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CARIBBEAN DEVELOPMENT BANK

EXECUTIVE SUMMARY WITH MANAGEMENT RESPONSE
AND
PROJECT COMPLETION VALIDATION REPORT

THIRD ROAD (WINDWARD HIGHWAY RECONSTRUCTION) PROJECT
ST. VINCENT AND THE GRENADINES

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OFFICE OF INDEPENDENT EVALUATION
OCTOBER 2017

CARIBBEAN DEVELOPMENT BANK

EXECUTIVE SUMMARY

THIRD ROAD (WINDWARD HIGHWAY RECONSTRUCTION) PROJECT
ST. VINCENT AND THE GRENADINES

EXECUTIVE SUMMARY

1. The Government of St. Vincent and the Grenadines (GSVG) recognises that investment in the transport sector is critical to growth and development, particularly in support of agriculture, tourism and services.

2. In 2000, with technical assistance from the European Union (EU), consultants were contracted to investigate the condition of the 55 kilometers (km) Windward Highway (WH), the longest of the three main highways which runs along the eastern coast of St. Vincent, and to make recommendations for a programme of rehabilitation or improvement of the road.

3. The consultants recommended that the work be carried out in three phases. The Government decided to initiate Phase 1 - total reconstruction of WH from Diamond to Georgetown. In June 2002, GSVG requested financial assistance from the Caribbean Development Bank (CDB) for joint financing along with the EU, for the reconstruction of approximately 23 km and the rehabilitation of the existing structures, including bridges. A loan of USD10.581 mn was approved in response to this request in December 2002.

4. During implementation the Government announced a change in policy with regard to air transportation and prioritised the construction of a new international airport at Argyle. It was realised that additional financing was needed to the realign a section of the WH which would be affected by the new airport. The project was re-scoped and an additional loan of USD5.2 mn granted in 2007.

PROJECT OBJECTIVES OR EXPECTED OUTCOMES

5. The objectives of the project were to: (i) contribute to improved safety and efficiency for road users at selected locations along WH; and (ii) facilitate increased economic activity along the road, particularly in agriculture and tourism.

EVALUATION OF PERFORMANCE AND OVERALL ASSESSMENT

Overall Assessment

6. The Project Completion Report (PCR) and the Evaluator both rate the overall performance of the project as Satisfactory; however the PCR scored the project towards the upper end of the range, and the Evaluator around the middle range. 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.

7. The PCR used the older Project Performance Evaluation System rather than the current Performance Assessment System.

Relevance

8. The PCR and the Evaluator both rate Relevance as Highly Satisfactory.

Effectiveness

9. The Evaluator concurs with the Satisfactory rating of the PCR for this criterion.

10. ***Efficiency***

The PCR rates this criterion as Satisfactory. The Evaluator agrees and rates Efficiency as *Satisfactory.*

Sustainability

11. The PCR rates the Sustainability of the project as Satisfactory. The PCR's analysis however, is inconsistent with this rating. The Evaluator rates Sustainability as Satisfactory.

Borrower and Executing Agency Performance

12. The PCR did not rate the performance of the Borrower. The Evaluator rates Borrower performance as Satisfactory.

CDB Performance

13. The PCR and Evaluator both rate CDB's performance as Satisfactory.

OVERALL ASSESSMENT

14. The PCR's assessment for overall performance is Satisfactory. The Evaluator's rating is determined by separately evaluating and rating the four evaluation core criteria: Relevance; Effectiveness; Efficiency and Sustainability. The overall performance score is an arithmetic average of the total scores for the core criteria and results in a score of 3.25. Based on the calculated composite score and available data, the Evaluator's assessment rates as Satisfactory. Details of the ratings and the justification for differences between ratings from the PCR and the Evaluator are provided at Table 1.

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

Criteria	PCR[1]	OIE Review	Reason, if any, for Disagreement/Comments
Relevance	Highly Satisfactory (4)	Highly Satisfactory (4)	
Effectiveness	Satisfactory (3)	Satisfactory (3)	
Efficiency	Satisfactory (3)	Satisfactory (3)	While agreeing with the rating, the Evaluator did not agree with the PCR's analysis.
Sustainability	Satisfactory (3)	Satisfactory (3)	
Composite (Aggregate) Performance Rating	Satisfactory 3.25	Satisfactory 3.25	
Borrower & EA Performance	Unrated	Satisfactory	
CDB Performance	Satisfactory	Satisfactory	
Quality of PCR		Marginally Unsatisfactory	

Lessons

15. The PCR identified three lessons learned from implementation:

(a) In view of the relatively small cost of funding project management services provided by a Project Coordinator (PC), and the significant impact the quality of those services can have on a project, it may be advisable for CDB to routinely provide funding for project management services provided by a PC and only vary this funding arrangement where a request to do so is made by the Borrower.

(b) In order to facilitate decision making it may be advisable to include specific criteria in a project to trigger escalation and review, where targets or conditions are not met.

(c) The ease of use and usefulness of the 'banana bruising' indicator chosen for evaluation of project outcomes was unsatisfactory, which suggests the choice of indicators requires greater consideration.

16. The Evaluator is not clear whether the escalation trigger refers to the contract between GSVG and the Consultant or Contractor, or whether it refers to the Loan Contract. The Evaluator would add to Lesson 1 that competent contract management of construction projects by the Borrower is critical for success and the PC should be selected on the basis of a history of successful construction contract management.

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1 PPES scores and ratings used in PCR and PSRs to be converted to PAS 2013 scores and ratings, using the equivalence matrix in the relevant PAS 2013 Manual (Public Sector Investment Lending and TA; PBL; CSP).

The Evaluator agrees with these lessons and notes others relevant to this project:

(a) The project reinforces past experience that land acquisition can be a bottleneck, which can significantly delay initiation of construction projects. Land acquisition should be completed before the Appraisal Report (AR) is submitted to the Board for approval, rather than being a condition precedent.

(b) CDB should ensure that Bills of Quantities are derived from a full detailed design informed by physical site surveys, rather than relying on maps.

(c) A positive lesson that can be drawn from the project is the benefit of procurement weighing other criteria as significantly as least-cost. The procurement process took into account assessment of the performance of the lowest qualified bidder and did not rely only on a assessing only the financial proposal from pre-qualified firms. Had the procurement process resulted in the selection of the second lowest bidder who was already working on the EU-funded portion, and ignored known performance issues, the project may have suffered.

COMMENTS ON PCR QUALITY

18. The Evaluator rates the PCR quality as Marginally Unsatisfactory. This is based on poor coherence between the numerical scores, ratings and justification for the scores. The analysis was not substantial and there was no stakeholder feedback via a closing workshop to support the assessments. The data sources and references in support of the satisfaction of indicators were absent. The PCR is also incomplete; there was no exit workshop, Borrower or CDB self-assessment. Lessons learned identification was adequate.

DATA SOURCES FOR VALIDATION

19. The primary data sources for this validation exercise were CDB’s Original and Additional AR and Loan Agreement; CDB’s Project Supervision Reports; and CDB’s Registry files in respect of the project. The Evaluator also held discussions with the current CDB officer with responsibility for St. Vincent and the Grenadines

RECOMMENDATIONS FOR FOLLOW-UP

20. No follow-up for OIE is required.

CARIBBEAN DEVELOPMENT BANK

MANAGEMENT RESPONSE

THIRD ROAD (WINDWARD HIGHWAY RECONSTRUCTION) PROJECT
ST. VINCENT AND THE GRENADINES

MANAGEMENT RESPONSE

The Project Completion Validation Report provides valuable perspective on the implementation of the Third Road (Windward Highway) Project in St. Vincent and the Grenadines We accept the Evaluator's overall assessment of Satisfactory which is in line with the assessments of our team.

Lessons Learned

The lessons speak to challenges related to counterpart contributions (in terms of project management capacity, and cash contributions to project components). Additionally, the lesson related to actively implementing mitigation strategies for risks identified at appraisal, is also one that our team has noted. We agree that closer attention should be paid to these aspects of all infrastructure projects, both during project appraisal and implementation.

Economic Infrastructure Department is currently in the process of reorganising its operations with a view towards: (a) strengthening the appraisal of infrastructure projects; and (b) improving project implementation focus. In addition, we are in the process of recruiting additional engineering staff. It is therefore intended that the issues highlighted above (counterpart contribution and risk management) will be appraised and monitored more closely in future and in ongoing infrastructure projects.

With regard to the observation that an Exit Workshop was not held for this Project, we wish to note that the decision not to hold the Workshop was made because many of the key stakeholders involved in the implementation of the Project (consultants, officials from the Ministry of Works, contractor staff) were not available to participate. In this circumstance, an Exit Workshop would have yielded little additional value to the Project Completion Report preparation process.

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PROJECT COMPLETION VALIDATION REPORT

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ST. VINCENT AND THE GRENADINES

OFFICE OF INDEPENDENT EVALUATION
OCTOBER 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 EQUIVALENT

Dollars ($) throughout refer to United States dollars (USD) unless otherwise stated.
USD1.00 = BBD2.00
BBD1.00 = USD0.50

ABBREVIATIONS

BMC	-	Borrowing Member Country
CDB	-	Caribbean Development Bank
CWSA	-	Central Water and Sewerage Authority
ERR	-	Economic Rate of Return
EU	-	European Union
GSVG	-	Government of St. Vincent and the Grenadines
ha	-	hectares
HDM-4	-	Highway Development and Management System (Version 4)
IRI	-	International Roughness Index
km	-	kilometres
LFM	-	Logical Framework Matrix
MDG	-	Millennium Development Goals
MFPD	-	Ministry of Finance, Planning and Development
mn	-	million
MTWH	-	Ministry of Transport and Works and Housing
OCR	-	Ordinary Capital Resources
PC	-	Project Coordinator
PCU	-	Project Coordinating Unit
PSC	-	Project Steering Committee
SVG	-	St Vincent and the Grenadines
TA	-	Technical Assistance
USD	-	United States Dollar
VOC	-	Vehicle Operating Costs
WH	-	Windward Highway

MEASURES AND EQUIVALENTS

1 metre (m)	=	3.281 feet (ft.)
1 kilometre (km)	=	0.621 mile (mi)
1 square metre (m^2)	=	10.756 square feet (ft^2)
1 square kilometre (km^2)	=	0.386 square mile (mi^2)
1 hectare (ha)	=	2.47 acres (ac)
1 tonne	=	0.98 ton (tn)
1 litre (l)	=	0.22 imperial gallons (ig)
1 cubic metre (m^3)	=	264.172 gallons (gals)
1 millimetre (mm)	=	0.039 inch (in)

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APPENDICES

1. BASIC PROJECT DATA

Project Title	Third Road Project (Windward Highway Reconstruction)
Country	St. Vincent and The Grenadines
Sector	Transport and Communication
Loan No.	8/OR-STV and 8/OR-STV (Add. Loan)
Borrower	Government of St. Vincent and the Grenadines
Implementing/Executing Agency	Ministry of Transport Works and Housing

Disbursements ($ mn)	**CDB LOAN (USD'mn)**		
	OCR	**SFR**	**Total**
Loan Amount (Original)	10.581	-	10.581
Additional Loan	5.200	-	5.200
Total Revised Loan Disbursed	15.770	-	15.770
Cancelled			

Project Milestones	**At Appraisal**	**Actual**	**Variance (months)**
Board Approval(Original Loan)	2002-12-12	2002-12-12	-
Loan Agreement signed	2002-02-20	2002-02-07	0.43
Loan Effectiveness[2]	2002-04-22	2005-11-15	(43.25)
Board Approval (Add. Loan)	2007-10-11	2007-10-11	-
Loan Agreement signed (Add Loan)	2007-12-11	2007-11-26	0.50
Loan Effectiveness	Not Applicable	Not Applicable	-

CDB Loan	**At Appraisal**	**Actual**	**Variance (months)**
First Disbursement Date	2003-09-30	2005-11-30	(27 months)
Terminal Disbursement Date	2006-09-30	2009-08-07	(37 months)
TDD Extensions (number)	-	4	-

Project Cost and Financing (USD mn)	**At Appraisal**	**Actual**	**Variance (mn)**
CDB Loan	15.78	15.77	0.01
European Union Loan	3.52	3.78	(0.26)
Counterpart	5.65	7.48	(1.83)
Total	24.95	27.03	(2.08)

Terms	**Interest Rate**	**Repayment**	**Grace Period**
CDB Loan(10.58)	5.75% (variable) to be reduced to 5.5% effective Jan 2003	22 years incl. grace	5 years
CDB Loan Add. (5.20)	6.1% (variable) payable quarterly	22 years incl. grace	5 years

Implementation	**At Appraisal**	**Actual**	**Variance (months)**
Start Date[3]	2002-04-22	2005-11-15	(27.75)
Completion Date	2005-09-30	2009-06-29	(45)
Implementation Period (years)	3.81 years	3.67 years	0.14 years

Economic Rate of Return (%)	**At Appraisal**	**Completion**
Revised Loan	16.6%	21%

[2] Date Conditions to First Disbursement satisfied.
[3] Implementation begins with satisfaction of conditions precedent

2. PROJECT DESCRIPTION

Rationale (context at appraisal)

2.01 The Government of St. Vincent and the Grenadines (GSVG) recognises that investment in the transport sector is critical for economic growth, particularly in support of agriculture and tourism and has committed to the provision of an efficient transportation network. The completion and efficient operation of its road network, particularly that which links Kingstown with the main towns was of utmost priority.

2.02 In 2000, with technical assistance (TA) from the European Union (EU), consultants were contracted to investigate the condition of the 55 km Windward Highway (WH), (the longest of the three main highways which runs along the eastern coast of St. Vincent) and make recommendations for a programme of rehabilitation or improvement of the road.

2.03 The consultants recommended that the work be carried out in three phases: *Phase 1*: total reconstruction of WH from Diamond in the south of the island to Georgetown in the northeast (approximately 23 km). Due to its condition, total reconstruction of that section of the road was recommended; *Phase 2*: Georgetown to Fancy (approximately 20 km); and *Phase 3*: Diamond to Kingstown (11 km).

2.04 The Government decided to initiate Phase 1 and, in June 2002, requested financial assistance from CDB for joint financing along with the EU, for the reconstruction of approximately 23 km and the rehabilitation of the existing structures on the road. Bridges along WH were assessed to be mostly in need of minor rehabilitation work. A loan of USD10.581 mn was approved in response to this request in December 2002.

2.05 During implementation of Phase I the Government announced a change in policy with regard to air transportation and prioritised the construction of a new international airport at Argyle. It was realised that additional financing was needed to realign a section of WH which would be affected by the new airport. The project was re-scoped and an additional loan of USD5.2 mn granted in 2007.

Expected Impact

2.06 The expected impact of the project, according to the logical framework matrix (LFM) was to contribute to the social and economic development of St. Vincent and the Grenadines through improved road transportation infrastructure. The expected intermediate and short term economic benefits noted were: (a) the reduction of operating costs of vehicles using the road; (b) reduced maintenance of the 13 bridges across WH; (c) increased land values, (d) temporary employment during construction; and (e) reduced travel time to market and quality deterioration of agricultural products. Additional social benefits anticipated were improved road safety, increased incomes and improved access to markets. Another significant impact would arise with the completion of construction of the new airport and the potential increase in visitor arrivals.

Objectives or Expected Outcomes

2.07 The objectives of the project were to: (i) contribute to improved safety and efficiency for road users at selected locations along WH; and (ii) facilitate increased economic activity along the road particularly in agriculture and tourism

Components and/or Outputs

Components

The Original and Revised Project consisted of the following components:

TABLE 1: PROJECT COMPONENTS

Items	Original	Revised
Land Acquisition	0.8 ha	4.64 km
Road Reconstruction	23 km	20 km
Road Alignment	0.5	3.5 km
Road Marking and Furniture		
Bridge Rehabilitation	13 bridges rehabilitation	12 rehabilitated and 1 new bridge
Engineering Consultancy Services		
Project Management		

Outputs

2.08 The planned outputs as indicated in the LFM were:

(a) Road Reconstructed (23 km; 12 bridges rehabilitated, 1 bridge constructed)

(b) Hazardous road sections diverted (6 sections)

(c) Road geometry enhanced along WH from Diamond to Georgetown

Provision of Inputs

Original

2.09 In December 2002, CDB approved a loan in the amount of USD10.581 mn to GSVG to assist in financing the Third Road Project (Windward Highway Reconstruction), from CDB's Ordinary Capital Resources. The CDB loan was to finance approximately 60% of the estimated project costs of $47.32 (USD17.53 mn). The loan funds were to be utilised for: road reconstruction; road realignment; road marking and furniture; and bridge rehabilitation. The road reconstruction primarily entailed reconstruction of approximately 23 km of road with the provision of a two-lane carriageway. Bridge Rehabilitation entailed the reconstruction of 13 bridges. The EU loan of USD4.82 mn was to finance 28% of the cost of road reconstruction, road realignment and bridge rehabilitation. GSVG was to provide counterpart funding of USD2.12 mn to meet the remaining costs. A summary of the original project costs and financing is shown in Table 2.

TABLE 2: SUMMARY OF THE ORIGINAL PROJECT COSTS AND FINANCING
($'000)

Item	Total	CDB	EU	GSVG
Land Acquisition	435	-	-	435
Road Reconstruction	29,032	20,404	7,808	820
Road Realignment	2,919	1,487	1,432	-
Road Marking and Furniture	741	516	-	225
Bridge Rehabilitation	2,235	447	1,788	-
Engineering Consultancy Services	2,523	-	-	2523
Project Management	1,153	-	-	1,153
Total Base Cost	**39,038**	**22,854**	**11,028**	**5,156**
Physical Contingencies	3,740	2,360	1,174	206
Price Contingencies	2,531	1,346	811	373
Total Project Cost	**45,309**	**26,560**	**13,014**	**5,735**
Interest	1,649	1,649	-	-
Commitment Charges	360	360	-	-
Total Financing	47,317	26,569	13,014	5,735
Total Financing (USD)	17,525	10,581	4,820	2,124
Percentage Financing	100	60	28	12

Revised

2.10 In October 2007, CDB approved an additional loan to GSVG in the amount of USD5.2 mn to assist in financing additional project costs associated with cost overruns on the original project scope and the construction of further road realignment. The revised contribution of GSVG was USD5.65 mn which represented 23% of the revised project cost, an increase of 11% over the original percentage contribution. The revised cost of the project was estimated at $67.36 mn (USD24.95 mn). A summary of the revised project costs and financing is provided in Table 3.

TABLE 3: SUMMARY OF REVISED PROJECT COSTS AND FINANCING
($'000 XCD)

Item	CDB	EU	GSVG	Total
Land Acquisition			1,829	1,829
Road Construction and Realigning	39,671	9,505	2,644	51,820
Engineering Consulting Services			5,828	5,828
Project Management			1,403	1,403
Base Cost	**39,671**	**9,505**	**11,704**	**60,880**
Physical Contingencies	994		508	1,502
Price Contingencies				
Total Project Cost	40,665	9,505	12,212	62,382
Interest During Construction (IDC)	1,449		2,815	4,264
Commitment Fee	494		225	719
Total Financing	**42,608**	**9,505**	**15,252**	**67,365**
Composition (%)	*63*	*14*	*23*	*100*

Implementation Arrangements

2.11 A Project Coordinating Unit (PCU) established under the Ministry of Transport, Works and Housing (MTWH) was responsible for coordinating and monitoring all aspects of implementation of this project. The PCU was headed by a Project Coordinator (PC), reporting to the Chief Engineer. The establishment of the PCU; recruitment of the PC; and assignment two road supervisors/assistant engineers, secretarial, accounting and clerical staff were conditions precedent to first disbursement of the loan.

2.12 The PC's responsibilities included representation of GSVG in all its dealings with the consultant and the contractors; procurement; contract management, cost control and financial management, liaison with CDB, disbursement claims, and reporting and submission of supporting documentation per the loan conditions.

2.13 Another condition precedent was the establishment of a Project Steering Committee (PSC) to provide technical support and coordinate and monitor the various agencies involved in the provision of services, planning, and implementation. The PSC was chaired by the Director/Deputy Director, Central Planning Division, Ministry of Finance and Planning and included representatives from utility companies and the Ministry.

Identification of Risks and Mitigation Measures[4]

2.14 Major risks identified at appraisal related to project implementation and operation. The main risks and proposed mitigation measures included:

TABLE 4: <u>RISK AND MITIGATION MEASURES</u>

Risk	Mitigation Measures
Inadequate coordination of the multiple projects taking place simultaneously. The CDB-financed contract was expected to coincide with the EU-funded road rehabilitation contract. The Central Water and Sewerage Authority (CWSA) was also implementing the Windward Water Supply Project, inclusive of transmission and distribution works along WH. CWSA would have to complete the laying of pipes ahead of the road contractor to avoid causing delays to the road construction contracts. The main risk to the project was the possible delay resulting from CWSA activities.	Coordination meetings were scheduled and CWSA was required to attend site and PSC meetings to ensure coordination. In the event of a delay by CWSA, MTWH was to hold the invitation to bid, if necessary, to ensure that CWSA had at least a two-month lead on the road contracts. CWSA indicated that it would provide two pipe-laying teams to commence near the start of the CDB and EU-financed road. Reinstatement of the pipeline trenches would be included in the road contractors' contracts to ensure that compaction meets the specifications for roadway construction.
Undue disruption of livelihoods during construction leading to losses which GSVG might be expected to reimburse.	The contractor was required to effectively schedule activities and manage traffic during the construction period, especially in the more populated areas. The contractor was required to ensure access to properties and that diversion routes were capable of accommodating the traffic. The contractor was also required to provide a community liaison agent and a register monitored by the PC and the PSC to ensure that all issues were addressed satisfactorily.
Delays due to difficulties in GSVG acquiring land. This risk was raised by CDB's BOD, recognising that land acquisition is usually a challenge for any road construction project. (This risk was not included in the body of the Appraisal document.)	BOD was assured that the land parcels were small, vacant of any buildings and unoccupied and that the process would be carefully managed so as not to cause delays.

4 Appraisal Document BD 76/02.Page 18.

3. EVALUATION OF DESIGN AND IMPLEMENTATION

Relevance of Design and Formulation

3.01 The design of the project was relevant and timely. CDB supplemented financing from other donors, identified risks and sought to incorporate previous lessons learned from similar projects. A condition precedent was the establishment of a dedicated unit, headed by a PC, to deal exclusively with project coordination.

3.02 GSVG had already engaged consultants with prior experience on similar projects in the Region, and contracted and received designs and Bills of Quantity for the EU-funded section and the realignments in the CDB-funded section. The rates from the costings done on the EU-funded pavement were used to determine CDB cost estimates for road reconstruction. Unfortunately however, although GSVG undertook the detailed design work, the technical design was based on topographical maps, instead of detailed topographical surveys. As a result, the Bill of Quantities was underestimated, resulting in significant cost over-runs.

Project Outputs

3.03 The contractor did not submit a post-construction report. The PCVR relied on the PSR, PCR and AR for the additional loan to document achievement of project outputs.

3.04 The works were undertaken under two contracts. Following the required acquisition of 0.8 hectares (ha) of land, Contract 1 covered works financed by the EU and GSVG and comprised a 7 km section between Mt. Greenan and Georgetown, including the realignment of two road sections, widening of the tunnel and associated works at Byera and the rehabilitation of 12 bridges between Diamond and Georgetown. “The Taking Over Certificate” was issued October 31, 2005.

3.05 Contract 2 covered construction/re-construction of all the physical works of 16 km between Diamond and Mt. Greenan, including the rehabilitation of the existing Yambou River Bridge and realignment of four sections of road. During construction, the scope was adjusted so that only minor resurfacing to “service road standard” on 3 km which would eventually be incorporated within the airport complex was done; changes in road marking and construction of a retaining wall were added and the rehabilitation of the Yambou River Bridge was halted. The “Taking Over Certificate” was issued on May 15, 2007.

3.06 The approval of the additional loan triggered additional variation orders on the contract, including construction of approximately 3 km of new roadway to bypass the airport and the construction of a major bridge structure across the Yambou River. The Completion Certificate was issued on June 23, 2009.

3.07 The PCR documents the outputs at the end of the project as:

(a) Acquisition of 4.64 ha of land.

(b) Reconstruction of approximately 20 km, of WH.

(c) Realignment of approximately 3.5 km of road at seven locations.

(d) Widening and lining of the 50 metre long Byera tunnel to allow for single lane traffic and pedestrian access.

(e) Rehabilitation of 12 bridges and construction of a new bridge across the Yambou River.

(f) Application of road marking paint, roadway signs, edge marking posts, steel beam, guard rails, pedestrian access slabs, sidewalks and median islands.

3.08 The source of this information is not noted and does not align with what was reported in the final PSR, dated March 2013. That PSR incompletely documented the outputs and noted 23 km of reconstructed road; six diversions; and one new bridge and 100% application of all road markings and furniture. The Consulting engineers did not produce a post construction report or as-built drawings, which were themselves outputs. In the absence of the Consulting Engineers report, the Evaluator accepts that outputs were completed based on the issuance of the Taking Over Certificates.

Project Cost and Disbursements

Project Cost

3.09 The PCR provides a matrix of project costs and financing plan that shows differences between the appraised and actual costs. The estimated cost of the project at appraisal was $47.32 mn (USD17.53 mn). The project was to be financed by a CDB loan of USD10.58 mn, an EU loan of USD4.82mn and counterpart financing of USD2.12 mn provided by GSVG. In October 2007, CDB approved an additional loan of USD5.2 mn for the Third Road Project (Windward Highway Reconstruction). The revised cost of the project was estimated at $67.36 mn (USD24.95 mn) (paragraphs 2.09 and 2.10 refer). The PCR estimates actual project costs as $72.97 mn (USD27.03 mn). A summary of original, revised and actual project costs is presented at Table 5.

3.10 The PCR states that there was only one significant variance which was the financing overrun of 202% provided from the finances of GSVG for Road Alignment. This variance resulted from the following:

(a) Non-adherence to EU procedures which meant that only some of the EU funds which were allocated to the project were accessed;

(b) Under-estimation of quantities for base and sub-base materials based on topographical maps and not detailed topographical surveys; and

(c) Adverse weather conditions experienced in 2004 which washed away significant quantities of base course material during heavy rainfall.

3.11 The Evaluator notes that there were also significant cost overruns for project management and interest during construction of $0.53 mn and $0.92 mn, respectively. The PCR does not provide an explanation for these cost overruns.

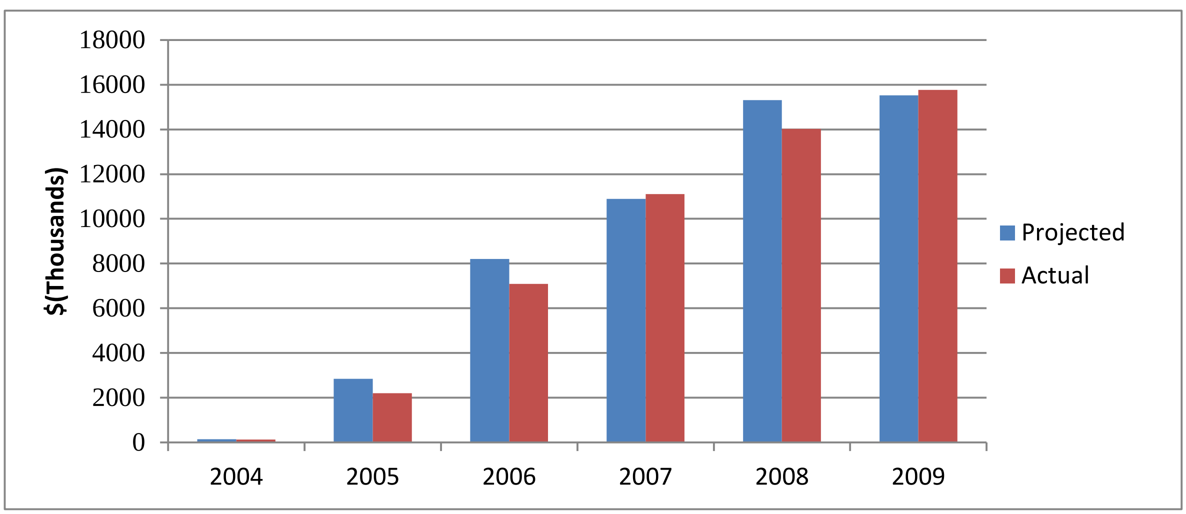
TABLE 5: SUMMARY OF ORIGINAL, REVISED AND ACTUAL PROJECT COSTS
($'000)

Item	Original	Revised	PCR'S Total Actual Costs	Variance From Verified Cost	% Variance
Land Acquisition	435	1,829	1,901	(72)	(4)
Road Reconstruction and Alignment	34,928	51,820	58,651	(6,831)	13
Engineering Services	2,523	5,828	5,828	-	-
Project Management	1,153	1,403	871	532	38
Total Base Costs	**39,039**	**60,880**	**67,251**	**(6,371)**	**10**
Physical Contingency	3,740	1,502	-	994	66
Interest During Construction	1,649	4,264	5184	(920)	22
Commitment Fee	362	719	535	184	26
Price Contingencies	2,530	-			
Total Project Cost	**47,320**	**67,365**	**72,970**	**(5,605)**	**(8)**
USD Equivalent	**17,526**	**24,950**	**27,026**	**(2,076)**	**(8)**

Disbursements

3.12 According to CDB's records in respect of Loan No. 08/OR-STV and 08/OR-STV (Add Loan), after the Closing Date of August 31, 2009, an amount of USD15,767,446 was withdrawn from the Loan Accounts, leaving an unwithdrawn balance of USD13,554. The undisbursed amount was cancelled in February, 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, Related TA, Procurement and Consultant and/or Contractor Performance

Implementation Arrangements

3.13 The implementation arrangements were executed as planned. The PCU however, had a high turnover of PCs. Between October 2003 and October 2007 there were four PCs. The PSC functioned adequately.

Conditions and Covenants

3.14 The Borrower met the conditions precedent in November 2005, more than two years after the Loan Agreement was signed. GSVG complied with most of the loan conditions for the duration of active implementation, except for reporting requirements. These are noted in Appendix 3.

Related Technical Assistance

3.15 There was no related TA associated with this loan.

Procurement

3.16 Procurement was undertaken in compliance with the Loan Conditions. The Consulting engineers provided technical support to GSVG in the preparation of bid documents and evaluation of tender documents. The Registry files show that procurement of the Contractor was problematic and the process lasted for almost two years. Firms were pre-qualified between September 2003 and October 2004. This extended timeframe was due to weaknesses in the Consultant's management of the evaluation process and deficiencies in the initial pre-qualification evaluation report. CDB could not provide non-objection to that report and requested the Consultant to re-evaluate the submissions, using clear criteria and transparent and consistent processes. Tender submission and evaluation of technical proposals were more efficient, lasting approximately three months. The three lowest bids however, had to be discarded for various reasons and the contract was awarded to the fourth lowest bidder which was fully compliant. The contract award was contested by one of the failed bidders, however CDB justified the decision not to go ahead with that bidder and the decision held.

Consultant and Contractor Performance

Consultant Performance

3.17 The PCR assesses the consultant's performance as Unsatisfactory and notes the absence of a final report and as built drawings. It does not discuss the other aspects of Consultant's responsibilities such as design, support for procurement and project supervision.

3.18 The engineering consultants were hired prior to loan approval to undertake the design. In keeping with lessons learned, on approval of the loan they were retained to support procurement, provide supervision and quality control of the roadworks and report to MTWH. The Consultants provided adequate construction supervision and quality control but were weak in procurement processes and the design was not detailed enough to inform the preparation of accurate Bills of Quantities. As noted earlier, the pre-qualification phase of procurement lasted almost two years, due to weaknesses in the Consultant's management of the procurement process and evaluation of submissions. Topographical maps were used rather than topographical surveys, which resulted in cost overruns due to under-estimated bills of quantity. Due to significant delays in receiving payment from GSVG, the Consultants threatened to walk off the site in 2009. By 2009, the activities were essentially complete and the Consultants were obligated to provide a final report and as-built drawings. This was not done, although this could be due to GSVG's protracted delay in paying the consultant.

3.19 The Evaluator concurs with the PCR and rates the Consultant performance on average as Unsatisfactory.

Contractor Performance

3.20 The PCR rates the Contractor's performance as Satisfactory but provides no detailed justification.

3.21 Although there were two contracts (one for the EU/GSVG financed component and the other for the CDB financed component), only the CDB financed contractor's performance was assessed.

3.22 The contract began September 5, 2005 and was originally expected to be completed in 15 months by December 2006. Quality concerns noted by the Consultant Engineers appeared to be addressed prior to completion. The "Taking Over Certificate" for the final section was issued May 15, 2007, six months later than scheduled. Although the scope for the original works was reduced, there was some slippage due to interruption of supply of materials for the base, concrete aggregate and asphalt aggregates. The AR for the additional loan notes several time extensions were requested by the contractor.

3.23 The additional loan was approved in October 2007, though construction activities preceded the approval and began on July 16, 2007. Expected completion date was July 2008.

3.24 The 2009 PSR notes that construction proceeded at a slow pace and did not conform to the work programme. The consultants identified the lack of resources being committed to the project as the main reason for slow progress. By April 2009, the work on the Argyle by-pass was nine months behind schedule, attributed to inclement weather conditions, change of source of sub-base and the need for additional drainage works. The discovery of a historic sugar mill required delays and modifications to the works.

3.25 A completion certificate was issued on September 23, 2009, 14 months later than planned. There is nothing in the files to suggest that quality issues identified by the consultant engineers were not addressed.

3.26 The Contractor submitted valuation claims for extra work which were disputed by the Consultant, and had not been resolved by 2013.

3.27 In general, the contractor's performance was mixed, with a combination of factors in and outside of his control. The Evaluator rates the Contractor's performance as Satisfactory.

Monitoring and Evaluation Design, Implementation and Utilisation

3.28 The Logical Framework Matrix (LFM) and Monitoring and Evaluation processes were not robust enough for evaluating the achievement of project outcomes and impacts.

3.29 The expected outcomes were to: (i) contribute to improved safety and efficiency for road users at selected locations along WH (measured by a reduction in the overall number of accidents by approximately 20% to 400 by 2009); and (ii) facilitate increased economic activity along the road, particularly in agriculture and tourism (measured by a reduction in the value of banana exports due to bruising from approximately 15% in 2002 to 2% by 2008). Another indicator was savings in vehicle operating costs of at least $9 mn annually.

3.30 The indicators do not provide a clear indication of outcome achievement. For example there was no indicator for efficiency – such as reduced travel time. Similarly although outcome (b) speaks to increased economic activity particularly agriculture and tourism, there was no indicator to demonstrate the project's effects on tourism. The indicator for decreased vehicle operating costs (VOC) does not have an associated outcome.

3.31 The LFM therefore does not provide a sufficient basis to assess the achievement of outcomes, due to poor indicator choice. Baseline data for VOC, banana bruising and accidents were provided, which enabled ex-ante and ex-post comparison. The PCR indicates a 38% reduction in accidents but did not provide the source of information. The indicator for increase in agricultural economic activity, proved to be inappropriate as it was based on the assumption of stable or increased banana production for export. There was no data collected for 2009 when construction was completed, however by 2013, banana production had declined and was no longer exported extra-regionally, thereby reducing the importance of unbruised fruit. With respect to a reduction in VOC, the revised calculations documented in the PCR reflect average VOC savings of over $16 mn /annum as of 2014.

3.32 CDB experienced difficulty in obtaining the reports required from the PC. There were no repercussions for non-compliance with the reporting requirements.

3.33 The project supervision plan developed for implementation monitoring by CDB at appraisal was followed and the project was adequately supervised.

4. EVALUATION OF PERFORMANCE (PCR ASSESSMENT AND VALIDATION)

4.01 The following are the ratings of the PCR and PSRs over the project implementation period, and the Evaluator's ratings based on the data reviewed.

Relevance

4.02 The PCR rated Strategic Relevance as Highly Satisfactory and gave it a score of 7.5 out of 10. This is justified by the fact that WH serves the majority of daily traffic and the main agricultural areas and, in the near future, the only international airport. The PCR did not reference any official CDB or GSVG Strategy document to support the conclusion.

4.03 Using the PAS Equivalence matrix, the PCR score of 7.5 converts to an equivalent rating of Highly Satisfactory.

4.04 ***Evaluator's Assessment***: This project was approved in 2002, prior to CDB having a Country Strategy for St. Vincent and the Grenadines. The 2008-2011 Country Strategy was CDB's first attempt to locate CDBs interventions within a holistic strategic framework. Prior to this "the interventions were stand-alone and, as such, were conceived and implemented within that context." [5]

4.05 The project was however included in GSVG's Medium Term Economic Strategy and is consistent with CDB's strategic objective of contributing to the achievement of sustainable economic growth of Member Countries by providing support to the productive sectors of the economy. The project was also supported by other donors. CDB responded quickly to GSVG's priority to construct the new airport. The Evaluator concurs with the rating of Highly Satisfactory.

Effectiveness

4.06 The PCR Rated Effectiveness as Satisfactory and gave it a score of 6.0 out of 10. The justification was that the project was completed and likely to meet its stated objective, though not much analysis is provided, nor are there data sources to verify indicators.

4.07 Using the PAS Equivalence matrix, the PCR score of 6.0 converts to an equivalent rating of Highly Satisfactory. The numerical score is therefore inconsistent with the rating.[6]

Evaluator's Assessment: One of the three outcome indicators cited in the logframe of the AR is the reduction in the level of losses of banana exports due to bruising from approximately 15% in 2002 to 2% by 2007. Given the continued erosion and shrinkage of the banana industry caused by the loss of preferential access to the EU market and the current decline in production from 37,349 tonnes in 2002 to 1,870 tonnes in 2013, this indicator is no longer a relevant measure. In view of the satisfactory performance of the other two indicators, the Evaluator concurs with the Satisfactory assessment of the PCR for Effectiveness.

Efficiency

4.08 The PCR Rated Efficiency as Satisfactory and gave it a score of 6.0 out of 10. This is justified by contract prices being lower than the estimated cost. The numerical score is therefore inconsistent with the rating. [7]

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[5] 2008-2011 Country Strategy Paper – St. Vincent and the Grenadines

[6] PPES 2001 Score of 6.0 - 7.9 corresponds to a rating of "Highly Satisfactory.

4.09 ***Evaluator's Assessment***: While agreeing with the rating, the evaluator does not concur with the justification that contract costs were lower than the estimated costs. While the financial proposals were below the estimated costs, there were cost overruns on all the contracts. The contract cost of the original CDB-funded contract (prior to the loan addition), was XCD26,657,983, however the final cost despite a reduced scope was estimated at XCD27.01 mn. It was noted in the Registry Files that at April 2009, the cost overrun on the contract for the additional loan was XCD3.4 mn. The contract price on the EU funded section was lower than the design consultant's estimate, which resulted in the contractor not being in a position to adequately finance and mobilise resources. The contract price was XCD9,425,116; however the final cost was XCD10,599,107[8].

4.10 In terms of the Economic Rate of Return (ERR), the original loan calculated the ERR of 23%, and was re-estimated for the additional loan at 16.6%. The PCR estimated the ERR at 21%. Therefore quantitatively, project efficiency is considered Highly Satisfactory.

4.11 In terms of implementation, the project was stalled at the beginning and the end. The initial delay was due to the inability of GSVG to acquire the land to satisfy conditions precedent for the original loan; however, land acquisition did not prove to be a bottleneck for the additional loan. Project activities were effectively completed in 2009 and the outstanding issues between 2009 and 2014 when the PCR was commissioned were administrative. Actual construction for the original loan activities was undertaken between 2005 and 2007, a period of two years, compared with the original loan period of about three years. Construction for the new 3 km Argyle bypass and bridge lasted 26 months. Thus construction overall was longer than anticipated, but given some exogenous circumstances, not unreasonably prolonged for the original loan. Implementation for the second loan was less efficient than the first however.

4.12 Overall, despite the high ERR, because of delays in land acquisition and construction implementation, cost over-runs and back-end administrative delays, Evaluator rates efficiency as Satisfactory.

Sustainability

4.13 The PCR Rated Sustainability as **Satisfactory** and gave it a score of 6.0 out of 10. The analysis for project sustainability notes the failure of the PC and GSVG to provide a maintenance plan as being indicative of the institutional issues which could adversely affect sustainability. The 2013 PSR however contradicts this, noting that a maintenance plan is in use and a statutory body dedicated to maintenance has been established.

4.14 Using the PAS Equivalence matrix, the PCR score converts to an equivalent rating of Highly Satisfactory. Thus the scores and the rating are inconsistent. [9] Given the justification provided in the PCR for the score, the Evaluator will assume that the rating given is a more accurate reflection of the PCR's assessment than the numerical score.

4.15 ***Evaluator's Assessment***: At the beginning of the project, WH had no major work carried out since original construction in the 1960s. This project will be sustainable if the intended benefits (improved safety and efficiency for road users and increased economic activity) are likely to be continued

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[7] PPES 2001 Score of 6.0 -7.9 corresponds to a rating of "Highly Satisfactory.

[8] The figures provided in the second Loan AR are somewhat inconsistent with the PCR. PCR notes final project cost of XCD10.207 mn.

[9] PPES 2001 Score of 6.0 - 7.9 corresponds to a rating of "Highly Satisfactory.

over the full intended life of the project. Safety will also be permanently improved by the realignments which reduces sharp corners and approach to bridges. The roadworks will allow for larger trucks to transport goods, as these can now be better accommodated by the realigned and widened roads.

4.16 Other major predictors of sustainability are: (i) initial quality of the works; (ii) extent to which the road surface will be preventatively maintained in a timely and regular fashion; (iii) wear and tear on the road, which is a factor of volume and excess weight of trucks, (v) maintenance of drains and drainage systems; and (vi) increase in the number of vehicles in use relative to anticipated volume.

4.17 There is no evidence to question the quality of the roadwork; however the Government did not provide CDB with a maintenance plan and budget, which were reporting obligations of GSVG. MTWH was required to submit an annual report on the condition of roads and bridges and the nature and cost of maintenance works performed in the preceding year and work planned for the following year.

4.18 With respect to weight control, at the time of appraisal it was noted that "GSVG will place increased emphasis on road maintenance, including the preparation of a maintenance plan and execute its programme for controlling the weight of vehicles using the road". The 2013 PSR reports that the programme for controlling the weight of vehicles had commenced. The poor state of the roads was also attributed to inadequate drainage. Replacing the drains will contribute to reducing water damage in the long term. Based on the foregoing, the Evaluator rates sustainability as *Satisfactory*.

Borrower and EA Performance

The PCR did not rate Borrower and EA Performance.

4.19 ***Evaluator's Assessment***: The 2013 PSR rates Borrower performance as Unsatisfactory. At that time, the Borrower had not finalised the accounts for the works contract, there were delays in payment to the Consultant Engineer, and CDB was not able to obtain data to complete the PCR. This PSR rating conflicted with previous assessments however and appears to refer only to recent performance.

4.20 In the Evaluator's view, borrower performance was mixed, but on the whole Satisfactory. GSVG staffed the PCU; and although there was high turnover of PCs, this did not seem to significantly adversely affect implementation during construction. The PSC was established and meetings were held. There did not appear to be significant delays or issues due to inter-agency coordination. PSRs for 2006, 2007, and 2008 note the Borrower's commendable management of the construction contract. The Loan was fully disbursed in 2009, two years after approval of the additional loan. The 2013 PSR also noted the Borrower's performance in establishing maintenance arrangements which will enhance sustainability of the new road.

4.21 There were some weaknesses in the Borrower's performance which contributed to the need to extend project administration and supervision beyond completion of construction activities because reporting obligations were not met. The unwillingness of the Consulting Engineer to produce a final report and as-built drawings seem due to the delays in payment and poor follow-up by the PCU. Non-compliance with EU procurement rules necessitated GSVG compensation of costs related to the EU-funded portion. This did not appear to affect implementation but increased GSVG's counterpart contribution unnecessarily. While land acquisition was a bottleneck for the first loan, this was not the case for the second. The Evaluator questions whether the technical staff within the MTWH should have accepted a design based on topographical maps rather than actual surveys, given the impact this in underestimating the Bill of Quantities.

4.22 Overall, the Evaluator assesses the performance of the Borrower as Satisfactory.

CDB Performance

4.23 The PCR did not rate CDB performance

4.24 ***Evaluator's Assessment:*** CDB undertook 11 supervision missions during the project not including the mission to prepare the PCR. The PCR only lists 8, but the Evaluator reviewed 11 reports. CDB responded to the request for additional financing for the Argyle by-pass. CDB showed willingness to finance securing of historical artefacts discovered during the road alignment at Argyle.

4.25 CDB also provided very valuable guidance and feedback for the procurement of the Contractor, and worked with the Consultant Engineer to ensure the procurement was undertaken in a transparent and objective way. CDB appropriately stood its ground when the procurement decision was challenged.

4.26 The evaluator rates CDB's performance as Satisfactory.

5. OVERALL PERFORMANCE RATING

Overall Performance Rating

5.01 The PCR rates the overall performance of the project as Satisfactory. The Evaluator also rates the overall performance of the project as Satisfactory. The rating is based on the fairly efficient completion of construction and arrangements put in place for sustainability. The project was relevant to the needs of SVG and complemented other donor support. While the performance of the Borrower was mixed, the instances of poor performance were more related to administrative weaknesses, rather than management of implementation. Weaknesses in the LFM and selection of weak and inadequate indicators made a more thorough assessment of effectiveness challenging.

Lessons

5.02 The PCR identified three lessons learned from implementation of the project as:

(1) In view of the relatively small cost of funding project management services provided by a PC and the significant impact the quality of those services can have on a project it may be advisable for CDB to routinely provide funding for project management services provided by a PC and only vary this funding arrangement where a request is made by the Borrower.

(2) In order to facilitate decision making it may be advisable to include specific criteria in a project to trigger escalation and review, where targets or conditions are not met.

(3) The ease of use and usefulness of the ‘banana bruising’ indicator chosen for evaluation of project outcomes was unsatisfactory, which suggests the choice of indicators requires greater consideration.

5.03 The Evaluator is not clear whether the escalation trigger refers to the contract between GSVG and the Consultant or Contractor, or whether it refers to the Loan Contract. The Evaluator would add to Lesson 1 that competent contract management of construction projects by the Borrower is critical for success and the PC should be selected on the basis of a history of successful construction contract management.

5.04 The Evaluator identified three additional lessons:

(a) The project reinforces past experience that land acquisition can be a bottleneck, which can significantly delay initiation of construction projects. Land acquisition should be completed before the AR is submitted to the Board for approval.

(b) CDB should ensure that Bills of Quantities are derived from a full detailed design informed by physical site surveys, rather than relying on maps.

(c) A positive lesson that can be drawn from the project is the benefit of weighing other criteria as significantly as least-cost. The procurement process took into account assessment of the performance of the lowest qualified bidder and did not rely only on a assessing only the financial proposal from pre-qualified firms. Had the procurement process selected the second lowest bidder, who was already working on the EU-funded portion, and ignored known performance issues, the project may have suffered.

6. RATINGS

6.01 The scores and ratings from the PCR are noted in Table 6. The PCR's numerical scores do not match the ratings per the PAS 2013 rating scale. The PCVR will use the ratings rather than the score for assessment of the PCR.

TABLE 6: SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL PERFORMANCE ASSESSMENT OF THE PROJECT

Criteria	PCR[10]	OIE Review	Reason, if any, for Disagreement/Comments
Relevance	PPES Score 7.5 = Highly Satisfactory PCR Rating Highly Satisfactory (4)	Highly Satisfactory (4)	
Effectiveness	PPES Score 6.0 = Highly Satisfactory PCR Rating Satisfactory (3)	Satisfactory (3)	
Efficiency	PPES Score 6.0 = Highly Satisfactory PCR Rating Satisfactory (3)	Satisfactory (3)	While agreeing with the rating, the Evaluator did not agree with the PCR's analysis.
Sustainability	PPES Score 6.0 = Highly Satisfactory PCR Rating Satisfactory (3)	Satisfactory (3)	
Composite (Aggregate) Performance Rating	**PPES Score 6.8 = Highly Satisfactory** **PPES Equivalent= 3.25**	**Satisfactory 3.25**	
Borrower & EA Performance	Unrated	Satisfactory	
CDB Performance	Satisfactory	Satisfactory	
Quality of PCR		Marginally Unsatisfactory	

10 PPES scores and ratings used in PCR and PSRs to be converted to PAS 2013 scores and ratings, using the equivalence matrix in the relevant PAS 2013 Manual (Public Sector Investment Lending and TA; PBL; CSP).

7. COMMENTS ON PCR QUALITY

7.01 The Evaluator rates the PCR quality as Marginally Unsatisfactory. This is based on poor coherence between the numerical scores, ratings and justification for the scores. The analysis was not substantial and there was no stakeholder feedback via a closing workshop to support the assessments. The data sources and references in support of the satisfaction of indicators were absent. The PCR is also incomplete; there was no exit workshop, Borrower or CDB self-assessment. Lessons learned identification was adequate.

8. DATA SOURCES FOR VALIDATION

(a) CDB Appraisal Document Paper BD 76/02 & BD 76/02 Add.1

(b) PCR dated December 18, 2015

(c) Registry Files Volumes 1-4

(d) PSRs (2003-2012)

(e) Communication material from CDB Staff

(f) Documents provided by CDB Staff

9. RECOMMENDATIONS FOR OIE FOLLOW-UP

There are no recommendations for OIE follow up.

LOGICAL FRAMEWORK MATRIX

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions
Goal: To contribute to the social and economic development of St. Vincent and the Grenadines through improved road transportation infrastructure	1. Improvement in social indicators, including household incomes and poverty levels. 2. An average economic growth rate of 3%.	1. Central Statistical Office records 2. Socio Economic Surveys 3. ECCB reports	1. Macroeconomic stability 2. Complementary projects 3. Supporting GSVG policies
Purpose: (a) To contribute to improved safety and efficiency for road users at selected locations along WH. (b) To facilitate increased economic activity along the road particularly in agriculture and tourism.	1. A reduction in the overall number of accidents by approximately 20% to 400 by 2009. 2. A reduction in the level of losses in the value of banana exports due to bruising from approximately 15% in 2002 to 2% by 2008. 3. Savings in VOC of at least $9 mn annually from 2009.	1. Police and accident statistics 2. Interviews with vehicle operators 3. MTWH traffic surveys 4. Agricultural statistics 5. SVG Banana Association records.	1. Traffic projections achieved 2. Banana prices do not fall significantly below current levels
Outputs: Road reconstructed, hazardous sections diverted, road geometry enhanced along WH from Diamond to Georgetown	**Operating:** Approximately 23 km of road reconstructed with 6m-wide carriageway, six sections diverted, 12 bridges rehabilitated, 1 new bridge constructed, with road marking and furniture by September 2008.	1. Site inspections 2. Consultants monthly reports 3. PC's reports 4. Project Completion Report	**Affecting Inputs to Outputs Link:** 1. Construction completed in accordance with contract 2. No natural disasters occur 3. Roads are properly maintained

Inputs:	Year (XCD' 000) To June 2007	July-Dec 2007	2008	Total
Land Acquisition	425	1,394		1829
Road Reconstruction Road Realignment Road Marking and Furniture Bridge Rehabilitation	33,345	7,030	11,445	51,820
Engineering Consultancy Services	2,523	1,322	1,983	5,828
Project Management	1,153	100	150	1,403
Base Costs	**37,456**	**9,846**	**13,258**	**60,880**
Physical Contingencies				1,520
Price Contingencies				
IDC and Commitment Fee	1,634	889	460	4,983
Total Project Cost	**39,089**	**11,282**	**16,993**	**67,365**

Means of Verification	Assumptions
1. Monthly Progress Reports from PC 2. CDB Supervision site reports 3. CDB Disbursement records 4. Quarterly Reports on Investment Costs of Projects	**Affecting Inputs:** 1. GSVG is able to provide counterpart funds as required 2. Inflation does not exceed 3% p.a. 3. No abnormal weather conditions experienced during construction period 4. Competent PC engaged

APPENDIX 1

APPENDIX 2

PCR and PSR: PROJECT PERFORMANCE EVALUATION

Criteria	PSR			PCR		Justification	PAS Equivalence	
	Expected Score[11]	Current Score[12]	Rating	Score	Rating		Score	Rating
Strategic Relevance/ *Relevance*	7.5	7.5	Highly Satisfactory	7.5	Highly Satisfactory		4	Highly Satisfactory
Poverty Relevance/ *Relevance*	6.5	6.5	Highly Satisfactory	5.0	Satisfactory			
Efficacy/ *Effectiveness*	7.5	7.5	Highly Satisfactory	6.0*	Satisfactory		3	Highly Satisfactory
Cost Efficiency/ *Efficiency*	6.5	6.5	Highly Satisfactory	6.0*	Satisfactory		3	Highly Satisfactory
ID Impact/*Thematic Areas and ID Assessments*	N/A	N/A	N/A	N/A			3	N/A
Sustainability	7.0	7.0	Highly Satisfactory	6.0*	Satisfactory		3	Highly Satisfactory
Composite (Aggregate) Performance Score and Rating	7.1	7.1		6.1				

***** A score of 6.0 translates to a PAS 2013 Equivalent rating of Highly Satisfactory, however the PCR rates these Criteria as Satisfactory. The PCR is assessed on the rating instead of the score.

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[11] The PSRs do not note an original performance score. Expected scores taken from AR for Additional Loan.

[12] From PSR 2012

CDB LOAN CONDITIONS – NOT MET OR PARTIALLY MET

Reference	Critical Conditions	Compliance	Comments
Section 6.02 (kk)	Preparation and submission to the Bank of a Project Completion Report within six (6) months after the date of final disbursement	**Not met**	
Section 6.03 (a) (ii)	Preparation of a completion report on construction of the Project, including as-built drawings	**Not met**	
Section 6.05 (b) (i) (iii); (c)	Maintenance (a) Commencing the year after completion of the Project, the Borrower shall furnish to the Bank, not later than March 31 in each year: (i) an annual report prepared by MTWH on the condition of project roads and bridges, nature and the cost of maintenance works performed in the preceding year and the nature and estimated cost of maintenance works planned for the year; (iii) A copy of the approved annual budget as it related to recurrent and capital expenditures for MTWH. (b) Commencing in 2005 and during each succeeding year, staff of the Bank and MTWH shall jointly undertake surveys of Project Roads and structures and where defects are identified, the Bank shall discuss corrective action with MTWH.	**Not met**	
Section 6.07 (ii), (iii)	Reports and Information "… the Borrower shall furnish the reports listed in Schedule 4 in the form specified therein….. not later than the times specified or in such form or forms as the Bank may require: (i) the reports listed in Schedule 3 …. (ii) by December 31, 2004, a three year maintenance plan for roads and bridges (iii) by June 30 in each year preceding the beginning of each financial year, commencing in 2005 and annual update of the three-year maintenance plan.	**Partially met**	

APPENDIX 3