature to talk about ownership.

However, the Evaluation Team observed elements that suggest the potential for ownership in some of the sub-projects. These indications include the interest and active participation of community members in the different phases of the project cycle, the maintenance given to infrastructure, the use of the final product and the sense of pride that the community has regarding the completed sub-project. In Jamaica and in Saint-Kitts and Nevis, for example, community members quickly referred to this element of pride with respect to new or renovated schools.

**Finding 4: While community participation is evident in most BMCs in the design phase of sub-projects, challenges persist in other stages of the project cycle.**

The Operations Manual (OM) identifies a wide range of stakeholders who can submit a project proposal to the PSC for consideration (see box text). Regardless of the stakeholder that submits the request, the involvement of the community is sought throughout the project cycle. As noted earlier in this section, community participation is considered as a key element in the new phase of the BNTF Programme.

According to the OM,  
*“[c]ommunity participation in sub-project identification, design, monitoring, implementation and maintenance is essential for the long term success of the sub-project, as this will ensure ownership and sustainability long after initial project inputs have been provided to the beneficiary community.”<sup>7</sup>*

*“Sub-projects for consideration of the PSC can be identified and submitted to the BNTFO by a wide range of applicants working in/with the community including NGOs, CBOs, GROs, individuals living within the community, parliamentary representatives, government departments or the BNTFO staff. All sub-projects must have the written sponsorship of the beneficiary community groups (NGOs, CBOs, GROs, church groups etc.).”*

Operations Manual, p. 12, paragraph 5.07.

The following sub-sections provide observations on community participation in the different phases of the project cycle based on the MTE field missions.

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<sup>7</sup> Operations Manual, p. 11.

## Identification

Overall, the Evaluation Team noted wide participation of communities at the sub-project identification stage. In Belize, the project ideas are conceived and sponsored by community groups. In Dominica and Guyana, the regional or village governments have taken part in the identification phase of the sub-projects. For instance, in Dominica, the 'Jimmit Back Road' sub-project was the idea of a youth group actively involved in the Jimmit/Mahaut community, and the 'Expansion of Dominica Association of Disabled Persons [DADP] Training and Conference Centre' sub-project was requested and presented by the Director of the Association. In Saint-Lucia, the example of the Laborie community was cited because over a period of two years, they had initiated and developed a community development plan as a basis for project prioritization. Although the process was lengthy, it was born from within the community and was based on the community's interest and involvement.

There are also cases where sub-projects have been identified based on government priorities. In Grenada, after Hurricane Ivan in 2004, the identification of projects was done by the government as part of a broader national recovery effort. In Montserrat, the government is also the primary source of project proposals. In the Turks and Caicos Islands, the sub-projects reviewed were identified by ministries, NGOs, and community groups. In the case of Saint-Vincent and the Grenadines, the extent to which community members took the initiative for identifying the sub-projects as critical for their communities is somewhat unclear. It would appear that Members of Parliament are significantly involved in identifying potential projects.

## Design

At the design stage, the degree of community members' participation varied by sector and by country. The Evaluation Team observed that communities generally participate to a greater extent in the planning of the renovation or construction of new schools and daycare centres than in projects that involve more technical design inputs, such as those in the water, roads and health areas. For instance, discussions lasted for a long time in reference to the location of the Early Childhood Daycare Centre in Montserrat. The community's view on location was completely opposed to that of the government, which wanted to locate the new daycare centre in a safer place than Salem, which it viewed as being too close to the volcano. However, the community's preference eventually prevailed. Likewise, in Saint-Kitts and Nevis, the participation of stakeholders was particularly visible in the case of projects related to the extension or renovations of schools, where the Parent-Teacher Associations (PTAs) have always been consulted. In the case of water sub-projects, while in some countries the national water company is responsible for the design phase, in others there is also input from the community water boards. In the case of roads, community members have also been consulted during the design stage. In Guyana, for instance, the Evaluation Team attended a meeting organized by the PM with the community's members<sup>8</sup> where the participants had the opportunity to provide their inputs on the construction of new back roads that would connect the main road to the houses and to the school. This was a typical example of a community meeting with the BNTFO staff, the Contractor and the Consultant. Again in Guyana, a similar meeting was held with parents, students and teachers as part of a renovation of a school sub-project. Community stakeholders provided their input into the blueprint documents developed by the consultants and were highly involved in ensuring that the final design would meet the ultimate needs of the community.

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<sup>8</sup> Guava Bush Road Project. Status as of June 15, 2007: in progress

### Implementation

Community participation in this phase varies tremendously by sector and by country. The involvement in construction works takes place in the construction of schools, in the digging of trenches and laying of pipelines, and in the construction of roads. In several countries, community members are hired as laborers to carry out the works. They give part of their time to participate in the construction of facilities (e.g. helping to lay the foundation for the school) and through combinations of paid and in-kind contribution of labor in digging trenches. This is particularly the case of Guyana, Belize and Dominica. In the latter, for instance, the Evaluation Team found that young males under 25 years of age were hired for the construction of the the Jimmit Back Road during the summer. Women also participate either by preparing food or in the construction works. In some cases, the community representatives indicated that there had been less community involvement than desired during the construction stage.<sup>9</sup>

### Monitoring

The MTE Team found that specific measures have been taken by the BNTFO staff in some BMCs in order to provide the community with the tools to effectively monitor the projects. However, the effectiveness of Project Monitoring Committees (PMCs), which have been established upon BNTFO staff's recommendation in only a few countries, is questionable. In Guyana, for instance, the beneficiaries receive from the CLO or by the PM the design plans and the bills of quantity so as to enable them to ensure that the works are done according to the plans and that the right quantities of materials are used during the construction. In principle, this information should be available to communities in other countries as well. However, many countries have mixed experiences in involving their communities in the project monitoring phase. In Belize, the MTE Team noted examples of very effective project monitoring in which the representatives of the school took their concerns about construction progress directly to the engineer (Catholic Diocesan Child Development Centre), who immediately addressed their concerns. On the other hand, there were also examples of less effective monitoring due to a lack of information among the community members about the plans; for example, in Saint-Kitts and Nevis, beneficiaries are usually not provided with the plans of the sub-projects, which precludes them from exercising any kind of monitoring function during the implementation phase.

### Maintenance

There are, across the board, challenges in engaging the communities in at the maintenance stage. This issue is addressed in a separate finding (21) in Section 4.5. The challenges arise from a variety of factors including whether the responsibility for maintenance lies with public agencies or local governments, and their lack of responsiveness and resources for this task. Communities have shown more interest in maintenance of newly-built schools or refurbished daycare centres.

Overall, the Evaluation Team has identified several factors affecting community participation during the project cycle.

- First, community participation depends on the existence of local structures such as Water Boards and Parent Teacher Associations (PTA). Where these structures are in place, it facilitates participation and ownership by this sub-group in the community;

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<sup>9</sup> See Belize and Dominica Mission Reports

- Second, in countries like Grenada and Montserrat, the CLO and the PM identified the gradual loss of traditional forms of solidarity as a major obstacle to wider community participation. In Montserrat, the volcanic eruption and the subsequent emigration have lessened the solidarity links among the remaining inhabitants. In Grenada, the pressures of urbanization, modernization and globalization, with people becoming more focused on individual needs rather than community action, have diluted traditional collective community mechanisms like the “maroon” or the “sou-sou.” In St. Lucia, respondents suggested that community responsiveness has deteriorated from BNTF 4 to BNTF 5, as reflected in apathy and fatigue among residents. Several respondents agreed that the philosophy of ‘coup de main’ was slowly dying in St. Lucia and that the CDB should not expect that communities would be willing to donate their time and labour to the implementation and maintenance of the sub-projects; and
- Third, in St. Lucia, despite the efforts of the BNTFO to publicize the Programme, one of the issues encountered is the slow rate at which projects are initiated by communities, due often to the limited capacity of poor community groups to develop projects.

These issues present a challenge for the BNTFOs, compelling them to begin looking at alternatives for strengthening communities and to assess whether the reliance on volunteer support (for construction or for maintenance) will continue to be feasible in all cases.

## 4.2 Effectiveness

Effectiveness refers to the extent to which a programme’s objectives have been achieved or are expected to be achieved, taking into account their relative importance. The findings on BNTF 5 effectiveness comment on the Programme’s overall progress towards objectives, country-level progress toward targets and objectives set out in the PRAP, and issues that appear to affect effectiveness.

### **Finding 5: The BNTF 5 is making progress towards its broad objectives, particularly in its support to initiatives that increase access to social infrastructure for vulnerable groups.**

The goal of the BNTF Programme as described in CDB documents and the Partnership Proposal to CIDA is to “increase the extent to which basic needs are met in participating BMCs.” The Fund supports initiatives that aim to:

- 1) Increase access to social infrastructure for vulnerable groups;
- 2) Make sustainable improvements to social infrastructure in participating countries;
- 3) Build community and local organizational capacity in social service and maintenance delivery; and
- 4) Broaden the participation of citizens, communities and CBOs/NGOs in the formulation of social policy and decision making.<sup>10</sup>

<sup>10</sup> The Programme objectives are drawn from *Basic Needs Trust Fund Fifth Programme: Partnership Proposal between Caribbean Development Bank and Canadian International Development Agency*, September 18, 2002, p. 9. These were the objectives included in the evaluation matrix for the MTE approved by the CDB in June 2007.

The Evaluation Team found considerable progress towards the BNTF 5 objective of increased access to social infrastructure. Although the Programme is behind in terms of the number of implemented sub-projects, there is ample evidence at this time of the positive effects on communities of the social infrastructure projects supported by BNTF 5.

The Evaluation Team found less evidence at this stage of progress in the second objective area of “sustainable improvements” to infrastructure, which is linked to the third objective of building community capacity “in social service and maintenance delivery.” The lack of evidence is partly due to the fact that many of the projects visited by the MTE Team had only recently been completed, thus making it premature to make a judgment on the sustainability of the efforts.

For the objective of building community and local organizational capacity, the evidence is mixed. The MTE did identify examples (such as in the operation of water systems) where the BNTF had contributed to strengthening the community group’s (in this case Water Boards) ability to deliver and maintain the service. In general, however, the types of reviewed activities that are carried out by BNTF 5 do not strengthen *organizational capacity*.

On the fourth objective, the MTE notes as positive the participatory and inclusive approach that has been adopted in the BNTF 5 sub-project cycle. Nonetheless, there is a difference between community involvement in the sub-projects and the broader scope of participation suggested by the fourth objective area. At this stage, there are few activities that have been carried out by BNTF 5 that would particularly strengthen community participation in *policy formulation* and, as a result, the MTE finds limited effects of the BNTF 5 on the participation of citizens, CBOs and NGOs in *social policy formulation*. Furthermore, increased community participation in social policy formulation should be viewed as a long-term result of the portfolio of BNTF interventions in a country, rather than as a short-term objective that can be achieved through individual sub-projects.

If the BNTF aims to affect change in the last two objective areas, it may need to consider additional types of activities in BNTF 6 in order to achieve them.

**Finding 6: BNTF 5 social infrastructure sub-projects have generated a range of benefits for the targeted communities.**

One of the evaluation questions for the MTE relates to the extent to which the BNTF 5 is achieving results. The team found ample anecdotal evidence that suggests that a number of positive changes at the community level had taken place as a result of social infrastructure projects, even though these are not adequately captured by the BNTF 5 performance monitoring system. (See Section 4.5 for further observations on the performance monitoring system.) The benefits for communities have been classified into: access to better social infrastructure facilities (where they did not exist before); improved access to services, products and markets; enhanced community linkages; and improved health conditions.

A few examples of changes, drawn from a variety of countries, are provided for each category.

**Access to better social infrastructure facilities**

There is no doubt that in the participating BMCs the BNTF has helped to expand and conserve the stock of social infrastructure in the form of primary and secondary schools, preschools, daycare centres, facilities for vulnerable groups, primary health facilities, water systems, sanitation facilities, rural roads, drainage, footpaths and market infrastructure. These new or renovated facilities helped to reduce the problems the communities were facing such as overcrowding in classrooms, no school in the community, poor water supply, roads that wash out in the rainy season, etc.

During the MTE, community respondents reported ways in which the presence of the new or renovated facility or road helps to improve the situation for the members of their community.

- Guyana: after renovations, school buildings became multipurpose buildings since they are also used by different associations for trainings and meetings;
- Grenada: there is evidence of new standards for daycare centres and pre-primary school buildings, including better layouts, more space, child-friendly access to facilities, and attention to aspects such as secure outdoor play areas. The BNTF has also implemented new hurricane-resistant standards in re-built or new education and health facilities to mitigate damages in any future hurricanes;
- St. Kitts and Nevis: Renovation of schools that presented unhealthy conditions for students, such as Saddler Primary School and Dieppe Bay Primary School improvements; and
- St. Lucia: The road has made life easier since community members are no longer forced to climb up the rocky surface and cars can now access the area.

### Improved access to services, products and markets

Community members often described the changes in the kind of services that they had access to as a result of the new or renovated facility.

- Jamaica: In most cases, it is apparent from the before and after descriptions provided that the school improvements (in water and sanitation) have made the educational experience a more pleasant one for children. In one case, a teacher reported that families in the community had stopped sending children to other communities for schooling – decreasing the travel burden on children and leading to increased enrolments;
- Guyana: The overall assessment of all road projects by community members (particularly women) suggests that the improved road system allowed them to send their children to schools on their own, while attending to household chores. Similarly, the renovation of water pipes tended to reduce the time required to fetch water by the young girls in a small community and allowed them to dedicate more time to their homework;
- Belize: An expanded school in the Mayan Village of Red Bank provides the opportunity for 60 new students – half of them girls - to go to primary school. Preschool-level education is available for the first time in the community. The MTE also observed the school facility being used by a visiting team of foreign doctors who were attending the health concerns of women and girls;
- Grenada: The presence of daycare centres and pre-primary schools in the community releases family members, in particular mothers and daughters, from the care of the youngest children, thus giving them more time to realize other opportunities including paid employment outside of the home; and
- St Lucia: Residents reported that the road improved their quality of life. Children no longer had muddy shoes and clothes, business is better and more family and friends visit.

While these anecdotes speak to the improved access to these services, the **quality** of social services or on-going maintenance of facilities relies on the contributions of a number of BNTF partners, such as the line ministries and municipal governments. Thus, for example, although BNTF school sub-projects can help improve the physical environment for learning and teaching, the desired outcome (as proposed in one of the project profiles for an education sub-project) of “knowledge and skills acquired will provide the potential for increasing incomes through self-employment activities or

acquisition of jobs” requires a number of partners to ensure adequate teaching, employment opportunities, credit opportunities, etc.

### **Enhanced Community Linkages and Morale**

Although perhaps an unplanned effect of the BNTF sub-projects, communities visited in a few of the countries also reported an improvement in the social fabric of communities, referring to the sub-projects’ much less tangible effects on their spirit and morale.

- Jamaica: Several reports of increased school and community morale and some indications that the school had been able to offer a larger range of community programming and activities as a result of BNTF 5 investments. In one case, the school was described as the “beacon” for the community;
- St Vincent and Grenadines: All sub-projects completed under BNTF 5 have had a noticeable and positive impact on the communities they meant to serve and had caused communities to come together. The roads projects, for example, were described by a government representative as being good for the purposes that they are intended to serve, and also for the “psyche and aesthetics” of the community;
- Grenada: BNTF 5 is reported to have revitalized isolated communities by giving them access and by raising living standards; and
- Guyana: In the Karasabai Village where a training centre was developed, women from the community expressed a high level of appreciation for the new building, indicating that it had become a site where they could work together while supervising their children. The Community Center is used for group meetings, social events and exhibits of the sewing classes.

### **Improved (Health) Conditions**

In some cases, and particularly in water system sub-projects, community members reported reduction in vulnerability to certain health conditions.

- Guyana: As a result of water pipes constructed (see, for example, No. 4 Water Supply, Wine Bush Water Supply), young mothers cited access to clean water as a strong contributing factor to the improved health of their infants;
- Belize: A reverse osmosis water system in the village of Chunox provides village residents with piped water throughout the day, all year long. The representatives of the Water Board reported lower incidence of water-borne diseases (WBD) from the time of installation of the water system. Health sector officials at the national level confirmed the decrease in the incidence of WBD in districts where there had been investments in water systems.

The sub-projects reviewed by the MTE provide ample anecdotal evidence of their beneficial effects upon the host communities. Yet, there were variations across countries and projects - some sub-projects encountered difficulties and were a source of frustration for communities who did not perceive the anticipated benefits.

**Finding 7: Skills-training sub-projects are reported to enhance the skills of males and females, but have had limited results in employment/income generation. This component, enhanced in BNTF 5, has lacked an implementation strategy.**

The Project Implementation Plan (PIP)(2004, p. 9) and the OM (2004, p. 4) state that “in recognition of the significant contribution which skills acquisition can make to the longer term reduction of poverty through additional opportunities for employment and increased earnings” the allocation of resources to support specific skills-training activities has been increased in BNTF 5. In BNTF 4, a total of 4% of the grants (\$861,437) were given for skills-training.<sup>11</sup> This amount increased to a “flexible minimum” of 7% (\$2.5 million) of the grants in the allocations for BNTF5.

According to the PIP, skills-training activities could include training for leadership, maintenance, disaster mitigation, income generation and employability/apprenticeships, and social and life-coping skills.<sup>12</sup> The PIP goes on to specify two broad areas of skills-training to be targeted: (i) Capability Enhancement – more oriented towards marketable skills; and (ii) Strengthening Fragile Community Organizations, more oriented towards leadership and community mobilization. One of the key approaches of the BNTF 5 is to integrate skills-training into as many infrastructure sub-projects as possible. The component was to be implemented in partnership with training institutions as well as at job sites through joint ventures with employers.

At the end of 2006, 19 of the 51 skills-training projects approved by CDB had been completed. The estimated costs of the 51 approved projects represented about 31% (\$769, 598) of the available funding for skills-training. The MTE sample of projects included 6 of these skills-training initiatives. Thus, the following observations on skills- training draw on the review of these projects and the self-assessments of BNTFO and PSC members on their experience with this type of sub-project.

- The demand for skills-training sub-projects from communities or other stakeholders is strong in most of the BMCs.<sup>13</sup> At the country level, many of the stakeholders clearly articulated the need for this kind of sub-project in order to reduce unemployment and help particular groups (such as women or young men) to generate income;
- The skills-training projects have not been easy to get approved, either by CDB or at the country level, signaling potential difficulties in their design and in establishing selection criteria for this type of project;
- The training activities reviewed by the MTE have led to the enhancement of skills of both males and females in many of the countries in diverse areas, a few of which are listed in the side bar. Respondents all report that their know-how and skills were improved through the training activities;

**Examples of areas and target groups in the skills-training sub-projects reviewed by the MTE**

Belize: Woodcrafts (men)

Dominica: Sustainable agricultural practices and organic farming (young men and women)

Guyana: Making school uniforms (women)

Montserrat: Baking (men and women)

St. Kitts and Nevis: Sewing and leather crafts (men and women)

TCI: Tour guiding (men and women) and handicraft production (women)

<sup>11</sup> CDB, Basic Needs Trust Fund – Fifth Programme, December 31, 2001, Paper BD 77/01 (Appendix 2.2)

<sup>12</sup> BNTF 5 Programme Implementation Plan (2004), p. 9.

<sup>13</sup> The exception here is Belize, where the BNTFO explained that communities demanded more infrastructure than skills training type of projects.

- Most of these activities were implemented through partnerships with NGOs that do the training (National Historic Trust in TCI, National Development Foundation of Dominica – NDFD- in Dominica) and/or in partnership with government programmes that provide apprenticeship opportunities for the trainees (such as Project Strong in St. Kitts and Nevis).

While the intent of the skills-training projects, as noted in the BNTF OM, is primarily to support employment and income generation opportunities, the MTE finds that this intent is often not fulfilled. All of the skills-training sub-projects reviewed had limitations in their effects on better employability or increased income generation.

Stakeholders involved in designing, approving, and/or implementing these projects, as well as those who have benefited from them, note a series of shortcomings in this area:

- The sub-projects operate in contexts that often are not favorable to the transfer skills into income; in some countries there is a lack of access to financing for small business or, as in the case of Montserrat, the size of the national market constrains the sustainability of any economic activity;
- In their design, the sub-projects do not contemplate a number of elements such as the identification of a market, the assessment of business feasibility, the development of a marketing plan or other areas that are key in enhancing the potential to support livelihoods;
- The field missions also pointed to a lack of a common understanding (among BNTFO, PSC and CDB) of what a skills-training project should look like; and
- The BNTFOs noted several factors in identifying, designing and managing these kinds of sub-projects because the skill set and partnerships that are required for the skills-training projects are quite different from the skill set that is required for the social infrastructure projects.

These factors confirm a general limitation, pointed out by several stakeholders, of not having an implementation strategy for this component, although it was emphasized in BNTF 5.

**Finding 8: The BNTF 5 had completed 410 sub-projects as at December 31, 2006 which is less than half of the planned 1000 sub-projects to be completed by 2008. However, the targets set for BNTF 5 were unrealistic, given the requirements for operationalizing the new components of the Programme.**

The CDB had planned to provide funding for 1000 sub-projects during BNTF 5.<sup>14</sup> According to CDB's Management Information System (MIS), there were 410 approved and 231 completed sub-projects as at December 2006. At the time of the MTE (4 years after the signing of the Grant Agreement (GA) between CDB and CIDA, with 1.5 years remaining in the project) most countries had completed less than 50% of the sub-projects approved under BNTF 5. Exhibit 4.1 illustrates the implementation progress with sub-projects at the country level. Belize and Dominica have completed 51% and 50% of their approved sub-projects, respectively, while Jamaica and Guyana have completed over 60%.

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<sup>14</sup> It is in the CDB Staff Report on BNTF 5 that the target of 1,000 sub-projects "completed and operational" is put forward as a performance indicator at output level, but this figure is not maintained in the Logical Framework Analysis (LFA) of the PIP. It is referenced as a target even in the Terms of Reference (TORs) for the MTE.

**Exhibit 4.1 Sub-projects Approved and Completed as at December 31, 2006, by BMC**

Country	# SP Approved	# SP Completed	%
Belize	57	29	51%
Dominica	56	31	55%
Grenada	27	5	19%
Guyana	166	114	69%
Jamaica	23	20	87%
Montserrat	6	1	17%
Saint-Kitts and Nevis	18	7	39%
Saint-Lucia	45	19	42%
Saint-Vincent and the Grenadines	7	3	43%
Turks and Caicos	5	2	40%
<b>TOTAL</b>	<b>410</b>	<b>231</b>	<b>56%</b>

Source: CDB Management Information System

The Evaluation Team is of the view that the targets for completed sub-projects were unrealistic given the tasks that had to be completed in order to be fully operational at both the regional and country levels of the BNTF Programme. The regional requirements are briefly described below; country requirements are summarized in the following Finding.

The Regional Programme Coordination had to complete a series of tasks to help operationalize the new features of BNTF 5. One of the first tasks was to complete the staffing of the BNTF regional team. The planned staff complement has only recently been achieved. In addition, the team was to develop a series of tools and systems to support implementation of the BNTF 5. These included the development of the MIS, OM, Guidelines for the Community Needs Assessment, reporting templates, design and delivery of training on cross-cutting and other programming issues.

There were number of delays in the first years of the Programme. The MTE was initially planned for 2005 or two years after satisfaction of conditions precedent of the Grant Agreements. Programme implementation was to begin in 2002, including launch workshops and other activities to meet conditions precedent such as approval of the PRAP (CDB Staff Report, p. 18); these launch workshops were completed in 2004.

**Exhibit 4.2 Programme Management and Implementation Tools**

REGIONAL PM TOOLS	YEAR COMPLETED
PRAP approved in each BMC	2003
PIP	2004
Operations Manual	2004
Project Launch Workshops	2004
CNA Guidelines and Workshop	2005
Training on Results-based Management	2004, 2005
Trainings on Cross-Cutting Issues	2005
Gender	2006
Environmental assessment	2007
Redesigned BNTF MIS introduced in BMCs	2006

**Finding 9:** As at December 2006, the BMCs were falling short of achieving their targets for sector investments as stated in their PRAPs. The reasons cited for this shortfall include the time required to integrate the new BNTF 5 requirements as well as external factors in the BMCs.

The MTE also assessed the country progress in relation to the objectives and targets set in the PRAP. The PRAP provided a prioritization and proposed expenditure by sub-project sector. Exhibit 4.3 gives a snapshot of each country's progress in expenditures compared to planned investments by giving a percentage of overall target achievement. The overview table also comments on variations in the target achievement by sector. The figures on allocations, PRAP targets by sectors and expenditures for each BMC are provided in Volume III, Appendix VI.

**Exhibit 4.3 Overview of the Achievement of Targets in the PRAP, by BMC**

Country	Percentage of Target Achievement (Overall)	Comments on Variation by Sectors
Belize	33%	15% disbursed in Education, 14% in Water. Less than 1% in Skills training, Access, Maintenance and Health. Disbursement in Day-care Centers (DCC) (1,3%), Vulnerable groups (0,2%) although not allocated. 0% in Comm. Mkts.
Dominica	7%	4% disbursed in Access. 2% and less in: Education, Water, Vulnerable groups, Skills training and Health. 0% in Comm. Mkts.
Grenada	29%	4 disbursement sectors the same ones as allocation. 18% Education, 6% Health, and 4% Water.
Guyana	39%	14% Education, 12% Water, 8% Access. Less than 4% in Health and less than 2% in Comm Mkt. 0% in Skills training.
Jamaica	68%	60% disbursed in Education. Disbursement in Health (7%) although not planned allocation.
Montserrat	8%	Less than 4% disbursed in Skills training, Community markets and Health. Nothing in DCC (2nd priority) nor Access.
Saint-Kitts and Nevis	9%	6% disbursed in Education. Less than 2% disbursement in health and skills training. 0% in Water and Access.
Saint-Lucia	25%	10% disbursed in Water, 7% Education and 6% Access. 1,1% Skills training and 0,4% in health. 0% in Comm. Mkt and in Vulnerable groups. Disbursement in DCC (0,4%) although no allocation.
Saint-Vincent and the Grenadines	4%	3% disbursement in Access (farther 1st priority). Less than 1% disbursements in Education. No disbursement in Water, Skills training, Health, Comm. Mkts, DCC although planned allocation in these sectors.
Trusk and Caicos	1%	Nothing disbursed in Education or health, major planned allocations. 1% disbursement in Skills training.
<b>TOTAL</b>	<b>28%</b>	

Source: CDB Management Information System

St. Vincent and the Grenadines and the Turks and Caicos Islands show significant gaps between planned investments versus actual expenditures to date, although in both cases additional issues, such as absence of key staff and poor performance of CDB consultants,<sup>15</sup> have affected the progress of the Programme.

Some countries have shown tremendous progress since early 2007. Although this falls outside the timeframe of the MTE, it is worth noting that these countries could get back on track by the end of the BNTF 5 in 2008. For example, TCI's PSC approvals in July 2007 aim to get it back on track; in St. Lucia, there were only 13 completed sub-projects at the end of 2006, but this number almost doubled by July 31, 2007 to 27 out of a total of 48. In St. Vincent and the Grenadines, the planned programme for 2007 included nine sub-projects and at least six additional requests were examined by the PM at the time of the Evaluation Team's visit. The same can be said of St. Kitts and Nevis, where the number of sub-projects in the pipeline for 2007 outnumbered the overall number of sub-projects for the period under review for the MTE.

The BMCs also invested time in certain aspects of project start-up and the process of learning about the new procedures in BNTF 5. The BMCs had to name the PSC, develop the PRAP, approve an OM and engage staff. In addition, the staff had to learn how to do a CNA, use the MIS, integrate Results-based Management (RBM) requirements and conduct gender analysis. The BMCs encountered difficulties in engaging and retaining staff (one of the assumptions in the Logical Framework Analysis (LFA) for the Programme). This is reflected in the turnover in the CLO position that has hampered progress in several countries. In addition, countries such as Grenada, Montserrat and Dominica have faced special situations that have limited their ability to implement the BNTF5 (natural disasters, government structural reform program, etc.)

These activities consumed the BNTFOs and contributed to very limited programme disbursement activity in the first years of the BNTF 5. With the completion of conditions precedent by all ten BMCs in August 2004, it was theoretically possible for all BMCs to have approved sub-projects that year. (Only TCI did not have an approved project by December 2004.)<sup>16</sup> In looking at the disbursement patterns illustrated in Exhibit 4.4, it is clear that the pace of implementation significantly picked up in 2005.

**Exhibit 4.4 Annual and cumulative Disbursements in BNTF 5 by BMC (USD)**

BMC	Disbursement				Total
	2003	2004	2005	2006	
BZE	-	57,390	931,565	808,106	<b>1,797,061</b>
DOM	-	14,305	114,349	247,438	<b>376,092</b>
GRN	-	-	90,771	784,978	<b>875,749</b>
GUY	-	596,106	2,042,279	1,626,657	<b>4,265,042</b>
JAM	393,000	-	1,260,629	301,085	<b>1,954,714</b>
MON	-	-	48,335	152,106	<b>200,441</b>
SKN	-	15,337	19,264	174,309	<b>208,910</b>
STL	-	24,763	160,656	1,033,473	<b>1,218,892</b>
SVG	-	-	97,883	68,139	<b>166,022</b>
TCI	-	-	10,800	11,679	<b>22,479</b>
<b>TOTAL</b>	<b>393</b>	<b>708</b>	<b>4,777</b>	<b>5,208</b>	<b>11,085,402</b>

Source: CDB Management Information System

<sup>15</sup> For example, two school sub-projects in North and South Caicos failed to get off the ground because the Consultant hired by the CDB did not perform as expected. See the Turks and Caicos Mission Report for more details.

<sup>16</sup> CDB, BNTF 5 Report for the Period July 1 to December 31, 2004, p. 1.

**Finding 10: The PRAP has provided macro-level analysis for the BNTF 5 and has enhanced its linkages with national strategies and programmes. There is still a gap, however, between the broad linkages expressed in the PRAP, the vision of a more holistic and less sporadic approach to poverty reduction and the patterns observed in BNTF 5 sub-projects.**

One of the enhancements to the role of the PSC introduced in BNTF 5 is the preparation of a PRAP as a guide to allocate resources and structure and design poverty reduction initiatives under BNTF 5. The PRAP is intended to serve as a “framework of action” that could focus BNTF 5 interventions more directly on the needs of poor communities in a holistic rather than a piecemeal way. Such an Action Plan could take less time, effort and resources to produce than a Poverty Reduction Strategy Paper (at the time of the design of BNTF 5 only Belize and Guyana had a PRSP), yet provide a systematic way of helping BNTFOs target interventions and foster greater integration (with other sectoral reforms or poverty reduction initiatives) through BNTF programming.<sup>17</sup>

Each BMC had to prepare a PRAP, to be approved by the PSC and the CDB, as a pre-requisite for allocating grant resources. All countries had their PRAPs approved by 2003.<sup>18</sup> The following subsections speak to the usefulness of the PRAP exercise, the linkages between PRAP and broader strategy documents, and the targeting approaches introduced or enhanced by the BMCs in response to the PRAP.

### Usefulness of the PRAP Exercise

Government officials interviewed by the MTE Team generally valued the contribution of the PRAP as a document that helped to articulate the BNTF role within a broader spectrum of efforts to reduce poverty in the country. At a macro level, the PRAP also provides the BNTFO with a certain ranking of priorities in terms of the sectors to be emphasized by the BNTF 5. Only the respondents in St. Lucia suggested that the exercise was not as helpful because it took place after the Grant Agreement was signed between the CDB and the Government of St. Lucia. Thus, it is first and foremost the GA that drives the strategy of the BNTF 5 in their country. This has resulted in the PRAP and BNTF 5 giving less emphasis to upgrading human resources capacity than if they were to respond to government priorities.

### Linkages to other Efforts

At a macro level, most of the BMCs make explicit linkages to poverty policies, strategies and action plans in their PRAP. This is highlighted in Exhibit 4.5. The PSC plays an important role in ensuring that there is integration and collaboration in the operationalization of the PRAP.

**Exhibit 4.5 Reported Linkages to National Poverty Reduction Strategies, Policies and Programmes**

COUNTRY PRAP	BROADER STRATEGIES
Belize (December 2002)	Strategic Plan of SIF (2003-2007) National Poverty Elimination Strategy (2007-2011) and National Poverty Elimination Action Plan

<sup>17</sup> CDB Basic Needs Trust Fund – Fifth Programme, Paper BD 77/01, Dec 31, 2001, Appendix 3.1.

<sup>18</sup> TCI has a revised version dated November 2005.

COUNTRY PRAP	BROADER STRATEGIES
Dominica (September 2003)	Strategic Plan (2001-06) of the Ministry of Community Development and Gender Affairs The preparation of a Poverty Reduction Strategy Plan was in the way.
Grenada (October 2003)	National Social Development Policy and Poverty Eradication Strategy and Plans 2000-2002 Medium Term Economic Strategy Paper (MTESP)
Guyana (November 2002)	Poverty Reduction Strategy Paper 2001, which established a Poverty Reduction Secretariat (PRS)
Jamaica	National Poverty Eradication Plan, emphasis on early childhood care and education
Montserrat (June 2003)	Recently-completed Poverty Reduction Strategy Paper (no year indicated)
Saint-Kitts and Nevis (October 2003)	St. Kitts and Nevis Medium Term Economic Strategy Paper 2003-2005
St. Lucia (June 2003)	St. Lucia Interim Poverty Reduction Strategy and Action Plan (IPRSAP) initiated in December 2001 by MoSTCLG
St. Vincent and Grenadines (June 2003)	PRSP (2003), with priorities in good governance, economic growth, education for all, agriculture diversification and social safety.
Turks and Caicos Islands (Revised November 2005)	No strategy or programme at the time; reference only to Standard of Living Assessment Report (SLAR) 1999

Source: Country PRAP and MTE Field Missions

### Targeting approaches in the BMCs

As noted in the OM, the BNTF 5 introduced a more systematic framework for projects to target their interventions at the poorest communities in order to foster the development of integrated rather than sporadic forms of intervention. The manual itself provides little additional guidance about how to approach this. The country PRAPs also speak in generic terms about the methodology for targeting. During the field missions, the Evaluation Team was able to gather additional data in some cases about how the BNTFOs were using a systematic way of identifying the poorest communities. The experience of the BMCs are briefly described in Exhibit 4.6. In summary, most countries are making efforts to use available poverty data and tools, such as Poverty Maps, to help prioritize the communities that will be supported by the Programme. In some cases, where country poverty data does not disaggregate the information to the village or community level, the BNTF teams have developed complementary tools to help facilitate this assessment. This has been the case in Dominica and Jamaica, for example.

The efforts to use methodological targeting in the BNTF face some challenges. One of them relates to the availability of reliable data for selecting the communities. At the time of preparing the PRAPs, many countries only had data from surveys or assessments carried out more than five to 10 years earlier. Additionally, in some of the BMCs, stakeholders also noted concerns about the implicit need to equitably distribute the BNTF projects in their country in order to maintain its profile as a non-partisan entity. Furthermore, the targeting at all the BNTFOs must also be balanced with the “demand-driven” approach in which the communities or other stakeholders, such as government officials, are the ones that should request projects. As noted by respondents in some BMCs, the poorest communities often lack the capacity to submit proposals, which means that the BNTF 5 may not be providing support to the poorest communities.

**Exhibit 4.6 Examples of Targeting approaches in the BMCs**

COUNTRY	COMMENT ON TARGETING APPROACH
Belize	Data provided by: LSMS, Country Poverty Assessment (CPA)(2002), Poverty Map The Poverty Map is used to do geographic targeting and to help prioritize projects where demand exceeds resources available. Data on percentage of households below poverty line is available at the village level.
Dominica	Data provided by: CPA (2002) PSC and BNTFO use the information in CPA to target poorest communities, but this is disaggregated only at the Parish and not at the community level. Thus, BNTFO recently adopted and provided PSC with a new Poverty Map which disaggregates poverty at the community level.
Grenada	Data provided by: Country Poverty Assessment Report (CPAR) (October 1999)
Guyana	Data Provided by: 1999 Guyana Standard of Living Conditions (GSLCs) The PRS is in the process of data collection to produce a revised Poverty Map.
Jamaica	Data provided by: Planning Institute of Jamaica Poverty Map, but this data is reportedly from 1995. New data has been collected in 2004, but the new Poverty Map has not been completed. It is not clear how the new data is being used in the interim. JSIF uses the Poverty Map and a JSIF/SDC Poverty assessment tool. Communities are most often quartile 3 and 4. However, based on further assessments undertaken by JSIF, particularly needy areas within 1 <sup>st</sup> or 2 <sup>nd</sup> quartile communities may also be targeted.
Montserrat (June 2003)	Data provided by: Participatory Poverty Assessment (PPA) July 2000 & Census 2001
Saint-Kitts and Nevis	Data provided by: CPA (2001); Poverty Assessment Report (PAR) 2001
St. Lucia	Data provided by: Poverty assessment carried out by Kairi Consultants Limited 1995. The CPA was just concluded in 2006/07 and stakeholders suggest need to strengthen the PRAP with these findings for improved targeting of the neediest communities.
St Vincent and Grenadines	Data provided by: Interim PRSP (2003) prepared by the Poverty Reduction Task Force (PRTF) of the National Economic and Social Development Council (NESDC)
Turks and Caicos Islands	Data provided by: The Standard of Living Conditions (SLC) conducted in 1999 by Kairi Consultants Limited and the National Assessment Team

The PRAP has provided a way of providing macro level analysis for the BNTF 5 and mapping out its linkages with other strategies and programmes. There is still a gap, however, between the broad linkages expressed in the PRAP, the vision of a more holistic and less sporadic approach to poverty reduction, and the patterns observed in BNTF 5 sub-projects.

At the community level, the nature of BNTF intervention often remains a sporadic or isolated intervention, thus maintaining the pattern of investing in one sub-project at a time per community, as established by the previous phases of BNTF. Some communities explained that once they had one project, they did not know if and when they could apply for another. There is also limited evidence that suggests that the BNTFO are systematically coordinating their investments with other agencies at the community level to deliver a more holistic suite of projects to reduce poverty in a given community. The PRAP and sub-project documents could better illustrate the type of partnerships that the BNTFO are drawing on to achieve the Programme’s objectives.

Integrated interventions require certain intent in the design of the sub-projects. (In the SIF in Belize, such integrated interventions are being implemented in Dolores, Toledo District, but with financing through a CDB loan.) Furthermore, the BNTF targets for number of projects and number of beneficiaries to be served might provide incentives to spread resources, rather than invest in a fewer number of projects that are better targeted and perhaps concentrated in a smaller number of communities.

### 4.3 Efficiency and Efficacy

This section analyzes whether the BNTF 5 Programme is efficiently administered at each stage of the sub-project cycle and comments on the perceived efficiency of the BNTFOs' use of resources.

**Finding 11: BMCs report several points of delay in the sub-project cycle that have implications for the community as well as for the effectiveness and the overall credibility of the BNTF 5 Programme.**

As shown in Exhibit 4.7, the average duration of the project cycle, from the time a request for BNTF 5 funding is submitted to the BNTFO until the Contractor's commencement date, varies significantly by country. The shortest duration is in Montserrat, where the entire project cycle lasts 310 days. At the opposite end is St. Vincent and the Grenadines, where, on average, the process takes 1399 days. While it is not possible to state what a 'normal' timeframe should be, its actual average duration in the ten BMCs was criticized by all the stakeholders interviewed for having important consequences at different levels.<sup>19</sup>

**Exhibit 4.7 Average Timeframe between Submission of the Request to BNTFO to Contractor Commencement Date**

Country	Average Timeframe between Submission of the Request to BNTFO to Contractor Commencement Date (Days)
Belize	800
Dominica	713
Grenada	798
Guyana	423
Montserrat	310
St. Lucia	767
St. Kitts and Nevis	710
St. Vincent	1399
Turks and Caicos	430

Source: CDB's Database

Note: the information is reported for completed sub-projects. The table does not include the completed sub-projects for which the data were unavailable or unreliable.

<sup>19</sup> In the absence of more complete information in the MIS and benchmark timeframes for different stages of the BNTF project cycle, the Evaluation Team has not been able to deepen this analysis to identify if the delays are namely taking place in the BMCs or at the CDB.

The time required for CDB approval and the appointment of a Consultant is of great concern from the point of view of the BNTF 5 Programme's efficiency.

The Consultant Agreement by CDB has been identified in a number of countries as a key step where delays accrue. In Belize, the requirement of a CDB Consultant to review the design and estimates is seen as a major cause of delays in the implementation of projects and a potential source of duplication, given that the SIF staff has experience in these procedures. Likewise, in St. Kitts and Nevis, the timeframe between the submission of the project proposal to CDB and its selection of a Consultant is on average 260 days.

There are numerous immediate consequences of this type of delay on the sub-projects:

- **Projects that are season-sensitive may have to be postponed significantly.** For instance, in Belize, the timing in water projects is critical because the well has to be drilled during dry season in order to avoid getting a false reading on water levels. If the project does not move fast enough, it might have to be postponed for up to one year. Similar problems have been raised in Guyana, where, because of the rainy season, the start of the works has to be postponed if the Consultant is not appointed in time;
- **The cost burden for Contractors increases.** In a number of countries (Guyana, St. Lucia, St. Kitts and Nevis, Belize and Jamaica) the delays in approvals, in the awarding and signature of contracts lead to differences between the cost estimates that are approved and the actual costs of materials at the time of approval. The project budget is not adjusted prior to the bidding process therefore contractors are considered particularly onerous for Contractors since the fixed price contracts do not take into account increases in the price of steel and cement and, as a consequence, the delays in approvals imply additional costs for them. For example, in Jamaica, Contractors noted that due to the lengthy time lag between the awarding of the contract and the actual 'go ahead' to commence construction, the costs of construction increased due to (a) the instability of the Jamaican dollar; and (b) increases in the cost of cement, sand, diesel oil and labour. In addition, Contractors are pushed to look for other contracts and, as a result, they tend not to comply with BNTF 5 sub-project deadlines; and,
- **Effects on Programme reputation.** As mentioned in the Finding, in each BMC it was reported that as a result of such delays the reputation of the overall Programme, and thus of the BNTFO and of the CDB, is diminished.

The delays and resulting increases in the costs of construction affect the perceived quality of the end result. First, communities, exhausted by the long wait for the start of the works, may reject any additional required change in the design of the sub-project as this would imply additional delays. Second, the increased cost of materials can lead to cutting some elements included in the original design in order to respect the original allocated budget. This results in a final product that is not what was initially expected by the community members.

The delays and their effects on Contractors also undermine the intent of BNTF 5 to use local Contractors as a way to stimulate employment and contribute to poverty reduction at the district or parish level. Not surprisingly, it is the local Contractors (with smaller enterprises) who suffer most from the changes in prices for materials without related changes in the contract budget.

At a macro level, these issues diminish the effectiveness in achieving the goals set in the national development strategies and contribute to the loss of credibility of the Programme as well as of the BNTFO staff, who cannot provide stakeholders with a credible project timeframe. Stakeholders commented on frustrations and disappointment among members of the PSCs and in communities, who might have to wait for up to three years for project implementation to begin.

Because of this perceived slowness, governments are looking for alternatives. In TCI, the government takes the lead by funding projects itself. For example, due to the lengthy approval process for a clinic which was to be funded by the BNTF in Middle Caicos, the government decided to underwrite the funds itself. In St. Kitts and Nevis, the Ministry of Health works with Japanese programmes rather than with the BNTF 5 Programme because of the faster processes of the former.

#### Other factors that affect the quality of the sub-projects

It is not only delays that work against the delivery of quality sub-projects that meet stakeholder expectations. There are several examples of infrastructure sub-projects where effective functioning is hampered by (a) insufficient budget allocated to the project, leading to inadequate equipment or furnishings or even incomplete facilities; and (b) shoddy work by the Contractor and inadequate supervision by the Consultant.

- In Grenada, the budget for the Woburn Medical Station and the Bellevue Medical Station did not include any works beyond the renovation of the roof and repairs to the fences. The medical station has re-opened, but medical staff has to operate in very difficult conditions because of the lack of appropriate medical equipment. In the second case, the nurses' quarter is not used as dormitory because the existing conditions of the building, despite the renovation of the roof, do not permit its use.

- In Guyana, some communities have pointed out the shoddy work by Contractors such as poor drainage or leaking roofs. In the case of the Rosignol Market, for instance, the MTE has observed that the booths are in bad condition and the floor is not well leveled, thus creating puddles. In addition, vendors complained that the new area was built too close to the fishing market.

- In Belize, in the Sister Cecilia Home for the Elderly project, the perceived lack of engagement has resulted in dissatisfaction among the beneficiaries. Although the Board of Sister Cecilia initiated the request with the BNTF, they note that they did not have access to the plans for the renovations or to the contract between the Contractor and SIF. Not knowing what the contract entailed made them unable to monitor the project and they felt helpless when faced with failures in the Contractor's work. In this instance, the participatory process was not successful and led to increased expenses that the community had to pay for.

#### Finding 12: BNTFO staffing and productivity in terms of completed sub-projects vary enormously across the 10 BMCs.

BNTFO staffing and productivity (in terms of sub-projects) vary enormously across the 10 BMCs. The table here below summarizes the staffing in each of the ten BNTFOs.

Exhibit 4.8 Staffing in each of the ten BNTFOs

BNTFO Staff	Belize	Dominica	Grenada	Guyana	Jamaica	Montserrat	Nevis	St. Kitts	St. Lucia	St. Vincent and the Grenadines	Turks and Caicos
Project Manager	1	1	1	1	1	1	1*	1	1	1	1
Community Liaison Officer	1	1	1	1	N/A	1	1	0	2	2	0
Accountant Officer	1	1	1	1	1	0	0	1	1	1	0
BNTFO Support Staff	20	0	0	2	1	0	0	1	0	1	1
PSC members <sup>1</sup>	9	8	8	8	N/A	8	8	8	8	8	6
Total	32	11	11	13	3	10	9	11	12	13	8
Completed SPs as at December 31, 2006	32	32	5	128	20	1	0	7	13	3	3

\* Head of Office

As is evident from the last two rows of the table above, the ratio between the number of staff in the BNTFOs and the total number of completed sub-projects varies significantly. While in Montserrat there is only one completed sub-project for 10 people working in or for the BNTFO, at the other extreme, Guyana has 128 completed sub-projects for 13 people employed by the Programme.

#### 4.4 Programme Administration

**Finding 13: Based on available evidence, the BNTFOs are generally compliant with CDB-BMC Grant Agreement.**

There are two different “models” of Grant Agreements (GA); one of them applies to nine of the BMCs and the other to Jamaica. The main differences between the two GAs are linked to the source of the funding for the BNTF (the only funding source for Jamaica is CIDA).

With this GA, Jamaica operates under a different set of operational arrangements that were negotiated two years after BNTF 5 was negotiated with the other beneficiaries. These arrangements include the permission to approve projects up to a ceiling of US\$200,000.00, direct hiring of Consultants to supervise design and implementation of Contractors, and an allocation to facilitate the funding of equipment for the sub-projects. Jamaica does not have a PRAP; instead it has a Logical Framework that is used as a guide.

In addition, there are structural differences between the BNTF model in the 9 BMCs and the one in Jamaica. In the first case, the beneficiary country has a BNTF office that is to be composed of a PSC, a PM, a CLO and an administrative officer. In Jamaica, the Jamaica Social Investment Fund (JSIF) is referred to as an executing agency that has to be composed of a Social Development Manager (SDM), a Finance and Administration Manager (FAM) and a Board of Directors (BOD). “Executing agency” refers to the party to the GA other than the beneficiary to which the execution of the project is entrusted.

The Evaluation Team was able to collect audited statements from five countries (Belize, St. Lucia, St. Vincent, Guyana and Dominica). Only in the case of Belize does the audit report make explicit reference to compliance with the GA with the CDB. Based on the examinations of the accounting records and of compliance with terms of the agreement, Memorandums of Understanding and other such procedures, the auditor concluded that the SIF was generally in compliance with the financial and other covenants of the project.

In the absence of audit reports that would confirm compliance, the Evaluation Team developed a grid or check list based on the GA model of the nine BMCs in order to assess their compliance with its requirements. Overall, according to the grid, the countries are generally compliant with the requirements of their GA. A few issues were noted around the following points:

- In six of the nine BMCs, the PSC has not been able to meet quarterly. In Grenada, it can be explained by the post-Hurricane Ivan situation. In the Turks and Caicos Islands (TCI), the PSC has not been very active and this has been a symptom both of the delays and the limited activity of the programme in the country. On the other hand, the PSC in Belize has met every month and has had a very active involvement in the BNTF 5 programme.
- There are minor issues regarding the staffing of the BNTFO. In general, the countries comply with the requirement but the CLO position still needs to be filled in three country offices. In St. Vincent and St. Kitts, the position has been vacant for a long time due to the inability to find the appropriate candidate. In TCI, the CLO also has a full-time job for the Ministry of Home Affairs, leaving him little time for the BNTF.

- A major issue seems to be at the sub-project level regarding the ability of the beneficiary to carry out the sub-projects with due diligence and efficiency. In all cases, there have been noticeable delays between the project request and the start up. These delays might be explained by a variety of factors – in St. Lucia for example, the BNTFO lacks the support at the level of the parent ministry and this has been an obstacle to efficient operations. In Belize, the delays are attributed to complicated CDB procedures.
- Another problem lies in the skills-training sub-projects. In most cases, the skills-training activities are not integrated in as many infrastructure sub-projects as possible. This might be explained by the fact that out of nine countries, only four were able to disburse at least 7% of the grant on skills-training sub-projects. In other countries, the disbursements were forecasted but still not achieved. Progress has been slower than anticipated with 51 skills-training sub-projects committed in 2006, representing 31% of available funding for this type of project. (CDB Annual Report, p.5).
- For some countries, it is hard to assess the compliance with certain criteria of the GA due to a lack of data.

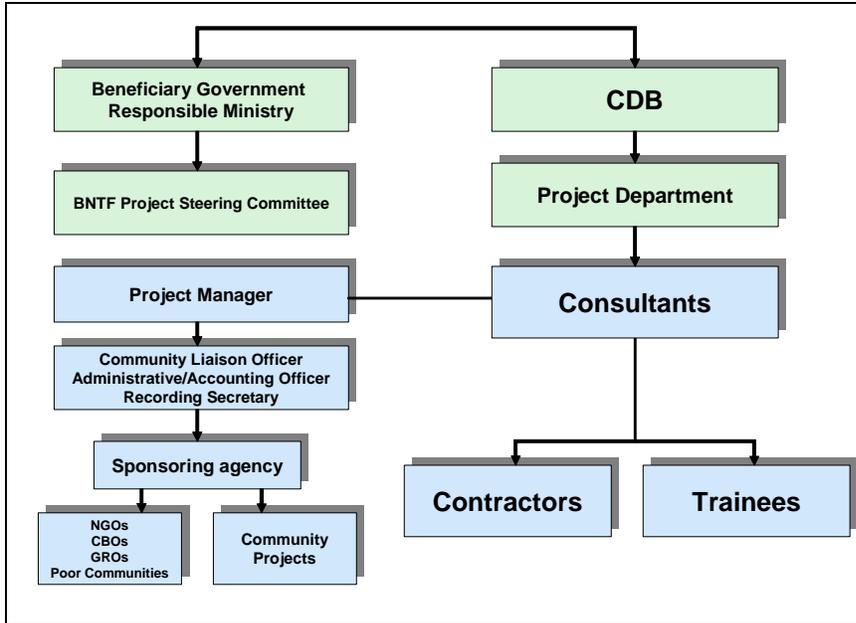
**Finding 14: The BNTFOs face gaps in their staff capacity to respond to the shift in orientation towards a social infrastructure programme that is expected to fully integrate three cross-cutting themes.**

In the BMCs, the Programme is implemented by the BNTFO. According to the Operations Manual, the BNTFO must be composed of the following minimum staff:

- A Project Manager (PM) who is at the head of the BNTFO and is in essence responsible for managing project resources (including staff). The PM also has to report to the PSC and attends all PSC meetings. The PM has responsibility for work planning, budgeting, and reporting to the CDB and ensuring that all requirements (for gender analysis, environmental assessment, and HIV/AIDS) are met by the CLO and the sub-projects;
- An Administrative/accounting Officer (AO) who reports to the PM. The AO is responsible for the management of financial and other administrative data, such as, for example, payments to Contractors and suppliers. The AO is responsible for setting up an MIS, managing the database, and undertaking financial management and accounting procedures in accordance with the Operations Manual;
- A Community Liaison Officer (CLO), who is responsible to the PM for the active involvement of community groups in the identification, formulation, preparation and implementation of all sub-projects. The CLO assists in training and sensitization within the community, supports preparation of community requests for sub-projects, organizes community meetings, and develops public relations Programmes; and
- A Confidential Secretary/Receptionist is responsible for the management of day-to-day correspondence, filing system, arrangements for meetings and other office administration duties.

The organizational chart below illustrates the structure of the BNTFO and its relationship with the PSC, CDB and other stakeholders in the Programme.

**Exhibit 4.9 BNTF 5 Organizational Chart**



Source: CDB Operations Manual, p. 10

In some countries, the staffing differs from what is described above. This occurs in countries such as Belize, where the “functions” of PM, CLO, and AO have been taken on by one or several members of the staff of the Social Investment Fund. The BNTFO in this case draws on a staff of approximately 20, which includes engineers, lawyers, finance and administration staff, and an information technology specialist. Jamaica also has a different approach to staffing given that JSIF is the executing agency for the BNTF grant.

In several of the countries, there is a desire to add to the staff chart in order to increase capacity. Although Dominica is a small territory compared to other islands of the Caribbean, the work with the communities is a very time consuming activity because of the topography of the country as well as the general weakness or absence of community groups. Several stakeholders have expressed their concerns about the workload of the CLO and would welcome the presence of an additional person who could take care of all the necessary arrangements for organizing community meetings and keeping the communities informed on the requested sub-projects.

Grenada, too, exemplifies the same situation. The staff does not have sufficient resources to realize all the BNTF 5-related activities in a timely manner. In particular, the CLO has a lot of responsibilities, including the reporting, monitoring and ensuring the involvement of communities. In about four out of the nine countries, the absence of a CLO has caused serious problems. In Saint Kitts, the position has been vacant since January 2007 and could prove to be a determining factor in the capacity of the BNTFO to spread the Programme and implement more projects across the country and to address in a most effective way communities’ needs.

Overall, the Evaluation Team finds that capacity gaps emerge because of the increasing demands and the changing nature of the work, particularly for the CLO. The person in this position is required to develop sufficient expertise in a wide range of areas, including gender analysis, environmental assessment, Results-based Management (RBM), community consultation, community monitoring and evaluation. It may not be possible for one staff person to accomplish all of these responsibilities. The solution is not necessarily to hire more staff but to consider flexible staffing arrangements (such as drawing on external resources), which would give the PM and CLO options for increasing the BNTFO capacity.

**Finding 15: As proposed in BNTF 5, the responsibilities and composition of the PSC are appropriate for the governance of the BNTF in the BMCs. In practice, however, the PSC operates with enormous variation across the participating countries.**

The BNTF 5 maintained the PSC as a governing body of the BNTF in the BMCs but it proposed changes in the number of members, composition and responsibilities.

### Number and Composition of PSC

As per the BNTF 5 Operations Manual, each BNTFO is required to have a PSC that is formed by:

- Four senior representatives from the Ministries responsible for Community Development, Economic Development/Finance, Education and Communications, and Works;
- Three representatives from Non-Governmental Organizations, Community-based Organizations and Grass-Roots Organizations;
- One representative from the private sector;
- The project manager; and
- An ex-officio member who will serve as Secretary.

The PSC should include adults and young men and women, persons with disabilities, people living with HIV/AIDS and members of minority groups.

The revised BNTF 5 structure, the expanded number of PSC members (from a minimum of 6 to 8 members in addition to the CLO and the PM) and the revised composition of the PSC (with greater participation from civil society and government) is cited by all respondents as a sound approach which ensures greater oversight and transparency in targeting and in the selection of sub-projects.

### Responsibilities of the PSC

Overall, the responsibilities of the PSC are to coordinate and guide the BNTF sub-projects and its Chairperson reports directly to the Permanent Secretary of the Executing Ministry. The PSC is set to liaise with relevant ministries and agencies and other social partners in order to ensure that the social development and poverty reduction strategy of the country are aligned with the PRAP. It also ensures that projects are implemented in accordance with the GA and that projects are undertaken in a participatory, gender-sensitive manner. The PSC must make sure that resources are allocated efficiently. (Operations Manual, Appendix 3.1)

The PSC is supposed to meet quarterly. In these meetings, it has to approve the annual work plan and budget, as well as select eligible sub-projects. It can approve maintenance sub-projects up to \$10,000 and other sub-projects up to \$35,000; at times, it must established sub-committees to conduct site visits.

All of the countries have put this new structure in place and for the most part have added representation on the Committee from NGOs and the private sector. In most countries, stakeholders support this expansion. The Evaluation Team found examples, particularly in Belize and Guyana, of well-functioning PSCs where efforts were made to guarantee consistent and high-level membership and regular meetings. In Belize the BNTF PSC is the SIF Board, capitalizing on the existing structure and mechanisms for governance, but distinguishing between BNTF and other SIF projects in its minutes. The Belize PSC has been very active, with monthly meetings, and it often conducts project site visits as part of the screening and monitoring process.

On the other hand, the Evaluation Team also found examples of PSCs that were not fully operational. In six of the nine countries, the PSC has not been able to meet as often as required. In TCI for example, the PSC has had limited activity in the past few years (3 meetings during BNTF 5), which, as noted earlier, is in part a symptom of the delays and the limited activity of the Programme in the country. The PSC in TCI has also suffered from a complete turnover of its members in the past two years. In some countries, the lack of regular meetings of the PSC is also due to the absence of significant activities in the BNTFO.

Other limitations to some members of the PSC include their level of knowledge and familiarity with BNTF governing documents (the GA, the Operations Manual) and project selection criteria. In a few countries, the PSC has been criticized for its screening of projects that was sometimes superficial. Some respondents felt that a deeper analysis of the project proposals would have been necessary. In addition, the Evaluation Team observed a tendency in several PSCs to focus more on management or administrative issues, instead of providing the strategic perspective on the relation between the sub-projects, the overall objectives of the BNTF and national strategies or programmes.

The CDB sees the PSC playing a role in the management of the Programme at the country level, particularly in helping to operationalize the sector collaboration, macro analysis and linkages to broader poverty reduction strategies that is envisioned by the PRAP. This might require additional efforts to clarify roles and responsibilities - and help to build the capacity - of the PSCs. The CDB has recently begun engaging more PSC members in the BNTF 5 training events, which should be of some assistance in this regard.

**Finding 16: The level of staffing at the CDB has at times been insufficient to respond to the additional demands of the BNTF 5. This has affected the ability of the Programme to operate at the planned pace and meet expectations for a flagship Programme.**

Under the BNTF, CDB is responsible for the management, administrative, training and monitoring services of the Programme. The CDB BNTF team is composed of:

- A Portfolio Manager: there has recently been a transition in this position;
- Three Operations Officers: a full complement has been achieved in 2007;
- A Gender Specialist: appointed in 2004;
- An Administrative Assistant to support the activities of the Programme and its MIS; and,
- Other relevant specialist staff of the CDB (e.g. from the Caribbean Technological Consultancy Services Network (CTCS) and Education) who are called on as needed.

Interviews at the CDB and at the BNTFO signal that staffing issues in the Regional Programme have affected the implementation of the BNTF 5, in particular in the first two years when the BNTF team included only two Project Officers with strong engineering background but limited gender expertise, each responsible for five countries and left relatively puzzled as to how to implement the cross-cutting issues in the absence of proper tools. Over the course of the Programme, a much-needed gender specialist was added to the team and this addition proved to be extremely well received. It is the Evaluation Team's understanding that in 2007 the BNTFO team has been enhanced by an additional Operations Officer.

The modest size of the CDB BNTF team has been a source of concern. In spite of its goodwill and hard work, it was unrealistic to expect that such a small team could multi-task, understand and operationalize the cross-cutting themes, develop the tools for each of these themes, train and build local capacities, develop an Operations Manual, provide guidance at the local level, respond to the sub-project request and conduct adequate monitoring of their portfolio, among other responsibilities.

While the Evaluation Team recognizes that there are pressures stemming from the Board of Directors of the CDB for the BNTF to remain "lean," the gaps in staffing contribute to delays that then affect the credibility of the Programme at the country level. The CDB received a 6% management fee that was charged to CIDA's total contribution. This amounted to approximately C\$2,038,000 for Programme Management and Administration over the 6 years of the BNTF 5 Programme. In the Evaluation Team's view, this is a small management fee for a Programme of this size and complexity and it should be reconsidered in future cycles of the BNTF.

**Finding 17: The BNTF has generally been administered as a "blueprint" in participating BMCs. During the MTE, the BMC stakeholders expressed the need for greater flexibility in the parameters and procedures to reflect the country's past experience and implementation capacity.**

The BNTF 5 has generally been managed in a standardized way across nine BMCs. At this stage of the implementation, the stakeholders are identifying the need for greater flexibility in several areas that would better reflect the inherent differences among countries and BNTFOs. Now that the new features and basic procedures of the Programme are better understood by all stakeholders, it may be possible to consider modifying certain parameters, either for the remainder of the BNTF 5 or in the design of BNTF 6, depending on what is feasible. The following modalities of BNTF 5 were flagged as areas of concern for the BMCs:

- 1) Program funding limits for certain sectors or project types. Several countries feel that there should be a possibility of allocating more than the stipulated 20% for roads and other similar access projects. Secondly, at the time of the field missions, in some countries, stakeholders were interpreting the 7% "flexible" minimum for skills training projects as a maximum. Some countries would like the flexibility to allocate more to this area given their priorities in HRC, while others would like to reallocate these funds (given the difficulties in implementing skills-development projects) to areas where they have higher demands, such as in education or water systems. The CDB is reported to have agreed to considerable readjustments of PRAP allocations in 2007 in order to respond to these differences in priorities and demands for BNTF resources.

- 2) CDB Project Consultants. As in the past phases of BNTF, the BMCs question the roles and efficiency of using the project Consultants in **all** of the infrastructure sub-projects. There may be a way to establish a project size or type that would not **require** the supervision of a CDB Consultant. Furthermore, it is the CDB that appoints the Consultants and even though the organizational chart suggests that there is a reporting relationship between the Consultant and the PM, in practice, stakeholders indicate that the lack of PM authority over the Consultants is a source of concern. Jamaica follows a different model, in which JSIF directly appoints the Consultants, and it would be helpful to learn more about that experience; and,
- 3) Decision-making authority and expanded accountability at the PSC level. Although the PSC is now able to approve projects up to the amount of \$35,000, some countries question whether it could not be higher given the expansion of PSC and its role in oversight. Others also question whether they do in fact have the authority to approve projects worth \$35,000 given that the CDB provides the no-objection and must approve the Consultant.

**Exhibit 4.10 Authorities and accountabilities in the BMC**

CONDITIONS	JSIF
Hiring of Consultants	JSIF can enter into a service contract with a Consultant costing up to US\$25,000.
Financial limits	BOD has the authority to approve sub-projects up to a specified limit but must obtain CDB non-objection for sub-projects: <ul style="list-style-type: none"> <li>• over US\$200,000</li> <li>• for the supply of equipment over US\$100,000</li> </ul>
Management	Funds for sub-project design and contract administration services (15% of sub-project cost) is managed directly by JSIF.
Design of a PRAP	Has to maintain an up-to-date JSIF Log Frame to be used as a guide for allocating resources and for poverty reduction initiatives.
Menu of projects	Focus on education. No 7% for skills-training.

Source: Operation manual, CIDA proposal and Grant Agreement

These different requirements resulted in a standardized approach that has not been able to adequately take into account variations among the BMCs, both in terms of their implementation capacity and their needs and priorities. This compromised, to some extent, the intent of the PRAP as a document for targeting and designing a country programme that responds to needs and complements existing resources. PRAPS were developed after the GA was signed.

These concerns suggest the need for greater flexibility and tailoring of the BNTF to individual country needs, priorities and capacities. If a more tailored approach is adopted, there would also be implications for the staffing required at the CDB. For example, as one of the BMCs noted, in exchange for greater autonomy and accountability at the country level, they would expect the CDB to engage in a greater number of supervisory visits per year.

## 4.5 Programme Performance

This section presents findings on the performance of the BNTF 5 Programme. It focuses on the progress to date in integrating the cross-cutting issues in the Programme. It also addresses the development and use of performance management tools in BNTF 5.

**Finding 18: Efforts to integrate the cross-cutting theme of gender equality in the BNTF 5 are evident, although they are still in the early stages in most countries.**

With the BNTF 5, a greater emphasis was placed on three cross-cutting issues: gender equality, environment and HIV/AIDS. These areas reflect the cross-cutting themes and corporate priorities of CIDA.

The gender strategy in the BNTF 5 included gender analysis to address gender equality issues, together with racial, ethnic and cultural diversities, and the marginalization of minority groups in: sub-project selection and design, implementing agency capacity, and programme management. (PIP, 2004, p.15)

The CDB took several steps in order to implement this strategy, including:

- Engaging a gender specialist (GS), who was appointed on August 9, 2004. This position has been crucial for providing training and guidance on how to integrate gender equality in to the sub-projects;
- Recruiting Canadian expertise in gender analysis to support the work of the gender specialist;
- Providing gender awareness training to staff of BNTFOs and the PSC and gender analysis technical assistance as needed, such as follow-up and hands-on training to the CLOs; and
- Revising its Operations Manual to include gender in the overall operations and management of the Programme.

As part of the raising of awareness, a workshop in the field was conducted in Belize for all BNTF 5 CLOs in November 2005. The workshop aimed at demonstrating the different approaches to be taken with women and with men when investigating their needs. The objectives of the workshop were to 1) build awareness of gender approaches in programme design, implementation, monitoring and reporting on BNTF 5 and 2) gain consensus on management systems for the operations of the BNTF 5 Programme.

In December 2006, a second workshop was held at CDB for Project Managers to “Integrate Gender Equality in BNTF Programme Management.” The workshop included: shared experiences, discussions on a revised BNTF Operations Manual and a gender equality tool kit. The workshop focused on how to integrate, systematize and monitor gender equality throughout the BNTF project cycle. This second workshop was held in response to the growing requests from the BNTF management.

In brief, there have been strong efforts from the CDB to integrate gender considerations as much as possible into the sub-projects. In this context, and as indicated in the CDB Annual Report, the smaller number of BNTF 5 sub-projects approved by CDB in 2006 (67 vs. 158 in 2005) could be a reflection of the adjustment period by both the CDB and the BNTFO staff through the capacity building activities.

In the BMCs, there is also evidence of progress on the gender issue front, although the integration of gender equality is still in the early stages. An overview of how each country has tried to implement the gender equality strategy is provided in Exhibit 5.11. In summary:

- Most countries are integrating gender analysis into the project design stage. The file review supported the fact that gender analysis is being addressed in project design (e.g., CNA and other project documents include the section and provide basic analysis with data disaggregated by sex);
- There is increased gender awareness among the BNTFO staff and the PSC. The field missions also identified the increased levels of gender awareness among PSC members and the BNTFO staff. They have appreciated the training given so far, but recognize that they do not yet have all the skills or the tools to put gender equality measures into practice;
- The depth of the analysis may still need to be reinforced. There are limitations to how thorough the gender assessment can be given the time frame (often a one-day period) for completing the different components of the CNA in the community and also gathering technical specifications in some cases; and
- There is still a lack of active effort to integrate gender equality throughout the project cycle. In other words, beyond providing the analysis in the CNA, there was little evidence of ongoing attention, or particular practices or measures being adopted, in order to account for gender equality during sub-project implementation and upon completion.

Several countries have approved skills-training projects or specific infrastructure projects that address the specific needs and concerns of women. The examples include the Hill of Hope project (a shelter for victims of domestic violence) in Turks and Caicos Islands and the Women in Construction skills-training project in St. Lucia.

**Exhibit 4.11 The Integration of Gender in the BNTF Programme of each BMC**

COUNTRY	STRATEGY FOR THE INTEGRATION OF GENDER
Belize	The integration of the concept of gender equality is done mostly at the project design level. The introduction of gender equality in the Belizean cultural context is difficult, requires specialized and culturally sensitive approaches and is going to be time consuming. The CNA has integrated gender disaggregated data (indicating the number of men and women who will be affected by the project) but a more complex analysis of gender equality issues cannot be realized in a rushed CNA that examines a number of other concepts at once.
Dominica	There is poor understanding on how to introduce the cross-cutting issues. Regarding gender, the BNTFO does not know how the BNTF 5 Programme should operate in order to address it. When interviewed about the way gender is currently taken into consideration into BNTF 5 projects, it clearly appears that it is reduced to a mere question of equal attendance of women and men at community meetings.
Grenada	Some specific measures have been taken by the BNTFO staff to integrate the gender cross-cutting theme into the portfolio of sub-projects. In order to encourage equitable participation in the CNA process by men and women and to ensure that their voices are equally taken into consideration, the CLO usually organizes separate meetings with each group, where he solicits their inputs. Despite these measures to integrate the gender theme into the project portfolio, the BNTFO will need to strengthen its efforts to display a deeper understanding of its project-level impacts. The document review proved that detailed gender assessment is lacking.

COUNTRY	STRATEGY FOR THE INTEGRATION OF GENDER
Guyana	Several concrete measures were taken in order to facilitate women's participation in the project cycle: meetings are generally organized in the evening, outside working hours; women's involvement during the implementation of the work is sought for food preparation, cleaning of the areas under construction and even for construction activities. In addition, a large number of sub-projects have had some gender-specific effects, either because of their nature or because of the gender-biased division of roles. For instance, pipelines have often represented a significant improvement in women's lives as they allow them to save time in washing and cooking.
Jamaica	At the project design level, gender issues were clearly present in two ways. First, where relevant, the various infrastructure projects took gender into account in terms of issues like access to toilet facilities. Second, it was noted that both men and women were reportedly participating in project design and implementation. It was also noted that a majority of project leaders were women.
Montserrat	Two sub-projects were implemented with a gender consideration: the Early Childhood Centre and the Baking Workshop sub-projects, which have had positive impacts, especially on women.
St. Kitts and Nevis	While the BNTFO staff in St. Kitts mentioned the efforts made to bring wider participation both of men and women in the communities' meetings, they did not mention any specific measure used to address the issue of men's low involvement in the project cycle. Likewise, no particular attention has been given to the gender dimension in the project profiles.
St. Lucia	The BNTFO chose to develop separate projects to address cross-cutting issues such as gender, instead of integrating them into existing projects. The projects developed aimed at strengthening the income-earning capacity of women. The dearth of women trained in specific construction skills, coupled with the recognition that women's employability would be strengthened by skills-training in the booming construction sector, resulted in the BNTFO partnership with the National Skills Development Centre (NSDC) to train "Women in Construction Skills." This project is due to start in the latter part of 2007. The NSDC has also committed to seeking placement of graduates with Contractors. The extent to which this will be successful is still to be seen.
St. Vincent	The gender component has been integrated relatively easily into all existing sub-projects. This is to be expected in a country where, as described by many stakeholders, the gender issue is, counter-intuitively, perhaps more of a male issue, with men being the ones more commonly marginalized than women in several aspects of society.
Turks & Caicos	Specific projects were submitted in order to address gender issues. The Hill of Hope project was conceptualized to conduct a Train-the-Trainers course for persons working with victims of domestic violence. The training was set to equip the trainers to operate the Hill of Hope facility, also part of the sub-project. Unfortunately, the project was considerably delayed and has still not started. Overall, while there has been an effort in TCI to integrate gender equity into the project portfolio, there is little evidence of integrating gender analysis and gender equality measures in each of the sub-projects.

**Finding 19: The progress with integrating environmental assessment into BNTF 5 is more limited.**

Recognizing that Caribbean national environmental management systems were weak, a more formal and standardized approach to the environmental assessment process as mandated under the CDB was seen as critical for CIDA. The CDB had prepared preliminary guidelines for environmental analysis of small construction works that were included as an Appendix to the PIP. CIDA expected at the time of approval that each BNTFO would complete an environmental checklist on each project and that CDB and the BNTFO would provide effective supervision and monitoring as required. As such, \$600,000 was explicitly identified in the program budget to support training and activities related to environmental assessments.

The progress in this area is more limited than with the cross-cutting issue of gender equality. It was only in July, 2007 that the BNTFO staff participated in a training session on environmental assessment. Each Project Profile includes a section on the environmental effects of the sub-project, but in most cases it is limited to reduced soil disturbance and proper disposal of waste during construction. It is not clear from these steps whether a thorough analysis of environmental concerns has been undertaken.

Country experiences are generally quite limited. In St. Lucia, it was generally acknowledged that the environmental issues had not been addressed. A former Chairman of the BNTF noted that he was unsure as to whether this issue had ever been communicated to residents. Contractors cited their attention to waste disposal on construction sites as evidence of the integration of environmental awareness. SVG has been not been successful in integrating environmental considerations into its sub-projects either. While stakeholders in SVG agreed that given the social infrastructure emphasis of BNTF 5 the inclusion of the environmental dimension was certainly appropriate, few understood clearly how to operationalize this at a practical level. Similar reports were provided by stakeholders in other BMCs.

In Jamaica, interviews with respondents and file reviews indicate that environmental issues are considered in each project design. It was also noted that by involving communities in the design stage, issues such as community drainage patterns can sometimes be assessed through participant inputs, thus saving the need for costly soil testing. The JSIF has in place an operational environmental policy and dedicated environment staff.

The fact that there have not been more successes so far might be explained by the lack of understanding and skills for integrating environmental analysis into the sub-project. There may be a need for on going support to the BMCs in order to facilitate the integration of this cross-cutting issue. In addition, in order to foster environmental considerations and promote good practices, environmental assessments could be one of the criteria applied for project selection.

**Finding 20: The BNTF has not yet developed a strategy for addressing HIV/AIDS, yet stakeholders are questioning the value-added and relevance of BNTF in this area.**

HIV/AIDS was not explicitly identified as an issue in CIDA's original approval documents, but does appear as a requirement in the CIDA/CDB Contribution Agreement. The emphasis given to HIV/AIDS comes with a general heightened awareness and funding being given to this issue by donors, including CIDA.

CIDA has placed a high priority on responding to the HIV/AIDS epidemic in the Caribbean. According to the agency's data, the number of people living with HIV/AIDS is increasing in the region. It is therefore important to have access to basic social services in order to facilitate prevention and treatment. This explains why infrastructure, particularly in the health sector, is expected to take into consideration the increasing need for treating more HIV/AIDS infected people.

During BNTF 5, there have been examples of projects that focus on HIV/AIDS:

- Belize: "A small sub-project was implemented to assist the Hand-in-Hand Ministries, an NGO, to provide quality daycare facilities for children with HIV/AIDS. Counseling and HIV/AIDS education is also being provided for parents who may be HIV positive." (BNTF 5 Annual Report for 2005, p.23)
- Guyana: "Specific facilities for interviewing/counseling and drug distribution for persons with, or suspected of having, HIV/AIDS have been included in the briefs of two hospitals (sub-projects of maximum size/cost)." (BNTF 5 Annual Report for 2005, p.23)

- St. Lucia: The BNTFO developed a project with the St. Lucia Red Cross and Planned Parenthood Association entitled “Empowerment of Transport Service Providers on HIV/AIDS.” Although this project was not completed as at December 31, 2006 it was initiated in 2006 and constitutes one of the first recorded efforts to address HIV/AIDS through the BNTF 5 Programme.

These projects are exceptions, however. In the majority of countries, no HIV/AIDS-related actions have been taken for a number of reasons, including:

- The existence of HIV/AIDS programmes that are well resourced in the country; if the BNTF were to implement sub-projects on HIV/AIDS, it could be seen as a duplication of efforts;
- BNTFO would like to take a coordinated approach on the issue but the exact modality has yet to be defined; and
- Certain skepticism regarding the utility of using BNTF 5 funding to support any aspect of the national HIV/AIDS program, given that it already benefits from support from other sources of funding.

Most countries are trying to determine the way in which sub-projects in HIV/AIDS can be relevant and coordinated with all the other actors currently involved in this issue area. The BNTFOs are not typically part of the coordinating committees on HIV/AIDS. Neither the CDB nor CIDA have provided guidance on how to integrate HIV/AIDS as a cross-cutting issue in the BNTF Programme.

**Finding 21: Despite introduction of Tripartite Agreements in BNTF 5, limited stakeholder involvement in maintenance persists and affects sustainability of the social infrastructure projects.**

One of the issues that has affected the BNTF over time is maintenance and sustainability. In order to address this issue in the BNTF 5 Programme, the BNTF introduced a Tripartite Agreement/Stakeholders’ Consensus Document that is signed between the BNTFO, Sponsoring Ministry, and the sub-project partner (geographical community, NGO, community of interest). This document formally describes the responsibilities of each of the parties during implementation of the sub-project and in the maintenance of the infrastructure.

The country missions verified that in most cases the Agreement was being implemented in the sub-projects. Nonetheless, the existence of a formal document does not ensure that the stakeholders assume their commitments for maintenance. In all of the BMCs, stakeholders reported difficulties in this regard and several reasons for this have been identified.

Community members often receive some training from the Contractor to help with maintenance, but still require the interventions of line ministries or local authorities in the process. For example, in the case of water systems, Ministry of Health officials are to come and test the quality of the water or in the case of schools, the Ministry of Education is to provide upkeep for the facilities. At issue are the limited capacity and financial resources for maintenance in these ministries. Communities can play a role in maintenance, particularly in school sub-projects where there is an active Parent-Teacher Association (PTA). However, there is only so much that communities can do. Community involvement is also limited by the perception that the maintenance of a public facility is the responsibility of the government.

The BNTFO has little recourse for ensuring compliance of the Tripartite Agreement. This is complicated by the lack of follow-up to the completed sub-projects (addressed below in Finding 22), in which case the BNTFO may not even be aware of the maintenance gaps.

At this stage of implementation, when many sub-projects have still to be completed, it is difficult to provide an overall assessment of the effectiveness of maintenance in BNTF 5. The evidence provided at the MTE, however, indicates that this is an area that requires special attention in the last phase of the Programme.

A Maintenance Innovation Study of the earlier phases of BNTF was to be conducted early in BNTF 5 in order to enhance the delivery and sustainability of the sub-projects. The study was to identify lessons learned and best practices in maintenance, gender equality, disaster mitigation and community participation. This study was just being completed at the time of the MTE and should help to make adjustments in the final stage of the Programme and provide input to the design of BNTF 6.

The TORs for this MTE called for an assessment of the feasibility of developing and using an infrastructure maintenance performance monitoring system, as part of the formula for distributing unallocated bonus funds. In principle, maintenance is germane to assessing programme performance. In fact, a community's past record on maintenance should be integrated into the PSC criteria for selecting sub-projects. Given that ultimate accountability for maintenance lies with a sector ministry and outside of the BNTFO, it may not be fair to use this as a criterion to judge BNTFO performance unless enforcement mechanisms and resources for follow-up are incorporated in programme design from the outset. These elements could be considered in the design of BNTF 6.

**Finding 22: The BNTF 5 has articulated performance monitoring and evaluation frameworks and is making progress in introducing a results-based approach. The systems in place are not yet capturing and reporting on contributions to outcomes.**

The BNTF 5 has a Performance Measurement Framework that is to be supported by the Monitoring and Evaluation (M&E) system described in the Operations Manual.<sup>20</sup> It is a system that is anchored in the BMC, focusing at the sub-project level. The key features of the system are:

- **Roles and responsibilities.** The PSC is responsible for monitoring overall performance of BNTF 5, with monitoring functions delegated to the CLO and the PM. The responsibility for evaluation is shared by the PSC, CDB and the government and is to be an integral part of their ongoing review of project implementation on a quarterly, bi-annual and annual basis;
- **M&E process.** The M&E process at the BNTFO is to be done at the community level and includes use of Beneficiary Assessments and Community M&E tools. These results are to be reported to the PSC. The system is to measure achievement of targets in each sub-project and pay particular attention to the impact and consequential changes arising from implementation of sub-projects in the communities, including groups such as women, youth and poor households. Baseline assessments and progress reports, including the PM's Monthly Report, are to inform this process. Beneficiary Monitoring and Impact Assessments (quarterly) and Project Completion reports also form part of the process; and,

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<sup>20</sup> See the Section on Monitoring and Evaluation in BNTF, Draft Operations Manual (2004), p. 25 – 30.

- **M&E Formats and Indicators.** These have also been spelled out in the Operations Manual and are to include information on physical progress, use of financial resources, beneficiaries reached (by gender and community), timeliness of services, benefits achieved and perceptions of the beneficiaries receiving the services.

Although the MIS that has been developed is helping to generate information in a number of areas, primarily focused on inputs and output achievement, the data that it contains is incomplete. This limits the extent to which MIS can be useful to Programme Management.

The M&E system described in the Operations Manual includes many components that **should** capture information on performance of the sub-projects and help report on the output and progress towards outcome level results. Yet this is not occurring. The reports reviewed for the purposes of this evaluation focused on inputs, physical progress, completion of activities, achievement of outputs and administrative issues arising from implementation.

There may be a number of reasons for limitation:

- It appears that the different components of the system have not been put into place. Thus, for example, the MTE saw no examples of completion reports other than those prepared by the CDB Consultant, most of which exclusively focused on the completion of the works. There were generally no comments on benefits, satisfaction, participation in the community, gender, environment, or other issues of interest to the BNTF 5. The Evaluation Team also did not see any assessments of sub-project impacts;
- As it is designed, the system potentially provides many **pieces** (for example many Monthly Reports from the PM or PSC minutes), yet few components that help to synthesize or aggregate information about what has happened and what has changed in the communities. The Completion Reports have not played this role. Most of the pieces that are in place tend to emphasize inputs and outputs;
- BNTFOs have limitations of time and resources for monitoring the sub-projects and, particularly, for visiting the communities once the sub-projects are concluded in order to take stock of changes in the lives of the community members, challenges in the maintenance process and other issues. The BNTF would need to integrate a follow-up visit in which the BNTFO goes back to the community and asks a few questions on the effects of the sub-project of the PMC or other groups in the community. (This appears to be contemplated in some countries, but it does not take place.); and,
- At the impact and outcome level, it could also be possible that sector ministries collect data that can be of help to the BNTF. The PSC could take the lead in liaising with ministries to facilitate their provision of data to illustrate the outcome and impact level effects of BNTF sub-projects.

On a positive note, the Evaluation Team did find that in some BMCs, the PSCs are asking challenging questions about the results of the Programme and are looking for ways to have better evidence of the most effective practices in certain sectors in their countries. Other PSCs play a much more passive role in this regard. The BNTF may also want to consider further awareness-raising with the PSC on their roles, responsibilities and information needs in monitoring the performance of the BNTF. In addition, the BNTF may want to put forward a Programme level evaluation cycle that could complement a strengthened M&E framework that is anchored at the country level. The MTE makes a recommendation to this effect in the next section.

## 5. Conclusions and Recommendations

Overall, the BNTF 5 MTE reports an adequate performance for the Programme under relatively challenging start-up conditions. There is overwhelming support, shared by the evaluators, for the value of the new design approach taken in this phase of the Programme and a sustained demand for the services provided. The BNTF 5 continues to fill a gap for punctuated, modest, yet needed interventions in the most disadvantaged groups of the Caribbean region. At this stage, to make the Programme work will require fine-tuning but no overall redesign or change of direction. As a development programme aimed at addressing poverty reduction it can be said that BNTF 5 has the potential to demonstrate a good adherence to the recently-developed criteria for aid effectiveness, including ownership, accountability, reporting for results and accountability.

This exercise was conducted as a Mid-term Evaluation, which means that it has a formative intent with regards to the BNTF 5 Programme. However, given that it is being conducted fairly close to the planned closing date of the Programme, stakeholders at the CDB also expressed interest in receiving input on potential design parameters for BNTF 6. The following sub-sections therefore provide recommendations at the strategic and operational levels. Because most BNTF 5 resources are to be committed in the following months and BNTF 6 design is already underway, many of these recommendations are most relevant for BNTF 6. We have highlighted any areas in which we believe rapid action is possible and necessary.

### 5.1 Strategic Recommendations

This set of recommendations focuses on different aspects of the strategy of the BNTF 5 Programme and elements that might be considered in BNTF 6.

**Recommendation 1: The BNTF 6 should continue to be grounded in the community participation that provided the foundations of the social orientation of the BNTF 5. At the same time, it should be defined by its emphasis on community development in support of basic needs.**

As illustrated in Findings 2 and 3, the BNTF 5 has made a concerted effort to build on the shift towards the more inclusive philosophy introduced in BNTF 4. The fifth phase has therefore placed more emphasis on engaging community members in the decision-making processes pertaining to investments in social infrastructure or skills-training in their community. This social orientation has proven to be a relevant and generally appreciated change in the Programme. The findings suggest that the introduction of the CNA process and a Project Monitoring Committee do support the involvement of community members in key stages of the project cycle. However, this involvement was neither consistent across all countries nor continuous throughout the project cycle. These are worthwhile investments and thus should be continued in order to improve participation throughout the project cycle.

As described in CDB documents and the Partnership Proposal to CIDA, the goal of the BNTF Programme is to “increase the extent to which basic needs are met in participating BMCs”. This goal is meant to be achieved through the support to social and economic infrastructure sub-projects in targeted communities. The terms “social” and/or “economic” infrastructure are used inconsistently in the documentation of BNTF 5. In the future, rather than emphasize one type of infrastructure or another, the team would recommend that the Programme describe itself in terms of supporting community development and responding to priorities identified by communities. It could then identify the types of initiatives that it would support and types that it would not support in that context. Both skills development and infrastructure to support health, education, and economic

activities are important to poverty reduction. The key feature of BNTF projects is that they should be grounded in community priorities.

The objectives and planned results of BNTF 5 suggested a role for the Programme in strengthening the communities of interest or organizations to help promote and sustain participation from its members during and after the sub-projects. At the time of the MTE, the Evaluation Team saw little evidence of efforts to strengthen these organizations, at least in the projects visited. Nor did the BNTFOs appear to have specifically designed activities or strategies for supporting the development of community organizations. Resource and skills limitations are other factors that constrain their current role in this kind of capacity development, although in principle the training or skills development component of the Programme could be used to build skills in leadership, mobilizing and organizing community resources. For BNTF 6, if there is to continue to be a strengthening of the “organization” objective, additional types of organizational development activities for community organizations and groups would need to be introduced.

**Recommendation 2: The BNTF 6 should enhance and further define its strategic partnerships with government ministries, NGOs, and other development partners in the BMCs.**

In addition, the BNTF should enhance and further define a strategy of strategic partnership with government ministries, NGOs, and other development partners. The PRAP provides a framework for engaging these stakeholders in strategy development and identifying the roles they can play in the Programme, including maintenance support, relevant data for BNTF monitoring and evaluation (e.g., on services delivered or on health and educational outcomes), and technical assistance or complementary services for certain project areas, such as skills development. Similarly, in the project profiles and/or CNA it would be helpful to articulate the key partner organizations that will support or complement the sub project in different ways, including but not limited to maintenance.

**Recommendation 3: The BNTF 6 should continue to favor a shift from one-off sub-projects in the community to a more integrated and comprehensive targeted approach to poverty reduction.**

As reported in Finding 10 on the introduction of BMC guiding policy documents for the BNTF (PRAP), the tradition in BNTF has been to focus on one sub-project per community at a time. Even though a community might have equally crucial needs in education and health facilities, only one of these would be approved by the BNTF. Although several of the key Programme documents<sup>21</sup> do not appear to make explicit reference to a shift towards a more holistic approach to poverty reduction in the 5<sup>th</sup> Programme, the BMC PRAPs and interviews do suggest that such a shift is being introduced. The BMC documents note an “implicit” vision in BNTF 5 of moving beyond single sub-project approaches to multi-project community building approaches. The shift to a multi-project approach can have positive implications for improved Programme effectiveness and efficiency.

The MTE evidence suggests countries have made little progress in implementing a multi-project approach. There is a tendency to spread the resources that arise from the stakeholders’ pressures that are inevitable in any country. Nonetheless, a number of steps could be taken to strengthen the intention of a more holistic approach to poverty reduction.

<sup>21</sup> Such as the BNTF Operations Manual (2004), BNTF Programme Implementation Plan (2004), CDB Staff Report to the Board of Directors (2001).

- The BNTFOs should partner with local government authorities and other agencies to develop a strategy that is in concert with and addresses a wider range of the needs of the community. In other words, the same process that takes place through the PRAP and the PSC at the national level should be taking place at the community level;
- In terms of BNTFO promotion and communications strategy, communities should be made aware that they can in fact request more than one project even if they have one underway or recently completed (in several countries, communities perceived that BNTFO policy was to fund only one project per community); and
- BMCs should concentrate their resources in fewer communities, thus allowing for more than one project per community; this would necessarily reduce the number of target beneficiaries (which would have to be reflected in Programme planning), but would broaden the scope of support that they receive.
- BMCs should report periodically to CDB on their procedures and progress in supporting a more holistic approach to community development. The report should highlight the experiences in which a broader range of needs has been met through partnerships or through multiple BNTF interventions.

The upcoming discussions that the CDB will initiate with the BMCs for the bonus allocation is an opportune timing for identifying, in each BMCs, which community could be targeted through a more integrated and comprehensive approach to poverty reduction and considering if part of the bonus allocation could be used for this aim.

**Recommendation 4: The BNTF 6 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.**

The MTE (Findings 7 and 18) illustrates that gender equality considerations are very relevant to the BNTF Programme and generally valued by the different stakeholders. At the same time, the stakeholders recognize that the extent of awareness-raising, skills development and introduction of concrete strategies in the sub-projects is still insufficient for fully integrating these concerns into the Programme. In BNTF 5, the emphasis on gender equality should continue. In order to move forward on this issue, it will be crucial to have staff time from the Regional Programme dedicated to it; having a specialist on the team has facilitated the progress made thus far. Many of the BNTFOs indicated the need for further training and advisory services.

Given the natural phenomena that affect the region, such as hurricanes, environment and disaster prevention/mitigation are viewed as germane issues to be addressed by a poverty reduction programme with emphasis on social infrastructure and skills development. Given the delays in providing training and introducing guidelines on environmental assessment, it is too early to judge the progress. The sub-projects approved in the final stage of BNTF 5 should see a gradual improvement in their assessment of environmental risks. This area should be further strengthened in BNTF 6.

The issue of HIV/AIDS should be addressed differently. Rather than including it as a requirement that is integrated into the design or implementation of sub-projects, it should be seen as an area where some attention is paid given that it is a crucial area of concern for the region. There are many other actors working on this issue in the Caribbean. Certainly the BNTFOs can remain aware of the opportunities to collaborate with them – through the national coordinating committee of the country response to HIV/AIDS - on specific initiatives in this area. Nonetheless, given the resources available and the effort still required to integrate gender and environment concerns, it is proposed that HIV/AIDS not be considered as a cross-cutting issue to be integrated into all of the Programme's activities.

**Recommendation 5: The BNTF 6 should continue to support skills-training projects, but needs to refine the design of these projects and the kind of technical support that is required for this line of programming.**

The findings in Section 4.2 (Finding 7) demonstrate that the skills-training projects are limited in their effectiveness and that the identification, design, approval and implementation of these projects pose challenges to the BNTFOs. Additional thought and consideration must be given to the intent of the sub-projects and the kind of support that may be required to design and implement projects that can successfully meet that intent.

- First, the Regional Programme and the BNTFOs need to be precise in the ultimate intent of the sub-projects. If the ultimate intent is the enhanced potential for income-generation, then the design of the sub-projects must take into account/plan either the source of employment or the market and marketing strategy that will be used in the projects that in essence support creation of micro-enterprises. The acquisition of skills will not always translate into capabilities to increase earnings and attain secure livelihoods unless there are other activities that are included in the projects;
- Secondly, if the intent is to support potential for income-generating activities, BNTF will inevitably need to establish partnerships with NGOs that are specialized in micro-enterprise development and skills-training in order to deliver the projects. Most of the partnerships in the skills-training projects reviewed were with NGOs that had the training capacity and knowledge of the subject matter or trade, but did not have the background in supporting enterprise development. Alternatively, the skills-training sub-projects would always have to be linked to an apprenticeship or employment opportunity;
- Third, the BNTF will need to consider the operational implications of developing a strategy for the skills-training activities. These kinds of projects require expertise that the current BNTFO staff complement may or may not have; appraising skills- and income-generation projects requires different skills than appraising social infrastructure projects. Countries will potentially need to contract outside support or engage strategic partners in the social development area in order to help map out their strategy to skills development through the BNTF and then provide ongoing support in the appraisal and monitoring of these kinds of projects; and
- The BNTF may facilitate other types of skills-training that are linked to its other objectives or areas of concern. For example, the CDB staff report (2001) proposed a component of skills-training that would be oriented to the strengthening of fragile community organizations. This kind of training would still of course be possible but should be linked to the strengthening of community engagement that was referenced in Recommendation 1 (thus included as part of the financing for social infrastructure projects), rather than be subsumed under a category in which most projects have an income-generating intent.

A final consideration, emerging from the MTE, is the percentage allocation of resources for skills-training. In most of the BMCs, human resource development is central to their development plans and priorities. During the course of the MTE, a few respondents expressed their desire to invest even more funds in this area. The Evaluation Team is of the view that it would probably not make sense to shift an inordinate percentage of resources to skills-training because that would begin shaping the BNTF into a Human Resources Development (HRD) program. It would also run the risk of duplicating the programmes in the region that already focus on HRD. Moreover, a significant shift towards HRD would lead to a different kind of programme, requiring different sets of skills and activities, as well as a change in the structure and institutional arrangements. The skills-training allocation of 7% is currently established as a flexible minimum. Although countries which desire to allocate more than 7% should be able to take advantage of the flexibility, the Evaluation Team would caution against allocating significant resources to this area. It is recommended, rather, that gradual increases be made to this amount once stakeholders have in place a robust strategy for this project area, taking into account the issues raised in the MTE.

**Recommendation 6: The BNTF 6 should continue to introduce a results-based approach into its programme management. The framework for planning and monitoring results should be simple and appropriate for the types of interventions that are being implemented by the Programme. It should be complemented by an evaluation cycle that helps to track cumulative effects and lessons learned in certain areas.**

Results-based Management approaches and reporting have been introduced with the BNTF 5. Finding 22 reports on the progress in this area. The most important challenge as evidenced by the MTE is the articulation of and reporting on outcomes from the sub-projects. There are several areas for improvement:

- The CNA should facilitate community members' discussion of the changes that will occur in their community (habits, behaviors, actions, resources, conditions) as a result of the planned project. The implications are that the CLO would need to be trained to probe for outcomes in the community discussions and the potential need to expand the time allotted to the CNA, given the other information and consultations that need to take place. As noted in Finding 3, there are already concerns about the quality of the process because of the limited time available to complete the CNA;
- Secondly, the BNTFOs would need to have the resources to build and follow-up on the tailored indicators for the community (for example, if the road is built, it will reduce travel time to the hospital or it will reduce the cost of maintaining vehicles in the community; or, with the daycare center, women can go out to earn an income). At this time, monitoring and evaluation is not something that the BNTFOs pay much attention to. In fact, it is not clear what the role of the BNTFO is after projects are completed, nor are there resources allocated for explicit follow-up visits.
- Finally, although it is BNTFO's responsibility to monitor implementation and submit accordingly, through the PM's monthly report or the BNTFO's end-of project report, details on the non-engineering issues/matters, consultants should include in their end-of-project reports elements about the measures they undertook to assure community involvement, the inclusion of gender and environmental considerations, etc.

While the introduction of RBM does put increased demands on BNTFOs, the definition of clear outcomes and indicators at the outset for each sub-project could allow for outsourcing the subsequent monitoring and assessment of change. For example, it could be possible to contract a Consultant to look at a cluster of projects or to go out and talk with communities about whether changes had taken place. In order to do this, the project documentations (profiles, CNAs) need to have well recorded statements of what changes the projects are intended to achieve.

Furthermore, the BNTF is both a time-bound project, and a Programme that has evolved over a period of time. The approaches to monitoring and evaluation at a Programme level adopted thus far (annual performance reports, MTE) help to identify progress being made, insights on effects of the sub-projects, and potential areas for improvement. At present, however, there are limited means for reporting on the cumulative effect of BNTF interventions in the BMCs because each of the evaluations focuses on a particular period. For BNTF 6, the CDB may wish to propose an additional component to the evaluation cycle that could give it more information on the outcomes or impacts of the sub-projects – e.g., what has happened 3 to 5 years after the sub-projects were completed? The other dimension that may be useful for Programme Management is rapid and focused “lessons learned” studies in particular areas. The maintenance innovation study that was proposed for BNTF 5 is one example of this. Programme management may also want to know about the successful and less successful approaches in skills building projects or in community participation in project monitoring, for example.

## 5.2 Operational Recommendations

In this area the MTE makes a series of recommendations which are more operational in nature. The intent of most of the recommendations is to foster the spirit of ownership and participation which underpins the BNTF.

Because of concerns about accountability, good governance and corruption, the CDB has adopted a number of procedures in the implementation of BNTF that aim to tighten oversight and control. Over time, however, a culture of micro management has developed and the balance has shifted to an over-emphasis on accountability that is having an effect on country ownership. While many of the tools and procedures for implementing BNTF 5 are in place at the regional and country levels, there are some areas where the CDB could relinquish its control and shift the accountability to the BMCs. This leads the Evaluation Team to make a number of operational recommendations.

**Recommendation 7: BNTF 5 should continue shifting accountability to the BMCs, by strengthening decision-making authority and the roles and responsibilities of the PSC and the PM. At the same time, it should increase the monitoring role played by its staff.**

This recommendation emerges from Findings 14, 15 and 22. The recommendation addresses three inter-related issues about authority and accountability, and the respective roles of the PSC, BNTFO and the CDB.

### **Operationalize the decision-making authority given to the PSC:**

One of the concerns voiced by many BMCs is that the PSC is not empowered to play its role in the governance of the BNTF. Although BNTF 5 shifted the approval of projects under \$35,000 to the PSC for decision-making, these projects still go to the CDB for no-objection and for the approval of a Consultant. Most countries note that the process is no shorter or simpler than for any other

projects. The authority and the accountability given on paper are thus lost through the layers of processes that are often slower than desired by the BMC stakeholders.

### **Reinforce and strengthen the roles and responsibilities for the PSC:**

The PSC should play a constant role in putting the PRAP principles into action. They represent different sectors and provide links to other poverty reduction programmes, strategies or initiatives. The Evaluation Team found that the PSCs often are not playing this role as fully as they could be and that they would require further guidance in several areas, including:

- **Emphasizing that the role of the PSC is a strategic one.** PSCs are often getting more involved in programme management issues, mostly because of delays in implementation and their efforts to get the process back on track. The PSC, however, should only intervene when there are systemic problems with CDB or with one of the ministries. Their focus should be at the strategic level –the state of poverty assessments and improved targeting, sector reform agendas, potential for linkages or partnerships with other investment programmes to leverage BNTF's contribution and other national policy areas. As the PSC deepens its analysis and asks more questions about results achievement – particularly the Programme's contributions to outcomes and impacts - it may then help move the BNTF away from the tradition of a one-off approach, noted in Recommendation 4.
- **Clarifying project selection criteria.** In several of the BMCs, PSC members had only vague notions of the project selection criteria to be used by them. These criteria would need to be clearly stated and be much more explicit for the PSC. They could include factors such as "sustainability," which assess how the communities have contributed to maintenance if they had a previous BNTF project.

BNTFO should take clear guidance out of the Operations Manual and shape it into a short, two- or three-page document specifically targeted for the PSC members, describing their key functions and activities, as well as key criteria for project selection.

### **Clarify the relationship between the PM and the CDB Consultant:**

One of the issues that continue to affect programme management and implementation is the reporting relationship between the CDB Consultant and the CDB. This issue is not new to the CDB as it has already been referenced in the evaluation of BNTF 4. This study and many stakeholders question the very use of Consultants that report to CDB for the design and supervision activities in all of the countries (except Jamaica, which is governed by a different Grant Agreement). In this context, the Evaluation Team would like to emphasize two aspects related to the use of the Consultants.

- First, even though the organizational chart suggests that the Consultant has a reporting line to the Program Manager, this would need to be reinforced by the CDB;
- Second, from the point of view of the Evaluation Team, the Consultants often are neither attuned to the cross-cutting themes nor are they sensitive to the participatory approach that is espoused by BNTF 5. It would be of enormous value to the BNTF if greater training and guidance were given to Consultants on these issues. Consultant reports, for example, currently focus exclusively on engineering. Yet in many countries they were the only end-of-project reports that were available to the Evaluation Team. Given the spirit and intent of BNTF, this is helpful neither to the BNTFO management in country nor to the CDB.

**Increase CDB supervisory visits:**

BNTFO stakeholders recognize that if there is greater authority/accountability given to the PSC there must also be more monitoring by the CDB. Thus, any shifts in these areas would have to be accompanied by a greater number of monitoring visits from the BNTF team at the CDB. These increased requirements for monitoring should be contemplated in the staffing complement that is put in place at the regional level. While these changes may not all be possible in the timeframe remaining for BNTF 5, they should be contemplated in the design of BNTF 6.

**Recommendation 8: BNTF should increase flexibility with regards to the grant amounts given the agreements with the contributors to BNTF.**

Contributors to special funds at the CDB will always introduce their special requirements. At the same time, country stakeholders are clearly requesting more flexibility in order to better align BNTF programming with their priorities. Thus, the Evaluation Team recommends that the CDB (and its contributors) consider:

- A review of the caps on the amounts on certain sub-sectors. In particular, the cap on access projects (which is a CIDA requirement) is called into question. Similarly, the “minimum” investment in skills-training is also questioned because of the difficulties that BMCs have had in designing sub-projects in this sector. These funds could be reallocated to other areas where in fact the BMCs have not been able to meet demand; and
- At the start of each cycle of the BNTF, review the upper limits of \$35,000 (for local PSC approval) and \$500,000 (overall) to see if these are still reasonable given the change in context in the BMCs.

**Recommendation 9: BNTF should allow for flexible approaches to staffing at BNTFO.**

The BNTF 5 was put in place with a standard model (three-person staff) for operation of the BNTFOs. The exceptions were Jamaica and Belize, where the BNTFO was integrated into the Social Investment Fund, and St. Kitts and Nevis, where two BNTFO are in *de facto* operation.

In many BMCs, the staffing approach has resulted in some drawbacks in that it tends to place an increasingly diverse set of responsibilities on the CLO or the PM. Yet the alternative of hiring more permanent staff with different kinds of expertise would greatly increase the administrative costs of the Programme. As a result, the Evaluation Team recommends that the BNTFO be able to hire short-term advisory support at the country level, giving the PM and CLO additional flexibility to cope with additional demands and pressures as they arise. For example, the CNAs are being carried out by one CLO in most countries. These same CLOs are concerned about the quality of the CNA process, given that it is often carried out in a very short time frame. If the BNTFO could sub-contract or train a pool of personnel who could be used on a part-time basis to support CNAs, to help improve the initial design standards and cost estimates for projects and assist with follow-up visits to communities as part of the monitoring and evaluation system, this would vastly improve the capacity of the local BNTF team and have a positive impact on overall efficiency and effectiveness. In addition, many BNTFOs have indicated that they require different skill sets to design and implement skills-training sub-projects. This is another area in which the BNTFO, with CDB support, should be able to hire part-time or ad hoc expertise on social development issues in order to meet demand.

The introduction of greater flexibility also puts the burden on the BMCs to clarify the respective roles and responsibilities of the team and to inform the CDB of changes in the mode of operating. In St. Kitts and Nevis, the operating modality is different than the one originally agreed to with the CDB. There are two *de facto* BNTFOs, one for each island, although this arrangement was not envisioned in the agreement with the country. This relationship would have to be clarified.

**Recommendation 10: BNTF should facilitate a greater amount of sharing of experiences among CLOs.**

The training provided by the BNTF to PMs and CLOs gives them the opportunity to come together in structured sessions. One of the aspects that has been missing from BNTF 5 is the opportunity for greater sharing of lessons learned and best practices among CLOs on the implementation of the BNTF. Such exchanges could cover issues ranging from the definition of community, successful maintenance strategies, poverty targeting approaches, and successful strategies for introducing gender equality considerations to other aspects of the Programme. The CDB is trying to set up an intranet facility for this kind of exchange, which could be reinforced by face-to-face meetings that allow for greater exchange.

**Recommendation 11: The CDB should ensure full staffing of the BNTF Programme.**

Some of the delays in the implementation of the BNTF derive from the staffing shortages in the Programme at the CDB. While the Evaluation Team recognizes that there are pressures coming from the Board of Directors of the CDB for the BNTF to remain “lean,” the gaps in staffing contribute to delays that then affect the credibility of the Programme at the country level. In this context, the management fee of 6% charged to CIDA may in fact be insufficient to implement the additional workload for the Programme; the CDB should carefully review this fee structure in relation to actual costs of operations in the process of negotiating for BNTF 6.

**Recommendation 12: The CDB should analyze the feasibility of introducing a few changes in procedures that could improve overall efficiency in the Programme’s management.**

As noted in the introduction to this section, the series of operational recommendations take into account that there is there is accumulated know-how and experience in the implementation of BNTF Programme in the BMCs and a spirit of empowerment that is embedded in the Programme’s approach. It may be time to review in consultation with the CDB’s Legal Department the potential for changes in certain procedures, such as:

- The potential for entering into “Standing Offer” arrangements at the outset of the BNTF Programme cycle so that some time is saved with the bidding and appointment process for CDB Consultants and, ultimately, the appointment of Consultants to individual sub-projects. It should be explored whether there is a way of doing this more often at the front end of the Programme, at the time when countries are preparing PRAPs and meeting other conditions precedent to the first disbursement;
- The CDB and the BNTFOs apply standard contract and tendering processes for the all sub-projects, regardless of the size. These processes and procedures have sometime affected the small Contractors, based at the District or Parish level, and tend to work against the intent of the Programme to stimulate local income-generation and economic development. For minor works projects, which entail small-scale construction contracts, the possibility of a shortened tender process and simplified contract could be explored; and

- Although the PM currently is required to prepare a Monthly Report to the CDB, for the purposes of management it would seem that Quarterly Report would be sufficient. This would be part of the effort to give more responsibility and flexibility to the PM on staffing, reporting and other areas.
- The need to add a broader and periodic “compliance” audit that could give the CDB assurances that necessary procedures were in place and that each BNTFO. This would give the Bank greater assurances in allowing more flexibility in certain programme guidelines. We suggest that this audit could be done periodically (every two years) or that it replaces the current annual requirement for a financial audit.

In order to be able to analyze and report on the efficiency of the Programme, the BNTF – at CDB and BMC level—will need to improve the use of the MIS. The system has many gaps in its information, which limits usefulness for monitoring and reporting. We understand that a number of these matters were discussed by the BNTF stakeholders from CDB and the BMCs in the January 2008 workshop in which the draft MTE was also discussed.

**Recommendation 13: CDB should revise the MIS so as to capture all key phases of the sub-project cycle. This would allow the CDB to better track the different steps and delays and to take all appropriate actions to eliminate factors causing delays.**

As mentioned in findings 11, 13, 16, concerns have been expressed by most of the key stakeholders concerning the length of the sub-project cycle. In particular, concerns have been expressed in relation to the long time taken by CDB for the projects approval as well as consultant agreement. The Evaluation Team has tried to identify where the main delays are accumulated through the analysis of the available dates captured by the MIS. However, because of the absence of sufficient information in the MIS, the Evaluation Team has not been able either to confute or affirm the origin of these concerns. CDB should therefore revise the MIS in order to capture the data for all the sub-projects related to the different phases of the cycle. This would enable CDB to intervene and make the necessary corrections where required.

### 5.3 Recommendations on Formula for Unallocated Amounts

The BNTF 5 includes unallocated amounts of US\$5 million to the first nine BMCs (excluding Jamaica) and C\$5 million to all 10 participating BMCs to be determined based on performance to date. This is a change from BNTF 4, in which such an allocation was distributed only among Group 3 countries. The TORs for the MTE require the Consultants to recommend a formula for the distribution of these unallocated amounts.

This section describes the process and a proposed formula for assessing country performance in the implementation to date of BNTF 5. It ends with an overview of the ranking of the 10 BMCs once the performance criteria have been applied. The CDB’s decision about allocation of funds would need to be based on additional criteria that are not directly related to past performance.<sup>22</sup> The performance criteria do not capture several elements of the context that could favor or limit successful implementation of the remaining BNTF 5 resources within the project timeframe. Therefore, we recommend that, in defining the **amounts to be allocated to each BMC, the CDB should consider additional factors that relate to the context at the country level, allocation**

<sup>22</sup> The CDB Staff Report on BNTF V p. 24, paragraphs 4.07 and 4.08, also suggests that the CDB will need also to consider aspects related to the SDF resource allocation strategy in addition to performance indicators.

**decisions with regard to SDF resources, as well as the BNTF project funding cycle. Specifically, in establishing the allocations the CDB should also consider:**

- Country context: the extent to which countries have faced and addressed challenges in their environment during BNTF 5 implementation and the extent to which the current country context is favorable to rapid implementation of additional BNTF resources. While the evaluation team does take context into account in making judgments on performance (according to the criteria described in section 5.4), the CDB should revisit this in its decision.
- CDB context: the on-going assessments of allocations of SDF resources that analyze numerous macro level variables including a judgment on each BMC poverty reduction effectiveness situation.
- BNTF project cycle: Although this evaluation was intended to be a MTE, it is in fact being concluded in the final stage of the BNTF 5 project cycle, with BNTF 6 resources also to come on stream in the near to medium term. Thus, allocations may also need to consider each BMC’s absorptive capacity in the context of the project cycle.

**Performance indicators**

The CDB had already identified performance indicators for defining the allocation that are presented in the CDB staff report to the Board of Directors requesting approval of the BNTF 5.<sup>23</sup> The Evaluation Team began by reviewing these nine criteria and their on-going relevance and applicability for the current exercise.

**Exhibit 5.1 Update of the Criteria**

ORIGINAL INDICATORS	MTE COMMENT ON RELEVANCE AND APPLICABILITY	Proposed Revision
1. Need for resources	Although need is appropriate in the initial distribution of the BNTF resources, it is not germane as a <i>Performance</i> assessment criterion.	Not to include as an indicator.
2. Response to objectives and targets set out in the PRAP	This is an appropriate criterion for judging performance.	Include as an indicator under <b>Effectiveness</b>
3. Use of allocated resources with respect to strategic priorities for SDF V <sup>24</sup>	SDF V provides overall framework for the BNTF. By judging response to objectives and targets of the PRAP (approved by PSC and by the CDB) the alignment with SDF V priorities will have been considered.  As is, it would be a difficult indicator to weigh.	Not to include as an indicator since it is embedded in the indicator on meeting objectives and targets in the PRAP.
4. Number and poverty relevance of sponsored sub-projects approved and completed	This is an appropriate criterion for judging performance.	Include as an indicator under <b>Effectiveness</b> .

<sup>23</sup> CDB Basic Needs Trust Fund-Fifth Programme, Paper BD 77/01, December 13, 2001, p. 24

<sup>24</sup> The three priorities of SDF V include: (i) enhancement of capabilities of people who are poor or vulnerable to poverty; (ii) reduction of the vulnerability of deprived social and population groups to economic volatility, natural and man-made disasters and other risks that impact on income and well-being; (iii) good governance, to support poverty reduction and broad-based growth.

ORIGINAL INDICATORS	MTE COMMENT ON RELEVANCE AND APPLICABILITY	Proposed Revision
5. Number of beneficiaries served	This is not an appropriate criterion for judging performance.	Not to include as an indicator since it may encourage BNTF to continue to spread its resources around to different communities rather than encourage a more focused multi-project approach as intended. This may also place countries with higher levels of training projects at a disadvantage, as they may tend to have lower numbers of "beneficiaries."
6. Level of targeting	This is an appropriate criterion for judging performance.	Included as an indicator under <b>Effectiveness</b> as a key objective of the CDB was to encourage better targeting of BNTF 5 through linkages between the PRAP and PRSPs and National Development Strategies. This would be a qualitative judgment, based on the degree to which the BNTFO and PSC have made some progress on improved targeting.
7. Level of community participation	This is an appropriate criterion for judging performance.	Included as an indicator under <b>Quality of Sub-Projects</b> .
8. Efficacy of the PSC	This is an appropriate criterion for judging performance.	Included as a sub-criterion to consider in judging BNTFO capacity in <b>Efficiency</b> .
9. Efficiency of the BNTFO	This is an appropriate element for judging performance. The Evaluation Team has developed this as a category with a few separate indicators.	Included as a category.

The Evaluation Team also concluded that the nine original criteria were somewhat cumbersome and difficult to weigh and did not capture explicitly some of the key considerations the CDB and BMCs had agreed to focus on in BNTF 5, such as sustainability; the three cross-cutting themes; and adopting a Management for Development Results (MfDR) approach in the design and implementation of the Programme. These overall observations, in addition to the assessment of the appropriateness of several individual criteria, led to a revision of the indicators and formula for assessing performance of the BMCs in the implementation of BNTF 5.

#### 5.4 Proposed Indicators and Weighting

In the following three sub-sections, this report presents the categories, proposed indicators and criteria to be used to assess BMC performance. The summary grid that will be used for each BMC is presented in Exhibit 5.2. The Evaluation Team proposes three categories, each with an equal weight in the formula as noted below:

- 1) Effectiveness: 33.3%
- 2) Quality of Sub-Projects: 33.3%
- 3) Efficiency: 33.3%

These categories are further described below.

5.4.1 Effectiveness

This category assesses country performance in relation to the achievement of its objectives or targets as defined in the PRAP and the integration of cross-cutting issues introduced in BNTF 5. The indicators are each weighted equally.

The overall weight that will be given to the Effectiveness is 33.3%.

**Exhibit 5.2 Effectiveness: Indicators and data sources**

INDICATOR	DESCRIPTION	DATA SOURCE
Percentage of PRAP target achievement (sectoral allocations compared to disbursements at Dec 31, 2007)	The PRAP provides targets in the form of percentage of BNTF resources to be allocated to each sector. These target allocations are compared to the actual disbursement by sector to generate a % of PRAP target achievement.	BNTF Allocations for each BMC. PRAP targets (each country PRAP). Disbursement by sector by BMC (CDB disbursement data at December 31, 2006). (If there are discrepancies between data provided by CDB and data provided by the country on disbursement, the differences will be noted.)
Evidence of integration of Gender Equality as cross-cutting theme	The extent to which a BNTFO is making efforts to integrate gender equality concerns into the sub-projects. The following aspects will be considered: <ul style="list-style-type: none"> <li>• BNTFO awareness of gender equality issues;</li> <li>• Integration of gender equality analysis into CNA; and</li> <li>• Evidence of integrating gender equality considerations in the sub-project cycle.</li> </ul>	Interviews with Communities. Interviews with BNTFO. Interviews with PSC. Review of CNAs and project profiles.
Evidence of Integration of Environment as cross-cutting theme	The extent to which a BNTFO is making efforts to integrate environment into the sub-projects.	
Evidence of integration of HIV/AIDS as cross-cutting theme	The extent to which BNTFO is making efforts to integrate HIV/AIDS into the sub-projects.	
Evidence of adopting an RBM approach	The extent to which a BNTFO is making efforts to integrate RBM into its work. The following aspects will be considered: <ul style="list-style-type: none"> <li>• BNTFO knowledge on RBM;</li> <li>• PSC knowledge on RBM; and</li> <li>• Use of RBM.</li> </ul>	Interviews with BNTFO. Interviews with PSC.
Level of targeting	This would be a qualitative judgment, based on the degree to which a BNTFO and PSC have made some progress on improved targeting.	Interviews with BNTFO. Interviews with PSC. Interviews with government representatives.

### Rating scale for the qualitative variables

Each BMC would be given a score for the indicator that ranges from 1-7, based on the following scale:

- 1) No evidence of attention given, effort made;
- 2) Evidence of some limited attention given, effort made;
- 3) Basic attention given, effort made;
- 4) Satisfactory attention given, effort made;
- 5) Above-average attention given, effort made;
- 6) Superior attention given, effort made;
- 7) Exceptional attention given, effort made.

#### 5.4.2 Quality of Sub-Projects

This category assesses the quality of the sub-projects that were implemented in each country based on the Evaluation Team's assessment of community participation and the prospects for maintenance and sustainability of the sub-project. The indicators below are each weighted equally.

The overall weight that will be given to the Quality of Sub-Projects is 33.3%.

#### Exhibit 5.3 Quality of Sub-Projects: Indicators and data sources

INDICATOR	DESCRIPTION	DATA SOURCE
Evidence of community participation	The extent to which there is evidence of community involvement in the BNTF in the design (CNA) and implementation stages (contribution of labor, employment, monitoring of works) of the sub-projects.	Interviews with Communities.
Evidence of sustainability	The extent to which there is evidence of community involvement in maintenance.	Interviews with Communities.

### Rating scale for the qualitative variables

Each BMC would be given a score for the indicator that ranges from 1-7, based on the following scale:

- 1) No evidence of attention given, effort made;
- 2) Evidence of some limited attention given, effort made;
- 3) Basic attention given, effort made;
- 4) Satisfactory attention given, effort made;
- 5) Above-average attention given, effort made;
- 6) Superior attention given, effort made;
- 7) Exceptional attention given, effort made.

### 5.4.3 Efficiency

This category of indicators refers to the BMC’s capacity to implement resources in an efficient manner. Both qualitative and quantitative indicators on the capacities of the BNTFO and the PSC are considered. The indicators below are each weighted equally.

The overall weight that will be given to Efficiency is 33.3%.

**Exhibit 5.4 Efficiency: Indicators and data sources**

INDICATOR	DESCRIPTION	DATA SOURCE
Percentage of BMC allocation for BNTF that has been committed to sub-projects as at December 31, 2006	The original amount allocated to each of the BMCs is compared to the amounts that have been committed thus far to sub-projects as one illustration of a BMC’s ability to identify and approve projects.	BMC BNTF allocation data. BMC commitment data (BNTF 5 Annual Report 2006).  (If there are discrepancies between data provided by the CDB and data provided by the country on commitments, the differences will be noted.)
Percentage of approved sub-projects that are completed as at Dec 31, 2007)	The number of approved sub-projects by BMC is compared to the number that are completed as at December 31, 2006 to give a measure of implementation progress.	Approved sub-projects. Completed sub-projects at December 31, 2006.
Capacity of the BNTF Programme in the BMC	This takes into consideration the following:  Assessment of productivity (number of sub-projects) relative to the staffing mix in the BNTFO;  The functionality of the PSC in the past three years;  Perceptions on efficiency from different stakeholders;  Documentation and observations on timeliness in moving through the project cycle.	Interviews, observations, and documentation from field missions.

### Rating Scale

For the qualitative indicator of capacity of the BNTF Programme each BMC would be given a score that ranges from 1-7, based on the following scale:

- 1) No evident capacity;
- 2) Evidence of some limited capacity;
- 3) Basic capacity;
- 4) Satisfactory capacity;
- 5) Above-average capacity;
- 6) Superior capacity;
- 7) Exceptional capacity.

For the quantitative indicators of the BNTF Programme each BMC would be given a score that ranges from 1-7, based on the following scale:

- 1) None;
- 2) Limited;
- 3) Basic;
- 4) Satisfactory;
- 5) Above average;
- 6) Superior;
- 7) Exceptional.

**Exhibit 5.5 Performance Assessment Grid**

	Indicator			Category		
	Score	Weight	Score	Score	Weight	Score
<b>1. Effectiveness in BNTF 5</b>				0.0	33%	0.0
1.1 Percentage of PRAP target achievement (sectoral allocations compared to disbursements at Dec 31, 2006)		17%				
1.2 Evidence of integration of Gender Equality as Cross-Cutting Theme		17%				
1.3 Evidence of Integration of Environment as Cross-Cutting Theme		17%				
1.4 Evidence of integration of HIV/AIDS as Cross-Cutting Theme		17%				
1.5 Evidence of adopting an RBM approach		17%				
1.6 Level of Targeting		17%				
<b>2. Quality of Sub-Projects in BNTF 5</b>				0.0	33%	0.0
2.1 Evidence of community participation		50%				
2.2 Evidence of sustainability		50%				
<b>3. Efficiency in BNTF 5</b>				0.0	33%	0.0
3.1 % of BMC allocation committed to SPs		33%				
3.2 Percentage of approved sub-projects that are completed as of Dec 31, 2006)		33%				
3.3 Capacity of BNTF Programme in the BMC		33%				
<b>OVERALL SCORE</b>					<b>100%</b>	<b>0.0</b>

#### 5.4.4 Ranking of the Ten BMCs

Based on the above mentioned criteria, the ranking of the ten BMCs in terms of performance is presented in Exhibit 5.6.<sup>25</sup> As noted in the introduction to this section, the ranking based on performance provides the key variable to consider in a performance-based allocation of the remaining BNTF 5 resources. Thus, for example, we would expect the top performers to receive a higher percentage of the unallocated resources than the low performers. However, the evaluation team also recommends that the CDB integrate their assessment of context (country and CDB/SDF) and the project cycle into their decision-making on the actual amounts to be allocated.

<sup>25</sup> See Volume III, Appendix VII for the score assigned to each of the criteria in each of the countries.

## Exhibit 5.6 Ranking of the Performance of Ten BMCs in BNTF 5 Implementation

Ranking	Country	Total Score
1	Jamaica	4.3
2	Belize / Guyana	3.9
3	St. Lucia	3.6
4	Grenada	3.5
5	Dominica	2.8
6	St. Kitts	2.6 <sup>1</sup>
7	Montserrat / St. Vincent and the Grenadines	2.2 <sup>2</sup>
8	Turks and Caicos	1.8

<sup>1</sup> Based only on the performance of St. Kitts

<sup>2</sup> Based only on the feedback provided by the BNTFO because no community members were interviewed

## Appendix I List of Findings

- Finding 1: The relevance of the BNTF 5 focus on social infrastructure projects is confirmed by stakeholders.
- Finding 2: The rationale for the social orientation of BNTF 5 is sound and well accepted among community and government stakeholders.
- Finding 3: The CNAs introduced by BNTF 5 have been incorporated at the country levels, but there are concerns about the quality of these assessments.
- Finding 4: While community participation is evident in most BMCs in the design phase of sub-projects, challenges persist in other stages of the project cycle.
- Finding 5: The BNTF 5 is making progress towards its broad objectives, particularly in its support to initiatives that increase access to social infrastructure for vulnerable groups.
- Finding 6: BNTF 5 social infrastructure sub-projects have generated a range of benefits for the targeted communities.
- Finding 7: Skills-training sub-projects are reported to enhance the skills of males and females, but have had limited results in employment/income generation. This component, enhanced in BNTF 5, has lacked an implementation strategy.
- Finding 8: The BNTF 5 had completed 410 sub-projects as at December 31, 2006 which is less than half of the planned 1000 sub-projects to be completed by 2008. However, the targets set for BNTF 5 were unrealistic, given the requirements for operationalizing the new components of the Programme.
- Finding 9: As at December 2006, the BMCs were falling short of achieving their targets for sector investments as stated in their PRAPs. The reasons cited for this shortfall include the time required to integrate the new BNTF 5 requirements as well as external factors in the BMCs.
- Finding 10: The PRAP has provided macro-level analysis for the BNTF 5 and has enhanced its linkages with national strategies and programmes. There is still a gap, however, between the broad linkages expressed in the PRAP, the vision of a more holistic and less sporadic approach to poverty reduction and the patterns observed in BNTF 5 sub-projects.
- Finding 11: BMCs report several points of delay in the sub-project cycle that have implications for the community as well as for the effectiveness and the overall credibility of the BNTF 5 Programme.
- Finding 12: BNTFO staffing and productivity in terms of completed sub-projects vary enormously across the 10 BMCs.

- Finding 13: Based on available evidence, the BNTFOs are generally compliant with CDB-BMC Grant Agreement.
- Finding 14: The BNTFOs face gaps in their staff capacity to respond to the shift in orientation towards a social infrastructure programme that is expected to fully integrate three cross-cutting themes.
- Finding 15: As proposed in BNTF 5, the responsibilities and composition of the PSC are appropriate for the governance of the BNTF in the BMCs. In practice, however, the PSC operates with enormous variation across the participating countries.
- Finding 16: The level of staffing at the CDB has at times been insufficient to respond to the additional demands of the BNTF 5. This has affected the ability of the Programme to operate at the planned pace and meet expectations for a flagship Programme.
- Finding 17: The BNTF has generally been administered as a “blueprint” in participating BMCs. During the MTE, the BMC stakeholders expressed the need for greater flexibility in the parameters and procedures to reflect the country’s past experience and implementation capacity.
- Finding 18: Efforts to integrate the cross-cutting theme of gender equality in the BNTF 5 are evident, although they are still in the early stages in most countries.
- Finding 19: The progress with integrating environmental assessment into BNTF 5 is more limited.
- Finding 20: The BNTF has not yet developed a strategy for addressing HIV/AIDS, yet stakeholders are questioning the value-added and relevance of BNTF in this area.
- Finding 21: Despite introduction of Tripartite Agreements in BNTF 5, limited stakeholder involvement in maintenance persists and affects sustainability of the social infrastructure projects.
- Finding 22: The BNTF 5 has articulated performance monitoring and evaluation frameworks and is making progress in introducing a results-based approach. The systems in place are not yet capturing and reporting on contributions to outcomes.

## Appendix II List of Recommendations

- Recommendation 1: The BNTF 6 should continue to be grounded in the community participation that provided the foundations of the social orientation of the BNTF 5. At the same time, it should be defined by its emphasis on community development in support of basic needs.
- Recommendation 2: The BNTF 6 should enhance and further define its strategic partnerships with government ministries, NGOs, and other development partners in the BMCs.
- Recommendation 3: The BNTF should continue to favor a shift from one-off sub-projects in the community to a more integrated and comprehensive targeted approach to poverty reduction.
- Recommendation 4: The BNTF 6 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.
- Recommendation 5: The BNTF 6 should continue to support skills-training projects, but needs to refine the design of these projects and the kind of technical support that is required for this line of programming.
- Recommendation 6: The BNTF 6 should continue to introduce a results-based approach into its programme management. The framework for planning and monitoring results should be simple and appropriate for the types of interventions that are being implemented by the Programme. It should be complemented by an evaluation cycle that helps to track cumulative effects and lessons learned in certain areas.
- Recommendation 7: BNTF 5 should continue shifting accountability to the BMCs, by strengthening decision-making authority and the roles and responsibilities of the PSC and the PM. At the same time, it should increase the monitoring role played by its staff.
- Recommendation 8: BNTF should increase flexibility with regards to the grant amounts given the agreements with the contributors to BNTF.
- Recommendation 9: BNTF should allow for flexible approaches to staffing at BNTFO.
- Recommendation 10: BNTF should facilitate a greater amount of sharing of experiences among CLOs.
- Recommendation 11: The CDB should ensure full staffing of the BNTF Programme.
- Recommendation 12: The CDB should analyze the feasibility of introducing a few changes in procedures that could improve overall efficiency in the Programme's management.
- Recommendation 13: Recommendation 13: CDB should revise the MIS so as to capture all key phases of the sub-project cycle. This would allow the CDB to better track the different steps and delays and to take all appropriate actions to eliminate factors causing delays.