

**CARIBBEAN DEVELOPMENT BANK**



**EXECUTIVE SUMMARY WITH MANAGEMENT RESPONSE**

**PROJECT COMPLETION VALIDATION REPORT**

**FLOOD MITIGATION – CASTRIES, ANSE LA RAYE  
ST. LUCIA**

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**OFFICE OF INDEPENDENT EVALUATION**

**MARCH 2016**

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**EXECUTIVE SUMMARY**

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## EXECUTIVE SUMMARY

### 1. BASIC PROJECT DATA

<b>Project Title:</b>	Flood Mitigation – Castries, Anse La Raye – St. Lucia
<b>Country:</b>	St. Lucia
<b>Sector:</b>	Multi Sector
<b>Loan No.:</b>	29/SFR-OR-STL
<b>Borrower:</b>	Government of St. Lucia (GOSL)
<b>Implementing/Executing Agency:</b>	Ministry of Communications, Works, Transport and Public Utilities

### CARIBBEAN DEVELOPMENT BANK (CDB) LOAN AND GRANT (USD mn)

#### Disbursements (\$mn)

	<u>OCR</u>	<u>SFR</u>	<u>Total</u>
Loan Amount	3.72	1.73	5.45
Technical Assistance Grant	-	0.02	0.02
Total Loan and Grant Disbursed	3.72	1.75	5.47
Cancelled	-	-	-

#### Project Milestones

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
Board Approval	2004-03-03	2004-03-03	-
Loan Agreement signed	2004-05-17	2004-06-15	1
Loan Effectiveness <sup>1</sup>	2004-08-14	2005-04-29	(8.5)

#### CDB Loan

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance (months)</u>
First Disbursement Date	2004-09-30	2005-05-25	(7.8)
Terminal Disbursement Date (TDD)	2006-12-31	2010-06-30	(4 8)
TDD Extensions (number)	-	3	-

#### Project Cost & Financing (\$mn)

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance</u>
CDB Loan	5.45	5.30	0.15
CDB Grant	0.02	0.02	-
Counterpart (GOSL)	1.55	0.63	0.92
Total	7.02	5.95	1.07

#### Terms

	<u>Interest Rate</u>	<u>Repayment</u>	<u>Grace Period</u>
CDB Loan (SFR)	2.5% (Fixed)	30 years (including grace period)	8 years
CDB Loan (OCR)	5.50 (variable)	22 years (including grace period)	5 years

#### Implementation

	<u>At Appraisal</u>	<u>Actual</u>	<u>Variance</u>
Start Date <sup>2</sup>	2005-04-29	2005-04-29	(8 months)
Completion Date	2006-05-31	2010-10-31	(53 months)
Implementation Period	1.7 years	5.5 years approx.	(3.8 years)

#### Economic Rate of Return (%)

At Appraisal	14%
Additional Loan	Not applicable

<sup>1</sup> Date conditions to First Disbursement satisfied

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

## **2. PROJECT DESCRIPTION**

2.01 The island of St. Lucia is mountainous and vulnerable to landslides and flooding in coastal plains in locations such as Castries, Anse La Raye and Vieux Fort which lie below sea level. After widespread flooding in St. Lucia from tropical storm Debbie, the Government of St. Lucia (GOSL) undertook design work to improve the drainage systems in Castries, and Anse La Raye. In 2004, the Government requested assistance from CDB to finance a flood mitigation project. The Board of Directors (BOD) of CDB approved a loan of USD5,453,000 and a grant of USD20,000 for public education and awareness activities

### **EXPECTED OUTCOMES AND STRUCTURE**

2.02 The project purpose was to reduce the potential for disaster from flooding in Castries and Anse La Raye. CDB financed costs associated with the pre-investment study, drainage improvement works, upgrading of the pumping station, and contingencies. Additional activities such as the land acquisition and relocation of residents, installation of river gauges, engineering services and project management were financed by GOSL. The Executing Agency was the Ministry of Communications, Works, Transport and Public Utilities, within which a Special Projects Unit was established to manage the project.

### **EVALUATION OF PERFORMANCE**

2.03 The PCR was prepared in 2013 and validated by OIE in 2015. The Evaluator rates the overall performance of the project as *Satisfactory*. The project was highly Relevant and Efficient, however the assessment of Effectiveness was compromised by lack of data. The assessment of Sustainability was difficult as the Evaluator could not ascertain the current state of sustainability conditions. Both CDB and the Executing Agency performed satisfactorily. The PCR used an outdated template and was incomplete.

### **BORROWER AND EXECUTING AGENCY PERFORMANCE**

2.04 The Evaluator is in agreement with the *Satisfactory* rating in the PCR. The only observed shortcomings were the protracted procurement and contracting process for one consultancy, the absence of the River Stream Gauges which were to be financed and installed by the Government of St. Lucia and inadequate compliance with the reporting requirements.

### **THE CARIBBEAN DEVELOPMENT BANK'S PERFORMANCE**

2.05 The Evaluator rates CDB performance as *Satisfactory* given that project supervision was adequate, PSRs provided sufficient information for project oversight and CDB was responsive to requests for non-objection and feedback. However, CDB did not ensure that monitoring reports were submitted as required, which was a condition of the loan and would have strengthened outcome reporting.

## **LESSONS LEARNED**

2.06 The following lessons were learnt:

- (a) A comprehensive mapping of all infrastructure present is necessary to facilitate construction, maintenance and future works upgrading.
- (b) For disaster mitigation to be effective, infrastructure work must be accompanied by behaviour change, both in affected communities, as well as upstream communities where poor practices can put downstream communities at risk. This necessitates: (i) broad-based ongoing public awareness and education; (ii) enabling conditions for risk reduction activities – such as improved solid waste management facilities (bins, regular garbage collection etc), policies/incentives (recycling, deposit legislation); and (iii) enforcement of laws around littering, unauthorised farming and development.
- (c) Reporting requirements must serve practical needs for project supervision and evaluation, be feasible to comply with, and incorporate outcome reporting as well as output reporting. Data collection requirements indicated by the log frame were not integrated into the reporting requirements; however these were not really feasible to collect and would have required dedicated resources which was never programed into the budget.
- (d) The pooling of funds with the Inter-American Development Bank and the waiver of CDB's procurement opened up a wider pool of suppliers, from which to select the successful candidates.

## **RECOMMENDATIONS**

2.07 Given the nature of the project and the time elapsed since completion there are no practical recommendations for CDB at this time.

**TABLE 1: SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL PERFORMANCE ASSESSMENT OF THE PROJECT**

Criteria	PCR <sup>3</sup>	OIE Review	Justification
<i>Relevance</i>	No rating	Highly Satisfactory (4)	The project was consistent with CDB and GOSL's intent to reduce vulnerability to natural hazards and environmental risks". The project complemented other flood mitigation projects after Tropical Storm Debbie. The civil works and pumps were required to upgrade the aging and inadequate infrastructure which could no longer handle routine rainfall events in Castries and Anse La Raye. The reported reduction in flooding confirms its relevance. With better data collection, anticipated benefits such as savings in the provision of national emergency services, post-flooding related health-care costs and post disaster clean-up costs and lower incidence of injury and death could have been quantified to further demonstrate relevance after completion.
<i>Effectiveness</i>	Highly Probable	Marginally Unsatisfactory (2)	Verifiable assessment of the achievement of outcomes using the indicators in the log frame was not possible as there were no baseline, nor end of project measurements for any of the indicators. Anecdotal reports indicated that since the completion of the works in both locations, no flooding had occurred after heavy rainfall which otherwise may have resulted in flooding; and residents of both Castries and Anse La Raye reported significant improvement in overall drainage conditions. It was assumed there have been productivity gains and reduction in costs related to health care, sanitation and clean up, however there is no data to support this. Had the indicator data been collected to demonstrate the inferred achievement of outcomes, the rating would probably have been higher.
<i>Efficiency</i>	Satisfactory	Marginally Unsatisfactory (2)	Efficiency was affected by a delay in meeting conditions precedent for first disbursement (13 months) and externalities beyond the control of the executing agency. Given the nature of the project, the original timeline (1 year and 9 months) may have been highly ambitious for an infrastructure project. The project was under implementation for 6 years and 7 months from Board approval and 5 years and 5 months after contract effectiveness. There was insufficient time allocated to accommodate slippage – not the least of which was the potential impact of rain and flooding in areas prone to flooding. Procurement was efficient, and the identification of additional work extended the implementation timeline for some work packages. The protracted execution beyond 2008 was due to a specific problem with the supply of pumps for the Castries pumping station. Materials shortages also compromised efficiency.

<sup>3</sup> 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).

Criteria	PCR <sup>3</sup>	OIE Review	Justification
<i>Sustainability</i>	Satisfactory	Satisfactory (3)	Whether these benefits will be sustained will depend on a number of elements being in place including the public's management of solid waste, maintenance of the drainage systems and pumps, proper land use practices and development control, interagency cooperation and consistent financing for regular maintenance and servicing of pumps and the drainage system. It was outside of the scope of the validation exercise to verify whether these conditions still exist, have worsened or improved; and in the absence of any supporting documentation, there was limited basis on which to rate the sustainability of the project. GOSL, nonetheless, has demonstrated ownership and commitment to the project. The Evaluator notes from the PSRs and the PCR that planned annual maintenance was being undertaken on the Castries drainage system on a regular basis.
<b>Composite (Aggregate) Performance Rating</b>		<b>Satisfactory (2.75)</b>	
<i>Borrower &amp; EA Performance</i>	Satisfactory	Satisfactory	Procurement and technical execution were satisfactory. The only observed shortcomings were the protracted procurement and contracting process for one consultancy, the absence of the River Stream Gauges which were to be financed and installed by the Government of St. Lucia and inadequate compliance with the reporting requirements.
<i>CDB Performance</i>	Not rated	Satisfactory	Project Supervision was adequate and PSRs provided sufficient information for project oversight. CDB was responsive to requests for non-objection and feedback. However, CDB did not ensure that monitoring reports were submitted as required, which was a condition of the loan and would have strengthened outcome reporting.
<i>Quality of PCR</i>		Marginally Unsatisfactory	The PCR was prepared using an older template and was incomplete. Core criteria were not rated. Financial data was missing as were details about specific activities and work packages. Reporting on outputs did not correspond to the logical framework.



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**MANAGEMENT RESPONSE**

1.01 The draft Project Completion Validation Report (PCVR) for the Subject project was reviewed by Staff of the Economic Infrastructure Department and we find the conclusions of the PVCR to be reasonable, and hereby accept the report.