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**CARIBBEAN DEVELOPMENT BANK**



**EVALUATION REPORT**

**MULTICYCLE EVALUATION OF THE UNIFIED SPECIAL DEVELOPMENT FUND (SDF)  
EIGHTH AND NINTH CYCLES  
WITH MANAGEMENT RESPONSE (ANNEX 1)  
FINAL REPORT**

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**OFFICE OF INDEPENDENT EVALUATION  
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# **Final Report of the Multicycle Evaluation of the Unified Special Development Fund (SDF), Eighth and Ninth Cycles**





Final Version

April 2024

## Final Report of the Multicycle Evaluation of the Unified Special Development Fund (SDF), Eighth and Ninth Cycles

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## Acronyms

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BAC	Municipal Agricultural Offices
BMCs	Borrowing Member Countries
BNTF	Basic Needs Trust Fund
CA	Contribution Analysis
CARICOM	Caribbean Community
CCS	Country Classification System
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster and Emergency Management Agency
CMDGs	Caribbean-specific Millennium Development Goals
CGA	Country Gender Assessment
CROSQ	CARICOM Regional Organisation for Standards and Quality
CSEC	Caribbean Secondary Education Certificate
CTCS	Caribbean Technological Consultancy Service
CSME	CARICOM Single Market Economy
CXC	Caribbean Examination Council
CSPs	Country Strategy Papers
DAC	Development Assistance Committee
DER	Development Effectiveness Review
DRR	Disaster Risk Reduction
ECD	Early childhood development
EID	Economic Infrastructure Division
EPT	Educación para Todos –in Spanish. Education For All
ESU	Environmental Sustainability Unit
ETPS	Education and Training Policy and Strategy
EvalNet	OECD DAC Network on Development Evaluation
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
GEEP	Grenada Education Enhancement Project
GOGRA	Government of Grenada
GOSVG	Government of Saint Vincent and the Grenadines
GWh	Gigawatt hour
HCO	Haiti Country Office
IADB	Inter-American Development Bank
ICT	Information and communications technology
IFAD	International Fund for Agricultural Development
INGP	Inter-American Network on Government Procurement
MARNDR	Ministry of Agriculture, Natural Resources and Rural Development
MDBs	Multilateral development banks
MDGs	Millennium Development Goals
M&E	Monitoring and evaluation
MfDR	Managing for Development Results
MSME	Micro, small and medium-sized enterprises
MTR	Mid-Term Review
MW	Megawatts
NDCs	Nationally Determined Contributions





OCR	Ordinary Capital Resources
OECD	Organisation for Economic Co-operation and Development
OIE	Office of Independent Evaluation
PCR	Project Completion Reports
PSR	Project Supervision Reports
QEPE	Quality Enhancement in Public Education Project
RAS	Resource allocation strategy
RCI	Regional Cooperation and Integration
RMF	Results Monitoring Framework
RPGs	Regional public goods
RQI	Regional Quality Infrastructure
SDF	Special Development Fund
SDGs	Sustainable Development Goals
SIP	School Improvement Project
SMART	Specific, Measurable, Achievable, Relevant and Timebound
SVG	Saint Vincent and the Grenadines
TA	Technical assistance
TDD	Terminal Disbursement Date
ToC	Theory of Change
TVET	Technical and Vocational Education and Training
WHH	Welthungerhilfe

## Executive summary

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This report presents the findings, conclusions, and recommendations from the Multicycle Evaluation of the Unified Special Development Fund (SDF), specifically focusing on the Eighth and Ninth Cycles (SDF 8 and SDF 9). It was commissioned by the Caribbean Development Bank's (CDB) Office of Independent Evaluation (OIE) and conducted by Technopolis Group. The evaluation aimed to identify achievements, challenges, and recommendations to improve future SDF cycles, particularly SDF 11, the replenishment phase of which is scheduled to begin in March 2024. To this end, the evaluation addresses five key criteria: Relevance, Coherence, Efficiency, Effectiveness, and sustainability, following OECD DAC guidelines.

SDF 8 (2013–2016) aimed to address development challenges, focusing on inclusive and sustainable growth, environmental sustainability and climate change, citizen security, and regional cooperation and integration (RCI). The overall programme level was USD\$348 million.

SDF 9 (2017–2020) aligned with new international development frameworks, emphasising support for Sustainable Development Goals (SDG) targets, climate resilience, and regional cooperation. Major cross-cutting areas included good governance, environmental sustainability, and gender equality. The programme level for SDF 9 was USD355 million.

Key differences between SDF 8 and 9 include the full incorporation of SDGs into SDF 9's poverty-reduction principles, structural reforms in the Basic Needs Trust Fund (BNTF), and initiatives such as the opening of the Haiti Country Office and the regional focal point for RCI initiatives.

The evaluation of SDF 8 and SDF 9 highlights several key findings:

- **Relevance:** Both cycles are highly relevant for addressing development challenges in Borrowing Member Countries (BMCs), particularly in education, climate change, and infrastructure. The availability of both loan and grant financing makes SDF crucial, especially for countries facing debt constraints. However, challenges such as potential graduations, considerations around poverty levels, and vulnerability to climate change suggest the need for ongoing revisions to ensure adequate resource distribution.
- **Coherence:** SDF demonstrates collaboration with stakeholders but faces challenges in matching the scale and impact of initiatives funded by organizations with more significant financial capacity. Efforts to complement and coordinate with external programmes are noted, but there is room for improvement in harmonizing administrative and financial procedures.
- **Efficiency:** While operational performance is adequate, challenges such as delays and suboptimal disbursement rates exist, attributed to difficulties in project implementation capacity exacerbated by the COVID-19 pandemic. Despite efforts to enhance efficiency, significant opportunities for improvement remain, particularly in monitoring and evaluation frameworks.
- **Effectiveness:** There has been mixed progress in achieving short- and medium-term outcomes aligned with the SDF's mission. Projects have generated positive changes across various sectors:
  - Positive changes have been observed in various sectors across participating countries, including poverty reduction and human development through BNTF projects. Challenges in project management, disbursement rates, and gender analysis integration require further enhancement.
  - Progress in education and training is noted in Haiti, but challenges persist in irrigation committee management due to data limitations, political instability, and environmental vulnerabilities.

- SDF investments in education and training have improved infrastructure and student conditions, though difficulties exist in tracking mid-term outcomes.
- Projects addressing environmental sustainability, climate change, and disaster response show mixed outcomes, with successful infrastructure improvements but unmet targets for renewable energy and energy efficiency.
- Challenges in economic and social infrastructure projects, mainly due to COVID-19 and natural hazards, result in incomplete medium-term outcomes assessment.
- Initiatives supporting private-sector development, regional integration, and gender equality exhibit positive impacts but face challenges that require sustained focus and monitoring for lasting results.
- **Sustainability:** Efforts have been made to ensure the sustainability of project results through various actions and safeguards. However, challenges persist in maintaining benefits beyond the intervention period, particularly regarding government capacity, climate events, and project maintenance. Long-term perspectives and continuous efforts are needed to address sustainability challenges effectively.

The **core recommendations** we propose are as follows:

- **Reevaluate the Country Eligibility Criteria of the SDF to allocate and concentrate resources in sector-wide transformational initiatives.** This recommendation aims to ensure that SDF resources are more accurately targeted towards those in greatest need, promote significant developmental impacts through strategic project appraisal, and enhance the competitiveness of the SDF by adopting innovative financing solutions.
- **Ensure SDF resources are allocated earlier in the cycle and that most resources are deployed within the SDF cycle timeframe.** This recommendation aims to drive operational efficiency to commit and deploy the most available resources within SDF cycle timeframes.
- **Expand capacity-building and streamline procedures to improve project implementation.** The objective of this recommendation is to expand the capacity-building of BMCs/CDB staff and leverage technology to streamline procedures for projects financed through the SDF. The aim is to foster a more conducive environment for project execution, ensuring timely completion, increased participation from qualified bidders, and, ultimately, the successful achievement of project goals.
- **Strengthen the monitoring and evaluation framework to drive evidence-based decision-making.** The objective of this recommendation is to strengthen performance monitoring, assess impact, inform decision-making for continuous improvement, maximise intervention impact, and enhance the accountability and transparency of SDF projects.
- **Improve the process of designing interventions to increase their effectiveness and sustainability.** This recommendation aims to enhance the SDF's capacity to leverage innovative solutions that effectively and sustainably respond to the emerging objectives and needs faced by BMCs (i.e., in areas such as gender and resilience) and identified in Country Engagement Strategies.

# 1 Introduction

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This report presents the findings, conclusions, and recommendations of the Multicycle Evaluation of the Unified Special Development Fund (SDF), Eighth and Ninth Cycles (SDF 8 and SDF 9, respectively). This evaluation was conducted in the framework of consultancy commissioned to Technopolis Group by the Office of Independent Evaluation (OIE) of the Caribbean Development Bank (CDB).

## 1.1 Evaluation objectives

The main objective of this evaluation is to identify and assess the merits of SDF 8 (2013–2016) and 9 (2017–2020), focusing on achievements at the outcome-level and gathering insights that contribute to improvements in the design and implementation of the subsequent cycles of SDF, particularly of SDF 11 whose replenishment phase will start in March 2024.

## 1.2 Scope of the evaluation

The evaluation covers the implementation of SDF 8 and 9 during the period 2013 to 2020, taking into account their design and objectives, as well as any relevant contextual developments which occurred during the implementation period (e.g., the COVID-19 pandemic) to understand the trajectory and future orientations of SDF and to ensure that its recommendations are forward-looking and relevant for future operations.

Similar to previous evaluations of the 6th and 7th cycles of SDF, performed in 2016, this evaluation generates lessons for future SDF cycles while providing an independent view of stakeholders' perspectives on the success and failure factors in designing and implementing the interventions financed by the fund.

## 1.3 Evaluation methodology

### 1.3.1 Overall methodological approach

The evaluation employed a theory-based methodology guided by the Theories of Change (ToC) of the two cycles, defined by the consultant team in consultation with CDB staff. The ToC describes and illustrates how and why changes were expected due to the SDF interventions (see section 2.5 and Appendix B for details.).

Thus, the evaluation consisted of testing and assessing the ToC and establishing, for the outputs and especially outcomes documented in secondary sources, the contribution of the SDF interventions. Concerning contribution, the methodological approach used in the evaluation recognises that the performance of interventions (i.e., the achievement of results) has been influenced by other factors, either facilitating or hindering them.

The OECD DAC evaluation criteria were used to test the ToC of SDF 8 and 9. They provided a more comprehensive understanding of the design, implementation, and results of SDF interventions and made the evaluation process more robust. The theory-based approach combined qualitative and quantitative research tools, including reviews of previous evaluations, semi-structured interviews and case studies.

### 1.3.2 Evaluation criteria and questions

The evaluation addressed the following overarching question: **how well have SDF 8 and 9 done?** To respond to this question, we addressed several sub-questions according to most of the OECD DAC evaluation criteria<sup>1</sup>:

*Table 1 Evaluation questions and criteria*

OECD DAC evaluation criteria	Evaluation questions
Relevance	EQ1: To what extent did SDF 8 and 9 align with and support BMCs' poverty reduction and sustainable social and economic inclusive growth priorities? EQ2: How well did the SDF adapt over the Eighth and Ninth Cycles to respond to evolving challenges of the region (e.g., economic, climatic, or global health crises such as the COVID-19 pandemic)?
Coherence	EQ3: To what extent did SDF 8 and 9 complement and coordinate with CDB programmes, policies, strategies, and other development partners' initiatives?
Efficiency	EQ4: To what extent did the governance and operational arrangements support the efficient implementation of SDF 8 and 9?
Effectiveness	EQ5: What outcome-level changes occurred as a result of SDF 8 and 9 investments? EQ6: To what extent did SDF 8 and 9 serve the Bank's strategic priorities and contribute to the achievement of BMCs' development goals?
Sustainability	EQ7: To what extent have the benefits of SDF 8 and 9 continued or are likely to continue beyond the end of the interventions?

Table 19 in summarises the evaluation questions and further sub-questions according to each criterion. The specific questions are derived from the proposed general questions and criteria in the Terms of Reference. The Appendix A also includes a detailed description of each evaluation criteria.

### 1.3.3 Sources and tools

The evaluation methodology combined a series of sources and tools that allowed data triangulation for the identification of the main findings, including the review and synthesis of 61 key evaluation reports (meta-analysis of documentation), the development of 5 case studies, 4 field visits and 30+ semi-structured interviews with CDB staff, and BMC and non-BMC representatives. These sources and tools are briefly introduced below. A detailed explanation can be found in Section .

- The **evaluation synthesis** approach allowed us to aggregate findings from previous evaluations, reports, and assessments. With this, we systematically reviewed the main results and achievements of SDF 8 and 9 operations, relevant insights on SDF 8 and 9 performances at the country level, and their contributions to the SDF's thematic and cross-cutting areas.

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<sup>1</sup> The Development Assistance Committee, or DAC, is the principal body through which the Organisation for Economic Co-operation and Development (OECD) deals with issues related to cooperation with developing countries. The OECD DAC Network on Development Evaluation (EvalNet) has defined six evaluation criteria – relevance, coherence, effectiveness, efficiency, impact and sustainability – and two principles for their use. These criteria provide a normative framework used to determine the merit or worth of an intervention (policy, strategy, programme, project or activity). They serve as the basis upon which evaluative judgements are made. Retrieved from <https://bit.ly/3VjGhyP>.

- Five **in-depth case studies** were conducted to incorporate a more consistent learning component into the evaluation. The units of analysis for the case studies were SDF-supported initiatives, either individually or as a group, that took place in a single country or more than one country. The case studies employed a contribution analysis (CA) approach, a theory-based evaluation method relying on the ToC. It aims to establish the contribution of the initiative(s) to the intended outcomes by testing the ToC. In doing so, the analysis establishes whether the outcomes of the initiative(s) were achieved, and if so, what was the causal package that enabled this, and if not, what elements of the original causal package did not occur as expected. The analysis is done through the triangulation of different sources of evidence, including case-specific documentation and stakeholder interviews.
  - The following case study reports were developed as part of the evaluation and are annexed to this evaluation:
    - Case study 1 – BNTF 9 Poverty-reduction initiatives in **Jamaica**.
    - Case study 2 – Supporting **Belize** to build resilience to climate change and natural hazard events.
    - Case study 3 – Enhancing education and training in **Grenada and Saint Vincent and the Grenadines**.
    - Case study 4 – Promoting export readiness, improved logistics and **regional trade**.
    - Case study 5 – Community-based agriculture and rural development in **Haiti**.
- We conducted a series of more than 30 online and in-person **semi-structured interviews** to collect qualitative information about SDF 8 and 9 performance. We focused on three main groups of stakeholders, including CDB staff and representatives from BMCs and non-BMCs, covering the main relevant topics for the evaluation, such as history, mandates, relevance, and enabling factors, among other issues related to SDF 8 and 9.
- **Field visits** to BMCs were conducted to collect primary data through semi-structured interviews and project site visits. The selected countries for field missions were Belize, Jamaica, Grenada, and Saint Vincent and the Grenadines. These are Group 2 countries as the primary beneficiaries of SDF funds, with the highest SDF 8 and 9 funds allocation in each Caribbean sub-region and the lowest GDP per capita among this group. Field visits occurred in January 2024. A visit to Haiti was not possible due to a decline in the country's security situation. Therefore, we engaged experienced local consultants to ensure robust data collection in Haiti.

#### 1.4 Challenges and limitations

One challenge is related to the availability of data to conduct the meta-synthesis of evaluation reports. As further detailed in section , we received 61 documents related to SDF and CDB regional operations. However, only 15 documents were strictly speaking evaluation reports covering the scope of the present evaluation (i.e., annual reports, mid-term Reviews and BNTF documents). Therefore, we focused on the most relevant reports rather than the full range of documents shared by CDB. We arrived at this conclusion considering that other documents, such as Development Effectiveness Review reports, country strategy and thematic evaluations, have a broader scope that covers all of CDB's activities and provide only a few references to the support of SDF to these activities, which limit our ability to assess the contribution of SDF to specific outcomes.

Another consideration is related to the fact that the timescales of the outcomes of interventions such as the ones supported by SDF 8 and 9 are long, and not all impacts are readily quantifiable, creating a risk of an insufficiently robust evaluation. Therefore, our evaluation methodology is specifically designed to address this risk/challenge, deploying a theory-based

approach based on mixed methods (quantitative and qualitative), enabling triangulation and capturing less readily quantifiable impacts (case studies in particular). Furthermore, CA allows us to determine whether the projects follow the expected and necessary pathways to impact and generate future outcomes (both quantifiable and more qualitative).

### 1.5 Structure of the report

The report is structured as follows:

- Section 2 presents an overview of SDF 8 and 9, including a detailed description of each cycle, the Fund ToC and a portfolio analysis.
- The following sections present the results and evidence gathered during the evaluation according to each criterion: relevance (section 3), coherence (4), efficiency (5), and effectiveness (6). The latter includes the results for the sustainability criteria (section 7).
- Section 8 presents the overarching conclusions of the evaluation, with some cross-cutting lessons derived from the evidence presented in the previous sections.
- Finally, section 9 outlines the recommendations based on the evidence and findings of the evaluation.



## 2 Overview of SDF 8 and 9

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### 2.1 Overview of the Unified Special Development Fund (SDF)

In 1983, CDB set forth a vision to promote sustainable growth and reduce poverty within the Caribbean region. This vision came to fruition with the establishment of the SDF (Unified). This strategic partnership brought together regional and non-regional non-borrowing members and BMCs.

The CDB Agreement itself underscores the mission of the SDF, emphasising its role in facilitating high-priority development loans with favourable terms compared to standard bank operations. The core objective of the SDF is to finance high-priority projects and programmes across all sectors that CDB supports. SDF mainly targets projects with low financial returns or those that are not financially self-liquidating.

Over the years, the SDF has become essential to the Caribbean's aid architecture. It has been central to the operations of CDB as its most considerable pool of concessionary funds, primarily addressing the most pressing development challenges of the BMCs.

Since its establishment, the SDF has been managed systematically to ensure adequate resource allocation. A replenishment cycle is initiated every four years, preceded by a negotiation period. During this period, contributors consider the needs of member countries and make vital decisions on the new contribution, the access by country group, the resources set aside for particular purposes, and the other conditions for the upcoming contribution cycle. The SDF priorities, objectives and targets are set out in a Resolution and Report of Contributors. CDB is responsible for the implementation of the SDF Agreement.

CDB, under the direction of its Board of Directors, sets the terms for on-lending, including determining interest rates and commitment fees. CDB has historically relied on a blended approach to financing, combining the SDF resources with the Bank's Ordinary Capital Resources (OCR) and other sources. This flexible approach allows CDB to tailor its financial assistance to the specific needs of each project or programme. Nonetheless, the SDF resources are maintained separately from CDB's OCR, ensuring clarity and transparency in financial management.

BMCs are assigned to one of three country groups based on their relative per capita incomes. These country groups determine the level of access to SDF resources and the terms and conditions for lending. While all BMCs are eligible for SDF resources, countries with higher per capita income (Group 1) do not receive a country allocation. They can only benefit from regional projects and support for regional public goods (RPGs), highly poverty-focused initiatives and assistance following natural disasters. According to a performance-based allocation formula, the Strategy and Accountability Office of the Bank calculates the SDF allocations for eligible countries. The allocation process under this system occurs biennially at the start and midpoint of each replenishment cycle.

The BNTF Programme, established in 1979, stands as CDB's premier initiative to combat poverty. BNTF is a cyclical grant-funded programme, usually over four years, tied to the phases of the Bank's SDF. In the SDF Agreement for each cycle, contributors set aside resources for BNTF funding.

SDF also finances the Caribbean Technological Consultancy Services (CTCS) network. The primary objective of the CTCS has been to foster the development of micro, small and medium enterprises (MSME) by offering technical assistance (TA) in crucial areas like capacity-building, technology integration, productivity enhancement, and overall competitiveness.



## 2.2 Eighth Cycle of the Special Development Fund (SDF 8) – Period 2013–2016

In 2012, SDF contributor governments undertook negotiation meetings on the policy and operational framework and replenishment requirements for an Eighth Cycle (SDF 8), covering the period 2013–2016.

### 2.2.1 Thematic strategy for SDF 8 and financial provisions

Recognising the strategic role the SDF plays in addressing the development challenges of the region and the Bank's comparative advantages in the aid architecture of the Region, SDF contributors agreed on four core themes for SDF 8 within the overarching Caribbean-specific Millennium Development Goals (CDMGs) targets for poverty reduction and human development:

- **Inclusive and Sustainable Growth**, focusing on a limited number of objectives in education and training, agriculture and rural development, economic and social infrastructure, economic and fiscal adjustment, and private-sector development.
- **Environmental Sustainability and Climate Change**, focusing on specific objectives in disaster risk reduction (DRR) and management and climate change mitigation and adaptation, including renewable energy and energy efficiency.
- **Citizen Security**, with objectives covering crime and security, as well as social protection and reflecting the complex and varied causes of crime and violence that undermine efforts at development and growth, requiring multi-sectoral approaches to enhancing the security of citizens.
- **Regional Cooperation and Integration (RCI)** focuses on regional solutions and a limited number of objectives in the area of regional public goods (RPGs).
- **Cross-cutting themes**
  - **Environmental Sustainability and Climate Change** was also an area for direct programming;
  - **Gender Equality**; and
  - **Capacity-building to Strengthen Good Governance** was an underlying foundation for the programme.

Contributors agreed on an overall programme level for SDF 8 of USD348 million (mn), to be financed by internally generated resources<sup>2</sup> estimated at USD100 mn, new contributions from member countries of USD212.7 mn, an allocation of USD18 mn from the net income of the Bank's OCR and a structural gap of USD17.3 mn<sup>3</sup> Internally generated resources represent 28.7% of the total, and new contributions are currently committed at 61%.

## 2.3 Ninth Cycle of the Special Development Fund (SDF 9) – Period 2017–2020

In 2016, SDF contributor governments undertook negotiation meetings on the policy and operational framework and replenishment requirements for an Eighth Cycle (SDF 8), covering the period 2017–2020.

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<sup>2</sup> Internally generated resources include loan repayments, net income and commitment authority carry over.

<sup>3</sup> Contributors agreed to invite potential new or additional Contributors to assist in bridging the structural gap, which consists of contributions and prospective contributors, such as Brazil and India, and the UK.

### 2.3.1 Thematic strategy for SDF 9 and financial provisions

Recognising the strategic role of SDF in assisting BMCs in responding to the new international development frameworks,<sup>4</sup> Contributors agreed that the programmes and initiatives for SDF 9 would be developed within the context of the following strategic themes:

- Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13 and 17;
- Building resilience to climate change and natural disaster events, and promoting environmental sustainability; and
- Promoting regional cooperation and support for RPGs.

It was also agreed that good governance (SDG 16), environmental sustainability (SDG 13), and gender equality (SDG 5) would be major cross-cutting areas in SDF 9.

Contributors agreed on an overall programme level for SDF of USD355 mn, to be financed from internally generated resources within SDF of USD132.4 mn, agreed contributions of USD166.6 mn, and an allocation from the net income of the Bank's OCR of USD15 mn, with an unallocated structural gap of USD41.0 mn. Contributions to the latter were expected from prospective new members and Contributors.

## 2.4 Key differences between SDF 8 and SDF 9

The two cycles had different and evolving characteristics, as summarised in the following bullet points and Table 2.

- The SDGs have been fully incorporated into SDF 9 poverty-reduction principles and are considered core themes of the Ninth Cycle.
- Structural reform of the BNTF, which occurred in part as a response to the Mid-Term Review of SDF 8.
- The opening of the Haiti Country Office (HCO) in 2018 with responsibilities for coordinating the Bank's aid, providing project implementation support, and strengthening relationships with key stakeholders.
- While country classification and eligibility for resource allocation remained the same across the two cycles, Montserrat and Saint Kitts and Nevis graduated from Group 2 to Group 1 and no longer receive country loan allocations.
- With the 2019 procurement reforms,<sup>5</sup> the CDB procurement policy shifted to a more adaptable "fit for purpose" approach, entailing extensive capacity-building initiatives and updates to BMCs' procurement systems. These changes included a broader range of procurement methods and harmonization with other borrowers' systems.
- In 2019, a regional focal point was nominated for RCI initiatives in order to spearhead regional interventions.
- CDB has initiated efforts to clean up the existing portfolio for TA grants by cancelling activities with undisbursed balances. For new TA grants, the focus is on (a) TA interventions that contribute to building the pipeline of loans and grants by supporting the design and appraisal of projects and (b) strengthening BMCs' capacities for project implementation.

<sup>4</sup> The Sustainable Development Goals (SDGs); Financing for Development (Addis Ababa Action Agenda); and Climate Change at the United Nations Conference of Parties (Paris Agreement).

<sup>5</sup> The new procurement framework and the benefits it offers were partially seen under SDF 9 because the rollout of these reforms came into effect for new projects initiated after November 2019.

- The Results Monitoring Framework (RMF) for SDF 8 followed the same structure as CDB's Corporate RMF for 2015–2019. Since most projects are funded through a combination of the SDF and OCR, both RMFs overlapped, and the SDF 8 Annual Report was seen as duplicating the contents of the Annual Development Effectiveness Review (DER) report. As a result of the administrative efforts involved in managing and producing these reports, CDB decided that the SDF 9 results would be tracked solely through the Corporate RMF 2015–2019, thereby establishing one set of Bank-wide performance targets.

*Table 2 Key differences between SDF 8 and SDF 9*

Characteristic	SDF 8	SDF 9
Period	January 2013 to December 2016	January 2017 to December 2020
Committed Financial resources	Total USD348 million (mn), <ul style="list-style-type: none"> <li>• Internally generated resources: USD100 mn (28.7%)</li> <li>• New contributions: USD212.7 mn (61%)</li> <li>• OCR: USD18 mn</li> <li>• Structural gap: USD17.3 mn</li> </ul>	Total USD355 million (mn), <ul style="list-style-type: none"> <li>• Internally generated resources: USD132.4 mn (37.3%)</li> <li>• New contributions: USD166.6 mn (47%)</li> <li>• OCR: USD15 mn</li> <li>• Structural gap: USD41.0 mn</li> </ul>
Strategic objective	Based on two pillars: (a) Inclusive economic growth and (b) Vulnerability reduction and resilience, on a foundation of governance, capacity development and regional cooperation and integration	It supported inclusive and sustainable growth and development and promoted good governance
International agenda and frameworks	Millennium Development Goals (MDGs)	<ul style="list-style-type: none"> <li>• UN Sustainable Development Goals (SDGs)</li> <li>• Financing for Development (Addis Ababa Action Agenda)</li> <li>• UN Climate Change Agenda (Paris Agreement)</li> </ul>
Thematic areas	<ul style="list-style-type: none"> <li>• Inclusive and sustainable growth</li> <li>• Environmental sustainability and climate change</li> <li>• Citizen security</li> <li>• Regional cooperation and integration</li> </ul>	<ul style="list-style-type: none"> <li>• Building resilience and promoting environmental sustainability</li> <li>• Supporting the achievement of the SDGs</li> <li>• Regional cooperation and integration</li> </ul>
Cross-cutting areas	<ul style="list-style-type: none"> <li>• Gender equality</li> <li>• Environmental sustainability</li> <li>• ICT for development</li> </ul>	<ul style="list-style-type: none"> <li>• Gender equality</li> <li>• Environmental sustainability</li> <li>• Good governance</li> </ul>
BNTF	<ul style="list-style-type: none"> <li>• SDF 8 period covered parts of the BNTF 6 cycle as well as BNTF 7 and 8</li> </ul>	<ul style="list-style-type: none"> <li>• BNTF 9 cycle to line up with SDF 9 cycle</li> <li>• BNTF structure reformed</li> </ul>
Haiti programme	<ul style="list-style-type: none"> <li>• Programming in Haiti is conducted exclusively through partnerships and collaboration with other development partners.</li> <li>• Access solely to SDF grants</li> </ul>	<ul style="list-style-type: none"> <li>• The HCO opened in 2018</li> <li>• It increased autonomous programming.</li> </ul>
Country classification and resource allocation	<ul style="list-style-type: none"> <li>• Revision of CCS: The number of country groupings reduced from four to three: Group 3 (Haiti only, SDF funds); Group 2 (eligible for SDF and OCR funds); Group 1 (mainly OCR funds)</li> </ul>	<ul style="list-style-type: none"> <li>• There is no change in the classification system and country groups, except that some Group 2 countries have graduated</li> </ul>

		to Group 1 and no longer receive loan allocations <sup>6</sup>
Terms of lending	<ul style="list-style-type: none"> <li>2.5% interest rate for Groups 1 and 2, and 2% for Group 3</li> </ul>	<ul style="list-style-type: none"> <li>Interest rates were reduced to 1% for all groups</li> </ul>

Source: Adapted from Terms of Reference.

## 2.5 SDF 8 and 9 Theory of Change (ToC)

The consultant team prepared the ToC of SDF 8 and 9 and validated it with CDB staff. The ToC was based on:

- Resolution and report of contributors on SDF 8.
- Resolution and report of contributors on SDF 9.
- Mid-Term Review of SDF 8.
- Mid-Term Review of SDF 9.
- Scoping Interviews with CDB staff.

Figures 1 and 2 below provide a visual representation of the logical pathway between inputs, activities, outputs, short-term outcomes, medium-term outcomes, and long-term impacts of SDF 8 and 9, providing a comprehensive view of how and why the changes at beneficiary BMCs are expected to happen.<sup>7</sup>

Appendix B describes the SDF 8 and 9 ToCs elements, including the underlying assumptions and risks.

<sup>6</sup> Montserrat is an exception, since it still received BNTF grants.

<sup>7</sup> The ToC diagrams can also be accessed on the Mural platform for easier navigation via the following link: <https://app.mural.co/t/innovationacademy9387/m/innovationacademy9387/1698769885368/cdf6fee872fecdf61e6cbbbc1fbc835068a7aac6?sender=ua20fd91f39ecf041a7131697>.

Figure 1 SDF 8 Theory of Change

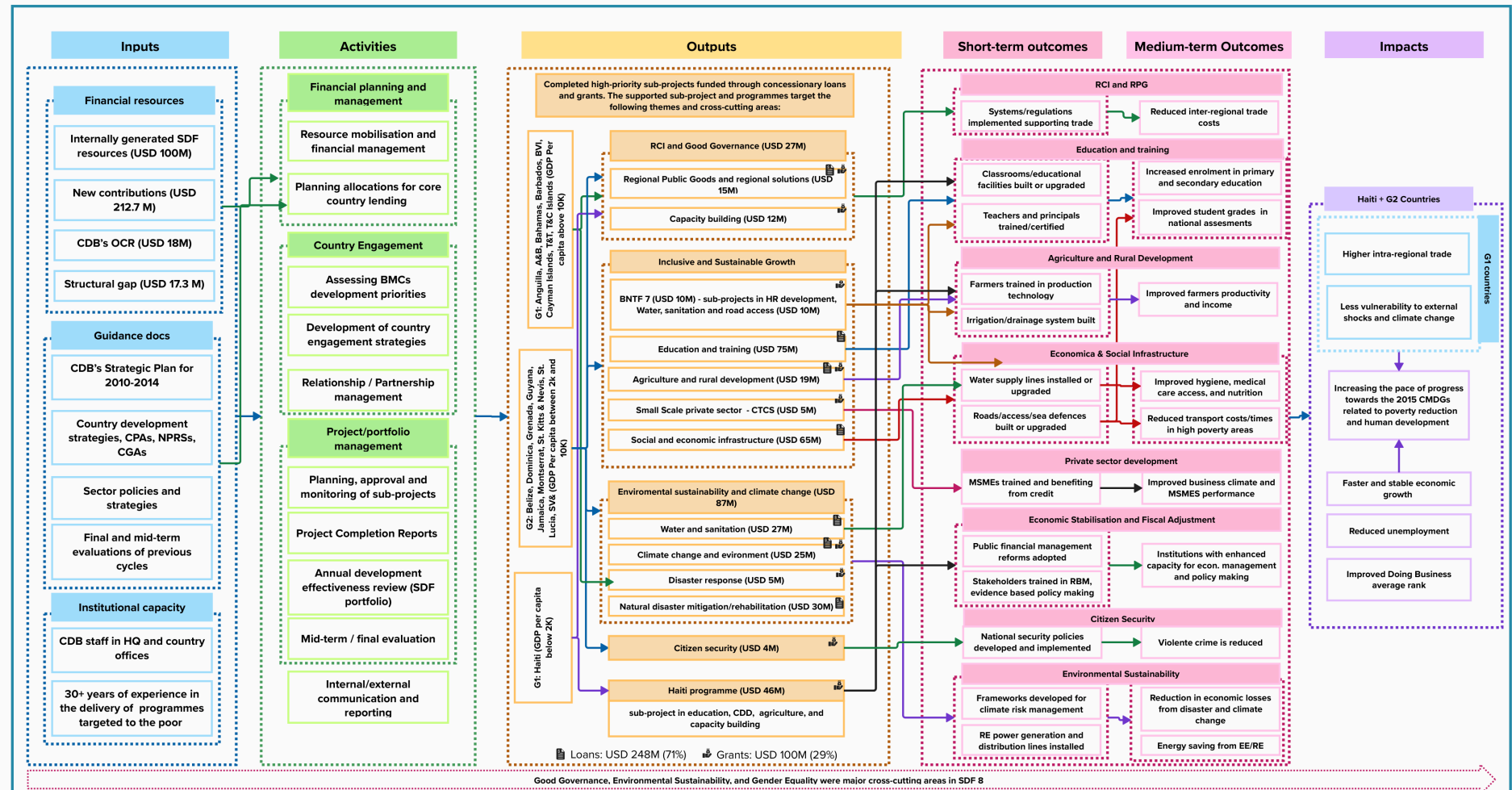
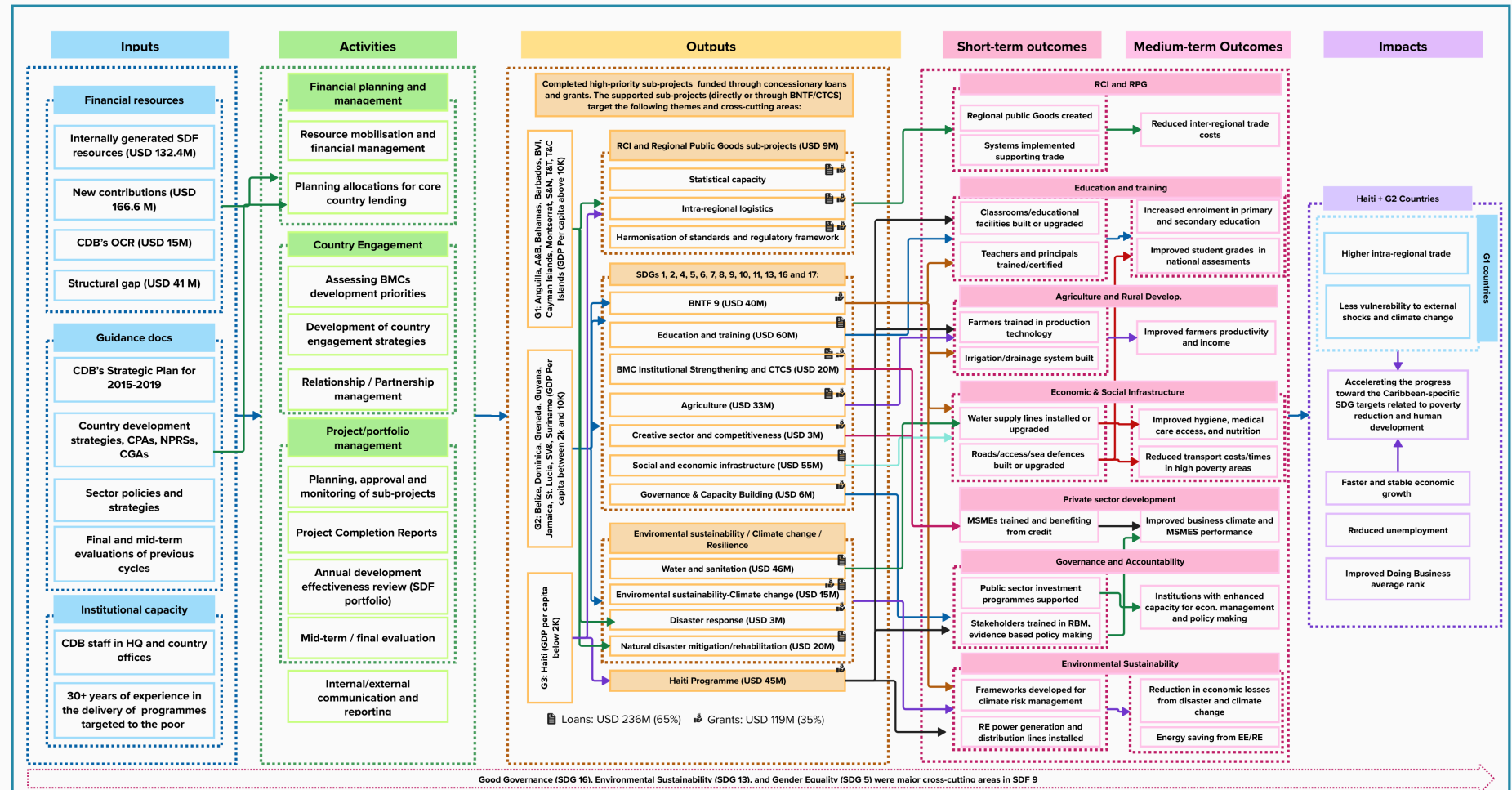


Figure 2 SDF 9 Theory of Change

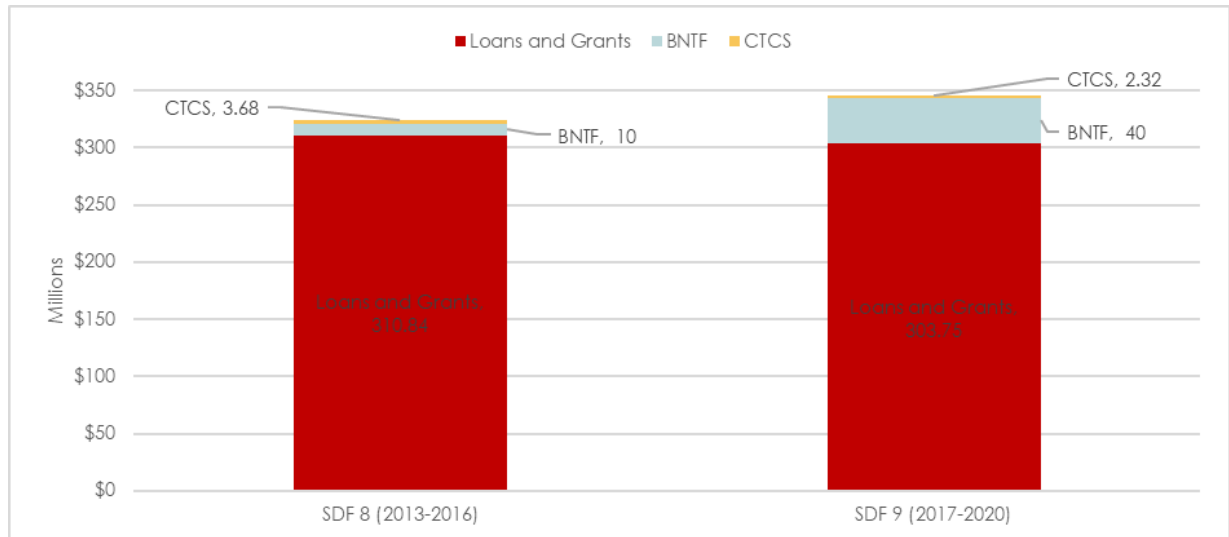


## 2.6 SDF contributions, resource allocation and utilisation (portfolio analysis)

SDF 8 and 9 have delivered an estimated USD670 mn in more than 600 projects approved between 2013–2016 (SDF 8) and 2017–2020 (SDF 9), including the BNTF and CTCS. The portfolio analysis presented in this section is based on data provided by CDB as of October 27, 2023.

Figure 3 compares the amount of resources approved by each cycle. It shows that under SDF 9, a more significant proportion of resources were channelled through the BNTF.

*Figure 3 Net Approved from SDF 8 and SDF 9 (USD millions)*

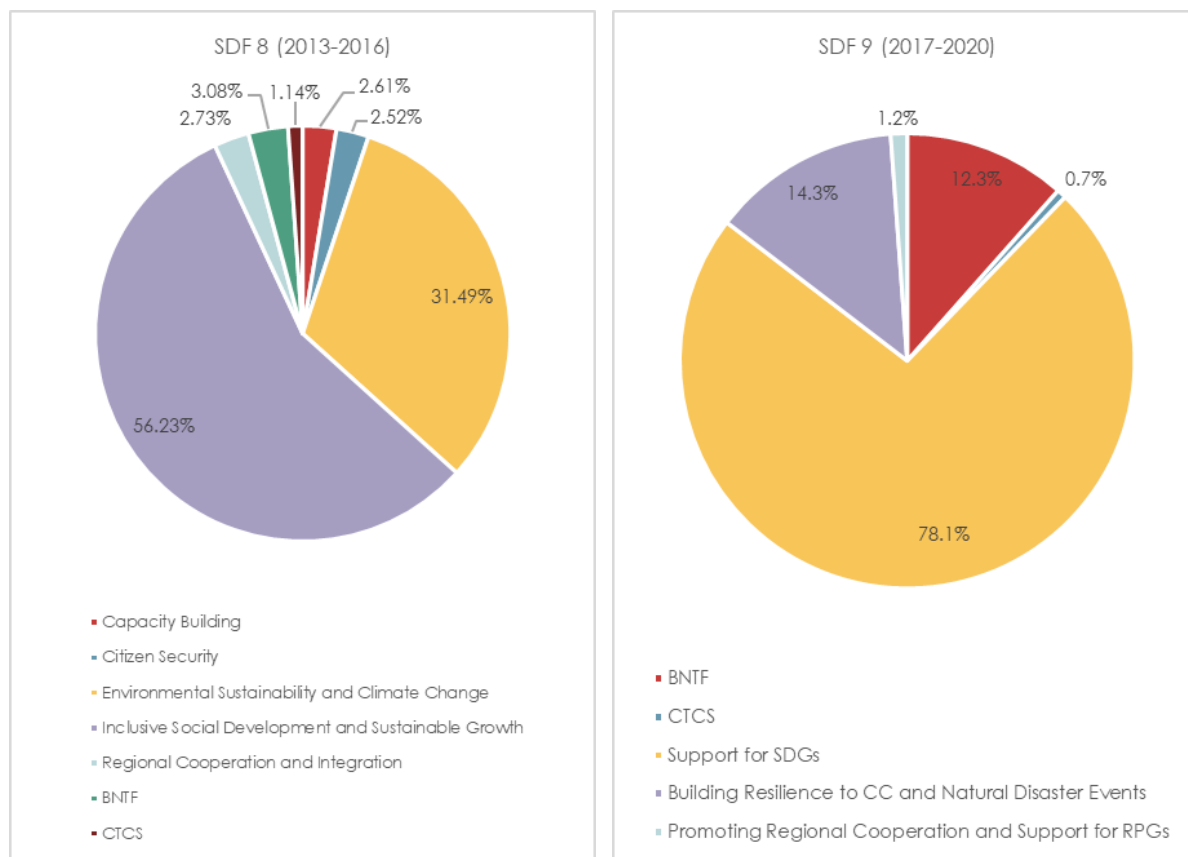


Source: Data provided by CDB.

Most resources approved under SDF 8 support the following thematic areas: inclusive social development and sustainable growth (56.23%) and environmental sustainability and climate change (31.49%). In the case of SDF 9, most of the funds have been channelled to projects under the theme of support for SDGs (78.1%) (Figure 4).



Figure 4 Net Approved From SDF, by thematic areas

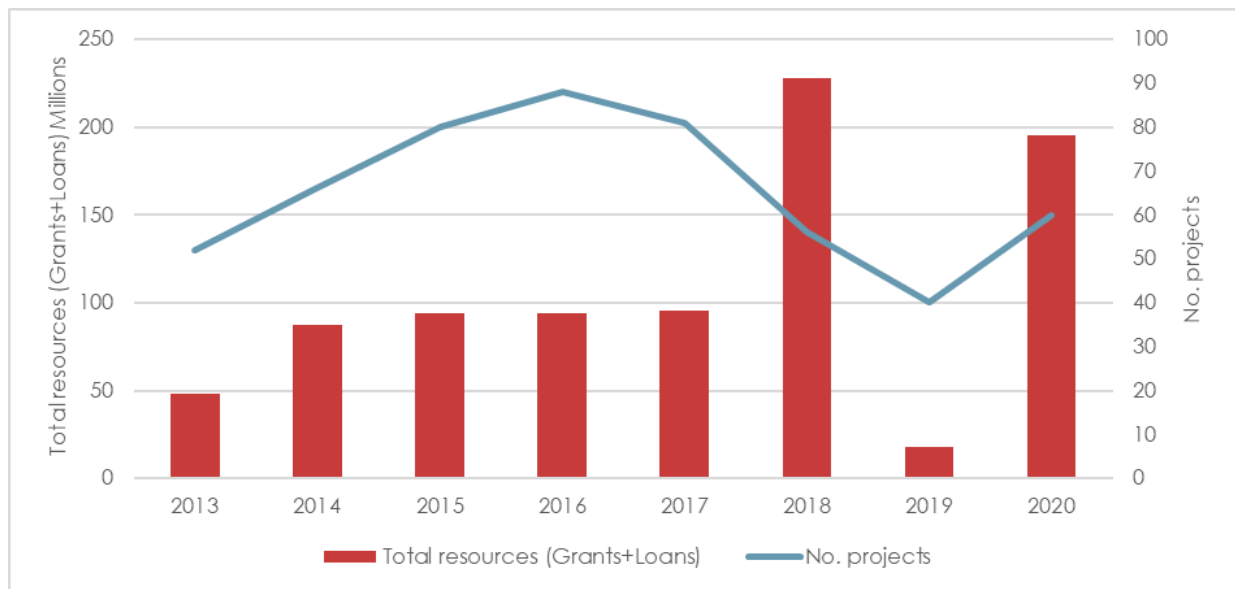


Source: Data provided by CDB.

In SDF 8, approvals increased from its first to final year, with a relatively stable level of funds approved. In SDF 9, there was a substantial increase from 2017 to 2018 in the amount of resources approved, with a decline in the number of projects. After a gap in the level of funds approved in 2019, there was a new increase in 2020 in response to the COVID-19 pandemic (Figure 5). In line with the scope of the evaluation, we do not perform a project-level assessment in this analysis but focus on the SDF's broader strategic performance and goals.



Figure 5 Net Approved from the SDF (USD million) and number of projects by year (2013–2020)



Source: Data provided by CDB

Finally, the primary beneficiary countries under SDF 8 and 9 have been those from Groups 3 and 2, such as Haiti, Belize, and Guyana.

Table 3 Net Approved From SDF, by country (USD)

Group	Country	SDF 8 (2013–2016)		SDF 9 (2017–2020)		Total	
3	Haiti	44,175,038	15%	41,972,575	12%	86,147,613	14%
2	Belize	32,716,417	11%	44,194,882	13%	76,911,299	12%
2	Guyana	36,301,506	13%	33,567,004	10%	69,868,510	11%
2	SVG	25,135,463	9%	42,319,166	13%	67,454,629	11%
2	Jamaica	28,613,368	10%	38,469,298	11%	67,082,666	11%
NA	Regional	32,004,749	11%	24,266,215	7%	56,270,964	9%
2	Saint Lucia	26,667,213	9%	28,568,598	8%	55,235,811	9%
2	Grenada	30,567,064	11%	24,515,591	7%	55,082,655	9%
2	Dominica	10,547,026	4%	20,954,555	6%	31,501,581	5%
2	Suriname	10,845,627	4%	10,117,490	3%	20,963,117	3%
1	Antigua And Barbuda	251,625	0%	18,923,000	6%	19,174,625	3%
*	St. Kitts And Nevis	8,903,871	3%		0%	8,903,871	1%

Group	Country	SDF 8 (2013–2016)		SDF 9 (2017–2020)		Total	
1	British Virgin Islands	85,616	0%	8,050,000	2%	8,135,6160	1%
1	Bahamas	1,486,137	1%	400,000	0%	1,886,137	0%
*	Montserrat	605,241	0%	637,687	0%	1,242,928	0%
1	Barbados	168,887	0%	206,100	0%	374,987	0%
1	Turks And Caicos Islands	276,691	0%	54,574	0%	331,265	0%
1	Anguilla	97,002	0%	233,455	0%	330,456	0%
1	Trinidad And Tobago	74,452	0%	250,000	0%	324,452	0%
1	Cayman Islands	46,390	0%		0%	46,390	0%
	<b>Total (USD)</b>	<b>289,569,383</b>	<b>100%</b>	<b>337,700,190</b>	<b>100%</b>	<b>627,269,573</b>	<b>100%</b>

Source: Data provided by CDB. \* Graduated from Group 2 to Group 1 between SDF 8 and SDF 9.

Finally, Table 4 compares the indicative programming in each cycle, as depicted in their resolutions, and the actual amounts approved based on the data provided by CDB. Around 89% of the programmed resources have been approved in operations for the two cycles. There is a difference between SDF 8 and 9, as the former has 83% of approvals, and the latter has 93%.

*Table 4 Amount of resources approved vs indicative programming*

Cycle / Item	Amount Approved (USD)	Indicative Programming (USD)	% Approved
<b>(A) SDF 8 (2013–2016)</b>	<b>289,569,3836</b>	<b>348,000,000</b>	<b>83%</b>
BNTF	10,659,566	10,000,000	107%
Capacity-Building	13,312,385	12,000,000	111%
Citizen Security	8,218,685	4,000,000	205%
CTCS	4,087,453	5,000,000	82%
Environmental Sustainability and Climate Change	71,380,121	87,000,000	82%
Inclusive Social Development and Sustainable Growth	172,138,076	205,000,000	84%
Regional Cooperation and Integration	8,734,724	15,000,000	58%
<i>Loans/grants (10) with no clear SDF Theme identified in the CDB database*</i>	1,038,373		NA

Cycle / Item	Amount Approved (USD)	Indicative Programming (USD)	% Approved
Provision for new BMC		10,000,000	0%
<b>(B) SDF 9 (2017–2020)</b>	<b>337,700,1900</b>	<b>355,000,000</b>	<b>95%</b>
BNTF	30,878,689	40,000,000	77%
Building Resilience to CC and Natural Disaster Events	45,213,208	84,000,000	54%
CTCS	3,432,609	20,000,000	17%
Promoting Regional Cooperation and Support for RPGs	3,963,304	9,000,000	44%
Support for SDGs	251,069,242	202,000,000	124%
<i>Loans/grants (11) with no clear SDF Theme identified in the CDB database*</i>	3,143,138		NA
<b>(C=A+B) Total</b>	<b>627,269,573</b>	<b>703,000,000</b>	<b>89%</b>

\* These are loans/grants for which no clear SDF Theme was identified in the approvals data base.

As the table below shows, the commitments of SDF 8 reached 98.8% of the total indicative allocations. It is worth noting that the commitments for country loans in this case include natural disaster mitigation and rehabilitation and a new BMC at that time (Suriname).

*Table 5 Indicative Allocation vs Total Commitments, SDF 8 (2013–2016)*

SDF 8 (2013–2016)	Indicative Allocation (\$US million)	Commitments (\$US million)					% of Allocation
		2013	2014	2015	2016	Total Commitments	
<b>Country Loan</b>	<b>228.7</b>	30.0	68.2	63.0	71.8	<b>233.0</b>	101.9%
<b>Grants</b>	<b>100.0</b>	18.0	19.1	31.2	23.3	<b>91.6</b>	91.6%
BNTF	10.0	0.0	10.0	0.0	0.0	<b>10.0</b>	100.0%
Haiti	46.0	13.6	2.5	15.2	12.2	<b>43.5</b>	94.6%
CTCS	5.0	1.1	0.5	1.1	1.3	<b>4.0</b>	80.0%
Themes	39.0	3.3	6.1	14.9	9.8	<b>34.1</b>	87.4%
<b>TOTAL</b>	<b>328.7</b>	48.0	87.3	94.2	95.1	<b>324.6</b>	<b>98.8%</b>

Source: SDF Annual Report, 2016, p. 17, 48.

In the case of SDF 9 (see table below), commitments are also high as a percentage of the total indicative allocation, reaching 98.1%. However, it is worth noting that most of the commitments for country loans are concentrated in the last year of the cycle (2020), suggesting that there is room for improvement in terms of efficiency. Notably, further effort must be dedicated to the early commitment of the resources.

Table 6 Indicative Allocation vs Total Commitments, SDF 9 (2017–2020)

SDF 9 (2017–2020)	Indicative Allocation (USD million)	Commitments (USD million)					% of Allocation
		2017	2018	2019	2020	Total Commitments	
<b>Country Loan</b>	<b>236.0</b>	21.5	26.7	10.5	173.0	<b>231.7</b>	98.2%
<b>Grants</b>	<b>119.0</b>	74.3	11.8	7.8	22.5	<b>116.4</b>	97.8%
BNTF	40.0	40.0	0.0	0.0	0.0	<b>40.0</b>	100.0%
Haiti	45.0	24.1	3.0	3.0	13.8	<b>43.9</b>	97.6%
CTCS	3.0	0.8	1.1	0.7	0.4	<b>3.0</b>	100.0%
Themes	31.0	9.4	7.7	4.1	8.3	<b>29.5</b>	95.2%
<b>TOTAL</b>	<b>355.0</b>	95.8	38.5	18.3	195.5	<b>348.1</b>	<b>98.1%</b>

Source: SDF Annual Report, 2020, p. 33.

### 3 Relevance

#### Evaluation questions:

*EQ1: To what extent did SDF 8 and 9 align with and support BMC poverty reduction and sustainable social and economic inclusive growth priorities?*

*EQ2: How well did the SDF adapt over the Eighth and Ninth Cycles to respond to evolving challenges of the region (e.g., economic, climatic, and global health crises such as the COVID-19 pandemic)?*

#### Key highlights:

- *There is a strong alignment between the priorities of the SDFs and beneficiary countries. The most valued areas of intervention are education, climate change and infrastructure.*
- *The SDF is seen, among all stakeholders, as a very important source of loan and grant financing and support for beneficiary countries, especially those with debt constraints. The outreach of SDF to diverse territories is highly valued.*
- *The Country Classification System (CCS) and resource allocation strategy (RAS) in SDF 8 and 9 aim to address the diverse needs of BMCs by considering various socio-economic factors. However, challenges such as potential graduations of BMCs into higher income groups, limited consideration of poverty levels, and vulnerability to climate change underscore the need for an ongoing revision of allocation mechanisms to ensure effective resource distribution and meet evolving needs.*
- *During crises such as volcanic eruptions, hurricanes or COVID-19, the SDF has demonstrated its ability to respond quickly and adapt. It has been a support to countries because it deployed funds quickly in emergency situations. Therefore, the instrument responds to the needs of the beneficiaries and continues to do so if circumstances change.*
- *The perceived dilution of the SDF's strategic focus amid reactive measures during the COVID-19 pandemic underscores the importance of reinforcing the communication of its strategic intents and achievements. By doing so, the SDF can better illustrate its role as a crisis responder and a strategic partner adept at navigating planned and unforeseen challenges.*

Among the interviewees, there was a shared view that **SDF's focus aligns well with the national priorities of BMCs**, emphasizing the shared commitment to sustainable development, poverty reduction, and addressing the needs of member countries. Some of the factors that favour alignment are the following:

- **Project design requirements:** Projects funded by the SDF must be aligned with the SDF's thematic goals and priorities, which are closely aligned with the national priorities of the beneficiary countries.
- **Consultations:** The SDF development process involves consultations with various stakeholders, including government officials, specialists, and clients, to ensure that the projects are aligned with national needs and priorities.
- **Country-specific allocation:** SDF funds are allocated by country, and the countries must approve using those resources for specific projects. This requirement ensures that the projects are aligned with the country's development objectives.

- **Donors' priorities:** The SDF's contributors, such as Canada and the United Kingdom (UK), are also aligned with poverty reduction and sustainable development, which are critical priorities for many developing countries.

The areas of alignment between SDF and countries most frequently mentioned by interviewees are **education, agriculture and climate resilience**.

*Box 1 Enhancing Technical and Vocational Education and Training (TVET) in Saint Vincent and the Grenadines: A Strategic Collaboration with the Caribbean Development Bank*

The Caribbean Development Bank's (CDB) support to Saint Vincent and the Grenadines (SVG) in enhancing Technical and Vocational Education and Training (TVET) has been pivotal in fostering human capital development and socioeconomic advancement within the nation. Through strategic investment and collaborative initiatives, the CDB has facilitated the modernization and expansion of TVET infrastructure, curriculum development, and skill-building programs tailored to meet the evolving demands of the labor market.

The government of Saint Vincent and the Grenadines (GOSVG) received financing in 2016 to assist the government in expanding the supply of skilled and employable human resources with certification that has national and regional acceptability and enhancing the system's capacity for TVET delivery.

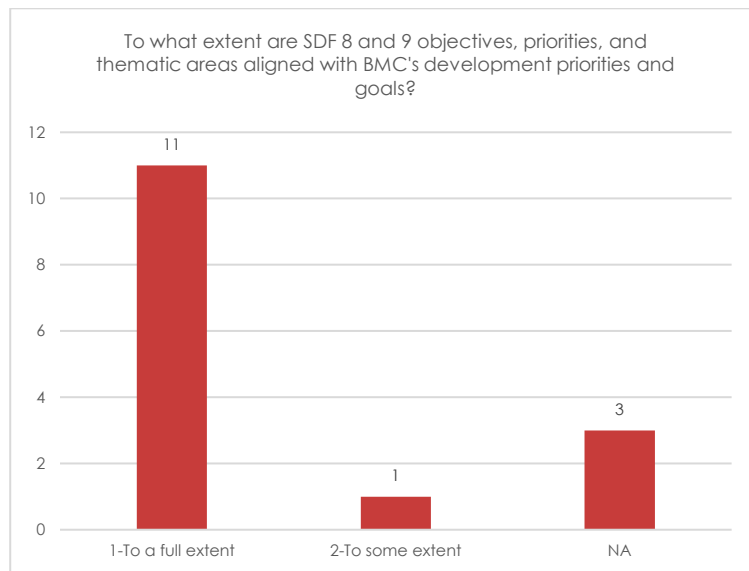
This project has been instrumental in strengthening technical education in the country and has been followed by projects from other funders like the World Bank and the UK's Department for International Development (DFID), that have consolidated the sector. Its relevance lies in the fact that it responds to a felt need in the country and is aligned with national policies, such as Education Sector Development Plan 2014-2019, the Sector Skills Development Act of 2010 and the Education Act of 2006.

The project was jointly formulated by GOSVG and the CDB, which increases its pertinence.

During the interviews, several stakeholders highlighted the importance of enhancing the SDF relevance by **obtaining more detailed and quantitative data about regional and local needs**. They suggested that having precise information on the greatest need would enable the fund to focus its investments more effectively on the areas of most significant concern to BMCs.

The meta-synthesis showed a high degree of alignment between SDF 8 and 9 and BMC priorities. From the 15 evaluations reviewed, 11 documents provide evidence that the objectives, priorities, and thematic areas of SDF 8 and 9 are aligned with BMC's development priorities and goals to a full extent. For example, SDF 8 objectives, priorities, and thematic areas appear to be well aligned with the development priorities and goals of BMCs. Furthermore, SDF 9 core themes are aligned with implementing the SDGs agenda, which is also undertaken at the BMCs level. Also, the BNTF remains a highly valued programme in all participating countries because it responds **to country/community-identified needs** rather than shifting donor priorities.

Figure **Error! Bookmark not defined.** Alignment of SDF 8 and 9 objectives with BMC development priorities

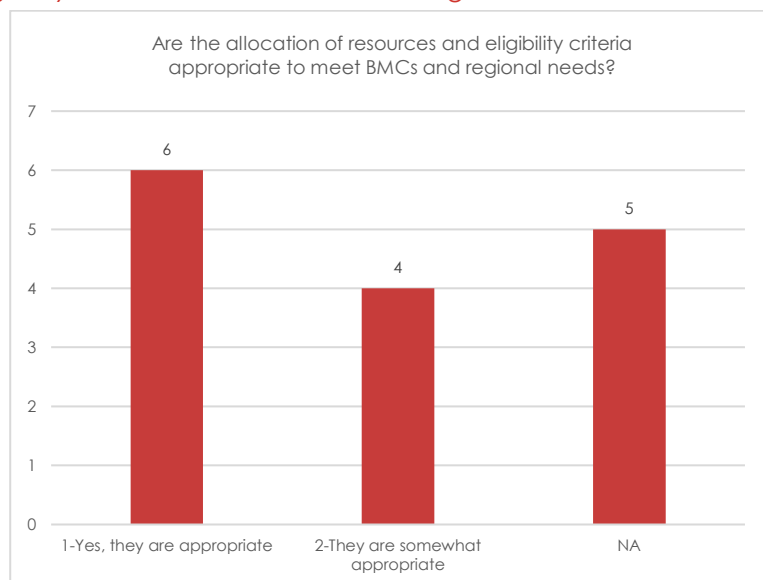


Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

The eligibility criteria and purpose of the SDF are considered relevant among interviewees. Regarding the allocation of resources across the different financing mechanisms, the **resources going to loans/subsidised loans were relevant** given the strong alignment between SDF priorities and country priorities and the interest rates attractive to BMCs. One instrument highly valued by interviewees is grants, which are seen as particularly useful for beneficiary countries as they allow countries to invest in various development projects and initiatives without incurring additional debt.

Six (6) of the 15 documents reviewed in the meta-synthesis provide evidence of the appropriateness of the allocation of resources and eligibility criteria to meet BMCs and regional needs.

Figure **Error! Bookmark not defined.** Assessment of the appropriateness of resource allocation and eligibility criteria to meet BMCs and regional needs

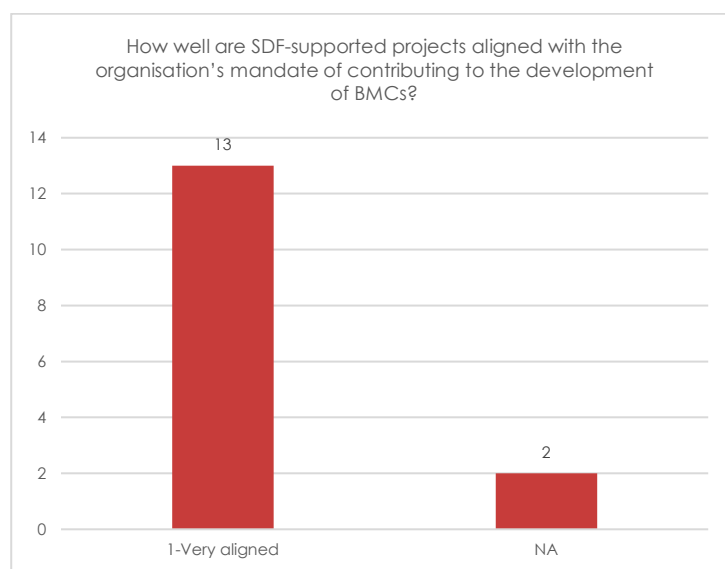


Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

Resource allocation and country eligibility criteria within CDB programmes have undergone significant scrutiny and reform to ensure alignment with the needs of BMCs and regional needs. This approach was reflected in the Mid-Term Review of SDF 9. The CCS, effective since SDF 8, categorizes countries into three groups based on per capita incomes, guiding eligibility and loan conditions. While the resource allocation strategy (RAS) since 2001 distributes SDF and BNTF resources, recent reforms aim to improve fairness by considering population size, vulnerability, and poverty levels. Challenges persist, as the possibility of countries advancing into higher income groups may reduce eligible BMCs, and reliance on GDP per capita may overlook actual needs in impoverished nations. Vulnerability to economic shocks and climate change complicates allocation decisions, highlighted by the impact of the 2017 hurricane season on Group 1 countries. CDB recognizes these challenges, proposing adjustments to country grouping criteria and poverty measures. **Continuous revision of SDF allocation and eligibility criteria is crucial to meet evolving needs** in the Caribbean region.

Concerning the alignment between SDF-supported projects and the organisation's mandate of contributing to the development of BMCs, the evidence from 13 documents reviewed in the meta-synthesis shows a high degree of alignment.

*Figure Error! Bookmark not defined. Alignment between SDF-supported projects and BMC development mandate*



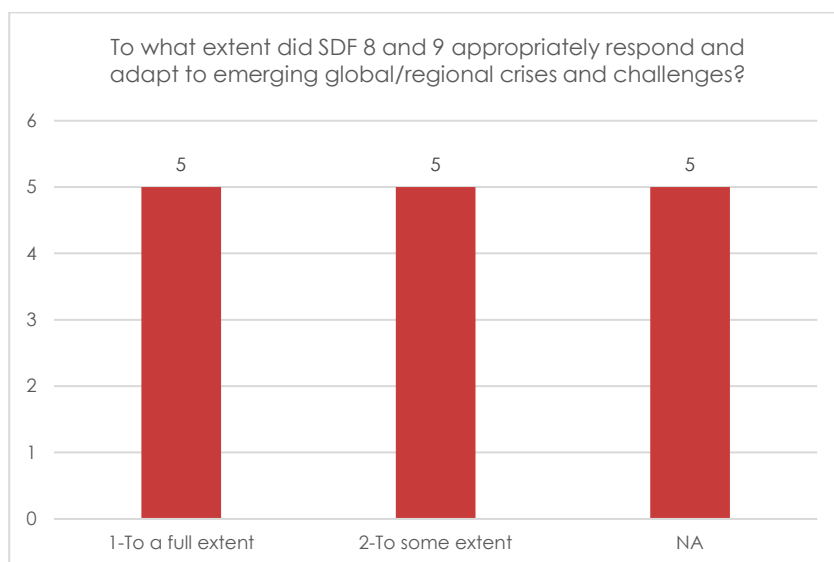
Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

Overall, the design is highly **aligned with contributor expectations**. However, the functioning and implementation were criticised relative to pace, impact measurement, and gender focus. The interpretation among some stakeholders is that SDF's capacity to adapt to diverse funding needs positions it more as a "gap-filling" fund rather than a strictly strategic instrument. However, it is important to note that all SDF resources align with the country's strategic priorities. Such a perception does not necessarily indicate an absence of strategy, as SDF operates within a CDB Country Strategy Papers (CSP) framework tailored to each country's needs. Instead, the perception of stakeholders in this regard points to a need for enhanced communication and transparency regarding SDF strategic objectives.



The meta-synthesis does not provide further evidence on how SDF 8 and 9 responded to emerging global/regional crises and challenges.

Figure **Error! Bookmark not defined.** Assessment of SDF 8 and 9 responses to global/regional crises and challenges



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

However, from the interviews, it is clear that the SDF has demonstrated its flexibility and ability to react and respond quickly in crises, such as the eruption of the volcanoes in Montserrat and SVG. Likewise, during the COVID-19 pandemic, SDF reacted quickly, redirecting its funds to assist countries. BMC representatives confirmed that they felt supported by the Bank during this period.

The unexpected advent of the pandemic necessitated a shift towards more reactive responses, compelling the SDF to extend its scope into crisis management. While crucial in addressing immediate challenges, this shift inadvertently overshadowed the SDF's original strategic focus. Acknowledging that this adaptive response to the crisis was not a deviation from strategy but an essential pivot to meet urgent needs is crucial. Therefore, the perceived dilution of the SDF's strategic focus amid these reactive measures underscores the importance of reinforcing the communication of its strategic intents and achievements. By doing so, the SDF can better illustrate its role as a crisis responder and a strategic partner adept at navigating planned and unforeseen challenges. This approach will ensure its strategic contributions are recognized and understood, reinforcing its position as a key player in sustainable development and crisis management.

## 4 Coherence

### Evaluation questions:

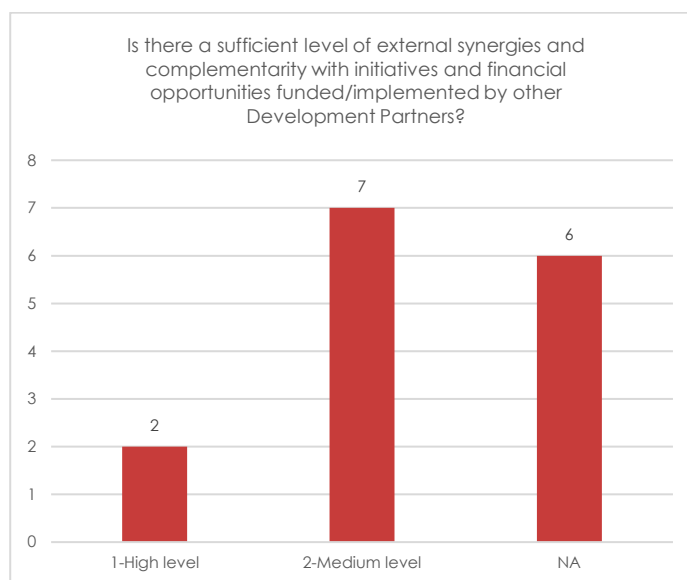
EQ3: To what extent did SDF 8 and 9 complement and coordinate with CDB programmes, policies, strategies, and other development partners' initiatives?

### Key highlights:

- The CDB emphasizes collaboration with stakeholders, including bilateral and multilateral partners, to leverage collective resources and expertise to benefit BMCs. Evaluation documents show a medium level of coherence between SDF 8 and 9 and other development partners' initiatives, indicating efforts to complement and coordinate with external programmes and financial opportunities.
- The SDF's rapid emergency response capacity and local knowledge are recognized as its main comparative advantages. However, the SDF operates in a competitive landscape of development finance and distinguishes between programme areas or sectors where the SDF and the Bank take the lead and sectors where the SDF would normally be used only in collaboration with partner agencies to support common objectives.
- Administrative and procedural difficulties, including a lack of harmonization in procedures and slow approval processes, pose challenges when CDB collaborates with development partners other than frequent partners (e.g., MDBs), which requires a double workload for project actors.
- There is insufficient evidence on SDF 8 and 9 regarding attempts to avoid duplication and optimize synergies with related projects. However, stakeholders emphasize the unique focus and complementary nature of BNTF projects in addressing community-level needs and minimizing coordination challenges.

The revision conducted on SDF 8 and 9 evaluation documents shows **a medium level of coherence in terms of external synergies and complementarity** with other initiatives and financial opportunities funded/implemented by other development partners.

Figure **Error! Bookmark not defined.** External synergies and complementarity with development partners' initiatives and financial opportunities



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by the CDB.

The coherence and coordination between the CDB and its programmes, particularly SDF 8 and 9, with other development partners' initiatives within beneficiary countries are crucial for maximising development impact and resource efficiency. The CDB's strategic stance on partnerships is reflected in documents such as the Strategic Plan 2015–2019. It emphasises collaboration with stakeholders, including bilateral and multilateral partners, regional institutions, and civil society, to leverage collective resources and expertise to benefit BMCs.

CDB recognizes its limitations in supporting member countries in the Strategic Plan due to its size and resource constraints. This issue was also raised during the interviews with representatives of contributors and BMCs. They highlighted how the SDF operates in **a competitive context of development finance**, especially in countries where multiple actors, such as the World Bank and the Inter-American Development Bank (IADB), operate.

Considering the CDB's limited available resources and expertise, a distinction was established between programme areas or sectors where the SDF and the Bank would take the lead and sectors where the SDF would normally be used only in collaboration with partner agencies to support common objectives. The core sectors were identified as education and training, transportation, water and sanitation, solid waste, renewable energy/energy efficiency, agriculture/rural development and shelter, where the Bank retains a strong capacity and comparative advantage. The collaborative sectors will be public finance/economic management, agricultural production and marketing, ICT for development and the financial sector. However, challenges arise when working alongside other development partners, including administrative complexities and coordination difficulties, which may undermine project efficiency.

One of the challenges mentioned in one of the interviews when CDB has to work with other development partners is the **administrative and procedural difficulties** (i.e., lack of harmonisation in procedures, which requires double work from the actors). In general, partnerships are smooth and effective. However, the difficulty arises because, in some cases, each funder has its own specific administrative and financial rules, and the project team has to comply with these different processes, which complicates the administrative management of the project. As an example, a joint project with the International Fund for Agricultural Development (IFAD) was mentioned. This complication is coupled with other challenges within CDB identified by stakeholders: a slow approval process, a perceived lack of capacity on the part of the Bank, and a lack of in-country focal points. These problems might hamper the effectiveness of project implementation and aggravate coordination problems when collaborating with other development partners.

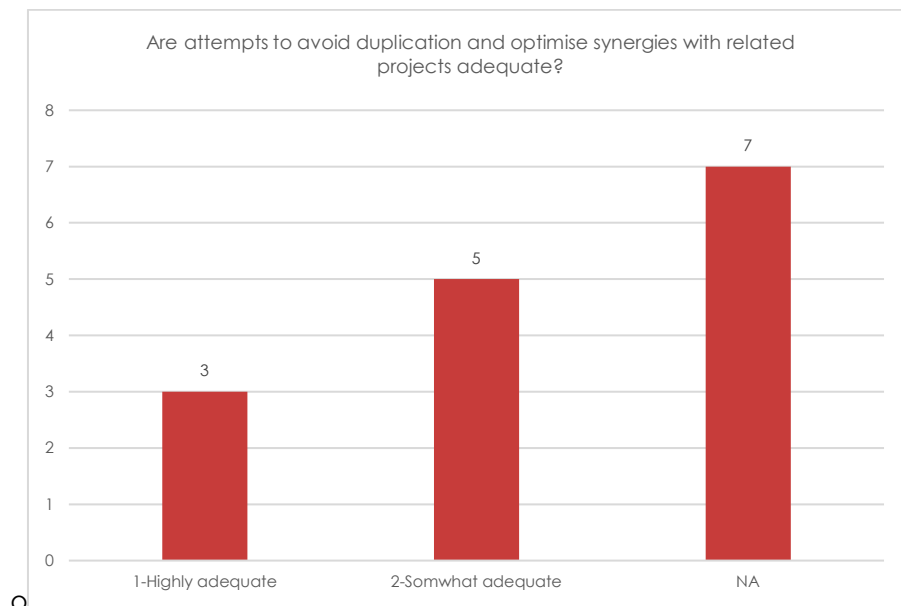
Institutional stakeholders underline that, beyond the project level, CDB has strong partnerships with development partners to channel their funds to the Caribbean. CDB has been accredited by several of these institutions, which makes it possible to gather and channel funds to the Caribbean countries.

Moreover, some stakeholders highlighted how the unique focus and complementary nature of BNTF projects contribute to their effectiveness in addressing **community-level needs**, minimizing coordination challenges with other development partners, and maximizing impact in rural areas. Mainly, given the specific focus of BNTF projects at the community level, there is less overlap or competition with other development initiatives, particularly those that target broader sectors or higher levels of intervention. This limited overlap minimizes the need for extensive coordination with other players, as BNTF projects often operate within its sphere of influence.



Regarding internal coherence, there is insufficient evidence in the SDF 8 and 9 evaluation reports to assess the efforts to optimise synergies with other related projects (funded by the SDF or other CDB funds) and to avoid duplication of similar activities and approaches between projects. Country Engagement Strategies and the appraisal process should assist in ensuring complementarity.

Figure **Error! Bookmark not defined.** Measurement of the adequacy of the attempts to avoid duplication and optimise synergies with related projects



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

However, interviews with BMC representatives also provided insights into the extent of complementarity and coordination between SDF 8 and 9 and other development initiatives. Belize highlights the significance of SDF financing in supporting social protection and infrastructure programmes, mitigating the impact of high-cost finance, and complementing existing initiatives. However, challenges in donor coordination persist, emphasizing the need for more precise communication and alignment of objectives. In Grenada, the education system's success is attributed to significant investments by the government and support from international development partners, including CDB's GEEP projects and SDF-funded school initiatives.

While existing mechanisms have brought some level of coordination, there is room for improvement in aligning priorities, streamlining procedures, and strengthening partnerships to achieve a more significant development impact in BMCs. Insufficient evidence exists regarding internal coordination between SDF/CDB-funded projects.

*Box 2 Focus on donor coordination in Haiti*

**Coordination with other international development partners is a critical specific feature of the CDB intervention in Haiti.** Indeed, at the beginning of CDB's intervention in Haiti, it was a strategic choice to consider CDB's limited experience in Haiti and to operate primarily through joint programming (i.e., to build partnerships with the development partners that allowed CDB to take advantage of existing operations and structures). In contrast, it built its in-country knowledge and capacity. In that respect, CDB had developed projects under previous cycles jointly with other partners such as the World Bank (WB), the Inter-American Development Bank (IDB), and other bilateral agencies.

With time, CDB gained project experience, visibility and credibility in the country, reinforced its experience in leading projects, developed its network with Haitian stakeholders, and thus managed to develop autonomous programming. Under the SDF 8 Haiti Programme, CDB developed its first stand-alone project with the Technical and Vocational Training Enhancement Project (TVET Phase II). Under SDF 9, CDB aimed to continue more direct programming in Haiti, especially in areas with little funding from other partners, such as TVET. As a result, the education project approved under SDF 9 featured components solely funded by CDB.

Among the key factors and the specific added value of CDB compared to other donors explaining the success of the cooperation between CDB and the Haitian government, we find a) CDB's understanding of the Caribbean culture that the Republic of Haiti shares and b) the CDB's ability to intervene in essential aspects which are often neglected or underestimated in the context of large initiatives funded by other donors (see for instance, CDB support to the new secondary school as part of the Education For All (Educación para Todos, EPT) programme, the school canteen programme or the training programme in geospatial mapping for energy). Besides, for these projects, the objectives focused on strengthening institutional capacities, which is a significant need for Haiti. On the other hand, the main weakness of the CDB intervention in Haiti, compared to other donors, is its limited resources, which puts the CDB behind other donors such as the IDB, the WB, and the European Union.

## 5 Efficiency

### Evaluation questions:

EQ4: To what extent did the governance and operational arrangements support the efficient implementation of SDF 8 and 9?

### Key highlights:

- Both SDF 8 and 9 exhibited adequate operational performance in the commitment of resources, with a rate of 98% for both cycles. However, the implementation of many SDF initiatives was significantly delayed, resulting in suboptimal disbursement rates. For SDF 8, about 25% of resources remain undisbursed, and for SDF 9, the disbursement rate is approximately 54% three years post-cycle. These delays, caused by limited CDB and BMC capacities for project approval and implementation, were exacerbated by the COVID-19 pandemic.
- Several critical issues hamper the institutional capacity of Executing Agencies to implement SDF-supported projects. These include challenges in meeting Conditions Precedent, difficulties adhering to CDB procurement rules, and insufficient project management skills.
- Lengthy wait times for processing non-objection requests and other administrative tasks at CDB have slowed down the pace of implementation for some SDF-financed projects. These delays are symptomatic of staffing shortages and complex internal processes. Additionally, stakeholders perceive that the lack of country presence further hampers the Bank's efficiency.
- To enhance operational efficiency, CDB introduced measures, including a more systematic country portfolio review, to provide additional support to BMCs with low commitment and disbursement rates. Despite these efforts, the efficiency of implementing SDF resources remains a challenge, with significant opportunities for improvement.
- Due to slow approvals during the first years of the SDF 8 and SDF 9 cycles, CDB and BMC officials were rushed to draft and approve projects later in the life cycle. This pressure resulted in requests for implementation extensions and additional internal approvals that consumed scarce CDB resources.
- Despite general assessments indicating reasonable cost-efficiency across most SDF projects, project delays introduce "hidden" costs, including financial burdens from extended timelines, increased operating expenses, reduced purchasing power, and considerable opportunity costs for the CDB.
- CDB has revised its procurement framework to improve flexibility by adopting a "fit for purpose" approach since 2019. Furthermore, the Bank has made significant strides in capacity-building for procurement, both internally and among its BMCs. Despite these positive developments, CDB continues to face challenges, particularly in encouraging wider participation in bidding processes and the uptake of e-procurement in BMCs in coordination with other BMCs to improve efficiency.
- While aiming for a results-based management approach, the M&E framework for the SDF 8 and 9 projects demonstrated variability in implementation and effectiveness across projects. These inconsistencies highlight a need for institutionalising good M&E practices across the Bank, especially to capture outcome data and establish a centralized M&E information system for better data management and retrieval.

This criterion will explore how the governance, management, and operational structures of SDF 8 and 9 contributed to the efficient distribution of funds. It will evaluate (a) the timeliness of

implementation; (b) the institutional capacity, both within the CDB (to manage the SDF) and the EAs (to implement SDF-supported projects); (c) how resources were managed; and (d) the effectiveness of the monitoring and evaluation (M&E) framework in place.

## 5.1 Timeliness and efficiency of implementation

At the cycle level, SDF 8 and 9 demonstrated adequate operational performance in the commitment of available resources. By the end of their respective cycles in 2016 and 2020, the total approval for SDF 8 and 9 reached 98% of the original allocation. However, the **disbursement rates for both cycles were suboptimal** due to significant delays in designing and implementing many SDF initiatives. We estimate that **for SDF 8, which began over a decade ago, about 25% of the resources are still pending disbursement for ongoing projects**. SDF 9's disbursement rate is approximately 54%, three years after its cycle concluded. These rates resulted in about USD229 mn still pending disbursement across both cycles, raising doubts about the beneficiaries' absorption capacity.

*Table 7 Disbursement statistics for SDF 8 and SDF 9 – Disaggregated by selected instruments*

Cycle	SDF 8		SDF 9	
	Avg. Project Disbursement Rate	# Projects with 90%+ Disburse. Rate / # Projects Approved	Avg. Project Disbursement Rate	# Projects with 90%+ Disburse. Rate / # Projects Approved
Loans	80%	17/39	65%	17/36
Grants	73%	72/191	73%	74/177
BNTF	100%	58/58	100%	116/116
CTCS	80%	45/129	N/A	N/A
Total Approved (USD)	289,569,383		337,700,190	
Total Disbursed (USD)	218,446,381		182,403,675	
Pending Disbursement (USD)	71,123,002		155,296,515	

Source: SDF portfolio data provided by CDB. The cut-off date for disbursement data is October 27, 2023

Of the 75 loans approved under both cycles, 34 have a disbursement rate above 90%, a benchmark for “practical completion”. Meanwhile, 36 loans are still in the process of disbursing, and 5 loans under SDF 9 have yet to begin disbursement. An exemplary case is the approved USD30 mn for the “Rural Water Supply Programme” in Jamaica. Approved in 2020, this project is expected to commence implementation in 2025 due to significant challenges encountered during the design phase (refer to text box three below for further information).



*Box 3 Adapting to planning and design challenges: Insights from Jamaica's Rural Water Infrastructure Initiative*

The Rural Water Project in Jamaica was initiated to improve water access in rural areas, underscoring the Jamaican government's priority for water infrastructure and its partnership with CDB.

The project was funded in 2019–2020 to leverage TA and capital investment to develop a sustainable water supply system in rural communities. The project was structured into two main phases: a TA phase approved in June 2020, intended to last one year and provide detailed design work, and a capital project phase approved in December 2020 for USD30 mn using SDF 9 resources (this is the single highest project budget approval for SDF 9). However, significant delays were encountered in the TA phase, preventing the start of the capital SDF-funded project.

Challenges arose from initial underestimations of project cost. Preliminary designs suggested a cost of USD115 mn, far higher than anticipated. At this stage, the project faced two significant problems: a) the consultant stopped the design work, arguing that the fees allocated for implementing the required activities were insufficient, and b) the already approved capital budget could not be increased. This situation led to a reduced project scope to fit the available budget. This recalibration, led by Rural Water (the EA), involved downsizing the number of water schemes from seven to six and adjusting the scale of work under each scheme to align with the financial constraints.

CDB is preparing a variation paper to submit to the review committee and the Board that justifies the project's shift in focus. CDB is interacting with the consultant for the completion of design work. Should everything proceed as planned, the project is expected to start in 2025.

The delays and scope adjustments highlight key lessons. Among these are the importance of awaiting the results of feasibility studies before approving capital, ensuring a more accurate budget, and having contingency plans in place.

Regarding grants, approximately 146 (38%) of the operations have achieved “practical completion”, while 222 (62%) are ongoing, including 28 with no disbursement to date. Notably, the BNTF has completed disbursement for all 174 sub-projects funded under both cycles.

These observations confirm that most projects and initiatives financed by the SDF have experienced **significant delays in their design and implementation**. This trend is supported by case studies conducted by the consulting team, as shown in the following table.

Table 8 Timelines of implementation for SDF-supported initiatives covered in the case studies

Name / Country	Timeliness of implementation (On time, slight/significant/severe delays)	Drivers of delays
Cassava Industry Market Assessment / Regional	Significant delays	<ul style="list-style-type: none"> <li>• <b>Start of the Project:</b> The project required coordination with the Food and Agriculture Organization (FAO) and in close consultation with the countries to ensure buy-in</li> <li>• <b>CDB and EA staff capacities:</b> Limited capacities on the ground</li> <li>• <b>Long production cycle of the cassava crop</b> (10 months and longer)</li> </ul>
Strengthening of RQI Programme – CARICOM Regional Organisation for Standards and Quality / Regional	Significant delays	<ul style="list-style-type: none"> <li>• <b>COVID-19 pandemic</b></li> <li>• <b>Procurement delays:</b> Challenges in the procurement of necessary equipment due to disruption in the international supply chains</li> </ul>
Grenada Education Enhancement Project phase I – GEEP I / Grenada	Significant delays – To be completed by 2024 (9 years after the project was approved)	<ul style="list-style-type: none"> <li>• <b>COVID-19 pandemic</b></li> <li>• <b>Low institutional capacities</b> within the Ministry and schools</li> <li>• <b>CDB:</b> turnover within CDB staff, long response times for non-objection</li> <li>• <b>Operational:</b> Land acquisition and procurement delays</li> </ul>
Technical and vocational education and training development / Saint Vincent and the Grenadines	Significant delays: 3 years behind the revised implementation schedule	<ul style="list-style-type: none"> <li>• <b>COVID-19 pandemic</b></li> <li>• <b>Construction delays:</b> Shipping delays, price hikes, and material shortages</li> </ul>
School improvement project-Saint Vincent and the Grenadines-Phase I / Saint Vincent and the Grenadines	Significant delays	<ul style="list-style-type: none"> <li>• <b>Volcanic eruption:</b> the 2021 event caused variations at construction sites and incurred cost overruns</li> </ul>
Natural Disaster Management – Immediate Response Loan and Use of Funds (Consultancy Services) – Hurricane Earl / Belize	On time	
Enhancing Sugarcane Farmers' Resilience to Natural Hazards Events / Belize	On time	

Disaster Management Emergency Relief Grant: Drought 2019 / Belize	On time	
BNTF 9 Sub-project: Windsor Community Water Supply Rehabilitation / Jamaica	Significant delays	<ul style="list-style-type: none"> <li>• <b>Climatologic:</b> Due to heavy rains and terrain characteristics, it was not possible to transport the materials to the construction site at some point</li> <li>• <b>Contractor capacities:</b> Contractor failed to implement efficiently and follow the expected timeline</li> </ul>
BNTF 9 Sub-project: Epworth Rural Feeder Road Rehabilitation	On time	
BNTF 9 Sub-project: Marlie Mount Infant & Primary School Expansion & Sanitation Upgrade	Slight delays	<ul style="list-style-type: none"> <li>• <b>Start of the project:</b> There were no delays in implementation, but there were at the start of the project</li> </ul>
BNTF 9 Sub-project: CPFSA (CDA) Therapeutic Treatment Centre Construction	Significant delays	<ul style="list-style-type: none"> <li>• <b>Design consultant issues:</b> Shortages in quantities specified by the consultant led to cost overruns and a long delay (6–8 months)</li> <li>• <b>Contractor capacities:</b> Technical difficulties mainly affect the infrastructure construction work. There were also cash flow problems</li> </ul>
BNTF 9 Sub-project: Albion Primary School Special Education Block Construction	Minor delays	<ul style="list-style-type: none"> <li>• <b>Failed tender:</b> This sub-project experienced one failed tender</li> <li>• <b>Contractor delays:</b> The contractor had delays in transporting the machinery and construction equipment to the site</li> </ul> <p>However, the schools were constructed in around six months because the contractor used prefabricated concrete walls and materials</p>

Source: Case study reports.

We can group the drivers for delays into two categories: a) major external shocks and b) BMC and CDB capacities for implementation. The issue of capacities is discussed further in the section below.

The **global COVID-19 pandemic was the major external shock that hindered SDF 8 and 9 implementation**, especially for the infrastructure construction projects. The pandemic resulted in updated protocols for training, construction site operations, and travel to and within BMCs. These changes slowed down the implementation process at several stages. During the lockdown months, travel restrictions were in place, making site visits impossible for CDB staff. The restrictions and safety protocols implemented after the lockdown also caused labour shortages, logistical complications, and supply chain disruptions.

CDB has put forward several initiatives to promote greater operational efficiency. These included allocating additional resources to perform more frequent BMC portfolio reviews and

provide technical support for those with significant undisbursed balances, identifying single points of contact concerning disbursement management by BMCs, and strengthening in-country procurement systems. However, CDB leadership acknowledges that implementation is less than optimal, and efficiency is a key area with many opportunities for improvement.

One key area that could drive operational efficiency is ensuring SDF resources are allocated earlier in the cycle. Due to slow approvals during the first years of SDF 8 and 9 cycles, CDB and BMC officials rushed to draft and approve projects later in the life cycle. This often resulted in additional internal approvals that consumed scarce CDB resources and a low disbursement rate within the cycle timeframe. A new approach would require countries to determine how to allocate SDF resources from a project pipeline, with feasibility studies and initial designs, very early in the cycle. Additionally, a multicycle approach for SDF-financed project planning and implementation could be considered, especially for large-scale infrastructure and BNTF sub-projects (see text box below).

*Box 4 A proposal for a multicycle approach for sub-project planning and implementation for future BNTF cycles in Jamaica*

As evidenced in the case study "BNTF 9 Poverty-reduction initiatives in Jamaica", the Jamaica Social Investment Fund (JSIF), which is the executing agency of BNTF in Jamaica, has struggled to deploy the allocated resources within SDF cycle timeframes and had to request extension to the Terminal Disbursement Dates (TDDs). Some of the delays arose from the current project approval and implementation process. Specifically, the time consumed by obtaining approvals from the CDB and then navigating through local bureaucratic procedures results in a loss of approximately a year and a half of implementation. This was particularly problematic for BNTF 9, given new fiscal regulations in Jamaica that increased the layers of government process for investment approvals and does not accommodate a "fast track" for projects funded with grant resources.

To address these challenges, JSIF leadership considers a multi-cycle approach to BNTF implementation should be considered. This approach advocates for a more integrated and continuous planning and execution of sub-projects across multiple BNTF cycles. By initiating the local bureaucratic and approval processes well in advance—for example, laying the groundwork for BNTF 12 projects during the implementation of BNTF 11—this strategy aims to allow sub-projects implementation to begin during the first years of the SDF/BNTF cycle.

## 5.2 Institutional capacity, both within the CDB and the Executing Agencies, to implement SDF-supported projects

Case study analysis shows that BMCs often faced difficulties with processes and their ability to meet the Conditions Precedent. These challenges led to delays in implementation and extensions to the project timelines after the loans became effective. In addition, in some cases, clients perceived complications in complying with CDB procurement rules and procedures for loan drawdown requests. Additionally, issues were noted within some BMCs related to their national bureaucratic procurement systems and a lack of sufficient project management skills.

The regional project "Strengthening of RQI Programme – CROSQ" illustrates the perceived complexity of the CDB procurement procedures. Adversely affected by COVID-19 and broader disruptions in international supply chains due to the war in Ukraine, this project faced

significant challenges in procuring necessary equipment. CDB responded by sourcing the required equipment and reinforcing the CROSQ team's procurement capabilities. However, the CROSQ team expressed concerns about the perceived onerousness of the procedures among potential bidders. According to interviewees, the extensive documentation required, especially for smaller contracts, might have deterred qualified companies from participating, potentially reducing competition (see the attached case study on promoting export readiness, improved logistics and regional trade for more information).

As previously discussed in section 2.4, CDB revised its procurement policy in November 2019, implementing a series of fundamental reforms toward a more adaptable, “fit for purpose” approach. These reforms include deeper upfront analysis to assess market conditions, stakeholder capacities, and potential risks; a broader selection of procurement methods tailored to project needs; enhanced emphasis on quality, environmental, and social factors in proposal evaluations; and harmonization with other BMC systems to facilitate joint co-financing.

As mentioned before (see section 2.4), CDB revised its procurement policy in November 2019 and has since been rolling out a series of fundamental reforms towards a more flexible “fit for purpose” approach. These reforms include deeper upfront analysis to assess market conditions, stakeholder capacities, and potential risks; a broader selection of procurement methods tailored to project needs; enhanced emphasis on quality, environmental, and social factors in proposal evaluations; and harmonization with other BMC systems to facilitate joint co-financing.

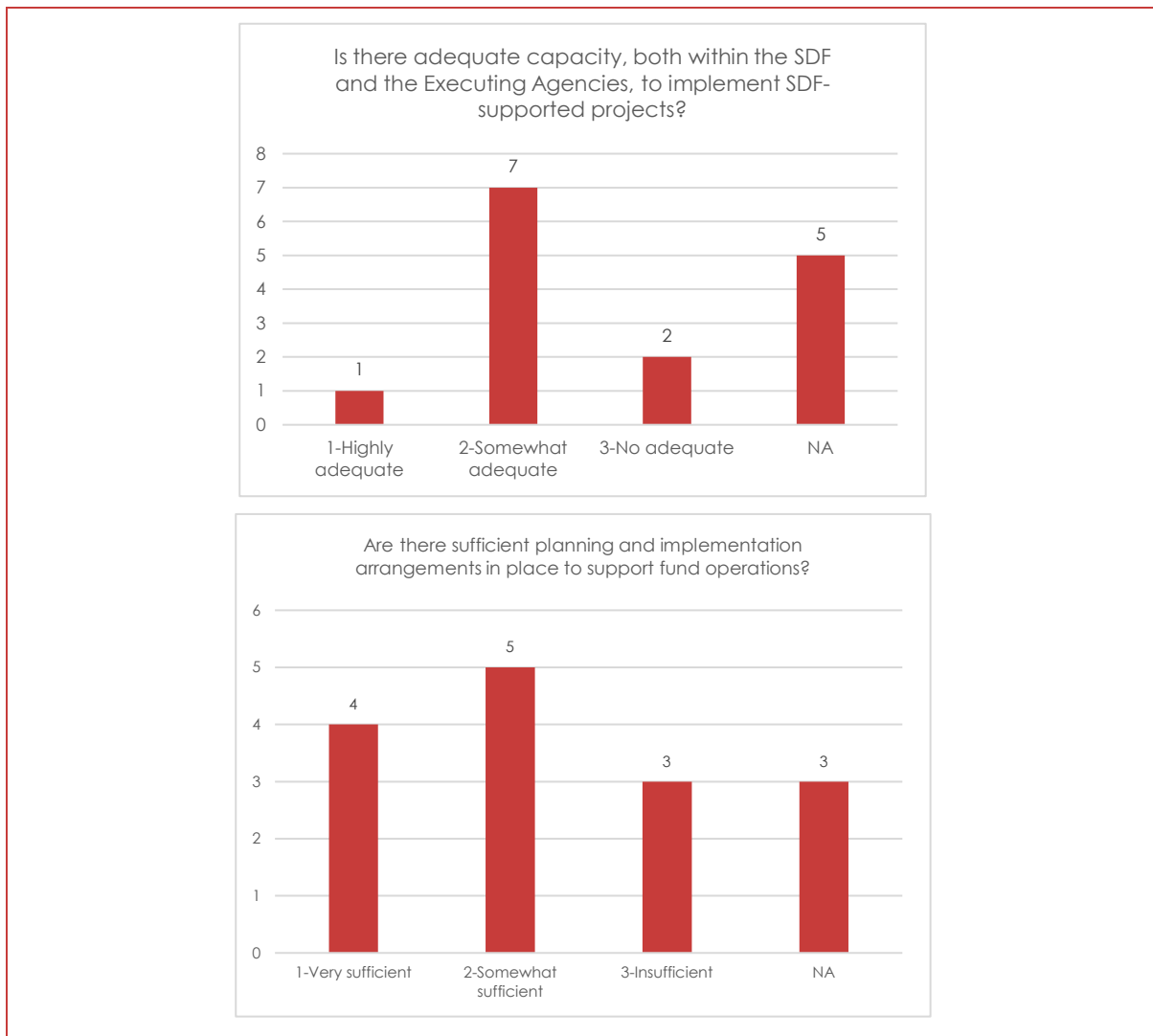
While CDB appears to be on the right track in streamlining its procurement procedures without compromising fairness or corruption safeguards, it must continue to engage clients actively and find innovative ways to encourage broader participation in bidding processes, especially among MSMEs. CDB also faced challenges related to **internal capacity**. Lengthy wait times for non-objection requests and other administrative tasks at the CDB have slowed down the pace of implementation for some projects. This may be due to a lack of staff, constrained administrative budgets, complex procedures, and high staff turnover. Stakeholders perceive that the lack of country programme representatives and minimal on-the-ground presence further hampers the Bank's efficiency.

Regarding internal capacity for procurement, it is noteworthy that since the period under review, the Bank's public procurement unit has expanded its staff to better support divisions and units. Most CDB staff responsible for project oversight have completed online training modules related to implementing the Bank's procurement framework.

Substantial efforts have also been made to enhance capacity-building for procurement in the BMCs. A notable initiative was the establishment of a regional training centre in Jamaica in collaboration with the World Bank, where most senior leaders in public procurement from the BMCs have received training. Furthermore, the CDB has funded scholarships for a master's programme in public procurement and supported participation in the Inter-American Network on Government Procurement (INGP). Despite these advancements, the CDB must continue to support capacity-building for public officials in the BMCs, especially at mid-senior and project levels, and encourage the uptake of e-procurement mechanisms in coordination with the other MDBs to further streamline processes.

The findings from the meta-synthesis partially confirm the previous findings. Most of the reviewed evaluation documents assess the capacity of the Bank and EAs to implement SDF-supported projects as “inadequate or somewhat adequate” with either “somewhat sufficient” or “insufficient” planning and implementation arrangements.

**Figure Error! Bookmark not defined.** Capacity and availability of planning arrangements to implement SDF- Supported projects

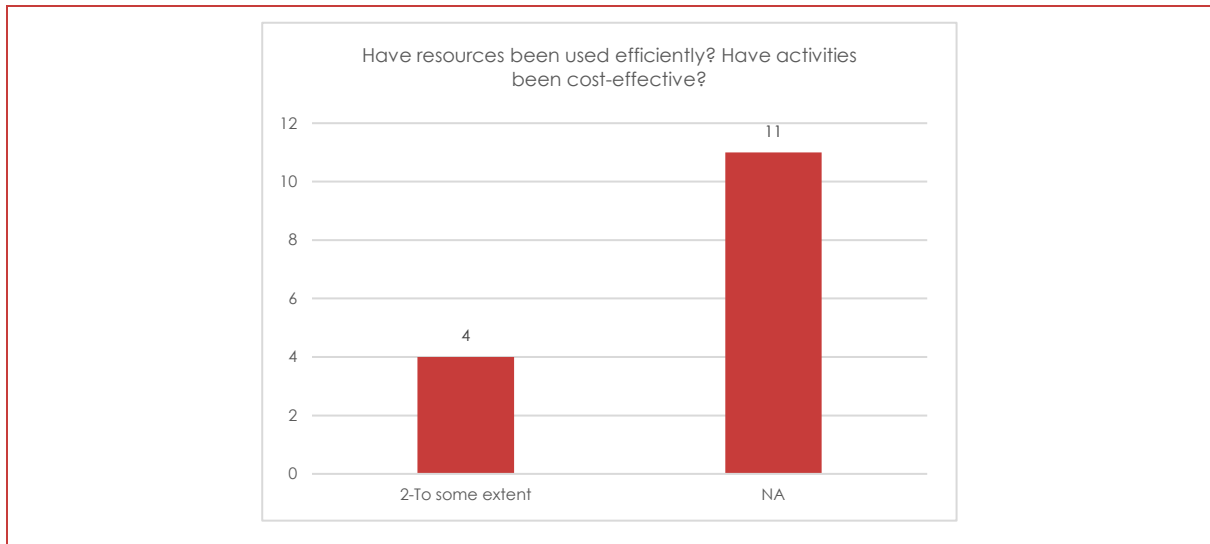


Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB.

### 5.3 Cost-resource efficiency / Cost-effectiveness

The previous evaluation and reports reviewed as part of the evaluation synthesis, including SDF Annual Reports, lacked a detailed analysis of resource use efficiency and cost-effectiveness throughout the SDF portfolio (see large number of N/A in Figure 13).

Figure **Error! Bookmark not defined.** Assessment of resource efficiency and cost-effectiveness for SDF 8 & 9



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB.

Nonetheless, CDB's project performance assessments rated "cost-efficiency" as reasonably good across most interventions. In line with this assessment, **most of the projects investigated in the case studies used the budget as planned and did not undergo significant cost overruns.** The exceptions were the projects in Grenada and SVG:

- The School Improvement Project – Phase I in SVG was affected by the 2021 volcanic eruption, necessitating construction design variations and cost overruns.
- The delays in the TVET Project in SVG and the Grenada Education Enhancement Project Phase I generated higher construction costs due to inflation after the pandemic.

As pointed out in previous OIE evaluations, project delays often lead to overlooked "hidden" costs, which include significant financial burdens from extended timelines. These delays prevent early realisation of potential benefits, incur additional expenses such as operating costs and reduce purchasing power due to inflation. On the CDB side, the extended project duration incurs a considerable opportunity cost for the staff engaged in delayed projects. These costs should be included in analyses of the total cost for better efficiency evaluation.

#### 5.4 Monitoring and reporting mechanisms in place

The M&E framework of SDF 8 and 9 followed a results-based management approach to some extent. The CDB employs a dedicated Result Framework for the SDF. Many SDF- and BNTF-funded projects' appraisal documents covered in the case study analysis included a logical framework. They established key performance indicators, including relevant outputs and outcomes (including baseline and target) and responsibility for data collection in line with the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) framework.

However, **the monitoring framework is somewhat limited in some of the projects covered in case studies.** For example, no evidence exists that a results-based framework was established at inception for the Livestock Farmers and the Hurricane Earl projects in Belize.

In addition, the **quality, frequency, and availability of monitoring reports differ significantly across projects.** To illustrate the difference, we first analyze two regional projects with adequate reporting:



- **Strengthening of RQI Programme – CARICOM Regional Organisation for Standards and Quality:** Adequate monitoring and reporting mechanisms were in place for the CROSQ project. CROSQ project monitoring was carried out regularly and efficiently. During the two-year implementation, quarterly reports were delivered. The reports offer a good account of the activities carried out and the results achieved. Each report includes a list of the activities carried out by month; the progress made toward targets during the reporting period; challenges encountered and actions taken; visibility in the media; lessons learned; and work plans for the following quarter. Project managers at CDB highlighted how regular communication helped monitor the project's progress.
- **Cassava Industry Market Assessment and technology validation and dissemination.** The FAO and CDB had a robust M&E plan with regular progress reports for each project's components. There were visits to two targeted countries every quarter to work with the partners on the ground (at the ministerial level) and monitor the training. The final project report produced by the FAO is exact and informative.

Similarly, we observed effective monitoring practices for BNTF sub-projects in Jamaica, where the Executing Agency (EA) submitted quarterly reports covering all sub-projects. A dedicated M&E unit was established within the EA to enhance monitoring efforts. This unit collaborated closely with social officers and project teams to gather baseline and ongoing monitoring data. Additionally, the CDB funded a mid-term evaluation and a final Country Project Completion Report for BNTF 9.

In contrast, monitoring was a significant weakness for Grenada and SVG projects. Despite well-designed monitoring frameworks outlined in project documents, the actual implementation of these frameworks was lacking. Reports were often incomplete and did not adequately report implementing activities and indicator achievement progress.

Moreover, numerous project M&E documents, such as Project Supervision Reports (PSR) and Project Completion Reports (PCR), were either non-existent, missing, or problematic to gather by the OIE team. This deficiency highlights a gap in CDB's self-evaluation practices compared to the standards set out in its evaluation policy. It also underscores the absence of a centralised M&E information system at the Bank, which is necessary to retrieve data and reports easily and prevent potential data loss. For instance, monitoring reports for the project aimed at enhancing sugarcane farmers' resilience to natural hazards in Belize could not be obtained from either the CDB or the EA to draft the case study.

Overall, stakeholders from the CDB and the EAs struggled to evaluate projects consistently regarding medium-term outcomes and impacts. This challenge is broadly acknowledged as a critical area for enhancement in future SDF cycles. As reflected in the inconsistent quality and availability of M&E instruments (PSR, PCRs, etc.), another key area of improvement lies in further institutionalising monitoring good practices across the Bank.



### Box 5. Focus on SDF efficiency in Haiti

**The opening of the Haiti Country Office (HCO) in 2018 is a significant step forward in implementing SDF 8 and SDF 9. Concerning the governance of the SDF, this permanent presence of an on-site CDB team gives it a high profile and enables it to build a solid working relationship with the Haitian authorities and development partners. However, its role in operational arrangements, especially monitoring project implementation, seems less successful, and there is still a need to improve project follow-up.**

The opening of the HCO in Haiti in 2018 has been considered a “**significant first step** in improving responsiveness and project oversight” (SDF 9 MTR). Indeed, according to this evaluation, the benefits are two-fold; the office has allowed CDB to (a) better liaise with country stakeholders, including the government and other development partners, and (b) better design projects that consider the main characteristics of Haiti context. International and Haitian authorities have universally welcomed it. For the latter, there is a view that as an institution of the region, CDB can achieve a clear understanding and affinity with Haitian goals, including facilitating its greater integration into the Caribbean region (SDF 9 MTR). The MTR of SDF10 confirms this statement as interviews with key Haitian respondents suggest that the local team operating the HCO has demonstrated leadership and resilience in managing the office despite the ongoing crisis.

The case study on rural development projects illustrates the crucial intermediary role played by the HCO between the CDB and the Haitian government. There is no evidence of the HCO's participation in the strategic orientation of the project. It also served as an interface between the stakeholders involved in project implementation. According to interviews with Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) and Welthungerhilfe (WHH) officials, the HCO often had to intervene to facilitate their follow-up with the Ministry of Economics and Finance.

Moreover, following the 2018 evaluation of CSP Haiti, the Bank has developed a **new approach to project design** in Haiti to consider the specific needs of this fragile state. For fragile states, project design must be based on a sound ToC that takes complete account of the complexity of the local and national context and must be agile enough to adapt to possible changes in the context (this new approach applies to projects supported by SDF 10)

However, the creation of the HCO did not solve all the difficulties of SDF implementation in Haiti: the various evaluations held in 2018 and 2023 and the latest interviews conducted in February 2024 as part of this evaluation point to **persistent weaknesses in project supervision**.

Indeed, the current system deployed to monitor the implementation of projects is inadequate, as the follow-up is still primarily carried out by project managers based at CDB headquarters in Barbados. This process was relevant and sufficient in the Bank's early interventions in Haiti (i.e., when the projects were co-financed with other development partners, responsibility for monitoring rested with them, and the CDB benefited from their procurement and financial procedures, as well as their reporting systems for M&E – see section on coherence). Now, however, it is not enough for the CDB to carry out the projects.

In addition, the context of fragility that prevails in Haiti requires very close monitoring and supervision of projects, as well as an agile and flexible approach to project management to adapt the implementation of projects to an ever-changing environment. Following the 2018 Country Strategy Evaluation, Bank management committed to increasing the number of supervision missions and supporting the HCO between missions. Still, the MTR of the SDF 9 noted that since 2019, there has been no presence or oversight mission of the CBD headquarters in Haiti, and the programme has been managed with relatively infrequent visits.

## Effectiveness

### Evaluation questions:

- EQ5: What outcome-level changes occurred as a result of SDF 8 and 9 investments?
- EQ6: To what extent did SDF 8 and 9 serve the Bank's strategic priorities and contribute to the achievement of BMC's development goals?

### Key highlights:

- The BNTF projects under SDF 8 and 9 have contributed significantly to the participating countries' poverty reduction and human development. Investments in basic infrastructure, skills training, and social and economic infrastructure have led to tangible outcomes such as improved education facilities, water supply systems, and production-related infrastructure. The focus on targeting vulnerable and marginalised communities has ensured inclusive development in the region. Challenges such as project management efficiency, disbursement rates and gender analysis integration need to be further enhanced to maximise the impact.
- In Haiti, while the evaluation faced limitations in the availability of information, the evidence gathered shows that SDF 8 and 9-funded projects have made progress in addressing the country's unique challenges. Evidence shows that investments in education and training have led to increased enrolment. Concerning the CBARD (Community-Based Agriculture and Rural Development) project particularly, consultations with beneficiaries using a participatory approach indicate that it achieved its objectives. However, challenges persisted in building the management capacity of irrigation committees and assessing the involvement and technical capacity of municipal agricultural offices (BACs) remained inconclusive. The context of political instability and vulnerability to natural disasters poses significant obstacles, requiring agile project management and tailored approaches to address the evolving environment. Close monitoring and adaptation to the fragile context of Haiti have been highlighted as essential for project success.
- SDF investments in education and training have resulted in the construction and upgrading of classrooms, improved physical conditions for students and teachers, and enhanced access to student loan financing. Enrolment in primary and secondary education has increased. Improved infrastructure has contributed (although not sufficiently) to creating conditions for achieving the overall goal of enhancing the quality of education in the BMCs. However, the contribution to improved students' grades in international assessments is lower. Challenges remain in tracking mid-term outcomes and evaluating the overall impact of projects.
- Projects under SDF 8 and 9 focusing on environmental sustainability, climate change, and disaster response have shown mixed outcomes in achieving targets. While some outcomes, such as infrastructure improvements and disaster resilience initiatives, have been successful, targets for renewable energy and energy efficiency have not been fully met. The region's vulnerability to climate change has necessitated a focus on resilience building and adaptation measures.
- During SDF 8 and 9, a loan portfolio of USD185 million was committed to supporting economic and social infrastructure projects such as roads, sea defences, sanitation, and water supply systems. Difficulties due to COVID-19 and natural hazards caused delays in project implementation, especially in transport and water supply improvements. Although some projects have been successfully completed, a significant part of the resources for ongoing projects are pending disbursement. These initiatives have contributed to building or upgrading infrastructure, but their achievement of expected medium-term outcomes has not been fully assessed.

- SDF investments in private-sector development have increased support for the region's MSMEs. Efforts to drive innovation, boost productivity, promote economic diversification, and enhance employment have been evident in SDF 8 and 9 projects. The focus on creative industries as a driver of growth and development has led to investments in training, business support, and infrastructure projects. Challenges such as sustainability of initiatives, enhancing competitiveness, and effectively deploying resources require continuous focus and innovative approaches to drive lasting impact.
- Initiatives under SDF 9 aimed at promoting regional integration and cooperation have addressed barriers to intra-regional trade and access to regional markets. Investments in statistical capacity, intra-regional logistics, infrastructure quality, and financial sector regulation have shown progress towards improving the business environment and facilitating trade across borders. However, there is a need for a clear regional strategy to guide CDB's efforts in this area. Challenges such as the lack of an overarching strategy for regional integration and limited assessment of outcomes call for more precise strategies and better monitoring mechanisms to align interventions with poverty-reduction goals.
- Progress in promoting gender equality in the region through SDF investments has been notable but heterogeneous. While there have been improvements in gender mainstreaming in project approvals and loan ratings, challenges remain in addressing specific gender inequalities effectively. Revising and evaluating the Gender Equality Policy and Operational Strategy have provided insights for enhancing gender-targeted initiatives. Continued efforts are needed to monitor progress towards gender equality outcomes and ensure the sustainability of gender mainstreaming across all projects.

## 5.5 Outcome-level changes with significant contributions of SDF 8 – 9 and factors that contributed to or constrained their achievement

This criterion assesses which (intended and unintended) outcome-level changes SDF 8 and 9 contributed to, including any appreciable differentiation at the thematic and country levels. The focus is on two cycles and the value added to the “programmatic” approach vis-à-vis project-by-project implementation. The question includes a dedicated analysis of outcomes supported and which factors contributed to or constrained achieving those outcomes, including the adequacy of the allocated resources.

The following sections analyse the SDF 8 and 9 results regarding the BNTF interventions and SDF investments in Haiti. It also focuses on contributions to changes regarding critical thematic areas of intervention: Education and training, environmental sustainability and Climate, Economic and Social infrastructure, Private-sector development, and regional integration. It finally looks at the uptake of the gender dimension in the SDF 8 and 9 investment portfolios.

As explained in section 1.3.1, this evaluation uses a theory-based approach. Thus, the outcomes included in the Theories of Change presented in section 3.5 have been considered to assess the effectiveness criterion. As depicted in the ToC of SDF 8 and 9, explained in Appendix B4 and following our understanding of the M&E framework the Bank uses, we define short-term outcomes of SDF 8 and 9 as the immediate effects of successfully completed SDF-funded sub-projects. The medium-term outcomes are defined as the effects of short-term outcomes on the direct and indirect beneficiaries of the sub-projects.

However, the reporting of outcomes has faced some challenges. The evaluation did not contemplate collecting information for the direct and aggregated measurement of short-term and medium-term outcomes in the different themes addressed in this section. This report draws on several sources: previous evaluations, case studies, interviews, and figures from the SDF 8 and 9 mid-term evaluations.

Concerning information from these mid-term evaluations, the figures generally correspond to aggregated results of the outcomes (either short-term or medium-term) of CBD interventions that align with the SDGs' objectives and priorities. Thus, it is not possible to gain disaggregated information on outcomes directly attributable to the SDF from these figures. However, these figures show trends in issues to which the SDF has contributed through its interventions.

#### 5.5.1 BNTF's positive contribution to poverty reduction

BNTF has been a vital programme within CDB, aiming to reduce poverty through inclusive and sustainable economic growth. SDF 8 focused on poverty reduction by targeting poor communities with infrastructure improvements and skills training. Transitioning to SDF 9, its mission evolved to emphasise priority areas like education, water and sanitation systems, and community access and drainage. The inclusion of Suriname as part of a pilot programme expanded the coverage from eight to nine participating countries. Cross-cutting areas in SDF 9 included gender, environmental sustainability and climate change, and good governance, which remained unchanged from previous BNTF cycles, and a new cross-cutting area, livelihoods and economic empowerment, reflecting a broader approach to poverty reduction.

Stakeholders' perception of the BNTF has been positive, reflecting the programme's significant value in responding to country and community needs regarding poverty reduction. Seen as responsive, focusing on poverty reduction and strategic priorities, the BNTF has been appreciated for the visibility and continuity of its development efforts. The programme's adaptive approach to local specificities and flexibility improves its reception among stakeholders and participants<sup>8</sup>.

During SDF 8, the BNTF contributed to poverty reduction and human development in BMCs. The BNTF's focus on improving basic infrastructure and services, providing skills training, and enhancing community social and economic infrastructure has led to tangible outcomes. These include investments in education facilities, water supply systems, skills training, and production-related infrastructure. By targeting vulnerable groups and marginalised communities, the BNTF has worked towards ensuring inclusive development in the region. In addition, the BNTF's emphasis on reducing vulnerability through health facilities and support for vulnerable groups aligns with the overall goal of poverty reduction in participating countries. Some indicators of progress reported in 2014 by the SDF 8 Mid-Term Review concerning the contribution of CBD to country and regional results through the outcomes are shown in the table below.

*Table 9. Contributions of the CDB to country and regional short-term outcomes through results. Selected indicators*

Indicators	Achievements	Programmed achievements	Actual achievements	
	2009–2012	2013–2016	2013	2014
<b>Education and Training (at all levels)</b>				
Primary and secondary classrooms built or upgraded according to minimum standards (number)	730	765	149	134

<sup>8</sup> CDB (2019) Basic Needs Trust Fund Ninth Programme. Mid-Term Evaluation Final Report and Management Response

Indicators	Achievements	Programmed achievements	Actual achievements	
	2009–2012	2013–2016	2013	2014
Students benefiting from improved physical classroom conditions, enhanced teacher competence and access to student loan financing (number)	163,600	237,635	55,932	50,985
<b>Agriculture and Rural Development</b>				
Land irrigated or improved through drainage, flood and irrigation works (hectares)	4,750	4,800	992	0
Stakeholders trained in improved production technology (number)	702	5,390	2,300	230
<b>Social and Economic Infrastructure</b>				
Primary, secondary and other roads built or upgraded (km)	2,020	196.2	233	94.8
Beneficiaries of road projects (number)	259,000	569,980	280,025	59,996
-Male	n.s.	284,990	141,892	29,904
-Female	n.s.	284,990	140,133	30,092
Sea defences/ landslip protection/ urban drainage (km)	18.1	24.6	14.7	5
Community infrastructure built/upgraded (number)	522	14	79	61
Beneficiaries of community infrastructure interventions (number)	158,000	22,550	297,590	166,508
-Male	n.s.	12,180	150,595	82,899
-Female	n.s.	10,370	146,995	83,609
<b>Water and Sanitation</b>				
Water supply lines installed or upgraded (km)	247	89	102.51	89.03
All	n.s.	44	–	
Urban	n.s.	45	93.8	
Rural				
Households with access to sanitation and water supply (number)	23,500	20,280	3,890	7,431
Urban	n.s.	5,070		
Rural	n.s.	15,210	3,890	7,431

While acknowledging the difficulty of directly attributing BNTF's contribution to the MDGs, the mid-term evaluation of SDF 8 stated that it was clear that in countries and sectors where it operated, better results were achieved than in those where it did not. Therefore, the BNTF has contributed to key poverty-reduction indicators, education, health, and infrastructure development in participant countries. By targeting specific poverty-reduction priorities and focusing on social and economic infrastructure, the BNTF contributed to improving the quality of life for many individuals and communities in the Caribbean region. Additionally, the BNTF's efforts in promoting resilience to environmental, climate, and disaster risks, as well as its

initiatives in advancing gender equality, have contributed to a more holistic approach to development. Indicators of regional progress towards selected Caribbean-specific Millennium Development Goal (CMDG) targets and development outcomes during SDF 8 are shown in the table below.

*Table 10. Indicators on regional progress towards selected CMDG targets and development outcomes during SDF 8*

Indicators	Baseline Year	Baseline Value	Target (2015)	Status as of December 2013	Status as of December 2014
<b>Poverty and Human Development</b>					
Proportion of population below the poverty line (%)	2006	54	27	54	44
Proportion of population below the indigence line (%)	2006	35.0	17.5	45.7	22.4
Net enrolment in primary education (%) <sup>9</sup>					
- Female	2006	94	95	91.0	89.1
- Male	2006	94	95	90.0	90.1
Net enrolment in secondary education (%)					
- Female	2006	73	80	87.0	88.3
- Male	2006	68	77	83.0	84.0
Proportion of population with access to a water source (%)					
- urban	2009	96.0	94.0	96.9	96.2
- rural	2009	86.0	92.5	91.0	92.1
Proportion of population with access to improved sanitation (%)					
- urban	2009	86.0	88.0	86.4	87.6
- rural	2009	84.0	86.5	82.4	84.5

Source: SDF 8 Mid-Term Review.

The pandemic delayed the execution of projects under BNTF 9, resulting in the extension of BNTF 9 and an overlap with the approval of BNTF 10. Even though, during SDF 9 up to December 2018, the specific outcomes of BNTF in fulfilling CDB's mission of poverty reduction and human development have been remarkable. In terms of education and training, the BNTF has led, up to the date mentioned above, to increased male (but not female) enrolment in primary and secondary education and improved student grades in national assessments.

The linkages between BNTF and other CDB thematic areas, such as Resilience (Environment, Climate, and Disaster Risk) and gender equality, have been vital. BNTF projects have integrated measures to enhance resilience to environmental challenges, mitigate climate risks, and build disaster resilience. Moreover, gender equality has been mainstreamed into BNTF initiatives to ensure that women and men have equal access to project benefits and opportunities. These linkages are essential for holistic and sustainable development in BMCs.

The outcomes of the reforms implemented in BNTF in SDF 9 demonstrated varying levels of success by the mid-term evaluation. While some reforms were fully achieved, others were still

<sup>9</sup> Education performance data has a lag of one year and the latest data refers to 2013.



in progress, indicating ongoing efforts towards improvement and adaptation. Significant improvements included a shortened process flow for sub-projects, increased partnerships with the private sector, and the appointment of dedicated M&E officers within Implementation Agencies. However, challenges like project management capacity constraints, gender analysis integration shortcomings, and fluctuating disbursement rates remained prevalent.

**Short-term outcomes of a sample of BNTF-supported sub-projects implemented by JSIF in Jamaica**

Based on the Jamaica BNTF 9 CPCR, some of the achievements at the portfolio level include:

- Education and HRD I (school infrastructure): 48 classrooms were constructed, benefiting 3,605 students. This investment led to a more conducive teaching and learning environment due to improved physical infrastructure, furniture and equipment.
- Education and HRD II (training and institutional development): Training and two HRD (special needs) facilities/infrastructure that led to opportunities and services for children needing psychosocial assessment and those with special needs.
- Education and HRD III (livelihoods): Drip irrigation infrastructure was provided to 300 farmers in Jamaica's "bread-basket" area, leading to reduced use of water and fertiliser on farms and increased farm income.
- Access and Drainage (Rural Access Roads): A total of 8.85 kilometres were rehabilitated, benefitting directly 2,434 people (1,250 females/1,184 males), leading to savings in time to travel to any place and improved economic activity (e.g., the greenhouse on Epworth Road)
- Water Supply and Sanitation: Rehabilitation of one water supply, benefitting 1,396 community members with improved access to water.

The evolution of BNTF outcomes from cycle 8 to cycle 9 exemplifies a commitment to continuous enhancement and adaptability to meet the region's evolving needs. The BNTF's core mission of poverty reduction through inclusive growth was reinforced through reforms aimed at optimizing processes, enhancing transparency and accountability, and fostering collaborative partnerships. While notable progress has been achieved in critical areas, persistent challenges in project management efficiency, disbursement rates, and gender mainstreaming underscore the necessity for sustained endeavours to maximize the BNTF's impact in addressing poverty and promoting sustainable development in the Caribbean region.

### 5.5.2 Haiti

As for other analyses on the effectiveness, the evaluation faces limitations due to a general lack of data, especially data on the outcome-level changes. These limitations are greater in Haiti. On the one hand, difficulties in monitoring and evaluating the projects are more severe than in other countries and on the other hand, Haiti, as a fragile state, has greater needs in terms of M&E.

Indeed, in terms of project M&E, the evaluation of the CSP Haiti in 2018 and the MTRs of SDFs 8 and 9 (and 10) highlight the persistent difficulties in measuring the effectiveness of interventions. The interviews conducted as part of this evaluation confirm these difficulties. Indeed, the basic data are still often insufficient and focus primarily on outputs and not on outcomes. In addition, the RMF developed for Haiti's current CSP is the primary tool for monitoring the implementation and results of the Haiti programme. Still, it has two main shortcomings: (a) a lack of baselines and targets for most indicators and (b) a lack of precision. Although some RMF adjustments have been made due to the 2018 evaluation, this framework still focuses on output-level data and lacks a systematic collection of outcome data. Systemic collection of outcome-level data is particularly important in fragile countries like Haiti, where such data is needed to identify and

monitor any unexpected changes and, if necessary, adapt activities to achieve desired outcomes.

In addition, the fragility that prevails in Haiti requires very close M&E of projects to have an agile and flexible approach to project management and adapt the implementation of projects to an ever-changing environment. The interviews carried out as part of this evaluation underline this recurring weakness in the Bank's intervention in Haiti and point out that the context is not helping: indeed, project management, which is made complex by the context, tends to take precedence over accountability exercises. Project evaluations had been planned (e.g., for the education project with the World Bank) but were not carried out. Only the rural development project was subject to an MTR.

It is worth mentioning the recurring and significant challenges specific to the Haitian context that the implementation of SDF 8 and SDF 9 faced: the political instability, its vulnerability to natural disasters, and the consequences of the gang violence have created extreme uncertainties and have impeded the CBD capacity to pursue its activities as planned in formulating and executing projects. As stated in the MTR of SDF 9, the programme has faced several setbacks and delays in the execution and completion of SDF 8 projects that have carried over to the SDF 9 cycle. Mid-term Reviews of SDF 8 and 9 (and 10) state that progress on the Haiti programme has been minimal, with low disbursement rates and delays.

More actual data on SDF 9 project implementation are included in the SDF 10 MTR (October 2023):

- *"In Education and Training: The Quality Enhancement in Public Education Project (QEPE) supports the implementation of key elements of the GOH [Government of Haiti] mandate for education by increasing access to quality education through additional publicly funded places, enhanced non-public support, and improved capacity for school/sector leadership and instructional effectiveness. The most recent data available (June 2022) indicates that the CDB investments in this project have led to the following output results, all contributing to the achievement of the GOH mandate for education: a) distribution of health kits to support 90,000 students sitting the final State Examinations in secondary schools; b) extension of the school feeding programme to include 650 secondary school students in Port-au-Prince; c) extension of the Tuition Subsidiary Programme to benefit secondary students (820 students in the West Department, 150 students in the Centre Department and more than 1,400 students in Grand'Anse).*
- *Youth Entrepreneurship Education and Training: Recognizing the importance of youth entrepreneurship to engender employment opportunities, CDB, through the CTCs programme, approved approximately USD 611,000 from the SDF 9 Haiti set aside to support this two-year pilot project. In December 2021, the project enabled 150 young persons (aged 18–30) from Port-au-Prince, Gonaïves, Cap-Haïtien, and Mirebalais to identify self-employment opportunities and successfully start and operate a business. Implementation of the project is being spearheaded by Société Financière Haïtienne de Développement, a leading development finance institution, in collaboration with L'Institut National de Formation Professionnelle, a specialized department within the Ministry of Education responsible for promoting TVET".*

The case study led as part of this evaluation on agriculture also provides interesting elements on outputs and outcomes.

WHH, the project's implementing agency on behalf of MARNDR, undertook the monitoring of the project. There are mainly CBARD project activity reports whose primary objective is to justify the work of this executive agency. Additionally, CDB produced a report for its supervision mission held from April 20th to April 25th. According to the MARNDR officials interviewed during



this evaluation, there is no evaluation report regarding this project in the ministry. So, the counter-verification work was not carried out or, at least, is not documented.

Based on the analysis of these sources of information provided by WHH and CDB, complemented by data from focus groups held as part of the evaluation, the objectives set by CDB<sup>10</sup> were met, and the Bank strategies and priorities and contribution to the achievement of BMC development goals have been reached.

One of the key factors of this success is the participatory and community approach adopted by CDB and the know-how of WHH. However, the final beneficiaries, despite the training received, do not yet feel capable of ensuring the care and management of the infrastructure. Strengthening the management capacity of irrigated parcels management committees (farmers associations) was also one of the critical objectives of the project. Contrary to the conclusions of the CBD assessment mission of April 2023, considering the information obtained during the interviews, they cannot yet ensure water management to irrigate parcels downstream. This objective was not achieved despite the multiple training sessions that were carried out.

Assessing the level of involvement of BACs was also impossible.<sup>11</sup> There is also no evidence that, in addition to purchasing vehicles and office equipment for the benefit of the BACs, activities were implemented that aimed at strengthening their technical capacity or transferring know-how between the WHH and the BACs.

### 5.5.3 Education and training

Education and training are essential for SDF 8 and SDF 9, accounting for over USD110 mn (including USD85 mn for SDF 8 and USD25 mn for SDF 9). These projects are mainly financed through loans, except for projects implemented in Haiti and TA projects (of much more limited scope). The disbursement rate for SDF 8 and SDF 9 is 55%; it amounts to 71% for SDF 8.

Projects on education funded by the SDF are **aligned with the CDB strategy on education**, the first version of which was defined in the 2004 Education and Training Policy and Strategy (ETPS) to improve the quality of education in BMCs. In 2017, CDB reviewed the ETPS and launched a new Education and Training Policy and Strategy to consider the challenges the Bank and BMCs continue to face and the issues the Bank must focus on as it responds to them. Based on these challenges, the strategy defines three main objectives:

- Development of education and training systems which provide for equitable access and participation across all levels of the system.
- Enhanced efficiency, relevance and effectiveness of education and training to create systems responsive to national, regional and global labour markets.
- Strengthened capacity to reform and manage education systems to enhance student outcomes.

**The case study led on education projects in Grenada and SVG illustrates how these objectives have been integrated into projects.** Indeed, projects focus on restoring school infrastructure (GEEP 1 project in Grenada and the Schools Improvement Project (SIP) in SVG), improving training and teaching, and upgrading the quality of infrastructure (in the primary and secondary schools for GEEP 2 in Grenada and on TVET in SVG).

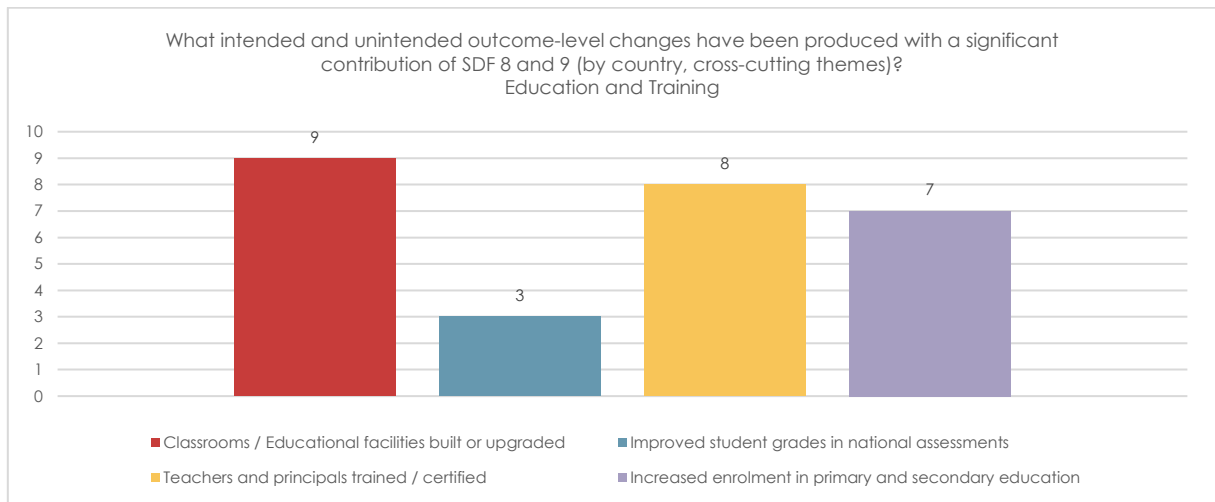
The meta-synthesis conducted on different evaluation documents provided by CDB, shown in the figure below, indicates that **SDF 8 and 9 contributed to new and upgraded classrooms and**

<sup>10</sup> At its 217th meeting of the Board of Direction, held in SVG on March 9, 2016.

<sup>11</sup> The evaluation team could not meet those responsible despite efforts and planning made to this end.

**educational facilities, better-trained teachers and principals, and increased enrolment in primary and secondary education.** The contribution to improved student grades reported in international assessments is lower.

*Figure Error! Bookmark not defined. Intended and unintended outcome level changes related to Education and Training*



Source: Technopolis (2024), based on meta-synthesis conducted on 15 evaluation documents provided by CDB

The indicators provided in the 2020 SDF 9 annual report show **mixed outcomes on education and training**:

- Indeed, two of the three dedicated Level 2 indicators<sup>12</sup> stand below the targets (Teachers and principals trained/certified and Students benefiting from improved physical classroom conditions or enhanced teacher competence or access to loan financing); the achieved indicator regards classrooms and educational support facilities built or upgraded.
- Likewise, three out of the four Level 1 indicators stand below the targets (Net enrolment ratio in basic education, Proportion of students starting from Form 1 who reach Form 5, Students completing at least one Level 1 course in TVET); the achieved indicator regards secondary school graduates achieving five CXC (Caribbean Examination Council) General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English.

*Table 11 Level 2 – CDB contribution to SDGs, Country and Regional Development Outcomes regarding education and training*

Grouping/indicator	Achieved 2017–2020	Projected 2017–2020
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<sup>12</sup> These are achievements at the Bank level. The attribution of the SDF to these achievements cannot be calculated.

EDUCATION AND TRAINING		
10. Classrooms and educational support facilities built or upgraded according to minimum standards (number), of which	1,313	1,299
(a) Early Childhood Development (ECD)	329	n.s.
(b) Primary	1,238	n.s.
(c) Secondary and post-secondary/tertiary	75	n.s.
11. Teachers and principals trained/certified (number)	3,939	9,286
(a) ECD (total/female)		n.s.
(b) Primary (total/female)	3,881	n.s.
(c) Secondary and post-secondary/tertiary (total/female)	58	n.s.
12. Students benefiting from improved physical classroom conditions or enhanced teacher competence, or access to loan financing (number)	136,366	198,900
- of which female	66,797	n.s.

Source: SDF Annual Report 2020, CDB.

*Table 12 Level 1 – Progress Towards Sustainable Development Goals and Regional Development Outcomes related to education and training*

Grouping/Indicator	Baseline		SDF Eligible BMCs	
	Year	Value	Latest 2020	Target (2020)
Quality education, training and employment opportunities				
6. Net enrolment ratio in basic education (%):				
Primary				
- Female	2013	89.6	91.7	95
- Male	2013	89.7	91.7	95
Secondary				
- Female	2013	82.2	79.0	87
- Male	2013	77.8	76.1	84
7. Secondary school graduates achieving five CXC General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English (%)	2013	27.9	39.8	Improvement
- Female				
- Male	2013	23.1	33.3	Improvement
8. Proportion of students starting from Form 1 who reach Form 5 (Survival Rate)				
- Female	2013	90.1	83.9	Increase
- Male	2013	79.8	78.4	
9. Students completing at least one Level 1 course in TVET (%)				
- Female	2013	75.9	55.1	Increase

- Male	2013	77.4	61.7	
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Source: SDF Annual Report 2020, CDB.

**The case study on education projects provides interesting qualitative highlights on the outputs and outcomes of the projects.**

First, *as far as outputs are concerned*, the activities have been led, and projects have achieved outputs that, following the ToC of projects, would contribute to the enhancement of the quality of education:

- For the GEEP1 project, out of the six schools targeted for expansion and rehabilitation work, the construction has been completed in three schools, and the design of the school projects that will be built with GEEPII has been delivered. The equipment has been purchased for the new construction. The project has achieved almost all institutional strengthening and capacity-building targets—teaching and training activities are implemented for the most part. These activities will achieve the planned outputs but with a significant delay.
- The TVET Project has achieved several outputs to enhance technical education infrastructure and resources. Civil works for technical institutes in Campden Park, Barrouallie, and Bequia have been partially completed. Additionally, two school buses, as well as tools and equipment, have been purchased. Besides, the implementation of the life skills training curriculum has begun, albeit with limited data available on its effectiveness.
- Similarly, under the SIP Phase 1 in SVG, outputs have been realised according to the project plans. Civil works, including the installation of partitions, walkways, and drainage systems, have been partially complete.

Concerning *medium-term outcomes*, during the visits and interviews, beneficiaries reported the changes they had observed as a result of the programme's activities, in terms of enhancement of education facilities and environment and improvement of teaching and learning conditions, that contribute to the enhancement of the quality of education. Students interviewed at SVG Grammar School and SVG Community College reported improved conditions and well-being. Factors such as the creation of learning laboratories, an increase in the amount of equipment installed, fans in classrooms, railings in corridors and generally more modern and comfortable facilities were some of the factors mentioned that impacted the quality of the student experience. Teachers also expressed their satisfaction. Besides, evidence from the field mission highlighted how, thanks to CDB support, vocational-technical education in SVG has been significantly strengthened in the country. Based on the field mission findings, CDB was the first to invest in this area, and its support was fundamental in shaping the TVET ecosystem, leveraging resources from other donors and consolidating efforts to make it possible for the country to be an example in the region in TVET.

On a different scale, one can note that over the years, Grenada has made significant progress in reaching several measurable targets in educational coverage for basic education, achieving universal access to basic and secondary education.<sup>13</sup> This good performance in the

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<sup>13</sup> As stated in the GEEP II project documentation, “disparities between males and females are now negligible, with a Gender Parity Index of approximately 1:00 since 2009. GOCR has also significantly expanded early childhood development provision, with a 90% net enrolment rate in 2019, above the average of 82% for other OECS [Organisation of Eastern Caribbean States] countries. Internal inefficiency is minimal at 1% dropout rate in secondary education and over 70% of teachers trained across the basic education sub-sector. There is a robust student support system targeting socio-economically

education system is, first and foremost, due to the substantial investment of the Government of Grenada (GOGR) in primary education. However, international development partners such as CDB have contributed to these outcomes with the GEEP projects. Indeed, SDF 8 and 9 support a total of ten schools, to which should be added the BNTF's support (more moderate but in the form of a grant) for another school, which represents 10% of the primary schools of Grenada. In that sense, the SDF played a significant role in enhancing the education system.<sup>14</sup>

#### 5.5.4 Environmental sustainability, Climate Change and Disaster Response and Mitigation

Under SDF 8, CDB has allocated USD71 mn, of which 77% is in the form of loans and 23% in grants. Under SDF 9, CDB has allocated USD45 mn,<sup>15</sup> 49% through loans and 51% through grant schemes. Most (almost 40%) of SDF 8 and 9-funded projects were under this theme, including emergency and post-disaster actions following natural events (e.g., Natural Disaster Management, Immediate Response, Emergency Relief). The level of disbursement for projects classified under the theme "Environmental Sustainability, Climate Change and Disaster Response and Mitigation" is somewhat mixed. Disbursement rates range from 0% to 99% for a sample of the ten most significant projects, as presented in Table 13. Also, projects have been finished, including supporting Haiti to meet the commitment to catastrophe risk insurance and building sea and river defence in Guyana, as highlighted in green in the same table. On the contrary, projects related to improving defences in SVG or rehabilitation after Hurricane Irma in the British Virgin Islands have not been disbursed.

*Table 13 Largest projects under the theme Environmental sustainability, Climate Change and Disaster Response and Mitigation*

SDF Cycle	Country	Division	Loan	Amount (USD)	Disbursed (USD)	Disbursal (%)
8	Guyana	EID	Sea And River Defence Resilience Project	22,100,000	21,170,226	96%
8	SVG	EID	NDM – Disaster Risk Reduction And Climate Change Adaptation	11,200,000	4,086,727	36%
8	Grenada	EID	Integrated Solid Waste Management Project	10,700,000	6 792 814	63%
9	SVG	EID	Sandy Bay Sea Defences Resilience Project	5,073,000		0%

disadvantaged students focusing on school feeding and subsidizing school uniform and textbooks. These process indicators correlate with acceptable educational outcomes in basic education. At the secondary level, the overall pass rate for Caribbean Secondary Education Certificate (CSEC) is 80%, with gender parity, although there is significant variation in performance among schools".

<sup>14</sup> As a reminder, previously to the SDF8 and SDF9, with the assistance of the CDB and other development partners, GOGR in 2015 had largely restored the physical facilities of 54 of the 100 schools at the basic education level – including 12 with loan support from CDB, and 11 with grant funding under the CDB's BNTF. CDB support targeted almost 25% of the primary schools (23 out of 100).

<sup>15</sup> SDF 8 and 9 figures correspond to the amount allocated under the themes "Environmental Sustainability and Climate Change", and "Building Resilience to Climate Change and Natural Disaster Events", respectively.

SDF Cycle	Country	Division	Loan	Amount (USD)	Disbursed (USD)	Disbursal (%)
9	British Virgin Islands	EID	Rehabilitation And Reconstruction Loan – Hurricane Irma	5000000		0%
9	Antigua and Barbuda	EID	NDM – Rehabilitation And Reconstruction (Hurricane Irma)	4913000	1173918	24%
9	Haiti	ESU	Building Capacity For Disaster Risk Management And Climate Resilience Project, Ile À Vache – Haiti	4604100	45000	1%
8	Haiti	ESU	Support For Haiti To Meet Commitment To Caribbean Catastrophe Risk Insurance Facility 2016–2017	3,500,000	3018798	86%
9	Haiti	ESU	Support For Haiti To Meet Commitment To Caribbean Catastrophe Risk Insurance Facility 2017–2018	3500000	3468492	99%
9	SVG	EID	NDM – Rehabilitation And Reconstruction (December 2013 Trough Event – Add. Loan)	3,464,000	362086	10%

Projects on environmental sustainability funded by the SDF are aligned with CDB's Climate Resilience strategy. A first version was defined for 2012–2017 to provide the Bank with a framework for integrating resilience into its core business and to support BMC climate action work programmes. The two-phased approach of the strategy consisted of mobilising concessionary resources and building internal capacity within the Bank's operations to support climate resilience actions and deliver an initial programme of capacity-building. Then, between 2015 and 2017, the interventions were scaled up as capacity strengthened and financing levels improved. 58% of projects approved between 2012 and 2016 included climate change adaptation and/or mitigation, and 82% of approved investments were climate resilient by 2017 in the water, social, infrastructure, agriculture, and vulnerable communities sectors. The 2019–2024 Climate Resilience Strategy builds up on the achievements of the previous strategy and provides continuity. As such, **it shows the support of the CDB in supporting the efforts of BMCs to implement their Nationally Determined Contributions (NDCs) and enhance climate resilience.** The expected outcomes of this strategy are:

- Mobilising increased levels of concessionary resources accessible to all BMCs;
- Improved climate resilience in vulnerable sectors;
- Strengthened enabling environment to support resilient climate actions; and
- Improved capacity within CDB for effective and efficient delivery of climate change actions.

For instance, the projects selected for the case study on resilience to climate change in Belize confirm the assimilation of the above-mentioned outcomes within SDF interventions. The projects mobilised concessionary resources to alleviate the effects of natural hazard events. Similarly, through these projects, CDB supports resilient climate actions in the face of natural events such as hurricanes and droughts.

Environmental sustainability, climate change, and disaster response are at the core of SDF 8 and 9's operational strategies. In fact, it is a core and cross-cutting theme that recognizes the importance and need to respond to the incidence of natural hazards. Accordingly, through SDF interventions, CDB committed resources to support the agricultural sector in building resilience and enhancing environmental sustainability, provided support to deliver immediate relief for post-disaster recovery efforts, and assisted in developing risk insurance products for the agricultural sector.

At the outcome level, the achievement of targets was mixed. In fact, during the SDF 9 period, several targets related to environmental sustainability were not met, such as the development of Energy Efficiency and Renewable Energies, as shown in the table below. The **low achievement in renewable energies** was confirmed by interviewed stakeholders, who asserted that there is room for improvement in such interventions.

*Table 14 Indicators on CDB's contribution to selected SDGs, country and regional development outcomes related to environmental sustainability during SDF 9*

Grouping/indicator	Achieved 2017–2020	Projected 2017–2020
15. Energy: Conventional or renewable power generation capacity installed (MW)	1.6	14
- of which renewable (MW)	0.1	8.5
16. Sustainable energy policy/legal/regulatory or capacity deficits addressed (number)	6	8
17. Energy savings as a result of EE/RE interventions (GWh)	0	15.9
18. Transmission or distribution lines installed or upgraded (length in Km)	3.5	130
19. Communities with improved capacity to address Climate Change and Disaster Risk Management (number)	0	8
20. National sector policies, strategies, plans or tools developed or implemented to improve capacity for climate resilience, conservation, rehabilitation or environmental management	7	16

Note: Achievements are at the Bank level, and it is not feasible to calculate the attribution of the SDF.  
Source: SDF Annual Report 2020, CDB.

The vulnerability to climate change in the Caribbean resulted in the mobilisation of donor resources to the region to improve environmental resilience. Some of these resources were administered by CDB under "other special funds" during the SDF 9 period, contributing to the achievement of energy savings or the installation of transmission lines in BMCs, for example. In addition, countries faced implementation capacity constraints, heightened by the increased funding sources, resulting in SDF targets not being met for certain types of interventions.

In addition, progress towards the SDGs and regional development represents another outcome (level 1) of SDF 8 and 9. Some indicators during SDF 9 did not achieve their targets, while others achieved minor improvements. The following table presents outcome level 1 indicators related to environmental sustainability. Similar to the previous table, affordable and clean energy indicators were not met. However, the indicator of reducing economic losses resulting from natural disasters was successfully achieved. This success can be perceived through the number of SDF interventions providing emergency relief assistance in the aftermath of natural disasters. In addition, the case study on climate resilience conducted in Belize shows that output and outcome-level results at the project level were successfully achieved, which is in line with the results at the level of the SDF portfolio on the topic of emergency relief.



*Table 15 Indicators on progress towards selected SDGs and regional development outcomes related to environmental sustainability during SDF 9*

Grouping/Indicator	Baseline	SDF eligible BMCs		
	Year	Value	Latest 2020	Target (2020)
<b>Clean water and sanitation</b>				
Population with access to an improved water source (%) - Urban	2014	95.6	94.6	95.0
- Rural	2014	89.5	89.7	92.5
Population with access to improved sanitation (%) - Urban	2014	81.0	81.0	82
- Rural	2014	77.4	74.9	80.5
<b>Affordable and clean energy</b>				
RE as a % total energy mix produced	2012	18.0	11	20.0
Energy Use per Unit of GDP (000s barrels of oil equivalent / \$ million GDP)	2013	1.2	1.2	Reduction
<b>Climate action; life on land</b>				
Reported economic losses resulting from natural disasters and climate variability (% of GDP, three-year average)	2012–2014	0.5	0.1	Reduction
Area protected to maintain biological diversity (%)	2012	5.2	5.1	Maintain or increase
Proportion of land area covered by forest (%)	2014	56.4	52.9	Maintain or increase

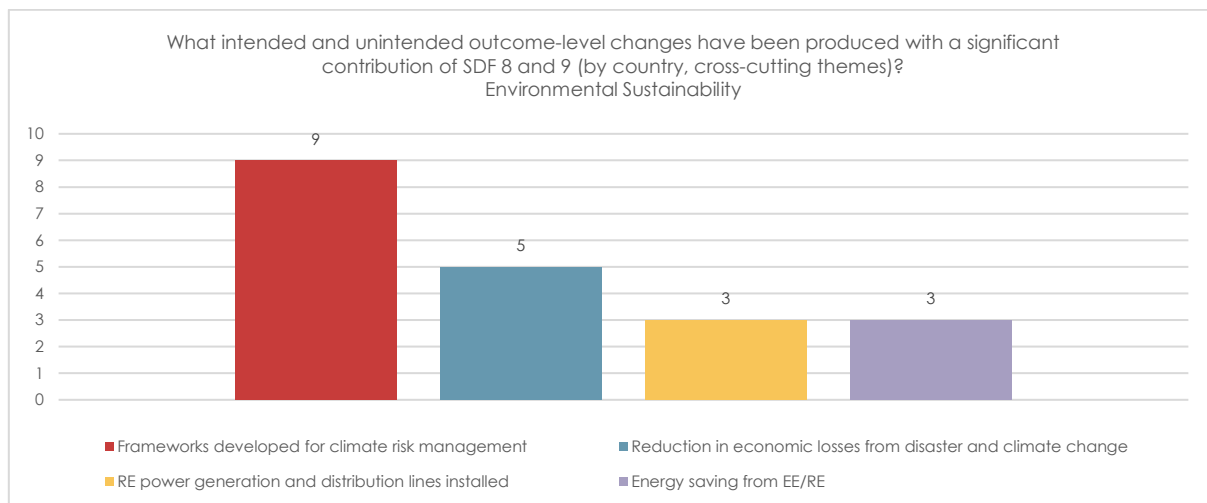
Note: Achievements are at the Bank level, and it is not feasible to calculate the attribution of SDF.

Source: SDF Annual Report 2020, CDB

In parallel, the meta-synthesis conducted on different evaluation documents provided by CDB, shown in the figure below, confirms that SDF 8 and 9 helped reduce economic losses from disasters and climate change. It also confirms the low contribution of both cycles to the energy-related outcomes.



Figure **Error! Bookmark not defined.** *Intended and unintended outcome level changes related to the topic of Environmental Sustainability*



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided.

#### 5.5.5 Economic and social infrastructure

The economic and social infrastructure loan portfolio amounts to USD76 mn under SDF 8 and USD109 mn under SDF 9. The total allocated for both cycles is USD185 mn, which accounts for a third of the total commitments. Projects under this sector are mainly focused on infrastructure projects for roads, sea defences/ landslip protection/urban drainage, sanitation and water supply systems, and community infrastructure.

As mentioned above, the COVID-19 pandemic hindered the implementation of SDF 8 and 9, especially for infrastructure construction projects. Other regional natural hazard events also saw protracted delays in transportation and water supply improvement projects. The slow implementation is reflected in the fact that, by late 2023, around 53% of the committed resources will still be pending disbursement for ongoing projects.

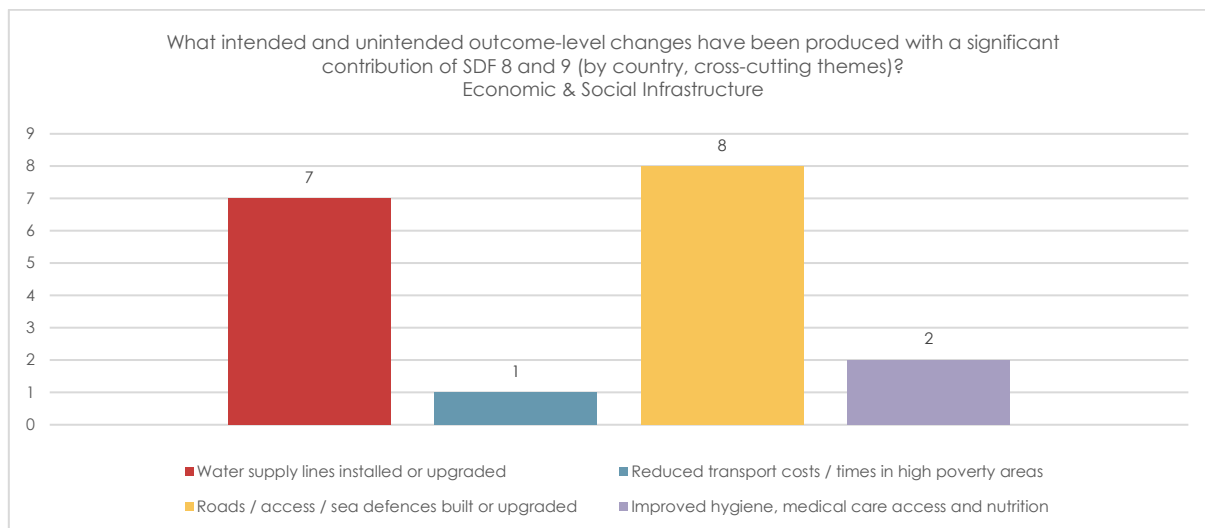
Nevertheless, several roads, water infrastructure, coastal protection, and flood mitigation projects across the region have been completed (see table below for an indication of projects with 100% disbursement). These projects had a very positive impact, and the clients were very satisfied in terms of how they were designed and implemented, according to CDB staff at the Economic Infrastructure Unit.

Table 16 SDF 9 Environmental Sustainability 2020 outcome indicators level 2

SDF Cycle	Country	Division	Loan	Amount (USD)	Disbursed (USD)	Disbursal (%)
8	Belize	EID	Placencia Peninsular Wastewater Management Project – Nutrient Fate and Transport Study	596,000	509,098	85%
8	Dominica	EID	Third Water Supply Project (Water Area-1 Network Upgrade)	3,012,000	3,012,000	100%
8	Grenada	EID	Integrated Solid Waste Management Project	10,700,000	7,157,734	67%
8	Guyana	EID	Sea and River Defence Resilience Project	22,100,000	21,300,498	96%
8	Saint Lucia	EID	Sixth Water – Vieux Fort Water Supply Redevelopment	6,000,000	5,983,840	100%
8	Saint Lucia	EID	Eighth Water (Dennerly North Water Supply Redevelopment)	4,065,000	3,487,482	86%
8	Suriname	EID	Power Project – Electricity System Upgrade and Expansion	6,843,000	4,720,533	69%
9	Belize	EID	Sixth Road (Coastal Highway Upgrading) Project	4,148,400	4,128,901	100%
9	Belize	EID	Philip Goldson Highway and Remate Bypass Upgrading Project	13,000,000	9,746,768	75%
9	Belize	EID	Second Road Safety Project	5,941,000	3,851,377	65%
9	SVG	EID	Port Modernisation Project	10,000,000	7,761,000	78%

In parallel, the meta-synthesis conducted on different evaluation documents provided, shown in the figure below, provides evidence that SDF 8 and 9 supported initiatives helped build or upgrade road/access/sea defences and install or upgrade water supply lines. However, the evaluation reports reviewed did not allow us to assess the extent to which the expected medium-term outcomes were achieved. Per the ToC, the medium-term outcomes for projects in this sector are related to achieving reduced transport costs, increased economic activity (for road/transport projects) and improved nutrition and hygiene (for water projects).

Figure 16 Intended and unintended outcome-level changes related to Economic & Social Infrastructure



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

The achievement of CDB RMF Level 2 targets was mixed. In fact, by the end of 2020, several targets related to economic infrastructure were not met, such as the construction of roads and water supply lines installed or upgraded, as shown in the table below. Nevertheless, the Bank improved the lives of 268,277 people (over half of whom were female) through increased access to road infrastructure. It reached 19,167 households with improved access to sanitation and water supply. Despite this, it is difficult to determine the attribution of the SDF to CDB-level goals.

Table 17 CDB RMF Economic Infrastructure outcome indicators level 2

Grouping/indicator	Achieved 2017–2020	Projected 2017–2020
<b>Economic and Social Infrastructure Development</b>		
1. Transport: Primary, secondary, and other roads built or upgraded (km)	73.7	222
2. Transport: Beneficiaries of road projects (number)	268,277	120,000
- of whom female	135,579	63,000
3. Sea defences/ landslip protection/urban drainage (km)	5.5	8
4. Water: Installed water capacity (cubic metres/day)	27,560	128,630
- Urban	0	73,842
- Rural	27,560	54,788
5. Water: Supply lines installed or upgraded (length of network in km)	158.4	950

Grouping/indicator	Achieved 2017–2020	Projected 2017–2020
- Urban	0	898
- Rural	158.4	52
6. Water: Households with access to improved sanitation and water supply (number)	19,167	18,400
- Urban	0	11,040
- Rural	19,167	7,360
7. Communities: Beneficiaries of community infrastructure construction/enhancement projects (number)	38,328	125,780
- of whom female beneficiaries	21,336	n.s.

Source: SDF Annual Report 2020, CDB.

#### 5.5.6 Private-sector development

The SDF 8 and SDF 9 have significantly promoted regional private-sector development. The overarching goal has been to drive innovation, increase productivity, promote economic diversification, and boost employment in the Caribbean region, mainly through support for MSMEs.

In SDF 8, CDB aimed to **enhance the strategic role of the CTCS** network by aligning it with country programming and emphasizing local capacity-building. SDF 9 continued this focus, introducing a “train the trainer” module for sustainability and emphasizing support for SDG 8 (promoting sustainable economic growth and productive employment), primarily through MSMEs.

Under SDF 9, up to June 2019, USD1.87 mn in grants were allocated for 34 TA activities within the CTCS network. Regional initiatives, including a stakeholders’ meeting, were conducted to discuss the relevance of the CTCS programme in supporting MSMEs, fostering partnerships, and enhancing the network’s approach and engagement.

For instance, the CTCS network was pivotal in supporting MSMEs by providing workshops, training, and assistance to over 1,500 business owners in 2017–2018. This assistance focused on enhancing managerial capacity, operational efficiency, institutional strengthening of business support organisations, and compliance with international standards to boost competitiveness. Additionally, the network extended its support to cultural and creative industries, including workshops in “business for music” and the “business of fashion”. It also collaborated with the Caribbean Disaster and Emergency Management Agency (CDEMA) to improve house construction practices in the face of natural disasters. In Haiti, the CTCS provided training in Managing for Development Results (MfDR) to business support and community development organisations, representing 7% of total SDF funding under CTCS. SDF 9 also focused intensely on private-sector development, providing credit to MSMEs, supporting infrastructure projects, and emphasising cultural and creative industries.

The mid-term evaluation of SDF 8 and 9 revealed **a mixed performance in supporting private-sector development**. In SDF 8, the primary objective was to enhance the policy framework to facilitate private business activity. This aim involved revising indicators to reflect the support provided by CDB better, focusing on improving business competitiveness. During SDF 8, the original targets for private-sector support were not fully met, leading to a revision of indicators to focus more on enhancing the policy framework to facilitate private business activities. These

efforts culminated in collaborations with the World Bank in the First Growth and Resilience Building project in Grenada, addressing tourism, agribusiness, and trade logistics.

SDF 9 witnessed a shift towards more targeted support for the private sector, particularly emphasising the **creative industries as a potential driver of innovation**, productivity, economic diversification, and employment in the Caribbean. Specific initiatives included grants supporting the enabling environment for creative industries, such as traditional arts and multimedia, highlighting the sector's potential for growth and development. This strategic focus on creative industries was vital for economic diversification and regional export growth.

In SDF 9, until June 2019, a total of USD5.2 mn in credit was extended to 115 MSMEs across Belize, Grenada, Jamaica, and Saint Lucia, surpassing projected targets specified for the period. Furthermore, implementing 21 business climate and competitiveness enhancement projects has demonstrated progress in **improving the business environment** within the region. The emphasis on creative industries as a pivotal driver of growth and development has resulted in investments in various initiatives, including training artisans in repairing and rebuilding, supporting intellectual property ecosystems, and aiding in developing MSME policies.

The SDF has supported MSMEs by facilitating access to larger markets, enhancing credit accessibility, and boosting their operational and digital capacities. Through various projects and initiatives, MSMEs in the region have expanded their market reach, improved their financial capabilities, and adapted to digital advancements to stay competitive in today's economy.

Furthermore, SDF support has created an enabling environment for private-sector development by improving the regulatory framework, enhancing access to financing, and fostering a more competitive business landscape. By promoting policies that facilitate business growth and innovation, the SDF has helped strengthen the overall business environment in the region, making it more conducive for private-sector investment and expansion.

The SDF's response to global and regional crises, including external shocks and the impact of the COVID-19 pandemic, showcased significant flexibility. Leveraging available resources, the SDF adapted by integrating digital components into training initiatives and providing emergency grants to the creative sector affected by COVID-related disruptions. Collaborating with Caribbean Export, the region's trade and investment promotion agency, the SDF focused on **building post-COVID resilience for firms**, addressing challenges like supply chain disruptions. Diagnostic studies were conducted to understand the pandemic's impact, informing tailored support measures. The response demonstrated dynamic adjustments to effectively address sector-specific needs based on available resources.

Although the SDF has made considerable strides in private-sector development, some challenges warrant attention. Ensuring the sustainability of initiatives, addressing the issue of youth unemployment, and enhancing competitiveness within the private sector are ongoing challenges that require continuous focus and efforts.

Slow progress in improving the enabling environment influences achievements in private-sector development, particularly in **legislative and regulatory frameworks**. Additionally, the heterogeneous nature of the private sector demands a more targeted approach to interventions based on businesses' positions in their cycles. The challenge lies in deploying resources effectively, whether at the national level, focusing on startups or exporters, or considering a value chain cluster approach involving larger enterprises for a more significant impact on regional development.

There is a need for a balanced approach to **access finance** in the private sector, emphasizing the necessity of a diverse set of financial instruments beyond traditional credit from development banks. This includes exploring equity and patient capital to prevent firms from

being burdened with excessive debt that hinders growth. MSMEs would then benefit from mechanisms that allow them to reduce their risk concerning financial institutions.

It is essential to focus on building the capacity of firms through **continuous technical and business training**. There is a need to enhance the quality of business development support, recognising a shift in the needs of entrepreneurs towards more sophisticated assistance, such as market intelligence and trade facilitation. Additionally, there is a call for improving data infrastructure in the sector and adopting innovative approaches, including experimentation, piloting, and competitions to draw out innovation from individuals not necessarily part of the CDB network.

#### 5.5.7 *Regional integration and cooperation and regional public goods*

Under SDF 9, CDB has allocated USD4 mn in grants to RCI and RPG initiatives<sup>16</sup> and introduced a new set-aside of USD5 mn in loans to encourage BMCs to invest in multi-country and/or regional projects to provide RPGs.

To date, RCI initiatives have focused on removing barriers to intra-regional trade to ensure that MSMEs have access to regional markets. Through partnership with regional and international agencies, RCI initiatives have four overall objectives:

- Strengthening the statistical capacity for improved decision-making and results reporting, specifically concerning targets to be agreed under the UN's Post-2015 Development Agenda (captured under grant set-asides for BMC governance)
- Supporting efforts for improved intra-regional logistics, including transportation to improve the movement of goods and people
- Enhancing infrastructure quality to harmonise and provide a framework for mutually recognised standards, technical regulations and conformity assessments
- Strengthening financial sector regulation and supporting the establishment of a regulatory framework for consumer protection.

No loans for regional projects have been approved to date. Regarding grant approvals, SDF 9 grants for RCI and RPG covered different areas but focused intensely on interregional trade and private-sector development.

It is too early to determine any specific results of these initiatives. However, data from 2017 analysed for the MTR of SDF 9 show that CDB overall has increased its support for enhancing the capacity of national and regional institutions that play a crucial role in RCI, to encourage the CARICOM Single Market Economy (CSME) and establishing **certification accreditation systems for the free movement of goods and persons in the region**. The SDF 9 MTR highlighted an overall improvement in enhancing and strengthening CDB approach to RCI and RPG. Consulted stakeholders indicated that this was an area with insufficient leadership and coordination in the past. CDB now has a dedicated team and a more careful approach to programme development with more explicit objectives and trajectories in place. A Focal Point for regional programming has also been established in the Technical Cooperation Division of the Projects Department to spearhead RCI interventions.

Nevertheless, according to the SDF 9 MTR, some key issues remained to be addressed. CDB lacks an overarching RCI strategy, and there is limited information about the extent to which implemented RCI initiatives are linked to CDB overarching objectives of reducing poverty and

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<sup>16</sup> RPGs involve the creation of non-tangible results such as establishing regional standards. This is different from regional cooperation initiatives, which focus on knowledge sharing and creation of joint solutions or approaches to regional problems, and different from regional integration initiatives which focus on "formal exercises" such as the CARICOM.

inequality in the region. Interviewed CDB staff also noted a certain degree of ambiguity regarding the role played by CDB in RCI. While regional integration is a key focus, there is no coherent identification of specific strategies CDB could use to achieve this. The perceived added value of the CDB is its ability to enhance regional knowledge and foster regional cooperation. Regarding tracking results of regional interventions, the RMF tracks two indicators under RPG. Still, no plan exists to assess the overall outcomes and results of RCI and RPG interventions.

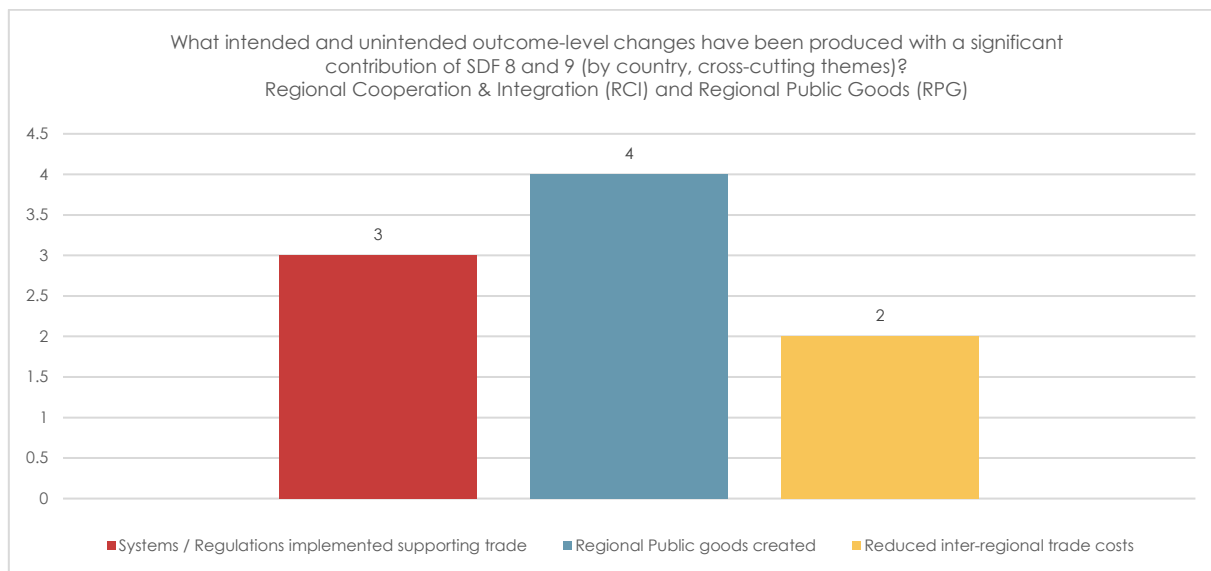
Our investigation for the current evaluation of SDF 8 and 9 highlights similar conclusions. There is still an evident lack of data at the outcome level to analyse the SDF's contribution to its intended effects, whether on interregional transport or regional trade. Without a regional strategy for CDB in this sector, the overall ToC sustaining the SDF interventions is also unclear.

However, the analysis of the case studies funded by the SDF on regional trade shows that:

- The SDF 8 and 9 have funded relevant interventions that address various dimensions impacting intra-regional trade: the need for the implementation of policies and regulations on the free movement of labour and enterprises for increased production capacities for priority commodities (especially related to food security), for improved quality infrastructure to secure markets, and for efficient and inclusive transport infrastructure at the regional level. The funds have also financed the production of relevant regional studies on some key strategic issues for regional development, such as the transport sector. The interventions are well aligned with the priorities of the BMCs.
- Despite the significant challenges related to the COVID-19 pandemic, some of these projects have managed significant achievements at the regional level. There are some indications that the SDF-funded interventions contributed to positive effects and that sustainability mechanisms were well integrated into the design of the projects. For example, there are indications of significant project outcomes on the quality infrastructure of three countries in the region. The cassava project helped lay the foundations for more robust cassava value chains and disseminated results at the regional level. Various factors contributed to the achievements of the regional projects:
  - Strong alignment of the interventions with the priorities of regional MBS and local stakeholders.
  - Buy-in from these stakeholders (ensured by co-funding in particular).
  - Reliance on established collaborations with trustworthy and capable partners (CROSQ, FAO).
  - A close dialogue between the CDB project team and the implementing partners.
  - The ability of some of the projects to identify and address gaps in capacities that would have impeded implementation (ex, on procurement).
  - Flexibility and the ability to adapt the project in the context of the pandemic.
  - Integration in the design of some key sustainability features: robust dissemination strategies at the regional level, ensuring buy-in and exit plans.
- More generally, SDF 8 and 9 seem to have produced significant intended and unintended outcome-level change, as Figure 17 shows.



Figure 17 Intended and unintended outcome-level changes produced with a contribution of SDF 8 and 9 in RCI and RPG



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

- Challenges related to the pandemic and disruptions in the international production and trade system have impacted the projects, especially as the region is still very dependent on outside procurement for some of the required equipment. The capacities of projects to adapt to the COVID-related challenges varied significantly.
- The projects relied on fairly robust monitoring systems when external partners implemented them. There is, however, a gap in outcome and impact data as the evaluators could not access any final evaluation or impact assessments for the projects evaluated. When the interventions are managed by the CDB, as in the case of TA or studies, we found very little monitoring data, if at all. There is a clear need to set up a tracking system for studies and TA funded by the SDF and managed by the Bank. Doing so would allow CDB teams in charge of studies to track the uptake and implementation of recommendations within the technical departments of the Bank and at the country level and would significantly improve the visibility of outcomes of funded studies. Improved tracking would help identify the bottlenecks and the opportunities to improve the impact of studies on policy-makers and the design of public policies in the region. Better tracking and enhanced reporting are important, given the CDB's ambitions to contribute to the production of regional knowledge and regional solutions to development issues.

#### 5.5.8 Gender

Although substantial progress has been made in advancing gender equality in the region in the past few years, CDB studies show that some challenges persist in different sectors (education, security, employment, affectation to climate change and even data available on gender equality). It prevents half of the population from fully contributing to the region's growth and development, which is part of SDF 8 and 9 final goals. Therefore, gender equality is considered a cross-cutting area in both cycles.

- CDB Gender strategy

Gender equality at CDB is ensured by the Gender Equality Policy and Operational Strategy (GEPOS). It was launched in 2008 to mainstream gender-responsive actions in lending and



other CDB operations. In 2018, this policy was evaluated, and the results and recommendations were integrated into the 2019 GEPOS.

To implement GEPOS goals, CDB developed a Gender Equality Action Plan (GEAP) in 2013. Overall, the GEAP provided inputs to a few gender mainstreaming outputs, including knowledge products, tools and guidelines for staff. It also helped encourage funding allocations to gender mainstreaming efforts within the Bank, such as training and workshops for staff. The primary outcomes are:

- The Gender Marker project. It defines basic gender standards, provides a comparative framework and enables the Bank to monitor its overall progress towards sustainable institutionalisation of gender equality. It assesses a project “at entry” in four parts of the project cycle (analysis, design, implementation, and M&E) using two to three criteria to judge project quality in each stage.
- The Country Gender Assessment (CGA). It defines basic gender standards for CDB CSPs, provides a comparative framework, and enables the Bank to monitor its overall progress towards gender mainstreaming CSPs. It assesses a CSP in four areas (analysis, data, engagement, and response).

For other sectors with policies and strategies developed before 2012 and which did not reflect much on gender, the Bank developed additional toolkits, guidelines and workshops that were either gender-responsive (e.g., 2016 draft Community Climate Vulnerability Assessment: A toolkit for CDB projects) or gender-targeted (e.g., 2018 Gender Implementation Guidelines for Education Sector Development Plans; 2014 regional workshop on gender mainstreaming in Caribbean Trade Policies and Programmes).

#### • SDF 8

Since 2013, and during SDF 8, the focus has been on creating tools for gender mainstreaming. As a result, only a few projects focused on specific measures to address inequalities. Moreover, according to the 2018 GEPOS evaluation, all the gender-targeted initiatives were TA operations, most under USD200,000.

As part of the GEPOS implementation, CDB commissioned CGAs in ten countries between 2011 and 2014, using USD2.2 mn in resources from SDF 7. During the 2018 evaluation, 40 CDB operations staff interviewed highlighted a few shortcomings of the assessments: the analysis remains too general, it is often exclusively based on secondary data, and the very first CGAs provided little insight into gender dimensions in the economic sectors.<sup>17</sup>

Nevertheless, CDB's performance on gender mainstreaming continued to increase over the period under review. For example, the percentage of approved loans with a gender mainstreaming rating trended upwards from 20% in 2013 to 43% in 2014, projected at 57% in December 2015. The percentage of approved loans with some attention to gender issues (combining the ratings “generally mainstreamed” [GM] and “marginally mainstreamed” [MM]) increased from 60% in 2013 to 74% in 2014. An additional marginal increase to 79% was projected by December 2015.<sup>18</sup>

#### • SDF 9

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<sup>17</sup> Evaluation of The Caribbean Development Bank's Gender Equality Policy And Operational Strategy, Caribbean Development Bank, 2018.

<sup>18</sup> Status Report on Implementation of the Gender Equality Policy and Operational Strategy of the Caribbean Development Bank, November 2015.

This trend continued under SDF 9, as the foremost step forward in gender equality was the evaluation and revision of GEPOS. Finally, most gender-targeted projects are recent and limited M&E data are available to assess progress towards outputs and outcomes.

However, in contrast to previous SDF cycles, SDF 9 no longer includes a specific funding allocation dedicated to gender equality, while set-asides of grant funding are available for the other two cross-cutting themes of SDF 9, good governance and environmental sustainability.<sup>19</sup>

- GEPOS and GEAP implementation through SDF 8 and 9

From our analysis of the literature, case studies and interviews, it appears that SDF 8 and 9 projects are not implementing the GEPOS and GEAP recommendations as they should.

Most projects studied use gender analysis (Gender Marker) when approved. However, while the Bank's strategy requires an ongoing analysis of gender issues throughout the projects carried out, none of the projects analysed continued to carry forward the Gender Marker as the project was implemented. It is, therefore, very difficult to quantify the actual impact.

This lack of gender monitoring may indicate a lack of information from the players responsible for the project reporting system or a lack of time for these players to carry out this analysis at each reporting stage.

*Box 6 Illustration of a "gender mainstreamed" project: Grenada Education Enhancement Project Phase 1 (GEEP 1)*

This project may reflect the achievements and limits of GEPOS implementation under SDF 8 and 9.

The GEEP 1, funded under SDF 8, aimed to facilitate the continued restoration and upgrading of education infrastructure, as well as institutional strengthening and capacity in Grenada.

As the project started in 2014 (after GEAP implementation), it was subject to gender marker. At the appraisal stage, it was noted as a "gender mainstreamed" project, as it had potential to contribute significantly to gender equality. Indeed, several short-term outcomes were disaggregated by sex.

However, this gender analysis is limited by a lack of project information from both the CDB and the GOGR on this topic. For instance, the final supervision project only indicates that the project included gender-related activities and that a gender sensitive early identification system consultancy was completed in 2022. Otherwise, other supervision reports do not relate any data on gender or monitoring.

## 5.6 SDF 8-9 contribution to the Bank's achievements and the development goals of BMCs and the Region

### Evaluation questions:

- To what extent did SDF 8 and 9 serve the Bank's strategic priorities?
- To what extent have SDF 8 and 9 contributed to the CDB achievements?

### Key highlights:

- SDF 8 and 9 have contributed to the CDB achievements to a full extent.

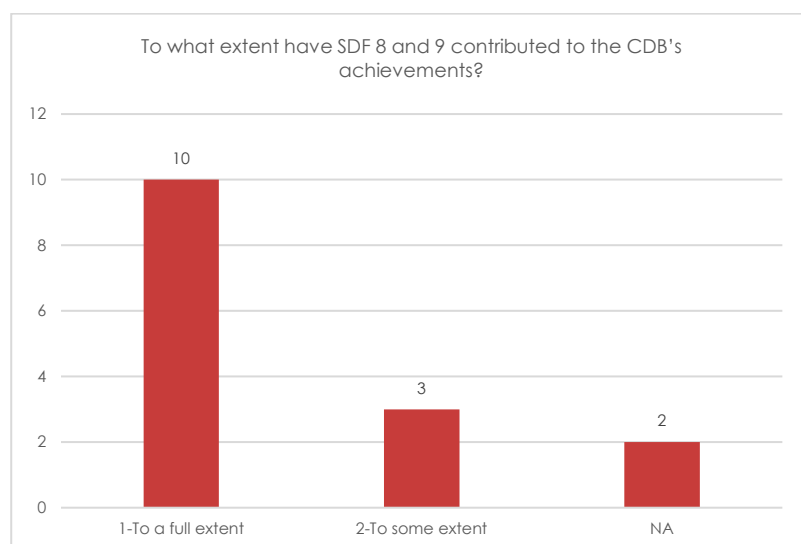
<sup>19</sup> SDF 9 includes set-asides of USD3 million for "environmental sustainability and climate change and sustainable energy", USD 6million for "BMCs capacity-building, statistics and governance" and USD 9 million for TA focusing on BMC capacity-building. Source: Resolution and Report of Contributors on SDF 9, December 8, 2016, p. 35.

- For example, in the case of SDF 8, some critical enabling factors include reaching vulnerable populations, programme focus, knowledge and capacities, partnerships and enabling systems and frameworks.
- Overall, operational factors seem to be the most influential in facilitating the achievement of SDF 8 and 9 outcomes, including the use of monitoring systems and the involvement of local communities.
- Some barriers and limitations remain to reach the full potential contribution of SDF 8 and 9 to CDB's strategic priorities.

The meta-analysis of SDF 8 and 9 evaluation reports suggests that SDF 8 and 9 have contributed to CDB achievements to a full extent (Figure ). In the case of SDF 8, we found evidence that the main pathways for contribution to CDB's development results and organisational evolution include:

- **Reaching Vulnerable Groups:** SDF resources have allowed CDB to direct concessional assistance towards vulnerable country groups and communities with limited alternative funding options.
- **Programme Focus:** SDF priorities aligned with regional needs have helped shape CDB's sectoral focus on education, resilience building, and infrastructure development.
- **Knowledge and Capacities:** SDF requirements have driven analytical work, data improvements, and staff strengthening in domains like gender, climate change, and disaster risk to improve CDB capabilities.
- **Partnerships:** Collaborations with the World Bank and IDB have been critical for channelling SDF funds towards more significant initiatives in member countries.
- **Systems:** SDF results frameworks have mainstreamed outcome monitoring and supported reforms in IT and transparency for overall institutional development (see previous section on Efficiency for further detail).

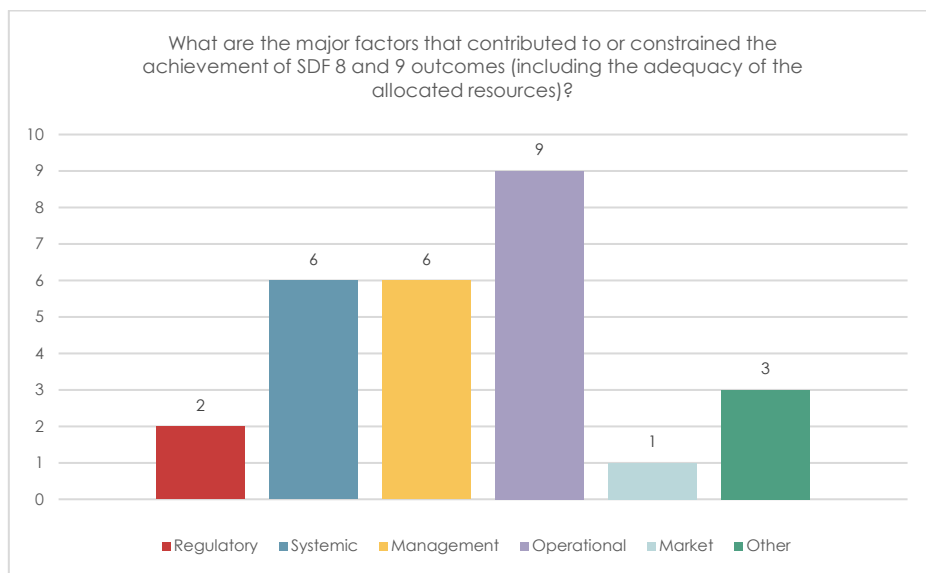
Figure 18 Level of SDF 8 and 9 contribution to CDB achievements



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

According to the meta-analysis of evaluation reports, operational factors are the most influential in achieving SDF 8 and 9 outcomes (Figure 19).

Figure **Error! Bookmark not defined.** Factors shaping the achievement of SDF 8 and 9 outcomes



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

In the case of SDF 9, similar to SDF 8, some factors positively influencing the achievement of outcomes in the timespan analysed include:

- The application of a formula-based allocation system and the implementation of the results framework act as incentives for governments to enhance the effectiveness of the use of resources while taking into account the specific needs and challenges of the country;
- The use of transparency mechanisms that allow a sufficient level of disclosure and prudent risk management of the Bank's operations;
- The alignment of SDF programming with country priorities;
- The ability to involve communities throughout the project cycle;
- The prioritisation of vulnerable groups for fund allocation and project approval; and
- Collaboration with international partners (e.g., the World Bank).

Nevertheless, some opportunities for improvement were also found. While some represent actionable factors that might be addressed and corrected in the mid-term (operational, management), others are systemic and would entail building resilient processes and infrastructures to reduce vulnerability to such events (e.g., natural disasters, the economic performance of national economies).

Table 18. Barriers and Factors limiting the achievement of SDF outcomes

Type of factors	Barriers and limitations
Operational	<ul style="list-style-type: none"> <li>• Delays in procurement and recruitment on the part of BMCs.</li> <li>• Lack of implementation capacity, including project management weaknesses and procurement delays affecting the speed of output delivery.</li> <li>• Lengthy approval processes and oversight mechanisms delaying disbursements, especially in the BNTF.</li> </ul>

Management	<ul style="list-style-type: none"> <li>Weaknesses in inter-agency coordination, limited adoption of country systems.</li> <li>CDB understaffing and significant staff turnover at critical professional and decision-making positions.</li> <li>Absence of in-country representatives weakening results in focus and accountability.</li> </ul>
Systemic	<ul style="list-style-type: none"> <li>Capacity deficits in project design, implementation and monitoring (e.g., insufficient staff, skills, resources and tools for project management), poor policy environment and incentive structures affecting interventions in sectors like agriculture, and MSME promotion.</li> <li>Capacity limitations of regional coordination bodies posing challenges to efficient regional partnerships.</li> </ul>
Regulatory	<ul style="list-style-type: none"> <li>Gaps in policy and regulations for private-sector participation and trade facilitation.</li> <li>Weak legal/regulatory frameworks for regional cooperation.</li> </ul>
Market	<ul style="list-style-type: none"> <li>Low economic growth in many BMCs affecting financial sustainability of projects, especially in infrastructure.</li> <li>Declining tourist inflows post-natural disasters impacted the resilience of hospitality industry projects.</li> <li>Weak private-sector response limiting engagement in public-private partnerships and enterprise support initiatives.</li> </ul>
Others	<ul style="list-style-type: none"> <li>COVID-19 and natural disasters, debt sustainability affecting resource usage and outcomes.</li> </ul>

## 6 Sustainability

### Evaluation questions:

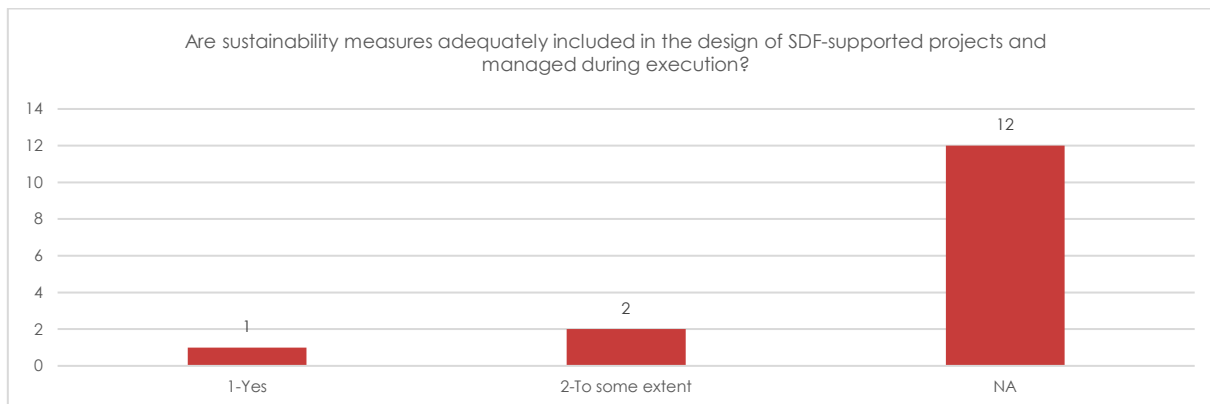
- To what extent have the benefits of SDF 8 and 9 continued or are likely to continue beyond the end of the interventions?
- Are there sufficient financial, economic, social, environmental and institutional capacities, conditions and arrangements in SDF 8 and 9 to sustain benefits over time?
- Are adequate measures to promote or create an enabling environment for sustainability included in the design of SDF-supported projects?
- Have the benefits of SDF-supported projects continued (likely to continue), including for disadvantaged groups, after CDB funding has ceased?
- What are the most important political, social and economic factors influencing the achievement of the SDF objectives?
- What factors influence the sustainability of SDF-supported projects? What factors are likely to influence the sustainability of the SDF?
- Are sustainability risks adequately tracked and managed during execution?

### Key highlights:

- There are sufficient arrangements and actions to ensure the sustainability of the benefits resulting from SDF 8 and 9 support. These may vary across sectors, from training and capacity-building for school teachers, developing maintenance and operation plans for education infrastructure, investing in smart and resilient agriculture solutions, and including climate vulnerability assessments in project design.
- Sustainability challenges remain despite CBD's efforts to promote sustainability measures. Most of these challenges are related to the need for a long-term perspective on the maintenance of investments.
- While factors influencing sustainability may vary across sectors, government capacity in each country and climate conditions and events are critical in supporting or limiting the sustainability of the outputs and outcomes delivered by the projects.
- Some sector-specific factors influencing sustainability include access to water in agriculture, enabling economic environment in the private sector and MSMEs, and maintenance of outputs in infrastructure.
- Case studies show a heterogeneous level of sustainability across countries and projects, with some relevant examples of strong sustainability at the regional level (for example, the CROSQ project).

While the findings from the meta-synthesis of evaluation reports suggest that there is not sufficient evidence (or it is too early) to provide an assessment regarding sustainability (Figure 20), data gathered from interviews shows that there are **sufficient arrangements and actions put in place to ensure the sustainability** of the benefits resulting from SDF 8 and 9 support.

Figure **Error! Bookmark not defined.** Inclusion of sustainability measures in projects



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB

In the field of education, for example, there is a strong focus on building long-term capacity in countries in terms of skills and training for school teachers, investing in the maintenance of school infrastructure, and implementing operation and maintenance plans for schools.

Other practices in place to ensure sustainability range from the inclusion of **climate vulnerability risk assessments** in project design, avoiding the payment of salaries with project funds so that local authorities have the right incentives to commit to ensuring the long-term operation of the solutions, and support to climate-smart agriculture practices and investments in contexts where irrigation and drainage is a significant issue.

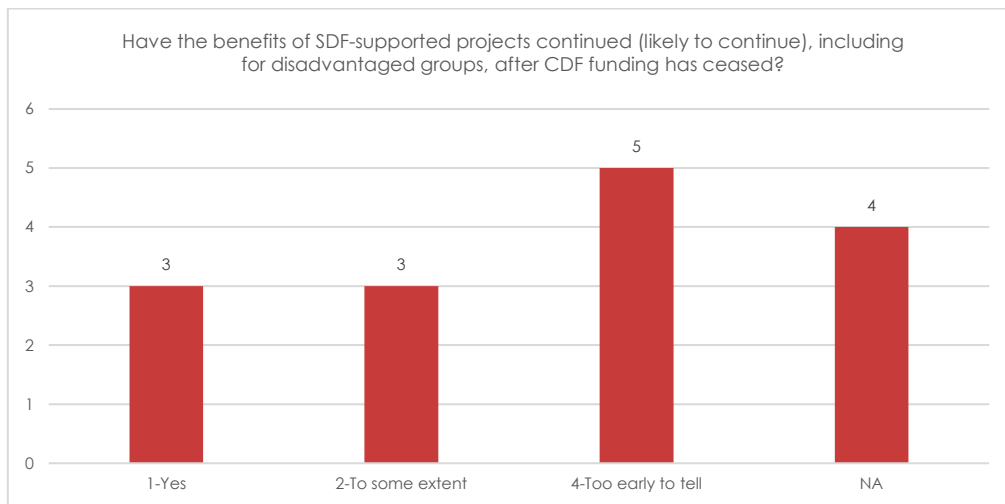
In economic infrastructure, conditions on maintenance have been included in projects supported by SDF 8 and 9. In some cases, funding is provided for the maintenance and operation of project outputs. However, some sustainability improvement opportunities in this area involve a long-term perspective on maintaining investments. For example, in some cases, roads built require resurfacing after 5 or 6 years, which needs to be budgeted and planned by the local authorities of the beneficiary country.

Moreover, **sustainability considerations need to be included in the project design phase, and not just during project closure**, and further attention needs to be paid to assessing the capacity of local authorities to ensure the sustainability of the supported solutions.

Regarding support for the private sector and MSMEs, developing **knowledge dissemination** strategies emerges as a relevant condition to ensure the sustainability of the solutions developed by SDF-supported projects.

Overall, **there is insufficient evidence (or it is too early) to assess the sustainability of the results based on meta-synthesis data** (Figure 20). However, some reports (e.g., the 2020 SDF Annual Report) suggest that 89% of projects rate "satisfactory" on sustainability, indicating the likelihood of continued outcomes post-funding. In the case of Haiti (see Country Strategy Evaluation 2019), for example, there is evidence that access to basic education in the country has improved significantly and has been sustained over the past decade. However, the long-term impact cannot be assured and is often limited by the government of Haiti's lack of involvement and project dependency on international assistance.

Figure **Error! Bookmark not defined.** Sustainability of SDF-supported projects and benefits



Source: Technopolis (2024), based on a meta-synthesis conducted on 15 evaluation documents provided by CDB.

Some interviewees suggest that **sustainability challenges** remain despite the efforts of CDB in promoting suitability measures to maintain the benefits of the projects in the long term. In most cases, this is related to the lack of capacity in member countries regarding the stability of human resources in government departments over time and the lack of planning and budgeting for long-term solutions maintenance, among others.

The **factors influencing sustainability** may vary across sectors. For example, in agriculture, access to resources such as water is critical to sustain the benefits of the investments. In the private sector and support to MSMEs, the broader economic performance and enabling environment for firms in each country shape the long-term impact of SDF-supported solutions. In infrastructure, permanent funding is required to maintain roads every few years, for instance. Across all sectors, systemic factors such as government capacity and climate conditions play a central role in the sustainability of the benefits derived from the projects.

Case study data also show different experiences regarding the sustainability of projects across different countries. In Belize, some of the benefits of the projects continued to a certain extent, with some actions taken, but climate events affected the results, especially in the agriculture sector. In the cases of Grenada and SVG, the benefits of projects are likely to be sustained beyond the interventions due to the implementation of long-lasting activities included within the projects and the continuity of public national support. At the regional level, some cases with a strong level of sustainability can be found, for example, in the case of the CROSQ project, developing frameworks to sustain the solutions and providing training and equipment for this.



## 7 Overarching conclusions

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### 7.1 Strengths and achievements

#### 7.1.1 Relevance

SDF 8 and SDF 9 are recognised as highly relevant tools for addressing development challenges in BMCs, primarily due to their strong alignment with the priorities of these countries, especially in crucial sectors like education, climate change, and infrastructure. The availability of both loan and grant financing makes the SDF a crucial source of support, particularly for countries facing debt constraints. The responsiveness of the SDF — demonstrated through quick disbursements and adaptability during crises such as volcanic eruptions, hurricanes, and the COVID-19 pandemic — enhances its relevance in tackling diverse development challenges. The CCS and resource allocation have addressed diverse socio-economic needs in BMCs. However, challenges like potential graduations, limited consideration of poverty levels, and vulnerability to climate change highlight the need for ongoing revisions to ensure adequate resource distribution and adaptation to evolving needs.

#### 7.1.2 Coherence

The CDB emphasises collaboration with stakeholders, including bilateral and multilateral partners, to leverage collective resources and expertise to benefit BMCs. SDF operates in a competitive landscape of development finance, facing challenges in matching the scale and impact of initiatives funded by organisations with more significant financial capacity. In this landscape, SDF's rapid response capacity in emergencies and its local engagement are recognised strengths, allowing them to focus on community-level needs.

#### 7.1.3 Efficiency

SDF 8 and SDF 9 demonstrated adequate operational performance in terms of approving available resources. Efforts have been made to enhance operational efficiency and reinforce capacity within the Bank and in BMC's EAs, highlighting opportunities for improvement.

#### 7.1.4 Effectiveness

Despite challenges with information availability, the evaluation of SDF 8 and 9 investments in the assessed themes and sectors under this criterion reveals mixed progress in achieving short- and medium-term outcomes aligned with the SDF's mission of advancing the SDGs related to poverty reduction and human development. In particular, investments made under SDF 8 and 9 have generated positive changes in various themes and sectors across the participating countries.

- The BNTF projects under SDF 8 and 9 have contributed to poverty reduction and human development in participating countries. Notably, investments in basic infrastructure, skills training, and social and economic infrastructure have led to tangible short-term outcomes, such as improved education facilities, water supply systems, and enhanced production-related infrastructure. Focusing on inclusivity by targeting vulnerable and marginalised communities has ensured a more comprehensive approach to regional development.
- In Haiti, limitations in data availability hinder the M&E of interventions. Progress is noted in education and training, with increased enrolment and improved infrastructure. While the CBARD project achieved its objectives, challenges persist in enhancing irrigation committee management.
- The SDF investments in education and training have resulted in the construction and upgrading of classrooms, improved conditions for students and teachers, and increased access to student loan financing.

- Projects under SDF 8 and 9 focusing on environmental sustainability, climate change, and disaster response have shown mixed outcomes in achieving targets. Infrastructure improvements and disaster resilience initiatives have been successful.
- During SDF 8 and 9, a USD 185 million loan portfolio funded economic and social infrastructure projects. Not all portfolio projects finished successfully.
- Initiatives supporting private-sector development enhanced support for MSMEs, fostering innovation, productivity, economic diversification, and employment. Investments were made in training and infrastructure for creative industries.
- Efforts to promote regional integration and cooperation have addressed barriers to intra-regional trade and improved the business environment, showcasing progress in facilitating trade across borders.

#### 7.1.5 Sustainability

The Bank and BMCs made efforts to ensure the sustainability of project results. To this end, several actions and safeguards are implemented in projects. Case study data shows a variety of actions taken to address sustainability across countries and projects, including training and capacity-building for school teachers, developing maintenance and operation plans for education infrastructure, investing in smart and resilient agriculture solutions, and including climate vulnerability assessments in project design. The case studies also show that the results of these sustainability actions vary.

## 7.2 Weaknesses and challenges

### 7.2.1 Relevance

There is a need to adapt allocation mechanisms to address issues like potential graduation into higher income groups, limited consideration of poverty levels, and vulnerability to climate change. While the SDF is viewed as a vital instrument, some stakeholders perceive it to lack a unified purpose, highlighting the importance of a clear long-term vision and strategic integration within the Bank's broader objectives.

### 7.2.2 Coherence

The evaluation shows an average level of coherence between SDF 8 and 9 and the initiatives of other development partners, indicating efforts to complement and coordinate with external programmes and financial opportunities. A lack of synergies could be better achieved by harmonising administrative and financial procedures.

### 7.2.3 Efficiency

There are challenges in delays, and suboptimal disbursement rates exist. These delays are attributed to challenges in BMCs' and CDB's capacities for project implementation, exacerbated by the COVID-19 pandemic. The main structural issues include BMCs difficulties meeting Conditions Precedent, adhering to CDB's procurement framework, staffing shortages and complex internal processes within the Bank. Despite efforts to enhance operational efficiency and reinforce capacity within the Bank and in BMCs, the efficiency of implementing SDF resources remains a challenge, with significant opportunities for improvement.

The M&E framework for SDF 8 and 9 projects represents another major weakness of the SDF. Although high ambitions have been set (definition of a results-based approach), there is demonstrated variability in implementation and effectiveness across projects.

#### 7.2.4 Effectiveness

While some notable progress is evident in SDF 8 and 9, achievements in outcomes that contribute toward fulfilling the SDF's mission are still limited. This is due to various factors, including vulnerability to climate change and external shocks, countries' economic dependence on a few sectors, political instability, weak institutional capacity, insufficient private-sector involvement in development initiatives, and limited access to accurate and up-to-date information that is crucial for planning and evaluating interventions.

- In the case of the BNTF, challenges relating to project management, disbursement rates, and the integration of gender analysis need to be further addressed.
- In Haiti, limitations in data availability hinder the M&E of projects, especially concerning the management capacity of irrigation committees. The context of political instability and vulnerability requires agile project management, emphasizing the need for close monitoring and adaptation for success.
- Challenges in the education sector encompass tracking mid-term outcomes, evaluating overall impact, and enhancing student performance in international assessments.
- In the areas of environmental sustainability, climate change, and disaster response, targets for renewable energy and energy efficiency have not been fully met.
- COVID-19 and natural hazards caused delays in economic and social infrastructure projects, especially in transportation and water supply improvements. While some projects finished successfully, disbursements for ongoing initiatives are pending. Assessment of medium-term outcomes is incomplete.
- Challenges in supporting private-sector development were experienced in ensuring sustainability, enhancing competitiveness and ensuring effective resource deployment, requiring continuous focus for lasting impact.
- Initiatives for regional integration lack a clear strategy, necessitating more explicit approaches and better monitoring mechanisms to align interventions with poverty-reduction goals.
- Heterogeneous progress in addressing gender inequalities undermines the capacity of SDF 8 and 9 to make a difference in this area. Continued efforts to monitor progress and ensure sustained gender mainstreaming across all projects are needed.

#### 7.2.5 Sustainability

Challenges persist in ensuring the sustainability of benefits resulting from SDF support beyond the intervention period. Factors such as government capacity, climate events, and project maintenance play critical roles in influencing sustainability. Although efforts have been made to promote sustainability measures, there is a need for a long-term perspective on maintaining investments to address sustainability challenges effectively across sectors and countries. Challenges also exist in ensuring the sustainability of private-sector initiatives, enhancing competitiveness, and deploying resources effectively.

### 7.3 Lessons learned

#### 7.3.1 Strategic management

- Effective interaction and cooperation with beneficiary countries are crucial in formulating and implementing interventions. This collaborative approach, achieved through open communication, thorough needs assessments, and active stakeholder involvement, ensures that interventions align closely with the beneficiary countries' priorities and needs and the SDGs' priorities. By maintaining these collaborative practices throughout the process of intervention formulation, the relevance and effectiveness of its interventions will

be enhanced, resulting in interventions tailored to local contexts and responsive to community needs.

- Regular evaluation and adaptation of eligibility criteria are essential for the SDF to address country needs effectively. The dynamic nature of these criteria, responsive to changing circumstances and emerging challenges, ensures that the interventions remain targeted and impactful. Regular reviews and consultations with beneficiary countries allow for aligning the eligibility criteria with the most pressing issues and populations needing support, enhancing the relevance and effectiveness of SDF interventions.

### 7.3.2 Governance of interventions

- Effective internal coordination and synergies within the CDB and between departments are vital for streamlining efforts, avoiding duplication, and maximizing intervention impact. Promoting collaboration and coherence across departments enables the efficient leverage of resources to achieve development goals. Clear communication channels, defined roles and facilitated cross-departmental collaboration contribute to improved intervention efficiency and effectiveness.
- Establishing robust coordination mechanisms with beneficiary countries is crucial to ensure that the implemented interventions align well with national development priorities. Close collaboration with governments and stakeholders enables tailoring interventions to local contexts, fostering ownership, and promoting sustainability. Coordination with beneficiary countries, facilitated through regular consultations, joint planning exercises, and partnership-building initiatives, enhances the relevance and effectiveness of interventions in addressing local needs.
- Collaborating with international development partners is vital for the CDB to access additional expertise and resources, fostering comprehensive and sustainable development outcomes. Through coordination and complementarity with donors, multilateral organizations, and civil society groups, the Bank aims to enhance the overall impact of its interventions. Cultivating partnerships and promoting complementarity with various stakeholders enables leveraging resources, sharing best practices, and optimizing available resources, minimizing duplicative efforts for more effective and synergistic development initiatives.

### 7.3.3 Operational management

- Strengthening institutional capacity and improving efficiency in project approval, disbursements, and procurement processes are essential for timely and successful intervention implementation. Addressing logistical challenges, enhancing staff skills, and streamlining operational procedures contribute to more effective resource utilisation. Ensuring project management capabilities, simplifying bureaucratic processes, and supporting implementing entities are crucial steps in accelerating intervention delivery and improving outcomes for beneficiaries.
- Sound financial management practices are crucial for implementing transparent, accountable, and efficient interventions. This involves establishing robust financial controls, implementing budget monitoring mechanisms, and employing effective risk management strategies. Such measures help mitigate financial risks, optimise resource allocation, and enhance overall intervention effectiveness. Ensuring transparency, accountability, and fiduciary responsibility involves conducting regular audits and adhering to sound procurement practices, which are crucial for preventing fraud and corruption and ensuring the cost-effectiveness of interventions.
- The institutional capacities of EAs play a crucial role in the successful implementation of interventions. Strengthening these capacities through training, TA, and knowledge sharing

will enhance project outcomes and sustainability. Investing in initiatives that improve project management skills, procurement practices, and financial management capabilities contributes to the overall success of development initiatives.

- Involving beneficiary communities throughout the intervention cycle, from needs identification to project outcome evaluation, fosters ownership and empowerment among community members. This engagement ensures locally relevant, sustainable, and culturally appropriate interventions. Engagement of communities in decision-making processes and implementation ensures accountability, transparency, and overall project impact.

#### 7.3.4 *Performance management*

- Creating and institutionalising robust M&E systems is fundamental for tracking progress, assessing impact, and promoting accountability throughout the intervention cycle. This involves developing systems, capacities, processes, and procedures for M&E. By investing in M&E frameworks, building evaluation capacities, and integrating feedback mechanisms, the Bank can enhance its ability to continuously monitor intervention performance, measure outcomes against predefined indicators, and make informed decisions for improvement.
- Access to timely and relevant information is pivotal for decision-making and planning throughout the intervention cycle. Enhancing data collection, analysis, and reporting processes is crucial to identifying emerging trends, evaluating intervention effectiveness, and learning from past experiences. The SDF can strengthen its performance management practices by promoting knowledge sharing, information dissemination, and a learning culture. Leveraging technology for information management, fostering transparency through data sharing, and facilitating lesson-learning processes contribute to evidence-based decision-making, organisational learning, and continuous improvement in programme design and implementation, ultimately maximising the impact of interventions.

## 8 Recommendations

### 1. Reevaluate the Country Eligibility Criteria of the SDF to allocate and concentrate resources in sector-wide transformational initiatives.

**Objective:** This recommendation aims to ensure that SDF resources are more accurately targeted towards those in greatest need, to promote significant developmental impacts through strategic project selection, and to enhance the competitiveness of the SDF by adopting innovative financing solutions.

**Description:** There is a need to reevaluate and adjust the SDF's country eligibility criteria and resource allocation strategy (RAS) to address poverty more accurately by considering vulnerability and preventing the pool of eligible BMCs from shrinking. Additionally, the SDF may introduce "project selection requirements". This approach will encourage resources to be allocated towards larger, sector-wide "transformational projects" and enable the exploration of innovative financial instruments with SDF funds.

#### Findings and lessons learned:

- Introduced in 2001, the RAS guides the distribution of SDF loans and BNTF resources to eligible countries based on their performance and needs. The needs component considers population size, vulnerability to disasters and financial stress, per capita income, and the number of impoverished individuals—a criterion added in SDF 8. This adjustment has led to a notable shift in SDF allocations, favouring countries with larger impoverished populations, exemplified by the increased share of country loans to Guyana and Jamaica.
- Despite the reforms in the RAS, there is a need to reevaluate and adjust the eligibility criteria of SDF resources to accommodate for (a) Group 1 countries that have high GDP per capita but still have undeveloped sectors and pockets of high poverty and (b) Group 2 countries (e.g., Guyana) that have graduated from SDF eligibility but still require concessional financing, especially during economic shocks and for climate change.
- Some BMCs perceive the SDF as a temporary financing fix for crisis management without a more strategic purpose. The SDF has the potential to become a more strategic tool, but this requires a clear vision and strategic alignment with the Bank's broader objectives.
- Despite efforts to clean up the portfolio for TA grants and focus on TA interventions that contribute to building the pipeline of loans and grants, many SDF resources are committed to small-scale projects with little prospect of generating transformational impacts.
- The SDF portfolio is comprised solely of "traditional" loans and grants. The eligibility framework should allow SDF resources to experiment with innovative financial instruments to increase competitiveness.

#### Suggestions for implementation:

- **Undertake a review of the revised country groups.** Consider increasing the GDP per capita threshold for Group 1 and 2 countries to prevent the pool of eligible BMCs from shrinking.
- **Adjust the RAS to address poverty more accurately by considering vulnerability** and/or using more comprehensive national and subnational poverty measures. Vulnerability to economic shocks and climate change should play a more significant role in determining the SDF access to countries.
- **Implement a mechanism in which Group 1 countries have more access to SDF resources.** Consider creating economic and social resilience set-asides that all BMCs can access.
- **Institute project selectivity requirements when accessing the SDF to promote the concentration of resources in larger "transformational projects" for the different sectors.** Selectivity criteria could include a higher share of government funding and better targeting of the poor population.
- **Assess SDF financial instruments and lending terms under the SDF to improve its competitiveness.** The eligibility framework should allow SDF resources to experiment with innovative financial instruments to increase competitiveness and effectiveness:



- For private-sector development, collaborate with BMC development banks to **bridge the debt financing gap of MSMEs in the region through innovative financial instruments** such as revenue-based loans, convertible notes, and impact discount loans. These instruments are more accommodating to the long-term growth of MSMEs affected by external events (COVID-19 or natural disasters) or with irregular cash flows (e.g., agriculture, technology).
- The CDB should explore **using the SDF to promote and resource impact-focused venture capital funds in the Caribbean region**. Through the SDF, the Bank could contribute to reducing financing gaps in countries, sectors, and business models where there is an unmet demand for equity or quasi-equity investments in impact-focused early-stage ventures.
- For SDF-funded technical cooperation, CDB should explore the incorporation of **Contingent Recovery Resources** when there is a reasonable possibility of a loan from the Bank or another lending institution. If the loan materialises, the beneficiary must reimburse the funding from the Bank. This mechanism essentially provides a safety net for the bank or institution, allowing it to support projects with a reasonable possibility of success without bearing the entire financial risk. If the project advances to a stage where a formal loan is granted, the initial technical cooperation funds are recovered, making the funds available for other projects and initiatives.

## 2. Ensure SDF resources are allocated earlier in the cycle, and most resources are deployed within the SDF cycle timeframe.

**Objective:** Drive operational efficiency to commit and deploy the most available resources within SDF cycle timeframes.

**Description:** Support BMCs in developing a solid project pipeline with feasibility studies and initial designs to allocate SDF resources early in the cycle. Also, support BMCs in accelerating project implementation and disbursements to ensure most are deployed within the SDF cycle timeframe.

### Findings and lessons learned:

- Due to slow approvals during the first years of SDF 8 and 9 cycles, CDB and BMC officials rushed to draft and approve projects later in their life cycle. This pressure often resulted in additional internal approvals that consumed scarce CDB resources and a low disbursement rate within the cycle timeframe.

### Suggestions for implementation:

- CDB and BMC can work closely to have a robust project pipeline with feasibility studies and initial designs "ready to be implemented". TA interventions should focus on building the pipeline of loans and grants by supporting project feasibility studies and designs.
- Undertake efforts to encourage BMCs to allocate SDF resources early in the cycle, ideally in the first year. These efforts could be complemented by implementing accountability measures for BMCs that do not promptly determine their allocation.
- Perform frequent BMC portfolio reviews and provide technical support for those with significant undisbursed balances.
- Promote a multicycle approach for planning and resource allocation for large-scale infrastructure projects.

## 3. Expand capacity-building and streamline procedures to improve project implementation.

**Objective:** The primary objective of this recommendation is to expand the capacity-building of BMCs/CDB staff and leverage technology to streamline procedures for projects financed through the SDF. The overarching aim is to foster a more conducive environment for project execution, ensuring

timely completion, increased participation from qualified bidders, and, ultimately, the successful achievement of project goals.

**Description:** Address procedural complexities, capacity issues, and administrative delays in project implementation.

**Findings and lessons learned:**

- BMCs have faced difficulties with process complexity and fulfilling Conditions Precedent, leading to project timeline extensions post-loan effectiveness.
- Despite the procurement policy reforms implemented since 2019, the procurement process under CDB has been perceived as complex, which may deter smaller yet qualified bidders and reduce competition.
- There are issues with bureaucratic procurement systems and a lack of sufficient project management skills among BMCs.
- Wait times for non-objection requests and other administrative tasks at the CDB are lengthy, likely due to a lack of staff, limited budgets, and high turnover.
- CDB has minimal on-the-ground presence and support for BMCs.

**Suggestions for implementation:**

- Expand and intensify training programmes for BMCs in project management and procurement skills with a focus on mid-senior officials. Utilise online platforms and regional training centres to deliver this training more broadly. Also continue funding scholarships for a master's programme in public procurement and support the participation of BMCs in the INGP.
- Continue to refine procurement policies to ensure they are "fit for purpose". Intensify client outreach initiatives and explore innovative ways to encourage broader participation in bidding processes, especially among MSMEs.
- Further expand the staff of the public procurement unit to cope with the demands of project oversight and reduce wait times for administrative procedures.
- Encourage the adoption of e-procurement mechanisms among BMCs, supported by the CDB in coordination with other multilateral development banks (MDBs). Doing so could help streamline processes and make them more transparent.
- Continue efforts to harmonise CDB systems with other BMCs' systems to facilitate joint co-financing arrangements, simplifying and expediting the procurement process for multi-country or regional projects.
- Establish more precise communication channels and support mechanisms for BMCs throughout the project cycle. This action could include dedicated country programme representatives for each BMC to provide personalised guidance and support.
- Increase the CDB's on-the-ground presence in BMCs to better understand the challenges they face and provide timely assistance. This action could involve setting up regional offices or increasing the frequency of visits by the CDB staff to project sites.

#### 4. Strengthen the M&E framework to drive evidence-based decision-making.

**Objective:** To inform decision-making for continuous improvement and maximize intervention impact, enhancing the accountability and transparency of SDF projects.

**Description:** Institutionalize robust and comprehensive M&E systems, establish a centralized information system to enhance information management data collection and analysis, and promote knowledge sharing to enhance performance management practices. A comprehensive M&E framework will contribute to better performance management and accountability.

**Findings and lessons learned:**



- The evaluation reveals inconsistencies in the implementation and effectiveness of the M&E framework across projects, emphasising the need for a more standardised and rigorous approach to performance management. Strengthening M&E practices is crucial for enhancing accountability, maximising impact, and promoting a culture of continuous learning and improvement within the organisation.
- Access to timely and relevant information is crucial for decision-making, planning, and evaluation processes, emphasising the importance of leveraging technology for improved data management and performance monitoring.

#### **Suggestions for implementation:**

- Integrate the standardised M&E framework by aligning and enhancing the coherence across different RMFs, including those for SDF, Country Engagement Strategies, and specific initiatives. Such integration aims to ensure logical connections and better alignment of attributes for measuring project performance and impact consistently across all SDF initiatives.
- Invest in capacity-building for M&E staff and project implementers to enhance data collection and analysis capabilities, promoting a culture of data-driven decision-making.
- Strengthen existing data management systems, promote knowledge sharing through a centralised digital platform, facilitate transparency through data sharing, and establish automated tracking mechanisms for M&E processes.
- Implement feedback mechanisms within the M&E system to facilitate ongoing learning, adaptation, and improvement based on evaluation findings and stakeholder feedback. Continuously reviewing and adjusting the M&E framework based on lessons learned will strengthen performance management and drive more impactful outcomes in the long run.
- Implement regular internal and external evaluations to assess the effectiveness of projects and capture lessons learned for future improvements, fostering a culture of continuous improvement and learning within the SDF framework.

#### **5. Improve the process of designing interventions to increase their effectiveness and sustainability.**

**Objective:** Enhance the capacity of the SDF to leverage innovative solutions that effectively and sustainably respond to the emerging objectives and needs faced by BMCs (i.e., in areas such as gender and resilience) and identified in Country Engagement Strategies.

**Description:** Promote a culture of innovation and adaptive management that allows for exploring and experimenting with new solutions and approaches within the CBD to improve the relevance and quality of the design of interventions. Based on the development objectives and priorities jointly identified in the Country Engagement Strategies, the SDF will have the capacity to identify, select and formulate, together with the countries, innovative alternative solutions for the detailed formulation of the projects listed in the strategies. This approach aims to foster tailored solutions with local relevance by involving communities from project identification through evaluation, ensuring interventions align with community needs and cultural contexts.

#### **Findings and lessons learned:**

- There are persistent challenges in addressing poverty levels, graduation issues, and climate vulnerability.
- There are still limited achievements regarding outcomes toward fulfilling the SDF's mission. This is the case for various themes and sectors: education and training, environmental sustainability, climate change and disaster response, economic and social infrastructure, private-sector development, regional integration, and gender inequalities.
- Persistent challenges in ensuring sustained project benefits, limited government capacity, and the need for long-term perspectives on maintenance underscore the importance of focusing on sustainability planning and capacity-building efforts.
- The ability to innovate, experiment, and adapt to changing circumstances is essential for addressing complex development challenges and maximising the impact of intervention.

- Challenges in addressing specific gender inequalities, insufficient gender mainstreaming, and the need for sustained gender analysis integration emphasise the critical role of prioritising gender considerations in project activities.

**Suggestions for implementation:**

- Strengthen institutional capabilities to tackle the emerging challenges encountered by BMCs, integrating a responsive approach into the Bank's organisational structure with a focus on four key tasks.
  - Explore and initiate responses to emerging challenges confronting countries while also cultivating foundational knowledge on these issues.
  - Develop and standardise innovative project execution methods, incorporating diverse digital tools, novel design strategies, and advanced M&E techniques.
  - Implement a systematic approach for prototyping, testing, and scaling proven solutions using available instruments.
  - Investigate and validate novel financing and scaling models, emphasising collaboration with the private sector, international donors, and subnational entities to amplify intervention impact.

## Appendix A Evaluation Methodology

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### A.1 Evaluation criteria and questions

The evaluation followed OECD Better Evaluation guidelines, which provide a set of principles to develop systematic, coherent, and cost-effective evaluation processes, combining the elements of transparency, accountability, efficiency, and meaningfulness stressed in the evaluation policy and guidance documents. This joint framework was applied systematically and consistently to fund analysis.

The proposed methodology was designed based on the following principles:

- **Capitalise on existing data and evidence on the Special Development Fund.** An important part of the work will focus on collecting, organising, and analysing existing secondary data.
- **Collect data and evidence outside of the immediate circle of CDB and SDF staff members.** It will be imperative to gain insight into the different evaluation questions by consulting stakeholders outside the immediate circle of the CDB and the SDF.
- **Triangulate evidence to the extent possible** by systematically covering all relevant evaluation criteria in our methodological tools and data collection processes.
- **Use the most cost-effective methodological tools** to reach each of the specific objectives of the evaluation.

Following these principles, evaluation criteria were applied to determine the merit or importance of the intervention of the SDF and the stakeholders involved. It also applied these criteria in a way that responds to the necessity of providing the CDB with independent evidence on the performance of SDF.

In line with the Terms of Reference, our evaluation addressed the following overarching question: **How well have SDF 8 and 9 done?** To respond to this question, we addressed several sub-questions according to most of the OECD DAC evaluation criteria:

- **Relevance:** The appropriateness and alignment of the SDF and the different aspects of its mission (assisting Borrowing Member Countries BMCs in addressing priority issues such as poverty reduction, tackled through thematic areas that include support for Caribbean-specific SDG targets; building resilience to climate change; and promoting RCI) to the needs and priorities of the countries and regional cooperation in general.
- **Coherence:** The extent to which other interventions (particularly policies) support or undermine the intervention, and vice versa. In particular, this criterion refers to external factors (i.e., the coherence of the intervention with the interventions of other actors in the same context). This coherence includes complementarity, harmonisation and coordination with others, and the extent to which the intervention adds value while avoiding duplication of efforts.
- **Efficiency:** The balance between the resources mobilised for the implementation and the results achieved. And the extent to which efficient processes have been adopted regarding organisational set-up and the distribution of roles and responsibilities.
- **Effectiveness:** The extent to which the fund achieved the intended results, the factors that have influenced this, and the evidence of effects (intended and unintended) of intervention (individual, organisational and institutional) that the projects have sought to impact.
- **Sustainability:** The extent to which the fund has put in place the right conditions to allow for results to be further developed, scaled up, multiplied and financially, institutionally, and politically sustained. Also, this criterion addresses whether the benefits of the SDF-supported interventions are likely to continue if the funding for these activities ceases.

During the inception phase, the criteria and evaluation questions were refined based on the documentation review and interaction with the client. Table 19 below summarises the evaluation questions and sub-questions according to each criterion. The specific questions are derived from the proposed general questions and criteria in the Terms of Reference.

*Table 19 Evaluation questions*

Criteria	Evaluation questions	Specific questions
Relevance	EQ1: To what extent did SDF 8 and 9 align with and support BMCs' poverty reduction and sustainable social and economic inclusive growth priorities?	<ul style="list-style-type: none"> <li>To what extent are SDF 8 and 9 objectives, priorities, and thematic areas aligned with BMC's development priorities and goals?</li> <li>Are the allocation of resources and eligibility criteria appropriate to meet BMCs and regional needs?</li> <li>Is the allocation of resources across the different financing mechanisms (e.g., TA and loans / subsidised loans) relevant?</li> <li>To what extent do the design and functioning of SDF 8 and 9 operations respond to the expectations of contributors and donors?</li> <li>How well are SDF-supported projects aligned with the organisation's mandate of contributing to the development of BMCs?</li> <li>To what extent does the SDF's mandate (mission and objectives) contribute to CDB's mandate?</li> </ul>
	EQ2: How well did the SDF adapt over the Eighth and Ninth Cycles to respond to evolving challenges of the region (e.g., economic, climatic or global health crises such as the COVID-19 pandemic)?	<ul style="list-style-type: none"> <li>To what extent did SDF 8 and 9 appropriately respond and adapt to emerging global/regional crises and challenges?</li> <li>Do SDF-supported projects meet the needs of the more disadvantaged groups of beneficiaries?</li> <li>Do selection criteria promote the alignment of projects with the overall objectives of the SDF and the priority needs of BMCs?</li> <li>Is there adequate consistency between activities, outputs, outcomes, and impacts of the fund?</li> <li>Have the impacts of the COVID-19 pandemic and other external shocks changed the relevance of SDF priority themes to the needs of BMCs?</li> </ul>
Coherence	EQ3: To what extent did SDF 8 and 9 complement and coordinate with CDB programmes, policies, strategies, and other development partners' initiatives?	<ul style="list-style-type: none"> <li>Is there an appropriate level of internal coordination and synergies with CDB Country Strategy Papers and other thematic and sectoral Policies and Strategies?</li> <li>Is there a sufficient level of external synergies and complementarity with initiatives and financial opportunities funded/implemented by other development partners?</li> <li>To what extent are SDF operations harmonious and complementary with interventions of other actors in the same context and add value by avoiding duplication of efforts?</li> <li>Are attempts to avoid duplication and optimise synergies with related projects adequate?</li> </ul>
Efficiency	EQ4: To what extent did the governance and operational arrangements support efficient implementation of SDF 8 and 9?	<ul style="list-style-type: none"> <li>To what extent did the governance, management, and operational arrangements of SDF 8 and 9 lead to an efficient delivery of the funds?</li> <li>Is there an appropriate timing for resource allocation and disbursement?</li> <li>Are there sufficient planning and implementation arrangements in place to support fund operations?</li> <li>Is there an adequate management of resources to meet agreed resolutions?</li> <li>Are there adequate monitoring and reporting mechanisms in place to assess the performance of operations?</li> <li>Are targeted beneficiaries, including more disadvantaged groups, adequately consulted and involved in designing interventions and formulating objectives?</li> </ul>

Criteria	Evaluation questions	Specific questions
		<ul style="list-style-type: none"> <li>• Is the scope and complexity of projects consistent with the capacity of the SDF, BMCs and the designated EAs?</li> <li>• Are results achieved, including for the more disadvantaged beneficiaries, justified by the cost incurred?</li> <li>• Are results achieved in a timely manner?</li> <li>• Are decisions related to the allocation and use of resources during implementation optimal?</li> <li>• Are guidelines/implementation protocols adequate to promote efficiency?</li> <li>• Is there adequate capacity, both within the SDF and the EAs, to implement SDF-supported projects?</li> <li>• Have resources been used efficiently? Have activities been cost-effective?</li> </ul>
Effectiveness	EQ5: What outcome-level changes occurred as a result of SDF 8 and 9 investments?	<ul style="list-style-type: none"> <li>• What intended and unintended outcome-level changes have been produced with a significant contribution of SDF 8 and 9 (by country, cross-cutting themes)?</li> <li>• What are the main outcomes supported by SDF 8 and 9 (by BNTE, CTCS, Haiti and cross-cutting initiatives)?</li> <li>• What are the main achievements obtained through TA and capacity-building activities at individual and organisational levels?</li> <li>• What factors contributed to or constrained the achievement of SDF 8 and 9 outcomes (including the adequacy of the allocated resources)?</li> <li>• What was SDF 8 and 9's main contribution in supporting countries with debt overhang?</li> <li>• To what extent are the institutional capacities of the SDF (in terms of planning, implementation, M&amp;E) adequate for fulfilling its mandate and organisational learning?</li> </ul>
	EQ6: To what extent did SDF 8 and 9 serve the Bank's strategic priorities and contribute to the achievement of BMCs' development goals?	<ul style="list-style-type: none"> <li>• To what extent have SDF 8 and 9 contributed to the CDB achievements?</li> <li>• To what extent have the two cycles contributed to achieving the development goals of BMCs and the Region?</li> <li>• To what extent have SDF-supported projects achieved or are likely to achieve the planned outputs and outcomes?</li> <li>• What are the major factors that influence the achievement of results?</li> </ul>
Sustainability	EQ7: To what extent have the benefits of SDF 8 and 9 continued or are likely to continue beyond the end of the interventions?	<ul style="list-style-type: none"> <li>• Are there sufficient financial, economic, social, environmental and institutional capacities, conditions and arrangements in SDF 8 and 9 to sustain benefits over time?</li> <li>• What are the most important political, social and economic factors influencing the achievement of the SDF objectives?</li> <li>• Have the benefits of SDF-supported projects continued (likely to continue), including for disadvantaged groups, after CDF funding has ceased?</li> <li>• What factors are influencing the sustainability of SDF-supported projects?</li> <li>• What factors are influencing/likely to influence the sustainability of the SDF?</li> <li>• Are adequate measures to promote or create an enabling environment for sustainability included in the design of SDF-supported projects?</li> <li>• Are sustainability risks adequately tracked and managed during execution?</li> </ul>

## A.2 Evaluation approach and methods

### A.2.1 Evaluation synthesis and meta-analysis of documentation

We employed an evaluation synthesis approach to aggregate findings from previous evaluations, reports, and assessments. With this, we systematically reviewed the main results and achievements of SDF 8 and 9 operations, relevant insights on SDF 8 and 9 performance at the country level, and its contributions to the SDF's thematic and cross-cutting areas.

CDB provided the evaluation team with 61 key documents (as of October 27, 2023) relating to the overall operation of the SDF, the 8th and 9th cycles, and associated activities. In the scoping phase, we conducted a first review of each of these items to better understand their contents and relevance to the forthcoming evaluation (as well as to support the overview of the fund context, activities, and intentions set out above). Then, we assessed the extent to which each document is relevant to address the OECD DAC evaluation criteria (see Inception Report).

From the 61 records, we prioritised 15 documents that directly addressed SDF 8 and 9 and related activities and operations to identify relevant outcomes better. We strived for documents that would provide more evidence to assess the extent to which each cycle's short- and medium-term outcomes have been achieved. Furthermore, we focused on documents that performed evaluations or reviews of SDF 8 and 9 so that the findings informed the performance of these two. That means that the CDB policies and strategies, resolutions, and strategic focus documents were not subject to an in-depth review. Moreover, PCR did not provide overall findings on SDF performance, as these focus on the project level. Thematic evaluations provide relevant context to this evaluation but do not address SDF's performance specifically.

For these reasons, we focused the in-depth review on 15 documents, including SDF Annual Reports, SDF MTRs, and BNTF documents. We also included the Country Strategy Evaluations for Haiti, considering the SDF's particular focus on this country.

Table 20 below summarises each of these sources and their relevance. For each document, we highlight which are the most relevant to each of the criteria (green), those with a medium-level relevance (yellow) and those with a low relevance (red).

Table 20 List of key documents available and evaluability assessment according to OECD DAC criteria

Type of document	No.	Document title	Publication date	Relevance to the current study	Evaluability assessment according to each evaluation criteria				
					Relevance	Coherence	Efficiency	Effectiveness	Sustainability
Annual Review of Project Performance	1	Paper Bd 46/17 – Annual Review of The Performance of The Portfolio of Projects/Loans Under Implementation For The Year Ended December 31, 2016	May 22, 2017	These reports present the overall performance of the portfolio of the CDB's operations, including a portfolio analysis and an overview of the portfolio management. These reports pay special attention to SDF as a source of funding for CDB's operations across the region.	oo	o	ooo	oo	o
	2	Paper Bd 49/22 – Annual Review of The Performance of The Portfolio of Projects/Loans Under Implementation For The Year Ended December 31, 2021	June 13, 2022		oo	o	ooo	oo	o
BNTF	3	Paper Bd 122/19 – Basic Needs Trust Fund Ninth Programme Mid-Term Evaluation Final Report And Management Response	December 12, 2019	This group of documents presents information on the BNTF, which receives contributions from the SDF. While they provide relevant information on BNTF operations, performance and outcomes, there is little relevant evidence to further assess the additionality and contributions of the SDF in this case.	oo	o	oo	o	o
	4	The Caribbean Development Bank Basic Needs Trust Fund Operations Manual	2021		oo	o	oo	o	o
	5	BNTF Stories of Change	May, 2015		oo	o	oo	o	o
	6	A Snapshot of Achievement 2017–2022	–		oo	o	oo	o	o
CDB Policies and Strategies	7	Climate Resilience Strategy 2019–2024	December, 2018	These documents offer evidence regarding the strategic and policy context of the CDB. While not addressing SDF aspects directly, this documentation will allow us to assess the broader relevance and coherence dimensions of SDF.	ooo	ooo	oo	o	o
	8	Agriculture Sector Policy & Strategy Paper 2020–2025	March, 2020		ooo	ooo	oo	o	o
	9	Private Sector Development Policy And Strategy	July, 2017		ooo	ooo	oo	o	o
	10	Strategic Plan Update 2022–2024 "Repositioning For Resilience"	December 2021		ooo	ooo	oo	o	o
	11	Disaster Management Strategy And Operational Guidelines 2021	December, 2020		ooo	ooo	oo	o	o
	12	Energy Sector Policy And Strategy	December, 2022		ooo	ooo	oo	o	o
	13	Gender Equality Policy And Operational Strategy – 2019	–		ooo	ooo	oo	o	o
	14	Strategic Plan Summary – 2020–2024	–		ooo	ooo	oo	o	o

Type of document	No.	Document title	Publication date	Relevance to the current study	Evaluability assessment according to each evaluation criteria				
					Relevance	Coherence	Efficiency	Effectiveness	Sustainability
Country Strategy Evaluations	15	Paper 108/2022-B5 – Country Strategy And Programme Evaluation – Suriname	November 23, 2022	The evaluations of country strategies intend to provide a baseline on the performance of CDB programming in each country, following criteria such as relevance, coherence, effectiveness, efficiency, and sustainability. In each case, it is possible to identify some evidence regarding SDF support to each country.	oo	o	ooo	oo	o
	16	Paper 92/2019-B4 – Haiti Country Strategy And Programme Evaluation 2007 – 2015	March 26–27, 2019		oo	o	ooo	oo	o
	17	Paper 95/2019-B2a – Cluster Country Strategy And Programme Evaluation Volume I – Evaluation Report	December 10, 2019		oo	o	ooo	oo	o
	18	Paper 95/2019-B2b – Cluster Country Strategy And Programme Evaluation Volume II – Appendices	December 10, 2019		oo	o	ooo	oo	o
	19	Paper 95/2019-B2c – Cluster Country Strategy And Programme Evaluation Volume III – Review of The Caribbean Development Bank Policy – Based Lending To The OECS	December 10, 2019		oo	o	ooo	oo	o
	20	Paper 98/2019-B2 – Barbados Country Strategy Programme Evaluation	June 24, 2020		oo	o	ooo	oo	o
	21	Paper 108/2022-B4 – Country Strategy And Programme Evaluation – Belize	November 23, 2022		oo	o	ooo	oo	o
	22	Country Strategy And Programme Evaluation – Jamaica	June 23, 2023		oo	o	ooo	oo	o
DER Reports	23	Development Effectiveness Review 2017	–	These reports present overarching information on the performance of the CDB, including monitoring data on concessional resources, SDF resources for core country lending and the BNTF that have been apportioned using a performance-based resource allocation formula of total available concessional resources. This information offers evidence regarding resource allocation and utilisation.	o	oo	ooo	o	o
	24	Development Effectiveness Review 2016	–		o	oo	ooo	o	o
	25	Development Effectiveness Review 2020	–		o	oo	ooo	o	o
	26	Development Effectiveness Review 2019	–		o	oo	ooo	o	o
	27	Development Effectiveness Review 2018	–		o	oo	ooo	o	o
Mid-Term Reviews	28	Mid-Term Review, Special Development Fund, SDF 8	May, 2015	These reports present a Mid-Term Review of SDF(U) Cycles 8 and 9, aiming to assess their achievements at midpoint and analyse opportunities and constraints faced by the CDB in the second half of each cycle. The reviews include an assessment of the CDB's achievement of targets to which it is committed, a review of the results anticipated by the RMF, and an analysis of the contribution of the SDF	ooo	ooo	ooo	ooo	oo
	29	Paper Bd 60/19 – Mid-Term Review of The Ninth Cycle of The Special Development Fund (Unified)	June 3, 2019		ooo	ooo	ooo	ooo	oo



Type of document	No.	Document title	Publication date	Relevance to the current study	Evaluability assessment according to each evaluation criteria				
					Relevance	Coherence	Efficiency	Effectiveness	Sustainability
				to member countries' achievement of the MDGs and SDGs.					
Resolutions	30	Replenishment of The Resources of The Special Development Fund (SDF 8) Resolution And Report of Contributors On SDF 8	March, 2013	These documents present the resolutions of each of the 8th and 9th cycles of SDF, including information on the contributions of each government, the main context and challenges to be addressed, the principal development indicators, as well as operational directions, expected results, financial resources and implementation guidelines	000	000	00	00	0
	31	Replenishment of The Resources of The Unified Special Development Fund (SDF 9) Resolution And Report of Contributors On SDF 9	December 8, 2016		000	000	00	00	0
SDF Annual Reports	32	Annual Report 2013 And Financial Projections 2014–2016	April, 2014	This Report examines the operational performance of the fund each year, relative to the previous one and, where appropriate, previous years to better contextualise performance. They include evidence on the operational aspect of the Fund (Commitments, Disbursements, Thematic and Programme Highlights, CDB in Haiti, the BNTF, CTCs) and the use of financial resources, as well as financial performance and projections. These documents are critical to identifying the outcomes of SDF cycles 8 and 9, as each of these includes a dedicated section for results at different levels — Level 1: Progress towards SDGs and regional development outcomes; Level 2: CDB/SDF Contributions to Country and Regional Outcomes; Level 3: Operational/ Organisational Effectiveness; Level 4: Partnership, Harmonisation and Alignment.	00	00	000	000	000
	33	Annual Report 2014 And Financial Projections 2015–2017	May, 2015		00	00	000	000	000
	34	Annual Report 2015 And Financial Projections 2016–2018	May, 2016		00	00	000	000	000
	35	Annual Report 2016 And Financial Projections 2017–2019	May, 2017		00	00	000	000	000
	36	Annual Report 2017 And Financial Projections 2018–2020	May, 2018		00	00	000	000	000
	37	Paper Bd 55/19 – Special Development Fund (Unified) Annual Report 2018 And Financial Projections 2019–2021	June 3, 2019		00	00	000	000	000
	38	Paper Bd 53/20 – Special Development Fund (Unified) Annual Report 2019 And Financial Projections 2020–2022	June 25, 2020		00	00	000	000	000
	39	Paper Bd 56/21 – Special Development Fund (Unified) Annual Report 2020 And Financial Projections 2021–2023	June 28, 2021		00	00	000	000	000
Strategic Focus	40	The Strategic Focus of SDF 8: Building Our Resilience	May, 2012	This paper provides an overview of the strategy for planning and implementation of SDF 8. It proposes a strategic framework consistent with the views expressed by the SDF contributors and seeks to build consensus on the role and priorities of SDF 8.	000	000	00	0	0

Type of document	No.	Document title	Publication date	Relevance to the current study	Evaluability assessment according to each evaluation criteria				
					Relevance	Coherence	Efficiency	Effectiveness	Sustainability
Project Completion Reports	41–50	10 Project Completion Reports Shared (October 26, 2023)	–	The documents provide information and evidence on the performance of project-specific interventions in the form of PCRs.	oo	o	oo	ooo	o
Thematic and other evaluations	51	Paper 107_2022-B3 – Evaluation of Energy Sector Policy And Strategy Evaluation	September 8, 2022	These reports present the evaluations of different policies implemented by the CDB across multiple areas such as energy, finance, disaster management, gender equality, and the approach to managing development results. Although these documents do not address SDF's performance specifically, they provide evidence and insights on the CDB's activities and overarching processes, with additional sources of evidence that will help address efficiency and effectiveness issues. The documents also include recommendations posed by each evaluation and a dedicated document to track the progress of the CDB in implementing the recommendations.	ooo	o	o	o	o
	52	Paper 108/2022-B2 – Evaluation of CDB Work Through Development Finance Institutions And Other Financial Intermediaries (2012–19)	November 23, 2022		ooo	o	o	o	o
	53	Paper 110/2023-B1 – Final Evaluation Report of The Community Disaster Risk Reduction Fund	June 18, 2023		ooo	o	o	o	o
	54	Paper 86/2017-B3a – Evaluation of Policy-Based Operations (2006–2016)	December 13, 2017		ooo	o	o	o	o
	55	Paper 86/2017-B3b – Evaluation of Policy-Based Operations – Case Studies (2006–2016)	December 13, 2017		ooo	o	o	o	o
	56	Paper 91/2018-B2 – Evaluation of The Caribbean Development Bank 2009 Disaster Management Strategy And Operational Guidelines	December 11, 2018		ooo	o	oo	oo	o
	57	Paper 92/2019-B3 – Evaluation of The Caribbean Development Bank Gender Equality Policy And Operational Strategy, Volume 1 – Final Report	November, 2018		ooo	o	oo	o	oo
	58	Paper 92/2019-B3(B) – Evaluation of The Caribbean Development Bank Gender Equality Policy And Operational Strategy, Volume II – Appendices	November 2018		ooo	o	oo	o	oo
	59	Paper 108/2022-B2 – Corporate Process Review of Managing For Development Results	September, 2021		oo	o	oo	oo	o
	60	Report On The Implementation of Evaluation Recommendations	June 27, 2023		o	oo	oo	o	oo
	61	Review of CDB Education and Training Policy and Strategy	June, 2023		ooo	o	oo	o	oo

Following extensive research across various sources and identifying pertinent documents, we constructed a comprehensive database encompassing all the relevant documentation. This database featured a categorisation and characterisation for each of these documents. To that aim, we will build an analytical framework with categories that allow the detailed characterisation of each evaluation report. This framework provided details on the evaluation document, as well as a brief description of the methods employed, data sources consulted and, more importantly, the aggregate results and findings of the assessment. This database was fed by evaluation fiches we developed for each report reviewed. The main goal of these fiches was to summarise the documents and synthesise the results, findings and lessons learned regarding SDF 8 and 9. The structure and content of the fiche template followed the analytical framework summarised in Table 21.

*Table 21 Analytical framework for evaluation synthesis – Evidence grid for document review fiche*

Type of appraisal		
Report characteristics	Title – Year of publication – Author – Link/source – Other relevant details	
Type of appraisal	Portfolio level analysis – Fund level assessment – CDB operations appraisal – Other	
Country scope	We will identify how many beneficiary countries are covered in the evaluation.	
Type of instruments assessed	Loans / Grants – Date approved – Amount of SDF funding – Total CDB financing	
Evaluation methodology		
Type of evaluation	Impact – Results – Process – Final evaluation – Mid-term evaluation – Ex-post – Ex-ante	
Analytical approaches and methods	Theory-based methods: Realist evaluation – Contribution analysis – Process tracing – Bayesian updating – Contribution tracing – Qualitative Comparative Analysis – Outcome harvesting – Most significant change – Simulation modelling Experimental/quasi-experimental methods: Randomised Controlled Trials – Interrupted time series analysis – Difference-in-difference – Regression Discontinuity Design – Propensity Score Matching – Synthetic control methods – Instrumental variables – Timing of events	
Nature of data collection	Primary/secondary data sources – Sample sizes – Data collection techniques (interviews, surveys, desk research, others) – Period tested/assessed	
Findings / Results		
Efficiency	How well CDB manages its operations: • Operational processes and practices, and portfolio performance • Resource allocation and utilisation • Disclosure, transparency, and risk	
Main outcomes according to SDF thematic areas	SDF 8: Inclusive and sustainable growth – Environmental sustainability and climate change – Citizen security – Regional cooperation and integration SDF 9: Building resilience and promoting environmental sustainability – Supporting the achievement of the MDGs / SDGs – Regional cooperation and integration	
SDF contribution to the MDGs and the SDGs	Economic and social infrastructure development • Agriculture and rural development • Education and training • Citizen security • Environmental sustainability • Private-sector operations and development • Governance and accountability • Regional cooperation and integration	
	Cross-cutting themes	• Gender equality • Environmental sustainability • ICT for development • Good governance
Type of impacts	SDF 8: Inclusive economic growth – Vulnerability reduction and resilience SDF 9: Supporting inclusive and sustainable growth and development – Promoting good governance	
Recommendations	We will identify the recommendations posed by the evaluation reports and reviews, where applicable, and identify possible Management Responses to these.	

By translating the content of the fiches into a database, we provided the client with an overview of the evaluations performed on SDF, focusing on its aggregate impacts and results. This database also facilitated the cross-cutting analysis of the aggregate findings, allowing us to identify impact patterns. Overall, the fiches contain the results of our revision process with a Final Report of the Multicycle Evaluation of the Unified Special Development Fund (SDF), Eighth and Ninth Cycles

focus on 'harvesting' outcomes based on qualitative analysis, which helped to substantiate evidence in responding to the evaluation questions, as well as contributed to the determination of existing gaps and orientating the subsequent data collection phases, including case study analysis.

#### A.2.2 Case studies

Complementing the evaluation synthesis, we conducted five case studies based on a CA approach. The case studies aim to incorporate a more consistent learning component into the evaluation. The cases were selected based on their ability to provide valuable learning insights that can be used to design subsequent SDF replenishment cycles. The case studies did not necessarily have a single type of unit of analysis (i.e., they may be countries, projects, themes or sectors). They were identified as associated with the countries where field visits occurred. In this way, the scope is effectively narrowed down, allowing for a deeper understanding of the cases that will be the subject of an in-depth analysis. The critical criteria guiding the selection of cases were:

- **Prioritised BMCs:** The case studies chosen should be directly related to the prioritised Group 2 countries for in-person field trips (Belize, Jamaica, Grenada, and Saint Vincent and the Grenadines) and Haiti as the only Group 3 country. We plan to use the trips to collect primary data for the case studies through interviews and direct observation.
- **Size of projects:** The case studies should involve large SDF-financed project(s) and represent a considerable portion of the SDF portfolio individually or as a group.
- **Source of funding:** The case studies should involve projects with the majority of funding coming from SDF resources. In this way, the potential outcomes and results of the case study could be attributable to SDF 8 and 9.
- **Relevance:** The case studies chosen should align with the fund's mandate and current and future priorities.
- **Diversity:** The selected case studies should cover various sectors, projects and themes. This diversity ensures that a wide range of experiences and lessons are captured.
  - Themes could be selected from those corresponding to the fund's strategic priorities for the next replenishment cycle (e.g., poverty reduction, sustainable growth, climate change adaptation, and gender equality).
- **Success and failure:** The selected case studies should include examples of success and failure to understand the factors that lead to success or failure in development interventions.
- **Transferability:** Lessons learned from these case studies should be transferable to the design of future replenishment cycles, reflecting the challenges and opportunities facing the fund in the Caribbean region.
- **Data availability:** The case studies should be supported by sufficient data to allow for meaningful analysis and not entail cost overruns.
- **Access to stakeholders:** Access to key stakeholders involved in the case studies should be feasible to facilitate further learning.

Based on thorough SDF 8 and 9 Annual Reports and MTR, the evaluation team proposed relevant potential case studies that meet the above selection guiding criteria. The following case study reports were developed as part of the evaluation and are annexed to this evaluation:

- Case study 1 – BNTF 9 Poverty-reduction Initiatives in Jamaica
- Case study 2 – Supporting Belize to build resilience to climate change and natural hazard events

- Case study 3 – Enhancing education and training in Grenada and Saint Vincent and the Grenadines
- Case study 4 – Promoting export readiness, improved logistics and regional trade.
- Case study 5 – Community-based agriculture and rural development in Haiti

#### A.2.3 *Semi-structured interviews*

In parallel with the evaluation synthesis, document review, and case studies, we launched a campaign of in-person interviews to collect qualitative information about the SDF 8 and 9 performance. We interviewed a group of stakeholders as follows:

- **CDB staff:** Senior management team, sector specialists, BNTF staff, and other staff linked to the SDF.
- **Representatives from BMCs:** Focal Points, EAs, government officials and representatives of other development partners. In-person interviews were conducted as part of the field visits mentioned in the following section.
- **Representatives from non-BMCs:** Online interviews were conducted with representatives from the UK and Canada as major contributors to SDF 8 and 9

The three groups of stakeholders provided a high-level vision of the work carried out by the SDF 8 and 9. In total, around 30 virtual interviews and in-person interviews were carried out to gather qualitative information about the performance of SDF 8 and 9. The main topics covered include:

- History of SDF and key changes and evolutions over time;
- The mandates of SDF 8 and 9 and the extent to which activities are aligned with BMC development priorities;
- The relevance of the SDF and its coherence with other CDB programmes;
- Perceptions on the performance of SDF 8 and 9, including the extent to which resources are being used efficiently and cost-effectively;
- Factors associated that are influencing/likely to influence the SDF results and sustainability;
- First indications of lessons learned; and
- Recommendations to improve the design and implementation of subsequent cycles of SDF.

#### A.2.4 *Country visits*

Five field visits to a selected sample of BMCs were conducted to collect primary data through semi-structured interviews (see section above) and direct observation:

- Jamaica Country Visit – February 15 to 18, 2024.
- Grenada Country Visit – January 22 to Jan 25, 2024.
- Belize Country Visit – January 22 to 25, 2024.
- Saint Vincent & The Grenadines – January 29 to February 1.

##### A.2.4.1 *Haiti situation and proposal for data collection*

The Terms of Reference mandated a field visit to Haiti. However, recent months have seen a decline in the country's security situation. With the escalation of armed conflicts between gangs and the police and a high risk of violent crimes and kidnappings, especially in Port-au-

Prince, several governments—including the United States,<sup>20</sup> the UK,<sup>21</sup> Canada,<sup>22</sup> and France<sup>23</sup>—strongly advise against travel to Haiti.

Aligning with these advisories, our consulting team considered that a visit to Haiti in the near future would be hazardous and so discourage it. As an alternative, we engaged seasoned local consultants to ensure robust data collection in Haiti.

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<sup>20</sup> <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/haiti-travel-advisory.html#:~:text=Haiti%20%2D%20Level%204%3A%20Do%20Not%20Travel&text=Last%20Update%3A%20Updated%20to%20reflect,and%20poor%20health%20care%20infrastructure>.

<sup>21</sup> <https://www.gov.uk/foreign-travel-advice/haiti>.

<sup>22</sup> <https://travel.gc.ca/destinations/haiti>.

<sup>23</sup> <https://www.diplomatie.gouv.fr/fr/conseils-aux-voyageurs/conseils-par-pays-destination/haiti/> (in French).

## Appendix B SDF 8 and 9 Theory of Change Narrative

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### B.1 Inputs

The main input to the SDF 8 and 9 were financial resources mainly from internally generated sources, such as loan repayments and new contributions from all BMCs. These funds are supplemented with CDB's OCR. Positively, internally generated resources increased from US\$100 Mn in SDF 8 to US\$136 Mn in SDF 9.

In addition to the financial contribution, SDF 8 and 9 relied on:

- CDB strategic plans and BMC poverty assessments, among other key documents, guide its thematic and operational strategy. Previous cycles' final and mid-term evaluations also provided relevant insights for the Eighth and Ninth Cycle design.
- The CDB's 30+ years of experience in the design and delivery of community-based programmes targeted to the poor population, as well as in a range of programming of direct relevance to this population, including agriculture and rural development, basic housing, early childhood and basic education, environmental planning, strengthening of MSMEs, and small-scale credit.
- CDB staff capabilities, including the vast country and sectoral experience

### B.2 Activities

The activities are the actions or interventions CDB/SDF staff undertake to bring about change. They include:

- Resource mobilisation and financial management: mobilising resources from the SDF and managing these resources effectively and efficiently.
- Planning allocations for core country landing: planning the allocation of SDF resources to recipient countries based on their needs and priorities.
- Country engagement: engaging with recipient countries to identify their needs and priorities and to develop Country Engagement Strategies. These strategies require collaborating with other local and international development partners.
- Project/portfolio management: managing SDF's portfolio of projects and programs.
- Monitoring and evaluation: monitoring and evaluating the SDF's portfolio of projects and programmes to ensure they meet their objectives. Some sub-activities in this department include producing PCR, annual development effectiveness reviews, and mid-term and final evaluations.
- Internal/external communication and reporting.

### B.3 Outputs

As a direct result of the activities, SDF 8 and 9 intended to complete high-priority sub-projects funded through concessionary loans and grants. The supported sub-projects (directly or through BNTF/CTCS) target the themes and cross-cutting areas determined for each cycle (see section 2.2.1 for SDF 8 and section 2.3.1 for SDF 9).

Effective from SDF 8, the number of country groups was reduced from four to three. Group 3 BMCs are eligible mainly for SDF funding. Group 2 are eligible for SDF and the Bank's OCR funding. Group 1 countries are not eligible for SDF lending but can participate in regional integration or RPG initiatives and access funds for disaster response. The per capita income bands used to determine country classification are:

- Group 3 – below USD2,000.
- Group 2 – USD2,001 to USD10,000.

Final Report of the Multicycle Evaluation of the Unified Special Development Fund (SDF), Eighth and Ninth Cycles

- Group 1 – above USD10,000.

#### B.4 Short-term and medium-term outcomes

We define short-term outcomes of SDF 8 and 9 as the immediate effects of successfully completed SDF-funded sub-projects. The medium-term outcomes are defined as the effects of short-term outcomes on the direct and indirect beneficiaries of the sub-projects. For example, “building or upgrading educational facilities” (short-term outcome) is expected to “increase the enrolment in primary and secondary education” (medium-term outcome) in the community where the sub-project is located.

As detailed in ToC diagrams, we identified various expected short-term and medium-term outcomes for SDF 8 and 9 under the following areas:

- Region Cooperation and integration.
- Education and Training.
- Agriculture and Rural Development.
- Economic and Social Infrastructure.
- Private-sector Development.
- Governance and Accountability.
- Environmental Sustainability.
- Citizen Security (Only in SDF 8).

#### B.5 Impacts

The impacts are the overall long-term changes SDGs 8 and 9 were expected to bring about. They vary depending on the country groups. For Haiti and the Group 2 countries, it was expected that the medium-term outcomes would lead to “Accelerating progress towards the 2015 CMDGs (SDF 8) / Caribbean-specific SDG targets (SDF 9) related to poverty reduction and human development”.

Additionally, for all BMCs (including Group 1 countries), it was anticipated that SDF 8 and 9 interventions would contribute to higher intra-regional trade and less vulnerability to external shocks and climate change.

#### B.6 The issue of attribution for medium-term outcomes and impacts

It is worth noting that as one moves up the ToC, especially at the level of medium-term outcomes and impacts, it becomes more challenging to establish the degree of attribution of SDF 8 and 9 interventions to the possible observed changes (e.g., faster and stable economic growth in BMCs) because these depend on multiple other external factors (e.g., macroeconomic policy). A more robust assessment at these levels would require counterfactual analysis techniques beyond the scope of this consultancy. In this regard, the medium-term outcome and impact assessment will be mainly qualitative, as detailed in our methodological strategy.

#### B.7 Assumptions underlying the Theory of Change

Some critical assumptions for an efficient and effective implementation of SDF 8 and 9 were:

- Time and funding are sufficient to effect change;
- There is sufficient data (statistics and up-to-date strategic national plans) to plan SDF interventions in line with BMCs' needs and strategic themes.
- Adequate institutional capacities of BMCs/focal points, EAs and the CDB to manage sub-projects effectively.



- A wide network of actors and local stakeholders are involved with and engaged in SDF activities;
- Political support and key staff continuity during project implementation; and
- Policy coherence and adequate institutional coordination in project implementation.

Other key assumptions for the medium-term outcomes and the impacts to materialise were:

- Global/regional macroeconomic context is favourable; and
- No major external shocks (pandemics, political unrest, natural disasters) would affect targeted BMCs.

## Appendix C SDF 8 and 9 Allocation and use of resources

### SDF 9 allocation and use of resources

Item	Indicative Allocations at January 2017	Additional Allocations in 2020	Total Revised allocation	Commitments				Resources Available
				2017	2018	2019	2020	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Country Allocations- Loan</b>								
<b>Group 1:</b> Anguilla, The Bahamas, Barbados, British Virgin islands, Cayman Islands, Turks and Caicos, Trinidad and Tobago, Montserrat and St. Kitts and Nevis				-				-
Antigua and Barbuda		13.0	13.0				13.0	-
<b>Group 2:</b>								-
Belize	22.8	16.3	39.1	-	10.1	-	29.0	-
Dominica	14.7	2.8	17.5	2.0	-	-	15.5	-
Grenada	12.7	8.1	20.8	5.9	-	-	14.9	-
Guyana	30.8	(4.4)	26.4	-	5.6	-	20.7	-
Jamaica	37.7	(7.7)	30.0	-	-	-	30.0	-
St. Lucia	14.9	9.4	24.3	-	2.5	-	21.8	-
St. Vincent/Grenadines	14.8	24.1	38.9	-	8.5	10.5	19.9	-
Suriname	6.6	1.6	8.2	-	-	-	8.2	-
<b>Sub-total Country Allocations</b>	<b>155.0</b>	<b>63.1</b>	<b>218.1</b>	<b>7.9</b>	<b>26.7</b>	<b>10.5</b>	<b>173.0</b>	-
<b>Set-Aside Resources (Loans)</b>								
Natural Disaster Mitigation and Rehabilitation	20.0	(2.1)	17.9	13.7	-	-	-	4.2
Regional Projects	5.0	(5.0)	-	-	-	-	-	-
<b>Total Lending</b>	<b>180.0</b>	<b>56.0</b>	<b>236.0</b>	<b>21.5</b>	<b>26.7</b>	<b>10.5</b>	<b>173.0</b>	<b>4.2</b>
<b>Grants:</b>								
BNTF	40.0	-	40.0	40.0	-	-	-	-
Haiti	45.0	-	45.0	24.1	3.0	3.0	13.8	1.1
Technical Assistance:		-	-	-	-	-	-	-
Capacity Building	9.0	-	9.0	1.2	2.7	1.2	3.9	0.1
CTCS	3.0	-	3.0	0.8	1.1	0.7	0.4	-
BMC Capacity Building, Statistics and Governance	6.0	-	6.0	2.0	0.8	1.5	1.6	-
Agriculture	3.0	-	3.0	1.3	0.1	0.1	1.3	0.2
Regional Integration and RPGs	4.0	-	4.0	1.8	1.3	0.6	0.3	0.1
Environmental Sustainability / Climate Change/Energy	3.0	-	3.0	0.9	1.9	0.2	0.0	0.0
Immediate Disaster Response	3.0	-	3.0	1.6	0.6	0.4	-	0.4
Private Sector Enabling Environment	3.0	-	3.0	0.6	0.3	0.1	1.2	0.7
<b>Total Grants</b>	<b>119.0</b>	<b>-</b>	<b>119.0</b>	<b>74.3</b>	<b>11.9</b>	<b>7.7</b>	<b>22.5</b>	<b>2.6</b>
<b>TOTAL Resources</b>	<b>299.0</b>	<b>56.0</b>	<b>355.0</b>	<b>95.8</b>	<b>38.6</b>	<b>18.2</b>	<b>195.5</b>	<b>6.8</b>
<b>Structural Gap</b>	<b>41.0</b>							
<b>OCR Allocation</b>	<b>15.0</b>							
<b>Approved Programme Level</b>	<b>355.0</b>							

Source: 2020 SDF Annual Report.



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**ANNEX 1**



**MANAGEMENT RESPONSE**

**CONCLUSION AND RECOMMENDATIONS OF THE FINAL REPORT**

**MULTICYCLE EVALUATION OF THE (UNIFIED) SPECIAL DEVELOPMENT FUND (SDF)**

**EIGHTH AND NINTH CYCLES**

**(Submitted to the Contributors of the Special Development Fund, at the Second Formal  
Negotiation Meeting, Canada, June 18, 2024)**

## **1. INTRODUCTION**

1.01 The Management of the Caribbean Development Bank (CDB/the Bank) is highly appreciative of the valuable work undertaken by the Consultants in this evaluation and, with few exceptions, is generally in agreement with the recommendations provided.

1.02 In particular, the observation that both cycles were found to have addressed the key challenges confronting the Borrowing Member Countries (BMCs) is encouraging, and suggests there is a strong foundation upon which the Special Development Fund (Unified) [SDF (U)] can build to add value to the Region. Nevertheless, we note the recommendations related to improvements to the Resource Allocation System (RAS). The Bank has been working to incorporate vulnerability and resilience into the SDF (U) RAS through the integration of the Caribbean Multidimensional Vulnerability Index (CMVI) with the RAS, and intends to implement these enhancements for the eleventh SDF cycle (SDF 11). To that end, various presentations have been made to Contributors on this subject, most recently at the First Formal Negotiation Meeting held in Guyana on March 2024, with an update being provided at the current meeting.

1.03 Further, we agree with the Consultant's suggestions for the enhancement of project implementation capacity. This has previously been noted by Management as one of the most significant impediments to the timely achievement of project outcomes. Therefore, a study is already in progress to evaluate the project implementation challenges faced by BMCs and within the Bank's operations, with final recommendations expected in early 2025. Additionally, the Management and staff of CDB will intensify their outreach to BMCs, to accelerate project appraisal and approval processes. Further, the Bank will continue its procurement-related capacity-building efforts among BMC staff. However, while management agrees with the suggestion that emphasis be placed on the most transformational interventions, we do not agree that interventions need to be large to have transformational benefits, evidenced by the impacts reported by beneficiaries of the Basic Needs Trust Fund (BNTF).

1.04 The Bank also supports the recommendations related to the strengthening of its Monitoring and Evaluation (M&E) framework to improve tracking of Bank-financed interventions and operations. CDB is in the process of engaging a Results Based Manager (Q4 2024), who will be responsible for spearheading this initiative. Further, it is anticipated that planned enhancements to the OP365 platform<sup>1/</sup> will facilitate knowledge-sharing activities that will improve M&E effectiveness.

1.05 Management acknowledges the need to continue efforts to streamline procedural and administrative project implementation processes. However, given recent increases in headcount in the Procurement Policy Unit (PPU), CDB is unable to commit to additional staffing in that Unit as proposed at this time.

1.06 We generally concur with the need to continue improvement to the design, and where appropriate, the scale of Bank-supported interventions and this is an ongoing part of the Bank's operations. However, while the Bank will continue to seek out opportunities to offer new and innovative financing instruments to BMCs, SDF rules do not permit equity financing.

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<sup>1/</sup>OP365 is an MIS to facilitate better planning, risk management, and proactive and timely decision-making throughout the Bank's project lifecycle, development of a climate finance tracking system.

**MANAGEMENT RESPONSES AND RECOMMENDATIONS**

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
<b>Recommendation 1: Reevaluate the Country Eligibility Criteria of the SDF to allocate and concentrate resources in sector-wide transformational initiatives.</b>	<p>There is a need to reevaluate and adjust the country eligibility criteria and RAS of SDF to address poverty more accurately by considering vulnerability and preventing the shrinking of the pool of eligible BMCs. Additionally, the SDF may introduce “project selection requirements”. This approach will encourage resources to be allocated towards larger, sector-wide "transformational projects" and enable the exploration of innovative financial instruments with SDF funds.</p>	<p>Undertake a review of the revised country groups. Consider increasing the GDP per-capita threshold for group 1 and 2 countries to prevent the shrinking of the pool of eligible BMCs.</p>	<p>Strategy and Accountability Office (SAO)</p>	<p><b>Accepted.</b> A review of the SDF resource eligibility and allocation methodology has been undertaken, starting in Q4 2023. The review seeks to consider vulnerability and resilience in the methodology by incorporating the CMVI, developed by CDB. A discussion paper was presented at the SDF Contributors' meeting in March 2024, and an update will be provided at the current Contributors' meeting.</p>	<p>Q4, 2024</p>
		<p>Adjust the RAS to address poverty more accurately by considering vulnerability and/or using more comprehensive national and subnational poverty measures. Vulnerability to economic shocks and climate change should play a more significant role in determining the SDF access to countries.</p>	<p>SAO</p>	<p>The GDP per capita thresholds for Groups 1 and 2 were also relooked and it proposed that each one be increased so that they are rebased from 2005 dollars to 2015 dollars.</p>	
		<p>Implement a mechanism in which Group 1 countries have more access to SDF resources. Consider creating economic and social resilience set-asides that all BMCs can access.</p>	<p>SAO</p>	<p>The discussion paper presented in March presented four scenarios, one of which proposed additional set-asides for "social" and "productive capacity" resilience, but Contributors expressed their preference for other options which explicitly utilise the CMVI and income for resource allocation. However, all Group 1 countries will still have access to the environmental resilience set-aside. Additionally, it is proposed that Guyana graduate from Group 2 to Group 1, but that it still benefit from SDF resources through its participation in the BNTF Programme.</p>	

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
		Institute project selectivity requirements when accessing the SDF to promote the concentration of resources in larger “transformational projects” for the different sectors. Selectivity criteria could include a higher share of government funding and better targeting the poor population.	SAO/Projects	<p><b>Partially Accepted.</b> While it is agreed that greater priority should be given to projects that are expected to delivery transformational results, they do not necessarily need to be large. For example, there are projects in the BNTF programme that are small based on the allocated amount but have highly significant impacts on their beneficiaries. Some examples include those visited by Contributors at the meeting in March 2024 in Guyana (e.g. University of Guyana Early Childhood Centre Of Excellence, Skills Development &amp; Employability Project).</p> <p>However, there is a need for technical assistance (TA) interventions to be more targeted and strategic. To that end, an analysis of the TA portfolio will be undertaken, to revise the Bank's TA framework to ensure the most effective use of these resources. The updated framework will be incorporated into the OP365 platform.</p>	Q1, 2025
		<p>Assess SDF’s financial instruments and lending terms under SDF to improve its competitiveness. The eligibility framework should allow SDF resources to experiment with innovative financial instruments to increase competitiveness and effectiveness:</p> <ul style="list-style-type: none"> <li>For private sector development, collaborate with BMC development banks to bridge the debt financing gap of small and medium enterprises (SMEs) in the Region through innovative financial instruments such as revenue-based loans, convertible notes, and impact discount loans. These instruments are more accommodating to the long-term growth of SMEs affected by external events (COVID-19 or Natural disasters) or with irregular cash flows (e.g., agriculture, technology).</li> </ul>	SAO/Office of the Vice-President, Finance and Corporate Services	<p><b>Partially accepted.</b> There is a need to explore and evaluate new and innovative financing instruments, not only for SDF but across all of CDB's funding sources that best meet the needs of BMCs. "New Financial Instruments" is included as one of the focus areas in the CDB's Private Sector Strategy (2023-2028).</p> <p>The Bank will therefore undertake an analysis of potential new financing instruments that are aligned with the needs, risk profiles and capabilities of the Bank and its BMCs.</p> <p>N.B.: SDF rules exclude equity financing from the SDF to BMCs (see <a href="https://www.caribank.org/publications-and-resources/resource-library/sdf-annual-reports/sdf-rules-handbook">https://www.caribank.org/publications-and-resources/resource-library/sdf-annual-reports/sdf-rules-handbook</a>).</p>	Q4, 2025

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
		<ul style="list-style-type: none"><li>• CDB should explore using SDF to promote and resource impact-focused venture capital funds in the Caribbean region. CDB, through SDF, could contribute to reducing financing gaps in countries, sectors, and business models where there is an unmet demand for equity or quasi-equity investments in impact-focused early-stage ventures.</li><li>• For SDF-funded technical cooperations, CDB should explore the incorporation of Contingent-Recovery Resources when there is a reasonable possibility of a loan from the Bank or another lending institution. If the loan materialises, the beneficiary must reimburse the funding from the Bank. This mechanism essentially provides a safety net for the bank or institution, allowing it to support projects with a reasonable possibility of success without bearing the entire financial risk. If the project advances to a stage where a formal loan is granted, the initial technical cooperation funds are recovered, making the funds available for other projects and initiatives.</li></ul>			



General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
<b>Recommendation 2:</b> Ensuring SDF resources are allocated earlier in the cycle and most resources are deployed within the SDF cycle timeframe.	Support BMCs in developing a solid project pipeline with feasibility studies and initial designs to allocate SDF resources early in the cycle. Also, support BMCs in accelerating project implementation and disbursements to ensure most are deployed within the SDF cycle timeframe	CDB and BMC can work closely to have a strong project pipeline with feasibility studies and initial designs “ready to be implemented”. TA interventions should focus on building the pipeline of loans and grants by supporting project feasibility studies and designs.	Projects	<b>Accepted.</b> This is the default approach utilised by the Bank in building the pipeline of projects. Designs and feasibility studies are conducted to inform appraisal/approval of follow-on projects, and the time for these can vary. Several approved TA projects are also approved for designs/feasibility studies. For BNTF, efforts are in train to receive Country Policy Frameworks by September 2024 (with a list of sub-projects to be implemented under the next cycle). There are countries (Grenada, Dominica, Jamaica, Belize and Suriname) which have had designs for sub-projects which could not be accommodated in SDF 10 due to limits in country allocation. These are expected to be included in SDF 11 and can therefore be programmed/ implemented early in the cycle.	Ongoing
		Undertake efforts to encourage BMCs to allocate SDF resources early in the cycle, ideally in the first year. These efforts could be complemented by the implementation of accountability measures for BMCs that do not promptly determine their allocation.	SAO	<b>Accepted.</b> While the Bank has engaged with BMCs to encourage greater commitment of SDF resources in the past, the levels of outreach between senior BMC staff and Bank management need to be intensified.  The Bank will also explore opportunities to increase engagement of operational staff with their counterparts in-country in order to speed up project appraisal and approval processes.	Ongoing
		Perform frequent BMC portfolio reviews and provide technical support for those with significant undisbursed balances.	Projects	<b>Accepted.</b> The Bank will conduct scheduled portfolio reviews with all countries (one annually), prioritising and increasing frequency, those with large portfolios/undisbursed balances. Technical support will be provided through in-country assigned support. These portfolio reviews are also important from a financial management/risk monitoring perspective.	From Q3, 2024, and ongoing.
		Promote a multicycle approach for planning and resource allocation for large-scale infrastructure projects.	SAO and Projects	<b>Accepted.</b> The Bank has sought to do this in the past, and through CESs and thematic/sector studies will actively seek out opportunities for multicycle or programmatic approaches.	Ongoing

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
<b>Recommendation 3: Expand capacity building and streamline procedures to improve project implementation.</b>	Address procedural complexities, capacity issues, and administrative delays in project implementation.	Expand and intensify training programs for BMCs in project management and procurement skills with a focus on mid-senior officials. Utilize online platforms and regional training centers to deliver this training more broadly. Also, continue funding scholarships for a master's program in public procurement and support the participation of BMCs in the Inter-American Network on Public Procurement.	Projects - PPU	<b>Accepted.</b> CDB has financed 66 BMC public procurement staff to study procurement diplomas since 2017, and two senior officials to study public procurement Master's since 2023 and will be providing further such support in 2024 and, subject to available resources, beyond that. CDB supported all its BMCs to attend the Inter-American Network on Public Procurement Annual Conference in February 2024 and signed an MOU with the OAS in late 2023, which acts as the secretariat to the network, that speaks to CDB's continued commitment to supporting the involvement of its BMCs in the network. CDB will also continue to offer its suite of e-learning procurement courses, which were launched in late 2023, and will blend these with face-to-face training/webinars for all new projects. CDB provided face-to-face training in its signature Public Policy Analysis and Management (PPAM) and Project Cycle Management (PCM) programme during 2016-2019 to over 2,000 public officers in its Client Countries. During that period, the Bank also fully developed the eight (8) PCM modules for face-to-face training and partnered with the University of the West Indies Open Campus to convert and pilot three of six modules to online mode. The remaining three modules will be converted to online format by December 2024. In 2023, 40 officers from Grenada completed training in the three online/self-paced modules and completed the other three modules F2F. Two other client countries have requested training in PPAM/PCM to be done in 2024 - which is being arranged. While the full programme will be available for online/self-paced training from 2025, it is expected that the optimal training modality will be a blended approach - with a limited F2F engagement done as part of the delivery modality.	Ongoing

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
		Continue to refine procurement policies to ensure they are "fit-for-purpose". Intensify client outreach initiatives and explore innovative ways to encourage broader participation in bidding processes, especially among SMEs.	PPU	<b>Accepted.</b> CDB will continue to review and, as necessary, update its policies and procedures. The greatest opportunities lie in the preparation of practical guidance notes and tools e.g. evaluation guidance notes on the CDB website which have been well received and adopted by other Multilateral Development Banks (MDBs) operating in the Region. It should be noted that CDB is already more flexible in the qualification requirements for SMEs to bid than other MDBs and there are real limitations as to how much further these could be relaxed without putting the procuring entities at risk but options to further encourage involvement of SMEs in procurement will be explored, including through a procurement fair being planned for the OECS in late 2024 which is expected to have specific procurement/cost estimation sessions for SMEs seeking to win Works contracts.	Ongoing
		Further expand the staff of the public procurement unit to cope with the demands of project oversight and reduce wait times for administrative procedures.	PPU	<b>Partially accepted.</b> CDB has already increased procurement headcount since the review period with an additional Operations Officer (procurement) and Analyst added to the staff complement. While CDB is not currently in a position to confirm any further increase in the staff headcount of PPU, the unit has extended a contract for services from a long-term procurement consultant until mid-2025 and draws on its roster of short-term procurement specialists (which was updated and expanded in 2023). PPU is also working with IT to develop a procurement review component of the OPS365 system/client portal to allow more efficient procurement reviews and tracking of Bank and country response times.	On-going with IT reform due to be completed by Q1 2025

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
		Encourage the adoption of e-procurement mechanisms among BMCs, supported by CDB in coordination with other multilateral development banks (MDBs). This can help streamline processes and make them more transparent.	PPU	<b>Accepted.</b> CDB has led the MDB process to prepare a new assessment tool, to review e-procurement systems for use on MDB projects, which was launched in early 2024. CDB has already cleared systems of Jamaica and Saint Lucia and offered to assess that of Grenada once it is live. More widely, CDB is collaborating with the World Bank and OECS Commission to support e-procurement in the OECS. It should be noted that CDB is working on an e-system for procurement reviews by CDB.	Ongoing
		Continue efforts to harmonize CDB's systems with other BMCs' systems to facilitate joint co-financing arrangements, simplifying and expediting the procurement process for multi-country or regional projects.	PPU	<b>Accepted.</b> Agreements are already in place with EIB, IDB and the World Bank and agreement is expected with IFAD shortly to allow mutual recognition of each other's frameworks in the case of joint co-financing. CABEI have also expressed interest in such an agreement. CDB uses national systems below international competitive bidding thresholds and has on-going procurement reform initiatives in 10 BMCs to support such reform.	Ongoing with IFAD agreement to be signed by Q3 2024
		Establish more precise communication channels and support mechanisms for BMCs throughout the project cycle. This could include dedicated country program representatives for each BMC to provide personalized guidance and support.	Projects	<b>Partially Accepted.</b> The Bank acknowledges the need to strengthen engagement at key points along the project cycle. The ongoing implementation capacity diagnostic will provide important insights on the specific "pain points" in project implementation and determine the most appropriate mechanism to support BMCs (i.e. whether it is the	Implementation TA expected completion date June 2025  Ongoing

General Recommendations	Description	Specific Recommendations	Responsible Management Unit	Commitment/Action	Target Completion Date
		Increase the CDB on-the-ground presence in BMCs to understand better the challenges they face and provide timely assistance. This could involve setting up regional offices or increasing the frequency of visits by CDB staff to project sites.	Projects	establishment of a dedicated country representative or another measure). It should also be noted that a more coordinated and robust programme of country visits is in train. These missions will include a multi-disciplinary country team (Social Analysts, Environmental Specialists, Procurement Specialists etc.) to have full engagement with policy-level and project-level stakeholders in countries. CDB is also reviewing the assignment of existing resident support staff in selected BMCs with an extensive portfolio and where strategic engagement is warranted. Consideration is being given to greater collaboration with partners who may be able to offer co-location spaces/facilities for dedicated CDB representatives.	
<b>Recommendation 4:</b> Strengthen the monitoring and evaluation framework to drive evidence-based decision-making.	Institutionalise robust and comprehensive M&E systems, establish a centralised information system to enhance information management data collection and analysis, and promote knowledge sharing to enhance performance management practices. A comprehensive M&E framework will contribute to better performance management and accountability.	Integrate the standardised M&E framework by aligning and enhancing the coherence across different Results Monitoring Frameworks (RMFs), including those for SDF, country engagement strategies, and specific initiatives. This aims to ensure logical connections and better alignment of attributes for measuring project performance and impact consistently across all SDF initiatives.	SAO	<b>Accepted.</b> It is agreed that there is a need for greater alignment across the M&E/Results-Based Management systems in the Bank. The Bank proposed to engage a Results-Based Manager (RBM) in 2024 and this action will form part of the RBM's responsibilities.	Q4, 2024
		Invest in capacity building for M&E staff and project implementers to enhance data collection and analysis capabilities, promoting a culture of data-driven decision-making.	SAO	<b>Accepted.</b> The MRBM will be responsible for building greater M&E capacity within the Bank and across the BMCs.	Q4, 2024
		Strengthen existing data management systems, promote knowledge sharing through a centralised digital platform, facilitate transparency through data sharing, and establish automated tracking mechanisms for monitoring and evaluation processes.	SAO	<b>Accepted.</b> The operationalisation of the supervision function in the OP365 platform is intended to facilitate better centralisation of data, greater knowledge sharing (e.g. project issues) and smoother access to project data to facilitate Monitoring & Evaluation activities.	Ongoing
				It is expected that planned enhancements to the system (e.g. lessons learned) will increase its utility.	Q4, 2024

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		Implement feedback mechanisms within the M&E system to facilitate ongoing learning, adaptation, and improvement based on evaluation findings and stakeholder feedback. Continuously reviewing and adjusting the M&E framework based on lessons learned will strengthen performance management and drive more impactful outcomes in the long run.	SAO	<b>Accepted.</b> The Bank's M&E system includes feedback mechanisms such as the "Annual Report on Project Performance" and the "Development Effectiveness Report" that facilitate the sharing of knowledge and lessons on the performance of the project portfolio.  Going forward, the Bank intends to engage the services of a Data Analytics Officer who will support improved knowledge-sharing tools.	Ongoing
					Q4, 2024
		Implement regular internal and external evaluations to assess the effectiveness of projects and capture lessons learned for future improvements, fostering a culture of continuous improvement and learning within the SDF framework.	Projects	<b>Accepted.</b> Planned sessions on Project Completion Reports (PCRs) will be conducted as internal knowledge-sharing events, as well as incorporating PCR/Project/programme evaluation discussions as part of portfolio review engagements with Client Countries. Efforts are underway to build out the OP365 Dashboard Visualisation programme to seamlessly capture lessons from project completion/evaluation for easy access to data/info.	Ongoing
<b>Recommendation 5:</b> Improve the process of designing interventions to increase their effectiveness and sustainability.	Promote a culture of innovation and adaptive management that allows for exploring and experimenting with new solutions and approaches within the CDB to improve the relevance and quality of the design of interventions. Based on the development objectives and priorities jointly identified in the country engagement strategies, the SDF will have the capacity to identify, select and formulate, together with the countries, innovative alternative solutions for the detailed formulation of the projects identified in the strategies. This	Strengthen institutional capabilities to tackle the emerging challenges encountered by BMCs, integrating a responsive approach into the Bank's organizational structure with a focus on four key tasks.  (1) Explore and initiate responses to emerging challenges confronting countries, while also cultivating foundational knowledge on these issues.	Projects	<b>Partially Accepted.</b> Innovation features prominently in the Bank's Strategic Plan Update and in the SDF Programme as a cross-cutting theme. The Bank has approved interventions that incorporate innovation in the project design (e.g. Saint Lucia Youth Economy Agency project and the UWI digitalization project).  The Bank always seeks out opportunities to learn from other stakeholders and tests the applicability of new approaches (e.g. IDB Social protection and health care programmes represented novel interventions for the Bank and the Bank will seek to replicate or scale up as feasible).  Additionally, with respect to cultivating foundational knowledge, SDF has been at the forefront of the Bank's thought-leadership thrust having spear-	Ongoing

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	approach aims to foster tailored solutions with local relevance by involving communities from project identification through evaluation, ensuring interventions align with community needs and cultural contexts.			headed several thematic research papers which build capacity outside and importantly, within the Bank.	
		(2) Develop and standardise innovative project execution methods, incorporating diverse digital tools, novel design strategies, and advanced monitoring and evaluation techniques.		<b>Partially Accepted.</b> The Bank has updated the Work Instructions in OP365 associated with the appraisal (project design) and supervision (projection execution/ implementation) processes in 2021 and will continue to update those processes based on subsequent changing circumstances and challenges. The Bank will also seek to update the Operations Policies and Procedures Manual to reflect changes in processes and to encourage innovation in execution methods.	Ongoing
		(3) Implement a systematic approach for prototyping, testing, and scaling proven solutions using available instruments.		<b>Partially Accepted.</b> The Bank has implemented projects that were scaled up based on their effectiveness and lessons learned (e.g. agriculture projects in Haiti and Jamaica and regional procurement capacity building).	Ongoing
		(4) Investigate and validate novel financing and scaling models, emphasizing collaboration with the private sector, international donors, and subnational entities to amplify intervention impact.		<b>Accepted.</b> As noted above the Bank will further investigate opportunities to introduce new financing instruments	Q4, 2024