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CARIBBEAN DEVELOPMENT BANK



**EXECUTIVE SUMMARY WITH MANAGEMENT RESPONSE
AND
PROJECT COMPLETION VALIDATION REPORT
BASIC EDUCATION PROJECT (SECOND LOAN)
ST.VINCENT AND THE GRENADINES**

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**OFFICE OF INDEPENDENT EVALUATION
DECEMBER 2017**

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CARIBBEAN DEVELOPMENT BANK



EXECUTIVE SUMMARY

PROJECT COMPLETION VALIDATION REPORT

**BASIC EDUCATION PROJECT (SECOND LOAN)
ST.VINCENT AND THE GRENADINES**

DECEMBER 2017

EXECUTIVE SUMMARY

PROJECT SUMMARY

1. The Government of St. Vincent and the Grenadines (GOSVG) has placed great significance on the role of education in the social and economic development of the country and accords high priority to the goal of providing every citizen with quality education and training. Government's policy is to strengthen the country's human capital base so as to make it more competitive and technologically responsive in the 21st Century. However, this human resource development thrust was undermined by issues such as limited access to pre-primary, secondary and tertiary education; low education quality and student achievement in basic education; and weaknesses in planning and management of the system. Against this backdrop, GOSVG developed a new Education Strategy Development Plan (ESDP) which was consistent with the ongoing education reform strategy of the Organisation of Eastern Caribbean States, as a broad framework for addressing these key sector issues in the medium term.

2. This Basic Education Project II (BEP II) was expected to further enhance the Education sector and consolidate the achievements of the first BEP project which was loan-financed by the Caribbean Development Bank (CDB) in 1996 for an amount of USD6.083 million (mn) and a grant for USD0.06 mn. BEP II was also expected to serve as a catalyst in equipping the people of St. Vincent and the Grenadines with the knowledge, skills and attitudes to be more competitive in the Caribbean and beyond.

PROJECT OBJECTIVES

3. The primary objectives of the project were to:

- (a) increase access to pre-primary and secondary education and improve quality of basic education through upgrading the learning environments at the pre-school and basic education levels, and enhance the quality, efficiency and effectiveness in the system; and
- (b) strengthen institutional capacity to plan, manage and administer more effectively, all levels of the education system by enhancing operational efficiency and personnel effectiveness in the sector.

EVALUATION OF PERFORMANCE AND OVERALL ASSESSMENT

Overall Assessment

4. The Project Completion Report (PCR) and the Evaluator rate the overall performance of the project as Satisfactory. The Evaluator's rating is determined by separately evaluating and rating the four core criteria: Relevance; Effectiveness; Efficiency and Sustainability, and then computing their arithmetic average.

Relevance

5. Using the Project Performance Evaluation System, the PCR rates Strategic Relevance and Poverty Relevance as Highly Satisfactory. The objectives of the project were highly consistent with the HRD objectives of GOSVG. Enhancing the quality of basic education continues to be a national priority with emphasis on the achievement of improved student outcomes in primary and secondary education. In addition, the project accords with CDB's strategic and corporate priorities. The Evaluator (using the Performance Assessment System [PAS]) also rates the project's relevance as Highly Satisfactory.

Effectiveness

6. The Effectiveness rating is a simple arithmetic average of the individual ratings for project outputs and project outcomes. The PCR rates both project outputs and outcomes as Satisfactory. The Evaluator also rates Effectiveness as Satisfactory.

7. The project financed the following three components:

- (a) one new secondary school and three new primary schools;
- (b) training of school and central administration personnel; and
- (c) consultancy services.

Efficiency

8. The PCR rates this criterion as Satisfactory. It states that all of the project outputs specified at appraisal were delivered with considerable cost savings within nine months after the appraised completion date. Construction for each school was completed within the planned contract period. As a result of a change of use of the Edinboro School from a primary school, as was planned at appraisal, to a secondary school, some of the required specialised learning spaces such as science laboratories had to be subsequently constructed. GOSVG/MOE, however, was unable to finalise the tender process in a timely manner and this resulted in the cancellation of undisbursed project funds of USD2.15 mn at the close of the project in December 2012. The need for the Science Block resulted in an extended period of implementation of the project.

9. In light of the fact that outputs of the project were largely completed and in some cases exceeded, by the appraised completion date of August 31, 2010, the Evaluator concurs with the Satisfactory rating for Efficiency.

Sustainability

10. The PCR rates the sustainability of the project as Satisfactory citing institutional and maintenance/technical reasons. It notes, *inter alia*, that the deployment of trained teachers, principals and other Ministry of Education (MOE) staff in various positions indicates that the project is expected to have a sustained impact and that indications are that all outcomes already achieved are sustainable and likely to be improved. The Evaluator agrees with the PCR's assessment of Satisfactory.

Beneficiary and Executing Agency Performance

11. The PCR rates the performance of the Borrower/Implementing Agency as Satisfactory. It states that adequate project management capacity was sustained throughout implementation except at the end of implementation when functions of the Project Coordinator and the Project Manager (Education) were morphed into one as a consequence of the appointment of the former as Permanent Secretary, MOE. However, this did not severely affect project management efficacy as few activities remained at that time. The Evaluator concurs with the rating of Satisfactory.

CDB Performance

12. The PCR rates CDB's performance as Satisfactory on the grounds that CDB staff provided sustained supervision support throughout implementation. Disbursement claims, once submitted with the relevant documentation, were processed in a timely manner. In general, two supervision missions were conducted annually and staff was responsive to changes on the ground, specifically the change in use of Edinboro for the Dr. J.P. Eustace Memorial Secondary School (JPEMSS). The PCR also provides ratings by the Borrower/Implementing Agency of the Bank's performance during preparation and supervision. The Borrower rates CDB's performance during preparation as Satisfactory and as Highly Satisfactory during supervision. The justification given was that CDB staff was readily available to advise and help find solutions to resolve challenges and bottlenecks.

13. In light of the foregoing and the substantial satisfaction of Quality at Entry and Quality of Supervision performance sub-criteria outlined in the PAS to assess CDB Performance, the Evaluator concurs with the PCR rating of Satisfactory for the performance of CDB.

OVERALL ASSESSMENT

14. The overall performance rating of the project is determined by separately evaluating and rating the four evaluation core criteria. The arithmetic average of the scores for the core criteria in this case is 3.25, or Satisfactory. The Evaluator therefore concurs with the PCR's rating of Satisfactory. Details of the ratings and the justification for differences between ratings from the PCR and the Evaluator are provided in the following table:

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

Criteria	PCR	OIE Review	Reason if any for Disagreement/Comment
Strategic Relevance	Highly Satisfactory (4)	Highly Satisfactory (4)	
Relevance			
Efficacy	Satisfactory (3)	Satisfactory (3)	
Effectiveness			
Cost Efficiency	Satisfactory (3)	Satisfactory (3)	
Efficiency			
Sustainability	Satisfactory (3)	Satisfactory (3)	
Composite (Aggregate) Performance Rating	Satisfactory (3.25)	Satisfactory (3.25)	
Borrower & EA Performance	Satisfactory	Satisfactory	
CDB Performance	Satisfactory	Satisfactory	
Quality of PCR	Not Rated	Marginally Unsatisfactory	The PCR does not provide any financial information on the costs of the CDB-financed components of the project or total project cost in the matrix of project costs and financing plan. Such information is required to support the rating and assessment of the Efficiency criterion. In addition, it does not report on the submission by the Borrower of the required periodic reports and the Project Implementation Completion Report in accordance with the reporting requirements that are set out in the AR.

Lessons

15. The PCR identifies the following four lessons learnt from the project that are considered useful to inform new project design:

- (i) **Consultation with key stakeholders at the level of the school at all stages of the project is essential to managing implementation progress and minimising dissatisfaction with project outputs.** Principals of the project schools all lamented that they were not consulted with sufficiently during implementation resulting in the delivery of outputs which were not optimal. Issues related to the type of furniture, the size of pre-school classrooms (Fairhall Primary) and how the playing facilities could be constructed to facilitate community access while securing the school could have been better addressed through initial and continuing dialogue with school actors;
- (ii) **In cases when a project has to be extended, a specific timeframe should be agreed and implemented to avoid slippage of project efficacy and efficiency.** While the extension of the project was justified to accommodate the additional Science facilities at Edinboro, a specific timeframe, which if adhered to, would have resulted in a more favourable implementation progress outcome. Consideration for cancellation and approving additional funds for the required facilities should be a default position in similar cases;
- (iii) **More robust oversight for quality assurance is needed to ensure that contractors, sub-contractors and supervision consultants are adhering to standards and design specifications.** Projects beneficiaries highlighted the electrical defects in the computer laboratories, recommendations given to the supervision consultants which were not given attention, and the quality of the furniture as examples which require a more demanding system of oversight during implementation; and
- (iv) **The greater the degree of ownership of MOE, the more likely the project outputs will be maximised.** While the Project Coordination Unit (PCU) was located within the Ministry of Finance and Economic Planning, MOE assumed full ownership of the project and actively sought ways to maximise the output within the projects. This is reflected in the upgrading of the post-graduate certification for Principals to a Master's degree using the Distance Education (DE) modality and, where applicable, utilising project funds to assist students already in training programmes to successfully complete their studies. This meant that significantly more persons were able to benefit from the project and are now appropriately re-deployed within the education system.

16. The Evaluator considers the lessons cited in the PCR to be very important and does not have any disagreement with what has been proposed. The Evaluator is also of the view that stakeholders should be involved in the decision making process regarding the design of facilities and their furnishings and equipment to ensure that these facilities meet identified needs and realistic costs are reflected in the budget.

COMMENTS ON PCR QUALITY

17. The Evaluator rates the quality of the PCR as Marginally Unsatisfactory as a result of the inadequacy of information that is presented in the PCR. It does not report on the submission by the Borrower of the required periodic reports and the Project Implementation Completion Report in accordance with the reporting requirements that are set out in the appraisal report.

DATA SOURCES FOR VALIDATION

17. The primary data sources for this validation exercise were CDB's Appraisal Reports and Loan Agreements, CDB's PSRs; and CDB's Registry files in respect of the project.

RECOMMENDATIONS FOR OIE FOLLOW-UP

18. No follow-up for OIE is required. The Evaluator does not consider that a Project Performance Audit Report would provide significantly more information or identify other lessons to be learnt than contained in the PCR that would serve to further inform the Bank on basic education in St. Vincent and the Grenadines

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MANAGEMENT RESPONSE

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MANAGEMENT RESPONSE

There is generally congruence in the Project Completion Report (PCR) and the Validation Report, except in the areas of the rating of the efficiency.

The absence of the financial information on the actual costs of the CDB-financed components of the project or the total actual cost of the project in the matrix of project costs and financing plan was inadvertent omission. The Matrix is presented below.

In relation to the rating of efficiency, the PCR Team rated performance as satisfactory while the rating in the validation report was marginally unsatisfactory. The validation report noted that “Delays in completion of engineering drawings and a slow procurement process resulted in an extended implementation period of two and a quarter years.” This however, does not relate to the engineering drawings associated with the construction of the four schools financed under the project. In fact, the four schools, as planned during appraisal, were completed by May 2009, within one year of the appraised; completion time of August 2008. Accordingly, the building and civil works were substantially completed and within a timeframe criterion of ‘very satisfactory’ rating. However, as explained in the PCR, with the change of the use of the school to accommodate secondary rather than primary students, an effort was made to utilise the uncommitted funds in the project to finance a science and technology block. It is the engineering designs for that structure which was delayed. Notwithstanding that delay, the project achieved more than 100% of its outputs with the number of persons trained under the Quality Improvement and School Effectiveness component exceeding its target with 76 more persons trained and certified in diploma and degree programmes than the appraised target of 92. The PCR team felt that with the project exceeding its targets, within one year after the appraised terminal disbursement date, and approximately 10% of the funds remained uncommitted and therefore cancelled at project completion, such an operation validated a ‘satisfactory rating’ for efficiency.

Concerning the issue raised about the PCR not reporting on the ‘submission by the Borrower of the required periodic reports and the Project Implementation Completion Report, reference to the need for that specific detail as outlined in the OPPM¹ relates to the situation where CDB’s Assessment of the Borrower Performance is given as ‘marginally unsatisfactory’ or ‘unsatisfactory’. The PCR team had rated Borrower Performance as ‘satisfactory’.

Both the PCR Team and the validators agree that, there were some valuable lessons learned from the project that would assist the Bank in designing and supporting the implementation interventions which maximises its development effectiveness in BMCs. This includes the important lesson stakeholder engagement at all stages of the project design and implementation to enhance the development effectiveness of instruments consistent with the design outcomes.

¹ See OPPM 5/B1 BP, Page 8, paragraph 27 (b) and (c)

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DECEMBER 2017**

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

CURRENCY EQUIVALENTS

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

USD1.00 = XCD2.70

ABBREVIATIONS

AR	-	Appraisal Report
BEP	-	Basic Education Project
CBA	-	Cost benefit Analysis
CDB	-	Caribbean Development Bank
CDU	-	Curriculum Development Unit
DE	-	Distance Education
EMIS	-	Education Management Information System
EPMU	-	Education Project Management Unit
ESDP	-	Education Strategy Development Plan
GOSVG	-	Government of St. Vincent and the Grenadines
HRD	-	Human Resource Development
JPEMSS	-	Dr. J.P. Eustace Memorial Secondary School
KAS	-	Kingstown Anglican School
mn	-	million
M&E	-	Monitoring and Evaluation
MEYS	-	Ministry of Education, Youth, Sports
MOE	-	Ministry of Education
MOFP	-	Ministry of Finance and Planning
OIE	-	Office of Independent Evaluation
PC	-	Project Coordinator
PM	-	Project Manager
PPA	-	Project Preparation Assistance
p.a.	-	per annum
PAS	-	Performance Assessment System
PCR	-	Project Completion Report
PRN	-	Project Registration Number
PSC	-	Project Steering Committee
PSR	-	Project Supervision Report
USD	-	United States Dollars
XCD	-	Eastern Caribbean Dollars

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1. BASIC PROJECT DATA SHEET

Project Title: Basic Education Project (Second Loan)
Country: St. Vincent and the Grenadines
Sector: Social and Personal
Loan No.: 13/SFR-OR-STV
Borrower: Government of St. Vincent and the Grenadines
Implementing/Executing Agency: Ministry of Finance and Planning

CDB LOAN (USD mn)

Disbursements (\$mn)

	<u>OCR</u>	<u>SFR</u>	<u>Total</u>
Loan Amount	8.18	9.40	17.58
Disbursed	7.77	7.66	15.43
Cancelled	0.41	1.74	2.15

Project Milestones

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
Board Approval	2004-12-09	2004-12-09	-
Loan Agreement signed	2005-02-14	2005-04-14	(2)
Loan Effectiveness ²	2005-06-14	2005-05-18	0.87

CDB Loan

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
First Disbursement Date	2005-06-30	2005-09-19	(2.6)
Terminal Disbursement Date	2009-09-30	2012-12-31	(3.0)
TDD Extensions (number)	-	3	-

Project Cost & Financing (\$mn)

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance</u>
CDB Loan	17.58	15.44	2.14
Counterpart (GOSVG)	4.51	4.57	(0.06)
Total	22.09	20.01	2.08

Terms

	<u>Interest Rate</u>	<u>Repayment</u>	<u>Grace Period</u>
CDB Loan (SFR)	2.5% (fixed)	22 years incl. of grace period	5 years
CDB Loan (OCR)	5.50% (variable)	22 years incl. of grace period	5 years

Implementation

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
Start Date	2005-06-14	2005-05-18	0.87
Completion Date	2010-08-31	2012-12-31	(28 mths)
Implementation Period (years)	5.2	7.6 approx.	(2.4 years)

Economic Rate of Return (%)

At Appraisal	Not applicable
Additional Loan	Not applicable

² Date conditions to First Disbursement satisfied

2. PROJECT DESCRIPTION

Rationale

2.01 The Government of St. Vincent and the Grenadines (GOSVG) has placed great significance on the role of education in the social and economic development of the country and accords high priority to the goal of providing every citizen with quality education and training. Government's policy is to strengthen the country's human capital base so as to make it more competitive and technologically responsive in the 21st Century. However, this human resource development (HRD) thrust was undermined by issues such as limited access to pre-primary, secondary and tertiary education; low education quality and student achievement in basic education; and weaknesses in planning and management of the system. Against this backdrop, GOSVG developed a new Education Strategy Development Plan (ESDP) which was consistent with the ongoing education reform strategy of the Organisation of Eastern Caribbean States, as a broad framework for addressing these key sector issues in the medium term.

2.02 This Basic Education Project II (BEP II) was expected to further enhance the Education sector and consolidate the achievements of the first BEP project which was loan-financed by the Caribbean Development Bank (CDB) in 1996 for an amount of USD6.083 million (mn) and a grant for USD0.06 mn. BEP II was also expected to serve as a catalyst in equipping the people of St. Vincent and the Grenadines with the knowledge, skills and attitudes to be more competitive in the Caribbean and beyond.

Expected Impact

2.03 The project was expected to improve the overall knowledge, skills and competencies of the population and positively impact economic and social development, and poverty alleviation in St. Vincent and the Grenadines.

Objectives or Expected Outcomes

2.04 The objectives of the project were:

- (a) increase access to pre-primary and secondary education and improved quality of basic education through upgrading the learning environments at the pre-school and basic education levels, and enhancing quality, efficiency and effectiveness in the system; and
- (b) strengthen institutional capacity to plan, manage and administer more effectively, all levels of the education system by enhancing operational efficiency and personnel effectiveness in the sector.

Components/ Outputs

2.05 The three main outputs of the Project were:

- (a) one new secondary school and three new primary schools built, furnished, equipped and operating by August 31, 2008;
- (b) training of school and central administration personnel completed and assigned strategically in the school system by 2010; and
- (c) consultancy services completed and key recommendations accepted by 2008.

Provision of Inputs

2.06 In December 2004, CDB approved a loan in the amount of USD17.584 mn to GOSVG to assist in financing a BEP in St. Vincent and the Grenadines. The CDB loan was to finance approximately 80% of the estimated project costs of \$59.648 mn (USD22.09 mn). The loan funds were to be utilised for: construction; furniture, equipment and supplies; quality improvement and school supplies, institutional strengthening and education management information systems. Construction works primarily entailed construction of three new primary schools and one new secondary school. GOSVG was to provide counterpart funding of \$12.171 mn (USD4.508 mn) to meet the costs of architectural and engineering services, land, books and learning materials and project management.

TABLE 1: A SUMMARY OF THE ORIGINAL PROJECT COSTS AND FINANCING
(\$'000)

Item	Total	OCR	SFR	GOSVG
Land	1,941	-	-	1,941
Construction	25,183	10,760	13,448	975
Architectural and Engineering	1,893	-	-	1,893
Squatter Relocation	169	-	-	169
Furniture and Equipment	3,957	1,319	1,649	989
Quality Improvement and School Supplies	9,266	2,848	3,560	2,858
Institutional Strengthening	1,027	402	502	123
Education Management Information System (EMIS)	1,550	600	750	200
Project Management	1,764	-	-	1764
Total Base Costs	46,750	15,929	19,909	10,912
Physical and Price Contingencies	6,068	3,052	3,816	1,259
Project Preparation Assistance (PPAS)	110	-	110	-
Total Cost Before Financing Charges	54,987	18,981	23,835	12,171
Finance Charges	4,661	3,103	1,558	-
Total Costs	59,648	22,084	25,393	12,171
USD Equivalent	22,084	8,179	9,405	4,508

Implementation Arrangements

2.07 The Project was implemented by the Education Project Management Unit (EPMU) of the Ministry of Finance and Planning (MOFP). EPMU comprised a Project Coordinator (PC); one Project Manager (Construction); one Project Manager (Education); and one Administrative Assistant. A Project Steering Committee (PSC) chaired by PC comprising senior representatives or their nominees of MOFP, Ministry of Transport, Works and Housing and the Ministry of Education, Youth and Sports (MEYS) was established in an advisory capacity to monitor and oversee project implementation. PM (Education) served as Secretary to PSC, and support services were provided by EPMU.

Identification of Risks and Mitigation Measures

2.08 A major risk identified at appraisal was the inadequate maintenance of school buildings which could impair sustainability of project outcomes. To mitigate this risk, the project proposed the preparation of a five-year maintenance plan for facilities by GOSVG. The Plan was to be updated annually and would provide details for each school, the frequency and timing per annum of identified activities and costs with respect to maintenance.

2.09 It was recognised that the engagement of Project Managers (PMs) with requisite skills and competencies to implement all aspects of BEPII may be a constraining factor at the outset of implementation. The project sought to mitigate this risk by providing project management consultancy services to support project start-up systems, processes and activities.

2.10 One of the risks associated with the project was the likelihood that weak implementation capacity at MEYS may affect project outcomes. To address this potential risk, the project created an EPMU within MOFP to provide a framework for the implementation of other projects of ESDP.

2.11 It was also recognised that simultaneous implementation of multiple education projects could result in the use of conflicting donor procedures and guidelines, as well as uneven progress among the various projects. The project sought to mitigate these risks by the appointment of a PC who, along with the inputs of PMs of the individual projects, would minimise the possibility of any such conflicts. Additionally, the oversight of PSC would ensure effective monitoring and balance in the implementation of all projects under its purview.

2.12 Another risk identified at appraisal was the high dropout levels that may be encountered in the use of the Distance Education (DE) mode of delivery for the training of some teachers and principals. To mitigate this risk, GOSVG had proposed special arrangements that would provide trainees with release time to complete assignments, as well as to facilitate on-campus visits for short, intensive, face-to-face sessions with lecturers and other course participants, thereby ensuring increased interests in and application to the programme.

2.13 The location of EPMU within MOFP could have weakened project ownership and capacity building within MEYS. GOSVG sought to mitigate this risk by appointing senior representatives to PSC, chaired by a PC who would ensure ongoing collaboration between MEYS and MOFP on all aspects of implementation. This would have ensured that project implementation was consistent with MEYS philosophy, goals and interests. Moreover, while MOFP undertook implementation of the projects, MEYS would be free to concentrate on the broader aspects of ESDP.

2.14 Possible increases in oil prices and the demand for labour given the number of large construction projects which will be implemented over the same period as BEPII were likely to result in costs escalation. To address this potential risk, the project allowed for an average of 3 per cent (%) per annum (p.a.) price contingency on foreign and local costs, even though current inflation rates were less than 1% p.a. in St. Vincent and the Grenadines.

3. EVALUATION OF DESIGN AND IMPLEMENTATION

Relevance of Design and Formulation

3.01 The project was consistent with national development priorities, as well as with CDB's strategic focus and priorities. It was designed to address outstanding issues identified in the implementation of BEP (First Basic Education Project) which was approved in 1996 and completed in 2004, and prepare for the current and emerging challenges in the education sector as identified in ESDP 2002-07. The project complements the medium-term objectives of GOSVG and is included in the St. Vincent and Grenadines Economic Strategy Paper, 2002-04.

3.02 The Appraisal Report (AR) identified a number of critical lessons learned from the previous Basic Education and HRD projects and mitigating measures which were incorporated into the design. It was recognised that inadequate Project Preparation and Design can cause significant gaps in data which would weaken the analysis and delay the project preparation and appraisal process. As BEP benefited from the framework of a set of preparatory studies financed through a Japanese grant, this project followed a similar path and drew upon CDB's PPA facility to ensure that proper preparation proceeded successfully. Design was also informed by an analysis of ESDP which was launched in January 2003.

3.03 CDB's experience in the education sector shows that limited project implementation capacity results in time and costs overruns which could weaken attainment of project objectives. To address this weakness, the Education Planning and Project Implementation Unit (EPPIU) and Project Steering Committee (PSC) which were set up for implementation of BEP were reorganised on the basis of experiences of BEP to ensure more efficient and effective implementation of BEPII. Project implementation was therefore expedited where ministries had institutional capacity in policy analysis, programme planning, and project preparation and management.

3.04 In view of the number of major education capital projects to be implemented under ESDP and the difficulties which were encountered in the implementation of BEP, GOSVG relocated the education planning and project management functions of Ministry of Education, Youth and Sports (MEYS) to Ministry of Finance and Planning (MOFP), in a re-designated unit called the Education Project Management Unit (EPMU). This organisational arrangement was expected to: (i) free the Education Planning Unit from the responsibility of managing externally-funded capital projects and be better able to focus on policy analysis, planning, monitoring and evaluation (M&E); and (ii) enable the Central Planning Department of MOFP to provide closer monitoring, supervisory and technical support in the implementation of BEPII, as well as the other projects to be funded by the World Bank, the United Kingdom's Department for International Development and the European Union.

3.05 During preparation of BEPII, CDB staff worked closely with GOSVG to address issues identified as being potentially detrimental to the smooth implementation and operation of the project. Planned supervision was incorporated in the M&E of the project.

3.06 Overall, the design and formulation were satisfactory and were adequate to address the problem and needs that were identified in the AR.

Project Outputs

3.07 At appraisal, the project was scheduled to have been implemented over the five and three quarter year period December 2004 - August 2010. The Construction component was planned to commence in January 2006 and finish by August 2008. The training component was to span a five year implementation period beginning in September 2005 and concluding in the third quarter of 2010. The PCR states that

construction of the facilities was completed within nine months after the appraisal completion date, that is, May 2009. It adds that though this was outside the planned completion dates, it allowed for the schools to be operational by the beginning of 2009-2010 academic year, which was consistent with the plans of MOE. The PCR indicates that delays in the commencement of civil works were as a result of one main factor - the PM (Construction) was given a full time appointment but provided services part-time as an employee of the Central Water and Sewage Authority. The PCR notes that whereas the appraisal date for the construction was the same for all schools, January 2006, the Contract was signed in November 2006 with construction commencing at all schools in February 2007. Nonetheless, the construction for each school was completed within the planned contract period.

3.08 Another factor cited in the PCR as contributing to the delay in project implementation was a variation in the Construction component. There was a change of use of the Edinboro School to secondary education from primary education as was planned during appraisal. Edinboro was originally designed to accommodate the Kingstown Anglican School (KAS), a primary school. However, based on a request from MOE, supported by stakeholder discussions, CDB gave its “no objection” to the use of Edinboro for the Dr. J.P. Eustace Memorial Secondary School (JPEMSS) and the use of JPEMMS to accommodate KAS after rehabilitation works were completed on the facility. Rehabilitation works to JPEMMS were financed under the Basic Needs Trust Fund and completed in March 2009. The PCR states that the main reason for the change was that parents and teachers felt it was safer, more child-friendly and convenient for families and for older children/siblings in JPEMMS to journey to Edinboro (1 kilometre from the town centre) than for younger children in KAS to be required to do so. Furthermore the facilities at JPEMMS were too small to house secondary students.

3.09 The PCR points out that while the students of JPEMMS were in new facilities at Edinboro which was built as a primary school, some of the needed specialised learning spaces such as science laboratories were not in place. This presented a significant challenge in adequately catering to the learning needs of the students. The need for the workshop/laboratories was the sole reason for the extended implementation of the Project as GOSVG/MOE sought to utilise the uncommitted funds in the project to finance the construction of a Science Block at Edinboro. The project concluded in December 2012 and the undisbursed funds were cancelled as GOSVG/MOE was unable to finalise the tender process in a timely manner.

3.10 The PCR states that according to the AR the skills of a total of 92 school personnel were to be improved and applied in their work by 2010. It indicates that this target was surpassed as the skills of 168 school personnel were improved and applied in their work, albeit one year later, by 2011. Two consultancies, one in curriculum policy and diagnostic systems to detect learning difficulties were also to be completed by 2008. The PCR states that the Curriculum consultancy was not done as it was completed in 2008 under a World Bank-funded Project. The Consultancy to establish diagnostic systems to detect learning difficulties was completed by December 2008.

3.11 Under the Institutional Strengthening component, the Project provided for special training for 12 MEYS personnel and the requirement for skills acquired to be applied to the work by 2007. The PCR indicates that this target was exceeded with 15 MEYS personnel specially trained and having become more proficient in their work by 2007. It was also expected that two consultancies in project management would have been completed by 2008. The PCR states that these were not done. Instead, staff of the Project Management Unit and MOE were trained through the CDB Project Management Training Programme. A total of eight persons benefitted from the training. It adds that the decision to forego the consultancy was based on the fact that since EPMU has significance experience implementing projects, the consultancy was not needed and it was agreed that participation in CDB training would better suit the capacity needs of the staff, as well as the officers of MOE.

3.12 The PCR states that the Education Management Information System (EMIS) component was not completed. It acknowledges that the outstanding output of the Project was the establishment of an appropriate EMIS which was at an advanced stage, with the first comprehensive Education Statistical Digest having been produced by the first quarter of 2011. This component was not rated by the PCR.

3.13 The PCR gives an overall rating of Satisfactory for the Project outputs on the basis that the outputs were largely completed, and in some cases exceeded, by the appraised completion date of September 2010. It states that the outstanding output was the EMIS component and that the extension to December 2012 was done to facilitate the provision of a Science block at the JPEMMS School. Delays in completing engineering drawings and the slow procurement process prevented the commencement of construction. According to the PCR, this compromised what was an otherwise well executed project and resulted in an extended implementation period. As indicated in the matrix of project outputs below, most of the expected outputs were completed, albeit in some cases one year later than expected and the Evaluator concurs with the rating of Satisfactory

TABLE 2: Matrix of Project Outputs

No.	Planned Outputs at Appraisal	Outputs Achieved
1	One new secondary and three new primary schools built, furnished, equipped and operating by August 2008.	All schools were built and equipped by May 2009. The individual school completion dates were: (i) Fairhall Primary – September 15, 2008; (ii) Bequia Primary – January 30, 2009; (iii) Edinboro Primary – March 03, 2009; (iv) Barrouallie Secondary – May 27, 2009
2	(Training of School and central administration personnel completed and applied strategically in the school system) Skills of 92 school personnel improved and applied in their work by 2010 Two consultancies (Curriculum policy and Diagnostic system to detect learning difficulties) completed by 2008.	Skills of 168 school personnel improved and applied in their work by 2011 The consultancy to establish Diagnostic system to detect learning difficulties was completed by December 2008. The Curriculum consultancy was not done. (The PCR states that this was completed in 2008 under a World Bank funded Project.)
3	12 MEYS personnel specially trained and are more proficient by 2007; Two consultancies (project management) completed by 2008.	15 MEYS personnel were specially trained and were more proficient in their work by 2007. Two consultancies (project management) were not done but were replaced by a training programme. The PCR states that instead of undertaking the two consultancies on project management, staff of the Project Management Unit and MOE were trained through the CDB Project Management Training Programme. A total of eight persons benefitted from the programme. The decision to forego the consultancy was based on the fact that EPMU has significant experience implementing projects, the consultancy was not needed. It was agreed that participation in CDB training would better suit the capacity development needs of the staff as well as other officers of MOE.
4	EMIS	EMIS was incomplete.

Project Cost and Disbursements.

Project Cost

3.14 A matrix of project costs and a financing plan is presented in the PCR that fails to provide any information on the actual costs of the CDB financed project components. The PCR does not give an explanation for the omission of these costs. The estimated cost of the project at appraisal was \$59.65 mn (USD22.09 mn). The project was to be financed by a CDB loan of USD17.58 mn and counterpart financing of USD4.51 mn provided by GOSVG. Table 3 summarises the information from the matrix of project costs in the PCR.

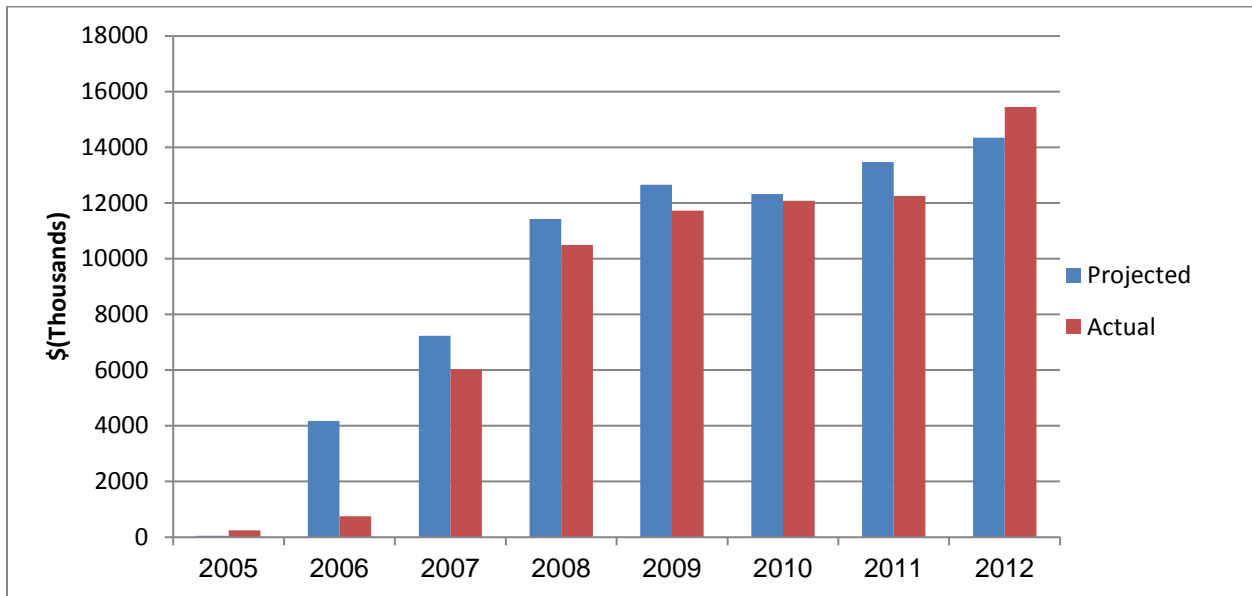
TABLE 3: SUMMARY OF ORIGINAL AND ACTUAL PROJECT COSTS
(US\$'000)

Item	Original	PCR's Total Actual Costs	Variance From Verified Cost	% Variance
Land	719	719		
Construction	9,327	-		
Architectural and Engineering Services	701	790		
Squatter Relocation	63	44		
Furniture, Equipment and Supplies	1466	-		
Quality Improvement and School Effectiveness	3,432	-		
Institutional Strengthening	380	-		
EMIS	574	74		
Project Management	653	700		
Total Base Costs	17,315	-		
Contingencies	3,010	415		
Project Preparation Assistance	41	-		
Commitment Fee	1,726	-		
Total Project Cost	22,092	-		
XCD Equivalent	59,648	-		

Disbursements

3.15 According to CDB's records in respect of Loan No. 13/SFR-OR-STV, after the Closing Date of December 31, 2012, an amount of USD15.45 mn was withdrawn from the Loan Account, leaving an unwithdrawn balance of USD2.15 mn. The undisbursed amount was cancelled in July, 2013. A comparison of projected disbursements of CDB loan funds with actual disbursements is shown in Chart 1.

CHART 1: PROJECTED CDB DISBURSEMENTS VERSUS ACTUAL DISBURSEMENTS



Implementation Arrangements, Conditions and Covenants, Procurements and Contractor Performance

Implementation Arrangements

3.16 The implementation arrangements for the project are outlined in Section 1 of this Report (paragraph 1.10 refers). The PCR indicates that despite the delays in civil works, the PCU maintained commendable performance during implementation which resulted in the project outputs being substantially achieved within the appraised time frame. It points out that although placed under MFEP, the anticipated risk of poor coordination and lack of ownership did not emerge during implementation.

3.17 The PCR states that adequate project management capacity was sustained throughout implementation except at the end of implementation when the functions of the PC and the PM (Education) were morphed into one, as a consequence of the appointment of the former as Permanent Secretary, MOE. This, however, did not severely affect project management efficacy as few activities remained although there were some instances when follow-up was not as efficient as was the case during the earlier period of implementation.

3.18 The PCR draws attention to one incident which it describes as less than prompt with regard to follow-up on the unresolved electrical defects at the computer laboratory at JPEMSS in 2010. This, reports the PCR, coupled with delays experienced due to inaction by the Tenders Committee in 2010, sullied what was an otherwise exemplary project management/coordination performance.

Conditions and Covenants

3.19 The PCR does not discuss the significance of any particular conditions of the Loan Agreement or the Borrower/Executing Agency compliance with loan conditions. In fact, Loan Agreement compliance is not included in the PCR checklist of key factors influencing output delivery. The compliance of the

Borrower/Executing Agency with conditions of the Loan Agreement is discussed in the assessment of the performance of the Borrower and Executing Agency (paragraphs 4.10 refer).

Procurement

3.20 The PCR states that delays in the procurement process to facilitate the construction of the Science Block for JPEMSS at Edinboro was the main reason for the extension of the implementation period beyond the appraised date. It indicates that the acquisition of the land for the construction of the Science Block and the preparation of designs were done in a timely manner. However, this was not met with a corresponding level of responsiveness by the Tenders Committee in making timely decisions during the procurement process, which ultimately resulted in too long an extension of the project period. This resulted in an overall project rating that was below what was surely to be highly Satisfactory.

Contractor/Consultant Performance

3.21 The PCR does not rate the performance of the Contractor. It found that while the Contractor completed the school facilities within budget there were some common problems with aspects of the finished works in the schools. The PCR indicates that there were electrical defects in parts of the school such as the Computer Laboratory at Edinboro and an inadequate network infrastructure at Barroaullie Secondary. There were also malfunctioning water storage tanks at Edinboro and Bequia Anglican schools and the provision of non-durable furniture in general. It states that in addition, management of JPEMSS reported that there was a severe problem with termite infestation throughout the school as the treatment for termite infestation was not done during the construction period.

Monitoring and Evaluation

3.22 The AR specifies the reports that were to be prepared during project implementation, including monthly Architectural and Engineering Consultants Progress Reports, semi-annual progress status reports, quarterly reports on investment costs and a Project Implementation Completion Report from the Project Manager Construction (PMC) and PME through the PC. However, the PCR does not report on the submission of the required periodic reports or submission of the PCR of the Borrower at the end-of – implementation.

4. EVALUATION OF PERFORMANCE (PCR ASSESSMENT AND VALIDATION)

Relevance

4.01 Relevance was rated as Highly Satisfactory every year in CDB's Supervision Reports over the period 2004 to 2012. The PCR states that the objectives of the project remain highly consistent with the HRD objectives of GOSVG. It also states that enhancing the quality of basic education continues to be a national priority with emphasis on the achievement of improved student outcomes in primary and secondary education. In addition, the project continues to accord with CDB's strategic and corporate priorities

4.02 The PCR states that the project continues to directly impact students and families in low socio-economic communities and is part of a deliberate poverty-reduction strategy linked to addressing systemic and structural challenges in poverty. It points out that the new schools are now part of an improved social infrastructure that is linked to disaster risk management operations. The PCR indicates that, generally, the project directly reduces the vulnerability of the poor by improving access to quality education and training, thus enhancing prospects for employment generation. In light of the foregoing, the Evaluator concurs with the PCR rating of Highly Satisfactory.

Efficiency

4.03 The PCR rates Efficiency as Satisfactory. It indicates that least cost options continued to be the means by which all components were implemented. The PCR states all of the project outputs specified at appraisal have been delivered with considerable cost-savings and at project completion, 11% of the funds were undisbursed. It points out that for most activities there have been limited delays in implementation and MOE continues to maximise use of the funds for full impact beyond the level of projected outputs identified during appraisal. The PCR indicates that the EMIS solution which was adequate for the needs of the sector but considerably below appraisal estimates, further enhanced the cost of efficiency of the project.

4.04 The Project Supervision Report (PSR) of December 31, 2012, indicates that the project was completed in two years and three months beyond the appraised completion date of August 2010. It indicates that while project implementation progress had been generally satisfactory, the delay in executing two additional outputs had diminished a fairly efficient project implementation experience. The PCR states that the outputs of the project were largely completed, and in some cases exceeded by the appraised completion date of September 2010. It indicates that the establishment of an appropriate EMIS was the only outstanding output by the appraised project completion date.

4.05 In light of the fact that the original outputs of the project were largely completed and in some cases exceeded, by the appraised completion date of August 31, 2010, the Evaluator concurs with the Satisfactory rating for Efficiency.

Effectiveness

4.06 The PCR rates Effectiveness as Satisfactory. In the history of project ratings in the PSR of the PCR, the PSR for the year 2012 states that all project outcomes have been achieved. The PCR points out that while the project continues to achieve its quality improvement, institutional strengthening and enhancement of learning environment objectives, the slippage in implementation progress has invariably affected the timeliness of some output delivery, and therefore affected project outcomes. It states that the non-completion of the curriculum review will continue to impact both relevance and quality of learning. The PCR also states that the absence of the EMIS over the years for evaluating sector performance and

informing operational effectiveness bespoke inadequate planning capacity. Notwithstanding, the effectiveness criterion was adequately satisfied.

4.05 Contrary to the PCR's assertion that all project outcomes were achieved, the Matrix of Outcomes of the PCR indicates otherwise. It states that the 30% increase in the proportion of students achieving Grade 2 or better in the Caribbean Examination Council's Examinations by 2012 was not achieved but the achievement rate was 7% instead. The PCR indicates that two of the three outcomes were actually achieved. In view of the foregoing, the Evaluator rates Effectiveness as Satisfactory.

Sustainability

4.06 The PCR rates Sustainability of the project as Satisfactory. It states that the deployment of trained teachers, principals and other MOE staff in various positions indicates that the project is expected to have a sustained impact. The PCR also states that MOE continues to strengthen its supervision and support systems to incentivise application of new skills and the optimal use of project outputs. This includes a new school inspection strategy. It indicates that the new schools built are being maintained satisfactorily, and the provision and use of school-specific maintenance manuals will contribute to improved maintenance of facilities.

4.07 The PCR points out that GOSVG continues to be committed to sector improvement and there is a strong focus on improving TVET and post-secondary opportunities. It adds that this reinforces the value of basic education and provides a "transpiration pull" for sustained demand for quality primary and secondary education. The PCR states that all indications are that the outcomes already achieved are sustainable and likely to be achieved. On the basis of the foregoing, the Evaluator concurs with the Satisfactory rating of the PCR.

Performance of the Borrower and Executing Agency

4.10 The PCR rates the performance of the Borrower/Implementing Agency as Satisfactory. It states that adequate project management capacity was sustained throughout implementation except at the end of implementation when functions of the PC and PM (Education) were morphed into one as a consequence of the appointment of the former as Permanent Secretary, MOE. The PCR states that this, however, did not severely affect project management efficacy as few activities remained, although there were instances when follow-up was not as efficient when compared to the earlier period of implementation. One such matter cited by the PCR was the less than prompt follow-up on the unresolved defects at the Computer Laboratory at JPEMSS in 2010 which it states was likely a consequence of the reassignment of the PM Civil Works to head The Buildings, Roads and General Services Authority in mid-2010. This coupled with the delays experienced due to the inaction by the Tenders Committee in 2010, sullied what was an otherwise exemplary project management performance. The PCR does not report on the submission of the required periodic reports or submission of the PCR of the Borrower at the end-of -implementation.

4.08 In light of the foregoing, and the overall level of commitment and ownership by the Borrower, the Evaluator concurs with the satisfactory rating of the Borrower.

Performance of the Caribbean Development Bank

4.09 The PCR rates CDB's performance as Satisfactory. The justification is that CDB staff provided sustained supervision support throughout implementation. Disbursement claims, once submitted with the relevant documentation, were processed in a timely manner. In general, two supervision missions were conducted annually, and staff was responsive to changes on the ground, specifically the change in use of Edinboro for JPEMSS.

4.10 The PCR also provides ratings by the Borrower/Implementing Agency of the Bank's performance during preparation and supervision. The Borrower rates CDB's performance during preparation as Satisfactory and as Highly Satisfactory during supervision. The justification given was that CDB staff was readily available to advise and help find solutions to resolve challenges and bottlenecks.

4.11 In light of the foregoing and the substantial satisfaction of Quality at Entry and Quality of Supervision performance sub-criteria outlined in PAS to assess CDB performance, the Evaluator concurs with the PCR rating of Satisfactory for the performance of CDB.

OVERALL ASSESSMENT

4.12 The overall performance rating of the project is determined by separately evaluating and rating the four evaluation core criteria. The arithmetic average of the scores for the core criteria in this case is 3.25, or Satisfactory. The Evaluator therefore concurs with the PCR's rating of Satisfactory. Details of the ratings and the justification for differences between ratings from the PCR and the Evaluator are provided in Table 8.

TABLE 8: SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL ASSESSMENT OF THE PROJECT

Criteria	PCR	OIE Review	Reason if any for Disagreement/Comment
Strategic Relevance	Highly Satisfactory (4)	Highly Satisfactory (4)	
Efficacy	Satisfactory (3)	Satisfactory (3)	
Effectiveness	Satisfactory (3)	Satisfactory (3)	
Cost Efficiency	Satisfactory (3)	Satisfactory (3)	
Efficiency	Satisfactory (3)	Satisfactory (3)	
Sustainability	Satisfactory (3)	Satisfactory (3)	
Composite (Aggregate) Performance Rating	Satisfactory (3.25)	Satisfactory (3.00)	
Borrower & EA Performance	Satisfactory	Satisfactory	
CDB Performance	Satisfactory	Satisfactory	
Quality of PCR	Not Rated	Marginally Unsatisfactory	The PCR does not provide any financial information on the costs of the CDB-financed components of the project or total project cost in the matrix of project costs and financing plan. Such information is required to support the rating and assessment of the Efficiency criterion. In addition, it does not report on the submission by the Borrower of the required periodic reports and the Project Implementation Completion Report in accordance with the reporting requirements that are set out in the AR.

Lessons

4.13 The PCR identifies the following four lessons learnt from the project that are considered useful to inform new project design:

- (a) **Consultation with key stakeholders at the level of the school at all stages of the project is essential to managing implementation progress and minimising dissatisfaction with project outputs.** Principals of the project schools all lamented that they were not consulted with sufficiently during implementation resulting in the delivery of outputs which were not optimal. Issues related to the type of furniture, the size of pre-school classrooms (Fairhall Primary) and how the playing facilities could be constructed to facilitate community access while securing the school could have been better addressed through initial and continuing dialogue with school actors;
- (b) **In cases when a project has to be extended, a specific timeframe should be agreed and implemented to avoid slippage of project efficacy and efficiency.** While the extension of the project was justified to accommodate the additional Science facilities at Edinboro, a specific timeframe, which if adhered to, would have resulted in a more favourable implementation progress outcome. Consideration for cancellation and approving additional funds for the required facilities should be a default position in similar cases;
- (c) **More robust oversight for quality assurance is needed to ensure that contractors, sub-contractors and supervision consultants are adhering to standards and design specifications.** Projects beneficiaries highlighted the electrical defects in the computer laboratories, recommendations given to the supervision consultants which were not given attention and the quality of the furniture are examples which require a more demanding system of oversight during implementation; and
- (d) **The greater the degree of ownership of MOE, the more likely the project outputs will be maximised.** While the PCU was located within MFEP, MOE assumed full ownership of the project and actively sought ways to maximise the output within the projects. This is reflected in the upgrading of the post-graduate certification for Principals to a Master's degree using DE modality and, where applicable, utilising project funds to assist students already in training programmes to successfully complete their studies. This meant that significantly more persons were able to benefit from the project and are now appropriately re-deployed within the education system.

4.14 The Evaluator considers the lessons cited in the PCR to be very important and does not have any disagreement with what has been proposed. The Evaluator is also of the view that stakeholders should be involved in the decision making process regarding the design of facilities and their furnishings and equipment to ensure that these facilities meet identified needs and realistic costs are reflected in the budget.

5. COMMENTS ON PCR QUALITY

5.01 The Evaluator rates the quality of the PCR as Marginally Unsatisfactory as a result of the inadequacy of information that is presented in the PCR. The PCR does not provide any financial information on the costs of the CDB-financed components of the project or total project cost in the matrix of project costs and financing plan. Such information is required to support the rating and assessment of the Efficiency criterion. In addition, it does not report on the submission by the Borrower of the required periodic reports and the Project Implementation Completion Report in accordance with the reporting requirements that are set out in the AR.

6. DATA SOURCES FOR VALIDATION

6.01 The primary data sources for this validation exercise were CDB's ARs and Loan Agreements, CDB's PSRs; and CDB's Registry files in respect of the project.

7. RECOMMENDATIONS FOR OIE FOLLOW-UP

7.01 No follow-up for OIE is required. The Evaluator does not consider that a Project Performance Audit Report would provide significantly more information or identify other lessons to be learnt than contained in the PCR that would serve to further inform the Bank on basic education in St. Vincent and the Grenadines.