

CARIBBEAN DEVELOPMENT BANK



SPECIAL DEVELOPMENT FUND (UNIFIED)

BASIC NEEDS TRUST FUND- SEVENTH AND EIGHTH PROGRAMMES

STATUS OF IMPLEMENTATION

NOVEMBER 2015

CURRENCY EQUIVALENTS

[Dollars (\$) throughout refer to United States (US) dollars unless otherwise stated]

ABBREVIATIONS

AO	Accounting/Administrative Officers
BMCs	Borrowing Member Countries
BOD	Board of Directors
BIS	BNTF Information System
BNTF	Basic Needs Trust Fund
BNTF 5	Basic Needs Trust Fund Fifth Programme
BNTF 6	Basic Needs Trust Fund Sixth Programme
BNTF 7	Basic Needs Trust Fund Seventh Programme
BNTF 8	Basic Needs Trust Fund Eighth Programme
CDB	Caribbean Development Bank
CPP	Country Project Portfolio
ESF	Environmental Safeguard Framework
GOCD	Government of the Commonwealth of Dominica
HRD	Human Resource Development
IA	Implementing Agency
JSIF	Jamaica Social Investment Fund
KPI	Key Performance Indicators
M&E	Monitoring and Evaluation
MfDR	Management for Development Results
MIS	Management Information System
MTE	Mid-Term Evaluation
OE	Oversight Entity
OM	Operations Manual
PC	Participating Country
PCR	Project Completion Report
PMC	Project Monitoring Committee
PPMS	Project Portfolio Management System
PPP	Private Public Partnerships
PRAP	Poverty Reduction Action Plan
RMF	Results Monitoring Framework
SDF(U)	Special Development Fund (Unified)
SDF(U) 7	Seventh Cycle of the Special Development Fund (Unified)
SDF (U) 8	Eighth Cycle of the Special Development Fund (Unified)
SSD	Social Sector Division
TOR	Terms of Reference

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1. INTRODUCTION

1.01 This report provides an update on the status of implementation of the Basic Needs Trust Fund Seventh and the Basic Needs Trust Fund Eighth (BNTF 7 and BNTF 8) Programmes and some considerations and recommendations for the future.

2. BACKGROUND

2.01 In October 2012 and December 2014, the Board of Directors (BOD) at its Two Hundred and Fifty-Third and Two Hundred and Sixty-Fourth Meetings approved BNTF 7 and 8 with grants of forty-six million United States dollars (\$46 mn) and ten million United States dollars (\$10 mn) from the resources of the Special Development Fund Unified [SDF 7 (U) and SDF 8 (U)] respectively to ten beneficiary countries - (Belize, Commonwealth of Dominica, Grenada, Cooperative Republic of Guyana, Montserrat, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands). Of these amounts \$37.9 mn and \$10.7 mn were allocated among the ten countries¹ - \$3.67 mn and \$0.60 mn to BNTF 7 and BNTF 8 technical services and \$4.4 mn and \$0.58 mn to BNTF 7 and BNTF 8 regional coordination respectively. Governments have provided 5% in counterpart funding to sub-projects. BNTF 7 and BNTF 8 cover the periods 2013-2016 and 2015-2016 respectively and are now running concurrently.

2.02 Headcount levels of poverty are particularly high in the Eastern Caribbean², and the global economic crisis has aggravated poverty levels. In the midst of persistent poverty, the BNTF Programme continues to address dimensions of basic needs and livelihoods which are most important to the poorest communities. BNTF 7 and 8 support the sustainable development of poor and vulnerable communities by increasing access to basic public services, generation of increased economic activity and community engagement. The overall objectives are to reduce poverty and vulnerability through enhanced access to basic social and economic infrastructure and human resource development (HRD) services. The Programmes are intended to develop a level of capacity within communities, to enable them to make a meaningful input in the planning and management of sub-projects using appropriate participatory and transparent procedures. The Programmes also seek to promote efficiency and effectiveness by building the capacity of the Implementing Agencies (IAs) and sponsoring sector ministries in transport, water, education, social development and local government, for monitoring the performance of sub-projects and sustaining outcomes of the interventions in each beneficiary country.

2.03 The sub-project components of BNTF 7 and 8 country projects focus on the strategic areas of education and HRD; basic community access and drainage; and water and sanitation. The resources under the BNTF regional component (managed centrally by CDB) are to strengthen Programme management; provide increased technical assistance for the delivery of the Programme; and support joint programming initiatives with other development partners in areas compatible with those of BNTF.

2.04 Drawing on recommendations and lessons learned from BNTF 5 and 6, BNTF 7 and 8 introduced new approaches to Programme design and operations, aimed at increasing authority and autonomy to BNTF participating countries (PCs) for managing increased value of sub-projects³; strengthening compliance on gender equality, environmental sustainability and disaster risk reduction; and enhancing stakeholder and beneficiary participation for greater ownership and sustainability of results.

¹ The Additional Grant of \$700,000 for the Commonwealth of Dominica approved by the Board of Directors in October 2015 is included in these amounts. BNTF 8 allocation was increased to \$10.7 mn as a result of the incorporation of BNTF 6 balances in December 2015 to build on work BNTF 8 activities.

² Downes (2010). "Poverty and its reduction in the small developing countries of the Caribbean".

³ The upper limit for a BNTF sub-project increased from USD500,000 in BNTF 6 to USD600,000 in BNTF 7 and 8.

A number of activities have also been undertaken to strengthen Programme effectiveness, including revisions to the Poverty Reduction Action Plans (PRAPs) attached to each of the ten BNTF Country Projects and the BNTF Operations Manual (OM); a new web-based BNTF Information System (BIS); a Results Monitoring Framework (RMF) and tools for monitoring sub-projects; training in Results Based Monitoring for stakeholders and BNTF staff in PCs; and Operations Reviews and Institutional and Organisational Assessments of the IAs, which assessed the adequacy of the institutional framework and processes for managing implementation. Capacity building interventions in financial management, gender mainstreaming and environmental due diligence management have also been offered during the period 2013 to 2015.

2.05 The draft BNTF 6 Programme Closing Report (PCR) indicates that the Programme remains highly relevant, particularly in terms of a strategic correlation with the Caribbean Millennium Development Goals and Borrowing Member Countries (BMCs) development objectives. Additionally, it concluded that the Programme aligns with CDB's own strategic planning framework, and makes a direct contribution to the poverty reduction objectives of vulnerability reduction, enhancement of capabilities of beneficiaries and good governance at the community level. Responses to the recommendations of the BNTF 6 Mid-Term Evaluation (MTE) and BNTF 5 PCR are outlined in the table 2.1 below:

TABLE 2.1 RESPONSES TO MAJOR RECOMMENDATIONS OF THE BNTF 6 MTE AND BNTF 5 PCR

RECOMMENDATIONS	ACTIONS TAKEN
<i>Simplify Execution, Enhance Delegation and Accountability</i>	A new Process Flow was introduced in BNTF 7 and 8 to expedite approval time while ensuring a rigorous appraisal process. The BNTF 7 and 8 projected allocation by end 2015 is over 80%, an improvement over previous BNTF cycles (57%). Reviews in 2014 and 2015 indicated that there are more systemic problems to be addressed beyond the introduction of a new process flow. These are to be addressed in an ongoing systematic examination of the BNTF governance structure and implementation modality, to help shape the future of the Programme (see paras 3.01 (f) and 5.04).
<i>Review/Consider Institutional and Coordination Modalities in Country</i>	Institutional assessments of all ten BNTF IAs were conducted in 2014 and some proposed actions were executed (such as financial management capacity building, launch of the BIS, articulation of skills training approach, providing IAs with short-term technical assistance) and others are ongoing. More rigorous appraisal is being carried out by wider CDB specialist inputs. Accountability relationships within countries have been clarified. (Terms of reference [TOR] for key IA posts and the Oversight Entity [OE] were clarified and strengthened) Review of the BNTF governance structure will inform further improvements
<i>Improve Programme Efficiency in Country and CDB Supervision</i>	The Operations Manual (OM) was updated in 2014 to promote compliance and standards using a new user-friendly format. New standards and results-based reporting were introduced since BNTF 6. Consultants' performance evaluation system for both CDB and IAs was introduced in 2015. TOR for CDB-engaged design and supervision consultants was strengthened to emphasise their accountability to IAs and communities. A BNTF Financial Management Manual for the IAs and CDB was prepared in 2015.

RECOMMENDATIONS	ACTIONS TAKEN
<i>Improve Use of Performance Audits and Other Quality Control</i>	Closer supervision and evaluation of consultants are being carried out (e.g. peer review of technical designs; performance specifications). The new consultants' agreement was introduced in 2014-2015 and emphasises compliance with maintenance planning, environmental safeguards. A quality at entry system was introduced for BNTF 7 and 8 sub-projects. Procurement management workshops for consultants and contractors from PCs took place in 2014. Scope of works for financial audits are being widened to incorporate performance audits.
<i>Improve Integration Of Cross-cutting Issues (gender, Environment) and pay greater attention to sustainable maintenance training and budgetary provisions</i>	Gender mainstreaming training, guidance and tools were provided in 2013. Detailed environmental assessment requirements were introduced in the appraisal process in 2011 and were scaled up and followed by an environmental due diligence capacity appraisal in 2014-2015, and a finalised capacity building plan for IAs and design consultants to be rolled out in 2016. Maintenance training rolled out in Guyana, Grenada and St. Vincent and the Grenadines. Annual recurrent costs for Maintenance (preventative and repairs) are prepared for all BNTF 7 and 8 sub-projects.
<i>Construct Lessons Learned Database, Information Sharing Networking</i>	BNTF community of practice and e-learning platform were launched in 2014. Cross-fertilisation of ideas, lessons learned and approaches between BNTF and the Haiti community driven development project took place. Case Studies and videos illustrating practices in sustainable transformative change were published and digital campaign launched in 2015. An Impact Assessment Model is under development for completion by April 2016.
<i>Develop Web-based Data Gathering and Management Information System (MIS)</i>	New web-based BIS aligned with SDF Level 2 indicators promoting standardisation of data and routine data collection was launched at CDB and the IAs in 2014 (baselines, progress data) (see paragraphs 3.14 to 3.16).
<i>Develop New Approach to Skills Training Programme</i>	New strategic focus on skills development was introduced in BNTF 6 and further enhanced in BNTF 7 and 8; portable, accredited vocational skills training provided as best practice; guidelines on skills development and capacity issued in 2015.
<i>Prioritise Vulnerability of Youth and Marginalised Groups</i>	BNTF/Vybzing Youth Outreach collaboration in Guyana in 2014 facilitated the inclusion of youth from very remote hinterland communities; more sub-projects focusing on Youth-at-risk, citizen security and persons with disabilities are being funded in BNTF 7 and BNTF 8. There is an ongoing consultancy to develop a pilot concept for programming dedicated funds for pilot initiatives in Youth micro-enterprise and innovation.
<i>Prioritise Sustainability, Community Partnership, Environment and Maintenance</i>	Greater use of alternative energy commenced in BNTF 6 especially in the integration of photovoltaic systems in water sub-projects in remote regions in Guyana. More emphasis placed on LED lighting and other conservation measures including 'smarter' infrastructural development in the design of sub-projects. Community needs and assets assessments are carried out for all sub-projects during preparation. Project monitoring committees are involved throughout project cycle. A community maintenance model for BNTF was drafted in 2015 and will be rolled out in 2016.

3. STATUS OF IMPLEMENTATION

3.01 Grant Agreements between CDB and the beneficiary countries for BNTF 7 and 8 have all been signed and conditions precedent to first disbursement under BNTF 7 have been met by all PCs and by seven PCs for BNTF 8. Actual implementation of BNTF 7 was delayed due partly to the IAs' focus on completing BNTF 6 during 2013.

Approvals, Commitments and Disbursements

3.02 By the terminal commitment date of December 30, 2014, 91% of the funds were approved under the CPPs. As outlined in Table 3.1, at November 20, 2015, funding of \$26.4mn has been committed for 127 sub-projects, targeting 54,475 beneficiaries (24,748 male and 29,727 female) and 4,628 households. Eighty-one percent of the BNTF 7 and 8 projected allocations by the end of the third year of the cycles is an improvement over the 57% allocation committed under BNTF 6 for the same period.

3.03 As at November 30, 2015, 207 sub-projects to the value of USD36.8mn are projected to be approved by December 31, 2015. Projected approvals reflect six PCs fully committing their sub-project allocation under BNTF 7 with two of these countries fully committing BNTF 8⁴. Disbursements stood at \$2.8mn representing 5% of the CDB grant contribution. CDB in collaboration with PCs is devising a proposal to speed up the disbursements of BNTF 7 and 8 funding. This is designed to fast track disbursements for approved portfolios of sub-projects and financing plans and implementation scheduled. Some of the BNTF 7 results include the improvement of 833 metres of road in the Barzeys Community in Montserrat at a value of USD320,000, allowing for regular garbage collection and access by emergency vehicles. Sixty Grenadian fishermen and women commenced the Standards of Training, Certification and Watchkeeping for Seafarers in Trinidad, helping to reduce the probability of accidents or death and generate incomes. A number of soon to be released men and women in the prison system in Grenada are undergoing critical life skills and vocational training.

⁴ CDB is currently appraising the Education and HRD sector portfolio for St. Kitts and Nevis which is expected to be approved by January 2016. The funding for this portfolio is approximately \$1 mn and represents 66% of the allocation for sub-projects under BNTF 7. Sub-projects within the Basic Access and Drainage and Water and Sanitation portfolios have already been identified and the portfolios being prepared.

TABLE 3.1: BNTF 7 AND 8 SECTOR PORTFOLIOS APPROVED BY COUNTRY

Participating Country	Sectors	No. of sub-projects	Amount Approved as at Nov 30, 2015 (\$'000)	Balance to be approved by Q4, 2015 (\$'000)	Projected Approvals as a Percentage of Allocation as at Dec 2015
Belize	Basic Community Access and Drainage Enhancement		0	0	
	Education and Human Resource Development	10	3,922	1,533	
	Water and Sanitation Systems Enhancement	3	1,150	0	
	Sub-Total	13	5,072	1,533	100%
Dominica	Basic Community Access and Drainage Enhancement	6	923	0	
	Education and Human Resource Development	25	0	2,066	
	Water and Sanitation Systems Enhancement	1	570	0	
	Sub-Total	32	1,493	2,066	66%
Grenada	Basic Community Access and Drainage Enhancement	3	0	269	
	Education and Human Resource Development	14	2,453	0	
	Water and Sanitation Systems Enhancement	6	0	290	
	Sub-Total	23	2,453	559	98%
Guyana	Basic Community Access and Drainage Enhancement	12	1,404	0	
	Education and Human Resource Development	17	2,247	0	
	Water and Sanitation Systems Enhancement	18	1,966	0	
	Sub-Total	47	5,617	0	77%
Jamaica	Basic Community Access and Drainage Enhancement	3	1,450	0	
	Education and Human Resource Development	14	3,004	566	
	Water and Sanitation Systems Enhancement	2	0	583	
	Sub-Total	19	4,454	1,149	75%
Montserrat	Basic Community Access and Drainage Enhancement	3	635	146	
	Education and Human Resource Development	8	557	0	
	Water and Sanitation Systems Enhancement	3	534	0	
	Sub-Total	14	1,726	146	90%

Participating Country	Sectors	No. of sub-projects	Amount Approved as at Nov 30, 2015 (\$'000)	Balance to be approved by Q4, 2015 (\$'000)	Projected Approvals as a Percentage of Allocation as at Dec 2015
St. Kitts and Nevis	Basic Community Access and Drainage Enhancement		0	0	
	Education and Human Resource Development	15	0	985	
	Water and Sanitation Systems Enhancement	0	0	0	
	Sub-Total	15	-	985	50%
St. Lucia	Basic Community Access and Drainage Enhancement	6	0	1,310	
	Education and Human Resource Development	11	0	2,649	
	Water and Sanitation Systems Enhancement	4	1,136	0	
	Sub-Total	21	1,136	3,959	86%
St. Vincent and the Grenadines	Basic Community Access and Drainage Enhancement	7	1,777	0	
	Education and Human Resource Development	13	1,555	0	
	Water and Sanitation Systems Enhancement	1	370	0	
	Sub-Total	21	3,702	0	77%
Turks and Caicos Islands (TCI)	Basic Community Access and Drainage Enhancement		0	0	
	Education and Human Resource Development	2	732	0	
	Water and Sanitation Systems Enhancement		0	0	
	Sub-Total	2	732	-	100%
	Basic Community Access and Drainage Enhancement	40	6,189	1,725	
	Education and Human Resource Development	129	14,470	7,799	
	Water and Sanitation Systems Enhancement	38	5,726	873	
	TOTAL	207	26,385	10,397	81%

BNTF 7 and 8 Interim Report

3.04 The BNTF 7 and 8 MTE Interim Report (November 2015) identified lessons learned and progress towards the achievement of the agreed Programme targets to date, and made the following observations:

- (a) The picture that is emerging is a positive one so far in terms of the Programme's relevance and results based on sub-projects completed so far. The emerging (but not unanimous) consensus to date is that BNTF 7 and BNTF 8 Programme/Sub-Project

design, particularly the new process flow, has resulted in a more strategic approach to selection and prioritization of interventions, which in the long term should result in more efficient and effective use of resources. The new process flow also assists in insulating the Programme from political interference. However, it has created a steep learning curve, incurred unanticipated technical assistance costs and has delayed the start of sub-project implementation, particularly under BNTF 7. There is a rather heavy due diligence process relative to the size of the sub-projects, delegation levels, and capacity challenges in some PCs. The introduction of technical assistance (namely engineering services, education specialists) at an earlier stage in the process has also reduced the degree of discrepancy between Country Project Portfolio (CPP) estimates and sub-project portfolio budgets.

- (b) Under the new process flow, CDB officers need to review a much larger volume of sub-projects at one time with the number of sub-project in the Sector Portfolios under BNTF 7 ranging from 1 to 40 sub-projects. While this again enables them to focus more strategically, it can also create significant delays. In several cases, CDB officers are carrying out preparation of Country projects in addition to appraisal. Since most officers have responsibility for more than one country and Portfolios are also subject to review by specialists in education, social, gender, environment, and economics, the timeframe for CDB appraisal and approval of batches of sub-projects in Sector Portfolios is reported in some cases to have been longer than anticipated.
- (c) In terms of BNTF 8 Sector Portfolios, some of these are combined with BNTF 7 Sector Portfolios where feasible. Both IAs and CDB officers are finding the process less onerous and time-consuming and higher-level reviews are generating fewer comments. In that regard, the fact that the two Programme cycles are overlapping may be a benefit as it has facilitated rapid re-application of the skills and lessons learned under BNTF 7 while they are still fresh in the mind.
- (d) The potential for IAs to influence the pace of project implementation during BNTF 7 and 8 is sometimes limited, especially in cases where Cabinet has to approve the award of contracts or the list of sub-projects comprising a Sector Portfolio. BNTF roles, responsibilities and reporting lines are complex and this is particularly evident during project implementation.
- (e) The IA plays a critical role in ensuring quality of project implementation through oversight of technical consultants and monitoring of project delivery, in conjunction with the OE and the Project Management Committee (PMC). In instances where IAs do not have specialist resources such as engineers, the composition of both OE and PMC becomes more critical. The degree to which OE members play an active role in monitoring seems to vary (both by country and according to the other demands on their time), so there is no guarantee that any particular OE site visit will include someone with specialist knowledge. The response by the PCs to CDB proposals to engage engineers, social analysts and assistant project/operations managers to enhance the human resource capacity in the IAs is very low.
- (f) There is still need to simplify and decentralize the BNTF Programme, and this will be addressed by the ongoing review of the BNTF governance structure and implementation modality which commenced in November 2015. In order to significantly accelerate start-up of sub-projects and disbursement of funds, a new results-focused and 'fit-for-purpose' governance structure will be presented to the SDF Contributors in March 2016, and will come on stream in late 2016 and be fully launched by 2017. This will be a paradigm shift towards greater agility and innovation in the governance of the Programme. The 'new' Programme is likely to include the blending of agency funding, especially private funds,

and corporate social responsibility involving companies and foundations, promoting more renewable energy/energy efficiency and wider livelihoods outcomes. This has the potential to reduce bureaucracy and delays in sub-project implementation, as well as, deliver combined resources quickly to communities and create a greater sense of empowerment and ownership at the local level. The Programme will include a higher degree of capacity especially in terms of competencies, notably in project and financial management, procurement, due diligence, and consultant oversight.

Operational Efficiency and Human Resource Enhancement

3.05 CDB continued to fund activities under the BNTF regional coordination component to improve efficient and effective management of the Programme. Activities carried out in 2014 and 2015 are listed in Table 3.2.

TABLE 3.2: REGIONAL COORDINATION WORK PROGRAMME 2014-2015⁵

Activity	USD ('000)
National and Regional Workshops: Procurement and Management of Professional Services for BNTF Consultants and Implementing Agencies (four in total covering all ten participating countries)	70
Strengthening BNTF Environmental Due Diligence	268
Development of Youth Empowerment and Entrepreneurship Pilot Concept	193
Development of a BNTF Communications Strategy	92
Development of a Comprehensive BNTF M&E System and Impact Assessment Framework (ongoing to end March 2016)	240
Systematic Review of the BNTF Governance Structure and Implementation Modality (ongoing to end April 2016)	292
Specialists engaged to support IAs' completion of Sector Portfolios (education, engineering, social analysis)	288
Financial Management Capacity Building Phase 1 for BNTF Accounting Officers and Phase 2 for Implementing Agencies	105
BNTF 6 Programme Closing Report (and project completion reports)	153
Development of innovative community maintenance model for BNTF sub-projects	164
BNTF Administration	138
Curriculum Development and Training in Gender Socialisation for ECD Practitioners in the Caribbean	156
BNTF Interim Electronic Solution	65
BNTF Sector Impact Case Studies	200
Mid-Term Evaluation of BNTF 7 and 8	73
Financial Audit - 2009-2013, TCI	27
BNTF Conditions Survey	213
Project Manager/Coordinator for BNTF Country Project – TCI	105

⁵ Activities funded under the regional coordination components of BNTF 5 and BNTF 6

3.06 In 2014, a CDB-funded Capacity Building Programme for BNTF Accounting/Administrative Officers (AOs) was piloted over a three-month period (Phase I). A baseline assessment of the AOs' capacity was completed, Key Performance Indicators (KPIs) identified and some progress made in improving compliance with the financial management procedures of the BNTF Programme. A three-day workshop for 13 AOs was held at the CDB Headquarters in Barbados and virtual coaching for 28 IA staff was provided in 2014-2015. A Phase 2 involved further strengthening of human resources and systems for improved financial management and administration in the IAs. KPIs are being monitored and dashboard reporting will be conducted to determine performance of the Programme.

3.07 CDB has been placing greater emphasis on building stronger and more resilient communities especially through the BNTF Programme. Efforts are made to ensure the best possible results from the available resources. One of the recommendations of the BNTF 5 PCR was to revisit assumptions of communities "ability and willingness to provide unpaid self-help contributions to sub-projects and maintenance activities" in the BNTF Programme. A major assignment to review the current challenges of maintenance of sub-projects across five BNTF PCs was completed in 2015. It proposed a community maintenance model and best practices to improve maintenance which will be rolled out during a series of national maintenance roundtables with key stakeholders from communities, government and private sector in 2016. It will reiterate required compliance standards, safeguards, financing and delivery of maintenance, and explore incentive-based approaches to maintenance based on Private Public Partnerships (PPPs) models and others financing structures at country level.

3.08 Additionally, a condition survey and beneficiary assessment of 32 sub-projects in four BNTF PCs was completed in 2014. Plans have been made with some IAs to address defects associated with design and construction quality management issues, and deferred repairs such as introducing universally accepted building codes in BNTF infrastructure sub-projects like the International Building Code in the absence of a unified building code.

3.09 Some of the other actions taken to date to improve efficiency in implementation include the revision of Programme documents and the development of tools and templates in new areas of Programme compliance. These include Sector Portfolio templates with Risk and Gender Assessments, Multi-Year Financing Plans for improved forecasting and overall management of resources and an OM

3.10 The revisions to the OM promoted the following:

- (a) principles of management for development results;
- (b) an expanded focus on monitoring and evaluation;
- (c) enhanced, user-friendly tools and methods; and
- (d) guidelines to grant reconciliation, risk assessment and management, and communications.

3.11 CDB continued to stress good governance, especially, sound technical inputs, decision-making, accountability mechanisms and community participation as key pillars of the Programme. Through the BNTF regional coordination component, as indicated in Table 3.3, CDB provided technical support to strengthen the Project management functions of the IAs recognising that the ongoing revamp of the governance structure aims to address root problems. The performance of some IAs have been hampered by the lack of available human resources, such as the lack of a Project Manager in St. Kitts and the lack of engineering expertise in most IAs. This has also affected the completion of the preparation of sub-projects and sector portfolios for approval by OE and CDB.

3.12 Consultants were contracted to complete the PRAPs, and CPPs in some PCs. The services of four Education Specialists were engaged to help complete the Education and HRD sector portfolios to promote knowledge transfer in some of the IAs. Another step taken to improve operations was the introduction of new governance arrangements for the TCI Country Project which helped to fill a longstanding gap in the project management, and to accelerate the implementation of the BNTF 7 and 8 Projects.

3.13 A consultant Social Analyst for the BNTF Programme was engaged to support operations until the post was filled in 2014. The Gender and Development Specialist engaged under the BNTF 5 Programme was mainstreamed into the Social Sector Division (SSD) in 2014. These positions have added to broadening the focus on HRD, youth empowerment, entrepreneurship, citizen security, and strengthening BNTF's contribution to the Gender Equality Policy and Operational Strategy.

TABLE 3.3: HUMAN RESOURCE ENHANCEMENT ACTIVITIES UNDERTAKEN DURING BNTF 7 AND 8

Date	Activity	Beneficiaries	Outcome
August 2014 to August 2015	<i>Financial Management Capacity for BNTF Accounting Officers and Implementing Agencies</i>	Nine BNTF IAs, in particular the AOs and CDB (SSD)	Human resources and systems for improved financial management and administration of the BNTF Country Projects strengthened.
June 2014 to April 2015	<i>Environmental Due Diligence</i>	Nine BNTF IAs and CDB (SSD)	Capacity of key BNTF stakeholders and IAs to undertake Environmental Assessment and Management responsibilities under the Environmental Safeguards Framework assessed.
February to October 2015	<i>Education Specialists Support to Country Projects</i>	Ministries of Education, Teachers and Students in Belize, Grenada, St. Kitts and Nevis and St. Lucia, and CDB (SSD)	Sub-project profiles in the Education Sector Portfolios, guaranteeing rigorous appraisal and ensuring alignment with the CPP, relevant national/regional sector strategies, and goals and timelines agreed with CDB were completed.
September 2015 to August 2016	<i>TCI Project Manager Consultant</i>	Government of TCI (Ministries of Education, Finance, Housing, Public Works and Safety) Ona Grinton Primary School, Early Childhood Development Practitioners (public and private sectors) and CDB (SSD)	Manages the Project Grant resources and supervises the implementation and monitoring of all BNTF 7 and 8 sub-projects. Directs the planning, implementation, monitoring and internal evaluation of the TCI Country Project ensuring good governance as articulated in the BNTF OM
April 2014 to August 2015	<i>Civil Engineering and Social Analyst Support to Country Projects</i>	Dominica, St. Vincent and the Grenadines and TCI country projects	Accelerated the preparation and appraisal of BNTF 7 and 8 sector portfolios. Provided sound engineering advice and social analysis. Prepared preliminary designs and costs allowing for greater accuracy in financing plans, promoting efficient project management.

Business Process Re-engineering to Improve Internal Efficiency

3.14 With the expansion of the Programme to BNTF 7 and 8 and the increased focus on measuring effectiveness and efficiency, the MIS which was outdated, was replaced by a web-based BIS in 2014 which will facilitate critical management decision making and reporting both at CDB and within the PCs. The BIS will be subsumed into the Project Portfolio Management System (PPMS), allowing for business process and workflow management and process and results driven work, benchmarking and monitoring of implementation. The system will be able to generate various types of periodic and ad hoc Programme and country project reports. The business impact of the Programme stands to benefit through more streamlined work breakdown, scheduling, budgeting and performance monitoring.

3.15 The BNTF Programme is being incorporated in the new PPMS to promote more streamlined centralized and decentralized project management and overall efficiency at the level of the Bank and in the PCs.

Adopting Results-Based Approaches to Performance Processes

3.16 Consistent with Managing for Development Results (MfDR) principles and CDB's mandate for development effectiveness under the SDF, resources have been dedicated to improving the enabling environment for more efficient and sustainable BNTF Projects. Resources were also applied in addressing the "quality at entry" of sub-projects consistent with BNTF 7 and 8 design requirements and CDB's quality assurance standards.

3.17 The BNTF 7 and 8 MTE reported that the Programme has a strong commitment to results-based management, which is percolating down to country level through sensitisation and capacity building. Most interviewees felt that their capacity in the area of results management had been enhanced by training such as the MfDR workshops (2010) and the M&E Capacity Building workshops (2013) for IA staff and OE chairs. Interviewees reported that in some cases they had applied the learning not only to their role in BNTF but also to their substantive position (e.g. OE or PMC members). However, the current M&E system is complex and there are challenges in identifying and sharing inspiring and sustainable outcomes and impacts. The development of a comprehensive M&E System and Impact Assessment Framework for the BNTF Programme commenced in September 2015 which will provide more empirical information on the intermediate outcomes, and impacts of BNTF interventions over past programme cycles, and for future cycles over the short, medium and long-term. The process also involves developing a results management approach that recognises contribution as well as attribution, focuses as much on learning as accountability, and places greater emphasis on identification and reporting of outcomes (positive and negative).

3.18 A condition under BNTF 7 and 8 requires that independent auditors be engaged to perform annual performance audits of the Project, which shall include financial audits. Much improvement has been made in the completion of audits commissioned by the 10 PCs. All audits for 2013 were completed and two are outstanding for 2014. Performance audits are gradually being introduced to align with the PCs' financial audit timetables.

3.19 In late 2015, a new tool for performance evaluation of the CDB-engaged consultants by the IAs and the Bank was launched. This process promotes the identification of strengths and problems that need to be corrected and facilitates feedback to the consultants and reporting by the consultant to the IA and not only to CDB.

Environmental Due Diligence

3.20 Capability Appraisal for Strengthening BNTF Environmental Due Diligence is the assessment and determination of requirements by key stakeholder groups to comply with expected environment assessment and management practices under the Revised Programme Environmental Safeguards Framework (ESF) and the identification of regional and national level capacity building, skills development and training requirements to successfully implement the revised ESF. The BNTF Programme is more committed to systematic environmental appraisal, monitoring and reporting. As part of their new TOR, the CDB-engaged consultants are responsible for developing environment management plans in collaboration with the IAs and communities, and annual environment reports which are now being completed by the IAs under BNTF 7 and 8. The CDB technical assistance in this area has raised the awareness of environmental management and climate resilience, and led to the practical application of tools and checklists in the Country Projects. A regional sensitisation and orientation workshop for BNTF Project Managers, Community Liaison Officers and Engineers was held in early 2015.

Priority Setting: Emerging Development Issues

3.21 Two areas to be further promoted in the Programme include community PPPs and Renewable Energy/Energy Efficiency components beyond the Country Projects in Guyana and Belize. While community enterprises namely cooperatives have been supported in various programme cycles, there is need to explore PPP models of collaboration to finance productive infrastructure investment and to promote sustainable community development. Additionally, the typical menu of BNTF sub-projects from the countries are not enterprise-oriented, something which is being considered as part of the youth entrepreneurship pilot and the repositioning of the programme. Several villagers in hinterland communities in Guyana were trained over the past three years to use and maintain photovoltaic systems that are now integrated into various BNTF sub-projects. The success of the hinterland renewable energy systems has had such an impact, that the BNTF IA in Guyana will be considering the photovoltaic option as a standard requirement, even for communities on the coastal areas, where electricity is also available.

3.22 In response to recommendations to increase the focus on youth as a social group, the regional coordination funds are currently being used to develop a cutting edge BNTF concept for a youth empowerment and entrepreneurship pilot project, which boosts and supports entrepreneurial confidence of at-risk youth in BNTF PCs so they can play a full and effective part in the economy and community. The youth empowerment project will promote youth-led small and medium-sized enterprises development which contributes to the reduction of community poverty. The pilot design will be completed by April 2016.

4. PREVAILING FACTORS DURING IMPLEMENTATION

4.01 On August 27, 2015, the Commonwealth of Dominica experienced torrential rainfall associated with the passage of Tropical Storm Erika. As a result, the island experienced floods and landslides that caused the death of several persons and extensive damage to housing, and infrastructure (in particular roads and bridges) in several communities. The island was further impacted by heavy rainfall on September 11, 2015 and again on September 15, 2015 resulting in further flooding and destruction of temporary bypasses which had been constructed to provide access along the major roads and bridges and which exposed an already traumatised population to additional risks.

4.02 In some instances, changes in government⁶/government priorities have led to some delays in the preparation stage and approval process in country. In the case of Dominica, Tropical Storm Erika in August 2015 had an impact on the start-up of BNTF sub-projects. In Jamaica, fiscal constraints associated with the country's current International Monetary Fund Extended Fund Facility arrangement, continue to present a risk to implementation timelines as the Jamaica Social Investment Fund (JSIF) must manage its fiscal space across multiple grants and loans. The requirement for Cabinet approval of expenditures above the JMD40 million (\$334,000) threshold also imposes an external challenge to implementation that is outside the control of the IA (JSIF).

4.03 To mitigate the adverse impact of the disaster on public finances, in October 2015 CDB's BOD approved an additional grant of USD700,000 to augment the sub-project components of Dominica's BNTF 7 and 8 Country Projects. BOD also approved a waiver of the requirement for counterpart funding for the Government of the Commonwealth of Dominica (GOCD) for the BNTF 7 and 8 sub-projects to permit CDB to disburse one hundred percent (100%), rather than 95%, of the estimated cost of any approved BNTF 7 and 8 sub-project. GOCD has signaled its intention to reprioritise the BNTF Portfolios in response to the needs of disaster-hit areas.

4.04 During 2015, the Government of Guyana introduced a new Bid Evaluation Committee to carry out parallel evaluations of bids for the BNTF Country Projects, a function normally carried out by the technical consultants in keeping with the BNTF OM. The additional layer of scrutiny creates delays in both the submission of contract awards for no objection, and the sub-project start-up. Removing bureaucracy from the operating systems is being closely examined as part of the current work to restructure the implementation modality.

5. CONCLUSION

5.01 There is an emerging consensus that many of the innovations introduced under BNTF 7 have made BNTF programming more strategic and have added – or have the potential to add – value in terms of effective use of resources and impact. However, the process has generated a heavier workload for the IAs and CDB team which has had an impact on the BNTF 7 and 8 implementation schedule.

5.02 On the other hand, the various training interventions have generally had a motivating effect on key BNTF stakeholders. The extent to which this motivation is sustained depends largely on whether the learning proves easy to apply in practice, which has not always been the case.

5.03 There have been some notable improvements in operations and structural changes which have contributed to efficiency gains in committing funds earlier than in previous cycles of the Programme. The frontloading of the appraisal process, albeit lengthy, has led to projected approvals to a value of \$35 mn by the end of the third year of the Programme (December 2015), allowing the PCs to focus mainly on implementation during the final year.

5.04 The Programme has evolved with new components and requirements added while the governance structure and approach to implementation have not been reformed to ensure 'fit for purpose' and operational preparedness for current and subsequent BNTF cycles. Consultants have been engaged to review of the governance structure of BNTF and to recommend a new modality for delivering BNTF grant funds to communities. The proposals will for a new modality will be presented to the SDF Contributors in March 2016. This comprehensive assessment of the Programme's governance structure and management and implementation modality is seen as a critical activity to ensure optimal performance

⁶ Elections were held in Dominica in late 2014, and in Belize, Guyana and St Kitts and Nevis during 2015, with St Vincent going to the polls in December.

in meeting poverty reduction goals. It is anticipated that the future governance structure will explore the feasibility of using models such as PPPs and community enterprises. Additionally, the new governance structure should allow the Bank to have more oversight and strategic direction, while enabling the Programme to have greater impact within communities, empowering beneficiaries and improving their living conditions.

5.05 PCs have been reluctant to accept the proposals for additional human resources for the IAs which would be funded under the BNTF regional coordination component and not the country grant allocations. The new governance arrangements will allow for use of country systems and building capacity in different disciplines.

5.06 Going forward, it is recommended that future BNTF Programming be aligned with the relevant 2030 Sustainable Development Goals and related targets/indicators.