

Prepared for
Evaluation and Oversight Division
Caribbean Development Bank

**AN EVALUATION STUDY OF THE TECHNICAL
ASSISTANCE OPERATIONS OF THE CARIBBEAN
DEVELOPMENT BANK 2000 TO 2004**

FINAL REPORT

INTERNATIONAL DEVELOPMENT
MANAGEMENT ADVISORY GROUP, INC.

In association with

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Abbreviations and Acronyms

AsDB	Asian Development Bank
BMC	Borrowing Member Country
BNTF	Basic Needs Trust Fund
CD	capacity development
CIDA	Canadian International Development Agency
CPD	Corporate Planning Division
CSO	civil society organisation
CSP	country strategy paper
CTCF	Canadian Technical Cooperation Fund
CTCS	Caribbean Technological Consultancy Services Network
DAC	Development Assistance Committee of the OECD
DFID	Department for International Development (UK)
DMFC	Disaster Mitigation Facility for the Caribbean
DPD	Director, Projects Department
EA	executing agency
EOV	Evaluation and Oversight Division
ESDU	Environment and Sustainability Development Unit (of the OECS Secretariat)
GDF	General Development Fund
IA	implementing agency
ID	institutional development
IDB	Inter-American Development Bank
IS	institutional strengthening
ITC	International Trade Centre UNCTAD/WTO
KRA	Key Results Area
M&E	monitoring and evaluation
MDB	multilateral development bank
MDGs	Millennium Development Goals
MfDR	Managing for Development Results
NGO	non-governmental organisation
NPRSs	national poverty reduction strategy papers
OECD	Organisation for Economic Cooperation and Development
OERU	OECS Education Reform Unit
OSF or OSFR	Other Special Funds or Other Special Fund Resources
PCR	Project Completion Report
PFD	Project Financing Division
PPAF	Project Preparation Assistance Facility
PPES	Project Performance Evaluation System
PPMS	Project Portfolio Management System
PSD	Project Supervision Division
PSDD	Private Sector Development Division
RPGs	regional public goods
SDF	Special Development Fund
SDFU	Special Development Fund (Unified)
SFR	Special Funds Resources
SWAps	Sector-wide Approaches
TA	technical assistance
TAF	Technical Assistance Fund
TCU	Technical Cooperation Unit
TORs	Terms of Reference
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

0.01 This is the latest in a series of periodic programme evaluation studies on the technical assistance (TA) operations of the Caribbean Development Bank. It covers the period 2000-2004, with some retrospective analysis to provide a clearer understanding of trends and changes in TA operations.

0.02 The report consists of 10 chapters, beginning with an *Introduction*, covering the study's objectives, scope and context, and a chapter on *Methodology*. The third chapter provides a review of *other TA evaluation studies and changing perspectives on technical assistance*, followed by four chapters that summarize the analysis undertaken and the findings from that analysis.

0.03 Chapters 4 and 5 provide an *overview and analysis of TA operations generally*, with a profile of CDB's TA policy framework and TA operations over time, followed by a more detailed analysis of TA operations during 2000-2004. Each of these chapters looks at both *overall TA operations*, including a number of specialized programmes, in order to analyze changes over different time periods, and what is referred to as the *general or core TA programme*, which excludes the specialized programmes, and which is the particular focus of the study.

0.04 Chapters 6 and 7 present the study's *analysis of a sample of TA projects* using the Bank's standard evaluation criteria with minor adaptations. The results of the analysis are presented first in terms of overall performance, and then for each individual performance criterion, with examples to illustrate the factors that influenced the performance rating and some of the key findings from the project sample.

0.05 The final three chapters provide a summary of *key findings and conclusions, options and recommendations, and lessons learned*.

0.06 Findings and conclusions of the Report reflect the information collected and analysis undertaken as of late 2006 when the Report was initially prepared. There has been some subsequent refinement of data in Chapters 4 and 5, and some further clarification of procedures for identifying the relevance of individual TAs to CDB's strategic objectives and corporate priorities since 2004, as well as clarification of some of the recommendations in the light of discussion since the Report was first prepared.

Objectives of the Study and Methodology

0.07 The overall objective is to "assess the development effectiveness of CDB's TA programme in the context of the Bank's increased emphasis on poverty reduction, with a view to obtaining lessons of experience and recommendations, where appropriate, for improvement of the Programme." More specific objectives are to evaluate performance of the programme over the period 2000-2004, assess the extent to which it has been consistent with strategic objectives and development priorities, recommend improvements to strengthen effectiveness, efficiency, relevance and the policy framework of the programme, identify strategic, programmatic and operational lessons, and recommend improvements in the monitoring and evaluation framework.¹

0.08 Principal elements of the methodology were the use of a sample of grant-financed TA projects approved during the period 2000-2004 and selected by the Evaluation and Oversight Division of the Bank from the core TA programme, and the application of the Bank's standard performance criteria of *strategic relevance, poverty relevance, efficacy, efficiency, sustainability, institutional development impact, CDB performance* and *executing agency performance*, to which was added *consultant performance*. Some of the issues raised in the Terms of Reference also required the compilation and analysis of available data at the programme level.

¹ *Terms of Reference*, Appendix K.

Other Evaluation Studies and Changing Perspectives on TA

0.09 Included in the scope of the study was an examination of technical assistance effectiveness issues in other international agencies. This included both an analysis of a number of previous TA studies and evaluations and a review of emerging trends that are helping to shape contemporary thinking on technical assistance.

0.10 Past evaluations of technical assistance by multilateral development banks and other development agencies have shown a number of fairly consistent findings on issues and constraints in TA effectiveness. These include differing objectives between funding agency and beneficiary, issues of ownership and commitment, quality at entry issues such as institutional capacity and TA design, persistent weaknesses in TA supervision, and incentives and TA experience and skills on the part of donor agency staff.

0.11 Success factors for effective TA that have been identified in these various studies include:

- Explicit consideration of TA interventions in country programme strategies;
- Strategic timing in relation to government policy or programme changes;
- Objectives that are realistic in terms of time and resources;
- Application of lessons of experience in TA selection, design and implementation;
- Strong TA skills, experience and motivation of funding agency staff;
- Effective monitoring and supervision, including TA review missions;
- Flexible terms of reference and provision for review and, as appropriate, adjustment of design and scope during implementation; and
- Post-project assessment of effectiveness and outcomes, and methods of applying lessons learned.

0.12 Some of the emerging trends that are shaping technical assistance internationally are:

- Growing diversity among developing states;
- More complex TA agendas;
- Evolution in beneficiary/funding agency relationships;
- Influence of the Internet and information technology;
- New approaches to capacity development;
- Sectoral and national reforms; and
- Emergence of new actors in the provision of TA.

Overall Analysis of CDB's TA Operations

0.13 **Chapter 4** provides a *TA programme profile* that reviews the technical assistance function of the Bank, types of TA, and the objectives and focus of TA operations, including the strategic policy and planning context. It also provides an overview analysis of CDB technical assistance over three time periods, 1992-1995, 1996-1999 and 2000-2004. Highlights of the analysis include:

- Provision of technical assistance is a core function of the Bank under its charter provisions, although the financing and management of this function have changed significantly over time.
- TA identified as preinvestment and project implementation support, while originally the primary area of CDB's TA, has declined over time as a share of TA operations, while TA for institutional strengthening (IS) has increased substantially. IS may in part include support for investment project operations, but the extent of the shift confirms changes in objectives and focus.
- Included in institutional strengthening, in addition to country-specific TAs, are a substantial number of TA responses to regional and sub-regional requests, which now are larger in number in the core TA programme than country-specific TAs, although on average much smaller in size.

- The average size of TA projects in the core TA programme² declined significantly in the most recent time period, 2000-2004, particularly regional projects, but also country-specific projects.
- The use of loan funding for TA projects has varied significantly over the three time periods, increasing substantially in 1996-1999 and then declining again, particularly on an annual basis, in 2000-2004.
- The shifts in composition of TA programming reflect newer themes such as support for economic management, other areas of governance and regional cooperation, as well as some support for civil society, which have been added to traditional support for investment programming. Overall support for CDB operations, however, remains an important aspect of TA programming.
- The Bank's strategic and programme directions, including those set by SDF Contributors, include key objectives that require TA support. These include parts of the poverty reduction strategy, the governance and institutional development strategy, and the emerging policy on support for regional cooperation and integration, in many cases independently of investment operations. Two of CDB's strategic objectives, *good governance* and *regional cooperation*, are particularly dependent on TA to achieve the intended results.

0.14 **Chapter 5** provides *a more extended analysis of aggregate data on TA operations in 2000-2004*, and in addition discusses *the management of TA operations*. Some of the highlights of the analysis are:

- *Overall TA operations* in annual terms showed a significant increase in number of interventions in 2000-2004, but a small decrease in terms of amount. There was, however, a substantial increase in support for *economic management* and, although at a lower overall level, for *CDB institutional development*, in both cases with substantial funding from bilateral sources in addition to SDF. These were followed, in terms of increases, by *other governance* and the traditional category of *support for CDB operations*.
- The *core TA programme*, as an annual average, also showed a small decline in terms of amount, from \$6.5 million per year in 1996-1999 to \$6.1 million in 2000-2004. The number of TA interventions in the core programme, however, rose from an annual average of 32 to 36. Correspondingly, the average size of TAs declined from \$203,000 to \$169,000.
- In the core TA programme, the number of TA interventions at the regional or sub-regional level rose from an average of 16 per year to an average of 22.³ The annual average for country-specific TAs declined marginally from 16 to 14 per year.
- The average size of regional/sub-regional TAs declined sharply to \$105,000, in some cases much less, and the average for country-specific TAs declined marginally to \$270,000.
- The focus of TA operations continued to emphasize policy-driven areas, in particular *economic management*, *other governance* and, to a lesser extent, *civil society* and the *environment*, although in the latter case still at a lower level than in 1992-1995.
- *Sector development* and *delivery of public services*, together with *economic management*, continued to be the three largest categories in the core TA programme.
- The management of TA poses special challenges related to the nature of capacity development and other types of TA, institutional factors within the Bank, the demands of other aspects of CDB's operations, and particular skill sets and experience required in TA work. Management issues also differ for different types of TA projects.
- Of the two key aspects of TA monitoring and supervision, headquarters supervision and field-level

² The core TA programme does not include the specialized programmes, BNTE, CTCS, natural disaster management and CTCF.

³ As defined in the Evaluation data base.

support, there have been significant limitations in the extent to which field-level TA project appraisal, supervision, monitoring and problem-solving have been possible.

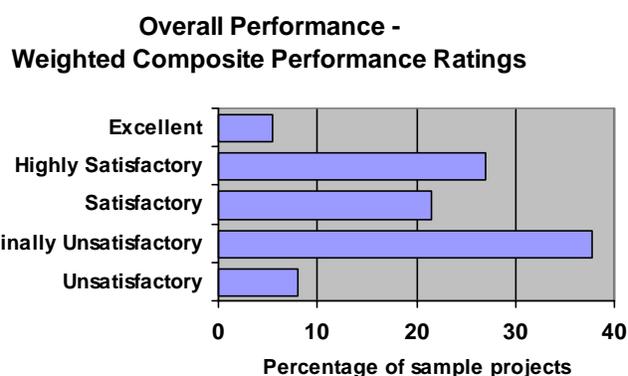
- There are key issues in the Bank's management information system for TA, including the limited use to date of PPMS as a basic information and decision-making system, the limited use of systematic assessment criteria such as those set out in CDB's PPES system, which has not yet been applied to TA, and the current lack of a comprehensive information base on TA operations as a whole.

Analysis of the Project Sample

0.15 Chapter 6 presents the results of the Evaluation's *analysis of the project sample in terms of overall performance*.

0.16 Each of the projects in the sample was scored according to nine evaluation criteria, based on analysis of documentation, staff interviews and interviews in the field. CDB's standard methodology was then used to determine a weighted composite score for the six criteria that CDB uses for that purpose, to determine performance ratings between "excellent" and "unsatisfactory". Unweighted performance ratings were also calculated for each of the nine criteria.

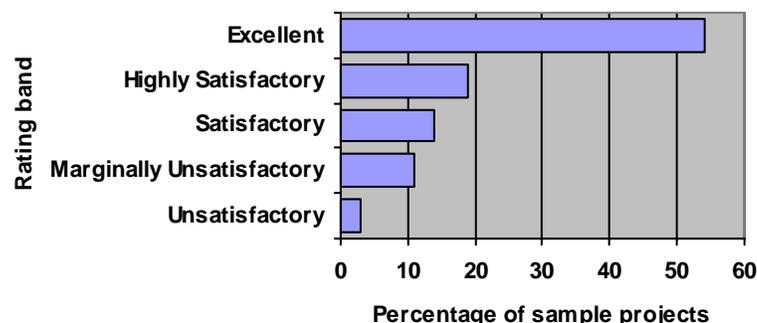
- The *weighted composite performance score* was approximately 4.5 out of 10.0, which is in the *satisfactory performance band* (4.0 to 5.99). The average performance score across all nine evaluation criteria was somewhat higher, at 5.0 out of 10.0.
- Some 5.4% of the projects in the sample were rated on average as *excellent*, 27% as *highly satisfactory*, 21.6% as *satisfactory*, 37.8% as *marginally unsatisfactory*, and 8.1% as *unsatisfactory*. Overall, 54% were rated *satisfactory* or better, i.e. above 4.0 out of 10.0, and 46% were rated *marginally satisfactory* or *unsatisfactory*.
- Average performance scores for the 10 best TA projects in the sample, at 7.3 out of 10.0, and the 20 best, at 6.3 out of 10.0 – both in the *highly satisfactory* rating band – were substantially higher than the average performance scores for the 10 weakest TAs, at 2.5 out of 10.0
- 20 projects, or 54%, were rated as "excellent" in terms of *strategic relevance*, and a further 33% were rated "satisfactory" or "highly satisfactory". For *poverty relevance*, 6 projects, or 16%, were rated as "excellent", and 18 projects, or 48%, as "satisfactory" or "highly satisfactory".
- On the other hand, for *sustainability*, 23 projects, or 63%, were rated as "marginally unsatisfactory" or "unsatisfactory", and 7 projects, or 19%, as "excellent", with a further 19% as "satisfactory" or "highly satisfactory."
- In terms of the project sample, there appear to be significant differences in country-specific TA performance between countries. Of the five countries in the country-level sample, the projects in St. Lucia and Dominica scored significantly higher than the projects in St. Vincent & the Grenadines or St. Kitts & Nevis. The TA projects in Guyana scored between these two groups. The size of the sample at the country level, however, was small, and care should be taken in interpreting this result.
- There also appear to be noticeable differences in performance ranking between types of TAs, with two traditional categories, *delivery of public services* and *support for CDB operations* (e.g. project preparation assistance) at the upper end of the range.



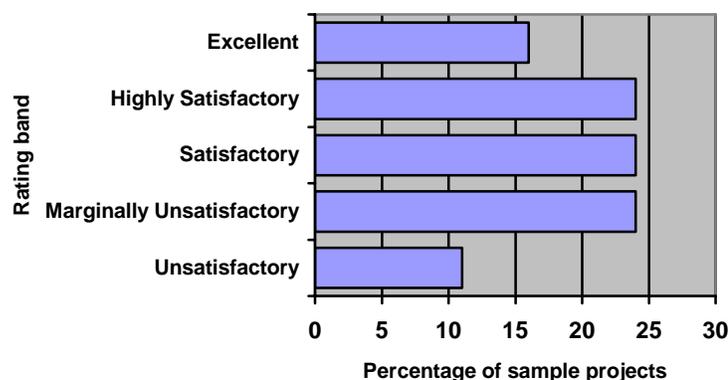
0.17 **Chapter 7** reviews the results of the performance analysis for each of the evaluation criteria, and includes project examples to illustrate the factors that influenced the ratings and some of the key findings at project level.

- Among the nine evaluation criteria, average performance was rated highest for *strategic relevance* and lowest for *sustainability* and *institutional development impact*. Average performance for most of the criteria was rated as *satisfactory*, in some cases at the higher end of the band, and in other cases towards the lower end. The rating for some criteria, however, diverged significantly from others.
- For *strategic relevance*, 54% of the projects in the sample were rated as *excellent* and a total of 87% as *satisfactory or better*. Factors that affected the rating included whether or not there was a direct link to identified BMC priorities and/or to one or more CDB strategic or operational priorities, a significant link to a reform or adjustment programme, and timeliness of the intervention.
- In the case of *poverty relevance*, where the relationship was in most cases indirect, 16% of the projects were rated as *excellent*, and 64% as *satisfactory or better*. Many of the TAs made a contribution to one or more of the three “strategic levers” of CDB’s poverty reduction strategy, but to be scored highly a TA needed to have a fairly strong and identifiable relationship to poverty reduction. This was the case in 40% of the sample.
- For *efficacy*, which measures results in relation to objectives, 19% of the sample was rated as *excellent* and 57% as *satisfactory or better*. A range of factors affected the ratings, including the realism of the assessment of institutional capacity, timeliness of the TA, quality of project design, realism of objectives in relation to resources being made available, effectiveness of project monitoring and supervision and willingness to make mid-course adjustments, extent of any linkage to a larger or ongoing programme, and whether or not there were adequate follow-on activities.

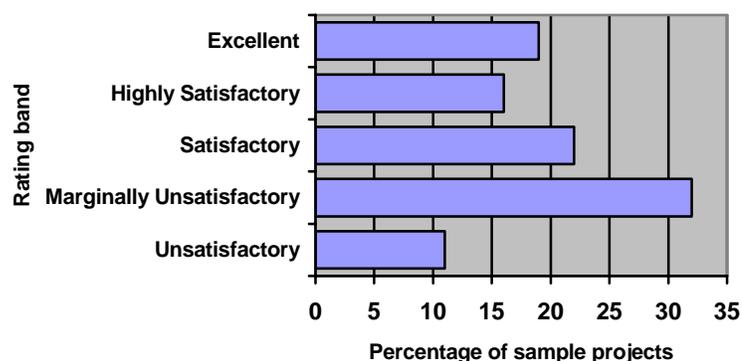
Strategic Relevance - Performance Ratings



Poverty Relevance - Performance Ratings

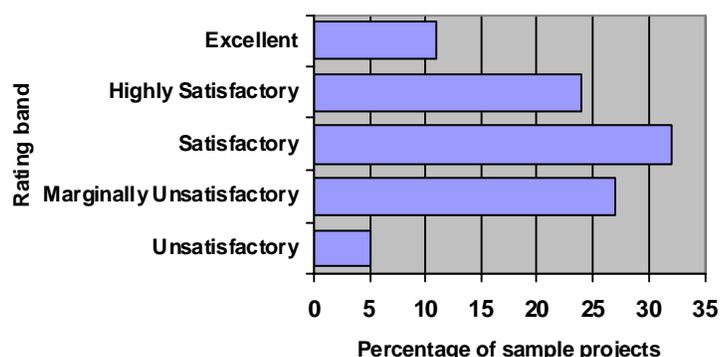


Efficacy - Performance Ratings

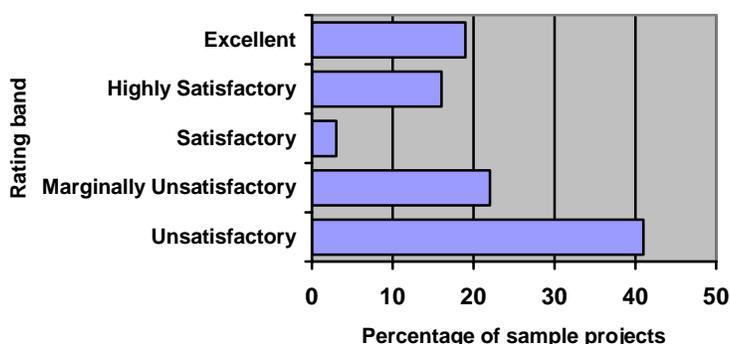


- For the performance measure of *efficiency*, 11% of the sample was rated *excellent* and 67% *satisfactory or better*. Factors affecting the rating included timeliness of approval procedures and actual startup, whether project management avoided undue delays, whether there was timely follow-up on problems, and whether there were limitations in procedures that affected cost-effectiveness.
- In the case of *sustainability*, 19% of the sample was rated *excellent*, and only 38% as *satisfactory or better*. Factors that affected the ratings included ownership or commitment by the beneficiary/ executing agency, planning for project follow-up and sustainability in project design, funding for post-TA completion activities, linkage to a larger project or programme, and extent of follow-on action.
- For *institutional development impact*, 15% of the sample was rated as *excellent*, and 48% as *satisfactory or better*.⁴ Factors affecting the rating included whether or not ID was an explicit objective and whether it was adequately reflected in project design, whether project design had been based on an assessment of institutional capacity and needs, linkages to a larger programme, availability of longer-term funding, and whether intended or effective follow-up actions were taken or seemed likely to be taken.
- *CDB performance* was rated as *excellent* for 14% of the project sample, and as *satisfactory or better* for 76% of the sample. Key factors included attention to quality at entry, including project design and understanding of capacity issues, extent of monitoring and supervision, timely problem-solving, and whether there were mid-course adjustments to improve project effectiveness.

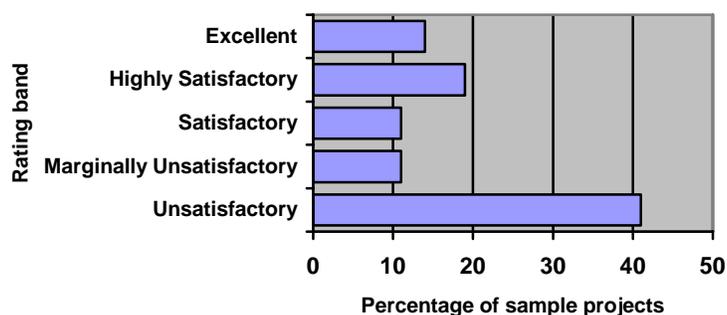
Efficiency - Performance Ratings



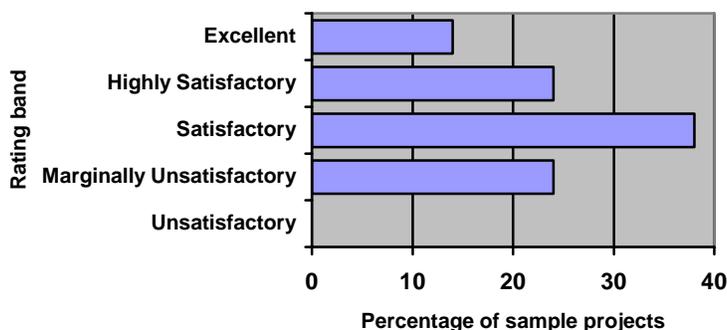
Sustainability - Performance Ratings



Institutional Development Impact - Performance Ratings



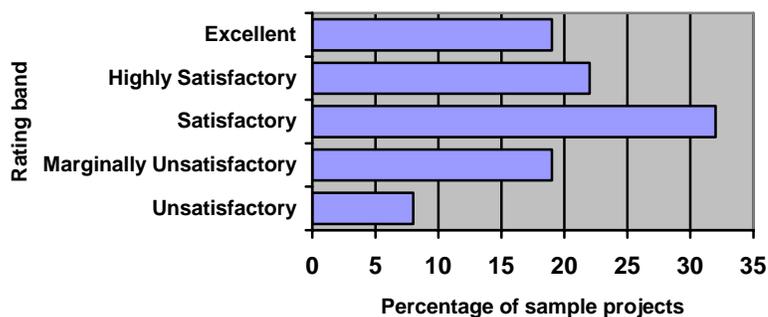
CDB Performance - Performance Ratings



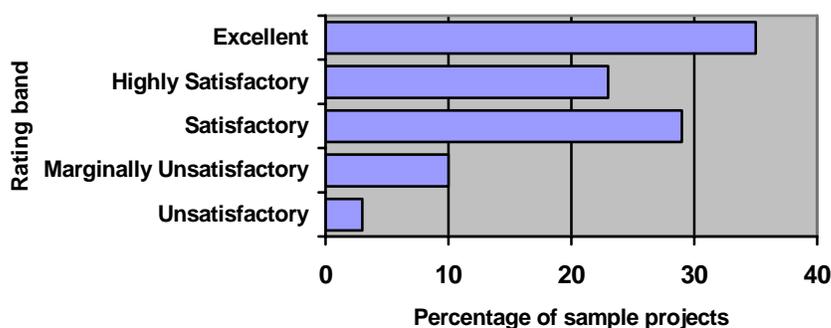
⁴ Projects where ID was not an explicit or implied objective were not scored under this criterion.

- For *beneficiary/executing agency performance*, 19% of the sample was rated *excellent* and 73% as *satisfactory or better*. There was, however, a significant difference between better performing and poorly performing projects. Commitment to the TA's objectives, adequate priority, staff availability, and extent of follow-on activities were among the factors affecting performance.
- *Consultant/expert performance* was rated as *excellent* for 35% of the sample and as *satisfactory or better* in 82% of the cases. Factors included quality of the consultant, consultant commitment, quality of interaction with the executing agency, and project management.

Beneficiary/Executing Agency - Performance Ratings



Consultant/Expert Performance - Performance Ratings



Key Findings and Conclusions

0.18 **Chapter 8** briefly summarizes the key findings and conclusions of the evaluation study, under three categories: Composition and Structure of TA Operations, TA Project Performance and Managing TA Operations.

0.19 The core areas in which the study concludes that consideration should be given to steps that could improve project quality and results achievement are:

- *Improved strategic management of technical assistance*, including clearer targeting of TA operations, review and strengthening of procedures and guidelines, strengthening of support for TA design and appraisal, and assessment and dissemination of TA experience.
- *Increased attention and resources for quality at entry*, particularly in the case of institutional strengthening and capacity development.
- *Strengthening of supervision and monitoring*, including field-level supervision and monitoring for other than the smallest TAs.
- *Provision, as a key requirement of TA management, for end-of-project assessment of results, key issues and lessons learned*, with simplified procedures for the smallest TAs.

0.20 In addition, there are particular areas where further evaluation of experience could contribute to improved programming and TA implementation. These are:

- A selected country-level assessment of TA experience, including in relation to investment lending operations;
- An assessment of experience in a selected area of special focus across BMCs, such as a sector or thematic evaluation; and
- An assessment of experience in a cross-section of TAs that have ultimately been cancelled, whether fully or in large part.

Options and Recommendations

0.21 **Chapter 9** presents options for consideration on management of TA operations, as well as the Evaluation's overall recommendations. The options relate to providing a *clearer focus for TA operations*, including the establishment of a *TA Focal Point or TA/Regional/Governance Work Group* in the new Project Services Division, the central roles and tasks that can best be formed by such a focal point, and its potential resource requirements. The options also cover a number of issues related to *Managing for Development Results, monitoring and supervision, TA Completion Reports, scoring TA project performance, approaches to Results-Based Management of TA, and TA operational strategy*. The recommendations in the chapter are set out in the table below.

Recommendations	Where discussed in the Report
<p>1. CDB needs to further strengthen the strategic management of technical assistance. This would provide for a more integrated approach to priority setting and identification of intended results, and operationalisation of some TA-intensive strategic objectives and policies such as support for regional cooperation and integration, with consideration of an appropriate balance between different areas of TA. To make this possible, the Bank should develop a <i>TA operational framework or strategy</i> to provide greater strategic focus for TA operations (see Recommendation 11: <i>Operational policy development</i>).</p> <p>As a part of such an operational policy framework, greater emphasis can be given to increased coherence of TA programming in support of key priorities, as distinct from <i>ad hoc</i> funding of individual TA requests, particularly regional TAs. All TAs should be regarded as a use of scarce resources and a tool for pursuing key objectives. Also as a part of such a framework, the Bank should consider identifying and developing "lines" of TA to enable a strengthening of TA design and supervision and increased learning from experience.</p> <p>Particular emphasis should be given to linkages between successive or related TAs or other CDB interventions and with larger programmes or projects or ongoing priorities. Where possible, provision should be made in the TA design for ongoing monitoring of results and/or consideration of possible follow-on supportive action.</p>	<p>Paras. 5.36-5.37, 5.60-5.63, 8.04-8.09, 8.35-8.39 and 9.03-9.13</p> <p>Section 7.3 inset text "Factors in Efficacy", Section 7.5 inset text "Factors in Sustainability" and para. 8.20</p>
<p>2. TA information for policy development and decision making needs to be improved. A comprehensive data base of all types of TA needs to be created and maintained, with some historical information for purposes of comparison and analysis. This is not currently available.</p>	<p>Paras. 5.57-5.59</p>
<p>3. The PPMS may need to be revised to make it more results-oriented and stronger as a tool to assess TAs at entry, and systematic use of the PPMS Pipeline Module as part of the TA project review and approval process should be considered.</p>	<p>Paras. 5.46, 5.58 and 9.34-9.36</p>
<p>4. CDB should provide adequate incentives to ensure that some type of project completion report (PCR) is prepared at the end of every TA. The PCR should be summative and express professional judgment on results and lessons learned. Evaluation and Oversight Division should sample completion reports annually and conduct a substantiation desk audit. Some type of project completion report for every TA project, including, in a simplified form, for smaller TAs, should be a basic requirement of TA operations.</p>	<p>Paras. 5.56 and 9.40-9.42</p>
<p>5. The Bank should establish a TA Focal Point (TAPOINT) or RGTA Work Group in Project Services Division to undertake the substantial work tasks that need to be done centrally.</p>	<p>Paras. 5.50-5.53, 8.40-8.41 and 9.19-9.29</p>
<p>6. A priority should be given to systematic training and occasional follow-up workshops on TA management and experience, evaluation results and lessons learned, drawing on the experience of both CDB and other MDBs, for all operations staff involved in TA work. This should include development of an updated manual of TA policies, criteria and procedures (see Recommendation 11: <i>Operational policy development</i>).</p>	<p>Paras. 3.22-3.25 (including footnote 79) and Appendix J (recommendations group 5).</p>

Recommendations	Where discussed in the Report
7. More resources should be found for TA fieldwork , including portfolio reviews, inception missions and supervision missions, particularly for higher risk institutional development TAs and complex TAs involving several partners.	Paras. 3.26-3.29, 5.54-5.55, 9.32-9.33 and 9.37-9.39, and page 55, Box 1
8. The Bank should use the standard PPES performance criteria for all TA projects over an appropriate lower limit, such as \$50,000, that would cover significant numbers and types of TAs. We suggest that Evaluation and Oversight Division (EOV) should develop <i>guidelines for scoring TAs</i> against the standard criteria, and that EOV also consider defining key results and key results areas (KRAs) for TA, and whether tracking against key results might be a complement to the PPES performance criteria in the PPMS.	Paras. 9.47-9.49
9. Consideration should be given to establishing a <i>TA Small Grants Fund</i> with a fixed ceiling on overall funding and simplified procedures. Such a fund might be \$120,000 per year.	Paras. 9.16-9.18
10. The synergies between the Bank's technical assistance and its investment lending should be a continuing priority in TA operations , including the use of targeted TA to address problems of project implementation as these arise.	Paras. 9.14-9.15
11. Consideration should be given to undertaking the following studies to provide further insights into TA results and effectiveness as well as more effective guidance for Bank staff in TA operations:	
<i>Evaluation studies:</i>	
<ul style="list-style-type: none"> ■ A country-level evaluation, either of TAs or of TAs and investment projects, including project-related as well as stand-alone TAs, preferably where there are important performance issues at stake. The evaluation has identified Guyana as an example of where this could be particularly valuable, covering the experience of the Guyana PIU and the factors underlying the substantial improvement in the Bank's country portfolio performance, and how best to achieve and maintain better portfolio performance in that country (see Box 5 on page 90). ■ A sector or thematic evaluation where there is an available cluster of similar TAs that can be assessed in terms of results and factors that could strengthen TA effectiveness. An example would be TAs supporting tax reform and tax administration or broader economic management. ■ An evaluation study of TAs that have been cancelled in full or in large part, and of other TAs where there have been extended delays in implementation, to identify common factors and other lessons of experience. 	
<i>Operational policy development:</i>	
<ul style="list-style-type: none"> ■ To implement Recommendation 1: Development of an operational policy framework for TAs, identifying relative priorities and intended results for a given time period and providing criteria for decision-making in different areas, drawing on the separate strategies for poverty reduction, supporting regional cooperation and integration, and good governance and institutional strengthening. ■ To strengthen TA project cycle management: Review of TA policies and procedures at each stage of the project cycle, with a view to revising and updating the <i>Technical Assistance Manual</i>, considering separately different categories of TAs, e.g. those executed by a BMC agency, by the Bank, by a regional agency, and by a CSO, and those where CDB is administering TA funds on behalf of another donor agency. Some of the requirements and conditions may need to be adjusted for different types of executing agency, e.g. a regional agency or CSO. 	
<p>This would provide an opportunity to update and strengthen procedures and recognize differences in how best to achieve TA effectiveness in different circumstances, and is particularly important under a substantially decentralized system of managing TA operations.</p>	

Lessons Learned

0.22 The final chapter of the Report identifies, for easy reference, a number of lessons learned, primarily from the examination and analysis of the project sample, against the background of the broader analysis in earlier chapters. These enter into the conclusions and recommendations, and are listed in the box below, with cross-references to examples of where the issues are mentioned in the Report.

Lessons Learned

1. **Staff supervision, including field supervision, is a critical ingredient in project success.** Field visits at project inception and/or during implementation can help to ensure or strengthen project results through improved design, better assessment of institutional capacity, more effectively addressing implementation issues, and/or assessment of evolving circumstances and adjustment of project design in the course of implementation. *(see, for example, paras. 3.26-3.29, 5.52-5.53, 7.66 and 9.34-9.36; Section 7.7 inset tint text block "Factors in CDB Performance"; and Box 1 and para. 7.55)*
2. **Flexibility in project design and in adjusting to changing circumstances in the course of TA implementation can contribute to strengthening project results.** This is especially the case in institutional strengthening/capacity development TAs. *(e.g., Box 1, Box 2; and Section 7.7 inset text "Factors in CDB Performance")*
3. **Linkages with other projects or programmes, either concurrently or as follow-on, can contribute to project effectiveness, results achievement and sustainability.** *(e.g., Section 7.3 inset text "Factors in Efficacy" and Section 7.5 inset text "Factors in Sustainability")*
4. **The presence or absence of supportive and follow-up actions can determine project effectiveness and reduce or increase sustainability risks substantially.** This relates both to project design and to supportive and follow-up action by both the beneficiary or other agencies and CDB itself. *(e.g., Section 7.3 inset text "Factors in Efficacy", Section 7.5 inset text "Factors in Sustainability"; paras. 7.60-7.61, and Box 4)*
5. **Planning for some degree of continued monitoring in appropriate cases can strengthen project outcomes and sustainability.** *(e.g., Box 2 and para. 7.5)*
6. **Steps that can be taken to improve project design, reduce project risk and strengthen project results also include the use, in appropriate cases, of particular expertise that can be made available to the Bank and/or the beneficiary, such as a CARTAC taxation adviser or an FAO or PAHO specialist.** *(e.g., Boxes 1, 3 and 4)*
7. **A more consistent application of CDB's own TA experience and lessons learned could also make a contribution to improving project design and results.** *(e.g., Box 1)*
8. **Where a TA leads to sustainable capacity development it can have a positive impact far out of proportion to its modest budget.** Sustainability is both important and difficult and requires careful attention in project design, implementation monitoring and follow-up action as appropriate. *(e.g., Section 7.5, including inset text "Factors in Sustainability" and paras. 7.60-7.61)*
9. **The TA programme needs to be more strategic and focused in order to have better results.** *(e.g., paras. 5.58-5.61 and 8.04-8.09)*
10. **Managing for results requires information on performance, which is generally lacking in the Bank's TA operations.** There is a general absence of end-of-project assessments by CDB staff, whether in the form of a PCR or otherwise. The PPMS has also not yet been used as an active management tool for TAs. The current evaluation has applied the standard performance criteria to a sample of TA interventions and found that, with some adaptation, there should not be a practical difficulty in applying these criteria and the Bank's PPMS reporting to TAs, other than possibly the smallest TAs, for which a simpler end-of-project report could be used. *(e.g. paras. 2.22, 5.56-5.57 and 9.37-9.43)*
11. **There are specialized experience and skills that are important for effective TA design and implementation.** These are not necessarily available to all projects personnel. Experience since the disbanding of the TCU has also shown that there are some central TA functions that have fallen by the wayside. This underlines the importance of a central focal point for key aspects of TA operations, as well as the need for effective training and access to core TA experience and skills. *(e.g. paras. 2.26, 3.22-3.25 and 9.16)*

1. INTRODUCTION

1.01 This evaluation of the Caribbean Development Bank's technical assistance (TA) operations in the period 2000-2004 was commissioned by the Bank's Evaluation and Oversight Division, as the fifth in a series of TA programme evaluations covering successive periods. The evaluation was undertaken as an independent study under the general guidance of the Evaluation and Oversight Division. It was subject to peer review by staff of the Bank and comments received have been taken into account in this Report. Responsibility for the content of the report, however, including the analysis and the findings and recommendations, rests with the authors.⁵

1.02 The Report begins with an introduction, a chapter on methodology, and a review of other TA evaluations and changing perspectives on technical assistance internationally.⁶ It then provides an overview and analysis of TA operations generally, including a profile of CDB's TA policy framework and TA operations over time, and a separate chapter that provides a more detailed analysis of TA operations during 2000-2004.⁷ This is followed by two chapters that present the results of the study's analysis of the project sample, in terms first of overall performance and then of individual evaluation criteria. The final chapters provide a summary of overall findings and conclusions from the study as a whole, followed by options and recommendations and a selection of some lessons learned.

1.1 Objectives and Scope of the Evaluation

1.03 The broad objective or purpose of the study is to "assess the development effectiveness of CDB's TA Programme in the context of the Bank's increased emphasis on poverty reduction, with a view to obtaining lessons of experience and recommendations, where appropriate, for improvement of the Programme." More specific objectives are to:

- Evaluate performance of the programme over the period 2000-2004 in relation to achievement of Programme objectives;
- Assess the extent to which the programme was/is consistent with strategic objectives and development priorities of the borrowing member countries (BMCs);
- Recommend improvements to strengthen effectiveness, efficiency, relevance and the policy framework of the programme.
- Identify strategic, programmatic and operational lessons; and
- Recommend improvements in the monitoring and evaluation framework.⁸

⁵ The evaluation study was subject to oversight by Anne Bramble, Deputy Director, Evaluation and Oversight, and Paul Morgan of the Division. The study was undertaken and this report prepared by an independent team from the International Development Management Advisory Group and Rideau Strategy Consultants. The members of the consultant team were Allan Barry (Team Leader), Kenneth Watson and John Wood, with Elizabeth McAllister and Peter Morgan providing quality control and input on results-based management and capacity development issues.

⁶ A review of technical assistance operations and effectiveness in other multilateral financial institutions was requested in the Evaluation's *Terms of Reference*, para. 4.02 (d).

⁷ The Evaluation frequently uses the term "technical assistance operations" rather than "technical assistance programme", except where citing use of the latter term in the Terms of Reference, recognizing that the case for viewing CDB's technical assistance activities as an overall programme is, in some respects, itself a part of the Evaluation, and that for many purposes the Bank currently recognizes its technical assistance as a set of discrete activities in support of the Bank's operations and its overall mandate, including a number of, in some cases fairly recent, policy strategies, such as those on governance and institutional strengthening and on supporting regional cooperation and integration. The two terms, nevertheless, can be used more or less interchangeably.

⁸ *Terms of Reference*, para. 2.01.

1.04 A principal element of the study is the analysis of the performance of a selected sample of TA projects approved during the period 2000-2004, using CDB's standard performance criteria. The sample was selected by the Evaluation and Oversight Division prior to the commencement of the evaluation, with some minor adjustments during the inception phase of the study. The sample of projects is large and diverse, but was not selected at random and does not cover all types of CDB's technical assistance. It does not, in particular, include more specialized TA programmes that are being evaluated separately,⁹ and it does not include loan-financed or larger scale TAs. The overview of the Bank's technical assistance operations in Chapter 4, however, attempts to cover as wide a range of TA operations as possible, based on available data for overall TA operations, as well as the core TA programme from which the sample of projects is drawn.¹⁰

1.05 The evaluation study uses CDB's standard evaluation criteria as applied to all types of projects. These are *strategic relevance*, *poverty relevance*, *efficacy*, *efficiency*, *sustainability*, *institutional development impact*, *CDB's performance*, and *performance of the borrower and executing agency*. There is also an additional criterion, *consultant/expert performance*, included to address one of the issues raised in the Terms of Reference.¹¹

1.06 Definitions for the evaluation criteria were drawn from the CDB's project and portfolio monitoring and evaluation system¹² and from the Terms of Reference (TORs), with some adjustments for the particular characteristics of technical assistance operations.¹³ With respect to *poverty relevance*, for example, the TORs emphasize an assessment of "the extent to which CDB's TA programme has contributed, or is expected to contribute, to a reduction of poverty in CDB's BMCs in the context of the 'strategic levers' of capability enhancement, vulnerability reduction and good governance", and "the extent to which CDB's TA programme is being aligned to the objectives in the Poverty Reduction Strategy Paper."¹⁴ In applying this emphasis, the evaluation team was also guided by CDB's Project Performance Evaluation System Matrix.¹⁵

1.07 In addition to the analysis based on the project sample, which is a core element of the study, the Evaluation also responds to some of the broader aspects of the TORs through a review of the policy and operational framework for the Bank's technical assistance and analysis at a more aggregative level. Under *strategic relevance*, the TORs include a review of the volume, composition, financing, goals and selectivity of TA operations during 2000-2004. The TORs similarly call for an assessment of the extent to which the overall goals of the TA programme and the SDF¹⁶ have been achieved or are expected to be achieved, and of the degree of flexibility and adaptability of TA operations in relation to new and emerging priorities of the BMCs.¹⁷

1.08 Under the criterion of *CDB performance*, the TORs require an assessment of quality at entry and management/supervision of TA operations, the allocation of funds to the TA programme, and the suitability of criteria for allocating TA resources to the BMCs.

⁹ These include TA operations under BNTF, CTCS, CTCF and the disaster mitigation programme. TA loans are also not included in the project sample.

¹⁰ An explanation of the composition of the general or core TA programme is provided in Chapter 2.

¹¹ The Terms of Reference for the evaluation study are provided in Appendix K.

¹² CDB, *Project Performance Evaluation System – Matrix*. See also OECD, *Glossary of Key Terms in Evaluation and Results Based Management* (Development Assistance Committee Working Party on Aid Evaluation, 2002).

¹³ CDB has not to date applied the criteria to TA operations in the project portfolio monitoring system, but has indicated its intention to do so, at least for larger TAs where this seems particularly useful.

¹⁴ *Terms of Reference*, para. 3.01 (ii). Use was also made of the *Poverty Reduction Strategy Toolkit* for technical assistance (see Appendix F).

¹⁵ *Project Performance Evaluation System – Matrix*, pp. 3-5.

¹⁶ In the context of the policy direction and priorities set by the Contributors to the Unified Special Development Fund, which is a principal source of funding for CDB's TA operations.

¹⁷ *Terms of Reference*, para. 3.01 (i).

1.09 The TORs require, in addition, an assessment of indicators in place to measure performance, outputs, outcomes and impact of the TA programme, and ask the evaluation team to identify lessons from experience and make recommendations for improving the delivery, sustainability and performance of TA projects and programmes. The evaluators were also asked to assess the potential risks to the Bank if the objectives of the TA programme are not achieved.¹⁸

1.10 The scope of the Evaluation under the other criteria is set out in paras. 3.01, 4.02 and 4.03 of the *Terms of Reference*.

1.2 Context for the Evaluation

1.11 The evaluation of CDB's technical assistance operations over the period 2000-2004 follows earlier programme evaluations undertaken in 1980/81, 1984, 1994¹⁹ and, most recently, in 2000-2001, covering the period 1992-1999.²⁰ It is similar in some respects to recent evaluations of the technical assistance programmes of other multilateral development institutions and evaluations of the MDB concessional funds, some of which have included substantive examination of technical assistance.²¹

1.12 The international development community has sought to strengthen the conceptual basis and objectives of technical cooperation, including greater focus on *capacity development*²² and on improving effectiveness through results-based approaches, including formulating better indicators for performance measurement. This is reflected, for example, in the current study for the Development Assistance Committee of the OECD on *Change, Capacity and Performance*.²³ The present Report touches on some of the current trends in technical assistance, and summarizes some of the findings of other evaluations.

1.13 The *Millennium Development Goals*,²⁴ with their emphasis on specific targets and results, have led to a major effort by the multilateral development banks (MDBs) and other development agencies to develop better techniques for *Managing for Development Results (MfDR)*. This is reflected in the work programmes of all the MDBs, including CDB, which has developed an *MfDR Results Agenda* that has been endorsed by SDF Contributors and is set out in the Bank's current Strategic Plan.

1.14 This evaluation study is an element of the Action Plan endorsed by Contributors to SDF 6 under Pillar 2, *Managing for Results at the Institutional and Corporate Level*.²⁵ Contributors noted, with respect to the planned evaluation of the TA Programme:

An in-depth evaluation is needed to draw lessons on strengths and weaknesses in different areas of a wide-ranging

¹⁸ *Terms of Reference*, para. 3.01 (iv)(b) and (v)(c) and (d).

¹⁹ CDB Post-Evaluation Unit, *Post-Evaluation of Caribbean Development Bank's Technical Assistance Programme (1985-1991)*, December 1994 [referred to below as *TA Evaluation 1994*].

²⁰ Agri-Systems (Jamaica) Limited, *Final Report, Post Evaluation of CDB's Technical Assistance Programme (1992-1999)* [referred to below as *TA Evaluation 2000*].

²¹ For example, *Funds for the Poor – Special Evaluation Study: Asian Development Fund VI-VII Operations* (AsDB, 2003) and *Performance Review, Special Development Fund, Cycle IV* (CDB, 2000).

²² Not all technical assistance has capacity development as an objective. There are other valid objectives for TA, including capacity strengthening in the broader sense, to achieve certain key objectives and supplement the resources available to particular countries, especially smaller states, for particular tasks that may be critical at a point in time. Capacity development, however, has increasingly been viewed in the international development community as a primary objective of technical cooperation.

²³ *Study on Capacity, Change and Performance: Interim Report*, by Peter Morgan and Heather Baser (ECDPM, 2005). Two of the case studies for this project are of Caribbean experience, in one case the OECS and in the other Jamaica.

²⁴ These have been translated, as an outcome of one of the TA projects included in the project sample selected for the Evaluation, into a more Caribbean-specific set of MDGs, reflecting particular circumstances in the Bank's BMCs and providing a framework for both the BMCs and the Bank and SDF (and, by extension, the Bank's TA Programme).

²⁵ *Resolution and Report of Contributors on SDF 6*, p.35, *SDF 6 Action Plan*, Item 24.

*programme. The experience of other development agencies suggests that such an evaluation can yield valuable results in terms of strengthening programme effectiveness if it is carefully tailored to address issues of most direct relevance to the planned programme for the period ahead. The evaluation is intended to assist in strengthening SDF 6 programming.*²⁶

1.15 CDB's *Strategic Plan 2005-2009* provides for monitoring and evaluating the Bank's projects and programmes, and evaluation is a key element in the Action Plan for implementing the Strategic Plan.²⁷

1.16 Both the *Strategic Plan 2000-2004* and the *Strategic Plan 2005-2009* set out a framework of goals and objectives for the Bank, including its technical assistance operations. The *Strategic Plan 2005-2009* provides a framework of strategic objectives, crosscutting themes and priorities that require significant and targeted use of technical assistance, including *Promoting broad-based economic growth* and *Fostering inclusive social development*. The other two of the four strategic objectives, *Promoting good governance* and *Fostering regional cooperation and integration*, are particularly relevant to technical assistance operations. The themes of *Environmental sustainability* and *Disaster risk management and reduction* are also priorities for which technical assistance is a key instrument.

1.17 Similarly, *Pillar 1* in CDB's *MfDR Results Agenda* is support for targeted capacity building at country and regional level, including capacity building for better measuring and monitoring of development results,²⁸ which relates directly to TA operations.

1.18 Issues for the Evaluation, therefore, include the extent to which changes in TA programming to date provide a good basis for addressing CDB's current objectives and priorities.

1.3 Structure of the Report

1.19 The Report consists of:

- An ***Introduction***, provided in the current chapter;
- An overview of the Evaluation's ***Methodology***;
- A review of ***Other Evaluation Studies and Changing Perspectives on Technical Assistance***;
- A ***Profile of the Bank's TA Operations***, which presents an analysis of the composition and focus of TA operations and changes over time, with particular attention to the period 1992 to 2004;
- A more detailed analysis of ***Technical Assistance Operations 2000-2004***, including the management of TA operations; in both the Profile and the chapter on TA Operations in 2000-2004, the analysis considers both *overall TA operations* and, for certain issues, the *general or core TA programme*, from which the project sample for the study is drawn;
- Two chapters on the ***Analysis of the Project Sample***, including findings from the fieldwork and project sample analysis. The first of these reviews *Overall Performance* of projects in the sample, and the second presents evaluation results for the *Individual Evaluation Criteria*; and
- A final three chapters that provide a summary of overall ***Findings and Conclusions*** from the study as a whole, followed by ***Options and Recommendations*** and ***Lessons Learned***.

²⁶ *Report of Contributors on SDF 6*, para. 4.39.

²⁷ CDB, *Strategic Plan 2005-2009*, Table 5, p. 44.

²⁸ *Report of Contributors on SDF 6*, section 4.1 and Chapter 5, *SDF 6 Action Plan*. CDB, *Strategic Action Plan, 2005-2009*, pp.28-30.

2. METHODOLOGY

2.1 General Approach and Types of Analysis

2.01 The objectives and scope of the Evaluation have been described in Chapter 1. The methodology for the study, as set out in the *Terms of Reference*,²⁹ centred on the analysis of a sample of technical assistance projects approved during 2000-2004, although a broader analysis at the programme level was also undertaken to address particular issues and to provide cross-validation for some of the findings.

2.02 The project sample was selected by the Evaluation and Oversight Division of the Bank. The selection of projects was not random, but was intended to cover a range of grant-financed TA interventions of different types and funding sources. The sample includes both country-specific projects and regional and sub-regional interventions. It does not include projects under specialized sub-programmes, i.e. the Basic Needs Trust Fund (BNTF), the Caribbean Technological Consultancy Services (CTCS) Network, natural disaster response and the Disaster Mitigation Facility (DMFC), or the Canadian Technical Cooperation Fund (CTCF). The sample is also focused exclusively on grant-funded projects, rather than TAs under loan financing. Most of the projects in the sample were financed from the Unified Special Development Fund (SDFU), which is the principal source of the Bank's grant TA funding, but grant TA projects financed from other sources were also included.

2.03 In addition to the focus on analysis of the project sample, the TORs also raised a number of broader issues that required an analysis of both the evolving TA policy framework and of TA operations at an aggregate level. In particular, the TORs requested a review of the volume, composition, financing, goals and selectivity of the TA programme, and an assessment of the extent to which the goals of the TA programme and the Special Development Fund have been achieved or are expected to be achieved, the degree of flexibility and adaptability of the programme, the allocation of funds to the programme and to individual BMCs, the management and supervision of TA operations, and monitoring and reporting of TA projects. The TORs also requested an assessment of the extent to which recommendations of the evaluation for the period 1992-1999 have been implemented.

2.04 For addressing these particular issues, the study considers the Bank's statutory technical function and its evolution over time, types of TA provided by the Bank, and TA objectives and programme focus, including the strategic and operational policy framework. In addition, available data on TA operations were collected, categorized and analyzed. This was done at two principal levels of aggregation: *overall TA operations*, including a number of specialized TA or TA-related programmes,³⁰ and the Bank's *general or core TA programme*, excluding the specialized programmes, for which the Bank is undertaking separate evaluations.³¹ Nevertheless, a synthesis of the present evaluation and the separate evaluation studies being undertaken for the specialized programmes will be necessary for a comprehensive assessment of CDB's technical assistance performance.

2.05 The TORs also requested a review of some of the evaluations of the operations and effectiveness of other multilateral technical assistance programmes,³² and this was undertaken as a part of the evaluation study.

²⁹ *Terms of Reference*, paras. 3.01 and 4.01.

³⁰ Based on data available. Since the Bank does not currently report on TA operations at this level of aggregation, data from sometimes differing sources were used, and certain categories of technical assistance were not necessarily fully represented, as discussed further in Chapter 4. Aggregation issues are also discussed in Chapter 4.

³¹ The specialized programmes are those referred to above, i.e. BNTF, CTCS, CTCF and disaster response and disaster mitigation.

³² *Terms of Reference*, para. 4.02 (d).

Project Evaluation Criteria

2.06 Since the previous TA programme evaluation, which covered the period 1992-1999, CDB has adopted a set of standard criteria for judging performance at the project level. These criteria are based on the OECD/DAC harmonized performance criteria, which CDB adopted in its Project Performance Evaluation System (PPES) with some additions. The Evaluation uses these performance criteria in its analysis of the project sample, and in the findings based on that analysis. The standard criteria are *strategic relevance, poverty relevance, efficacy, efficiency, sustainability, institutional development impact, CDB performance, and beneficiary/executing agency performance*.³³ In addition, the Evaluation uses a further criterion of particular relevance to technical assistance, *consultant/expert performance*.³⁴

2.07 CDB has used the standard performance criteria since 2001 to assess investment projects, but has only just begun to apply them to technical assistance. Use of the criteria for TA evaluation, with the related methodology for scoring and rating, was, therefore, partly experimental. The application of the criteria, however, was judged by the evaluation team to be generally appropriate, with some adjustments in factors and issues to be considered.³⁵ Some comments on the future use of these criteria for TA evaluation work are included in Chapter 9 of the Report.

2.2 Components of the Evaluation

2.08 In taking a multiple-lines-of-evidence approach to analyzing the performance of the TA project sample and the broader questions in the Terms of Reference, the Evaluation was structured in several components, which have been drawn on in preparing the various parts of the Report. The components of the Evaluation were:

1. ***A profile and overview analysis of the Bank's technical assistance operations***, including CDB's technical assistance function, the objectives and focus of the programme, the strategic planning and policy context, and the level, structure, composition and sources and types of financing of TA activities, with emphasis on the period 2000-2004, but in relation to two preceding periods, 1992-1995 and 1996-1999.

A data base for TA operations from 1992 to date was developed with the assistance of Evaluation and Oversight Division, Projects Department and Corporate Planning Division. It includes summary data on individual TA projects, their initial approval dates, general nature or purpose, amounts approved, nature and source of funding, and amounts cancelled, if any. A sectoral classification of individual TA activities was developed, based on the nature of TA operations during the period and on relevant policy and operational objectives and guidelines. The data were also adjusted as appropriate for comparability and purposes of analysis. This historical data was analyzed to understand the nature of TA operations and how these have evolved, and their general coherence and focus, and was used to provide an overview of the level, types, size and nature of TA interventions over three time periods. The evaluation team examined the responsiveness to strategic and operational policy objectives, as well as the use of different types and sources of funding.

2. ***An examination of TA management systems and practices***, particularly during the period 2000-2004, including project and programme development, monitoring and supervision, and the relationship of TA operations to the Bank's strategic planning and results management.

³³ The standard criterion is "borrower/executing agency performance". This was adapted to "beneficiary/ executing agency performance" to reflect the nature of the Bank's TA operations, where TA recipients are not necessarily borrowers. Care was taken to avoid double-counting in those cases where CDB was itself executing the TA project.

³⁴ Where there were one or more consultants and/or experts involved in the TA.

³⁵ See *Evaluation Criteria and Issues* matrix in Appendix A and *Draft Logical Framework Matrix* in Appendix B.

3. ***A review of other technical assistance evaluations and evolving international perspectives on technical assistance***, as part of the evaluation context and to better understand lessons of experience of other agencies and the changing nature of technical assistance. This included a review of the recommendations of previous evaluations of CDB's technical assistance programme.

4. ***An in-depth examination of the project sample***, to build an understanding of the economy, efficiency and effectiveness of TA operations at the project level, first from files, documents and interviews with CDB staff, and then from interviews and analysis in the field. A data collection instrument or protocol was developed for file review and to compile interview data, incorporating a case summary, a section for each of the performance criteria, and a section on lessons learned.³⁶

Data collection included interviews in seven countries, including five BMCs for country-specific and regional or sub-regional projects, and two additional BMCs for some of the interviews on regional and sub-regional TA. In the field, the evaluators collected information on issues related to quality at entry, supervision and management, outputs and outcomes, and, where possible, longer term impacts or expected impacts. Information was organised by the nine performance criteria, with an additional category for lessons learned. The evaluators also collected information on BMC perceptions and levels of satisfaction with respect to CDB TA operations.³⁷

Projects were scored and categorized against each performance criterion. The evaluators also examined the correlation of various factors with the performance scoring. The scoring was then used to assess performance in terms of CDB's standard performance rating bands. The evaluators also identified specific examples to illustrate factors underlying the scoring and rating, and provide the evidence on which a number of the findings and conclusions of the evaluation are based.

5. ***Drawing of findings and conclusions and lessons of experience from the preceding components, and formulation of options and recommendations***.

In the development and preparation of the Report, a distinction is made between the analysis and presentation of evidence trails, the presentation of key findings and conclusions based on the analysis and evidence, the Evaluation's recommendations and options for consideration by the Bank, and selected lessons earned.³⁸

2.3. Sampling Frame

2.09 The sampling frame from which the project sample was drawn consisted of 181 TA projects approved during the period 2000-2004 in the Bank's *core TA programme* and included in the Evaluation data base. This excludes the specialized sub-programmes to which reference has been made above, as shown in Table 2.1.

³⁶ Appendix C.

³⁷ *Terms of Reference*, para 4.03.

³⁸ A distinction that follows the *DAC Evaluation Quality Standards* (DAC Evaluation Network, March 2006). For simplicity of presentation, however, the main findings and conclusions are presented together in a single chapter. Some lessons learned from the analysis of the project sample follow in a separate chapter after findings and recommendations. (*DAC Evaluation Quality Standards*, p. 8, para. 10.3.)

TABLE 2.1 TECHNICAL ASSISTANCE PROJECT SAMPLING FRAME

Group	No. of TA Interventions	%	Amount Approved (\$ million)	%
Overall TA Operations 2000-2004	278	100%	54.4	100%
Specialized Programmes				
Basic Needs Trust Fund (BNTF) ³⁹	18	6%	16.8	30.9%
Caribbean Tech. Consultancy Services (CTCS) ³⁵	14	20%	2.1	3.9%
Canadian Technical Cooperation Fund (CTCF)	28	8%	2.1	3.9%
Disaster Response/Mitigation	37	11%	1.9	3.5%
Core TA Programme (Sampling Frame)	181	65% of total	31.5	57.9% of total
Sample	40	22% of sampling frame	6.9	22% of sampling frame
Effective Sample	38*	21% of sampling frame		

* Two projects could not be scored on performance, for different reasons. One other project because of its nature was scored more selectively.

2.4. The Project Sample

2.10 A sample of 40 projects was selected by the Bank's Evaluation and Oversight Division. This includes 22 country-specific TA projects and 18 regional or sub-regional projects (see Table 2.6 at the end of the chapter). Of these, the study team was able to gather sufficient information within the time allowed for data collection to score 37 projects against all or most of the performance criteria.⁴⁰ One additional 'project cluster', the Bank's project preparatory facility, was scored more selectively, using an approach developed in the TA programme evaluation being undertaken concurrently by the Asian Development Bank, under which the results of a project preparatory TA are assessed primarily by whether the TA leads to a well-prepared investment project, on the grounds that other outcomes are too difficult to distinguish from those of the resulting investment project.⁴¹

2.11 The sample includes approximately 22% of projects in the sampling frame. It includes grant TA in various sectors and thematic areas, for the most part free-standing rather than project-related TAs, and does not include TA projects financed by loans. The criteria used by EOVS for project selection included that the sample should cover a range of types of interventions in key areas of TA programme focus, using different sources of funding, but with emphasis on projects financed by SDFU, and focusing on grant-funded TAs.

2.12 Practical budget considerations were kept in mind, and field work was clustered in selected countries. Some of the characteristics of the project sample are shown in Tables 2.2 and other characteristics, including country coverage and size, are shown in Table 2.3 and the tables immediately following.

³⁹ In the case of BNTF and CTCS, the numbers shown for TA interventions are for country-level approvals, rather than individual sub-projects, which are relatively small and numerous (discussed further in Notes 164 and 165 in Chapter 4). The amounts in dollar terms, however, are for commitments to end-use, i.e. sub-projects. This is to facilitate analysis without distorting the presentation, and is discussed, together with both sets of numbers, in Chapter 4

⁴⁰ Institutional development impact was not scored or used in the performance ranking in those cases where ID impact was not an explicit or implied objective of the TA. Similarly, consultant/expert performance was not scored where a consultant or expert was not involved. It was not possible to undertake the necessary interviews for one regional project, which had been based in Jamaica, and for one project that was not implemented.

⁴¹ Unpublished AsDB evaluation planning documentation.

TABLE 2.2: CHARACTERISTICS OF PROJECTS IN THE SAMPLE*

Project Type	No. of Projects**	% of Sample***
Economic Management		
<i>Tax reform and tax administration</i>	7	17.5%
<i>Economic adjustment</i>	5	12.5%
<i>Trade relations and negotiations</i>	2	5.0%
<i>Other</i>	3	7.5%
Delivery of Public Services		
<i>Education and research</i>	2	5.0%
<i>Health</i>	2	5.0%
<i>Other</i>	1	2.5%
Governance (other than above)		
<i>Justice and security</i>	2	5.0%
<i>Public administration/ public service reform</i>	4	10.0%
<i>Other</i>	4	10.0%
Sector Development		
<i>Financial sector</i>	3	7.5%
<i>Agriculture</i>	3	7.5%
<i>Other</i>	1	2.5%
Civil Society	3	7.5%
Environment	2	5.0%
Private Sector Development	2	5.0%
Targeted Poverty Reduction	1	2.5%
Support for CDB Operations		
<i>Project preparation</i>	2	5.0%
<i>Other</i>	2	5.0%
CDB Institutional Development	1	2.5%
Country-Specific Projects	22	55%
Regional and Sub-regional Projects	18	45%

* Categories are those developed for the analysis in Chapters 4 and 5. Only those covered by the sample are shown.

** Number of projects listed total more than 40 because some projects have more than one characteristic listed.

*** Percentages total more than 100% because some projects are shown with more than one characteristic.

TABLE 2.4: SIZE OF PROJECTS IN THE SAMPLE

Project Size	No. of Projects	% of the Sample
President's Approval		
<\$50,000	3	7.5%
\$50,001 to \$100,000	10	25.0%
\$100,001 to \$150,000	15	37.5%
Board of Directors Approval		
\$150,001 to \$250,000	4	10.0%
> \$250,000	8	20.0%
TOTALS	40	100.0%

TABLE 2.3: COUNTRY COVERAGE OF PROJECT SAMPLE

Location of TA Project or Project EA/IA	No. of Projects	% of Sample
<i>Country-specific projects</i>		
<i>Dominica</i>	4	10.0%
<i>Guyana</i>	6	12.5%
<i>St. Kitts & Nevis</i>	2	5.0%
<i>St. Lucia</i>	4	10.0%
<i>St. Vincent & the Grenadines</i>	6	15.0%
<i>Regional/Sub-regional projects⁴²</i>		
<i>Barbados/regional</i>	6	15.0%
<i>Guyana (CARICOM)</i>	3	7.5%
<i>St. Lucia (OECS)</i>	3	10.0%
<i>Trinidad & Tobago/regional</i>	5	12.5%
<i>Other⁴³</i>	1	2.5%
TOTALS	40	100.0%

2.13 Country-specific projects were selected from five countries. Field work for individual regional and sub-regional projects was undertaken in two or more of the seven countries visited by the evaluation team. Most interviews were in person. Some interviews were also undertaken by telephone, particularly for consultants and experts.

2.14 The size of projects in the sample, in terms of amount originally approved, is shown in Table 2.4, and a comparison between the overall sampling frame and the sample in terms of the programme categories used in the Evaluation is provided in Table 2.5.

2.15 As Table 2.5 indicates, the sample of projects for this evaluation study is more concentrated in economic management than is the population of TA projects for 2000-2004. It is less concentrated in “delivery of public services” and “sector development”.

⁴² For regional projects where there were an executing agency (EA) and one or more implementing agencies in different countries, the location of the EA is shown. In the case of one of the Barbados projects, the EA was the CDB. In two other cases where CDB was the EA, the projects are shown under the countries where field interviews were undertaken.

⁴³ In this case the EA was in Jamaica and the intention had been to conduct interviewing by telephone.

TABLE 2.5 SAMPLING FRAME AND TA PROJECT SAMPLE

Project Type	No. of Projects in Sampling Frame*	% of Sampling Frame	No. of Projects in Sample ⁴⁴	% of Project Sample
Economic Management	41	22.7%	17	42.5%
Delivery of Public Services	47	26.0%	6	15.0%
Governance (other than above)	29	16.0%	5	12.5%
Sector Development	36	19.9%	3	7.5%
Environment	6	3.3%	2	5.0%
Support for CDB Operations	15	8.3%	4	10.0%
CDB Institutional Development	18	9.9%	1	2.5%
Other	11	6.1%	2	5.0%
TOTALS	181	100.0%	40	100.0%

2.5. Data Collection for Projects in the Sample

2.16 Information on each of the projects in the sample was collected from different sources and captured in a standard field questionnaire or protocol. The information was both quantitative and qualitative and, as noted above, was structured to provide a case summary, factors relating to each of the evaluation criteria, and lessons learned.⁴⁵

2.17 The information collected included data from:

- (a) The Project Performance Management System and other available data bases;
- (b) Documentation of the Bank and government agencies, including CDB registry files on individual projects and on TA operations in the countries concerned, project approval documentation, consultants' reports and CDB supervision reports where available, disbursement and other records, grant agreements, documentation related to CDB country or sector strategies, and in some cases file records or other documentation obtained in the field; and
- (c) Interviews with selected personnel from the Bank, beneficiary agencies and executing or implementing agencies, as well as with consultants for some of the projects and with other selected stakeholders, including, in the case of regional and sub-regional projects, senior personnel from some of the other donors involved and members of the agency's governing or advisory body.

Data collection was undertaken in person unless that was impractical. A small number of interviews were conducted by telephone.

2.6. Performance Scoring and Rating

2.18 The projects in the sample were scored individually on the basis of the evidence assembled for that particular project, using a set of indicative questions and factors.⁴⁶ The scoring was done on a scale of 1 to 10 for each of the nine criteria. A *composite rating* in terms of performance "bands" was then calculated, applying CDB's standard methodology for this purpose, using six selected criteria (*strategic relevance, poverty relevance, efficacy, efficiency, sustainability* and *institutional development*) and CDB's normal weighting.⁴⁷ Both the individual scoring and the composite rating approaches were used to provide insights into and allow an assessment of project-level performance. In addition, an unweighted rating

⁴⁴ Based on primary categorization in Table 4.3 below. Does not include secondary categorizations used in Table 2.2.

⁴⁵ Appendix C.

⁴⁶ As already noted, these were based on CDB's standard *Project Performance Evaluation System – Matrix*, adapted to particular factors and issues related to technical assistance, with the benefit of insights from other TA evaluation studies.

⁴⁷ The weights used were those in the CDB's Project Performance Evaluation System: *Strategic relevance* 0.1, *poverty relevance* 0.2, *efficacy* 0.3, *efficiency* 0.1, *sustainability* 0.1, and *institutional development impact* 0.2.

was calculated for each of the full nine evaluation criteria, to allow performance to be presented according to the Bank's standard performance bands (*excellent*, *highly satisfactory*, *satisfactory*, *marginally unsatisfactory* and *unsatisfactory*).

Benchmarking

2.19 As an initial step, the evaluation team undertook a benchmarking exercise to strengthen and improve the consistency of the scoring. The consultant team met with the Deputy Director, Evaluation and Oversight Division, and they jointly scored the performance of eight TA projects. In addition, two members of Projects Department with extensive experience in managing TA projects joined the benchmarking group and contributed to discussion, but did not participate in the scoring.

2.20 The idea was that the eight projects would provide a “benchmark” for the scoring of the other projects in the sample by the consultants who had examined those particular projects.⁴⁸ The Delphi technique was used in the benchmark exercise. It is a well-developed approach to having a group of experts score project performance while staying objective and true to their individual professional judgements. The Delphi technique enables each participant to avoid being overly influenced by subjective factors such as authority relationships or other inter-personal factors.⁴⁹

2.21 It is important to emphasize that the Delphi method maximizes the objectivity of the scorers. Every score is made anonymously. There is no attempt to force a “group consensus”. Normally, scores on the same project by different persons tend to converge because the average performance score is available to inform discussion in the subsequent round of scoring. The anonymity of each score minimizes the suppression of diverse views that might otherwise arise out of authority, prestige or personality dominance within the group. The anonymity of the scoring enabled the Deputy Director, Evaluation and Oversight, to participate without compromising the objectivity of the other evaluators.⁵⁰

2.7. Limitations and Constraints

2.22 A limitation of the study was with respect to the project sample, which was not fully representative of CDB's TA operations as a whole. The sample covered key components of the general or core TA programme, excluding the specialized TA programmes. It was also, however, limited to grant-financed TAs, and did not include loan-financed TAs or TAs presented as part of an investment project. Nor did it include a very large TA.⁵¹ Economy also dictated a restricted selection of BMCs for the country-specific projects in the sample and for field visits with respect to country/regional projects, and these were in the Eastern Caribbean.⁵² Countries visited, however, were significant recipients of TA or involved in TA execution or delivery of key projects. The project sample also reflected most of the TA programme categories that emerged from the Evaluation's review of CDB's core TA operations.

2.23 The analysis of TA operations at the aggregate level covered all TA categories and all projects included in the data base developed for the Evaluation. It was recognized, however, that this did not include a number of investment-related TAs that were developed as part of an investment project, at

⁴⁸ Responsibility for investigating and assessing individual projects was divided among the members of the evaluation team. Each team member had responsibility for scoring each of the projects that that team member had investigated.

⁴⁹ See, for example, Watson, K. (2006) “Making Cost-Benefit Analysis a Practical Tool for Evaluation”, *Canadian Journal of Program Evaluation*, Vol. 21, No. 1, Spring 2006, or, for an overview of the literature see RAND Corporation (2003), “Delphi and Long-Range Forecasting: A Bibliography”, Palo Alto, CA.

⁵⁰ Further information on the characteristics of a Delphi exercise and the results of the benchmarking are provided in Appendix D.

⁵¹ Large TAs of more than \$1 million, although very few in number, may have different characteristics in terms of scope, relationship to a larger ongoing programme, supervision by CDB staff and/or degree of commitment by the executing agency.

⁵² The coverage of the regional projects, however, covered most or all of the BMCs.

least after TA reporting was changed in late 2001.⁵³

2.24 Project documentation available from files was incomplete for some projects, and field-level supervision and follow up reports were frequently unavailable, particularly after 2002. At least in part this may have been due to limitations on availability of operations staff during the period and subsequently, which limited field-level project planning and supervision. Headquarters-based monitoring was more complete. The data limitations were in part offset by the availability of CDB staff and former staff members for discussion with the evaluators.

2.25 Although some basic information on TA projects was available from the PPMS reporting system, PPMS has not to date been used for TA monitoring. This key information system is not yet fully operational or complete for the Bank's technical assistance activities.

2.26 Specific reporting on TA operations, other than periodic reports to the Board of Directors on stand-alone TAs under implementation, was not available after the dissolution of the Technical Cooperation Unit at the end of 2002. Disruption to files relating to the TA programme as a result of the reorganisation of the Projects Department also meant that available reports on TA operations from earlier years were incomplete. As a result, consistent series of data were in some cases difficult to complete. It was possible, however, to construct a broad overview of TA operations for three consecutive time periods, even if some information was missing and if the data on TAs related to investment projects may have been incomplete.

2.27 Nevertheless, the Evaluation's analysis drew on considerable available documentation, including policy and strategic planning documents, past evaluations, operational guidelines, reports on technical assistance operations where these were available, available data on TA approvals, cancellations and disbursements, the separate data base developed for the Evaluation, and files and reports with respect to each of the projects in the full project sample. The evaluation team held interviews with CDB staff, in the field with beneficiaries, executing agencies, other selected stakeholders and some of the experts and consultants, and in some cases examined additional documentation in the field. The Report's analysis and findings were also subjected to validation through discussion with, and review of drafts by, CDB staff. In addition, the report was subject to an internal quality control process involving TA and evaluation specialists who supplemented the evaluation team for this purpose.

⁵³ Beginning with the report on *Status of Technical Assistance Projects under Implementation as of September 30, 2001*, reporting was electronically generated by the new Project Performance and Monitoring System and included only "stand alone" TA projects. Project-related TA, i.e. TA that was presented together with a capital project, was no longer included in TA status reports (BD 72/01, December 13, 2001). Separate records, however, were kept, on a somewhat different basis, by the TCU until that unit was dissolved at the end of 2002. Detailed reporting on TA under CTCS also ceased after the *CTCS Network Annual Report* for 2002.

TABLE 2.7: TECHNICAL ASSISTANCE OPERATIONS 2000-2004 – SELECTED PROJECT SAMPLE

PRN	COUNTRY	PROJECT NAME	Year	Source of funds	Amount Approved	PROGRAMME CATEGORY
					\$ '000	
1825	Dominica	Public Service Development Programme	2001	SDF	44	Governance/Public Service Reform
1876	Dominica	Revenue System Reform	2002	SDF	114	Economic Management/Tax Reform
1985	Dominica	Institutional Strengthening of Ministry of Finance	2003	SDF	146	Economic Management
2020	Dominica	Assessment of Economic Stabilisation and Adjustment Programme	2003	SDF	148	Economic Management/Economic Adjustment
1813	Guyana	Institutional Strengthening of Ministry of Finance/CDB PIU	2000	SDF	150	Support for CDB Operations
1772	Guyana	Institutional Strengthening of Ministry of Health and Labour	2000	SDF	148	Governance/Economic Management
1773	Guyana	Diagnostic Study on Computerisation of Ministry of Home Affairs	2000	SDF	100	Governance
1951	Guyana	Institutional Strengthening of Revenue Authority	2002	SDF	300	Economic Management/Tax Reform
2042	Guyana	Governance Conflict Analysis and Resolution	2003	SDF	46	Governance
1862	Guyana	Establishment of a Coastal Zone Management System	2001	SDF	336	Environment
1896	St. Kitts & Nevis	CDB/FAO Preparation of Agricultural Development Project	2002	SDF	149	Support for CDB Operations
3160	St. Kitts & Nevis	National Strategic Plan for Health	2004	SDF	59	Public Services/Health
1782	St. Lucia	TA to Government to Implement Shelter Development Project	2000	SDF	61	Public Services/Shelter
1929	St. Lucia	Public Relations Consultant for Banana Recovery Programme	2002	SDF	80	Economic Management/ Economic Adjustment/Agriculture
2017	St. Lucia	Customs & Excise Administration: ASYCUDA	2003	OSF-IDB+SDF	458	Economic Management/Tax Administration
1932	St. Lucia	Institutional Strengthening of Inland Revenue/ Property Tax Reform	2003	OSF-IDB	138	Economic Management/Tax Reform
1816	St. Vincent & the Grenadines	Institutional Strengthening of the Development Bank	2000	SDF	135	Sector Development/Financial Sector
1850	St. Vincent & the Grenadines	Establishment of Integrated Project Cycle Management System	2001	SDF	82	Support for CDB Operations
1861	St. Vincent & the Grenadines	Institutional Strengthening of Inland Revenue Department	2001	SDF	278	Economic Management/Tax Reform
1860	St. Vincent/ & he Grenadines	Introduction of Value Added Tax	2001	SDF	145	Economic Management/Tax Reform
1950	St. Vincent & the Grenadines	North Windward Development	2003	SDF	143	Governance/Economic Development/ Poverty Reduction
3176	St. Vincent & the Grenadines	Improvement of Collection and Compilation of Tourism Statistics	2004	OSF-IDB	150	Economic Management/Statistics/Tourism
1787	Regional	TCA, Institutional Strengthening of CARICOM Phase III	2000	OSF-Mexico	250	Regional Cooperation
1778	Regional	Domestic Violence Intervention Training for Police	2000	SDF	200	Governance/Justice & Security/Civil Society
1669	Regional	Project Preparation Assistance to BMCs	2001	SDF	589	Support for CDB Operations
1835	Regional	Establishment of Caribbean Regional Technical Assistance Centre	2001	SDF	300	Economic Management
1875	Regional	Institutional Strengthening of the Office of Research of UWI	2001	SDF	138	Public Services/Education & Research
1836	Regional	Review of Regional Health Institutions	2002	SDF	300	Public Services/Health
1947	Regional	Research Project on Gender Differentials in Education Systems	2002	SDF	212	Public Services/Education/Gender
1878	Regional	Private Sector Summit 2002 "Competitive Private Sector Development."	2002	SDF	97	Private Sector Development/ Economic Adjustment
1922	Regional	Establishment of Services Trade Unit at CRNM	2002	SDF	300	Economic Management/Trade Relations
1854	Regional	Commodity Development Transformation for Agriculture	2002	SDF	250	Economic Management/Economic Adjustment/Agriculture
2019	Regional	Train the Trainers' Workshop Youth Development Programme	2003	SDF	95	Governance/Justice & Security/Civil Society
1993	Regional	Regional Workshop on Tax Policy Design	2003	SDF	120	Economic Management/Tax Reform
3164	Regional	Supporting the Achievement of Millennium Development Goals	2004	SDF	93	CDB Institutional Development
1819	Sub-regional (OECS)	Strengthening Trade-Related Legislation of OECS Countries	2000	OSFR-USAID	100	Economic Management/Trade Relations
1817	Sub-regional (OECS)	Study, Establishment of Financial Intelligence Unit in Eastern Caribbean	2001	SDF	48	Sector Development/Financial Sector
1955	Sub-regional (OECS)	Institutional Strengthening of OECS States Environmental Management	2002	SDF	122	Environment
1913	Sub-regional (OECS)	ACS Language Training Pilot for OECS Countries	2002	SDF	100	Public Services/Education
1935	Sub-regional (Eastern Carib.)	Development of Micro-Finance Institution for Eastern Carib. & Guyana	2003	SDF	140	Sector Development/Financial Sector/Poverty Reduction

CHAPTER 3 HIGHLIGHTS

- Past evaluations of technical assistance by other MDBs and development agencies have shown relatively consistent findings on issues and constraints in TA effectiveness.
These include differing objectives between funding agency and beneficiary, issues of ownership and commitment, quality at entry issues such as institutional capacity and TA design, persistent weaknesses in TA supervision, and incentives, motivation and TA experience and skills on the part of donor agency staff.
- Some of the success factors for effective TA include:
 - Explicit consideration of TA interventions in country programme strategies;
 - Strategic timing in relation to government policy or programme changes;
 - Objectives that are realistic in terms of time and resources;
 - Application of lessons of experience in TA selection, design and implementation;
 - Strong TA skills, experience and motivation of funding agency staff;
 - Effective monitoring and supervision, including TA review missions;
 - Flexible terms of reference and provision for review and, as appropriate, adjustment of objectives, design and scope during implementation;
 - Post-project assessment of effectiveness and outcomes, and methods of applying lessons learned.
- There are a number of emerging trends that are shaping technical assistance internationally. These include:
 - Growing diversity among developing states;
 - More complex TA agendas;
 - Evolution in beneficiary/funding agency relationships;
 - Influence of the Internet and information technology;
 - New approaches to capacity development;
 - Sectoral and national reforms;
 - Emergence of new actors in the provision of TA.

3. OTHER EVALUATION STUDIES AND CHANGING PERSPECTIVES ON TA

3.01 The Evaluation's Terms of Reference included an examination of technical assistance effectiveness issues in other international agencies.⁵⁴ This was addressed by a review of a number of previous TA evaluations. The findings of such evaluations can be helpful in understanding the persistence of particular constraints and the extent to which there are common problems.

3.02 The search for more effective international technical assistance for development is not new.⁵⁵ It has been the subject of debate and experimentation for at least four decades.⁵⁶ If dramatic and easy solutions were available, they would have been implemented long ago. There appears to be no single solution that can ensure greater effectiveness. This chapter accordingly considers a sample of past TA studies and evaluations⁵⁷ and sets out some of the findings relevant to the current evaluation.

3.03 Multilateral development banks, including the CDB, are also now operating in economic, political, developmental and security conditions that have changed substantially. To get beyond the usual analysis of the micro-procedures of TA design and management, we have, in addition, set out some of the emerging trends that are helping to shape contemporary thinking on technical assistance and are likely to influence the effectiveness of TA in the years ahead.

3.1. Past TA Studies and Evaluations

3.04 In the late 1980s, some European donors, the World Bank, the UNDP and the Development Assistance Committee (DAC) of the OECD initiated a series of studies on the effectiveness of technical assistance, particularly in Africa.⁵⁸ All pointed to TA's general lack of developmental impact.⁵⁹ In many cases, TA effectiveness was found to revolve around a few key issues, including crowding out of beneficiary initiative, leading to changes and reforms that had inadequate local ownership, legitimacy and sustainability. In response, donors began to undertake fewer projects and to shift to less intrusive, more facilitative roles. More attention was paid to facilitating country ownership.

3.05 Other factors included weaknesses in quality at entry, including inadequate capacity assessment, lack of sufficient attention to defining objectives and adapting project design to the lessons of experience, inadequacies in management and supervision of TA projects, including lack of field-level TA review missions, and inadequate flexibility in adjusting TA interventions in the course of implementation to an evolving context, especially for institutional development and capacity strengthening types of TA.⁶⁰

⁵⁴ *Terms of Reference*, para.4.02 (d).

⁵⁵ The practice of international technical assistance has been around for decades. For a brief survey and an analysis of the uniqueness of international TA for development, see Peter Morgan, "Technical Assistance: Correcting the Precedents", *Development Policy Journal*, December 2002.

⁵⁶ For one of the first analyses of TA and its failings, see the report of the Pearson Commission, *Partners in Development*, 1969.

⁵⁷ Including CDB evaluations, in particular: CDB Post-Evaluation Unit, *Post-Evaluation of Caribbean Development Bank's Technical Assistance Programme (1985-1991), December 1994* [referred to below as *TA Evaluation 1994*] and Agri-Systems (Jamaica) Limited, *Final Report, Post Evaluation of CDB's Technical Assistance Programme (1992-1999)* [referred to as *TA Evaluation 2000*].

⁵⁸ Robert Cassen and Associates, *Does Aid Work?* 1986. World Bank *Technical Assistance Activities and Issues*, 1987. OECD/DAC, *Principles for New Orientations in Technical Cooperation*, 1991. Berg, Eliot, J., *Rethinking Technical Cooperation: Reforms for Capacity Building in Africa*, United Nations, 1993.

⁵⁹ A major World Bank study in 1995 estimated that the performance of only 19% of the Bank's technical assistance could be judged as satisfactory.

⁶⁰ These were key conclusions in the Asian Development Bank's review of project quality (A. J. Barry et al, *Project Quality*:

CHAPTER 3 – OTHER EVALUATION STUDIES AND CHANGING PERSPECTIVES ON TA

3.06 This attention to TA effectiveness continued through the 1990s.⁶¹ Since 2000, a new series of studies and reassessments have been carried out.⁶² More are currently underway.⁶³ The evaluation team has reviewed a sample of the evaluations from other multilateral development banks (MDBs) to gain a sense of the issues.

3.07 Prescriptions for TA reform have varied considerably. Smaller organisations such as the Commonwealth Secretariat or the International Development Research Center (IDRC) follow different TA strategies than do larger multilaterals such as the World Bank or the Asian Development Bank. Different countries and different sectors also require varied approaches. Nevertheless, there are a number of issues and constraints that provide a common thread through much of past evaluation work, and some of this is echoed in CDB's previous TA evaluations.

The context of technical assistance

3.08 Many of the past evaluations focused on 'micro' organisational and technical issues to do with the management and design of a TA intervention. But most also noted that few TA interventions seemed able to overcome systemic weaknesses or non-developmental agendas. Neither beneficiary countries nor funding agencies did well in assessing broader contextual issues that influenced TA implementation, especially political, institutional and cultural constraints, or in adequately assessing institutional capacities and the impact of TA on such capacities. The interrelationships between micro and macro issues in TA effectiveness gained more importance through the 1990s and early 2000s.⁶⁴

Purposes of TA

3.09 TA interventions have always been characterized by multiple, and sometimes hidden or conflicting, objectives among the participants. Donors have used TA for a variety of purposes, including scrutiny and control, boosting performance in the short term, capacity development in the longer term, supporting national or bureaucratic interests, promoting commercial objectives, programme design, or supervision and monitoring.

3.10 Recipient countries have used TA for gap filling, to supplement current budgets, for symbolic compliance, for capacity development, for gaining access to operating costs and equipment, for political protection and for mollifying impatient donors. Groups within countries, e.g. the Ministry of Finance *vs* operating agencies, senior *vs* street-level staff, differed in their attitudes to and use of TA. Many past case studies illustrated the difficulty in getting the TA interests of the different participants to coincide.

Country ownership and commitment

3.11 Most evaluations have emphasized the need for recipient governments and agencies to be more involved in the preparation of TA programmes and the selection of TA personnel. Most funding agencies, in principle, have supported greater beneficiary control, and many recommendations centered on ways to strengthen such commitment of the beneficiary and other stakeholders.

An Agenda for Action, Asian Development Bank, 1995), and were also reflected in various other evaluation studies.

⁶¹ World Bank, *Managing Technical Assistance in the 1990s: Report of the Technical Assistance Review Task Force*, November 1991. Asian Development Bank, *Review of the Asian Development Bank's Technical Assistance Operations*, 1997. Peter Morgan and Heather Baser, *Review of Technical Assistance Loans in the World Bank*, October 1996.

⁶² For example, United Nations Development Programme, *Developing Capacity Through Technical Cooperation: Country Experiences*, Earthscan, 2002. Asian Development Bank, "Special Evaluation Study on the Performance of Technical Assistance- 2nd Position paper", May 2006, unpublished.

⁶³ *The Provision of Technical Assistance Personnel: What can we learn from promising experiences?* A joint evaluation study for AusAID, DMZ and DANIDA carried out by the European Center for Development Policy Management, 2006.

⁶⁴ A good example is David Steedman, *The Importance of Governance in Assessing the Potential Benefits and Risks of Technical Assistance for Institutional Development*, World Bank Discussion Report, January 1995.

CHAPTER 3 – OTHER EVALUATION STUDIES AND CHANGING PERSPECTIVES ON TA

3.12 Rapid improvements were difficult to achieve. TA performance depended on the co-ordinated efforts of a dispersed group of actors, including MDBs, their stakeholders and clients, many of whom had differing incentives, interests and cross-pressures. And it proved difficult for the participants to assess adequately the nature and durability of beneficiary commitment and to make design decisions on the basis of that assessment.

3.13 World Bank TA evaluations, for example, portrayed World Bank staff as finding it difficult to deal with the policy and operational implications of making country commitment and ownership a central issue. World Bank disbursements had to meet a certain schedule. Combining technical quality and beneficiary commitment was a challenge. And staff needed to exercise a certain amount of control in order to meet the World Bank's own accountability requirements.⁶⁵

Organisational ambivalence

3.14 Most TA evaluations pointed, directly or indirectly, to the organisational ambivalence of funding agencies when it came to devising TA strategies. Most TA was a low-disbursing activity compared to capital or policy-based lending. The impacts of TA were difficult to manage and assess. Senior managers spent little time on the subject, and corporate interest became sporadic. Dialogue with governments focused on project lending pipelines, with much less attention given to the flow of TA. In some respects, donor 'ownership' of TA was as problematic as that of beneficiary partners.

3.15 Most TA interventions were also characterized by high levels of uncertainty, rapid change and contested objectives.⁶⁶ Constant adaptation was needed to keep TA interventions relevant and effective,⁶⁷ since institutional strengthening, in particular, almost inevitably involved changing circumstances during the course of project implementation.⁶⁸ Yet many donors found it difficult to provide the effective monitoring, supervision and flexibility that would support such adaptation to improve effectiveness and outcomes.

3.16 This ambivalence affected the organisational structure of the TA function. TA management gradually lost its sense of specialization and professionalization. Units that dealt directly with TA management were phased out, and then, in some cases, phased back in again.⁶⁹ Excessive centralization of TA decision making was also a management issue in the MDBs. A realization of this issue eventually led the World Bank to implement structural and procedural reforms such as decentralizing to country offices in an effort to better support TA interventions and capacity development at the field level. Effective learning, TA skills development, and applying the lessons of experience – the need for which had been highlighted by the 1995 World Bank Task Force on TA – remained, however, a serious issue.

⁶⁵ See Arild O. Hauge, "Accountability - To What End," *Development Policy Journal*, December 2002.

⁶⁶ One CDB evaluation noted, however, that "Revision of original project objectives was effected in only 9% of the activities implemented . . ." (*TA Evaluation 2000*). This would seem very low compared to the results of other TA evaluations.

⁶⁷ See, for example, *Asian Development Bank Review of TA Operations*, 2003.

⁶⁸ The earliest Asian Development Bank work on this issue was in the context of the agricultural sector, where the concept of a "process project" was developed, a project in which the objectives, design and methodology should be reassessed in the course of project implementation. The process project approach was subsequently found, in the 1994 project quality analysis, to be a sensible concept for most types of institutional strengthening TAs (technical assistance, particularly in the small island states of the Pacific, was one of the particular focuses of the project quality investigations).

⁶⁹ Donors experimented with a variety of structural solutions to deal with TA, including separate units or divisions, appointing TA 'focal' staff, assigning TA functions to technical staff, assigning TA functions to staff working on institutional issues, or assigning TA functions to either generalists or sector specialists managing investment projects and programmes.

Design of TA interventions

3.17 Many studies point to one of the basic dilemmas of TA design: simplicity and focus *vs* complexity and integration.⁷⁰ Many TA interventions were judged to be focused too narrowly on short-term gap filling and, as a result, lacked integration into larger projects, country strategies, sector programmes, and the efforts of other donors.⁷¹

3.18 In recent years, funding agencies have tried to harmonize their TA interventions to promote greater coherence and integration, not just internally, but with the programmes of other donors. Yet this shift to comprehensiveness has had its own dysfunctions. Some of these newer efforts, particularly of the World Bank, became unduly large and complex, and could not be absorbed by countries with limited implementation capacity.⁷²

3.19 Many TA interventions were designed to inject technical knowledge into situations characterized by difficult political and organisational constraints. Yet few beneficiary governments or international funding agencies had effective ways of assessing and mapping capacity. Most approaches to capacity development,⁷³ especially training, remained *ad hoc* and ineffective.⁷⁴

3.20 TA interventions frequently oscillated between those based on detailed planning and control and those more oriented towards process, incrementalism and adaptation. Many TAs also worked to unrealistically short time frames and were under-resourced in terms of logistical support and overall level of effort.

3.21 Belief in the traditional expert/counterpart model, which was so long a staple in the design of TA interventions, declined in the 1990s. Most agencies at least supplemented this model with gap-filling, short-term coaching, greater use of local consultants and more twinning.⁷⁵

Incentives, motivation and skills

3.22 What is clear from past evaluation studies is the conflicting pattern of incentives and motivation that face funding agency staff when they address TA issues. Institutional pressures have acted in favour of supply-driven, short-term performance targets over long-term capacity development. Technical issues have often received more attention than the more intractable challenges to do with change management, commitment and ownership.

3.23 TA interventions provided few opportunities for staff to demonstrate their analytical virtuosity. Few professional careers, especially in the multilateral banks, could be enhanced by working on TA issues. One of many such findings was in a CDB evaluation of technical assistance: “A major weakness of the Technical Assistance Programme is the limited supervision by CDB . . . TA has, in fact, a low priority rating with sector staff.”⁷⁶ Most evaluations pointed to the need to improve MDB staff

⁷⁰ The Commonwealth Secretariat has tried to resolve this dilemma by an approach called ‘strategic gap filling’. See European Centre for Development Policy Management, *Evaluation of the Strategic Gap Filling Programme of the Commonwealth Secretariat*, June 2006.

⁷¹ This was a key issue in the recent evaluation of the Commonwealth Secretariat’s Strategic Gap Filling Programme.

⁷² For World Bank experience with ‘Christmas tree’ TA programmes, see Baser and Morgan, 1996.

⁷³ For an example of one effort to provide an analytical framework, see IDRC, *Enhancing Organizational Performance: A Toolbox for Self-Assessment*, 1999.

⁷⁴ For a World Bank self-critique of its TA work in institutional development, see Beatrice Buyck, *The Bank’s Use of Technical Assistance for Institutional Development*, January 1991. A response came later in the World Bank’s *Improving the Management of Technical Assistance for Institutional Development*, September 1994.

⁷⁵ For a critical analysis of the counterpart model, see Berg, E.J., *Rethinking Technical Cooperation: Reforms for Capacity Building in Africa*, 1993.

⁷⁶ *TA Evaluation 1994*, p. 68.

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incentives to encourage more attention to TA quality and supervision as opposed to new loan project commitments and disbursements.

3.24 Development of the staff skills needed to manage and supervise complex TA interventions did not keep pace. The diffusion of methodologies such as stakeholder assessments, capacity assessments, process consultation, design modification, project marketing and communication, and performance management was too slow in most funding agencies.⁷⁷ A major current study has again underlined that few MDB officers appear to have the particular skills and experience needed to manage technical assistance effectively.⁷⁸

3.25 In many cases, the inherent difficulties in making TA effective were underestimated. The unstated assumption was that any staff member could work on TA and institutional issues without extensive experience or training, whereas the evidence suggested otherwise. Resources in terms of time, expertise, logistical support and internal agency support were routinely underestimated, a set of conditions noted by most TA evaluations.

Supervision and monitoring

3.26 Closely related to some of the other issues highlighted in past TA studies has been that of supervision and monitoring by the funding agency. Past World Bank and Asian Development Bank TA studies have given particular attention to the importance of this factor in TA administration and TA effectiveness.⁷⁹ It has also been identified in CDB TA evaluation work.

3.27 The evaluation of CDB's technical assistance programme that concluded that "A major weakness of the Technical Assistance Programme is the limited supervision by CDB" also "pointed out that "This is due mainly to the lack of an adequate number of staff . . . to adequately undertake project supervision activities." The evaluation's recommendation was that the then TCU should "be strengthened with additional staff to undertake the desired level of supervision of TA projects."⁸⁰

3.28 The most recent previous CDB evaluation of TA pointed out that "The Bank's performance is bounded in the level of management of its inputs to the (TA) project and plays a significant part in the outcomes of projects. However, its 'performance is not one of the criteria that are aggregated into a composite Project Portfolio Index' as are the criteria relevance, efficacy, efficiency, sustainability and institutional development impact (and) is of less weight in the measure of performance although it plays a significant part in the outcome of projects." The recommendation in that report was that "The Bank should examine the responsibilities/work load of project officers with a view to making . . . 'as-needed' portfolio changes or increasing the number of field officers, given the trend of increasing demand for and complexity of TA projects."⁸¹

⁷⁷ "There is no ground for concluding that ID/TA management is improving sufficiently or fast enough to address the institutional weaknesses identified by PMTF as the most common cause of poor portfolio performance and to redress the performance of TALs, the category of Bank lending with the lowest performance rating in the portfolio" World Bank, 1994, p. ii.

⁷⁸ The AsDB *Special Evaluation Study on the Performance of Technical Assistance* 2006 has found that few AsDB officers had expertise in the three main fields covered by TA - change management, policy development and capacity building. This has been an on-going issue for decades. See also Jerry M. Silverman, *Technical Assistance and Aid Agency Staff: Alternative Techniques for Greater Effectiveness*, World Bank Technical Paper #28, 1984.

⁷⁹ A particularly definitive assessment of this issue was made in the report of the World Bank's Technical Assistance Review Task Force, to which reference has been made above.

⁸⁰ *TA Evaluation 1994*, pp. 68-69.

⁸¹ *TA Evaluation 2000*, p. 23, para. 5.36, and p.26, recommendation 3.

3.29 In the most recent Asian Development Bank annual report on loan and TA portfolio performance, low numbers of TA inception missions and TA review missions were highlighted as a key indicator of weaknesses in TA administration.⁸² The report also highlighted the importance of an issue raised in the previous annual report, that of reducing the number of new TA approvals and reducing the existing TA portfolio as a means of strengthening TA administration and improving TA quality and strategic relevance.⁸³

3.2. Success Factors in Effective TA

3.30 A broad pattern of *critical success factors* emerges out of past TA evaluations.⁸⁴ Their importance varies according to the situation, but most are present in some form. They include, not in any particular order:

- More explicit consideration of TA interventions as key elements in country programme strategies, with effective linkages to broader programme objectives and other related interventions.
- Responsiveness to beneficiary country initiative, where feasible and appropriate.
- Funding agency experience with the sector and the counterpart agency.
- Timing of TA in relation to government policy or legal changes.
- Objectives that are realistic in terms of time and resources.
- Application of lessons of experience in TA selection, design and implementation.
- Strong TA skills and experience, and incentives and motivation on the part of funding agency staff.
- Flexible terms of reference prepared in collaboration with the counterpart agency.
- TA design geared to absorptive capacity of the counterpart agency.
- Where feasible, counterpart agency leadership and direction.
- Improved communication among the partners.
- Emphasis on learning, as well as training.
- Consultants and advisers skilled in both technical and relationship issues.
- Effective monitoring and supervision by both the funding organisation and the counterpart agency, including TA design and inception missions and implementation supervision missions.
- Provision for review and adjustment of TA objectives, design and scope during the course of implementation, in order to adapt to changes in circumstances and the impact of TA implementation itself on the institutional context.

⁸² *Annual Report on Loan and Technical Assistance Portfolio Performance for the Year Ending 31 December 2005* (Asia Development Bank, 2006), p. 67, para. 144 (ix). Only 30% of TAs approved during 2005 were reported as having had inception missions and only 30% of advisory TAs (country-level TAs other than for project preparation) were reported as having had review missions during 2005.

⁸³ A reduction in the number of new and existing TAs to improve TA quality and strategic relevance had been endorsed by Bank Management in their response to the 2004 portfolio performance report (*Action Plan to Improve Loan and Technical Assistance Portfolio Performance in Response to the 2004 Annual Report of the Operations Evaluation Department*, Asian Development Bank, November 2005, p. 11, B.1 (i)).

⁸⁴ See, for example, Francis Lethem and Lauren Cooper, *Managing Project-Related Technical Assistance: The Lessons of Success*, World Bank Working Paper #586, 1983. Asian Development Bank, *Assessment of Successful Sector Technical Assistance Operations*, April 1996. CDB, *TA Technical Assistance Programme 2000*.

- Provision for post-project assessment of effectiveness and outcomes, and methods of applying lessons learned to future TA programming.
- Results-orientation in project selection, design, monitoring and reporting.

Researching, learning, monitoring and evaluating

3.31 In most of the evaluation studies there has been an increasing emphasis on the need for all of the participants to learn more effectively from TA field experience. One of CDB's own TA evaluations recommended that "Supervisors should provide reports on projects quarterly" and that "A comprehensive monitoring and evaluation system should be designed to monitor not only achievements of individual TA projects but also the overall Technical Assistance Programme."⁸⁵ A subsequent TA evaluation also concluded that "Training should be undertaken as a vehicle to improve awareness and to underline the importance of monitoring and evaluation . . ."⁸⁶

3.32 More explicit efforts have begun to be made on real-time learning. Research has increased since the year 2000, with the focus expanding to broader issues of capacity development.⁸⁷

3.33 Many funding agencies have wanted to find more effective ways of evaluating and demonstrating the developmental contribution of TA. Using conventional frameworks, they have wanted to shift the focus from outputs to outcomes and impacts. But this raises analytical and logistical challenges such as proven attribution, which have yet to be satisfactorily solved.⁸⁸

3.3. Emerging Trends Shaping Technical Assistance

3.34 Over the last four to five years, shifts in the broader international context – globalization, terrorism, security, failing states - have lead to another rethinking of TA.⁸⁹ The concern with international public goods, especially in health, has become sharper as HIV/AIDs and other infectious diseases have spread around the world. The Internet and the information technology (IT) revolution have opened new avenues for information dissemination. A series of new studies are underway to come up with better ways to plan and manage TA to meet these challenges.⁹⁰ These new approaches will need to be tailored to the differing needs of countries and regions of the development world.

Growing diversity of developing states

3.35 Much more than in the past, the current debate about technical assistance reflects the diversity and varied needs of low and middle-income states. Responding in a more customized way to the needs of specific developmental contexts is becoming more important.

3.36 Stable low-income countries such as Guyana tend to see TA issues in terms of ownership, sector-wide approaches and poverty reduction support. In such conditions, TA can be effectively used to facilitate budget support loans, as in the case of Dominica in recent years.

3.37 Middle-income states such as Jamaica tend to be more concerned with issues to do with trade, public sector modernization and economic adjustment.

⁸⁵ *TA Evaluation 1994*, p. 68.

⁸⁶ *TA Evaluation 2000*, p.26.

⁸⁷ See for example, UNDP, *Capacity for Development: New Solutions to Old Problems*, Earthscan, 2002.

⁸⁸ IDRC has now stopped assessing its TA interventions for 'impact' for this reason. See also ISNAR/CTA/IDRC, *Evaluating Capacity Development: Experiences from Research and Development Organizations Around the World*, 2003.

⁸⁹ See *A Vision for the future of technical assistance in the international development system*, Oxford Policy Management, 2003.

⁹⁰ For example, *Technical Assistance Personnel: What can we learn from promising experiences?* study to be conducted by the European Center for Development Policy Management for the aid agencies of Belgium and Australia.

3.38 Small island states, including many Caribbean countries (and small states in the South Pacific and small land-locked states in Africa and Asia), face a unique set of constraints given their small size. TA can help to supplement their capabilities and expand their options for integration into regional and global groupings.

3.39 The growing number of failing, fragile and vulnerable states such as Haiti has added a new set of TA issues.⁹¹ In many cases, TA issues from the 1960s have re-appeared, including gap filling, project design, task accomplishment versus capacity development, the effects of supply-driven interventions, the promotion of donor issues, the connection between development and security, and the recipient's absorptive capacity.

More complex TA agendas

3.40 This developmental diversity has led to more complex development and TA agendas. Conventional goals such as poverty reduction and social development in the Millennium Development Goals remain important to most low and middle-income countries, including those in the Caribbean. The Rome and Paris Declarations are also key policy statements of the international funding community. But other concerns have also arisen that are likely to shape future decision-making on TA.

3.41 The pressures of globalization are leading to greater attention both to regional integration and to adapting national policies and institutional infrastructure to deal with global realities. Economic adjustment, public sector reform, trade management and tax policy are obvious examples.

3.42 The need to generate more international and regional public goods is seen as more pressing. Regional public goods such as environmental sustainability, for example, are particularly important in the Caribbean. A much greater priority is also being given to addressing climate change, HIV/AIDS, and animal and fowl diseases such as avian flu, which have the potential to overwhelm all countries, whatever their incomes. The struggle against cross-border crime in the form of trafficking and other illicit activities is likely to accelerate.

3.43 The security agenda in the Caribbean and other areas of the world, including Central and South America, the South Pacific, Africa, South Asia and the Middle East, is also likely to have a profound influence on the design and management of technical assistance. This agenda will apply to domestic public as well as international security issues. But it is not yet clear how the immediate security agenda to stabilize weak states can be integrated with the goal of longer-term capacity development and local autonomy and ownership.

Evolution of beneficiary - funding agency relationships

3.44 Much of the debate and reform of technical assistance over the past 10 to 15 years has centered on the relationship between external funding agencies and those countries and agencies they wish to support. On-going reforms that have had some success include:

- ✚ A renewed emphasis on recipient ownership and leadership. More beneficiary countries are now managing donor-funded TA interventions and monitoring their effectiveness. This shift is being accompanied by the transition to more supportive /roles for donors.
- ✚ A greater effort to promote the harmonization and coordination of international TA interventions into country programmes and under country direction.⁹² The role of the Millennium Development Goals is part of this process.
- ✚ Efforts to reach a more effective pattern of mutual accountability.

⁹¹ Stewart Patrick, "Weak States and Global Threats: Fact or Fiction" *Washington Quarterly*, Spring 2006.

⁹² OECD, *The Paris Declaration on Aid Effectiveness*, Paris, March 2005.

3.45 Despite the symbolic attention devoted to these aspects of development cooperation, getting international funding agencies to collaborate effectively under recipient leadership remains a challenge, given the various incentives and legal provisions that exist on both sides of the development relationship.⁹³ This issue may, however, be less of a challenge in the Caribbean context, given the smaller size of many programmes and the greater capabilities of national governments.

Influence of Internet and information technology (IT)

3.46 Technical assistance has traditionally been seen as having to do with the transfer of knowledge and skills from international advisers to country practitioners. Information technology and the Internet are changing this assumption. Any approach to TA design and management must take these technologies into account.

3.47 Actors in low and middle income states can now access hundreds of websites on most technical and organisational issues. Learning networks, the use of videoconferencing and electronic communities of practice are now proliferating across the world. IT has become a central organizing device around which people can structure their TA activities.

3.48 The larger MDBs such as the World Bank and the Asian Development Bank are now organizing themselves as development knowledge centers that countries can access for technical guidance.⁹⁴ In some countries, the new technologies may change what and how and why funding agencies deliver value.

Emerging new approaches to capacity development

3.49 Thinking about the contribution of TA to capacity development has also changed markedly over the past decade. Traditionally, capacity development was seen as having to do with training, restructuring and system improvement at the organisational level. The analysis was characterized by a good deal of ahistorical, acontextual, and apolitical technical rationality. In most cases, it was viewed through the perspective of organisational ‘machine building’.

3.50 The emerging view, in contrast, has moved to supplement this with approaches that include more attention to political economy, informality, legitimacy, motivation and incentives, the behaviour of multi-actor groups of organisations and the influence of societal institutions on human and organisational behaviour.⁹⁵ Capacity development is now being seen as helping to induce new patterns of behaviour, relationships and even values that can, in turn, lead to the emergence of effective institutions and organisations. Governance and capacity issues, for example, are increasingly seen as more interdependent.

3.51 A series of capacity development issues are now at the forefront.

- The role of private sector and civil society actors are more important as governments privatize or lose the capability to deliver services. TA can help to create and strengthen partnerships of these non-state actors with governments.
- Most funding agencies are trying to fit ‘process approaches’ into TA in a way that fits within their procedures.⁹⁶ The current ‘input-output-outcomes-impact’ frame-work may not be the

⁹³ See David Ellerman, *Helping People to Help Themselves: From the World Bank to an Alternative Philosophy of Development Assistance*, 2006.

⁹⁴ Note that there is an ongoing debate about the value of international funding agencies as “knowledge banks”. For example, see Kenneth King, *Knowledge for International Development*, 2004.

⁹⁵ OECD, *The Challenge of Capacity Development: Working Towards Good Practice*, Paris, 2006.

⁹⁶ None of this ‘process’ work is new. See Chapter 8, “The Process Approach to IDTA” in *Handbook of Technical Assistance*, Operations Policy Department, The World Bank, 1993. See also A. J. Barry et al, *Project Quality: An Agenda for Action*.

best model to support this kind of intervention. The influence of different ways of thinking about capacity development issues, including institutional economics and complex adaptive systems, is slowly appearing.

- TA attention is shifting from the ‘supply-side’ to the ‘demand-side’, increasing the ability of individual citizens and other societal groups to monitor and influence public sector organisations to perform better.
- There is an on-going debate on the most effective way to monitor and evaluate the effectiveness of TA for capacity development.⁹⁷ Analyzing formal aspects such as structure and resources – what the organisation or system has – may tell us little about what the organisation can do over time. Looking at its potential capabilities may be more useful.
- Funders are searching for more effective ways to scale up capacity interventions to get bigger impacts. Some suggest focusing on broader interventions such as sector-wide approaches (SWAs) and interventions at the national level. Others are going in other directions and investing in small activities to generate experimentation, learning and commitment.⁹⁸ There is, however, often scope for integrating TA more closely to ongoing programmes and ensuring follow-up TA where appropriate.
- The drive for aid effectiveness has placed more importance on getting TA to produce ‘results’ and performance. All of the participants are under pressure to demonstrate developmental achievements. More work, however, needs to be done to understand how to simultaneously improve country ownership, capacity and results at the same time.⁹⁹
- More efforts are underway to reduce ‘capacity-depleting’ interventions such as disconnected projects, special implementation units, salary ‘top-ups’, and an undue reliance on external TA. Emigration and immigration concerns are part of this issue, especially in regions such as the Caribbean.

Sectoral and national reforms

3.52 Part of the dissatisfaction with the earlier generation of TA interventions arose from its close association with the ‘project’ as a form of resource transfer. This device was seen as leading to lack of country commitment, lack of sustainability, too much donor control, and lack of integration into country systems. Some countries and donors have tried to supplement their reliance on the heart of capacity development projects with other approaches such as:

- ◆ Sector-wide approaches (SWAs), programme-based approaches (PBAs), programme loans and budget support. In some cases, the scale of these reforms is becoming quite large. In current TA practice, more emphasis on the ‘macro’ is appearing, compared to the ‘micro’ focus of past years.
- ◆ Public sector reform as part of an overall effort to put country and regional systems at the heart of capacity development.
- ◆ Coordination and harmonization under the principles of the Paris Declaration.

The emergence of new actors in the provision of TA

3.53 A range of new actors are moving into international TA for development. This trend leads, in turn, to the need for these new actors to harmonize their interventions with on-going beneficiary efforts.

⁹⁷ See Jonathan Boston, *The Challenge of Evaluating Systemic Reform: The case of Public Management Reforms*, paper prepared for the IPMN Conference, Sydney, Australia, March 2000; and ISNAR/CTA/IDRC, *Evaluating Capacity Development: Experiences from Research and Development Organizations around the World*, 2003.

⁹⁸ ECDPM, *Evaluation of the Strategic Gap Filling Programme of the Commonwealth Secretariat*, Final Report, 2005.

⁹⁹ This was the focus of a DAC meeting in Nairobi in early October 2006.

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The trend is less in evidence in the Caribbean, but may still lead to new patterns of relationships between TA providers.

- ▶ New donors are gaining in importance. Countries such as China, the Czech Republic, India, Malaysia and Thailand are developing their own capacity to mount development programmes in Asia and Africa. Private foundations such as the Gates Foundation now spend more on technical assistance than many bilateral donors.
- ▶ Global corporations such as General Electric are supporting development programmes in many countries, particularly in Africa. Global NGOs such as Care and *Médecins Sans Frontières* operate in many low-income states.
- ▶ Diasporas such as those connected to Jamaica, Haiti, India, Sri Lanka, Pakistan and El Salvador are becoming major players and suppliers of TA.
- ▶ Many new domestic actors in donor country governments - ministries of finance, police, customs and immigration - are becoming involved in the issue of failed states. The design and management of some TA has now become part of national security strategies for some funding countries. Aid decisions are gravitating to 'whole of government' arenas. The actual provision of TA is being managed by a variety of domestic agencies in addition to traditional donor organisations. Such actors tend to be more focused on 'gap-filling' interventions.

Overview Analysis of CDB's TA Operations

CHAPTER 4 HIGHLIGHTS

- Provision of technical assistance is a core function of the Bank under its charter provisions. The financing and management of this function have changed significantly over time.
- TA identified as preinvestment and project implementation support, while originally the primary area of CDB's TA, has declined over time as a share of TA operations, while TA for institutional strengthening (IS) has increased substantially. IS may in part include support for investment project operations, but the extent of the shift confirms changes in objectives and focus.
- Included in institutional strengthening, in addition to country-specific TAs, are a substantial number of TA responses to regional and sub-regional requests, which now are larger in number in the general or core TA programme* than country-specific TAs, although on average much smaller in size.
- The average size of TA projects in the core TA programme declined significantly in the most recent time period, 2000-2004, particularly regional projects, but also country-specific projects.
- The use of loan funding for TA projects has varied significantly over the three time periods examined, increasing substantially in 1996-1999 and then declining again, particularly on an annual basis, in 2000-2004.**
- The shifts in composition of TA programming reflect newer themes such as support for economic management, other areas of governance and regional cooperation, as well as some support for civil society, which have been added to traditional support for investment programming. Overall support for CDB operations, however, remains an important aspect of TA programming, and is solidly based on CDB's charter.
- The Bank's strategic and programme directions, including those set by SDF Contributors, include key objectives that require TA support. These include parts of the poverty reduction strategy, the governance and institutional development strategy, and the emerging policy on support for regional cooperation and integration, in many cases independently of investment operations. Two of CDB's strategic objectives, *good governance* and *regional cooperation*, are particularly dependent on TA to achieve the intended results.

* As noted in Chapter 2, "general or core TA programme" is used to refer to TA operations other than those under special programmes such as BNTF, CTCS, disaster response and mitigation, and CTCF. Chapters 4 and 5 discuss *overall TA operations* for much of the analysis of programme composition and financing, but also use the narrower definition of the *core TA programme* for analysis of particular questions.

** This is based on the data available to the Evaluation. Some loan-funded TA after 2001 may not be included in the TA data base.

4. PROFILE OF THE BANK'S TA OPERATIONS

4.1. Purpose of the Profile

4.01 The programme profile that follows begins with a discussion of the technical assistance function of the Bank, types of technical assistance, and the objectives and focus of TA operations, including the strategic policy and planning context as this has evolved and is currently in place. The profile then provides an overview analysis of CDB technical assistance over three time periods, 1992-1995, 1996-1999 and 2000-2004. This is followed in Chapter 5 by a more extended analysis of TA operations in the evaluation period, 2000-2004.

4.02 In both chapters 4 and 5, the analysis of the Evaluation's data base at the programme level considers first the Bank's *overall TA operations*, to provide insights into broader issues related to programme composition and responsiveness, and then, to address particular issues, the *core TA programme*, which is a principal focus of this evaluation study and from which the project sample is drawn.¹⁰⁰

4.03 The objective is to set the evaluation in the context of the Bank's TA operations as a whole and, more specifically, to trace the development of the programme over time and identify changes in volume, composition, goals, selectivity and financing.¹⁰¹ The profile lays a basis for discussion of TA operations in relation to stated policy goals and strategies, including those of the Special Development Fund, which provides a significant share of the financing for the Bank's technical assistance work.¹⁰² It also provides a basis for discussion of the allocation of resources for technical assistance.¹⁰³ Some of the Evaluation's principal findings on TA operations emerge from the analysis.

4.2. The Technical Assistance Function

4.04 The CDB's charter states that the provision of technical assistance is a function of the Bank in carrying out its purpose, which is to "contribute to the harmonious economic growth and development of the member countries in the Caribbean . . . and to promote economic co-operation and integration among them" ¹⁰⁴ The charter makes specific reference to undertaking or commissioning pre-investment surveys and assisting in the identification and preparation of project proposals, but it also provides for the Bank to undertake technical assistance "which serves its purpose and comes within its functions," ¹⁰⁵ which covers a much wider spectrum.

4.05 The charter also provides that, where expenditures incurred in furnishing such services are not reimbursable, CDB may "charge the income of the Bank therewith."¹⁰⁶ In practice, however, most grant technical assistance has been financed from special funds,¹⁰⁷ whether specially contributed for the purpose or provided from the Special Development Fund, or from funds of other donors that are administered by the Bank. Some TA funding, however, was initially provided by CDB itself, and some technical assistance of various kinds is provided directly by CDB staff without being separately charged. In addition to grant financing, technical assistance has been provided on a loan basis, whether from

¹⁰⁰ See para. 2.04 above. The difference between the two concepts of TA operations is shown in Table 4.2.

¹⁰¹ *Terms of Reference*, para. 3.01 (i)(a).

¹⁰² *Ibid.*, para. 3.01 (i)(b) and (c) as well as para. 3.01 (ii)(b).

¹⁰³ *Ibid.*, para. 3.01(vii)(b).

¹⁰⁴ *Articles of Agreement*, Article 1 and Article 2.

¹⁰⁵ Article 20 (h).

¹⁰⁶ *Ibid.*

¹⁰⁷ The Bank makes a distinction between SDF (SDFU or SDFO) and OSFR, but for purposes of the Evaluation SDFO and OSFR and other TA resources are grouped together.

ordinary capital resources or special funds, and in some cases on a 'contingent loan' basis.¹⁰⁸

4.06 Funds for project preparation and other technical assistance were initially provided by earmarked contributions from donors, on differing terms and conditions, but a unified *Technical Assistance Fund (TAF)* was established in 1978 to systematize the provision of TA funding.¹⁰⁹ A special Technical Assistance Unit was established in the Secretary's Department to administer TAF, and in 1983 this was merged with two other units¹¹⁰ to form the Projects Services Division in the Projects Department.¹¹¹ This in turn subsequently became the Technical Cooperation Unit (TCU) in the same department.¹¹²

4.07 The TAF's initial resources were contributed by USAID, the U.K., Canada, Venezuela, Trinidad & Tobago and CDB itself, with a later contribution by Mexico when that country became a CDB member. Available resources were fully committed by mid-1984, when the second TA programme evaluation was undertaken as a basis for decision on subsequent funding.¹¹³ The evaluation found that the outcomes and results of projects funded by the TAF had generally been valuable, and thereby supported a continuation of this type of activity by the Bank.

4.08 Since 1986,¹¹⁴ resources have been provided from the SDF(U) by an allocation of funds from each replenishment cycle, to which all member countries are normally expected to contribute, without further use of the TAF.

4.09 In addition, some funding has continued to be provided from ordinary capital resources for particular purposes or particular countries. Current sources of TA funding also include resources especially provided to the Bank by other agencies such as USAID, IDB, CIDA or DFID, generally classified as Other Special Fund Resources (OSFR),¹¹⁵ as well as some residual flows from earlier individual contributions to SDF (SDFO).

4.10 As envisaged in the charter, preinvestment activities have been an important element of TA operations, often facilitating subsequent loan projects, but the scope of the Bank's technical assistance has also become broader, with various types of institutional strengthening, including training to assist in project implementation, and TA to meet other objectives related to CDB's mandate, including objectives at the regional and sub-regional level.

4.11 The Technical Cooperation Unit, which had continued to be responsible for all stages of most technical assistance interventions,¹¹⁶ was merged into the new Project Financing and Project Supervision divisions created in the reorganisation of the Projects Department at the end of 2002. Since then, it has in principle been possible for any division in the Bank to undertake a TA project. In practice, TA projects have largely been the responsibility of individual project officers in PFD and PSD, in some cases officers in Economics Department, and in the case of CTCS, officers in the Private Sector Development Division (PSDD). For certain types of TAs, however, other divisions of the Bank, such as Corporate Planning Division (CPD), have also been responsible.

¹⁰⁸ A contingent loan is intended to be reimbursable if the preinvestment/project preparatory activity that it finances leads to a capital project. Otherwise it becomes a grant. Therefore, *ex post*, it is either a loan or a grant.

¹⁰⁹ The TAF was established as an "Other Special Fund".

¹¹⁰ The Technology and Energy Unit (TEU) and the Project Administration Training Unit (PATU).

¹¹¹ *TA Evaluation 1994*, pp. 13-14.

¹¹² The TCU was responsible for three programmes, the Technical Assistance Programme (TAP), the Caribbean Technological Consultancy Services (CTCS) network, and the Technical/Vocational Education Programme (TECVOC).

¹¹³ Second Touche Ross evaluation, 1984, cited in *TA Evaluation 1994*, pp. 22-23.

¹¹⁴ *TA Evaluation 1994*, p. 24.

¹¹⁵ In some cases, funding for TA has also been provided on a slightly different basis, for administration by CDB on behalf of the contributing agency.

¹¹⁶ For both free-standing and project-related TA, although in the latter case assisted by technical specialists from other Divisions. Some TAs for CDB institutional development have been handled by the organizational unit concerned.

4.12 A further reorganisation of the Projects Department was planned for early 2007, and this will affect the management of TA for the period ahead. The new structure of the Projects Department was expected to consist of four divisions, integrating the project cycle responsibilities in sector divisions for infrastructure, social sectors and private sector development, with, in addition, a project services division to provide certain common services, including policy in some areas such as technical assistance, cross-cutting areas such as the environment, and regional and sub-regional projects, which are likely to be largely TA, as well as governance and related institutional strengthening, also largely or entirely a TA area. Sector TAs are intended to be the responsibility of the sector divisions, and economic management or TAs in support of the Bank's new policy-based lending facility will be the responsibility of the Economics Department.

4.3. Types of Technical Assistance

4.13 Various types of technical assistance have been provided by the Bank. This includes direct technical assistance by CDB staff in the course of their work, as for example in relation to investment project activities or economic management. This type of TA, however, is not separately identified or costed. For purposes of evaluation, TA operations are usually defined as consisting of identifiable TA projects submitted for approval by the President or the Board of Directors and recorded as such.¹¹⁷ This includes both stand-alone TA and TA presented together with an investment project.¹¹⁸ TA projects may be executed either by agencies of a beneficiary country or a regional partner, or by the Bank itself under a procedure known as "use of funds."

4.14 The Bank's general technical assistance operations have traditionally made a distinction between *investment-related* and *non-investment-related* TA, and have in more recent years been categorized as:

- *Pre-investment activities* (a fairly broad category to inform decision-making on whether specific projects should be undertaken, including economic and sector surveys and setting of investment priorities or sector policies, prefeasibility and feasibility studies, and investment-linked institutional strengthening);
- *Project preparation services* (technical, financial, economic or other work required to fully define a project and prepare it for appraisal);
- *Project implementation services* (construction supervision and project management, assistance in procurement, coordination of contracts and suppliers, and project start-up);
- *Project operation services* (management and/or improvement of systems, training of staff or other institutional strengthening during the operational phase of a project);
- *General institutional strengthening* (for national or regional institutions not directly involved in an investment project); and
- *General development and training* (other advisory or support services and assistance in implementation of study recommendations).¹¹⁹

In addition, there have also been special categories, in particular BNTEF and CTCS, as well as disaster management and disaster mitigation, which are part of the Bank's overall TA operations.

4.15 In most cases, the traditional TA programme components have been supportive of CDB's investment project operations, and in all cases are based on its overall mandate. In more recent years,

¹¹⁷ Or, in some cases of special programmes, TAs as authorized by the agency that provided the funds.

¹¹⁸ Although, since late 2001 when there was a change in the reporting system, the latter have not been separately reported as part of TA operations.

¹¹⁹ *Operational Policies and Procedures Manual, Volume 7: Technical Assistance*, January 1998 revised draft, TAM 701-3: "Fields, Sectors and Modalities of TA"; and "(TA) Activity Categories" in documentation prepared for the Technical Assistance Training Workshop, February 2005.

however, the nature of TA operations has also reflected evolving policy guidelines in various areas, and has responded to requests for assistance at the regional level for a variety of purposes.

4.16 A new set of categories was, therefore, developed for purposes of analysis in this evaluation study, reflecting TA operations during the period under review in terms of sector and policy areas. These categories build on the classification developed for the SDF *Performance Review* of SDF 4, when some of the new priorities began to be more significant,¹²⁰ but also reflect changes since that time and current policy priorities. The categories provide a basis for some of the Evaluation's analysis, and are in addition to use of the traditional categories in Table 4.1 below.

4.17 The new categories are set out in in Tables 4.3 and 4.4. They make a distinction between *country-specific* and *regional or sub-regional* TA. They also make a distinction between categories such as *economic management* and other areas of *governance, delivery of public services, environment, sector development* and *targeted poverty reduction*. At the same, they retain as a category *support for CDB operations*, which includes TAs that support the Bank's investment lending, but distinguish in a separate category – *CDB institutional development* – TAs that are more of a policy or institutional development nature for CDB.

4.4. Objectives and Programme Focus

4.18 The overall goal of CDB's technical assistance operations, as formulated in the Evaluation's Terms of Reference, is to “build and improve institutional capacity in the BMCs,” and to do so by human resource development, technology transfer, training and systems improvement aimed at strengthening institutions and enhancing the absorptive capacity of the Bank's BMCs in their efforts to establish sustained economic growth and development.¹²¹

4.19 The TORs also indicate that CDB's TA activities are “designed to assist CDB's BMCs in accelerating their economic development through planning, programme development and implementation, and through institutional support, both at the level of individual projects, and in national economic management,” and that the TA programme is designed to complement and enhance CDB's financing activities, i.e. its investment project operations.

4.20 As already noted, TA operations from the beginning have emphasized various types of preinvestment and project preparatory activities and, to some extent, project implementation support, and this has broadened significantly over time.

4.21 Reports on technical assistance operations in the 1980s show that *Preinvestment and Project Preparation* (in two categories of *General* and *Specific* preinvestment), together with support for *Project Implementation*, generally varied from just under 70% to just over 90% of TA approvals in dollar terms in the mid-to-late 1980s, with specific preinvestment/project preparation as the largest sub-category.¹²² These percentages began to decline in 1990, falling to 57% in 1995 and as low as 25% in 1997. Other categories reported at that time were *General Development (Advisory Services and Training)* and *Bank Development*, with a separate category of *Institutional Strengthening* appearing in 1995.

4.22 Comparable data for the three 4-year periods 1992-1995, 1996-1999 and 2000-2003 are shown in Table 4.1.¹²³

¹²⁰ SDF *Performance Review*, September 2000, Chapter 6: “Governance and Institutional Strengthening”.

¹²¹ *Terms of Reference*, para. 1.02., and materials prepared for CDB Technical Assistance Training Workshop, February 15-18, 2005, p. 1.

¹²² Annual reports for available years: *Technical Assistance Programmes*, 1985 to 1990; and *Technical Assistance Operations*, 1992 to 1997. The percentage was somewhat lower in the initial years of the TAF, at 61% for 1978 to mid-1983 (*CDB Technical Assistance Fund, Report on Activities*, July 1983).

¹²³ Table 4.1 uses a somewhat less inclusive concept than subsequent tables on overall TA operations, in that it does not include BNTF. It provides, however, comparable data for the traditional categories over time.

TABLE 4.1: CDB TECHNICAL ASSISTANCE ACTIVITIES BY COMPONENT AND SOURCE AND TYPE OF FUNDING 1992-2003 (US \$)

2000-2003															
COMPONENT	No. of TA Projects	SDF					OCR TOTAL	OSFR			IDB SFR			CTCF	TOTAL FUNDING
		Loans	Contingent Loans	Grants	Use of Funds	TOTALS		Loans	Grants	TOTALS	Grants	Loans	TOTALS		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Institutional Strengthening	93	6,960,000	1,327,000	6,314,950	3,747,950	18,349,900	5,327,000	378,000	250,000	550,000	3,511,300	300,000	3,811,300	3,052,300	31,090,500
General Development	3	-	-	45,000	-	45,000	-	-	-	-	-	-	-	-	45,000
Training	20	-	-	542,360	57,200	599,560	-	97,000	-	49,500	-	410,060	-	195,000	844,060
General Preinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specific Preinvestment	17	1,312,500	-	146,000	596,896	2,057,396	-	-	-	-	100,000	248,000	-	792,000	2,849,396
Project Implementation	-	-	-	-	-	-	-	-	-	284,120	-	-	-	-	284,120
SUB-TOTALS	133	8,272,500	1,327,000	7,050,310	4,402,046	21,051,856	5,327,000	475,000	250,000	883,620	3,611,300	958,060	3,811,300	4,039,300	35,113,076
														+ IDB thru CDB	-
														+ USAID	87,000
														OVERALL TOTAL	35,948,076
1996-1999															
COMPONENT	No. of TA Projects	SDF					OCR TOTALS	OSFR			IDB SFR			CTCF	TOTAL FUNDING
		Loans	Contingent Loans	Grants	Use of Funds	TOTALS		Loans	Grants	Total	Grants	Loans	TOTALS		
Institutional Strengthening	89	3,893,933	-	7,718,900	808,858	12,421,691	433,000	-	355,900	355,900	592,154	472,222	1,064,376	224,300	14,499,267
General Development	10	190,000	-	305,360	-	495,360	-	-	-	-	218,000	-	218,000	188,000	901,360
Training	20	-	-	1,221,400	436,530	1,657,930	-	-	1,047,000	1,047,000	43,000	-	43,000	-	2,747,930
General Preinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specific Preinvestment	18	565,700	-	104,000	-	669,700	6,280,000	175,100	-	175,100	86,000	330,000	416,000	816,560	8,357,360
Project Implementation	3	1,800,000	-	-	-	1,800,000	-	-	35,550	35,550	-	-	-	-	1,835,550
SUB-TOTALS	140	6,449,633	-	9,349,660	1,245,368	17,044,681	6,713,000	175,100	1,436,450	1,613,550	939,154	802,222	1,741,376	1,228,860	28,341,467
														+ IDB thru CDB	748,000
														+ USAID	62,000
														OVERALL TOTAL	29,151,467
1992-1995															
COMPONENT	No. of TA Projects	SDF					OCR TOTALS	OSFR			IDB SFR			CTCF	TOTAL FUNDING
		Loans	Contingent Loans	Grants	Use of Funds	TOTALS		Loans	Grants	TOTALS	Grants	Loans	TOTALS		
Institutional Strengthening	44	453,500	-	2,787,500	529,000	3,770,000	-	-	948,000	948,000	-	-	-	300,000	5,018,000
General Development	24	42,000	-	2,352,400	351,500	2,745,900	-	-	-	-	1,285,000	-	1,285,000	-	4,030,900
Training	12	-	-	416,000	-	416,000	-	-	-	-	-	-	-	25,000	441,000
General Preinvestment	6	642,000	-	399,000	-	1,041,000	-	-	-	-	-	-	-	-	1,041,000
Specific Preinvestment	26	2,312,000	-	1,145,400	369,000	3,826,400	-	-	-	-	-	-	-	-	3,826,400
Project Implementation	4	836,000	-	279,000	-	1,115,000	-	-	-	-	-	-	-	-	1,115,000
SUB-TOTALS	116	4,285,500	-	7,379,300	1,249,500	12,914,300	-	-	948,000	948,000	1,285,000	-	1,285,000	325,000	15,472,300
														+ IDB thru CDB	-
														+ USAID	-
														OVERALL TOTAL	15,472,300

Source: CDB, materials prepared for Technical Assistance Training Workshop, February 15-18, 2005, p. 13. Figures differ somewhat from TA Evaluation data base used in other tables.

4.23 The dollar figures (Col. 16) converted to percentages show that *General and Specific Preinvestment*, together with *Project Implementation* declined from 38.6% of TA approvals in 1992-1995 to 35.9% in 1996-1999 and 8.9% in 2000-2004. Also striking was the apparent sharp decline in TA funding for *Project Implementation* and the disappearance of the category of *General Preinvestment*.¹²⁴

4.24 To some extent, the changes may be in definition, in that types of TA previously classified as *General Preinvestment* or *Project Implementation* may have been categorized differently later, and a change in late 2001 in the method of reporting to the Board of Directors may have excluded some project-related TAs from TA reporting after that date. The dramatic increase in the newer category of *Institutional Strengthening*, however, by a multiple of more than six in dollar terms (Col. 16) and well over twice in number of TAs (Col. 2) between the first and third of the 4-year periods, concurrently with a substantial increase in the overall level of TA funding, confirms a change in objectives and focus for TA operations as a whole. This is supported by the findings of the SDF *Performance Review* in 2000, which found that there were significant policy-directed changes in TA operations, particularly during the SDF 4 period.

4.25 Table 4.1 also shows the types of funding (grants, loans and contingent loans) and sources of funding. The figure for contingent loans financed from SDF and shown as institutional strengthening in the period 2000-2003 (Col. 3) suggests that some of the TAs under *Institutional Strengthening* were project-related and perhaps of a type previously classified as preinvestment or project implementation,¹²⁵ but this still accounts for not much more than 20% of the dollar value of *Institutional Strengthening* TAs.

Strategic Planning and Policy Context

4.26 In addition to operational policy papers approved by the Board of Directors, an important part of the policy framework for operations financed from the Unified Special Development Fund (SDFU) has been provided through the negotiated replenishment agreements for each SDF replenishment cycle, which are approved by member governments in their role as Contributors to SDF.¹²⁶ The Bank's overall strategic planning framework, which most recently has consisted of strategic plans for the periods 2000-2004 and 2005-2009, has also defined goals and objectives at various levels and these have been reflected in a "cascade" of strategic priorities for CDB operations.¹²⁷

4.27 SDF replenishment agreements have increased and broadened the policy focus on *poverty reduction and the social sectors*, setting priorities and objectives in this area, as well as for related sectors. The ***SDF 4 agreement***, covering the period 1996-2000, strengthened substantially the priority for targeted poverty reduction programming, with *human resource development*, the *environment* (including water supply and waste management), and *governance and institutional strengthening* as other priorities. Institutional strengthening included strengthening public sector institutions to formulate and manage policies and programmes as well as improve their cost-effectiveness, targeted training in project and macroeconomic management, development of efficient capital markets, applied research at macroeconomic and sector levels, and continued support for the Caribbean Technological Consultancy Services (CTCS) network.¹²⁸

¹²⁴ Data used in the above discussion are drawn from materials prepared for the Technical Assistance Training Workshop, February 15-18, 2005, p. 13. Figures differ somewhat from the more detailed data base prepared especially for this Evaluation (see later tables), but are structured according to the reporting categories used by TCU and provide a more consistent series from earlier years for reviewing the traditional TA programme components.

¹²⁵ Since contingent loans are normally project preparatory TAs that support potential capital projects, subject to repayment if the project is undertaken. For earlier periods, the table shows contingent loans as either loans or grant, depending on their final status, following the reporting practice of TCU, from whose data base the table is drawn.

¹²⁶ These take the form of a *Report of Contributors or Replenishment Agreement*, formally adopted by the Contributors and accepted by the Bank.

¹²⁷ CDB, *Strategic Plan 2000-2004: The Road into the New Millennium* (December 1999) and *Strategic Plan 2005-2009* (March 2006). These are referred to below as *SP 2000* and *SP 2005*.

¹²⁸ *Report and Conclusions of Negotiations for SDF 4*. See also *SDF Performance Review*, Box 1-2: The SDF IV Mandate, p. 5.

4.28 These themes were reflected in and further broadened for CDB's overall operations in the Bank's *Strategic Plan 2000-2004* (referred to here as SP 2000). SP 2000 defined CDB's mission to include, *inter alia*, the overall objective of working “towards the systematic reduction of poverty” through social and economic development. SP 2000 also set out as the strategic objectives for 2000-2004:

- Fostering *more rapid economic growth* of the BMC economies;
- Helping to *reduce poverty and improve the status of the most vulnerable*;
- Promoting *good governance and efficiency in public policy formulation*;
- Promoting *improved environmental management* as an integral part of programme and project planning; and
- Fostering *closer economic integration* of the BMCs.

4.29 The strategies to pursue these objectives were:

- *improving responsiveness to BMCs*,
- *improving BMC capabilities* (including *strengthening project preparation capabilities, economic management capacities, public sector management and PSIP management, and public sector reform*),
- *strengthening CDB's institutional capabilities*,
- *cost-effective use of resources*, and
- *partnerships*.¹²⁹

4.30 The *SDF 5 Agreement* (covering 2001-2004) further developed the operational policy framework,¹³⁰ with a *broader emphasis on poverty reduction covering all of CDB operations*,¹³¹ including a new *strategy for poverty reduction* and an initial strategy on *governance and institutional development*.¹³² For both poverty reduction and governance, policy working papers were endorsed by SDF Contributors,¹³³ and these were subsequently followed by strategy papers that were discussed and approved by the Board.

4.31 With respect specifically to technical assistance, the SDF 5 operational strategy called for a shifting in the balance between regional and country-level TA to provide a greater emphasis on country-level objectives and a more selective approach to regional-level TA. The target was to shift the balance from 40% regional and 60% country-level in SDF 4 to 25% regional and 75% country-level in SDF 5.¹³⁴

4.32 The *Poverty Reduction Strategy* was based on an assessment of the characteristics and causes of poverty in the Caribbean context and identified three “strategic levers” for CDB to use in addressing poverty reduction: *capability enhancement, reduction of vulnerabilities, and good governance, institutional development and regional action*.

¹²⁹ SP 2000, paras. 22-23, pp. v-vi and paras. 5.12-5.56, pp. 24-37.

¹³⁰ Although the SDF 5 Agreement did not become effective until mid-December 2001 and, therefore, was formally part of operational policy only from January 2002.

¹³¹ The objective set in SDF 3 and SDF 4 was for a target percentage of SDF commitments to be for *targeted* poverty reduction. The change in SDF 5 was the adoption of a *poverty prism* concept, under which all of CDB's operations, whether financed from SDF or OCR, would be viewed, in their selection, design and implementation, through the “prism” to influence *all of CDB's project activities* at all stages of the project cycle. A target percentage for targeted poverty reduction programming was also retained, although this was subsequently dropped in SDF 6. Targeted poverty reduction programmes, nevertheless, remain an important element of SDF-financed operations.

¹³² *Report of Contributors on SDF V: A Partnership for Poverty Reduction in the Caribbean*, December 2001. Referred to below as the *SDF 5 Agreement*.

¹³³ Working Papers on a *Strategy for Poverty Reduction in the Borrowing Member Countries* and on *Governance and Institutional Development*, revised June 2001.

¹³⁴ *SDF 5 Agreement*, p. 57, para. A3.88. The target was, however, not possible to reach and the share of regional TA actually rose to more than 60% in SDF 5 (*Implementation and Progress Report for SDF 5*, October 2004, p.12, para. 3.36). Further data on this using the Evaluation's data base is provided below.

4.33 The levers were not intended to be programming categories, but related objectives for the Bank's projects and programmes. All three included elements that were in large part technical assistance objectives, including: sustainable management of the natural resource base; improving disaster management; public sector modernization; improved policy formulation and programme management; social partnerships and participation; law, justice and security; and regional cooperation and governance.¹³⁵ The strategy included targeted poverty reduction through programmes such as BNTF and Social Investment Funds.

4.34 Further development and internalization of the strategy during SDF 5 was an ongoing process that included a policy and strategy paper reviewed by SDF Contributors in late 2004 during the SDF 6 negotiations¹³⁶ and approved by the Board in 2005, as well as development of several "toolkits" to help in further operationalization of the strategy. Nevertheless, the broad outline and objectives of the strategy, with the emphasis on *capability enhancement*, *reduction of vulnerabilities* and key elements of *good governance*, were in place by late 2001.¹³⁷ The toolkits, in particular that for TA, provide examples of the kind of links that can be made between poverty reduction objectives and the identification, design, implementation and monitoring of TA interventions.¹³⁸

4.35 The ***Governance and Institutional Development Strategy*** addressed good governance in relation to poverty reduction, private sector development and strategic repositioning of Caribbean economies, and set out a framework for CDB support for good governance in selected areas, including:

- *Public sector modernisation* (improving effectiveness, accountability and transparency, human resource development and knowledge management);
- *Building capacity for strategic policy management and coordination* (integrated policy frameworks, revenue/expenditure management, policy management and coordination, and implementation capacity);
- *Social partnerships and participation*;
- *Law, justice and security* (legal and regulatory frameworks, judicial systems, security for citizens' rights and property, and corporate governance); and
- *Regional cooperation and governance*.

The strategy recognizes that CDB would need to be selective in all of these areas, based on its core competencies and ability to influence or achieve results.

4.36 Again, the outlines of the strategy were in place by late 2001, although internalization and operationalisation was needed during the SDF 5 period, including a further policy and strategy paper approved by the Board in late 2003¹³⁹ and a paper completed in 2005 on operationalizing the governance strategy, together with toolkits for operational staff to use in project appraisal and in developing country strategies.¹⁴⁰ The paper on operationalizing the strategy includes a medium-term action plan for 2005-2007, with performance targets and expected outcomes. The paper, together with the toolkits and action plan, has significant implications for future technical assistance activities.

¹³⁵ See Appendix E for further explanation of the three strategic levers.

¹³⁶ *Draft Poverty Reduction Strategy*, October 2004.

¹³⁷ Operationalization of the poverty reduction strategy was a continuing issue during SDF 5. The development of the further policy and strategy paper was part of the internalization of the policy, and was followed in 2005 by a set of nine "toolkits" with checklists for use by operations staff, including a toolkit for technical assistance.

¹³⁸ See, for example, Appendix F for the poverty reduction strategy toolkit for technical assistance.

¹³⁹ *Strategy Paper on Governance and Institutional Development*, approved by the Board in December 2003.

¹⁴⁰ *Operationalizing the Governance Strategy*, revised August 2005, and *Governance Toolkit for Project Appraisal and Governance Toolkit for CSPs*, revised November 2005.

4.37 These various strategies provided a set of objectives and priorities for CDB operations over the period, including TA operations, particularly in terms of the focus on poverty reduction, good governance and institutional strengthening, as well as regional cooperation and integration.

4.38 Further development of the operational policy framework has since been undertaken through:

- A policy paper on ***Supporting Regional Cooperation and Integration***, submitted to and endorsed by SDF Contributors during the SDF 6 negotiations.¹⁴¹ This includes a number of areas that are likely to involve selective TA programming, including support for implementation and consolidation of the Caribbean Single Market and Economy, strengthening of regional governance, the regional economic policy agenda, and the provision of regional public goods. Further operationalization of the strategy and development of a regional operational programme – as distinct from country programmes or *ad hoc* responses to requests for regional TA funding – are planned as part of the SDF 6 Action Plan.
- The ***SDF 6 Agreement***,¹⁴² with a further development of the operational policy framework for SDF operations during 2005-2008, and a strong emphasis on “Managing for Development Results” (MfDR), as well as an *Action Plan* that includes, as *Pillar 1*, support for targeted capacity building at country and regional level. The SDF 6 Agreement includes further endorsement of the poverty reduction strategy and the policy framework for supporting regional cooperation.
- The Bank’s ***Strategic Plan 2005-2009***,¹⁴³ which sets out an updated strategic focus and priorities, as well as cross-cutting themes, for the period ahead. This is a further development of the strategy for 2000-2004 and reflects the core elements of the SDF 6 Agreement. SP 2005 also provides a stronger basis for results-based management and operations. All four core objectives – *Promoting broad-based economic growth*, *Fostering inclusive social development*, *Promoting good governance*, and *Fostering regional cooperation and integration* – are likely to require targeted use of technical assistance, given the limited resources allocated for TA in the SDF 6 replenishment. Two of these objectives, *promoting good governance* and *fostering regional cooperation and development*, are likely to rely heavily on technical assistance and to require a more programmed, rather than purely responsive, approach.

These key documents provide a framework of objectives and intended results for operational programming, including TA programming, beginning in 2005.

4.5. Overview of CDB Technical Assistance 1992-2004¹⁴⁴

4.39 The Evaluation included an analysis of the overall development of the TA programme over three time periods, 1992-1995, 1996-1999 and 2000-2004. The purpose was to better understand some of the policy-determined changes over time, including the responsiveness of TA operations to changing policy and operational objectives and the perceived needs of the BMCs.¹⁴⁵ These three periods roughly parallel, but are not coincident with, the SDF 3, SDF 4 and SDF 5 cycles. A data base was developed for this purpose.¹⁴⁶ While it may not be complete in respect of investment-project-related TA because of changes in reporting,¹⁴⁷ and does not include “direct TA” provided by CDB staff in the course of their

¹⁴¹ *Supporting Regional Cooperation and Integration*, revised April 2005.

¹⁴² *Report of Contributors on SDF 6: Reducing Poverty in the Caribbean and Targeting the Millennium Development Goals*, included in *Resolution and Report of Contributors on SDF 6*, October 2005.

¹⁴³ CDB, *Strategic Plan 2005-2009*, March 2006 [SP 2005].

¹⁴⁴ As indicated above, the analysis of the Evaluation data base in this section is in terms of *overall TA operations* for purposes of composition, sources of financing and general trends. Later in the section, the *core TA programme* is used for purposes of analyzing some particular issues. The difference between the two is shown in Table 4.2.

¹⁴⁵ *Terms of Reference*, paras. 2.01 (a) and 3.01 (i) (a) to (c).

¹⁴⁶ With the assistance of Evaluation and Oversight Division, Projects Department and Corporate Planning Division.

¹⁴⁷ As noted previously, there was a change in reporting on TAs under implementation in late 2001 as part of the

work, it covers the Bank's overall TA operations insofar as available data permits. The analysis that follows is drawn from that data base. The next chapter deals in more detail with TA operations during 2000-2004.

4.40 The classification of TA activities, as noted above, was developed to reflect actual operations during 2000-2004, based on categories developed for the two earlier periods in the *SDF Performance Review* in 2000, with adjustments to reflect changes since that date, as well as current policy parameters.¹⁴⁸ Each TA approved during the three periods was classified according to these categories. An overview of TA operations is provided in Table 4.2. The overview shows both of the two data series that are used in the analysis below.¹⁴⁹ As indicated in Chapter 2, *overall TA operations* includes several special programmes: BNTF, CTCS, disaster response and disaster mitigation, and CTCF. The *core TA programme* excludes these special categories.

Table 4.2:
CDB TA OPERATIONS – AVERAGE ANNUAL APPROVALS

	1992-1995		1996-1999		2000-2004	
	No.	Amount	No.	Amount	No.	Amount
	#	(\$ 000)	#	(\$ 000)	#	(\$ 000)
Overall TA operations*	35	8,043	45	11,422	56	10,940
Core TA programme**	28	3,321	32	6,554	36	6,100

Source: Tables 4.3 to 4.5.

*See Tables 3.3 and 3.4

** See Table 4.5. Excludes special programmes: BNTF, CTCS, disaster response/mitigation and CTCF.

56 in 2000-2004. In terms of amounts, the annual average increased from roughly \$8 million in 1992-1995 to \$11.4 million in 1996-1999 and then declined somewhat to \$10.9 million in 2000-2004.¹⁵¹

4.42 For the *core TA programme*, i.e. with special programmes (BNTF, CTCS, disaster response/mitigation and CTCF) excluded, the average number of TAs also rose, although at a slower rate, from 28 in 1992-1995 to 32 in 1996-1999 and 36 in 2000-2004. The corresponding amounts increased from \$3.3 million in 1992-1995 to \$6.6 million in 1996-1999, and then declined to \$6.1 million in 2000-2004. The increase over 1992-1995, however, remains significant.

4.43 Table 4.3 summarizes TA operations as a whole, i.e. including the special programmes such as

introduction of the PPMS recording system. This excluded project-related TA that was processed together with a capital project, which was subsequently reported with capital projects under implementation (BD 71/01 December 13, 2001).

¹⁴⁸ The classification structure differs from that used for other purposes by CDB in that it avoids the use of categories such as “project implementation” and the newer “institutional strengthening” (for which there have been changes in definition over time), and because the latter do not adequately reflect the current, more complex, framework of programme objectives.

¹⁴⁹ The analysis in the balance of Chapter 4 and in Chapter 5 uses different comparisons to assess different aspects of TA operations and facilitate an understanding of changes in composition and programme characteristics and responsiveness to various operational and policy objectives. In presenting the analysis of the data base developed for the Evaluation, the basic comparisons of the overall composition of TA operations are based on *overall TA operations*. For purposes of assessing particular components in terms of annual averages, average size and certain comparisons between country-specific and regional/non-regional TAs, the analysis uses a second series of data representing the *general or “core” TA programme* that is a particular focus of the Evaluation under the Terms of Reference, i.e. excluding the four special programmes that CDB is evaluating separately from the present study (see subsection below on Core TA Programme). For analysis of changes over time, some of the comparisons for overall TA operations are also presented in terms of *non-BNTF TA*, i.e. overall TA operations excluding BNTF, which is a large and distinctive component that would otherwise obscure some relevant comparisons.

¹⁵⁰ The analysis, and the tables in the balance of this chapter, are based on TA approvals, as best reflecting policy and programme intentions. Funding levels net of cancellations, however, are lower, and in some cases a TA has itself been cancelled.

¹⁵¹ See further details below.

CHAPTER 4 – PROFILE OF THE BANK'S TA OPERATIONS

BNTF, over the three time periods, with TA grants and TA loans shown separately. The table shows TA approvals in the main categories for both grant TAs and loan TAs.¹⁵² It indicates, for example, that there was a very substantial increase in TA loans in the period 1996-1999 over the preceding period, and then a decline in 2000-2004. As a proportion of non-BNTF technical assistance, loan financing represented 25.2% in 1992-1995, rising to 44.4% in 1996-1999, and falling back to 31.7% in 2000-2004.¹⁵³

TABLE 4.3: OVERALL CDB TECHNICAL ASSISTANCE OPERATIONS 1992-2004 (TAs approved)¹⁵⁴

PROGRAMME AREAS	1992-1995		1996-1999		2000-2004	
	No. ¹⁵⁵	Amount ¹⁵⁶	No.	Amount	No.	Amount
	#	(\$ 000)	#	(\$ 000)	#	(\$ 000)
GRANTS						
1. Governance (other than areas included in other categories below; includes Justice & Security, Public Service Reform, Social Security Reform, Regulation, Statistics, and Information Technology)	3	368	13	1,919	25	1,847
2. Economic Management ¹⁵⁷ (includes Economic Adjustment, Economic Development, Tax Reform/Tax Administration, and Trade Relations) ¹⁵⁸	7	419	9	1,380	39	6,495
3. Delivery of Public Services (includes Education & Research, Health, Shelter, and Water & Sewerage)	19	1,581	31	3,638	45	4,842
4. Environment	7	468	4	209	5	489
5. Sector Development (Agriculture, Energy, Financial Sector, Tourism, Transport)	29	2,562	18	1,894	33	2,934
6. Targeted Poverty Reduction (includes BNTF) ¹⁵⁹	16	18,873	27	16,997	22	17,045
7. Private Sector Development (includes CTCS) ¹⁶⁰	21	2,445	20	2,013	15	2,169
8. Civil Society (other than TA project delivery specific to other categories or sub-categories, e.g. Justice & Security)	7	213	8	717	11	966
9. Other Regional or Sub-regional Cooperation (institutional development or programme support not specific to another category) ¹⁶¹	3	587	3	747	3	335
10. Natural Disaster Response and Mitigation	2	124	9	1,050	37	1,901
11. Support for CDB Operations (includes project preparation, project implementation and other activities in support of capital projects)	3	107	6	741	12	1,313
12. CDB Institutional Development (includes support for SDF funding)	6	529	5	300	18	2,478
Sub-total Grants	123	28,276	153	31,606	265	42,814
LOANS						
1. Governance	-	-	1	97	4	1,784
2. Economic Management	-	-	-	-	1	506
3. Delivery of Public Services	2	465	2	265	2	282
4. Environment	4	1,014	-	-	1	372
5. Sector Development	7	1,708	11	9,070	3	5,650

¹⁵² Totals for both grants and loans in each category are shown in Table 4.4.

¹⁵³ This comparison is not shown directly in the table, but provides a better comparison for the areas in which loan TA might conceivably be an option.

¹⁵⁴ Excludes direct TA by CDB staff and may not fully reflect some elements of TA in conjunction with a capital project.

¹⁵⁵ Numbers are numbers of TA interventions, in the case of BNTF and CTCS, at the country level (see below).

¹⁵⁶ Amounts originally approved.

¹⁵⁷ Economic management is separated from other areas of governance, as it has been a particular priority for CDB TA

¹⁵⁸ Excluding debt relief, sometimes included in CDB's TA totals.

¹⁵⁹ BNTF covers various activities at community level in addition to TA and is not entirely comparable with other categories. Some other TA interventions such as rural development are also included. Numbers of BNTF interventions are for country programme approvals. Amounts shown for BNTF are for allocations to end-use, in order to provide a better reflection of actual operations over time. (See further details in Note 169 for Table 4.4.)

¹⁶⁰ For discussion of CTCS data, see Note 170 for Table 4.4.

¹⁶¹ Significant TA support has also been provided to regional activities in other categories (see Table 3.4).

CHAPTER 4 – PROFILE OF THE BANK'S TA OPERATIONS

	1992-1995		1996-1999		2000-2004	
	No. ¹⁵⁵	Amount ¹⁵⁶	No.	Amount	No.	Amount
	#	(\$ 000)	#	(\$ 000)	#	(\$ 000)
6. Targeted Poverty Reduction	1	87	2	1,025	-	-
7. Private Sector Development	-	-	1	132	-	-
8. Civil Society	-	-	-	-	-	-
9. Regional or Sub-regional Cooperation	-	-	-	-	-	-
10. Natural Disaster Response and Mitigation	1	285	3	1,040	-	-
11. Support for CDB Operations	3	338	6	2,454	3	3,293
<i>Sub-total Loans</i>	<i>18</i>	<i>3,897</i>	<i>26</i>	<i>14,083</i>	<i>14</i>	<i>11,887</i>
TOTALS	141	32,173	179	45,688	279	54,701

Source: CDB, Evaluation and Oversight Division, CPD and Projects Department, data provided for TA Evaluation data base, SDF *Performance Review*.

4.44 A more disaggregated overview is provided in *Table 4.4* below, which also combines both grant and loan TA so as to show totals for each category. It indicates some significant shifts in the composition of TA activities.¹⁶² The changes at the level of TA operations as a whole are mostly in the same areas identified in the SDF *Performance Review* in 2000 as receiving greater emphasis in SDF-funded TA during SDF 4. These areas have continued to receive an increased emphasis. They include economic management, governance, delivery of public services, targeted poverty reduction (because of the increase in BNTF), private sector development¹⁶³ and natural disaster response and mitigation. The data in *Table 4.4* is presented graphically in *Figure 4.1* excluding BNTF.¹⁶⁴

4.45 Technical assistance for *economic management*, for example, shows an increase from 7 TAs and \$419,000 in 1992-1995 to 9 TAs and \$1.4 million in 1996-1999, and 40 TAs and \$7 million in 2000-2004. On an annualized basis the increase was from \$105,000 per year in 1992-1995 to \$1.4 million per year in 2000-2004. As a share of non-BNTF TA, the increase was from 2.7% in 1992-1995 to 18.5% in 2000-2004.

4.46 There was similarly an increase in TAs in other areas of *governance*. The increase was from 3 TAs and \$368,000 in 1992-1995 to 14 TAs and \$2 million in 1996-1999, and 29 TAs and \$3.6 million in 2000-2004. As an annual average, the increase was from \$92,000 in 1992-1995 to \$726,000 in 2000-2004.

4.47 *Targeted poverty reduction*, a category that includes more than technical assistance strictly defined because of the scope of BNTF, shows a small decline from \$18.9 million in 1992-1995 to just under \$17 million in 1996-1999 and just over \$17 million in 2000-2004. This largely reflects, however, the time taken for phase-in of each new BNTF cycle, and the availability of BNTF funds increased substantially over the period, from \$17 million in BNTF 3 (SDF and USAID) to \$18 million in BNTF 4 (SDF funding) and \$56 million in BNTF 5 (SDF and CIDA funding), so that BNTF allocations from approved country programmes can be expected to increase substantially in the period following 2004. There was, however, a decline in non-BNTF TA for targeted poverty reduction in 2000-2004, the reasons for which may bear further examination.

¹⁶² As in other tables, *Table 4.4* shows TA approvals. These are a better reflection of changes in policy and programme direction than, for example, the portfolio of projects under administration, which is more heavily weighted by past TAs and, if annually reported data is used, may miss some TAs approved and completed within the reporting period.

¹⁶³ After a decline in 1996-1999.

¹⁶⁴ The size of BNTF would dominate the other categories and, because it includes non-TA as well as TA, it is not directly comparable in the same way as other categories.

CHAPTER 4 – PROFILE OF THE BANK'S TA OPERATIONS

TABLE 4.4: OVERALL TECHNICAL ASSISTANCE OPERATIONS 1992-2004 BY SUB-CATEGORY AND FUNDING SOURCE

PROGRAMME AREAS	1992-1995					1996-1999					2000-2004				
	No. ¹⁶⁵	SDF(U)	OCR ¹⁶⁶	Other ¹⁶⁷	Total	No.	SDF(U)	OCR	Other	Total	No.	SDF(U)	OCR	Other	Total
	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
1. Governance	3	368	-	-	368	14	1,658	-	358	2,016	29	2,801	600	230	3,631
<i>Justice & Security</i>	1	25	-	-	25	-	-	-	-	-	6	532	-	-	532
<i>Public Service Reform</i>	1	93	-	-	93	6	808	-	-	808	3	526	-	-	526
<i>Social Security Reform</i>	-	-	-	-	-	-	-	-	-	-	1	147	-	-	147
<i>Regulation¹⁶⁸</i>	-	-	-	-	-	1	17	-	-	17	6	250	-	80	330
<i>Statistics</i>	-	-	-	-	-	3	590	-	334	924	2	37	-	150	187
<i>Infor. Technology & Communications</i>	1	250	-	-	250	2	86	-	24	110	2	131	-	-	131
<i>Small States</i>	-	-	-	-	-	-	-	-	-	-	1	20	-	-	20
<i>Other</i>	-	-	-	-	-	2	157	-	-	157	8	1,158	600	-	1,758
2. Economic Management	7	419	-	-	419	9	1,285	-	95	1,380	40	4,800	506	1,695	7,001
<i>Economic Adjustment</i>	-	-	-	-	-	-	-	-	-	-	8	1,105	-	-	1,105
<i>Economic Development</i>	6	404	-	-	404	7	735	-	95	830	3	143	506	100	749
<i>Tax Reform & Tax Administration</i>	-	-	-	-	-	-	-	-	-	-	12	1,620	-	798	2,418
<i>Trade Relations & Negotiations</i>	1	15	-	-	15	2	550	-	-	550	11	1,267	-	400	1,667
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	6	665	-	397	1,062
3. Delivery of Public Services	21	1,567	-	479	2,046	33	3,197	-	706	3,903	47	2,367	-	2,757	5,124
<i>Education & Research</i>	13	639	-	479	1,118	20	2,580	-	258	2,838	26	986	-	2,311	3,297
<i>Health</i>	1	310	-	-	310	3	412	-	-	412	17	988	-	346	1,334
<i>Shelter</i>	2	87	-	-	87	2	-	-	71	71	2	159	-	-	159
<i>Water & Sewerage</i>	5	531	-	-	531	8	205	-	377	582	2	234	-	100	334
4. Environment (national/reg'l/ sub-reg'l)	11	1,482	-	-	1,482	4	166	-	43	209	6	724	-	137	861
5. Sector Development	36	4,245	-	25	4,270	29	5,874	4,900	190	10,964	36	7,967	-	617	8,584
<i>Agriculture</i>	6	485	-	25	510	6	745	-	-	745	13	1,049	-	45	1,094
<i>Energy</i>	-	-	-	-	-	-	-	-	-	-	2	300	-	-	300
<i>Financial Services</i>	7	766	-	-	766	9	1,101	-	-	1,101	12	5,689	-	372	6,061
<i>Tourism</i>	4	282	=	=	282	5	628	4,900	100	5,628	8	337	-	200	537

¹⁶⁵ Number of technical assistance interventions (projects or country programmes).¹⁶⁶ Some TAs shown as SDFU were partly financed by OCR but a breakdown was not available.¹⁶⁷ Includes all other special fund resources such as use of reflows from SDFs other than SDF (Unified), such as SDF Mexico and SDF Venezuela, OSFR and funds provided for administration by CDB for specific purposes, such as CTCF, DMFC (USAID and Canada), OSF/GDF, OSF/IDB, OSF/UK and China TCF.¹⁶⁸ Other than financial services.

TABLE 4.4: OVERALL TECHNICAL ASSISTANCE OPERATIONS 1992-2004 BY SUB-CATEGORY AND FUNDING SOURCE

PROGRAMME AREAS	1992-1995					1996-1999					2000-2004				
	No.	SDF(U)	OCR ¹⁶⁶	Other ¹⁶⁷	Total	No.	SDF(U)	OCR	Other	Total	No.	SDF(U)	OCR	Other	Total
	¹⁶⁵ #	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
<i>Transport</i>	10	1,895	-	-	1,895	5	3,255	-	-	3,255	1	592	-	-	592
<i>General/other</i>	9	817	-	-	817	4	145	-	90	235	-	-	-	-	-
6. Targeted Poverty Reduction	16	16,753	-	2,120	18,873	27	14,652	-	2,345	16,997	22	11,956	-	5,089	17,045
<i>BNTF¹⁶⁹</i>	9	14,692	-	2,000	16,692	9	12,400	-	1,600	14,000	19	11,884	-	4,950	16,834
<i>Other</i>	7	2,061	-	120	2,181	18	2,252	-	745	2,997	3	72	-	139	211
7. Private Sector Development	21	2,189	-	256	2,445	20	2,013	-	-	2,013	15	2,169	-	-	2,169
<i>CTCS¹⁷⁰</i>	15	1,700	-	-	1,700	15	1,195	-	-	1,195	14	2,072	-	-	2,072
<i>Other</i>	6	489	-	256	745	5	818	-	-	818	1	97	-	-	97
8. Civil Society (other than projects specific to other categories, e.g. Justice & Security)	7	162	-	50	213	8	717	-	-	717	11	866	-	100	966

¹⁶⁹ CDB records commitments for BNTF on the basis of funding approved for each participating country, and these are included in individual country agreements. These country agreements are shown in the “No.” columns for BNTF, and there were 9 such country programmes in 1992-1995 and 1996-1999. In 2000-2004, there were 9 country approvals for SDF financing in December 2001 and 10 for CIDA financing in May 2003. The dollar figures shown, however, are adjusted to reflect funds approved for end-use, i.e. sub-projects, so as to provide a better reflection of actual operations over time, which vary according to the phase-in of each BNTF cycle. The number of sub-projects (SPs) for which funds are provided varies considerably, with a substantial increase in 1996-1999 with a move to much smaller SPs; totalling annual figures may also over-state the number because of the way cancellations are recorded. In 1992-1995, the number of SPs is recorded at just under 200 SPs, for 1996-1999 SPs the figures are in the order of 800, and in 2000-2004 just over 500. Figures for BNTF sub-projects are based on data provided by Projects Dept., or, in the case of 1992-1995, the SDF *Performance Review*, 2000. A more complete analysis than was possible in this study, drawing from BNTF archives and files, would be needed to provide further information in a comparable format over time.

¹⁷⁰ CTCS activities consist of a large number of quite small interventions. In the information provided for the Evaluation data base these were recorded on a country basis for each calendar year, and data on numbers of individual interventions are no longer available since the cessation of CTCS annual reports after 2002. The “No.” columns for CTCS use the data provided and show the number of countries for which there were CTCS interventions in each time period. The Evaluation was able to obtain more detailed data from the *CTCS Network Annual Report* up to 2002, and more informally for 2003 and 2004, but to use this data in the table would present difficulties for future comparisons, since records are no longer kept on this basis, and the numbers for such very small interventions would not provide a meaningful comparison with other TAs shown in the table. For the record, however, the figures for field-level CTCS interventions and workshops totalled 607 in the period 1992-1995, 434 in 1996-1999 and 609 for the 5-year period 2000-2004. Analysis in the text for CTCS and private sector TA, however, uses only the dollar figures as shown in the table. These figures are for net SDF funding of CTCS, i.e. net of cost recovery. Totals including cost recovery are higher, e.g. for 1992-1995 total CTCS expenditure was \$1,982,000, and for 1996-1999 was \$1,448,000.

TABLE 4.4: OVERALL TECHNICAL ASSISTANCE OPERATIONS 1992-2004 BY SUB-CATEGORY AND FUNDING SOURCE

PROGRAMME AREAS	1992-1995					1996-1999					2000-2004				
	No.	SDF(U)	OCR ¹⁶⁶	Other ¹⁶⁷	Total	No.	SDF(U)	OCR	Other	Total	No.	SDF(U)	OCR	Other	Total
	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	#	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
9. Other Regional or Sub-regional Cooperation (institutional development or programme support not included in other categories)	3	118	-	469	587	3	657	-	90	747	3	85	-	250	335
10. Natural Disaster Response and Mitigation	3	409	-	-	409	12	1,515	-	575	2,090	37	1,182	-	719	1,901
<i>Disaster Response/Rehabilitation</i>	2	124	-	-	124	8	1,300	-	535	1,835	27	1,140	-	300	1,440
<i>Disaster Mitigation/Prevention</i>	1	285	-	-	285	4	215	-	40	255	10	42	-	419	461
11. Support for CDB Operations	6	445	-	-	445	12	685	1,380	1,130	3,195	15	3,426	980	200	4,606
12. CDB Institutional Development (including support for SDF funding)	6	529	-	-	529	5	113	-	187	300	18	640	-	1,838	2,478
TOTALS	141	28,488	--	3,685	32,173	179	33,789	6,280	5,619	45,688	279	38,983	2,086	13,632	54,701

Source: TA Evaluation data base except where otherwise noted.

4.48 Support for *civil society* also showed a continuing increase, although at a much lower level, from 7 TAs and \$213,000 in 1992-1995 to 8 TAs and \$717,000 in 1996-1999, and 11 TAs and \$966,000 in 2000-2004.

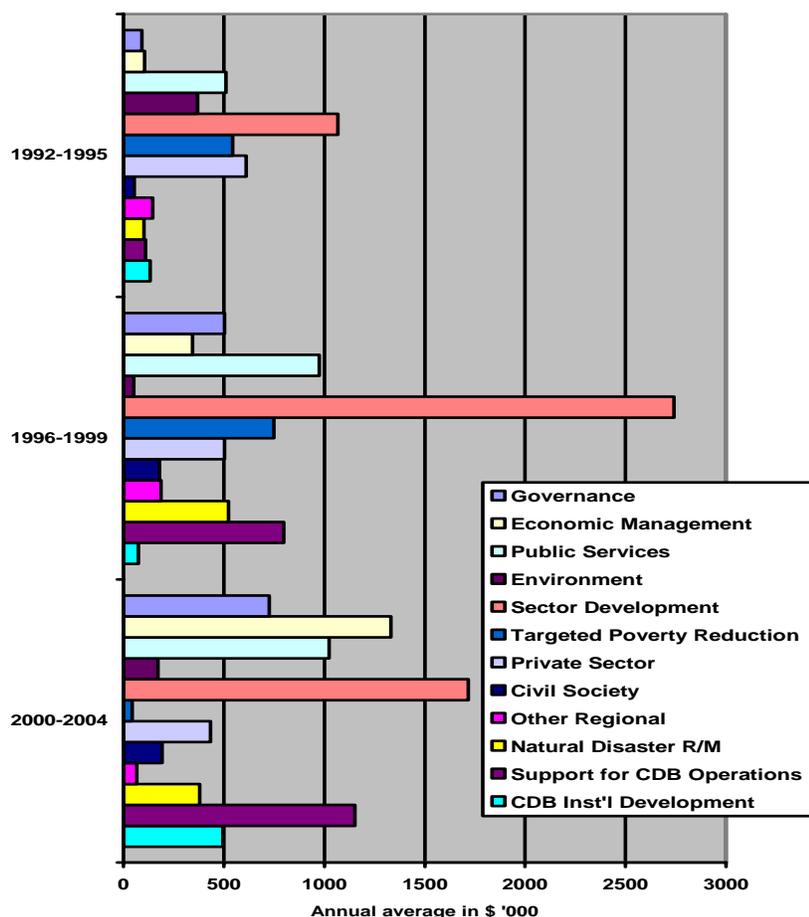
4.49 The increase in 2000-2004, however, is smaller on an annual average basis. On the other hand, there were also some significant TAs in other categories, particularly *justice and security*, that were implemented by civil society organisations (CSOs) and, therefore, supported programme areas in which CSOs were active.

4.50 Technical assistance recorded in the *environment* category showed a decline from 11 TAs and \$1.5 million in 1992-1995 to 4 TAs and \$209,000 in 1996-1999, rising in 2000-2004 to 6 TAs and \$861,000. On an annualized basis, the decline was from \$370,000 in 1992-1995 to \$172,000 in 2000-2004, or from 9.7% of non-BNTF technical assistance in 1992-1995 to 2.3% in 2000-2004.

4.51 A category that has received a relatively large share of the Bank's technical assistance, particularly of non-BNTF TA, is *sector development*, which showed an increase from 1992-1995 to 1996-1999, with a decline in dollar terms in 2000-2004. 36 TAs and \$4.3 million are shown for 1992-1995, 29 TAs and \$11 million in 1996-1999, and 36 TAs and \$8.6 million in 2000-2004. As a proportion of non-BNTF TA, sector development was 27.8% in the first time period, 34.7% in the second, and 22.9% in the third.

Figure 4.1: NON-BNTF TA OPERATIONS BY CATEGORY

1992-1995, 1996-1999, 2000-2004 (annual averages in \$ '000)



4.52 TA shown for *natural disaster response and mitigation* rose substantially in 1996-1999 over the previous period, and then declined in 2000-2004, reflecting change in the disaster response sub-category, although there was an increase in 2000-2004 in disaster mitigation TA.

4.53 Technical assistance for *private sector development* showed a decline in 1996-1999 and a further, although smaller, decline, if measured in annual terms, in 2000-2004. The annual figures for the three periods were \$611,000, \$503,000 and \$434,000 respectively. There was, however, a significant increase in CTCS programming in 2000-2004 over the previous period, which partially offset a decline in non-CTCS TA for the private sector.

4.54 The category of *support for CDB operations*, which covers areas shown in Table 4.1 as preinvestment

and project implementation, as well as other support for investment project programming, appears to have risen substantially in 1996-1999 and 2000-2004, although all project-related TA may not be included in the data base, and too much weight cannot be placed on the apparent trend. TA projects in this category in 2000-2004 included project preparation assistance, project launch workshops, project management training, preparation of engineering design and training attachments.

4.55 *CDB institutional development* also recorded a substantial increase in 2000-2004, both in absolute and in relative terms. Most of the increase was financed from bilateral funding sources rather than SDF. Projects in this category in 2000-2004 included the SDF 4 Performance Review, the SDF 5 Mid-Term Evaluation, support for achievement of the MDGs, transfer to CDB of the CGCED secretariat, an evaluation of the student loan programme requested by SDF Contributors, improving CDB operating procedures, and strengthening of CDB records management.

4.56 Table 4.4 also shows the different financing sources – *SDF(U)*, *OCR* and *Other*, the latter include Other Special Fund Resources (OSFR), some remaining use of individual SDFs (SDFO) from earlier periods, and funds administered by CDB for other agencies such as IDB, USAID and DFID.

4.57 In 2000-2004, for example, *SDF(U)* was a major source of funds for all categories, and the principal source in several cases. For *Other Regional or Sub-regional Cooperation* and *CDB Institutional Development*, however, the largest amounts of funding were from “Other” sources, in particular, CTCF, OSF/UK, OSF/GDF, and SDF/Mexico. OCR was used most extensively for *Support for CDB Operations* and, to a lesser extent, in some countries, for some aspects of *Governance* and *Economic Development*. “Other” sources, in particular CTCF, OSF/ID, OSF/DFID, OSF/USAID and SDF/Mexico, provided considerable resources for *Targeted Poverty Reduction (BNTF)*, *Education & Research*, and some sub-categories of *Economic Management*. Disaster mitigation TAs were financed largely from OSF/DMFC, in particular with USAID funding.

4.58 Most TA projects were managed by executing agencies in a beneficiary country or regional partner, including in some cases a CSO. CDB-executed projects under the “use of funds” procedures, however, were a significant part of the general or core TA programme.

The Core TA Programme and Country-specific vs. Regional/Sub-regional TAs

4.59 Table 4.5 provides an overview of the *core TA programme*¹⁷¹ in terms both of total TAs approved and of country-specific and regional/sub-regional TAs. The table shows annual averages and project size, with the data broken down to show country-specific projects and regional/sub-regional projects separately.

4.60 The average number of projects approved annually in the core TA programme rose from 28 in 1992-1995 to 32 in 1996-1999 and 36 in 2000-2004 (Col. 3). In dollar terms (Col. 4) the increase was from \$3.3 million in 1992-1995 to \$6.6 million in 1996-1999, with a decline to \$6.1 million in 2000-2004. The average size of TAs (Col. 5) rose significantly from 1992-1995 to 1996-1999, and then declined in 2000-2004. The number of very small projects has also risen (Cols. 6 and 7).

4.61 Country-specific TAs increased from an annual average of 53 in 1992-1995 to 64 in 1996-1999 and 70 in 2000-2004 (Col. 8). In dollar terms, there was an increase from approximately \$1.7 million in 1992-1995 to \$4.5 million in 1996-1999, followed by a decline to \$3.8 million in 2000-2004 (Col. 11).

¹⁷¹ As noted previously, the *core TA programme* excludes the special programmes (BNTF, CTCS, DMFC and CTCF) and is the particular focus of this evaluation study.

TABLE 4.5: CORE TA PROGRAMME 1992-2004, WITH ANNUAL AVERAGES AND PROJECT SIZE
(The core TA programme excludes BNTF, CTCS, DMFC and other disaster-related TA, and CTCF)

TOTAL PROJECTS BY PERIOD							COUNTRY-SPECIFIC PROJECTS						REGIONAL & SUB-REGIONAL PROJECTS					
Total Numbers ¹⁷² and Amounts		Annual Averages		Average Size	Annual Average No. of Projects Below		Total Numbers and Amounts		Annual Averages		Average Size	Projects below \$25,000 (annual average)	Total Numbers and Amounts		Annual Averages		Average Size	Projects below \$25,000 (annual average)
No.	Amount	No.	Amount		\$10,000	\$25,000	No.	Amount	No.	Amount			No.	Amount	No.	Amount		
#	\$ 000	#	\$ 000	\$ 000	#	#	#	\$ 000	#	\$ 000	\$ 000	#	#	\$ 000	#	\$ 000	\$ 000	#
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1992-1995																		
113	13,285	28.3	3,321	117.6	0.5	5.8	53	6,623	13.3	1,656	125.0	1.5	60	6,662	15.0	1,666	111.0	4.3
1996-1999																		
129	26,214	32.3	6,554	203.0	0.5	3.3	64	17,838	16.0	4,460	279.0	0.8	65	8,376	16.3	2,094	129.0	2.5
2000-2004																		
181	30,498	36.2	6,100	168.5	3.0	7.6	70	18,863	14.0	3,773	269.5	1.6	111	11,635	22.2	2,327	104.8	6.0 ¹⁷³

Source: TA Evaluation data base.

¹⁷² Number of TA projects approved during the time period.

¹⁷³ The average for projects below \$10,000 was also higher for regional/sub-regional projects than for country-specific projects.

4.62 Regional and sub-regional TAs increased from an annual average of 60 in the first time period to 65 in the second period, and then to 111 in 2000-2004, representing a very large increase in terms of the number of TAs. In dollar terms, there was an increase for regional and sub-regional TAs over all three time periods, from an annual average of \$1.7 million to \$2.1 million and \$2.3 million.

4.63 The relative shares of the core TA programme represented by country-specific TAs and by regional or sub-regional TAs in dollar terms are shown in Figure 4.1, and in terms of numbers of TAs in Figure 4.2. The contrast is particularly striking for 2000-2004, with regional/non-regional TAs representing 37% of the total in dollar terms but 61% of the total number of TAs.

4.64 As the percentages suggest, the average size of regional and sub-regional projects is

Figure 4.1:
Core TA Programme - Regional and Country-specific TAs (in dollar terms)

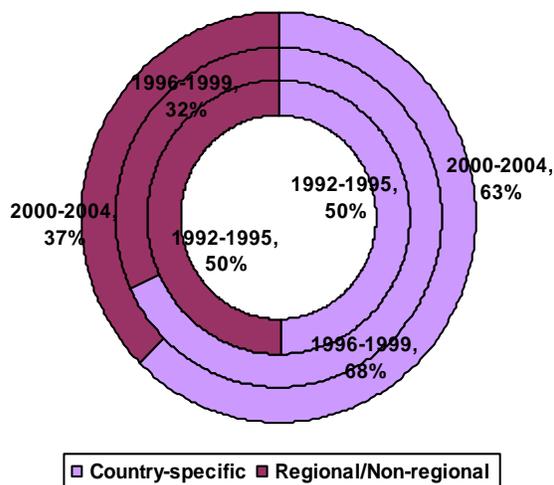
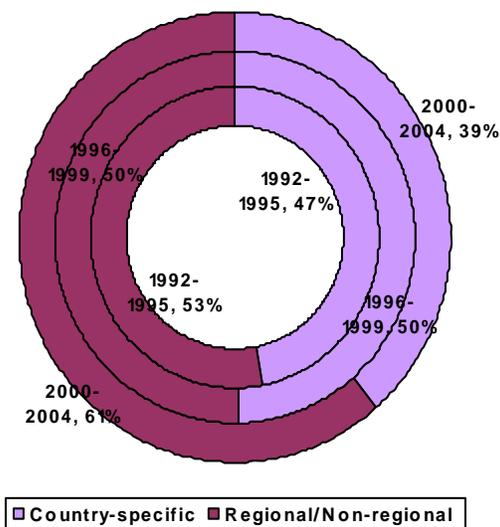
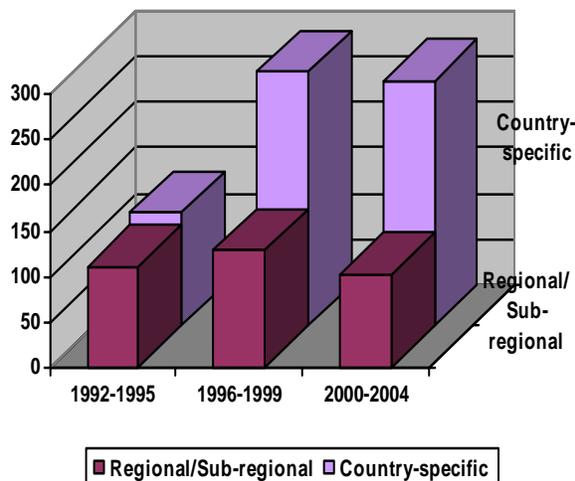


Figure 4.2:
Core TA Programme - Number of Regional and Country-specific TAs



substantially smaller than in the case of country-specific projects. For 2000-2004 the average size of regional/sub-regional projects was \$102,000, compared to \$270,000 for country-specific projects. This compares with \$111,000 and \$125,000 in 1992-1995 (see Figure 4.3). The number of very

Figure 4.3: Core TA Programme - Average Size of Regional and Country-specific TAs
\$ '000



small projects (below \$25,000) is also significantly higher in the case of regional/sub-regional interventions than for country-specific projects, as is the number of “micro” projects (below \$10,000, in some cases as low as \$1,000).

Cancellation and release of committed funds

4.65 Particular TAs have been cancelled for various reasons and when a project is finally closed any lapsed balances are cancelled. In either case, the funds involved become available for use in other TAs. The amounts are relatively significant. Some 9% of TA commitments analyzed for the period 1992 to 2004 had been cancelled by mid-2006.¹⁷⁴ \$6.8 million was released in this way, of which 57%, or just over \$3.8 million represented TAs cancelled in full. The relationship of the amounts cancelled from TAs approved during 1992-2004 to total TA approvals is shown graphically in Figure 4.4.

4.66 The total amount cancelled during the period is likely to have been higher, as there would have been additional cancellations in respect of TAs approved prior to 1992.¹⁷⁵ This is likely to be particularly the case during the first few years of the period under review.

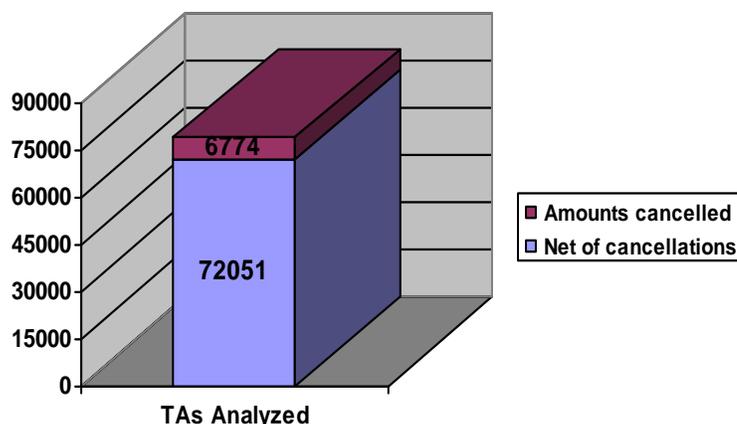
4.67 Of the 15 TAs cancelled in full, one of a fairly significant size was cancelled in the same year it was approved, some (including a regional TA for \$1.3 million) were cancelled within a year or two of approval, and some were cancelled up to 6 years after approval.

4.68 In the case of balances cancelled on closing a TA, these took place in some cases after a considerable period, in some instances up to 10 or even 12 years after project approval. In one case, a TA was almost entirely cancelled after a period of 10 years.

Some of these cancellations after long periods were done in the early part of 2006. A considerable number of TA closings, and corresponding cancellations, also took place in 2002.

4.69 There was a general review in 2006 of TA projects that were current but uncompleted, and a significant number were identified as further candidates for cancellation.

Figure 4.4:
Amounts Cancelled for TAs in Data Base
1992-2004 ('000)



¹⁷⁴ The discussion in this section is based on an analysis of TA closing dates and amounts cancelled, using the Evaluation data base for TAs approved during the three time periods 1992-1995, 1996-1999 and 2000-2004.

¹⁷⁵ The data base developed for the Evaluation related only to TAs approved during 1992 to 2004, and this in itself required a substantial amount of effort and support from CDB staff.

CHAPTER 5 HIGHLIGHTS

- Overall TA operations in annual terms showed a significant increase in number of interventions in 2000-2004, but a small decrease in terms of amount. There were, however, a substantial increase in support for *economic management* and, although at a lower overall level, for *CDB institutional development*, in both cases with substantial funding from bilateral sources in addition to SDF. These were followed, in terms of increases, by *other governance* and the traditional category of *support for CDB operations*.
- The core TA programme, as an annual average, also showed a small decline in terms of amount, from \$6.5 million per year in 1996-1999 to \$6.1 million in 2000-2004. The number of TA interventions in the core programme, however, rose from an annual average of 32 to 36. Correspondingly, the average size of TAs in the core programme declined from \$203,000 to \$169,000.
- In the core TA programme, the number of TA interventions at the regional or sub-regional level rose from an average of 16 per year to an average of 22. The annual average for country-specific TAs in the Evaluation data base declined marginally from 16 to 14 per year.
- The average size of regional/sub-regional TAs declined sharply to \$105,000, in some cases much smaller, and the average for country-specific TAs declined marginally to \$270,000.
- The focus of TA operations continued to emphasize policy-driven areas, in particular *economic management*, *other governance* and, to a lesser extent, *civil society* and the *environment*, although in the latter case still at a much lower level than in 1992-1995.
- *Sector development* and *delivery of public services*, together with *economic management*, continued to be the three largest categories in the core TA programme.
- The management of TA poses special challenges related to the nature of capacity development and other types of TA, institutional factors within the Bank, the demands of other aspects of CDB's operations, and particular skill sets required in TA work. Management issues also differ for different types of TA projects.
- Of the two key aspects of TA monitoring and supervision, headquarters supervision and field-level support, there have been significant limitations in the extent to which field-level TA project appraisal, supervision, monitoring and problem-solving have been possible.
- There are key issues in the Bank's management information system for TA, including the limited use to date of PPMS as a basic information and decision-making system, the limited use of systematic assessment criteria such as those set out in CDB's PPES system, which has not yet been applied to TA, and the current lack of a comprehensive information base on TA operations as a whole.
- TA operations are highly diverse and to a considerable extent responsive. Although there are key policy directions reflected in TA programming and TAs continue to support investment lending, most interventions appear to be *ad hoc* rather than strategic. Recent steps and decisions on operationalizing policy directions are important, but they do not constitute an overall TA operational policy framework.

5. TECHNICAL ASSISTANCE OPERATIONS 2000-2004

5.1. TA Operations 2000-2004 in Summary

5.01 As shown in earlier tables, there was a levelling off in 2000-2004 in the average annual level of both *overall TA operations* and the *core TA programme*, from \$11.4 million in 1996-1999 to \$10.9 million in 2000-2004 for the overall TA programme, and from \$6.6 million to \$6.1 million in the core TA programme. There was, however, a substantial increase in support for *economic management* and, although at a lower overall level, *CDB institutional development*. There were also significant increases in percentage terms for *other governance* and *support for CDB operations*. There was, in addition, a significant increase in the *number* of TA interventions per year between the two periods, of 24.4% for overall TA operations and 12.5% for the core TA programme.

5.02 The use of loan financing from both SDF and OCR for TA declined as compared to the previous period, with a corresponding increase in the relative share of grant-funded TA.¹⁷⁶

5.03 There were also significant changes, as noted in the previous chapter, in the relationship between country-specific TA projects and regional/non-regional TAs, as compared to the preceding period. This is best shown in terms of the *core TA programme*, using the data presented in Chapter 4. To summarize, using rates of change, country-specific TA during 2000-2004 on an annual basis compared to the period 1996-1999 appears to have declined by just over 15% in dollar terms, and by 12.5% in terms of numbers of TAs, although to the extent that this category of TA may be under-reported,¹⁷⁷ the change may not be quite as great. Regional/sub-regional TA, however, increased by 11.3% in dollar terms and by 36.2% in terms of number of projects, in some cases for relatively small interventions. As noted in Chapter 4, the number of regional TA projects has also for the first time increased to substantially more than the number of country-specific TAs.¹⁷⁸ The policy objective of increasing the share of country-specific TA for the SDF 5 period,¹⁷⁹ therefore, was not achieved, at least as far as can be judged from the data base.¹⁸⁰

5.04 TA operations during 2000-2004 appear to have been largely responsive to BMC requests,¹⁸¹ possibly more so than in 1996-1999, when there were some significant changes in the focus of the Bank's TA work, reflecting the SDF 4 mandate in particular. The policy directions that became evident in the 1996-1999 period, however, were largely continued, and in the case of at least three countries¹⁸² there were TA programming missions at the beginning of the period that provided an opportunity for shaping the composition of TA programming for those countries.¹⁸³

¹⁷⁶ See Table 4.3. The extent of the decline, however, may be lower to the extent there is under-reporting in the data base of investment-related TA, often provided on a loan or reimbursable grant basis.

¹⁷⁷ As explained in Section 2.7, TA processed together with a capital project may not be fully reported after 2001.

¹⁷⁸ See Table 4.5, Cols. 8 and 14. The difference is sufficiently large that, even with some under-reporting of country-specific TAs, the number of regional/sub-regional TAs would still seem likely to be substantially greater than the number of country-specific TAs.

¹⁷⁹ Referred to in para. 4.31.

¹⁸⁰ This seems confirmed by the data provided by CDB to the SDF 6 Replenishment negotiations (see footnote to para. 4.31). But, again, any under-reporting of TA related to investment projects would make the contrast appear greater than it may have been.

¹⁸¹ This statement is based on file review and discussion with staff as well as interviews in the field.

¹⁸² Guyana, St. Vincent & the Grenadines, and Belize.

¹⁸³ As far as the Evaluation was able to judge, there were no similar TA programming missions in the latter part of the period, i.e. after 2002.

5.2. TA Operations in Different Programme Categories

5.05 Table 5.1 provides a structured overview of *overall TA operations* during the period, including a breakdown between country-specific, regional and sub-regional projects by category and sub-category. Key totals excluding BNTF are also shown in the last line of the table. The figures are, as with previous tables, on the basis of TA approvals.

5.06 The categories of ***Economic Management*** and ***Governance***, which became of increasing importance in the 1996-1999 period, gained further in both relative and absolute terms.¹⁸⁴ Some of the more significant areas in terms of project approvals were country-specific TAs for *Tax Reform and Tax Administration*, and regional TAs related to *Trade Relations and Trade Negotiations*, as well as some TAs, both country-specific and regional, that were aimed at or supportive of *Economic Adjustment*. Other significant areas in these two categories included *Justice and Security*, *Public Service Reform*, *Regulatory Activities*, and *Economic Development*.

5.07 In ***Economic Management***, there were TAs to support introduction of a valued added tax or property tax reform, or strengthening of tax administration, in St. Vincent & the Grenadines, Antigua & Barbuda, Grenada, St. Lucia and Guyana, a study of the informal sector in Jamaica, and a regional workshop on tax reform. There were also several regional TAs to support the establishment and work of the Caribbean Regional Technical Assistance Centre and the Caribbean Regional Negotiating Machinery, as well as a negotiating skills workshop, a study of trade-related legislation in the OECS, and preparation of a poultry sector position for WTO negotiations.¹⁸⁵

5.08 Under *Economic Adjustment*, there was support for an important but badly lagging regional economic transformation programme for agriculture, preparatory assistance for a regional economic reconstruction programme, an assessment of support needs for the Caribbean Single Market and Economy, support for a banana recovery programme in St. Lucia as part of a larger project, support for a task force on the proposed CARICOM Reconstruction Facility, and an assessment of Dominica's economic stabilization and adjustment programme.¹⁸⁶

5.09 Under ***Governance***, in the *Justice & Security* sub-category there were CSO-executed projects for domestic violence intervention training for police officers and social workers and for training of trainers for youth development and life management skills, as well as a study on drug control policy, and development of a plan to provide for financial independence for the Caribbean Court of Justice.¹⁸⁷

5.10 The *Regulatory* sub-category included regulatory modernization in Barbados, telecommunications regulation in small island states, air transportation policy for the OECS, and a regional workshop on access to telecommunications. In the *Public Service Reform* sub-category were TA interventions in Belize, Dominica and Grenada. Under *Social Security Reform*, there was a TA for the study of pension reform in the Eastern Caribbean.

5.11 ***Targeted Poverty Reduction*** shows, as in previous periods, as the largest category because of BNTF. There were, however, three other TAs shown as targeted poverty reduction, including two for rural enterprise development in Grenada.

¹⁸⁴ *Economic Management* is separated out from the broader *Governance* category because of the particular focus of the Bank's TA activity in this area. Some TAs in both categories are included in the project sample for the Evaluation.

¹⁸⁵ The TA for direct CDB support for CARTAC and one of the CRNM TAs are included in the project sample for the Evaluation.

¹⁸⁶ Two of these are in the project sample,

¹⁸⁷ The TAs for domestic violence intervention training for police officers and for training of trainers for youth development are in the project sample.

TABLE 5.1: OVERALL TECHNICAL ASSISTANCE OPERATIONS 2000-2004

PROGRAMME AREAS	Country-specific		Regional		Sub-regional		Totals	
	No.	Amounts Approved	No. ^a	Amounts Approved	No. ^a	Amounts Approved	No. ^a	Amounts Approved
	#	(\$ 000)	#	(\$ 000)	#	(\$ 000)	#	(\$ 000)
1. Governance	12	2,682	14	762	3	187	29	3,631
<i>Justice and Security</i>	-	-	6	532	-	-	6	532
<i>Public Service Reform</i>	3	526	-	-	-	-	3	526
<i>Social Security Reform</i>	-	-	-	-	1	147	1	147
<i>Regulation</i>	2	248	2	42	2	40	6	330
<i>Statistics</i>	1	150	1	37	-	-	2	187
<i>Information Technology</i>	1	81	1	50	-	-	2	131
<i>Small States</i>	-	-	1	20	-	-	1	20
<i>Other</i>	5	1,677	3	81	-	-	8	1,758
2. Economic Management	18	3,522	19	3,359	3	120	40	7,001
<i>Economic Adjustment</i>	2	228	6	877	-	-	8	1,105
<i>Economic Development</i>	3	749	-	-	-	-	3	749
<i>Tax Reform & Tax Administration</i>	11	2,298	1	120	-	-	12	2,418
<i>Trade Relations & Negotiations</i>	-	-	8	1,547	3	120	11	1,667
<i>Other</i>	2	247	4	815	-	-	6	1,062
3. Delivery of Public Services	19	1,639	25	3,337	3	148	47	5,124
<i>Education & Research</i>	5	279	18	2,870	3	148	26	3,297
<i>Health</i>	10	867	7	467	-	-	17	1,334
<i>Shelter</i>	2	159	-	-	-	-	2	159
<i>Water & Sewerage</i>	2	334	-	-	-	-	2	334
4. Environment	5	739	-	-	1	122	6	861
5. Sector Development	15	7,138	18	1,328	3	118	36	8,584
<i>Agriculture</i>	4	682	9	412	-	-	13	1,094
<i>Energy</i>	1	240	1	60	-	-	2	300
<i>Financial Sector</i>	5	5,292	4	651	3	118	12	6,061
<i>Tourism</i>	4	332	4	205	-	-	8	537
<i>Transport</i>	1	592	-	-	-	-	1	592
6. Targeted Poverty Reduction	21	17,042	1	3	-	-	22	17,045
<i>BNTF</i>	19	16,834	-	-	-	-	19	16,834
<i>Other (incl. Rural Development)</i>	2	208	1	3	-	-	3	211
7. Private Sector Development	14	2,072	1	97	-	-	15	2,169
<i>CTCS</i>	14	2,072	-	-	-	-	14	2,072
<i>Other</i>	-	-	1	97	-	-	1	97
8. Civil Society¹⁸⁸	3	296	8	670	-	-	11	966
9. Other Regional and Sub-regional	-	-	3	335	-	-	3	335
10. Natural Disaster Response and Mitigation	27	1,360	8	336	2	205	37	1,901
<i>Disaster Rehabilitation</i>	26	1,340	-	-	1	100	27	1,440
<i>Disaster Mitigation</i>	1	20	8	336	1	105	10	461
11. Support for CDB Operations	13	3,967	2	639	-	-	15	4,606
12. CDB Institutional Development (including support for SDF funding)	-	-	18	2,478	-	-	18	2,478
TOTALS	147	40,457	117	13,344	15	900	279	54,701
<i>Totals excluding BNTF</i>	<i>128</i>	<i>23,623</i>	<i>117</i>	<i>13,344</i>	<i>15</i>	<i>900</i>	<i>260</i>	<i>37,867</i>

Source: TA Evaluation data base.

¹⁸⁸ Institutional development or programme support other than specific to other categories such as *Justice and Security*.

5.12 **Sector Development** remained an important category, and the same was the case for **Delivery of Public Services**.¹⁸⁹ Important areas of concentration were the *Financial Sector* (both country-specific and regional or sub-regional) and *Education & Research* (primarily, but not entirely, at the regional level), although there was also technical assistance for other sectors.

5.13 In the *Financial Sector*, there were two TAs related to financial sector reform in Jamaica, including a \$5 million TA loan associated with a capital project, two sub-regional seminars related to money laundering, and TAs related to institutional strengthening of DFIs in Turks & Caicos Islands and in St. Vincent & the Grenadines.¹⁹⁰

5.14 In the *Agriculture Sector* were TAs for a review of the Caribbean Agricultural Research and Development Institute, review of an agricultural development project in Jamaica, a study of hazardous substances in Jamaican soils, and support for meetings on regional agriculture and agricultural economics. In the *Transport Sector* was a road improvement and maintenance study in Guyana and, although classified under another category, there was also a TA for a road transportation master plan in St. Kitts & Nevis.

5.15 In *Education & Research*, there were a large number of TAs, most of them for regional activities, including TAs for research projects and research funding at UWI, regional conferences on childhood education, agricultural scholarships, a study of a Caribbean Research Funding Agency, research on gender differentials in education, and support for several other conferences and meetings, including on learning and training, information technology in the classroom, and enabling human development. There were also TAs for community college development in Grenada and a technology commercialization workshop at the University of Technology in Jamaica.¹⁹¹

5.16 TAs in the *Health Sector* included a project execution plan for health sector reform in Belize associated with a capital project as well as project management for health sector reform, a review of regional health institutions, and development of national strategic plans for health in Grenada and St. Kitts & Nevis. Also included in this sector were TAs for hospital management in Grenada and Dominica, collaboration with PAHO in health planning and programming development, a regional course on diabetes, development of an electronic data base on HIV/AIDS activities, control and prevention of HIV/AIDS in Belize, and participation of guest lecturers at a UWI conference on medical science.¹⁹²

5.17 *Shelter Development* included a TA for implementation of a shelter development project in St. Lucia and for shelter development consultants in microcredit in Dominica.¹⁹³

5.18 Three of the categories – **Private Sector Development**, **Civil Society** and **Other Regional and Sub-regional** – are “residual” in the sense that they show TAs other than those included in other categories, such as *Economic Adjustment*, *Justice and Security* or *Trade Relations and Negotiations*. They do, however, show the continuing relative importance of the CTCS network for small and medium-size enterprises,¹⁹⁴ the continuing use of TA in support of civil society organizations – an area that first became significant in the 1996-1999 period – and the wide range of support for regional or sub-regional activities.

¹⁸⁹ The dividing line between these two categories is somewhat arbitrary, but is intended to be between publicly provided services and sectors where the assistance supported private sector (as well as possibly public sector) development.

¹⁹⁰ The TA for St. Vincent & the Grenadines is in the project sample.

¹⁹¹ The TA for research funding at UWI is in the project sample.

¹⁹² Two health sectors TAs are in the project sample.

¹⁹³ Implementation of the shelter development project in St. Lucia is in the project sample.

¹⁹⁴ CTCS is the subject of separate evaluation and is not included in the present Evaluation.

BOX 1: PROPERTY TAX REFORM IN ST. LUCIA

As a response to the fiscal and structural challenges facing many BMCs, the Bank in 2002 approved an Economic Reconstruction Programme. Included in the ERP country programme agreed with St. Lucia was a TA for reform of the country's property tax system. A TA of \$138,000 was provided, based on a proposal prepared by the Inland Revenue Dept.

The mobilisation of increased resources to respond to the country's economic and social needs had been identified as a major challenge, and tax reform to broaden the tax base with increased equity and greater efficiency was a priority. For CDB, steps to assist BMCs to reposition their economies were also a priority, and the Bank's governance and institutional strengthening strategy identified revenue and expenditure management as a key element of good governance.

St. Lucia's property tax system was highly inefficient and inequitable, with inconsistent and unsystematic methods of valuation, primitive methods of tax roll maintenance, inadequate coverage and non-compliance. This impacted negatively on revenues. Estimates suggested that the envisaged reforms could lead to at least a tripling of property tax revenues. St. Lucia had embarked on a major reform of its direct tax system with assistance from CIDA but this had not addressed the property tax system, and CDB's TA was a complement to other areas of tax reform.

The project has achieved significant results. Revaluation of all properties on the island was 80% complete and 50% of the reassessment had been done, and the process was continuing. There was now a consistent approach to valuation of properties, with a system that is more transparent and equitable, with an appeal procedure, and a computerized tax roll with details of every property. Revenues have increased from \$3.4 million to an expected \$6 million in the current year and \$10 million is considered feasible in the short term, and ultimately \$15 to \$20 million. The project has also had a significant institutional development impact in strengthening the Inland Revenue Dept. to undertake new responsibilities with new methods and more sophisticated technologies.

There were, however, significant capacity constraints, and the results might have been achieved more quickly, and the valuation and assessment program completed much sooner, with a more rapid increase in revenues, if management and implementation capacity had been better assessed and if the project had included a larger element of expert services to supervise completion of the valuation exercise. Limitations in management capacity, together with procurement difficulties in acquiring the necessary equipment, meant that the consultants were required to provide a greater level of services, including undertaking a considerable number of valuations at field level after the pilot phase and procurement of equipment on behalf of the client, than had been envisaged or properly costed, and their work did not extend to the balance of the revaluation process.

Some of this might have been foreseen if project design had been based on a capacity assessment, or had drawn on the experience of a similar project in St. Vincent, for which a TA had been provided with double the funding. The agency was embarking on a new undertaking without experience of the problems, management requirements and technology, and would have benefited from expert advice in project design of the kind provided by CARTAC, on which St. Lucia and CDB might have drawn.

A supervision mission when the results of the pilot phase were available might also have led to a review of project scope in terms of prospective benefits if the program could have been completed more expeditiously and the services that it was by then clear the consultants would need to provide. The project was dealt with, however, from project identification through implementation, entirely from CDB headquarters.

While the project was successful and achieved significant benefits, it raises issues of project design, including the desirability of drawing on experience such as the similar TA in St. Vincent, and the use of expert advice such as that available from CARTAC, as well as the potential benefits of a project supervision mission and project review at an appropriate stage in a technologically complex and managerially demanding institutional strengthening project. Weaknesses in assessing capacity and in project design might not have produced adequate results in another BMC or with other consultants less willing to provide a higher level of effort than contracted for.

5.19 Examples under *Civil Society* included institutional strengthening for the Caribbean Congress of Labour and Caribbean Trade Unions, a conference and workshop facility for NGOs, institutional strengthening for a local development agency and community-based organisations in Belize, and support for several workshops and conferences.

5.20 A category of some importance, and an area where CDB has undertaken active programming, is ***Natural Disaster Response and Mitigation***, covering both disaster rehabilitation and disaster mitigation. While important, this category is not considered substantively in this report, as it was to be evaluated separately and is one of the components of TA operations that was not part of the project sample for the Evaluation.

5.21 A further significant category, also reflecting a key policy objective, is ***Environment***, where there have been several TAs at the country level and one significant TA at the sub-regional level. Environmental sustainability may also have been an element in some TAs in other categories. Use of TAs has included a profile of solid waste management in Barbados, environmental impact training for DFIs in Trinidad, a regional environmental health assessment, coastal zone management in Guyana,¹⁹⁵ and institutional strengthening of environmental management in the OECS countries.¹⁹⁶

5.22 ***Support for CDB Operations*** covers project-related TAs and types of preinvestment or project preparation that are intended to investigate, identify or support preparation of potential projects for CDB financing, or support project implementation, whether or not the TA may also support projects that are being or could be financed from non-CDB sources.¹⁹⁷ It includes workshops for project preparation and appraisal and for project implementation and management, as well as project launch workshops, and the establishment of a project implementation unit in Guyana to support implementation of CDB projects. It also includes a \$1.3 million TA loan from SDF to Jamaica for preparation of final engineering design for an irrigation development project.

5.23 This is a category that has been important since the beginning of CDB's TA operations. Other areas of technical assistance may, of course, also support CDB capital project operations through policy or PSIP development or broader forms of capacity development. Both OCR and SDF funding are used for this category, with loan or contingent loan financing, and some grant financing.

5.24 ***CDB Institutional Development*** is a category that was used in some of the reports on CDB's TA activities in earlier years, and as used in this Evaluation covers TAs related to capacity strengthening of CDB itself, whether financed by bilateral TA funding from agencies such as DFID or CIDA or from SDF, as well as TAs related to development of SDF operations, policy development, special evaluation studies, or support for SDF funding. In all cases these are administered under the "use of funds" procedures, where the Bank is itself the executing agency.¹⁹⁸

5.25 The category includes, for example, a project to support achievement of the Millennium Development Goals (and provide an input to the SDF 6 Replenishment negotiations),¹⁹⁹ as well as mid-term evaluations of SDF 5 and CDB's change management programme, and a review of CDB's human resource development policy. It also includes TAs to strengthen records management in CDB, improve operating procedures in the Finance Department, and training in organisational assessment for CDB staff; in the latter cases, bilaterally contributed TA funds were used.

¹⁹⁵ A TA that it did not prove possible to implement, and was later replaced by another, similar TA. The TA is included in the Evaluation's project sample.

¹⁹⁶ The latter is in the project sample.

¹⁹⁷ As, for example, earlier support for establishment of a PIU in Belize, or project cycle training.

¹⁹⁸ As will be discussed further in a separate chapter in the Draft Final Report, there are various kinds of cases where CDB may act as executing agency for a TA, and this is provided for in the TA *Operational Manual*.

¹⁹⁹ Included in the project sample for the Evaluation.

BOX 2: DOMESTIC VIOLENCE INTERVENTION TRAINING

An innovative use of TA resources supported a programme to strengthen the capacity of front-line workers, in particular police officers, but also social workers, educators and counsellors, to assist the victims of domestic violence. The initiative was initially taken by a regional CSO, the Caribbean Association for Feminist Research and Action (CAFRA), which had undertaken research on violence against women, and the IDB, which had supported a similar project in Suriname.

The project was exceptionally timely, drawing on the work of CAFRA and the Suriname project, as well as the objectives of the recently formed Association of Caribbean Commissioners of Police to improve professional capabilities of police forces in the region and develop core values based on respect for human rights, and an increasing awareness in some police forces that they were not equipped to deal with a growing problem with links to other forms of violence and crime.

The project had three phases, with IDB and CAFRA supporting the first two phases, covering preparation of training materials, training of a small group of professional trainers, and subsequent training of a cadre of over 200 volunteer trainers from CDB's BMCs. CDB provided \$200,000 for Stage 3, the training of police officers and social workers in all of the Bank's BMCs. A further \$25,000 was provided by CAFRA. The original target was for the training of 26,000 persons, subsequently reduced to 14,286.

The project was highly relevant to *MDG 3, Target 8*, for a 60% reduction in physical acts of gender-based violence, particularly relevant for the Caribbean, as well as to the reduction of vulnerabilities related to income-earning capabilities and poverty reduction. It was also relevant to strengthening the culture and quality of service in police forces throughout the region, and to good governance.

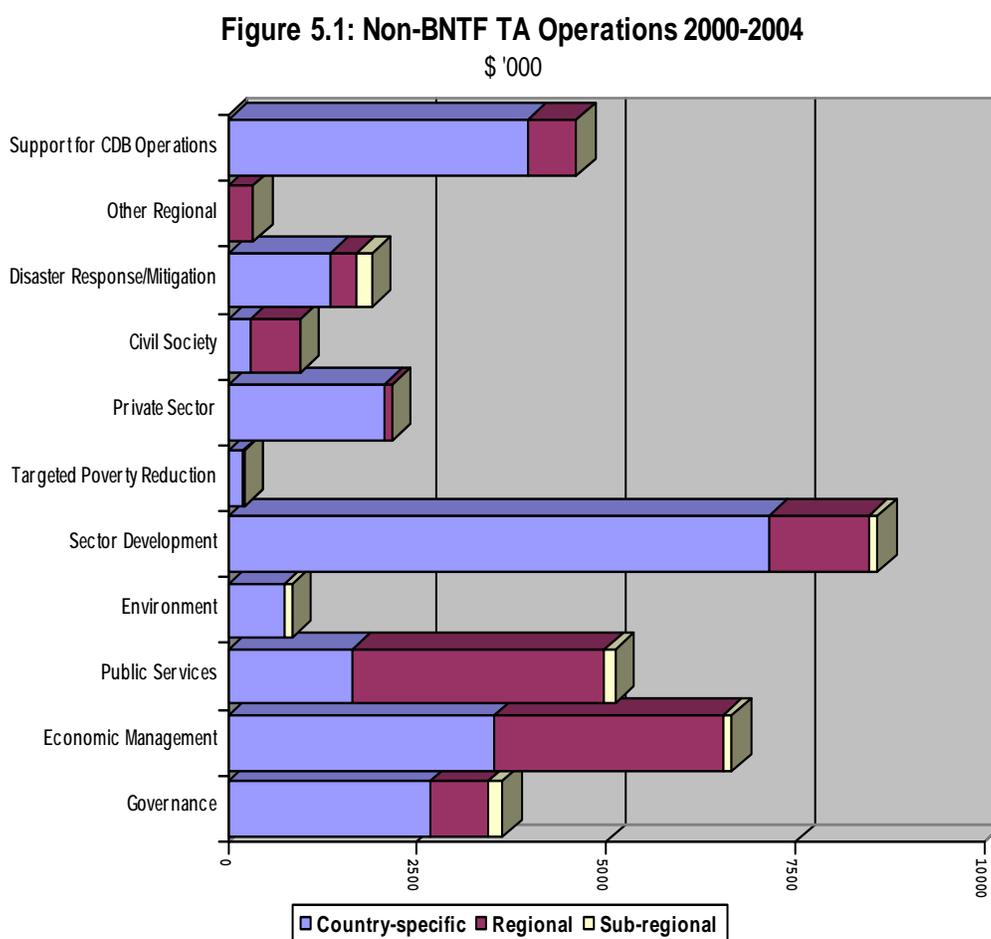
The project achieved outstanding results, although the resources available were inadequate to meet the target over so many countries. An evaluation done for IDB concluded that more could have been achieved for a small additional investment, given all of the preparations and with the trainers in place.

Nevertheless, the project made a significant difference, with both immediate and longer term results, and with a recognizable contribution to sustainability, and therefore to longer term goals. The results were due to a combination of the excellent performance of the CSO, which developed a network of country coordinators throughout the region, the support of the Association of Police Commissioners and some police forces (although there was significant resistance in some cases), the imaginative engagement of the media to widen public awareness, the commitment of a small number of unpaid and over-worked volunteers, and the interest and support of CDB.

A total of 7,351 persons were trained, including 5,426 police officers. In some countries, targets were fully met. In others, where the resources were inadequate to deal with larger numbers or the need for in-country travel, there was a shortfall. In many cases, however, dealing with domestic violence has become a part of continuing police training and community outreach programmes that include sensitivity to gender and social issues. There are many reports attributing to the project a significant contribution to increased public awareness, greater willingness to report cases of domestic violence, collection of statistics on domestic violence, use of and improvements in legislation, and changes in the way police and other front-line workers deal with domestic violence.

As a TA project, it was a one-time intervention. There was no provision for follow-up monitoring of the extent of the changes or the extent to which the momentum was being maintained, or whether further support might improve results at modest cost. Constraints in project design, in the requirement that the final payment under the TA could only be disbursed if the funds had already been spent, prevented a planned end-of-project workshop for exchange of experience and lessons earned. The funds were available under the TA, but could not be used because the CSO's resources from other donors were earmarked for other purposes. These constraints raise issues of project design and whether it may be useful to reassess certain requirements in dealing with CSOs or other agencies where resources come from donors and are earmarked for specific purposes. In this case, the CSO performed creditably and provided a full end-of-project report.

5.26 The *relationship between the different categories* can be shown in different ways. The charts below present the relationship in terms of the three comparisons that have been used in the analysis.



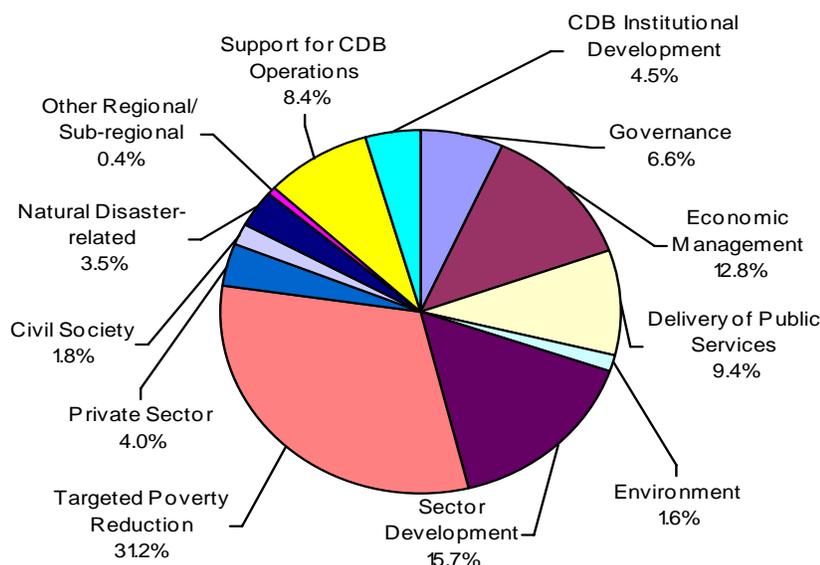
5.27 Figure 5.1 shows the different categories in terms of dollar amounts for non-BNTF TA operations, i.e. *overall TA operations excluding BNTF*, because the nature of BNTF is different from the other categories and its size would dominate any graphic presentation. Country-specific TA, regional TA and non-regional TA are shown separately. Total regional/non-regional is represented by the red and yellow portions of the bars taken together.”

5.28 On this basis, when BNTF is excluded, *sector development* was the largest category in terms of dollar amounts, followed by *economic management*, *delivery of public services*, *support for CDB operations* and *other governance* TAs. *CDB institutional development*, *private sector development* and *disaster response and mitigation* were also significant categories in terms of amounts committed.

5.29 Two of the categories, “other regional” and “civil society” are residual categories. In the case of *civil society*, there were also projects undertaken together with CSOs in other categories, particularly under the “justice and security” sub-category of *governance*.

5.30 Figures 5.2 and 5.3 show the differences in relative shares between the *overall TA programme* and the *core TA programme*, which excludes both BNTF and the other special programmes and is the particular focus of the Evaluation.

Fig. 5.2: Overall TA Operations 2000-2004 by Category



5.31 *Targeted poverty reduction*, for example, represented 31% of overall TA operations, but 0.6% of the core TA programme. *Private sector development* represented 4% overall TA operations and 0.3% of the core TA programme.²⁰⁰

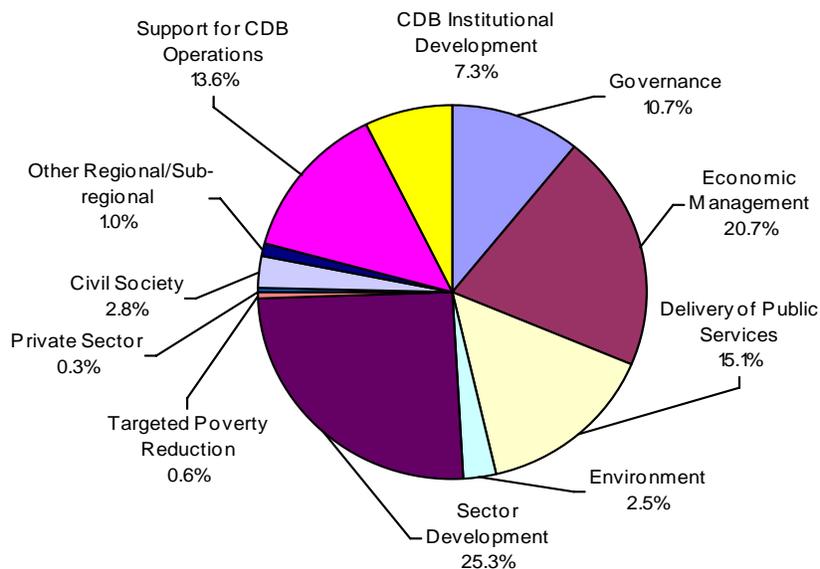
5.32 *Economic management* represented 20.7% of the core TA programme, and *other governance* areas were 10.7%. *Sector development* was the largest category in the core TA programme, at 25.3%. Also relatively large in dollar amounts were *delivery of public services* at 15.1% and *support for CDB operations* at 13.6%.

5.33 In other categories, *civil society* represented 2.8% of the core TA programme, and *environment* was 2.5%. *Natural disaster response and mitigation*, which represented 3.5% of overall TA operations, was of course a special programme area outside of the core TA programme.

5.34 The *average size of TAs in the core TA programme* declined from \$203,000 in 1996-1999 to \$168,500 in 2000-2004, with a somewhat more marked decline in the average size of regional/sub-regional TAs, from \$129,000 to \$105,000. The number of TAs below \$25,000 in size also more than doubled from the previous period, with the largest increase being in those below \$10,000.

5.35 TAs for which *CDB was itself the executing agency* continued to be significant in number, accounting for more than 56 TAs or some 30% of the 181 TAs shown in the Evaluation data base for *the core TA programme*. Of these, 15 were for country-specific TAs and 5 were in the closely related category of support for CDB operations. Eighteen were for regional or sub-regional TAs,²⁰¹ and 18 were in the category of *CDB institutional development*.²⁰²

Fig. 5.3: Core TA Programme 2000-2004 by Category



²⁰⁰ Reflecting the significance of BNIF and CTCS respectively.

²⁰¹ Other than *CDB institutional development*.

²⁰² Data drawn from the Evaluation data base.

5.3. Synopsis of TA Characteristics

5.36 TA projects in 2000-2004 covered a considerable range of sector and other categories, and were directed to a diverse set of objectives, both longstanding and more recently targeted policy directions. Although some TA projects were relatively large and/or were closely related to a larger reform programme or a capital project, there were also many TA projects that were individual discrete interventions, often relatively small, in some cases very small. This was particularly the case for a number of regional TAs, especially where the objective was to support a conference or workshop, or to finance participation in such meetings. But this also applied to some TAs at the country level.

5.37 The Evaluation's review of the TA projects in the data base suggests that the range in some areas is relatively disparate and the linkages to ongoing programmes or other projects are not always clear. In some areas, however, there was a significant clustering of TAs – as in *tax reform and tax administration*, *trade negotiations*, the *financial sector*, and *natural disaster response and mitigation* – as well as *support for CDB operations*, which represent a consistent focus.

5.38 The decline in the average size of TAs in the *core TA programme* is significant, particularly the decline in the average size, and the increase in the number of very small TAs, in the regional/sub-regional categories.

5.39 Effectiveness and results of TA operations are difficult to judge without detailed evaluation, and in this respect the Evaluation's analysis is based on the project sample, reported on in Chapters 6 and 7. The above analysis, nevertheless, suggests that TA operations have broadly reflected a number of the major policy guidelines provided by SDF Contributors, the Bank's strategic planning and the relevant sector strategies, as these are outlined in Chapter 4. There was also, however, a considerable range of small TAs where linkages to other activities or an area of special focus are not evident.

5.4. Management of TA Operations

5.40 The management of technical assistance poses special challenges, as discussed in the review of TA evaluations in Chapter 3. These are related to the nature of capacity development and institutional change, sometimes differing objectives among the partners in technical cooperation, resource constraints in the TA recipient, factors specific to the financing agency, the demands of other aspects of an MDB's operations, and particular skill sets required in TA work.

5.41 TA effectiveness in terms of achieving results depends on CDB and a range of beneficiary agencies managing a complex task well and taking advantage of lessons of experience, both the Bank's and those of other agencies and of the recipient.

5.42 Management issues differ for different types of technical assistance projects. Much depends on the roles of the Bank and the executing agency. These differing situations include:

- In some cases, CDB itself undertakes the functions of executing agency, either where this is related to general aspects of the Bank's operations or for particular administrative reasons in cases where there is an identifiable beneficiary or implementing agency.
- In other cases, a regional or sub-regional institution is the executing agency, either on its own behalf, or on behalf of other agencies or member governments.
- A civil society organization (CSO) may also be the executing agency, in some instances managing project implementation in several or all BMCs.
- In many cases, a government ministry or other public sector agency in a BMC is the executing agency, either where it is the direct beneficiary or where other agencies are also involved in implementation. This is generally, although not always, the case for country-specific TA.
- CDB may work jointly with another international development agency, either multilateral or bilateral.
- CDB may also administer TA funds on behalf of another agency, such as IDB or USAID.

5.43 There may be practical differences, in the case of country-specific operations, between stand-alone TAs and TAs that are closely related to a specific capital investment project, particularly if administered jointly with an investment loan. The size of the TA, and whether it is a loan or a grant, may also influence the procedures and degree of attention that a TA receives. The role that the CDB undertakes in a particular instance, and relative priorities within the Bank itself, may similarly affect the Bank's control of quality at entry, the degree of monitoring and supervision, the attention given to early problem-solving, and reporting and learning from experience.²⁰³

Operational procedures

5.44 Technical assistance proposals may be initiated by CDB staff, BMC governments, regional organisations or a CSO.²⁰⁴ The concept for a particular TA may arise in various ways, including an investment project under consideration or implementation, a CDB programming mission or portfolio review, the country strategy paper process, an individual country request, or discussions with partner development agencies.²⁰⁵

5.45 Requests for technical assistance from outside CDB may be sent to the President, the Vice President, Operations or the Director of the Projects Department. TA proposals may also arise during programming discussions or in the context of a country's or agency's ongoing discussions with the Bank.

5.46 Proposals are then usually referred to a Division Chief, who directs an officer to coordinate a preliminary review of the proposal. Other CDB officers may be consulted, including an economist, a technical specialist²⁰⁶ and a lawyer. The Corporate Planning Division (CPD) reviews the proposal, identifies an appropriate funding source, and notes whether funds are available.²⁰⁷ The Legal Department considers appropriate terms and conditions. The general sequence of review and approval actions is shown in Appendix G.²⁰⁸ A part of the review process until the end of 2002 was the requirement for the completion of a *TA Screening Form* as a key step in the appraisal and decision-making process. The use of this form, however, was largely discontinued after the replacement of the TCU by a more decentralized process. It was replaced in part by an amended *Recommendation and Approval of Technical Assistance* form that provided for an identification of a TA's relationship to CDB's strategic objectives, thematic objectives and country objectives, as well as the project objectives. Since 2005, there is a requirement for a TA to be linked to a strategic objective and corporate priority. The paper form was supplemented after 2004 by, at least in some cases, entry of basic information into the new *Pipeline Module* of PPMS, including a TA's relationship to CDB's Strategic Objectives and Corporate Priorities as well as country objectives. The Pipeline Module, however, is not used consistently, and is not currently an active management tool in the case of TA.²⁰⁹

²⁰³ It is for this reason, for example, why almost all Asian Development Bank grant TAs are managed by AsDB itself, even if in close consultation with a beneficiary agency.

²⁰⁴ The project sample for the Evaluation focused on stand-alone grant TAs, although it did include a project preparation facility, a particular type of project preparation TA, and an implementation support TA. Otherwise, the individual projects that were considered were not directly investment-related. The project sample did not include project-related TAs appraised and processed with a capital investment project or contingent loans. The procedures described here are essentially for stand-alone TA grant projects.

²⁰⁵ E.g., an operational UN agency such as FAO, the IDB, bilateral agencies, regional organisations or CSOs.

²⁰⁶ Such as a gender or environment specialist.

²⁰⁷ The final decision on source of funds may not be taken until later stages in the process, and in some instances in the project sample where special fund resources were involved, the specific SFR was finally determined only after approval and notification to the Board.

²⁰⁸ In practice, the process for small TAs may be somewhat simplified from that shown in the Appendix.

²⁰⁹ See Appendices H.1 to H.3 for the various forms referred to.

5.47 If the proposed TA project budget is *less than \$50,000*, the Director, Projects Department (DPD) considers it and may recommend funding, sending the proposal through the Vice President, Operations to the President for final approval. If the project budget is *more than \$50,000*,²¹⁰ the DPD sends the

Table 5.2: Technical Assistance Approval and Signing Authority (Projects Department)

Project Amount	Director of Projects	Loans Committee	Vice-President Operations	President	Board of Directors
\$50,000 or less	Recommends	--	Recommends	Approves	Notified
>\$50,000 and under 150,000	Recommends	Recommends	Recommends	Approves	Notified
> \$150,000	Recommends	Recommends	Recommends	Recommends	Approves

proposal to Review Committee²¹¹ and Loans Committee.

5.48 VP Operations may then recommend funding, and the proposal is sent to the President for final approval. In both cases, the TA paper and decision are sent to the Board of Directors for information. If the TA budget is *more than \$150,000* the President sends it to the Board for final approval.

5.49 TA processing times vary considerably according to the type of TA involved and the circumstances in individual cases. A study by Evaluation and Oversight Division of the time between reported dates of application and dates of approval examined 94 TAs from a group of 146 TAs approved during the period 2001-2005.²¹² The analysis showed a considerable range of time periods, with an average of 167 days, and somewhat more for TAs other than those related to natural disaster management. The distribution profile, however, showed that the time period band with the largest number of TAs was also the shortest, with some 39% of the TAs within the 0 to 81 days band, and a further 20% in the 81 to 162 days band.²¹³ On the other hand, for some TAs, the period was substantially longer.

Organisational structure for managing TAs

5.50 CDB has managed the technical assistance function in two principal ways over the past 25 years. From 1978 to the end of 2002, a Technical Cooperation Unit (TCU) provided a central focus for TA management, although sector project officers and economists made many of the contacts in the field, and sector officers worked together with TCU on project-related TAs.²¹⁴

5.51 In 2003, the TCU was discontinued and its staff were merged with the new divisions created as part of the Projects Department reorganisation. Responsibility for TA projects was decentralized throughout the Bank. Individual officers, largely in Projects Department and Economics Department, but on occasion in other Departments of the Bank, assumed responsibility for TA projects, although residual responsibility for a number of existing TAs was assigned to an experienced former TCU staff member who was retained for further work on a consultant basis. Figure 5.4 shows the main components of the Bank's TA management structure at different times.

²¹⁰ TA projects over \$100,000 must also have a Logical Framework Analysis as part of the TA paper.

²¹¹ Vice Presidents, Directors and Deputy Directors.

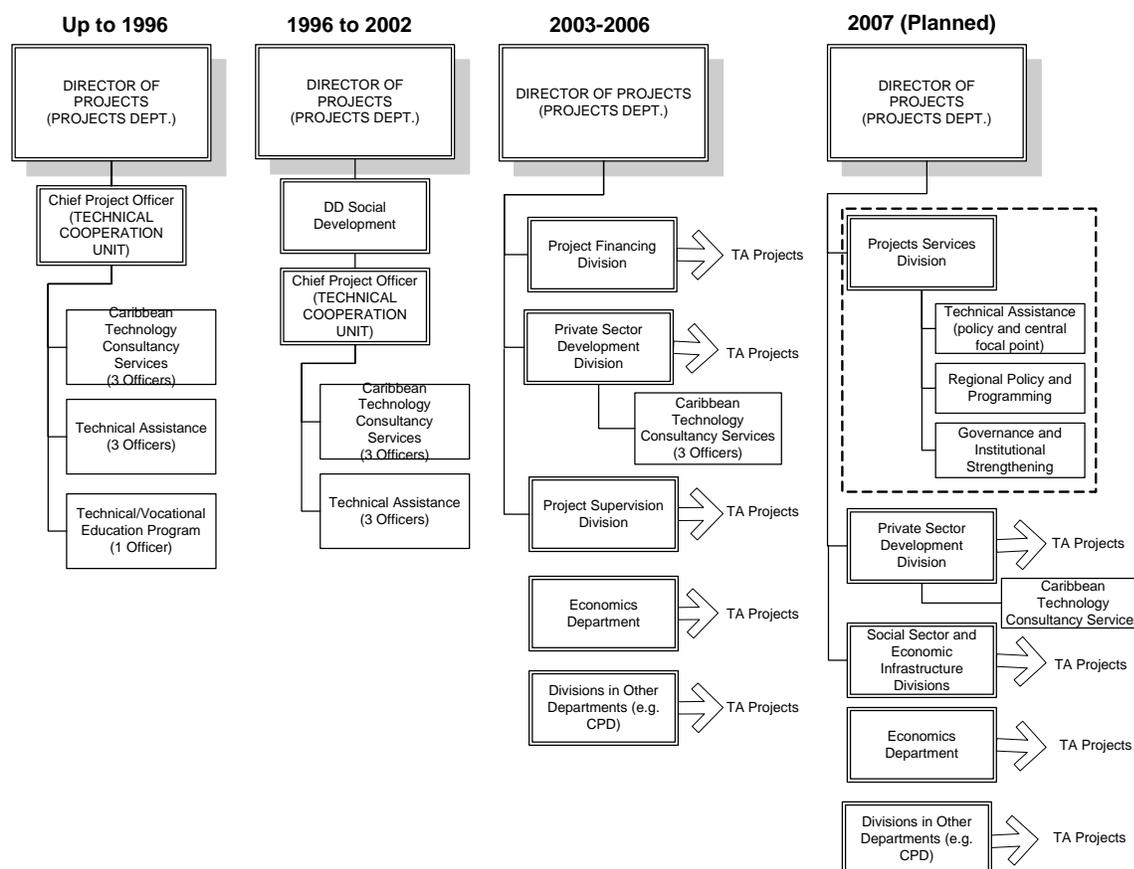
²¹² The sample did not include BNTF or CTCS but did include natural disaster management TAs.

²¹³ Evacuation and Oversight Division, "TA Report Data", July 2006.

²¹⁴ See Section 4.2 above. Initially the unit was established in the Secretary's Office and later transferred to the Projects Department. See also *Operational Policies and Procedures Manual, Volume 7: Technical Assistance*, January 1998, revised draft.

5.52 As noted in Chapter 4, a further restructuring of the Projects Department was planned for early 2007.²¹⁵ This was to include a new Project Services Division, which was to have a number of horizontal policy and operational functions for the Projects Department as a whole. This was expected to include a small central focal point for TA work, including some particular categories of TA,²¹⁶ as well as closely related functions covering regional programming and regional public goods (RPGs), and governance and institutional development. Continued decentralization of processing and operational responsibility for other TAs, however, is planned.

Figure 5.4: Management of Technical Assistance, Various Dates



5.53 Figure 5.4 shows the evaluation team's understanding of the planned structure, insofar as it relates to technical assistance and closely related areas.

Monitoring, supervision and reporting

5.54 CDB's TA projects, where the executing agency is not the Bank itself, have been generally monitored and supervised in two ways. First, the project is supervised from headquarters, in terms of communications with the executing agency, trouble shooting; monitoring compliance with procurement rules, and ensuring that commitments are fulfilled before each tranche of funding is released. Second, a

²¹⁵ Implementation of the restructuring was begun in 2007 after the main text of this report was prepared.

²¹⁶ At the time of preparing this report, this new function consisted of one officer recently recruited. The officer, *inter alia*, was to take on responsibility for an ongoing portfolio of TAs that had been handled by the former TCU officer on special contract to whom reference was made above.

CDB officer making a field visit to a BMC may deal with some TA interests and issues at the same time as he or she supervises current investment projects.

5.55 Dedicated TA missions, either at the stage of project identification and appraisal or for monitoring, supervision and problem-solving, appear to be relatively rare, based on the Evaluation's sample of TA grant projects, although there were some TA field missions in the period prior to end of 2002, including a small number of TA programming missions to which reference has been made above.

5.56 In addition, project completion reports (PCRs), in the normal sense of a final overview assessment or commentary by a staff officer, were not found on the files for any of the TAs in the evaluation project sample, and appear to be rarely, if ever, prepared. Available final reports, at least for TAs examined in the Evaluation, were those of the consultant or executing agency. Considerable documentation on supervision from headquarters during implementation was available in most cases, but not in the form of an overview report on project completion or closing.²¹⁷

TA management information system

5.57 The Bank's traditional information system on TA operations was maintained as an Excel data base by the former TCU, and this was discontinued, together with an annual TA operations report for management when the TCU was disbanded at the end of 2002. For data collection, the intention was to rely on the computerized *Project Performance Management System (PPMS)* that had been introduced in 2000, which allowed separate reporting of summary data on freestanding TAs, although apparently not on TAs reported as part of investment projects. This PPMS data was subsequently used for the periodic TA status reports submitted to the Board, which, therefore, excluded some TA previously reported.

5.58 Summary data on TAs is currently recorded in the Project Module of PPMS as necessary to generate a PRN number and, in some cases, in the Pipeline Module, but PPMS is not yet used in the case of TAs to record information at other stages of the project cycle or as an active management tool. This means, for example, that information on TA supervision and other reporting is not included, and the standard *project performance criteria* (used in the *PPES*) are not applied to TA projects, although the Bank's MfDR action plan provides for extending PPES to BNTF and selected TAs as a key milestone in strengthening the Bank's monitoring and evaluation.²¹⁸ This should involve the use of PPES performance criteria, including at the stage of project appraisal and initial processing, in the case of at least the larger TAs. In the meantime, the *Recommendation and Approval of Technical Assistance* paper form is the key tool in the review of TA proposals, although this can be supplemented by the PPMS Pipeline Module if information on a TA has been entered in. The evaluation team was told, however, that TA information is often entered into the PPMS after a decision has been made whether to fund a project, as the step necessary to obtain a PRN number and commence implementation.

5.59 Overall, the Evaluation found that only limited information on TA operations was available from PPMS, and that this did not, at least in relation to the TAs examined in the project sample, include information on actual experience with a TA, financially, operationally or in terms of quality of outputs and outcomes. More generally, a comprehensive data base on TA operations is currently lacking. A complete overview of all types of TA operations was, therefore, not possible to construct for the Evaluation, particularly with respect to the important area of capital investment related TA. This limits the Bank's ability to report on and assess its TA operations as a whole and to understand the programme's direction and results.²¹⁹

²¹⁷ See recommendation in Section 9.2.

²¹⁸ *SDF 6 Agreement*, p. 34, *SDF 6 Action Plan*, item 24 (c).

²¹⁹ See recommendation in Section 9.2

BOX 3: CARIBBEAN REGIONAL TECHNICAL ASSISTANCE CENTRE

CARTAC is a regional TA programme targeted at strengthening economic and financial management. It is a joint initiative of multilateral and bilateral donors and Caribbean countries, patterned after a similar regional centre in the Pacific, with adaptations to ensure strong participation of the region in setting priorities and in the accountability structure. CARTAC's establishment and its core areas of assistance were based on a regional needs assessment, and the decision to establish the Centre was taken by the CARICOM Council of Ministers of Finance and Planning.

The program is operated as a UNDP project, with the IMF as executing agency, and day-to-day management by a Programme Coordinator provided by the IMF. CARTAC is guided by a Steering Committee chaired by the Governor of the Central Bank of Barbados, with six representatives from Caribbean countries, including the Governor of the ECCB, four from bilateral and multilateral agencies providing financial support, and one each from CDB and the CARICOM Secretariat.

CARTAC'S core areas of assistance are *public financial management, tax and customs policy and administration, financial sector regulation and supervision, economic and financial statistics, and financial and macroeconomic programming*. There are resident advisers in these areas, and additional expert resources are provided to meet particular needs, including in areas outside the expertise of the resident advisers. Assistance is provided in different forms, including diagnostic work to identify and design measures to strengthen economic and financial governance; preparing implementation plans; assisting with implementation; review of proposals by governments or other agencies; hands-on technical advice and training; training courses, seminars, workshops and dissemination of best practices; and arranging professional attachments for skills upgrading.

CARTAC's initial programming covered the period from late 2001 through 2004, and the decision to continue the program for a further period was based on a mid-term evaluation and a review by the Steering Committee. A second mid-term evaluation is being undertaken for CARTAC II (2005-2007). CDB has provided the services of a macroeconomist as part of the staff resources of the Centre, rather than a financial contribution to the programme budget. This has been done as an SDF-financed TA, initially for CARTAC I, subsequently extended to CARTAC II.

CARTAC is recognized as addressing core priorities of Caribbean countries, priorities that are reflected in CDB's strategic planning framework and its governance and institutional strengthening strategy. These are particularly important at the current stage of the region's development, with the need to strengthen economic management and introduce international norms and standards into management practice. The introduction of common standards supports regional integration, and the improvement in economic management and fiscal resources strengthens the prospects for economic growth, provision of social programmes and poverty reduction, and broader integration into the world economy.

Significant results have been identified, including strengthening of public expenditure management, tax reform and improved tax administration, improved economic and financial statistics, and improving the analysis and understanding of macroeconomic issues. Results include capacity and institutional development that contributes to longer term goals. The CARTAC model is seen as providing value for money, drawing on regional as well as international skills, and adapting its focus and priorities to evolving needs. There are also grounds for reasonable optimism on the sustainability of the skills transfer, reinforced by strengthening the exchange of skills within the region and the OECS sub-region.

CDB's provision of a macroeconomist with experience in the region was timely in light of fiscal and economic difficulties faced by OECS countries, and his subsequent return to CDB staff should ensure continuing benefit to the Bank's own work. A replacement has since been provided and the intention is that this person would subsequently join CDB staff. Continuing CDB support in an appropriate form is consistent with CDB's priorities and those of the region. An innovative use of the experience available from CARTAC could also be used, in appropriate cases, to help to target and design other TA interventions that CDB supports directly, as in the case of tax reform and tax administration.

Focus of TA operations

5.60 The Bank's TA operations are, to a considerable extent, responsive in nature and highly diverse, although there are some key policy directions that have been reflected in TA programming, particularly during the SDF 4 and SDF 5 periods, as discussed in Chapter 4, and TAs continue to be used to support the Bank's investment lending operations. The approach has certain strengths, but tends to become *ad hoc* rather than strategic.²²⁰

5.61 Recent steps relating to operationalization of the poverty reduction and governance strategies have provided some tools to assist in decision-making on projects generally, including TAs.²²¹ Decisions taken in the context of SDF 6 and the Bank's *Strategic Plan 2005-2009* also envisage further steps in developing an operational strategy and operational programme for regional cooperation and regional integration.

5.62 The current generation of country strategy papers, such as that recently submitted to the Board for St. Kitts & Nevis, also seek to provide a more coherent country-level TA programme linked to country objectives and an overall country programme, even if a stronger results-based CSP framework is still under development.

5.63 These various steps do not, however, constitute an overall operational policy framework for TA operations, i.e. a means of providing overall direction and establishing relative priorities, although they do provide many of the elements for development of such a framework or strategy.

5.64 Further discussion of managing TA operations, including issues related to programme focus, quality at entry, monitoring and supervision, and reporting on results, is provided in Chapters 8 and 9.

²²⁰ See recommendation in Section 9.2.

²²¹ See, for example, the poverty reduction tool kit for technical assistance projects in Appendix F.

Analysis of the Project Sample

CHAPTER 6 HIGHLIGHTS

- Each of 37 projects in the sample was scored according to nine evaluation criteria, based on analysis of documentation, staff interviews and interviews in the field. CDB's standard methodology was then used to determine a weighted composite score for the six criteria that CDB uses for that purpose, to determine performance ratings between "excellent" and "unsatisfactory". Unweighted performance ratings were also calculated for each of the nine criteria. An additional project (a project preparation facility) was scored according to a more selective set of criteria.
- The *weighted composite performance score* was approximately 4.5 out of 10.0, which is in the *satisfactory performance band* (4.0 to 5.99). The average performance score across all nine evaluation criteria was somewhat higher, at 5.0 out of 10.0.
- Some 5.4% of the projects in the sample were rated on average as *excellent*, 27% as *highly satisfactory*, 21.6% as *satisfactory*, 37.8% as *marginally unsatisfactory*, and 8.1% as *unsatisfactory*. Overall, 54% were rated *satisfactory* or better, i.e. above 4.0 out of 10.0, and 46% were rated *marginally satisfactory* or *unsatisfactory*.
- Average performance scores for the 10 best TA projects in the sample, at 7.3 out of 10.0, and the 20 best, at 6.3 out of 10.0 – both in the *highly satisfactory* rating band – were substantially higher than the average performance scores for the 10 weakest TAs, at 2.5 out of 10.0
- 20 projects, or 54%, were rated as "excellent" in terms of *strategic relevance*, and a further 33% were rated "satisfactory" or "highly satisfactory". For *poverty relevance*, 6 projects, or 16%, were rated as "excellent", and 18 projects, or 48%, as "satisfactory" or "highly satisfactory".
- On the other hand, for *sustainability*, 23 projects, or 63%, were rated as "marginally unsatisfactory" or "unsatisfactory", and 7 projects, or 19%, as "excellent", with a further 19% as "satisfactory" or "highly satisfactory."
- In terms of the project sample, there appear to be significant differences in country-specific TA performance between countries. Of the five countries in the sample, the projects in St. Lucia and Dominica scored significantly higher than the projects in St. Vincent & the Grenadines or St. Kitts & Nevis. The TA projects in Guyana scored between these two groups. The size of the sample at the country level, however, was small, and care should be taken in interpreting this result.
- There also appear to be noticeable differences in performance ranking between types of TAs, with two traditional categories, *delivery of public services* and *support for CDB operations* (e.g. project preparation assistance) at the upper end of the range.

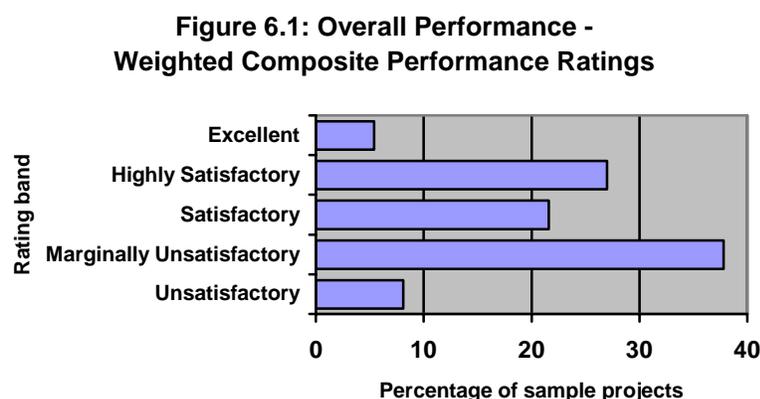
6. THE PROJECT SAMPLE: OVERALL PERFORMANCE

6.1 Overall Performance

6.01 The methodology used to assess the performance of a sample of technical assistance projects is described in Chapter 2. In summary, information from files, other documentation and fieldwork was used to score performance against nine performance criteria.²²² Thirty-seven projects were scored in this way, and a further project (a project preparatory facility) was scored against a more selective set of the criteria.²²³

6.02 Using the Bank's standard methodology, a composite score was then calculated for six of the criteria by weighting and aggregating the performance scores for those six criteria.²²⁴ This was used to provide an *overall performance rating* for each of the six criteria for the project sample as a whole, as shown in Figure 6.1 and Table 6.1. In addition, *unweighted performance ratings* were calculated for each of the nine criteria, so as to be able to show performance for each criterion according to the Bank's standard rating bands (*excellent*, *highly satisfactory*, *satisfactory*, *marginally satisfactory* and *unsatisfactory*).

6.03 In presenting the analysis, primary emphasis is placed on the ratings. For purposes of more detailed ranking of projects and criteria, however, average performance scores are needed, and these are also shown, since they provide important insights and a basis for some of the Evaluation's findings.



Overall Performance Rating

On the basis of the weighted composite scores for 6 criteria, 5.4% of the projects were rated *excellent*, 27.0% were on average *highly satisfactory*, 21.6% were *satisfactory*, 37.8% were *marginally unsatisfactory* and 8.1% were *unsatisfactory*. Approximately 54% of the weighted performance scores, therefore, were in the “satisfactory” range or better – above 4.0 out of 10 – and 46% were marginally unsatisfactory or unsatisfactory.

TABLE 6.1: WEIGHTED COMPOSITE PERFORMANCE RATING FOR PROJECT SAMPLE *

Performance Rating Category	Number of TAs	Percentage
Excellent (8.0 to 10.0)	2	5.4%
Highly Satisfactory (6.0 to 7.99)	10	27.0%
Satisfactory (4.0 to 5.99)	8	21.6%
Marginally Unsatisfactory (2.0 to 3.9)	14	37.8%
Unsatisfactory (0.0 to 1.9)	3	8.1%
All projects:	37	100.0%

* Percentage of projects in each category using scores for six criteria weighted by CDB's PPES performance criteria weights.

²²² These were *strategic relevance*, *poverty relevance*, *efficacy*, *efficiency*, *sustainability*, *institutional development impact*, *CDB performance*, *beneficiary/ executing agency performance* and *consultant/ expert performance*.

²²³ Of the original sample of 40, one project could not be scored because it was not possible to undertake interviewing of the implementing agency, and one had been discontinued. The project preparatory facility is discussed separately below.

²²⁴ Using the weights in the CDB's Project Performance Evaluation System: *Strategic relevance* 0.1, *poverty relevance* 0.2, *efficacy* 0.3, *efficiency* 0.1, *sustainability* 0.1, and *institutional development impact* 0.2.

Average performance

6.04 On the basis of the underlying performance scores, the *overall average across all nine criteria* and 37 projects was approximately 5.0 out of 10.0. The *weighted composite performance score for the six criteria used in the composite score* was approximately 4.6 out of 10. The standard deviation of scores was approximately 2.0. This means that about 68% of performance scores were in the range 3.0 to 7.0. The projects in the study sample scored highest on *strategic relevance* (an average of 6.9 out of 10) and lowest on *sustainability* (3.4 out of 10) and institutional development impact (3.1 out of 10).

6.05 The best projects in the sample had much better performance than the average. The top 20 had an average score 30% higher than the full sample; and the best 10 projects had a score 80% higher. The sustainability of the best 10 projects was more than twice as good as the average. In the opinion of the evaluators, the best 10 projects were very good. Their average performance score was 7.3. On the other hand, the performance of the 10 lowest scored projects was poor, with an average score of 2.5.

6.2 Overview of Performance by Evaluation Criterion

6.06 Tables 6.2 and 6.3 show the results of the performance rating in terms of the number and percentage of projects in each performance category for each of the nine evaluation criteria. There are 37 scores for each criterion, except for institutional development impact and consultant/expert performance, where only 33 TAs and 31 TAs respectively were scored.²²⁵

TABLE 6.2: NUMBER OF TA PROJECTS BY CRITERION AND PERFORMANCE RATING

Rating Category	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)
Criterion					
Strategic relevance	20	7	5	4	1
Poverty relevance	6	9	9	9	4
Efficacy	7	6	8	12	4
Efficiency	4	9	12	10	2
Sustainability	7	6	1	8	15
Institutional development impact	5	6	5	2	15
CDB performance	5	9	14	9	0
Beneficiary/executing agency	7	8	12	7	3
Consultant Performance	11	7	9	3	1
All Criteria (Number of TAs)	72	67	75	64	45

TABLE 6.3: PERCENTAGE OF TA PROJECTS BY CRITERION AND PERFORMANCE RATING

Rating Category	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)
Criterion					
Strategic Relevance	54%	19%	14%	11%	3%
Poverty Relevance	16%	24%	24%	24%	11%
Efficacy	19%	16%	22%	32%	11%
Efficiency	11%	24%	32%	27%	5%
Sustainability	19%	16%	3%	22%	41%
Institutional Development Impact	15%	18%	15%	6%	45%
CDB Performance	14%	24%	38%	24%	0%
Beneficiary/executing agency	19%	22%	32%	19%	8%
Consultant Performance	35%	23%	29%	10%	3%
All Criteria (Percentage of TAs)	23%	20%	24%	19%	14%

²²⁵ ID impact was a special case, where four TAs did not have institutional development as an objective or an implied objective, and these were not scored for this criterion. Consultant/expert performance was scored only where a consultant or outside expert was involved.

CHAPTER 6 - THE PROJECT SAMPLE: OVERALL PERFORMANCE

6.07 Twenty projects – or 54% – were rated as excellent in terms of *strategic relevance*, and six – or 16% – scored in that category for *poverty relevance*. A further 12 projects – or 33% – were either satisfactory or highly satisfactory for strategic relevance, and 18 – or 48% – were in those two categories for poverty relevance.

6.08 On the other hand, 23 projects – or 63%, were either marginally unsatisfactory or unsatisfactory in terms of *sustainability*, and 17 projects – or 51% – were either unsatisfactory or unsatisfactory in terms of *institutional development impact*.

6.09 Table 6.4 provides a further breakdown of performance ranking of the project sample according to the various evaluation criteria, and compares performance for projects approved in *the first part of the period (2000-2002)* and those approved in *the second part of the period (2003-2004)* with projects approved in *the period as a whole*.²²⁶ It also compares performance for the 20 highest scored projects, the 10 highest scored, and the 10 projects that scored most poorly. For this purpose, average performance scores are used for each performance criterion. The criteria are listed in descending order of the average scores for the period 2000-2004. The Table provides some useful insights.²²⁷

TABLE 6.4: AVERAGE PERFORMANCE BY PERFORMANCE CRITERION, TIME PERIOD AND BEST AND POOREST PERFORMERS

Criterion	Sample of 37 projects, by period			Selected Projects 2000-2004		
	2000-2002	2003-2004	(2000-2004)	Best 20	Best 10	Poorest 10
Strategic Relevance	6.98	6.88	6.95	8.00	8.39	5.20
Expert/Consultant Performance	6.34	5.27	5.99	7.37	7.93	3.94
CDB Performance	4.97	5.17	5.03	6.37	6.65	3.30
Poverty Relevance	4.51	5.57	4.85	5.73	6.21	2.75
Executing agency performance	4.99	4.74	4.91	6.57	7.46	2.43
Efficacy	4.53	4.87	4.64	6.37	7.85	1.90
Efficiency	4.82	4.31	4.66	6.21	7.20	2.18
Institutional Development Impact	3.63	3.41	3.55	5.89	7.20	0.62
Sustainability	3.38	3.43	3.40	5.48	7.11	0.33
All Criteria	4.89	4.86	4.88	6.40	7.33	2.50

6.10 The overall difference between the two time periods is not statistically significant,²²⁸ but in the particular case of *poverty relevance*, the average score improved noticeably between the two periods, and for *consultant or expert performance* there was a noticeable decline.

6.11 More significant are the substantial differences between the best performing projects and the projects that scored particularly poorly. The differences are greatest for *institutional development impact*, *sustainability*, *efficacy*, *executing agency performance*, and *efficiency*, in that order (see last three columns in Table 6.4). In the case of *sustainability*, for example, the difference is between 7.11 for the 10 best projects overall and 0.33 for the 10 poorest projects overall.

²²⁶ The reasons for considering possible differences in performance between projects approved in the first three years of the period and those in the final two years were that key elements of the operational policy framework, including the SDF 5 Agreement and initial versions of the poverty reduction and governance and institutional strengthening strategies, were not in place until the third year of the period, and there were important changes in organisation and management affecting TA operations at the end of 2002. In practice, however, many of the projects in the sample were under implementation and supervision during both parts of the period and were subject to many of the same factors.

²²⁷ Use of the underlying scores provides a more accurate picture in terms of ranking than would use of the rating bands.

²²⁸ In a regression of project performance against year, the R2 was 0.002218.

6.3 Variations in Project Performance by Country/Region

6.12 The size of the project sample is relatively small, and comparisons of performance between countries should not be taken as definitive. Nevertheless, as far as can be judged from the sample, there appear to be significant differences in TA performance among countries. Average scores were used for this purpose, as the rating bands would not give as a good a comparison.

6.13 Table 6.5 shows average performance scores as well as percentages of projects rated satisfactory or better, in descending order of the average scores, for the five countries represented in the sample, with regional and sub-regional TAs shown separately. The difference between projects in St. Lucia, for example, and those in either Guyana or St. Vincent & the Grenadines is quite large, both in terms of average performance score (6.1 *vs.* 4.1 and 3.5) and in terms of the percentage of projects rated as satisfactory or better (100% *vs.* 33% in the latter two cases).

6.14 One factor in causing inter-country differences may be differing performance by executing agencies. The data show a high correlation between “EA performance” and “project performance rating”.²²⁹ Project performance also correlates quite closely with CDB performance, but not nearly to the extent that it correlates with EA performance.²³⁰

**TABLE 6.5: PERFORMANCE BY COUNTRY/REGION
AVERAGE PERFORMANCE SCORE AND PERCENTAGE SATISFACTORY OR BETTER**

Location of the TA Project	Number of Projects in the Sample	Average Performance Score	% of Projects Satisfactory or better* (Score > 4.0)
St. Lucia	4	6.1	100%
Dominica	3	5.6	100%
Guyana	6	4.1	33%
St. Kitts & Nevis	2	3.7	50%
St. Vincent & the Grenadines	6	3.5	33%
Regional TAs ²³¹	10	5.3	70%
Sub-regional TAs	5	4.5	67%
All Projects	37	4.8	62%

*Satisfactory, highly satisfactory or excellent.

6.4 Variations by Project Size and Type of Project

6.15 The Evaluation found no correlation between project size and project performance in the project sample.²³² It should be noted, however, that the sample contained only TA grants, not TA loans, and did not include any of the largest TA projects during the period.

6.16 In the case of *type of project*, however, there are more significant observations that can be made. Table 6.6 shows the average performance scores for projects in the sample according to the categories used in Chapter 3. The categories are shown in descending order of the average performance score. The overall sample, as already noted, is relatively small, and in some cases only one project appears in a particular category.²³³ Any analysis of performance by type of project, therefore, can only be tentative and exploratory. There are, however, some things that can be noted.

²²⁹ The regression analysis shows that $R^2 = 0.67$; Multiple R = 0.817; Adjusted F 0.659; and Standard E = 1.357 (Observations = 37).

²³⁰ Regression analysis indicates that $R^2 = 0.53$; multiple R = 0.728204; adjusted R = 0.51686; standard E = 1.350468. (Observations = 37).

²³¹ Excluding one project in “CDB institutional development”, of a different nature from the other regional projects.

²³² $R^2 = 0.001432$.

²³³ Nor is the sample a random representation of the population of TA projects during the period.

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6.17 First, the average scores for most of the project categories fall into the *satisfactory performance band* (scores between 4.0 and 5.9) (highlighted in yellow). Second, two categories that have been a hallmark of CDB TA operations for many years – *delivery of public services* and *support for CDB operations* (e.g. project preparation assistance) – are at the upper end of the range. Third, there appear to be significant differences between categories, even taking the small number of projects in some of the categories.

TABLE 6.6: RANKING OF AVERAGE PERFORMANCE SCORES BY TYPE OF TA

Type of TA Project	Number of Projects	Average Performance Score
Delivery of public services (health, education, etc)	5	5.39
Support for CDB operations ²³⁴	4	5.35
Targeted poverty reduction	2	5.03
Governance (other than areas shown separately)	5	5.00
Environment	2	4.67
Economic management – tax reform and tax administration	6	4.65
Economic management – other than tax reform & administration	8	4.59
Sector development (including financial sector)	2	3.24
Other (1 project in each of 4 categories)	4	5.38
All Projects	38²³⁵	4.81

6.18 Further detail on the analysis of performance for individual evaluation criteria is provided in Chapter 7, together with project examples to illustrate the performance scoring and rating and provide some of the basis for the Evaluation's findings.

²³⁴ Includes CDB's project preparation assistance facility, with an average for the five performance criteria for which it was scored. A total of 38 projects are, therefore, included.

²³⁵ See preceding footnote.

CHAPTER 7 HIGHLIGHTS

- Among the nine evaluation criteria, average performance was rated highest for *strategic relevance* and lowest for *sustainability* and *institutional development impact*. Average performance for most of the criteria was rated as *satisfactory*, in some cases at the higher end of the band, and in other cases towards the lower end. The rating for some criteria, however, diverged significantly from others.
- For *strategic relevance*, 54% of the projects in the sample were rated as *excellent* and a total of 87% as *satisfactory or better*. Factors that affected the rating included whether or not there was a direct link to identified BMC priorities and/or to one or more CDB strategic or operational priorities, a significant link to a reform or adjustment programme, and timeliness of the intervention.
- In the case of *poverty relevance*, where the relationship was in most cases indirect, 16% of the projects were rated as *excellent*, and 64% as *satisfactory or better*. Many of the TAs made a contribution to one or more of the three “strategic levers” of CDB’s poverty reduction strategy, but to be scored highly a TA needed to have a fairly strong and identifiable relationship to poverty reduction. This was the case in 40% of the sample. Ratings for projects approved in 2003-2004 were somewhat higher than for those approved in 2000-2002, but the sample was small for this type of disaggregated analysis.
- For *efficacy*, which measures results in relation to objectives, 19% of the sample was rated as *excellent* and 57% as *satisfactory or better*. A range of factors affected the ratings, including the realism of the assessment of institutional capacity, timeliness of the TA, quality of project design, realism of objectives in relation to resources being made available, effectiveness of project monitoring and supervision and willingness to make mid-course adjustments, extent of any linkage to a larger or ongoing programme, and whether or not there were adequate follow-up and follow-on activities.
- For the performance measure of *efficiency*, 11% of the sample was rated *excellent* and 67% *satisfactory or better*. Factors affecting the rating included timeliness of approval procedures and actual startup, whether project management avoided undue delays, whether there was timely follow-up on problems, and whether there were limitations in procedures that affected cost-effectiveness.
- In the case of *sustainability*, 19% of the sample was rated *excellent*, and only 38% as *satisfactory or better*. Factors that affected the ratings included ownership or commitment by the beneficiary/executing agency, planning for project follow-up and sustainability in project design, funding for post-TA completion activities, linkage to a larger project or programme, and extent of follow-on action.
- For *institutional development impact*, which was in some but not all cases an explicit objective, 15% of the sample was rated as *excellent*, and 48% as *satisfactory or better*.¹ Factors affecting the rating included whether or not ID was an explicit objective and whether it was adequately reflected in project design, whether project design had been based on an assessment of institutional capacity and needs, linkages to a larger programme, availability of longer-term funding, and whether intended or effective follow-up actions were taken or seemed likely to be taken.
- *CDB performance* was rated as *excellent* for 14% of the project sample, and as *satisfactory or better* for 76% of the sample. Key factors included attention to quality at entry, including project design and understanding of capacity issues, extent of monitoring and supervision, timely problem-solving, and whether there were mid-course adjustments to improve project effectiveness.
- For *beneficiary/executing agency performance*, 19% of the sample was rated *excellent* and 73% as *satisfactory or better*. There was, however, a significant difference between better performing and poorly performing projects. Commitment to the TA’s objectives, adequate priority, staff availability, and extent of follow-on activities were among the factors affecting performance.
- *Consultant/expert performance* was rated as *excellent* for 35% of the sample and as *satisfactory or better* in 82% of the cases. Factors included quality of the consultant, consultant commitment, quality of interaction with the executing agency, and project management.

¹ Projects where ID was not an explicit or implied objective were not scored under this criterion.

7. EVALUATION OF THE PROJECT SAMPLE BY INDIVIDUAL CRITERIA

7.01 The results of the evaluation of TA project performance for the project sample are presented below for each of the nine evaluation criteria. The performance ratings are presented, some of the factors that affected performance under each criterion are identified, and examples are provided from the project sample to illustrate the differences in scoring and rating and to identify some of the “lessons learned” that emerged from the project level analysis. The examples, and the identification of issues related to them, also provide evidence trails for many of the Evaluation’s findings and conclusions.

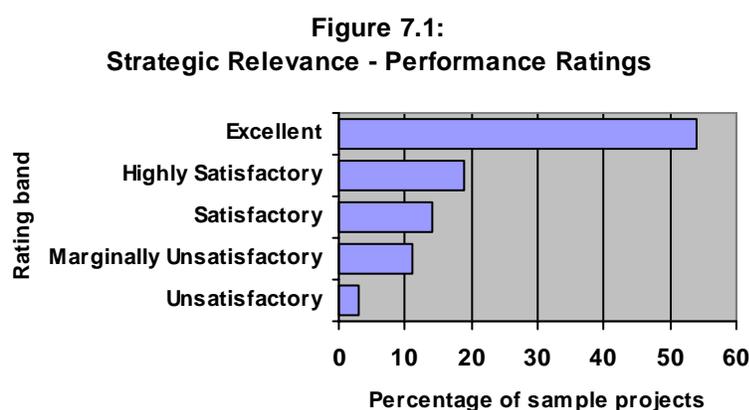
7.1 Strategic Relevance

7.02 *Strategic relevance* was assessed by the extent to which the technical assistance project addressed the development priorities of the BMC and the strategic and other priorities of the Bank. These include objectives set out in a national development strategy, the CDB country strategy if there was one, the Bank’s Strategic Plan 2000-2004, and CDB sector or other strategies. Strategic relevance is influenced by the Bank’s comparative advantage, and the extent to which a particular TA may have ‘leverage’ in relation to a larger programme, a capital project to be considered for financing, or key reforms that are important at that time.

7.03 In the case of TA funded by the Special Development Fund, the strategies set out in the relevant replenishment agreement with the SDF Contributors are particularly relevant. Similarly, the priorities in the Bank’s strategy on governance and institutional strengthening are especially relevant. In the case of regional and sub-regional projects, the extent to which there was an identifiable link to regional or sub-regional cooperation and integration, a link to the provision of regional public goods, or a link to institutional strengthening of a key regional institution was important.

TABLE 7.1: PERFORMANCE RATING – STRATEGIC RELEVANCE

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total ²³⁶
Strategic Relevance	54%	19%	14%	11%	3%	100%



7.04 The performance in regard to strategic relevance was very good. 54% of the projects received a rating of *excellent*, and 73% rated *highly satisfactory or better*, while approximately 14% were rated as *marginally unsatisfactory or unsatisfactory*. There may be two factors influencing this outcome – first, the criterion may be relatively easy to satisfy (“relevance” to development strategy is fairly broad) and, second, CDB staff may be choosing well in approving TA projects that are relevant to strategic objectives.

²³⁶ Percentages in Tables 5.7 to 5.16 are rounded and may not total exactly 100% in each case.

CHAPTER 7 - EVALUATION OF THE PROJECT SAMPLE BY INDIVIDUAL CRITERIA

7.05 In fact, *strategic relevance* received the highest performance scores among the nine evaluation criteria, with an average of 6.95. Only seven projects received a score below 5.0, while 20 projects were scored at 8.0 or better. Characteristics that influenced the scoring are provided in the examples below.

7.06 Strategic relevance was essentially the same for scored projects approved in 2003-2004 as compared with projects approved in 2000-2002 (6.98 and 6.88).

Strategic Relevance Examples

7.07 Among projects rated highly in terms of *strategic relevance* was a TA to support implementation of a shelter development project in St. Lucia, which supported the goal of national economic recovery through community development and housing targeted at low-income people, as well as related strategic objectives of CDB.

7.08 Another country-level project rated highly on this criterion was a TA to establish a project implementation unit for CDB projects in Guyana (see Box 5). This addressed a principal weakness in CDB's operations – in the largest recipient of SDF assistance – that had been specifically identified by a diagnostic mission and in the CDB country strategy, at a time when CDB portfolio performance in that country was poor. CDB's ability to support Guyana's poverty reduction strategy and other goals, and to use effectively the funds provided by SDF Contributors, was, therefore, at risk.²³⁷

7.09 A regional project that scored highly on strategic relevance was support for the establishment and operations of the Caribbean Regional Technical Assistance Centre (see Box 3),²³⁸ a programme designed to respond to core priorities of the BMCs for improved economic and financial management as identified in a wide-ranging needs assessment, and which had an effective mechanism for adapting its focus to meet changing priorities.²³⁹ CARTAC had been evaluated as contributing to economic reforms and reducing obstacles to growth, as well as supporting regional integration through common standards and tools of economic management. CDB's overall role in relation to CARTAC was an important one and the form of its assistance in this TA was highly relevant to the work of CARTAC.

7.10 A second regional project that scored highly was a training programme for police officers and social workers to strengthen their understanding and ability to deal with cases of domestic violence (Box 2). This was addressed to a key BMC and CDB strategic objective related to justice and security.²⁴⁰ The TA was strategically timely in relation to the particular circumstances and its potential impact. The project was an example of effective partnership with IDB, which had funded the preparatory TA

Factors in Strategic Relevance

Factors that affected performance rating positively included:

- A direct link with identified priorities of a BMC or a number of BMCs.
- A direct link with one or more CDB priorities, such as the Millennium Development Goals or in the relevant SDF Agreement, or in CDB's governance strategy.
- A significant link to a reform programme or the need for stabilization and adjustment.
- A potentially significant contribution to the effectiveness of key government functions and services.
- Timeliness of the intervention strategically in relation, for example, to expected action on a regional adjustment programme.

²³⁷ The Evaluation's only question was whether a time-limited "institutional strengthening" TA was the most effective means of addressing a longer-term problem of such strategic importance to the Bank and SDF Contributors.

²³⁸ A parallel TA in support of CARTAC operations, also approved in December 2001, provides support for individual TA interventions and is financed from funds provided by IDB but administered by CDB on behalf of IDB and CARTAC. It raises different issues of TA management that the Evaluation team was not unaware of, but the TA was not included in the sample of projects for the Evaluation.

²³⁹ The effect of CARTAC's work in terms of *poverty relevance*, on the other hand, is indirect, and its poverty relevance score was lower, although still satisfactory.

²⁴⁰ A priority that was strengthened further in the subsequent CDB strategy on governance, which specifically identified *justice and security* as a key priority.

projects.²⁴¹

7.11 A TA for institutional strengthening of environmental management in the four Windward Island members of the OECS also scored highly on strategic relevance. The TA was directly related to the St. Georges Declaration on sustainable development and environment by OECS Heads of Government, and focused on institutional and organisational issues as a follow-on to CIDA's ENCAPD programme. It also fitted well with the Bank's governance and institutional strengthening strategy and its objectives in respect of environment and natural resource management and regional cooperation.

7.12 The Private Sector Summit on competitive private sector development scored well on strategic relevance as it was undertaken just after completion of CDB's 2000-2004 Strategic Plan, under which the Bank was to adopt new approaches to working with the private sector, and while work on the Bank's private sector development strategy was underway. It also coincided with an active stage of planning for the Caribbean Single Market and Economy.

7.13 Among other projects that scored well in terms of strategic relevance were a TA to support a regional transformation programme in agriculture, where there was a strong linkage with both a key sector for economic adjustment and employment generation and a potentially important area for regional cooperation; and a TA to prepare an agricultural development programme for St. Kitts & Nevis with FAO as the implementing agency. The latter addressed what was arguably the most important issue on the country's strategic agenda, the alternative use of land, labour and capital upon cessation of sugar production and associated major implications for the country's financial and macroeconomic situation. It was also an effective use of a longstanding collaboration arrangement between CDB and FAO.²⁴²

7.14 In contrast, a TA to produce a tourism satellite account from the national accounts of St. Vincent & the Grenadines did not, as designed, seem a high strategic priority in the tourism sector given other pressing needs. Another example was a cluster TA using SDFO resources from Mexico to support a range of regional agencies, which also rated relatively low on overall strategic importance, although it was relevant to regional cooperation and the activities had been selected by the CARICOM Secretariat.

7.2 Poverty Relevance

7.15 *Poverty relevance* was judged by the extent to which a TA contributed, or might reasonably be expected to contribute, to reducing poverty. Particular attention was paid to the *three strategic levers* of the Bank's poverty reduction strategy: *enhancement of capabilities, reduction of vulnerabilities and good governance*,²⁴³ as well as to a country's poverty reduction strategy or similar document, where this existed. An indirect contribution to poverty reduction was also recognized, such as, for example, contributing significantly to a country's ability to finance a poverty reduction strategy and related socially important programmes, if there was a reasonable expectation that this would be the result.²⁴⁴ In general, the more direct and substantial the connection with poverty reduction, the higher was the score.

7.16 Some 16% of the projects in the sample were rated as *excellent*, and an additional 24% were rated *highly satisfactory*. 35% of the projects, however, were rated *marginally unsatisfactory* or *unsatisfactory*.

²⁴¹ The project also scored highly under *efficacy, efficiency, sustainability* and *institutional development impact* and fairly highly under *poverty relevance*. Overall, it received one of the two highest scores, both as an average across the nine performance criteria and as a weighted average of six criteria..

²⁴² Both projects, however, scored lower under some of the other criteria, as the outcomes, for differing reasons, were much lower than anticipated.

²⁴³ *Terms of Reference*, para. 3.01 (ii).

²⁴⁴ In assessing poverty relevance in terms of the *three strategic levers*, the Evaluation took into account the most recent listing of factors considered relevant in terms of the three levers (Appendix E) and the "toolkit" for operationalizing the poverty reduction strategy in CDB's technical assistance (Appendix F), as well as the guidance in the CDB's *Project Performance Evaluation System-Matrix*, which provided a set of tests to be applied under this criterion.

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TABLE 7.2: PERFORMANCE RATING – POVERTY RELEVANCE

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
Poverty Relevance	16%	24%	24%	24%	11%	100%

7.17 This result is in contrast with the performance scores for *strategic relevance*, for example, where the proportions were reversed, in favour of high scores. It was recognized, however, that for many TA projects, the relationship to poverty reduction may be quite indirect, and a lower overall score than for strategic relevance might be expected. In some of the projects in the sample, nevertheless, the relationship was quite strong (see Figure 7.2).

7.18 Performance on *poverty relevance* was quite good for the 10 best projects (6.21 out of 10), although poor for the 10 weakest projects (2.75 out of 10). Across the 37 projects, the average score was 4.85, very close to the average score for all criteria. Twenty-one projects, however, had poverty relevance scores lower than 5.0, and only six projects had scores of 8.0 or higher.

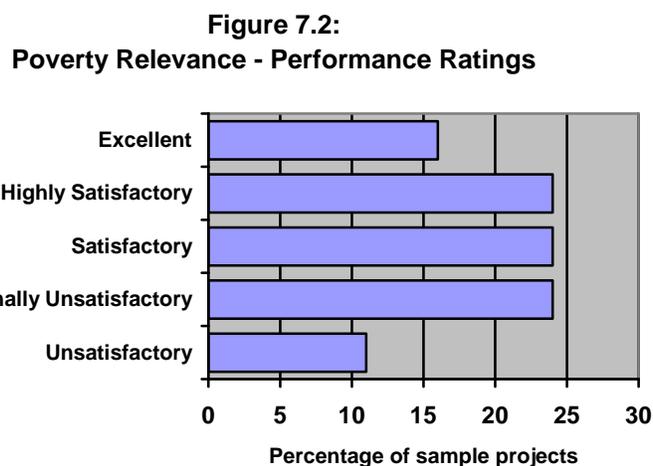
7.19 The performance ratings for poverty relevance improved for projects approved in 2003-2004 as compared with projects approved in 2000-2002 (from 4.51 to 5.57), and even taking into account the smallness of the project sample, this is a significant difference.²⁴⁵

7.20 In terms of the three strategic levers, most of the projects made some contribution to one or more of *enhancement of capabilities*, *reduction of vulnerabilities* and *good governance*. In a number of cases, the same TA made a contribution to all three of the “levers.” To be scored highly on poverty relevance, however, a TA had to be more than merely relevant to poverty reduction, it had to be fairly strongly relevant, and this was the case in 40% of the TAs in the project sample.

Examples of Poverty Relevance Ratings

7.21 Two projects that were rated highly on poverty relevance were a TA in St. Vincent & the Grenadines for North Windward Development and a regional TA executed by CDB in support of targeting the Millennium Development Goals.

7.22 The North Windward project was directly targeted at poverty reduction in a highly disadvantaged region of the country. The project in support of the MDGs responded to a mandate of SDF Contributors to use the MDGs to strengthen the Bank’s focus on poverty reduction. It was addressed to core issues of poverty reduction that were central to CDB operations. It also allowed CDB to take a leadership role in developing a Caribbean-specific set of MDGs and MDG targets, as well as providing a practical focus for TA programming to support poverty reduction strategies.²⁴⁶



²⁴⁵ With the qualification that the size of the sample was small for this type of analysis, the result suggests that use of the Bank’s ‘poverty prism’ in selecting and designing projects may have strengthened over the period as a whole.

²⁴⁶ The project also rated highly under *strategic relevance*, *efficacy*, *efficiency* and *sustainability*, as well as *CDB performance* and

CHAPTER 7 - EVALUATION OF THE PROJECT SAMPLE BY INDIVIDUAL CRITERIA

7.23 Another TA that was rated highly was a sub-regional TA to support the development of micro-finance services in the Eastern Caribbean in partnership with a private sector financial institution. Micro-finance is a target area for the Bank under its poverty reduction strategy.²⁴⁷

7.24 Two other projects rated relatively highly on poverty relevance were a TA to develop a national strategic plan for health for St. Kitts & Nevis, which was a good fit with the health aspects of the Bank's poverty reduction strategy and was intended to be an important element in a national poverty reduction strategy, including in relation to the MDGs, and a TA for an assessment of Dominica's economic stabilization and adjustment programme.²⁴⁸

7.25 A number of TAs, however, were rated relatively low under *poverty relevance*. These included two projects in St. Vincent & the Grenadines, for the compilation and collection of tourism statistics and for establishment of an interdepartmental project management system, which, while worthwhile in their potential to improve government administration, had a limited relationship to poverty reduction.²⁴⁹ A low rating was also given to a language training pilot project for the OECS, where there was no significant linkage with a poverty reduction strategy or objective.²⁵⁰

7.26 A project that scored only marginally better was a regional TA for a study on a financial intelligence unit for the Eastern Caribbean, which was judged to have only a very indirect relationship to poverty reduction.²⁵¹

7.3 Efficacy

7.27 *Efficacy* was measured by whether the TA project achieved or was expected to achieve its stated objectives, including policy, financial, social and environmental objectives, taking into account their relative importance.²⁵² Care was taken with respect to institutional development objectives to minimize double counting, since ID impact was a separate evaluation criterion.²⁵³ Key issues included the extent to

Factors in Poverty Relevance

Factors that contributed to higher poverty relevance included:

- Poor or disadvantaged persons were likely to benefit directly.
- The project was likely to ameliorate a severe social or economic problem that disproportionately affected poor people.
- There was a significant identifiable impact on the country's ability to support poverty reduction programmes, e.g. through additional resources.
- There was a strong relationship to one or more of the three 'strategic levers' of the Bank's poverty reduction strategy and a good relationship to improving the prospects of the poor or near poor.

consultant performance, and reasonably highly under *institutional development impact*. Overall, this TA scored highest, by a significant margin, of all the fully scored projects, at 8.89 and 8.80 for the average project scoring across all nine criteria and the weighted average scoring, respectively.

²⁴⁷ The project also scored well under *sustainability* and *CDB performance*, and relatively well under *institutional development impact* and *executing agency performance*, and reasonably satisfactory under *efficacy*.

²⁴⁸ Both of these TAs, however, scored significantly lower under other evaluation criteria such as *efficacy* and *sustainability*.

²⁴⁹ Both projects received an overall unsatisfactory rating under weighted average project scoring for six criteria and one received an unsatisfactory rating under the average scoring over nine criteria..

²⁵⁰ The source of funding was the IDB's TA facility for OECS members administered by CDB, and the sponsor and executing agency was the Association of Caribbean States. It also involved a partnership with FRCF and Venezuela.

²⁵¹ The project rated slightly better under *strategic relevance*.

²⁵² As reflected in the usage of this criterion in the *DAC Glossary of Key Terms in Evaluation and Results-Based Management*, p.20 (OECD, 2002). In this respect the application of the criterion differed from that CDB uses in PPES monitoring of *capital projects*, in which objectives are given equal weight (CDB, "Project Performance Evaluation System – Matrix", p.6). A TA can more frequently have objectives of differing importance.

²⁵³ A distinction required under CDB's "Project Performance Evaluation System – Matrix", p.6. This distinction is more difficult to make, however, in the case of some TAs, where the principal objective may be institutional development. In

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which intended results had been or were likely to be achieved, whether such results could be identified at different stages of the results chain, and whether a contribution to longer-term objectives could be plausibly identified. In the case of a project preparatory TA, a primary criterion was whether it had resulted in a well-prepared investment project or follow-on TA programme.²⁵⁴

7.28 As shown in Table 7.3, 19% of the projects were rated as *excellent* in terms of efficacy, 16% as *highly satisfactory*, and a total of 57% as *satisfactory or better*. Some 43%, however, were rated as *unsatisfactory* or *marginally unsatisfactory*.

TABLE 7.3: PERFORMANCE RATING – EFFICACY

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
Efficacy	19%	16%	22%	32%	11%	100%

7.29 There were several performance criteria where the scores were, on average, in a narrow range from 4.5 to 5.0. *Efficacy* was one. The 10 best projects were judged very effective (scoring 7.8 out of 10 on average) and the 10 poorest scoring projects were considered not at all effective (1.90 out of 10). Efficacy scores were somewhat better for projects approved in 2003-2004 compared with projects approved in 2000-2002 (4.87 compared to 4.51), although the margin was small, and there were differences in the extent to which outcomes could be judged for uncompleted *vs.* completed projects.

Efficacy Examples

7.30 The project implementation unit for CDB projects in Guyana (Box 5) had helped to improve coordination, monitoring and implementation of CDB's operational programme in Guyana and, within constraints, had contributed to coordination with other donors. The country portfolio disbursement rate had improved from an average of 6% in the period 1995 to 2000²⁵⁵ to an average of 41% over the years 2001 to 2004,²⁵⁶ and although other factors were also involved, field interviews and document analysis provided a good basis for attributing a share of the credit to the work of the PIU. The project was rated highly in terms of *efficacy*.

7.31 The CDB-executed TA to support achievement of the MDGs also scored highly on efficacy. It met its objectives creditably and provided policy and technical dialogue as well as a documentary base for assisting both CDB and the BMCs to move forward in a step-by-step process. This included

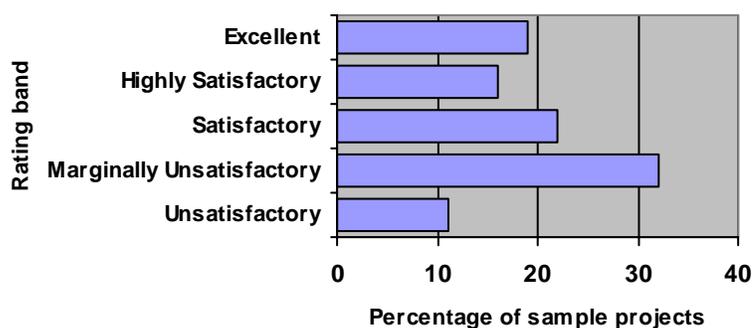
this respect, TAs differ from capital projects in the application of the evaluation criteria.

²⁵⁴ In the evaluation of the Asian Development Bank's technical assistance programme being undertaken at the same time as this Evaluation, the basic criterion for evaluating project preparatory TAs was whether the PPTA led to a well-prepared investment project. The reasoning is that other outcomes are difficult to separate from those of other factors associated with the resulting project.

²⁵⁵ And a reported level as low as zero in one year.

²⁵⁶ Or 21% excluding exceptionally high disbursements in 2003.

**Figure 7.3:
Efficacy - Performance Ratings**



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development of a Caribbean-specific set of MDGs and related targets, which included a formulation of the poverty reduction target to focus on the nature of poverty in the Caribbean, as well as identification of priority areas for CDB to support capacity building.

7.32 Similarly, the TA to support the establishment and operations of the Caribbean Regional Technical Assistance Centre (Box 3) achieved significant results, as evidenced by an independent evaluation and by the Evaluation's own analysis and interviews with senior decision-makers in the BMCs and regional organisations. The latter attributed important benefits, both direct and indirect, to the operations of CARTAC, which were being monitored in a results-based framework. CARTAC was also contributing to objectives that CDB had set for itself, including improved economic management and support for regional integration.

7.33 CDB's project preparation assistance facility (PPAF)²⁵⁷ was included in the overall project sample, but because of its omnibus nature and specific objectives was scored more selectively under five criteria. It was rated highly under *efficacy* because, of 14 sub-projects, 10 had led to investment projects, all of which targeted particular CDB strategic and operational objectives. Detailed examination was possible for only two of these, both in St. Lucia. These had led directly, without further preparatory work, to a large reconstruction loan covering rehabilitation of a substantial number of rural health clinics and primary schools.²⁵⁸

7.34 The TA to support domestic violence intervention training (Box 2) had clear objectives, although they were highly ambitious in relation to the limited funding provided. More than 7,300 police officers, social workers and educators were trained effectively at low cost. The shortfall from the ambitious objectives was a result of under-estimation of the resources required.²⁵⁹ There was strong evidence of substantial positive medium-term outcomes and good indications of positive longer-term impacts.²⁶⁰ Among these were changes in "police culture", in the face of initial scepticism or opposition from members of some police forces. It was a strikingly effective project, although provision for a mid-project review and post-project monitoring and follow-up might have increased its effectiveness further.

7.35 The review of regional health institutions had clear objectives, which were to evaluate the performance and relevance of five regional health institutions, determine the institutional framework and appropriate organisations through which technical cooperation in health at the regional level could best be pursued, and assess the capacity of the CARICOM Secretariat to provide oversight and coordination. These were to contribute to the quality of health services and ensure adequate capacity for effective regional cooperation. There was a clearly stated chain of intended results, which were incorporated in consultant reporting at each stage of a complex review process. The TA had achieved its intended initial outcomes and follow-on activities were underway, with a good expectation of positive outcomes at subsequent stages of the results chain.²⁶¹

7.36 The TA for introduction of a value added tax in St. Vincent & the Grenadines was effective in

²⁵⁷ PRN 1669 for the 2001 replenishment.

²⁵⁸ The PPAF was rated satisfactory under *strategic relevance* and *poverty relevance*, and excellent under *efficacy*, *efficiency* and *sustainability*. Under *strategic relevance*, it might be noted that pre-investment and project preparation are a strategic direction for technical assistance in the Bank's charter (see Chapter 3), and the primary objective of the PPAF was to facilitate the project pipeline process. As it was designed, it was not intended in any specific way to be responsive to other policy objectives, although these may, of course, have been taken into account by CDB staff.

²⁵⁹ An *ex post* evaluation of the training programme by IDB observed that a substantially larger number of police officers could have been trained at minimum additional cost if the resources had been made available, with substantial benefits.

²⁶⁰ The evidence was corroborated from different sources and perspectives.

²⁶¹ The project was also rated highly satisfactory or excellent under each of the other eight evaluation criteria, including *strategic and poverty relevance*. Its average score, at 7.44 out of 10, and its weighted composite score, at 7.80 out of 10, were the third highest among the 37 projects.

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making a useful contribution to the transition to a broad-based consumption tax and away from over-dependence for government revenue on excise taxes and customs duties. This was an important shift in tax policy for several countries, including St. Vincent & the Grenadines.

7.37 A TA for institutional strengthening of the Guyana Revenue Authority was also rated unsatisfactory, as it had to date been unsuccessful. It rated highly in terms of *strategic relevance* and could, if carried out effectively, have contributed to increased resources for poverty reduction. Its objectives were clearly stated, but difficulties were encountered in implementing the original design and in carrying through on a revised design, in the latter case for reasons related to internal conflicts over change management in the agency. If the project can be restarted, with a new design adjusted to changed circumstances, there is a prospect of significant positive outcomes in association with a concurrent IDB programme, but the chances of this happening could not be assessed.

Factors in Efficacy

The principal determinant of a high rating for *efficacy* was the achievement (or expected achievement) of positive outcomes at different stages of the results chain. Some of the factors that contributed to this were:

- A project design that embodied a practical and well-defined approach based on an adequate assessment of institutional capacity and capacity building requirements.
- A good definition of the outputs and outcomes expected from the project, and a good sense of what could be produced for a given budget.
- Successful engagement of competent consultants.
- Timeliness of the intervention and of its intended outputs.
- An opportunity to consider possible adjustments to the project during implementation that could improve overall efficacy.
- Linkage with a larger project or programme that could be seen to benefit from the TA and may have helped to strengthen implementation and outcomes.
- Follow-up activities to take advantage of the TA.
- In the case of a project preparatory TA, whether a larger project had resulted or could reasonably be expected to result.

Factors that reduced efficacy scores and ratings included:

- Lack of timeliness of the TA intervention, where this adversely affected outcomes.*
- Delays in project commencement or project implementation, where this adversely affected outcomes.
- Weaknesses in project design, where this adversely affected outcomes.
- Lack of provision for a review of the project during the course of implementation where this might have allowed adjustments that could have improved outcomes.
- Lack of follow-on to the project.

* In some cases, the TA would have been more effective if undertaken earlier. For example, the CDB implemented a TA project in 2003 to provide a technically skilled person for two years to keep fiscal records for the Government of Dominica. If this had occurred three years earlier it might have helped avert Dominica's public sector fiscal crisis or at least alerted stakeholders earlier to its potential severity. In other cases, delays in getting an approved TA underway or completed significantly reduced the benefits.

7.38 Similarly, the joint CDB/FAO project to prepare an agricultural diversification programme for St. Kitts & Nevis scored relatively low on efficacy, despite being addressed to the highest priority economic issue in the country. The report was completed relatively quickly in 2002. Sensitive policy decisions, however, were apparently too difficult for the Government, and sugar production subsequently ceased as of July 2005, with immediate impact for one-third of the arable land of the country, the labour force, the financial position of the Government and the environment. At a workshop on strategic options for structural adjustment of the economy held in 2004 before the industry's closure,

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the FAO-CDB report was presented, and the donor community indicated support for a post-sugar adjustment programme. FAO and CDB also proposed specific technical assistance, while awaiting policy decisions, to create a land resources information system to identify vulnerable areas and to advise on the major risk of soil erosion. These offers were not, however, responded to, as the Government wanted a broader a land use strategy.

7.39 Another TA with efficacy problems was a study of trade-related legislation for the OECS, which was financed jointly by CDB with OSFR resources from USAID and by USAID itself. The study was of high strategic relevance. It was not, however, completed because of a lack of timely agreement between the OECS Secretariat as executing agency and the consultant, who had recommended further contact with OECS countries to validate necessary information. The consultant’s initial work was competently done, as assessed by CDB legal counsel, and the reason for failure appears to have been the inability of the executing agency to give the study sufficient attention within a reasonable time scale, and the consultant ultimately withdrew because of other work. The study and compilation of the intended database were subsequently completed under Canadian (CIDA) funding.

7.4 Efficiency

7.40 *Efficiency* was measured by the extent to which the TA achieved its objectives in a cost-effective manner.²⁶² How economically were resource inputs (funds, expertise, time, etc.) converted to results?²⁶³ Were the outputs expected from the TA clear? Were the services provided as economically as possible? Was project management for the TA effective? Were planned resources used properly? Was the TA started and finished on time, and/or implemented with reasonable concern for time-efficiency?

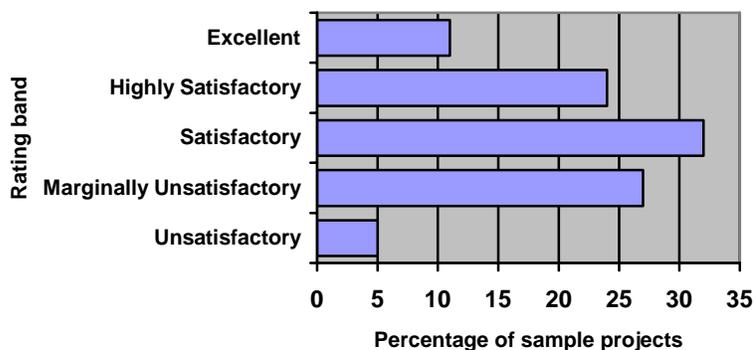
TABLE 7.4: PERFORMANCE RATING – EFFICIENCY

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
Efficiency	11%	24%	32%	27%	5%	100%

7.41 11% of the 37 TA projects were rated as *excellent* in terms of the efficiency criterion. An additional 24% were rated *highly satisfactory*. Some 67% were *satisfactory or better*. Approximately 32% were *unsatisfactory or marginally unsatisfactory*.

7.42 Efficiency was one of five criteria for which the 37 projects had average scores in the narrow range of 4.5 to 5.0 out of 10, in this case 4.66 – a little under the midpoint of 0 to 10 and in the *satisfactory* rating band. The 10 best projects were judged as quite efficient, with an average score of 7.2 out of 10. The 10 poorest projects were clearly inefficient, with an average score of 2.18.

**Figure 7.4:
Efficiency - Performance Ratings**



²⁶² This is similar to the “cost efficiency” criterion in CDB’s *PPEs Matrix*, but somewhat broader, to suit the circumstances of TA projects.

²⁶³ *DAC Glossary of Key Terms in Evaluation and Results-Based Management*, “Efficiency”, p.21.

BOX 4: PROJECT PREPARATION WITH PARTNER EXPERTISE - ST KITTS-NEVIS

Ensuring sustainable development and redressing government finances following the decline – and since July 2005 the cessation – of sugar production has been a critical issue on the economic agenda of St. Kitts-Nevis. The issues include use of the former sugar lands and related environmental impacts on soil conservation and national water resources, the employment of former sugar workers, and the drain on public finances from government ownership of an unprofitable industry, which led to the world's third highest debt/GDP ratio.

CDB and FAO were already engaged under a long standing collaboration agreement, and FAO was committed to make available its expertise to develop a non-sugar agricultural development programme, assuming CDB financial support. The first step was a \$148,000 CDB TA under which FAO would prepare a multi-year agricultural diversification project to be supported by CDB and other donors, timed to coincide with the closure of the sugar industry planned for the early 2000s (ultimately undertaken in 2005).

The intention was to provide information and analysis for Government decisions on alternative use of land, labour and capital resources, and mobilization of necessary financing. The \$7 million 5-year programme prepared under the TA included an extensive review of land use legislation, food crop and livestock development, irrigation, soil conservation and environmental protection, with capacity development in the Ministries of Agriculture and Water Services.

There has, however, been a lack of follow-up by the Government, other than a workshop in April 2004 on "strategic options for structural adjustment of the economy in the context of decline in the sugar industry." Donors as well as the IMF were present, and the FAO-CDB Report was presented. The meeting showed that the international community was prepared to support the necessary adjustment programmes in the post-sugar environment.

The political problem delaying Government decisions was what to do with the sugar lands, given various pressures to allocate these lands to non-agricultural use. The Government's response was to develop a land use strategy for the whole country, but this has not so far been done.

To support decision-making, in late 2004 FAO and CDB proposed technical assistance to create a reliable land resources information system to identify vulnerable areas in the sugar lands that should remain in agriculture and to advise on soil erosion, which was a major risk. More recently, a further offer of assistance focused on assisting workers to become agricultural producers in other commodity areas. Neither offer, however, has been taken up.

While the proposed non-sugar agriculture development strategy has remained at a standstill, CDB has offered to help to address the Government's debt to the commercial banking system, which financed the Sugar Corporation's operating deficits and creation of a Land Management Company to handle the disposition of the sugar lands, and to support a Debt Management Unit.

The project is an example of a TA that made cost-effective use of a partner agency's expertise in a way that, if government decisions could be taken, the Bank, FAO and other donors could support follow-up action. It also demonstrates a strategic analysis of the situation and a willingness to support alternative responses when the initial option did not move forward.

This TA can be contrasted with another CDB TA for St. Kitts-Nevis, for preparation of a National Strategy for Health (also in the Evaluation's project sample). In that situation, CDB provided a TA grant in 2004 for the Ministry of Health to undertake the work. A natural partner agency would have been PAHO, which was not involved, although a similar activity was underway in Grenada in which CDB was using PAHO, and PAHO had conducted a base line study for St. Kitts-Nevis in the form of a Situation Report on Health in 2003. The Ministry has undertaken the process itself without reference to CDB or PAHO using local resources. It has now asked the Bank to approve use of TA funds for some of these expenses, including the retention of PAHO to re-order its work. This would mean agreeing retroactively to an arrangement not part of the original TA design.

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7.43 Twenty of the 37 projects had efficiency scores of less than 5.0 out of 10. Only four projects had scores of 8.0 or higher. Scores were somewhat lower for projects approved in 2003-2004 than for projects approved in 2000-2002 (4.31 compared to 4.78).

Efficiency Examples

7.44 The two projects that were rated highest for efficiency were the CDB-executed TA for support of the MDGs and the CSO-executed TA for domestic violence intervention training for police officers, social workers and educators in all BMCs. In the first case, very specific outputs were provided efficiently, on time and within budget, resources for the regional meetings were well managed, and CDB and UNDP worked efficiently together.

7.45 In the TA for domestic violence intervention training, although there were initial delays in availability of CDB funding, which reduced the momentum from the preparatory phases and led to the loss of an IDB-funded project coordinator, the project was well managed by the executing agency, which set up a network of country coordinators and managed a complex set of operations, including effective involvement of the media and other public groups and with police forces in all BMCs. Several thousand police officers, social workers and others were successfully trained at low cost. In part, this reflected heavy reliance on volunteer trainers. Excessive demands were made on some of these trainers, with cases of stress and burnout.²⁶⁴ The IDB evaluation, as noted above, also concluded that an even larger number of police officers, closer to the original objective, could have been trained at modest additional cost.²⁶⁵ Overall cost-effectiveness, however, was impressive. The executing agency prepared a detailed report on project implementation, outputs and outcomes.

7.46 Another project that was rated highly on efficiency was the TA to participate in and support CARTAC. An independent evaluation of CARTAC and the present Evaluation both concluded that CARTAC was “good value for money”, in part because of the use of resident advisers and of skills and experience available within the region, including countries with particular

Factors in Efficiency

Factors that contributed to a higher efficiency rating included:

- Moving quickly to approve and implement an approved project, taking into account quality at entry.
- Effective management to avoid delays and ensure value for resources and time expended, including early follow-up and solution to problems.
- Having outputs clearly specified in the TA contract.

Factors that affected efficiency rating negatively included:

- Lack of timely attention by the executing or implementing agency, and failure to resolve disagreements expeditiously.
- Failure to make adjustment in project design or implementation in the light of developments.
- Limitations in procedural requirements that adversely affected cost-effectiveness.
- Other factors that reduced cost-effectiveness, such as a downgrading of the work to be performed after the consultants/ technical experts had been engaged and had started the project.*

* An example was the tourism statistics project in St. Vincent & the Grenadines, where the intention to produce a tourism satellite account within the national statistics data was downgraded to producing a plan for such an account.

²⁶⁴ The IDB evaluation recommended that, in any future such training, the burden on trainers should be more carefully predicted and some compensation provided.

²⁶⁵ Similarly, in-country travel in cases such as Belize and Guyana had not been provided for in the project budget. There was also a constraint as a result of a requirement in CDB's project document that disbursement of the final tranche of the funding could only be on a reimbursable basis, with the result that an end-of-project workshop with country coordinators for monitoring and evaluation could not be held, although the estimated cost was less than the funding remaining, because voluntary contributions raised for the project by the CSO, although substantial, had been exhausted, and funds from other sources were earmarked by the contributors for different purposes. The funds were ultimately cancelled rather than used for the project.

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experience to share, as well as a mechanism for adjusting programme focus and staffing to meet changing needs. Other resources, in most cases on a pooled basis, were managed effectively by CARTAC, and reporting and monitoring in a results-oriented framework was detailed and well done.²⁶⁶ CDB's administration of its particular contribution in the form of a seconded staff member was also without problems.²⁶⁷

7.47 CDB's TA facility for project preparation assistance also scored high on efficiency. Contracting and completion of project preparation studies in the two cases investigated took no more than three months and had good cost effectiveness, with \$135,000 in preparatory work leading to a complex \$6 million loan. This reflected the design and management of the facility, including consultant selection from short-lists of pre-qualified firms, as well as the circumstances of the cases.

7.48 There were nine of the 27 projects that scored particularly poorly on efficiency.²⁶⁸ A TA to assist the Government of St. Kitts & Nevis to prepare a national strategic plan for health received a zero score for efficiency because, after two years, there had been no action on a work plan or recruitment of a consultant, and the Government did not follow the agreed standard procedures for consultant selection, although CDB had tried to assist. The Government, however, had proceeded on its own, without apparent consultation with the Bank or PAHO, and had recently submitted a draft plan for CDB's consideration, putting the Bank in an awkward position.

7.49 Three TAs for St. Vincent & the Grenadines also scored very low on efficiency. These were for tourism statistics, North Windward development, and an integrated project management system. None of these projects was implemented well, and they achieved few of their objectives. Delays were endemic.

7.5 Sustainability

7.50 *Sustainability* was measured by the likelihood that the TA project would deliver its intended benefits over a reasonable period. A reasonable period necessarily varies from one project to another. In applying this performance criterion, the Evaluation took into account the special characteristics of technical assistance as compared with capital investment projects. In both cases, sustainability relates to the probability of continued long-term benefits,²⁶⁹ but what this means in the case of a technical assistance project may differ from a typical capital investment project.²⁷⁰

7.51 The OECD Evaluation Cooperation Group has suggested that eight factors should be considered in assessing resilience to risk and sustainability: technical soundness, government commitment including supportive legal and regulatory frameworks, socio-political support, economic viability, financial viability, institutional and organisational and management effectiveness, environmental impact, and resilience to exogenous factors. Sustainability is in some cases easy to define, and in others, more difficult. The application of these concepts varies considerably from one type of TA to another.²⁷¹

²⁶⁶ With a significant role played by a senior level steering committee of regional and contributor representatives, including CDB.

²⁶⁷ This was a specific TA using SDFU resources. The Evaluation's sample did not include CDB's other TA for CARTAC, under which CDB does detailed administration of IDB-provided funds for individual consultant interventions, where the nature of project management is quite different.

²⁶⁸ The reference line used in this chapter for particularly poor scores is 2.0, that is, either in the 0.0 to 1.9 *unsatisfactory* band or at the bottom of the *marginally unsatisfactory* category.

²⁶⁹ *DAC Glossary of Key Terms in Evaluation and Results-Based Management*, "Efficiency", p.36.

²⁷⁰ TA projects may have very specific objectives, and in some cases may have objectives that do not necessarily include sustainability in the sense of identifiable longer term benefits.

²⁷¹ Some of the questions asked were: Was the project technically sound? Was 'ownership' and socio-political support good? Was sustainability an explicit objective? Did the Terms of Reference (or a Logframe) describe the requirements for sustainability? How high was sustainability risk? How resilient was the project to exogenous factors? Was a

TABLE 7.5: PERFORMANCE RATING – SUSTAINABILITY

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
Sustainability	19%	16%	3%	22%	41%	100%

7.52 19% of the 37 projects were rated as *excellent* on sustainability, and 16% as *highly satisfactory*. A total of 63%, however, were *unsatisfactory* or *marginally unsatisfactory*.

7.53 Sustainability performance received one of the two lowest average scores among the performance criteria applied to the sample. The average score was 3.40 out of 10. The 10 best projects scored on average 7.11, but the 10 weakest projects averaged only 0.33 out of 10.²⁷² The sustainability score was a little higher for projects approved in 2003-2004 compared with projects approved in 2000-2002 (3.43 compared with 3.38), but the margin was small and not significant given the sample size.

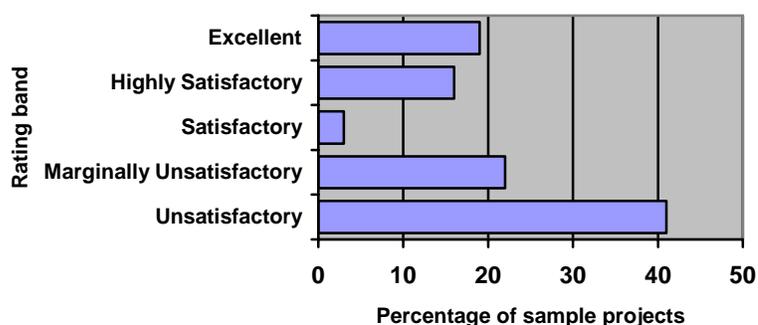
Sustainability Examples

7.54 A TA to further upgrade the customs administration of St. Lucia under the UNCTAD-provided ASYCUDA system rated highly on sustainability. It was a follow-on project to improve the monitoring of trade flows for statistical and fiscal and economic planning purposes as well as to improve efficiency of the cargo clearance process, and to create a pool of regional expertise. The project built on the experience of earlier stages of ASYCUDA and had ongoing linkages to technical expertise. Sustainability risk was low, given the experience gained with the earlier project, which had been less successful, and there was every indication of the project's outcomes being sustainable.

7.55 Another St. Lucia project that was rated well on sustainability was a TA to undertake a major reform of the country's property tax system (Box 1). The TA also scored highly on strategic relevance as well as *efficacy*. The project had full ownership and had resulted in an ongoing process of revaluation and reassessment, with the introduction of new technologies, which was being undertaken by the agency itself, with significant increases in property tax revenues. The capacity challenges, however, had been considerable and had not been fully foreseen. Outside expert advice at the design stage and a better estimation of the level of effort required to achieve intended outcomes could have led to even better results more quickly, including reduced risk and a stronger basis for sustainability.

7.56 Also in the tax field was the TA to introduce a value added tax in St. Vincent & the Grenadines, already referred to under *efficacy*. This scored highly under most of the performance criteria, including sustainability, in this case because the value added tax became a continuing aspect of the tax system

**Figure 7.5:
Sustainability - Performance Ratings**



significant on-going effort by the beneficiary required for sustainability? Was this forthcoming? Were necessary or expected follow-on actions taken?

²⁷² In some cases, the lack of identifiable sustainability reflected the uncertain results of an uncompleted project or one for which follow-on action had not been taken, and the scoring may not be as easily comparable with scores for other criteria. Nevertheless, where possible, a pragmatic approach was taken.

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supporting an improved tax structure and efficiency in the economy.²⁷³

7.57 The review of regional health institutions scored well because the review provided a path for future decision-making at the political level and the momentum had since been maintained, with a meeting of regional health ministers to take decisions on governance and funding of the regional health institutions in the Caribbean Cooperation in Health framework.

7.58 The regional project for domestic violence intervention training also scored highly (Box 2). The training in BMCs was provided effectively, and sustainability risks were reduced by full engagement of the Association of Caribbean Commissioners of Police, individual police forces and local agencies, as well as interest and support from the media. There were significant continuing benefits from a change in police culture, new methods of dealing with domestic violence, greater cooperation among agencies, increased public awareness, and inclusion of domestic violence intervention in the curriculum for ongoing police training and as part of station-level and community outreach programmes. There was, however, no provision for post-project monitoring or other means of supporting continuing momentum, and a planned end-of-project assessment with country coordinators could not be held because, although funds were available in the TA, they could not be used except on an *ex post* reimbursement basis and the project funds raised by the CSO had been fully used.

7.59 The TA for strengthening environmental management in OECS states was another project that was rated highly on sustainability. There was a considerable degree of ownership of the outputs of the TA by both the OECS Environmental and Sustainable Development Unit (ESDU) and the four Windward Island ministries responsible for the environment. The follow-on process was moving forward to the stage of outcome results through decisions by each government, with St. Lucia being the most advanced. CDB had followed up with dialogue with each of the four countries and indicated in principle a willingness to support capacity building after decisions were taken. Consideration was also being given to a similar approach for the Leeward Islands.

7.60 Among projects that received a low rating on sustainability were two TAs in Guyana, for similar reasons related to lack of adequate attention to sustainability and absence of follow-up. The TA for institutional strengthening of the Ministry of Health and Labour was intended to strengthen the Ministry in two key areas identified by ILO and UNDP as needing assistance. Indication that sustainability risk had been considered in project design was lacking, as was consideration of follow-up by CDB with respect to the outputs of the consultant, either in terms of CDB programming or in promoting the

Factors in Sustainability

Factors that affected sustainability positively included:

- Commitment to the project from the beneficiary(ies) and executing agency.
- A practical plan to obtain follow-on benefits.
- Follow-up action by the parties concerned.
- Funding for post-completion activities, where needed.

Factors that affected sustainability negatively included:

- Failure to complete the project itself, so there were no results to sustain.
- Weaknesses in project design and under-estimation of the level of effort required.
- Delays in project implementation or completion that weakened the opportunity to take advantage of the TA.
- Lack of effective linkage to a wider effort.
- Lack of follow-on action by the government or beneficiary concerned, and/or by CDB.
- Lack of funds to implement the recommendations of the TA.

²⁷³ The project scored highly on *strategic relevance*, *efficacy* (see above), *efficiency*, *institutional development impact* and *consultant performance*, and reasonably well on *executing agency performance*, *CDB performance* and *poverty relevance*. Overall, the TA was rated near the top of the highly satisfactory band. It had the highest score among the six TA projects examined in St. Vincent & the Grenadines.

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proposed plan with other donors. The consultant's outputs were clear and delivered on time, but no further assistance was received and there was no subsequent action.

7.61 In the case of a diagnostic study for computerisation of Guyana's Ministry of Home Affairs, the project design did not identify sustainability risks such as institutional weaknesses or the high cost of implementing computerization, nor did the design foresee any specific follow-up on completion of the study. The consultants appeared to have adhered to the terms of reference for their work, but the report remained unutilized.

7.62 A TA for institutional strengthening of the Inland Revenue Department in St. Vincent & the Grenadines was intended to support a major reform of property taxation. Although funded at a level twice that of the similar TA for St. Lucia and using the same consultants, it received a very low score on sustainability, unlike the St. Lucia project.²⁷⁴

7.63 The TA project to produce development options for North Windward in St. Vincent & the Grenadines received a relatively low rating on sustainability. This would have been significantly higher if the options had been fully developed and if the Government had taken a decision to pursue one or more of them.

7.64 Three projects that received a zero score on sustainability because they were either not completed or did not lead to follow-on outcomes were the TA for a study of trade-related legislation in the OECS, a study on the need to establish a financial intelligence unit (FIU) in the Eastern Caribbean, and an institutional strengthening TA for the Guyana Revenue Authority. The circumstances in each case were different.

7.65 In the case of the TA on trade-related legislation, for example, there had seemed to be little sustainability risk because the defined activity was straightforward, there was a clear need for the work, which was a priority for OECS countries, the executing agency had the technical capacity to oversee the work, other donors were active in the same area, and CDB was anxious to support the activity as part of its regional capacity building. Nevertheless, the executing agency proved unable to find a timely solution to a relatively minor problem in the workplan. Subsequent to the cancellation of the TA, an OECS Trade Law Database was prepared under other sponsorship.

7.66 The TA for institutional strengthening of the Guyana Revenue Authority, on the other hand, was uncompleted because the consultant had been unable to obtain cooperation from members of a management team in conflict and, although he completed an initial report as best he could, he was not paid and perhaps exacerbated the situation in his effort to be paid. Long distance efforts by CDB to resolve the situation had not been successful, and although circumstances may be more favourable in a changed context, the chances for restarting the TA could not be assessed.

7.6 Institutional Development Impact

7.67 *Institutional development impact* of a TA was judged by the extent to which it successfully addressed key issues related to institutional development. In some cases, a TA was specifically targeted to institutional development, or institutional development was one of its specific objectives²⁷⁵ and in other cases it was incidental to the project. Where ID was not an objective, either explicit or implicit, however, this criterion was not scored and the weighting was adjusted accordingly.

²⁷⁴ Overall, the project received one of the two lowest scores in the Evaluation's project sample, at 1.67 out of 10 for the average score, and 1.0 out of 10 for the weighted composite score. This is a striking contrast with the St. Lucia project, which was less well funded.

²⁷⁵ For example, the review of regional health institutions included explicit ID objectives in its scope.

BOX 5: PROJECT IMPLEMENTATION IN GUYANA

CDB has tried different approaches to improving country portfolio performance in Guyana, the largest recipient of SDF funding, and in 2000 provided a TA of \$150,000 for the establishment in the Ministry of Finance of a Project Implementation Unit for CDB projects.

The CDB programme had been lagging, and the Bank was perceived as insufficiently proactive in programme development and implementation. A programming mission was undertaken as part of country strategy paper preparation, and consideration of a CDB resident presence in Guyana had been recommended by the SDF Performance Review. The CSP noted that "the Bank's efforts can at best be regarded as being partially successful, as the country's performance within CDB's portfolio has been significantly below average" and implementation performance placed 17th among all BMCs. The CSP stressed that the major risks to CDB's country programme "reside in the potential lack of the required project implementation capacity" and that "lack of a CDB presence resident in Guyana exacerbates these bottlenecks". The government requested funding for a PIU for CDB projects, and this was approved as an institutional strengthening TA, as an alternate to a CDB resident presence. The TA was for an initial 2-year period, subsequently extended to 3-years, which have now expired.

The TA addressed a priority for CDB and Guyana, that of strengthening CDB's country programme, both in facilitating the development and implementation of projects in the pipeline and accelerating the delivery of approved projects, and therefore making a greater contribution to the principal priority for Guyana, which was the reduction of poverty and support of the PRSP. With a less than effective programme, the Bank's contribution, and that of SDF, was marginal.

There has been a substantial improvement in CDB programming in Guyana since 2000, including approval of a number of significant projects and a dramatic increase in the disbursement rate from an average 6% over 1995 to 2000 (including zero in one year) to an average 41% for 2001 to 2004 or 21% excluding exceptionally high disbursements in 2003. Given staffing constraints, including on the ability to mount supervision missions, this is a striking change.

The Evaluation's scope did not allow it to make an overall judgment on how much of the change to attribute to the work of the PIU. Nevertheless, there is evidence that the two incumbents as PIU coordinator/manager have made a significant difference. Project steering committees appear to be reasonably active, with the PIU manager as a member or chairman; he is active in his role as monitor and facilitator; there is considerable reporting on project status; and the Evaluation was able to confirm his role in having steering committees investigate project problems and attempt to facilitate their resolution. In the absence of a CDB representative, he has been invited by other donors to explain CDB programming at aid coordination and aid harmonization meetings. He has also been active in facilitating the work of CDB staff when they visit Guyana.

Interviewees in Guyana gave the PIU substantial credit in respect of the improved results for the CDB country portfolio, although pointing out the limitations of a government employee in acting on behalf of the Bank. They underlined the importance of the Government's request for a continuation of the PIU, but also stressed the need, in their view, for a CDB resident presence, with a degree of authority to solve problems as they arose and to monitor and strengthen results, facilitate programme development, and participate in aid coordination and harmonization work in the donor community.

The TA model has certain constraints, including on the maximum period for which funds can be provided for the same purpose, and it would seem to be an appropriate time for the Bank to undertake an evaluation of its country experience in Guyana, including the work of the PIU and the PIUs and resident missions of other donors, as well as the increasing importance of aid coordination and harmonization in Guyana, with a view to developing options for consideration by Management and perhaps the Board.

7.68 Technical assistance has a positive institutional development impact if it improves the norms and practices (institutional capacities, policy framework, systems and practices) that enable a country to make efficient use of its human, financial and natural resources, or an agency to make better use of its

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resources to achieve its objectives.²⁷⁶ ID impact, therefore, embraces a great deal more than organisational strengthening, with which it was primarily associated in the past, although it is usually associated with better institutional arrangements and/or better alignment of the capacity of the organisation with its mission and mandate.²⁷⁷ The Evaluation's terms of reference also lay emphasis on the impact of technical assistance on building institutional capacity to generate sustained growth and reduce poverty.

TABLE 7.6: PERFORMANCE RATING – INSTITUTIONAL DEVELOPMENT IMPACT

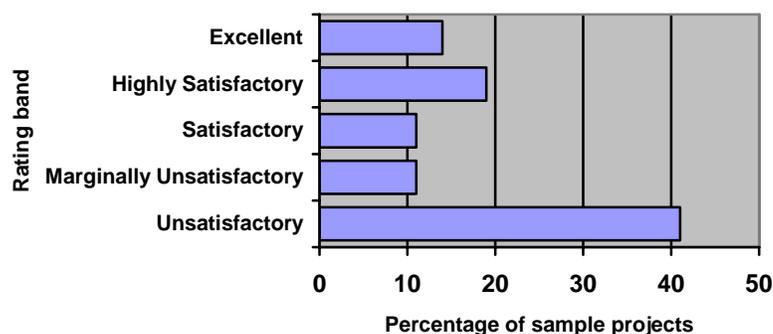
Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
ID Impact	15%	18%	15%	6%	45%	100%

7.69 Table 7.6 shows the percentages in each performance rating band for institutional development impact. Some 15% of the 33 projects scored for this criterion were rated as *excellent*, and 18% were *highly satisfactory*. On the other hand, 51% were *unsatisfactory* or *marginally unsatisfactory*.

7.70 The average score for institutional development impact was poor, at 3.55 out of 10. The performance scores for ID impact were also somewhat lower for projects approved during 2003 and 2004 than for projects approved in 2000 to 2002 (3.41 compared to 3.63).

7.71 The 10 best scores for ID impact, however, were very good, at 7.2 out of 10. The 10 lowest scores were very low, at 0.62 out of 10. Seventeen projects had a performance score of less than 5.0 out of 10.0. Fifteen of these scored 1.0 or less. On the other hand, there were 5 projects that scored 8.0 or better on ID impact.

7.72 Unlike other performance criteria such as *efficacy*, however, *institutional development impact* was not necessarily a principal or explicit objective for all TA projects.²⁷⁸ That is to say, one should not interpret a low score on “institutional development impact” in quite the same way as other performance criteria. Nevertheless, the low average scores are significant, given that institutional development, in the broad sense in which it is defined for evaluation purposes, is usually an important objective of technical assistance.

Figure 7.6: Institutional Development Impact - Performance Ratings

²⁷⁶ The definition of institutional development impact varies from one MDB to another. Some consider that the topic is adequately addressed under other criteria. For example, the EBRD focuses on changes in the “rules of the game” in transition from planned to market economies, and thereby shows a strong interest in institutional development impact, although it does not presently use the term. All MDBs involved in the Evaluation Cooperation Group which do not presently have ID impact as an explicit criterion are in the process of adopting it. The ECG evaluators have raised two main issues in regard to the use of an ID impact criterion. They relate to the scope of the criterion and the coverage of unintended as well as intended impacts. For a good discussion of institutional development impact as an evaluation criterion see: Douglas C. North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, 1990.

²⁷⁷ CDB's “Project Performance Evaluation System – Matrix”, p.10, and *DAC Glossary of Key Terms in Evaluation and Results-Based Management*, “Institutional Development Impact”, p.25.

²⁷⁸ In some cases, however, ID was either implied as an objective or to be reasonably expected. Nevertheless, ID impact was not scored for two project preparatory TAs, or for three other projects that did not have an ID objective as such.

Institutional Development Impact Examples

7.73 A number of TA projects that were rated relatively highly under other performance criteria, with average scores in the highly satisfactory or excellent categories, also scored highly under *institutional development impact*. There was a particularly close relationship between good performance on sustainability and ID impact.

7.74 These included the TA for property tax reform in St. Lucia (Box 1). The Government's Inland Revenue Department had, as a result of the TA, undertaken major new responsibilities effectively and was working with new methods and technologies, which had achieved significant results. There were, however, still some continuing weaknesses in managing the new responsibilities, which could have been reduced if the TA design had had expert input and a higher level of effort.

7.75 The TA to support further development of the ASYCUDA system in St. Lucia had as its principal objective further institutional development of the Customs & Excise Department and specifically its capacity to transfer information to other government users and importers as well as improve government finances. This did in fact take place.

7.76 The review of regional health institutions had clear institutional development objectives and the resulting assessment report pointed the way for achieving significant ID impacts in the areas covered by the five regional health institutions. In addition, it provided for the rationalization of CARICOM's and PAHO's planning, advisory, management and oversight roles.

7.77 The TA to support achievement of the MDGs was not designed to have a direct institutional development impact. Nevertheless, it involved a degree of dialogue, information exchange and consensus building that provided a base for follow-up action that was likely to have a significant ID impact in monitoring and assessing progress toward the MDGs. The TA also received a high score on *sustainability*, as it had resulted in continuing activities, including agreement on a division of labour between UNDP, CARICOM and CDB, working with other donors, and CDB was preparing a regional TA project to enhance national capacity for data collection and analysis.

7.78 In the case of the TA to support CARTAC, there were numerous examples of institutional development impact. Tax and customs administration had been improved in Antigua, Dominica and Barbados. Budgeting and debt management was being done better in several countries. Accrual accounting had been introduced in some countries. TA provided to Dominica had improved the ability to supervise

Factors in ID Impact

Factors that affected institutional development impact positively included:

- Explicit institutional development objectives in the project design.
- Basing the project design and level of effort on an assessment of institutional development capacity and needs, or a good understanding of institutional needs.
- Effective linkages to a larger or longer-term programme or follow-up activities.
- Availability of longer-term funding, perhaps from other donors, in addition to the TA.

Factors that affected institutional development performance negatively included:

- Absence of institutional development as a conscious objective of the TA.
- Lack of an adequate assessment of institutional capacity and/or of the project design.
- Lack of successful completion of the project.
- Lack of an effective linkage to a larger programme or other ongoing activities.
- Lack of intended or effective follow-up actions.
- Inadequate attention to the TA by the executing agency or the beneficiary.
- Targeting the technical assistance at an inappropriate level of sophistication for the beneficiary.
- Paying for a consultant/adviser in the expectation that the agency would add a staff position or develop the necessary capability before the TA ended, where this did not prove to be the case.
- Focus on a specific task rather than on building organisational capability.

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credit unions and to provide TA to other jurisdictions. Macroeconomic units had been established in some countries (with the participation of the staff member provided by CDB). There had been changes in institutional mandate, or in seeing the mandate differently, and in some cases in institutional structure. Human resources had been strengthened through training. There had also been capacity development in new areas such as Basel 2 and a corresponding regulatory structure.

7.79 For the regional TA for domestic violence intervention training, institutional development impact could be identified at several levels. At the level of the CSO, there had been a strengthening and extension of its capacity, including the ability to reach out to 17 countries, the manuals remained with them and they had undertaken related work. At the level of individual police forces, there was a significant ongoing impact. Issues and methods of dealing with domestic violence had “taken hold” and there was a “culture change” within the institutions. The IDB evaluation reported improvements “in all countries on an institutional level”, including improvements in police training, statistics on domestic violence, and specialized facilities.

7.80 On the other hand, there were a number of TA projects that received a low rating on institutional development impact, particularly where the project had not been completed or where the intended follow-up had not taken place. In most cases, these had capacity development as a core objective. This group of TAs included the planned institutional strengthening of the Guyana Revenue Authority and the study of OECD trade-related legislation, which were not completed, and the projects in Guyana for the Ministry of Health & Labour and the Ministry of Home Affairs, on which no further action was taken after completion of the reports.

7.81 In the case of the TA for the regional transformation programme for agriculture, the issue was a different one. The project scored highly on both strategic and poverty relevance and was completed. The project, however, had been undertaken after a considerable delay in moving the programme forward, and there were then delays in completing the analysis and the reports under the TA, in part due to the countries themselves, in part due to limited capacity on the part of the executing agency, and in part due to the consultants. The delays reduced the potential institutional development impact significantly, although the reports and analytical model were being used by three countries, and there had been national and regional workshops for training in the use of the model.

7.7 CDB Performance

7.82 *CDB performance* was judged by the extent to which the Bank’s role was appropriately fulfilled during each stage of the TA project cycle, including project identification and design, project start-up, project implementation, and project completion and sign-off. Attention to appropriate project design, institutional capacity assessment and other aspects of quality at entry and appropriate support during implementation, including timely identification and resolution of problems, and project review and adjustment if/as appropriate at an appropriate milestone, were among the issues examined. To some extent, CDB’s performance should be assessed independently of the outcome of a TA. Sometimes a TA will fail and sometimes succeed strikingly, because of factors outside CDB’s control. Country factors, in particular, can be an important determinant of TA success or failure.²⁷⁹

²⁷⁹ Questions included: Was CDB the executing agency, with primary responsibility for TA implementation, or was a beneficiary or regional intermediary agency the executing agency? Were appropriate steps taken to ensure quality at entry? This included whether there was some type of capacity assessment, whether there was a careful review of project design, with use of expert advice where appropriate and drawing on experience with similar TAs, and whether there were sound terms of reference. Were reasonable steps taken to ensure timely implementation? Was monitoring and supervision adequate? This included whether there was a supervision visit in the field, whether there was a project review at an appropriate progress point, with flexibility to adjust the TA to improve its effectiveness, and whether there was an appropriate degree of reporting. Was coordination with other donors a significant consideration? Was this undertaken as appropriate? Was there an appropriate report at project completion? Were there missed opportunities to improve TA

TABLE 7.7: PERFORMANCE RATING – CDB PERFORMANCE

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
CDB Performance	14%	24%	38%	24%	0%	100%

7.83 Percentages for the different rating categories are shown in Table 6.13. Some 14% of the 37 TAs were rated excellent, and 22% were rated highly satisfactory. Approximately 24% were rated marginally unsatisfactory.

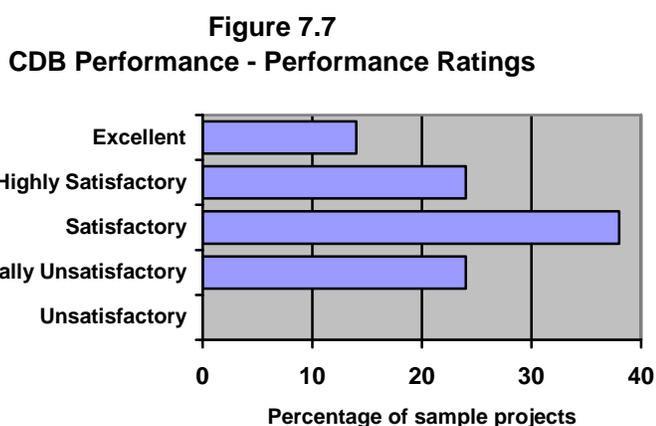
7.84 The average score for *CDB performance* across the 37 projects was 5.03 out of 10. Performance was relatively consistent. The spread between the 10 best projects (average score of 6.65) and the 10 weakest (average score of 3.30) was less than for other performance criteria.

7.85 Because of the change in organisational structure for TA management at the end of 2002, an effort was made in the evaluation study to review separately the scores for projects approved in 2000-2002 and those approved in 2003-2004. Since most of the projects approved in the first half of the period were also under implementation in the balance of the period, however, it was difficult to separate out any differences, and the results were not conclusive in terms of CDB performance.²⁸⁰

Examples on CDB Performance

7.86 Scores for *CDB performance* fell into a narrower band than the scores for other performance criteria. There were five TA projects, however, that the evaluators rated more highly, of which three were among the eight TAs where the Bank was the executing agency, under a procedure known in CDB as “use of funds” by the Bank itself,²⁸¹ and two had other agencies administering the project.

7.87 In the case of the TA for preparation of an agriculture diversification strategy for St. Kitts & Nevis (Box 4), the project was a good example of CDB and FAO collaboration, with both agencies being already engaged on the issue under a longstanding collaboration agreement, and with further follow-on support planned within the framework that the TA was intended to develop. The report was prepared by FAO, but the Bank remained close to the project and supported its results, which were also supported by other donors at a workshop in 2004. CDB has been proactive since, with specific proposals for further assistance that addressed the problems facing the Government and in line with the proposed strategy. CDB managed the project well, and various aspects of the TA, including collaboration with a



effectiveness and outcomes? Could better results have been achieved with better follow-up? What was the degree of satisfaction on the part of the client/beneficiary?

²⁸⁰ The average score on CDB performance was somewhat higher for projects approved in 2003-2004 than for those approved earlier, in 2000 to 2002, but many of the projects from the earlier period were still under implementation in the later period, and the scoring in this case may obscure any differences in factors relating to CDB performance.

²⁸¹ In the scoring for these eight projects, the evaluators made every effort to avoid double-counting for CDB performance and executing agency performance, although in some cases the two aspects of CDB performance were not possible to distinguish. In the examples used in the text, the two aspects of CDB performance for these eight projects are discussed together.

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specialist agency, prior preparatory work, linkage to a broader programme and to potential support from other donors, and the intention of CDB itself to follow up with financing for implementation, provided an example of a well-designed and well-executed TA intended to achieve significant outcomes at different stages of the results chain.

7.88 The TA to support achievement of the MDGs was initiated by CDB and was also executed by the Bank. It scored highly on CDB performance because it represented a successful initiative, was undertaken in partnership with UNDP, was highly interactive with BMCs, was integrated with other CDB activities (applying the MDG framework and SDF replenishment negotiations), was administered flexibly, with a readiness by the Bank to build on the TA as appropriate, it identified useful areas for CDB programming, and had significant follow-on activities.

7.89 The TA to support implementation of a shelter development project in St. Lucia, which performed well under most other criteria, was also rated highly on CDB performance. The TA was integrated with a highly relevant loan project, had a capacity building design that was well thought through and well-structured, and benefited from closer supervision than was possible in many stand-alone TAs. The beneficiary Ministry was well satisfied with CDB supervision of both the loan project and the TA, including the support given in identifying suitable consultants for the TA.

7.90 A TA to support a banana recovery programme in St. Lucia, although not rated quite as highly, was a similar example of where integration with a capital investment loan allowed a degree of supervision jointly with the loan project that benefited the TA in a situation where there were changes in what was needed and limitations on what the consultant could effectively undertake.

7.91 The Private Sector Summit in 2002 was also well managed by the Bank, from initiation and design through implementation, and was used to provide validation for CDB's new private sector development strategy, which was then under consideration. The conference had clear objectives that were met, and came in under budget. The design and structure of the conference, however, might have provided for better interaction and feedback and follow-up.

7.92 In the TA for strengthening environmental management in OECS states, CDB provided support to the OECS Environment and Sustainable Development Unit throughout the project, participated in consultations, and provided feedback on the consultant's work. It extended the project to allow work to be completed, and CDB staff have followed up by remaining in touch with ESDU and BMC environment officials, as well as indicating the Bank's willingness to support follow-on capacity building. These factors contributed to a *highly satisfactory* rating on CDB performance.

7.93 A relatively successful project already mentioned was the TA to undertake a major reform of St. Lucia's property tax system. CDB's role was commended by the beneficiary agency, which indicated that issues had been dealt with quickly and effectively by CDB staff. The project has handled, however, from project identification through implementation entirely from headquarters. The priority of the TA was

Factors in CDB Performance

Factors that affected the rating of CDB performance positively included:

- Good attention to quality at entry, including project design and understanding of capacity issues, including a field visit review.
- Assistance as appropriate to the executing agency in preparing documentation and ensuring timely and effective commencement of implementation.
- Effective monitoring and supervision during implementation, including supervision in the field, and flexibility in adjusting the TA to improve its timeliness and effectiveness.

Factors that affected the rating negatively were:

- Inadequate attention to capacity assessment and project design, and/or to linkages that could improve effectiveness.
- Lack of timeliness in project identification and approval, or weaknesses in supporting implementation and project completion.
- Failure to take advantage of opportunities to improve project design, project implementation, or project outcomes.

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clear, the submission well-articulated, and there was full reporting from the consultants. Nevertheless, this was a complicated area of introducing new and unfamiliar technologies, and the agency's ability to foresee and cost the requirements was limited. The agency subsequently recognized that it would have benefited from expert advice at the project design stage. CDB could have drawn on experience from a similar TA for St. Vincent & the Grenadines, which had a substantially higher level of effort but still encountered problems, or suggested that advice be sought from a CARTAC expert. A better review of capacity requirements and assessment of risk prior to finalizing project design and budget, as well as a supervision mission when results of the pilot phase became available, could have strengthened the project and helped to achieve better results earlier. The score for CDB performance, as a result, was *satisfactory*, but would have been better if advantage had been taken of the opportunity to design and adapt the project to ensure even better outcomes.

7.94 There were also several projects that received a relatively low rating on CDB performance. One of these was the diagnostic study on a proposed financial intelligence unit for the OECS countries. CDB appears to have focused fairly narrowly on the component of the diagnostic review that it was financing and managing, without ensuring the presentation of a product integrated with a separate component undertaken by a UN agency and therefore a conclusive outcome to the work. A contributing factor may have been that the TCU and the officer responsible were no longer in place when the consultants were finalizing their work.

7.95 A similar case was a language training pilot project for OECS countries. The executing agency was the Association of Caribbean States, which had proposed the project, and the coordinator was based in OERU in the OECS Secretariat. Funding was provided from the CDB-administered IDB non-reimbursable TA facility for OECS states, with other financing from France and Venezuela. The TA did not specifically respond to CDB priorities and appears to have been given minimum supervision, especially with the dissolution of the TCU. There was no supervision reporting on file, and there was no process built in for assessing outcomes or lessons learned. The report of the coordinator, however, indicated that "the system of indirect communication between the donor agency, CDB, the executing agency and the OERU caused great confusion, frustration and delay. . . . information on commitment letters and terms of payment was difficult to retrieve and created delays in the implementation process. Having three different parties involved in the project accounting . . . made the process very confusing and caused many misunderstandings and additional work." It is not that CDB was directly responsible for these problems, but the approved design was deficient and problem solving was inadequate.

7.96 In the case of the TA for institutional strengthening of the Ministry of Health and Labour in Guyana there was no indication that sustainability risk had been considered in the project design, nor did consideration appear to have been given to CDB follow-up on the project output, either in terms of CDB programming or support from other donors. Without such elements in project design and planning, the likelihood of positive outcomes was low.

7.8 Beneficiary/Executing Agency Performance

7.97 *Beneficiary/executing agency performance*²⁸² was judged by the extent of project 'ownership' and responsibility for the TA, including competent management. This included performance of the implementing agency, where this differed from the agency with EA responsibility (as in the case of some regional projects). It was applied primarily to cases where CDB itself was not the executing agency. In some instances, complementary technical assistance from another donor helped the CDB TA to perform well.

²⁸² This was one of the three criteria not included in the weighted performance score.

BOX 6: GRANT TA SUPPORTING INVESTMENT LOANS – ST LUCIA

Two St Lucia grant TAs were complements to larger SDF/OCR loans approved in 2001-2002 under the Economic Recovery Programme.

Shelter Development

The first TA was part of a \$10.8 million Shelter Development Project (SDP) with the objective of improving living conditions of low income households on a sustainable basis. The loan set up a sites and services revolving fund, a settlement and tenantry upgrade fund, a home improvement loan programme (although not operational), and the provision of core housing units. The implementing agencies were the National Housing Corporation and the Ministry's Program for Regularisation of Unplanned Developments.

The \$61,000 TA complemented the SDP financing instruments through training for the implementing agencies and other public authorities in community participation, for financial intermediaries in micro-credit for low income applicants, and for Ministry personnel to design Monitoring and Evaluation systems. Other TA supporting the SDP financing instruments was financed by loan funds.

Each of the three training activities involved a needs assessment and preparation of a training module or manual. The 4-day community participation training seems to have been successful, based on feedback of participants from eight public entities, and skills in community participation techniques are reported to be now part of the "mainstream" in many government programmes.

The 4-day training on micro-credit was also well received, although it became redundant for the SDP because it was geared to credit for the home improvement programme that was dropped because the financing terms were seen as too restrictive. Nevertheless, some of the institutions (banks, cooperatives, credit unions) have sought to apply the approaches to other housing sector lending.

Only the third component – elaboration of an M&E system – was not judged positively since the training did not take into account that the Ministry had already put in place an interim system because the SDP was in full operation by the time the training took place.

The issue in the three TAs was not the rationale but their timeliness. The training should have been scheduled for the beginning of the loan-financed activities or earlier. Instead, training in community participation to secure support of the target populations occurred after the community programs were in operation, and for an M&E system only after the Ministry had put in place its own system. The Ministry also feels that the TAs should have made provision for follow-up training, especially in community participation, to contribute to the effectiveness of the ongoing SDP project.

Banana Recovery Program

A grant TA was part of a \$4.6 million loan for recovery of the St Lucia banana industry. Implementation under the loan began in early 2003, and its objectives were to stop the production decline, restore farmer confidence, target farmers with high potential, and improve the quality of disease and pest control. This ongoing programme (BERP) had been identified as the principal area of CDB intervention in agriculture in the St. Lucia Country Strategy Paper.

The objective was to inform farmers and their communities on options for diversifying their economic base. The TA was to build on other ongoing efforts with a public relations programme to sensitize and obtain support of the public to the situation in the industry, prepare materials for the public and farmers, schedule public discussion events, keep farmers aware of options for alternative enterprise development, and create an image that engendered understanding and participation of farmers and their communities. The activity, however, was judged only as "satisfactory" because the public education consultant did not keep farmers and their communities aware of options within or outside the agricultural sector, and the public education campaign had reduced impact because of low levels of literacy and because the education mechanisms preferred by farmers were community meetings and farm visits rather than media activities. Community meetings were the weaker of the activities undertaken by the consultants because they required special cultural-social sensitivity.

Parallel consultancies financed by the loan have been successful. The reasons that the public education activity was less successful related to weaknesses in the consultant profile and the lack of a realistically achievable workplan.

CHAPTER 7 - EVALUATION OF THE PROJECT SAMPLE BY INDIVIDUAL CRITERIA

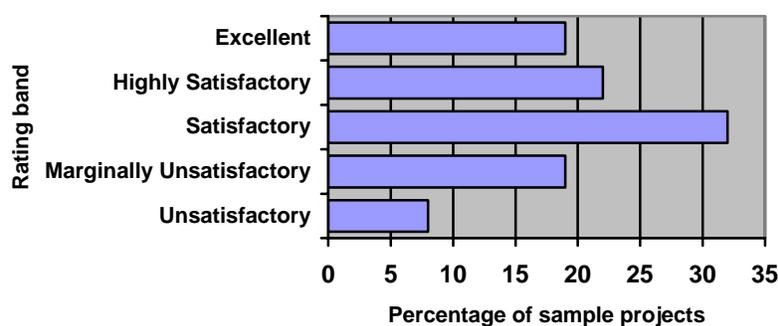
7.98 Key issues covered the whole project cycle, with emphasis on the adequacy of assumption of ownership and responsibility for success and sustainability, including commitment of personnel, as well as counterpart support, quality of project management, contract management and compliance with the TA agreement, project reporting, and effective use of the results of the TA.

TABLE 7.8: PERFORMANCE RATING – BENEFICIARY/EXECUTING AGENCY PERFORMANCE

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
Beneficiary/Executing Agency Performance	19%	22%	32%	19%	8%	100%

7.99 Some 19% of the projects were rated as *excellent*, and 22% were *highly satisfactory*. A total of 27% were either *marginally unsatisfactory* or *unsatisfactory*.

7.100 The average performance score for beneficiary/executing agency performance was 4.91 out of 10.²⁸³ The 10 best projects in terms of beneficiary/executing agency performance were very good (7.46 out of 10). The 10 poorest scores, however, were quite low (an average score of 2.43), but were better than the 10 lowest scores for four other performance criteria. Six projects out of 37 scored 8.0 or better, and 20 scored less than 5.0.

Figure 7.8: Beneficiary/Executing Agency - Performance Ratings**Examples on Beneficiary/Executing Agency Performance**²⁸⁴

7.101 The regional training programme on domestic violence intervention scored highly on executing agency performance. The TA was well managed by the Caribbean Association for Feminist Research and Action (CAFRA) under demanding circumstances, including introducing an innovative training programme, setting up a network of country coordinators in all BMCs, and managing a complex set of operations, with effective involvement of the media and other public groups and of police forces in 17 countries. Given that the CSO had not previously undertaken a project of this scale and was able to do so in countries outside its own network, relying on volunteer in-country coordinators, this was an achievement. Despite weaknesses in reporting from some of the in-country coordinators, the executing agency's final report was relatively comprehensive and satisfactory, and its accounts were acceptable to the Bank. Counterpart funding raised by the CSO and some of the country sponsors was significant, and represented a high degree of commitment.

7.102 The executing agency for the TA for strengthening environmental management in OECS states was the OECS Environment and Sustainable Development Unit (ESDU). ESDU managed the project well, considering high political expectations and a parallel CIDA project that required close coordination.

²⁸³ There was no significant difference in the scores of projects approved during 2003-2004 compared with those approved in 2000-2003.

²⁸⁴ Examples discussed are cases where a country-level beneficiary or a regional agency was the executing agency. Cases where CDB was the EA are discussed in the previous section.

CHAPTER 7 - EVALUATION OF THE PROJECT SAMPLE BY INDIVIDUAL CRITERIA

ESDU also undertook finalization of the report for consideration by Windward Islands governments, as this was not done by the consultants because funds under the TA had been fully used.

7.103 The TA to support implementation of a shelter development project in St. Lucia was also rated well on this performance criterion. The TA was reasonably complex, with three components covering training of staff from implementing agencies and public authorities in community participation techniques, training of financial intermediaries in micro-credit, and assisting the Ministry in establishing monitoring and evaluation systems for the shelter development programme. The PROUD Unit of the Ministry of Physical Development, Environment and Housing, which was the executing agency, demonstrated a high level of competency and organisation. The officer concerned was in position throughout the TA project, and appeared to work well with Ministry senior management.

7.104 The reform of St. Lucia's property tax system required the Inland Revenue Department to undertake extensive new responsibilities, using new and unfamiliar technologies. The Department was fully committed to the project and kept in touch with the Bank as issues arose. As already noted, however, the full management and staff development implications of undertaking the new valuation process and extending it island-wide were not fully understood or adequately costed. Within the constraints of capacity limitations and the challenges posed by new methods and technologies, the agency performed creditably, both in administering the TA and in undertaking its new responsibilities.

7.105 The TA to support a banana recovery programme in St. Lucia was a case where the executing agency, the Banana Emergency Recovery Unit of the Ministry of Agriculture, effectively supported the work of the TA, participating in community level meetings where there were limitations on the capacity of the consultant, and adjusting the TA activities in line with market-related factors that impacted on priorities. Executing agency performance was fully satisfactory.

7.106 The TA to support CARICOM's regional transformation programme for agriculture was managed by the CARICOM Secretariat and involved a number of participants, including members of the Dept. of Agricultural Economics at UWI and individual member countries of the Community. Of considerable strategic relevance and good poverty relevance, the TA came late in a

Factors in Beneficiary/ Executing Agency Performance

Factors that contributed positively to performance included:

- Commitment of the executing and implementing agencies to the objectives and priorities of the TA, including adequate attention to project management.
- Where a line agency was involved, commitment to the objectives of the TA at different levels of the organisation.
- A good understanding of the responsibilities and tasks involved, including the application of the TA agreement and CDB's procedures.
- An effectively working project steering committee to monitor progress and help to maintain momentum and solve problems as they arose.
- Adequate reporting to CDB, both during implementation and at project completion.

Factors that negatively affected performance included:

- Lack of commitment to the objectives and priority of the TA by the executing agency or, in the case of two-tier implementation, by the implementing agency.
- Lack of a clear understanding by the executing or implementing agency of procedures to be followed, or the lack of adequate incentive to provide the necessary time and attention.
- Inadequate staff availability for effective project management.
- Complexity in national procedures with respect to procurement and hiring of consultants.
- Limitations on the merit-based public service (politicization of appointments with consequent detrimental effects on performance capability).
- Ineffective liaison, in the case of two-tier implementation, between the executing and implementing agencies.
- Inadequate reporting to CDB during implementation and/or on project completion.
- Lack of necessary follow-up to the TA.

CHAPTER 7 - EVALUATION OF THE PROJECT SAMPLE BY INDIVIDUAL CRITERIA

process that had been significantly delayed, although the TA's focus was targeted and there were good prospects for significant results. There were, however, further delays in implementing the work, which reduced its effectiveness. The executing agency did supervise and complete the project, and there were various factors that contributed to the delays in implementation, including inputs to be received from member countries and substantial delay in completion of the core work by consultants at UWI. Nevertheless, the agency recognizes that its resource constraints in terms of personnel were one factor that contributed to the delays, because it was not always able to follow up with the countries and the consultants. Executing agency performance received a low satisfactory score.

7.107 Another project that received a low satisfactory score was a TA for institutional strengthening of the Office of Research of UWI. The project was scored as marginally unsatisfactory on strategic and poverty relevance, but as satisfactory on sustainability and institutional development impact. Its rather lower score on executing agency performance was largely because it did not appear to have placed sufficient importance on its project responsibilities to CDB, such as to report on activities and outputs from the TA. The funding seems to have been viewed more as a general grant to support UWI programmes and budget.

7.108 There were several projects that received a particularly low score on executing agency performance. In the case of the TA for institutional strengthening of Guyana's Ministry of Health and Labour, for example, there does not appear to have been full engagement with the TA's objectives at different levels of the Ministry, and there was not the staff complement or technical expertise to deal effectively with actions recommended by the consultants.

7.109 The TA for institutional strengthening of a new national development bank in St. Vincent & the Grenadines ran into implementation difficulties because of the burden of non-performing loans in the loan portfolio it took over, and then a planned merger with the National Commercial Bank did not take place. In the case of the planned tourism statistics satellite account, also in St. Vincent & the Grenadines, implementation was not completed, as only a plan for the design of the satellite account was done.

7.9 Consultant/Expert Performance

7.110 *Consultant/expert performance* was included in the evaluation criteria because consultant performance was specifically highlighted in the Evaluation's *Terms of Reference*, and because this can be a critical factor in the outcomes and effectiveness of a TA.²⁸⁵ Most TA projects in the sample involved one or more consultants or experts engaged by the executing or implementing agency or, where CDB was responsible for project implementation, by the Bank itself. In some cases, the work was an arms-length consultancy, and in some cases the consultant/expert worked in the executing agency more-or-less as a member of staff.²⁸⁶

TABLE 7.9: PERFORMANCE RATING – CONSULTANT PERFORMANCE

Criterion	Excellent (Score 8.0-10.0)	Highly Satisfactory (Score 6.0-7.9)	Satisfactory (Score 4.0-5.9)	Marginally Unsatisfactory (Score 2.0-3.9)	Unsatisfactory (Score 0.0-1.9)	Total
Consultant Performance	35%	23%	29%	10%	3%	100%

²⁸⁵ The evaluators examined the written outputs of the consultant or expert, whether these appeared to adequately meet the intended deliverables, whether there had been undue delays and the reasons for these, whether there was adequate reporting, whether the executing agency and the Bank appeared to have been satisfied with the consultant's performance, whether there was a rating of the consultant's performance on file, and whether consultant outputs provided an adequate basis for intended follow-on activities. In a number of cases, the evaluators interviewed the consultants to gain additional perspectives on a project and on the consultant's work.

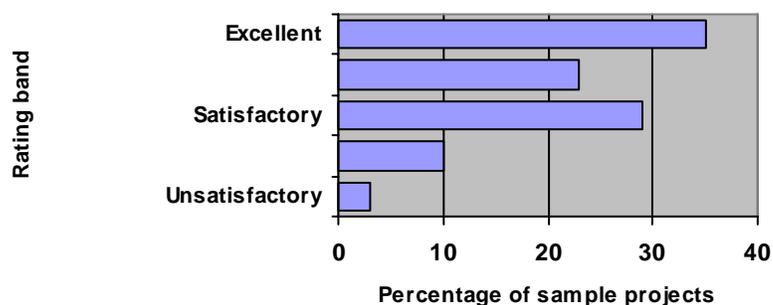
²⁸⁶ E.g. in the project implementation unit in the Guyana Ministry of Finance, as well as in the TA for CARTAC.

7.111 In percentage terms, 35% were rated as excellent and 23% as highly satisfactory, with 13% rated as *marginally unsatisfactory* or *unsatisfactory*.

7.112 Of the nine project performance criteria, only one other criterion was on average rated higher than consultant/expert performance. The average performance score was 5.99 out of 10.0. The 10 best project scores averaged an excellent 7.93, and the poorest 10 scores averaged 3.94.

7.113 There was a significant, but modest, correlation of consultant/expert performance with executing agency performance.²⁸⁷

Figure 7.9: Consultant/Expert Performance - Performance Ratings



Examples on Consultant/Expert Performance

7.114 The TA for property tax reform in St. Lucia benefited from very strong performance from the consultants. The TA was based on an inadequate assessment of the capacity building requirements and was correspondingly under-resourced, as became clear when the pilot phase was completed. The consultants undertook additional tasks such as procurement of required equipment overseas and extended field supervision of the assessment process, well beyond the budgeted level of effort. The executing agency was extremely pleased with the consultants' professionalism and performance, even if funding was lacking to compensate them adequately for additional work. The problems could have been avoided by having an expert review of the project design and proposed level of effort and/or a project review after the results of the pilot phase were available, with flexibility at that stage to adapt the TA in the light of experience and ensure maximum benefits.

7.115 In the review of regional health institutions, the work of the consultants was also judged to be highly professional, in line with the results chain set out in the contract and structured in such a way as to facilitate decision-making on important regional institutional questions. CARICOM hopes to use the self-assessment methodology of the consultants in future work dealing with institutional governance issues.

7.116 In the case of the TA for the regional transformation programme for agriculture, the work of the consultants from UWI was considered highly professional, but completion was delayed considerably and momentum was lost, with the result that the benefits were judged to be significantly less than intended. There were other contributing factors, but the consultants bear part of the responsibility. Consultant performance was scored as *satisfactory*, but only marginally so.

7.117 An example of a relatively low score for consultant performance was the TA for North Windward Development in St. Vincent & the Grenadines, where the consultant over-promised and was unable to complete satisfactorily a difficult TA, and was still in dispute with the Government at the time of the Evaluation.

²⁸⁷ $R^2 = 0.203$; multiple $R = 0.45$; adjusted $R = 0.176$; Standard E = 2.06 (all cases where there was a consultant/expert).

Factors in Consultant/Expert Performance

Factors that affected performance positively included:

- Engagement of a well-qualified consultant or expert.
- Good interaction of the executing agency with the consultant.
- Innovative or other positive contributions by the consultant to overall project performance.
- Full commitment of the consultant to project success.

Factors that affected performance negatively included:

- A project design and specification of consultant requirements that led to difficulties in recruitment.
- Politicized project management, constraining either the consultant selection process or the ability of the consultant to complete the work well.
- Over-promising and under-pricing by the consultants and/or substantial reduction in the scope of work once the project was underway.
- Difficulties in relations between the client and the consultant.
- Inadequacies in output documentation and reporting.

***Key Findings, Conclusions, Recommendations
and Lessons Learned***

8. SUMMARY OF KEY FINDINGS AND CONCLUSIONS

8.01 The provision of technical assistance is one of the principal functions of the Caribbean Development Bank under its charter and an important complement to its investment lending and broader advisory roles. The scope of the Bank's TA operations has broadened over time, as have the objectives, the intended immediate beneficiaries and, in a number of respects, the complexity and associated risks, particularly where institutional strengthening or capacity development, or support for policy formulation, is the immediate objective. Some of the issues encountered are similar to those identified by other MDBs, but the Bank has made a conscious effort to respond to changing needs in the region, and the areas in which it currently provides TA cover a range of priorities for its BMCs, with considerable potential impact.

8.02 The purpose of this evaluation study has been to provide insights into the development effectiveness of the Bank's TA operations and the extent to which it has addressed strategic objectives, and to identify strengths and weaknesses, as well as opportunities for improving the ability of TA programming to achieve objectives and demonstrate results achievement. This is a major task, and the study has worked within a number of constraints. In particular, its focus has been on particular elements of TA operations in its examination of project-level experience, and the study's programme-level analysis has been constrained by data issues and the absence of other levels of evaluation work that might have been drawn on for further insights. Nevertheless, some reasonably clear findings have emerged in response to the Evaluation's challenging mandate. Additional evaluation work, however, is needed to explore some of the same issues with respect to other elements of TA operations, particularly the specialized programmes, and the Bank has a number of studies in this regard separately underway.

8.03 Highlights of the study's evaluation findings have been set out at the beginning of each of Chapters 3 to 7. An overview of some of these findings, together with some conclusions based on them, is set out below under three headings:

- *Composition and Structure of TA Operations*
- *TA Project Performance, and*
- *Managing TA Operations.*

A separate chapter on lessons learned, as these arise from the present study, follows after the next chapter, which sets out options for consideration and the recommendations that have emerged from the Evaluation.

8.1 Composition and Structure of TA Operations

8.04 **Composition.** The analysis identified significant changes in the composition of TA operations, including, in particular, changes that became evident in the period 1996-1999 and continued in 2000-2004. These reflect increased emphasis on institutional strengthening and on themes such as *economic management*, other areas of *governance* and *regional cooperation*, as well as some support for *civil society*, which have been added to traditional support for *sector development*, *delivery of public services* and *support for the Bank's investment lending operations*. These changes reflect policy directions that SDF Contributors and the Bank have set in the context of SDF replenishments and the Bank's strategic and operational planning.

8.05 To a considerable extent, however, the Bank's TA operations are highly diverse and responsive to a variety of requests, in particular in respect of regional TAs, which have become more numerous in number in the Bank's *general or core TA programme* than country-specific TAs.²⁸⁸ TA operations as a whole

²⁸⁸ This finding is drawn from the data base available to the Evaluation. Although this may understate project-related TA, the extent of the shift appears to be quite significant. The distinction between *overall TA operations* and the *general or*

are relatively diffuse, although there are several significant clusters of emphasis.

8.06 An assessment of the extent to which overall TA operations have reflected the priority for poverty reduction can only be judged by a more detailed review of TA programming than was possible in this evaluation study. Poverty relevance, nevertheless, was one of the criteria used in assessing the project sample, and this is discussed below. In addition, many of the areas of increased emphasis are closely related to some of the three strategic levers of CDB's poverty reduction strategy, particularly good governance.

8.07 In the more specific category of targeted poverty reduction, by far the most important programme in overall TA operations is BNTF, but this includes more than technical assistance as such, and it is difficult to separate out TA more narrowly defined. There are, however, some types of TA in the targeted poverty reduction category within the Bank's core TA programme, although this element declined in 2000-2004 compared to the previous periods. BNTF programmes, however, increased significantly more than the decline in this element of the core TA programme.

8.08 **Numbers and size of TA interventions.** Although both overall TA operations and the core TA programme have increased over the three time periods examined in Chapter 4, there appears to have been a small decline in the annual average level of the core programme in dollar terms in 2000-2004, while the number of interventions continued to increase.²⁸⁹

8.09 The increase in numbers and decline in average size was particularly marked for regional and sub-regional projects, for some of which it is difficult to discern a strategic direction, as distinct from a response to requests as these arise. This is not to say that some regional and sub-regional TAs, including some in the Evaluation's project sample, have not been in priority areas, and some are clearly strategic, as in relation to supporting improved economic or environmental management in the region. The number of small, in some cases very small, regional TAs, however, raises issues of programme focus, use of limited staff resources, and ability to assess results from this type of intervention.²⁹⁰

8.10 **Sources and types of funding.** The most important source of funds for TA operations is the SDF(U), in which Contributors earmark an allocation for TA purposes in each replenishment period. Other sources of funds include the Bank's ordinary capital resources (OCR), from which some TA loans are financed, other special fund resources (SFR), bilateral funds provided for a particular purpose, and funds of some other agencies, such as the IDB or CIDA, administered by CDB. Given the importance of SDF(U), TA operations, as might be expected, have been responsive to policy direction and priorities set in the context of SDF replenishment agreements. Other sources of grant funding, however, are important for certain categories or types of TA, and TAs financed from some of these sources have reflected the particular priorities of the source of funds. In the largest cases, e.g. for BNTF or improved economic management, the funds are also directly supportive of specific CDB priorities.

8.11 Most TAs are funded with grants, although loan TAs have been significant, particularly for larger TAs, for some countries, and for particular purposes. Both OCR and SDF have been used for loan funding. In the three time periods examined in Chapter 4, TA loans have varied from 12% to nearly 30% of overall TA operations and a higher percentage of the core TA programme.²⁹¹ There was, however,

"core" TA programme is discussed in Chapter 4. The difference is that the former includes a number of special programmes that are being evaluated separately. As noted in Chapter 4, regional/sub-regional TAs are also significant in dollar terms, accounting for 37% of TA approvals in the core TA programme during the period 2000-2004. The point being made here, however, relates to the range of purposes and end-uses for which TA has been used.

²⁸⁹ Table 4.5.

²⁹⁰ A conclusion based both on the data shown in Table 4.5 and an examination of the nature of TA projects in the Evaluation data base.

²⁹¹ Since loan TAs are used largely in the core TA programme.

some decline in the use of loan funding in 2000-2004 over the immediately preceding period.²⁹² Some of these TAs, for project preparatory technical assistance linked to a specific project, have been on a contingent loan basis, convertible to a grant if the project does not proceed.

8.12 Cancellation and release of funds. Any remaining funding for a TA is cancelled when the TA is closed, and a few TAs are cancelled in full, or in large part, if circumstances change or serious difficulties are encountered. Some 9% of TA commitments over the period 1992 to 2004 had been cancelled by mid-2006, and \$6.8 million was released in this way. The total amount cancelled during the period will have been higher, because of cancellations in respect of TAs approved earlier. In some cases, cancellations took place several years after the original approval, in a few cases 10 or more years after. A major review of TAs that are still open was being undertaken at the time this study was being prepared, and there were likely to be more cancellations soon. Unused funds are returned to the original TA allocation against which the resources were committed, so that the resources become available for other TAs.

8.2 TA Project Performance

8.13 A primary focus of the Evaluation was the examination of a sample of individual projects selected by the Bank from among stand-alone grant TAs in the core TA programme that were approved during 2000-2004. Based on the evidence gathered by the evaluation team, each project was scored for nine evaluation criteria, and the scores were used to rate both projects and the sample as a whole according to CDB's standard methodology and rating bands. Particular factors that influenced the scores and ratings were identified. In addition, an effort was made to identify *lessons learned* from the various projects in the sample.

8.14 Overall performance. In examining the performance of a sample of projects that were approved from 2000 to 2004, the evaluation team found that the majority were *satisfactory or better*, and *almost a third were highly satisfactory or better*. There were, however, considerable differences in the performance assessment for different projects and different criteria, and just under half of the TA projects examined were *marginally unsatisfactory* (38%) or *unsatisfactory* (8%), which suggests there is significant room for performance improvement.

8.15 A higher proportion of the project sample had significant deficiencies on at least one of CDB's standard performance criteria. Some performance weaknesses are inevitable, and the provision of technical assistance should be expected to involve a degree of risk. Nevertheless, the range of performance observed in the project sample was very wide, and there were *a number of performance issues that deserve attention*.

8.16 There were also significant differences in the performance ratings for different countries in the sample and for different categories of TA projects, suggesting the need for further assessment of *country-specific factors* and *design and implementation issues for particular types of projects*.

8.17 Strategic relevance. CDB's criterion of strategic relevance received the highest rating among the nine criteria, with more than half of the project sample rated as *excellent* and only 14% rated as *marginally satisfactory or less*. Factors that contributed to higher scores included a clear relationship to identifiable priorities of a BMC or a group of BMCs, an identifiable relationship to one or more of CDB's strategic priorities, a significant link to a reform programme of some type, and timeliness of the intervention in strategic terms. Strategic relevance of individual projects, however, does not necessarily ensure strategic direction or focus for TA operations as a whole.

8.18 Poverty relevance. CDB's evaluation criteria make a distinction for poverty relevance. Poverty relevance was rated lower than strategic relevance, with a larger number of projects rated *marginally*

²⁹² For TAs represented in the evaluation data base.

unsatisfactory or *unsatisfactory*, but the overall rating was *satisfactory*. In most cases, the relationship to poverty reduction was indirect. Factors included the strength of the relationship to one or more of the *strategic levers* of CDB's poverty reduction strategy, and whether there was a link to a BMC's poverty reduction priorities. Overall, the results suggest gains to be made from closer attention to poverty reduction criteria and guidelines in project selection and project design. The Bank now has such guidelines, including in respect of TA, and greater attention can be given to their application.

8.19 **Efficacy.** This criterion measured outcomes at different stages of the results cycle. The overall rating was *satisfactory*, but there were a significant number of projects rated *marginally unsatisfactory* or *unsatisfactory*.

8.20 Some of the factors that constrained the ratings were: “quality at entry”, including the assessment of institutional capacity and project design; whether there was a link with a larger project or programme; quality of monitoring and supervision, including whether there had been an opportunity to reassess the project during implementation and consider any adjustments that could improve results; and the extent to which there was follow-up or follow-on activities. In some instances, the quality of expert advice at the design stage made a difference, including whether or not outside expertise had been made use of in appropriate cases.

8.21 **Efficiency.** Overall, the rating on this criterion was *satisfactory*, but there were a significant number of projects that were *marginally unsatisfactory*. Relevant factors included timeliness in approval and implementation, whether or not there were undue delays in implementation, whether there had been adjustments in the project in the light of developments, and whether there had been procedural issues that reduced cost-effectiveness.

8.22 **Sustainability.** This criterion received the lowest ratings for projects in the sample, with an overall rating of *marginally unsatisfactory*. For many TAs this is a particularly important criterion for achieving intended results and, overall for CDB itself, achieving visible results for the TA programme. Important factors included the degree of commitment to the TA by a beneficiary or executing agency, whether sustainability risks had been adequately addressed in the project design, whether there were linkages to a wider programme or larger project, and whether follow-on activities had been planned for and whether they took place.

8.23 **Institutional development impact.** This is a standard criterion for the MDBs, and was relevant in varying degrees to most or all TAs in the sample. A few projects where it was less relevant, however, were excluded from the rating. Overall, the rating was *marginally unsatisfactory*, and some of the projects with low ratings had ID as an explicit objective. There were a number of factors, including whether ID was provided for in the project design, whether there had been an adequate assessment of institutional capacity and needs, whether there were effective linkages to a larger or longer-term programme or follow-on activities, and whether the TA was (or was expected to be) completed as planned.

8.24 **CDB performance.** Ratings on this criterion were generally *satisfactory* or *higher*. Weaknesses were, however, identified at different stages of the TA project cycle. These included, in various cases, inadequate attention to quality at entry, including capacity assessment and project design, lack of field-level observation at the design and/or supervision stages, and absence of an opportunity to consider and adjust project design during the course of implementation. Generally, these issues were ones that were less capable of being dealt with effectively by headquarters-based supervision, however good supervision and project tracking was from headquarters. In addition, there was a general absence of end-of-project assessment of results, problems encountered and lessons learned.

8.25 **Beneficiary/executing agency performance.** While the overall rating was *satisfactory*, there was considerable variability between projects. A number of factors were responsible, including the degree of commitment to the TA and its objectives, whether any other agencies involved were committed to the

project, whether the executing agency had adequate staff available, whether there was an effective project steering committee, the degree of complexity in national procedures, whether there was adequate reporting to CDB during implementation and at project completion, and whether necessary follow-on activities actually took place.

8.26 **Consultant/expert performance.** This criterion was rated where there was a consultant or external expert involved. Performance was generally *satisfactory or better*, with a significant number of TAs in the sample rated as *excellent*. This did not, however, apply in all cases, and there were a number of factors involved, including whether a well-qualified consultant had been engaged, whether the interaction between the consultant and the EA was good, whether there was full commitment of the consultant to the project, and whether there were constraints on consultant performance from EA management.

8.27 **General observations.** While overall performance was, on average, *satisfactory or better*, there were significant performance issues in a considerable number of projects. There were weaknesses identified at each stage of the project cycle, some of them relating to management of the TAs by the Bank itself, and some relating to external factors, in particular the performance of executing and/or implementing agencies or, in some cases, the absence of supportive action by a beneficiary government.

8.28 *Quality at entry* issues varied, but included cases where a well-written proposal was accepted without sufficiently critical or expert review, or application of the Bank's experience in a similar TA. In such cases, however, it may have been difficult to better assess factors such as institutional capacity and needs, or project design and feasibility within a given level of effort, without field-level review or input from an outside expert in the particular field. Adequate risk assessment may also have been difficult without field level inspection.

8.29 In two cases in a particular technical field, for example – one that was relatively successful and one that was not successful – drawing on the experience of a similar TA in another BMC and/or specialist assistance at the design stage, e.g from a CARTAC adviser, might have strengthened each of the projects, in one case to strengthen and improve results further, and in the other case to get it underway at an early stage with a better design.

8.30 Issues *during implementation* covered both the performance of the intended beneficiary or beneficiaries and/or executing/implementing agencies and the Bank's own capacity to monitor and supervise effectively without the resources necessary for field-level supervision. Where closer involvement with a TA was possible, the results were better. In two cases, for example, where a TA was closely associated with a loan project,²⁹³ the TAs received closer attention or field level supervision from both the Bank and the executing agency, and both TAs received generally higher performance ratings.

8.31 In other cases, there were opportunities to strengthen a TA, including improving its efficiency, results and sustainability, if a mid-point review with a closer inspection and an adjustment in the TA's design and implementation plan had been undertaken. In some cases, CDB procedures and requirements seemed to be applied without a degree of flexibility that might have ensured improved effectiveness or a better opportunity to strengthen sustainability. In other cases, however, there was flexibility in responding to special problems.

8.32 In the case of executing agencies other than CDB, the issues included lack of adequate staff to follow up and problem-solve, weaknesses in understanding of what was expected, and sometimes lack of apparent commitment to the TA's objectives, absence of necessary supportive conditions within the ministry or agency, or failure to put in place essential follow-on steps. There were also, in some cases, complexities in government procedures, political factors that weakened implementation, and lack of commitment or supportive action by government agencies other than the executing agency itself.

²⁹³ Although not processed and approved together with the loan project.

8.33 *Project completion*, as an important stage in the project cycle, also faced a number of issues. Perhaps the most important in terms of what the Bank itself can do to strengthen TA project quality and results was the absence, in most cases, of any written assessment of results, problems encountered and lessons learned, and the apparent absence of an effective system for Bank-wide dissemination of TA project-level experience, at least in written form.

8.34 There were, of course, many end-of-project reports by consultants or executing agencies, some of them excellent and some less useful. In other cases, efforts by Bank staff to obtain adequate reporting from executing agencies were less successful. But an assessment by Bank staff in some form of Project Completion Report (PCR) was generally lacking, at least in the written record.

8.3 Managing TA Operations

8.35 TA operations can have a high payoff in terms of CDB's strategic priorities of *supporting broad-based economic growth* and *inclusive social development*, through policy and institutional strengthening and support for investment-related project operations. Effective TA is also critical to the Bank's other strategic priorities of *promoting good governance* and *fostering regional cooperation and integration*, as well as the cross-cutting themes of *environmental sustainability* and *disaster risk management and reduction*. Similarly, TA objectives and operational strengthening are elements in CDB's *Managing for Development Results agenda*.

8.36 This raises issues both of strategic focus and programme coherence and of effective management to strengthen results achievement. It also raises the issue of taking advantage of lessons of experience in the design and implementation of TA projects, particularly for capacity development and institutional strengthening.

8.37 **Strategic Focus.** As already noted, the Evaluation's analysis of TA operations during 2000-2004 concluded that, while there had been significant changes in the composition of TA operations to respond to important policy objectives, and there were clusters of TA in some key areas, many individual TAs in the core TA programme seemed to be essentially *ad hoc* in nature, without clear linkages to other activities or to follow-up.²⁹⁴ The identification, since 2004, of a TA's relationship to CDB strategic objectives and corporate priorities is a useful step, but the criteria are very broad and can cover a wide range of projects. A more strategic framework for TA in the sense of identifying operational priorities in addressing particular objectives would provide greater direction for TA operations and stronger links with intended results, including identification of supporting linkages to other activities and supportive follow-up where these can strengthen results achievement.

8.38 A number of strategic and operational documents, including the Bank's evolving results-based management framework, the current SDF 6 agreement, the poverty reduction and governance strategies and their associated "tool kits", and the regional cooperation and regional integration policy paper, as well as the current series of country strategy papers, provide many of the elements of a TA operational framework.

8.39 The next step would be the development of a more integrated TA framework, with sufficient flexibility to respond to different country strategies and priorities at the BMC and regional/sub-regional levels, and with a set of tools to help in prioritizing TA operations in the context of CDB's RBM framework and a stronger results orientation. This could include further development of strategic "lines" of TA operations, perhaps strengthening the synergies between technical assistance and the Bank's investment lending, and simplification of the process for handling very small TA grants within a fixed annual ceiling.

²⁹⁴ There was greater coherence in a few specialized areas such as support for tax administration and tax reform, and in some of the specialized programmes, particularly BNTF and disaster mitigation.

8.40 **Operational focus within the Bank.** The new organisational structure for the Projects Department provides an opportunity to strengthen the operational focus for TA systems, policy development and application of previous TA experience, and to do this jointly with the strengthening of regional programming and governance/institutional strengthening work, both of which will be important elements in TA strategy and focus.

8.41 There are a number of key TA functions where the Evaluation found a *lacunae* and that such an *operational group or TA focal point* can perform, even while operational responsibility for much of the core TA programme remains decentralised within the Operations Area and, as appropriate, other divisions for certain types of TA. Adequate capacity, however, will be needed to undertake this set of functions. Some options are set out in Chapter 9.

8.42 **Results Management.** There are also other issues related to results management for TA operations that have emerged from the Evaluation's work, including issues related to quality at entry, supervision and performance monitoring, reporting on outcomes, and use of performance measures. All of these are related to project results, and therefore to strengthening TA portfolio performance in the important sense of results achievement. Some of these are discussed in Chapter 9.

8.43 **Previous evaluations.** As requested in the Terms of Reference, an assessment was made of the extent to which action had been taken on the recommendations of previous evaluations. This is provided in Appendix J.

BOX 7: AREAS FOR CDB ACTION TO IMPROVE TA PROJECT QUALITY

The core areas in which consideration should be given to steps that could improve project quality and results achievement are:

- *Improved strategic management of technical assistance*, including clearer targeting of TA operations in relation to strategic and operational objectives, review and strengthening of procedures and guidelines, strengthening of support for TA design and appraisal, and assessment and dissemination of TA experience.
- *Increased attention and resources for quality at entry*, particularly in the case of institutional strengthening and capacity development.
- *Strengthening of supervision and monitoring*, including field-level supervision and monitoring for other than the smallest TAs.
- *Provision, as a key requirement of TA management, for end-of-project assessment of results, key issues and lessons learned*, with simplified procedures for the smallest TAs.

In addition, there are particular areas where further evaluation of experience could contribute to improved programming. These are:

- A selected country-level assessment of TA experience, including in relation to investment lending operations;
- An assessment of experience in a selected area of special focus across BMCs;
- An assessment of experience in a cross-section of TAs that have ultimately been cancelled, whether fully or in large part; and
- Selected TA project or sector-level evaluation, with perhaps one such evaluation per year.

9. OPTIONS AND RECOMMENDATIONS

9.01 In the sections below, some options are set out with respect to the management of TA operations, followed by overall recommendations of the Evaluation. An overview of some selected lessons learned follows in the last chapter.

9.1 Management of TA Operations: Some Options

9.02 The reorganisation of the Projects Department in January 2007 and the envisaged role of a new Project Services Division within the Department provide an opportunity for addressing some of the issues of TA management and delivery that have been highlighted in previous chapters, and which in most cases have been the subject of consideration and debate within the Bank. Some suggestions and options for consideration are set out below. They build on discussions with Bank staff and the findings and conclusions of the Evaluation.

A clearer focus for TA operations

9.03 CDB's TA operations in the period under review had a number of areas of special emphasis, and in this respect were responsive to changing needs and priorities. Significant parts of the TA portfolio, however, were individual, discrete interventions, often small in scale, in some cases unrelated to other activities or to the ability of Bank staff to supervise or assess outcomes or consider follow-on actions. The number of small TAs can both be a burden on staff in terms of processing, and distract from attention to higher priority areas for using appraisal and supervision capacity, and therefore from the quality of the TA portfolio as a whole. There are also sometimes difficulties in setting priorities among requests, and in declining otherwise worthwhile proposals on the grounds of relative priority.

9.04 The present approach has strengths, but tends to become *ad hoc* rather than strategic. We believe that CDB should focus its limited capacity for technical assistance on identified priority objectives related to its poverty-alleviation mission and its strategic goals, as amplified in various operational strategies. This should improve measurable results and impact of TA operations. It requires a change of emphasis rather than a change of direction. It also involves somewhat more active programming of technical assistance. Many of the elements of a strategic approach are in fact in place, in the *Strategic Plan 2005-2009*, the *poverty reduction strategy*, the *governance strategy* and the policy framework for *supporting regional cooperation and integration*, among others.

9.05 **Overall strategy.** There are a number of ways in which a more integrated TA strategy can be put in place. The objective would be to provide a stronger overall operational framework that would set objectives and intended results, and draw attention to some of the linkages that could strengthen TA effectiveness. This could, *inter alia*, draw on some of the country strategies currently under development and on the operationalisation of the regional policy framework that is currently planned. This will take some effort to develop, but part of it, an operational programme for supporting regional cooperation and integration, is already envisaged in the Bank's *MfDR Action Plan*, and in the intention to strengthen the Bank's operational capacity on governance and institutional strengthening. The relationship of TA to the Bank's investment-lending operations has also received increased attention within the Bank.

9.06 A highly decentralized TA management structure, despite its strengths, does not promote strong alignment between TA operations and strategic objectives. A more "programmed" approach aimed more explicitly at supporting Bank operations in strategic areas is needed. Such an approach does not need to lose all flexibility in responding to opportunities and requirements as these arise, but it could achieve more focus.

9.07 **Strategic “lines” of TA.** As part of such a TA strategy it should be possible to develop strategic “lines” of TA within an overall TA policy framework. A line of technical assistance (TALINE) would be a series or cluster of TA projects of the same type.

9.08 Developing “lines” of TA that systematically address key priorities of the Bank is extremely important. Technical assistance is particularly critical for CDB’s strategic objectives for poverty alleviation, promoting good governance, and fostering regional cooperation and integration, and there are considerable risks for the Bank in terms of being able to address these objectives effectively without more strategic use of TA. There were many projects in our sample that contributed to such objectives, but with a few exceptions it would be an exaggeration to say they comprised a systematic or concerted effort to provide coherent overall support to these objectives.

9.09 Those cases where CDB has already developed “clusters” or “lines” of TA offer examples of good practice that can be emulated.

9.10 One part of this would fit well with the planning for the new Projects Services Division. An *operational group or TA focal point* in the new division could, among other work, develop and manage two strategic lines of TA:

- *Support for regional cooperation and integration*, particularly in respect of regional institutions. The development of such an operational capacity is envisaged in the *SDF 6 and MfDR Action Plans*. It would complement country-specific programming being undertaken elsewhere in the Bank, and would include research, analysis and policy development on regional public goods (RPGs). Establishing relative priorities would be a key part of this work.
- *Governance and institutional strengthening*, in areas identified in the Bank’s governance strategy, and in consultation with the sector divisions and Economics Department. Where institutional strengthening is directly related to the work of a sector division, operational responsibility would be in that division, but the focal point would be involved in setting priorities and advising on the lessons of experience in capacity development TA, an area in which there is a considerable body of experience and ‘lessons learned.’

9.11 The same concept can be extended to other divisions of the Projects Department and the Economics Department. Each of these would propose and define selected key lines of technical assistance in its area. For example, Economic Infrastructure Division might develop an ecotourism line of TA, or an energy-policy line of TA, or whatever is judged to be most important for the period ahead.

9.12 The requisites for establishing a TALINE would include (a) having a professional officer with the interest and expertise to be the “champion” for the Line, (b) having a budget for consultant support to develop the TALINE, and (c) senior management approval and commitment. Appropriate external support could also be identified and used, where appropriate, such as FAO on agriculture-related adjustment programmes, and CARTAC with respect to capacity assessment and TA design in tax reform and tax administration.

9.13 These various TALINES, however, should fit into the overall TA strategy and have monitorable links to key results areas defined under the Bank’s RBM framework.

9.14 **Synergies between technical assistance and CDB’s investment lending.** TA remains an important element in supporting CDB’s capital investment lending operations, as a facility to support pre-feasibility and feasibility studies and, where required, project implementation and capacity building.

9.15 Technical assistance can help to support the building of a good quality project pipeline, consistent with individual country strategies, and improve the quality of investment projects. This can be through stand-alone TAs that help to develop a sector investment programme or a particular project, or TAs that are within the task structure of a capital project being approved concurrently, or that can

address capacity constraints subsequently encountered during project implementation. A number of staff members interviewed felt the synergies between TA and investment lending could be further strengthened, but how this is best done is outside the scope of this evaluation, since our sample of TAs was focused on stand-alone TA grants, with only a small number related to preparation or implementation of capital investment projects.

9.16 **Managing small grant TAs.** In the Caribbean, CDB has been an important source of small grants for conferences and seminars, meeting-related travel, and small studies. While the overall strategy suggested above should set some priorities for focusing such support and rationing limited resources, this type of activity can be expected to continue to receive support. During 2000-2004 there were some eight TA projects per year in the core TA programme that had budgets below \$25,000, in some cases much less (see Table 4.5), or close to 40 TAs over the period.

9.17 CDB does not have the resources to fully appraise or supervise TAs of this size and nature, even if their numbers were reduced by setting priorities and a budget limit. They can reasonably be treated as results-based grants, using simplified procedures. There could be a brief appraisal based on pre-determined priorities, perhaps using a standard form requiring a statement of objectives and intended results, and on available funds for this purpose. There would be an advance part payment and a final payment on completion, with a requirement for a report on results achieved against the objectives set, perhaps using a standard form for this step as well, as there needs to be some measure of accountability and an information base for subsequent analysis of this type of activity.

9.18 Simplifying the administration of small grants might release staff time and resources to focus on larger and more complex TA projects that could benefit from additional attention. We understand that CDB did at one time have a small annual conferences and workshops fund, and this might provide a model. We suggest, therefore, that CDB consider a “TA Small Grants Fund” for responsive grants that have development merit of up to \$20,000, with an annual ceiling to the Fund of perhaps \$120,000, which would be 2% of the \$6 million in annual approvals under the core TA programme in 2000-2004. There are also precedents in other MDBs – for example, a fixed provision in the Administrative Budget for this type of activity. But in CDB’s case it has traditionally been charged against TA resources.

Technical Assistance/Regional/Governance Focal Point or Work Group (TAPOINT)

9.19 This section considers two options for management of TA at the CDB. These are:

- Full decentralization of TA responsibilities (as, in principle, in 2003-2006);
- Partial decentralization, supported by a *Technical Cooperation Focal Point (TAPOINT)* or *Regional, Governance and TA Work Group (RGTA)* in Project Services Division of Projects Department. This would reconstitute some of the functions of the earlier Technical Cooperation Unit (TCU), but with a broader role in respect of regional TA operations and governance, and a narrower role in respect of other types of TA.

9.20 The TCU was a key part of CDB’s management of technical assistance for 25 years. It was discontinued in 2003 when the Bank restructured the Projects Department and decentralized responsibilities for TA. On the whole, we agree that a technical assistance project may often be best managed by an officer who has a strong interest and expertise in the subject (a “champion”, wherever located in the Bank). There may or may not be such a person in the Bank for a particular TA project, and there are particular skills and experience that are often needed to design and implement a TA effectively, with the best results.

9.21 There is also a different issue that has been noted in other MDB evaluations of TA programmes, which is that other tasks, in particular investment lending, may be given a higher priority, and that

incentives, including annual human resource appraisals, may not adequately recognize this type of work.²⁹⁵ This is an issue that requires consideration in terms of human resource management.

9.22 It seems sensible to have officers who are responsible for a significant part of a country loan portfolio take the lead in the related technical assistance projects. Such a person may also be a logical “champion” for a particular TA project, even if he or she is not expert in some aspects of the TA such as institutional strengthening. In that case, however, support is needed.

9.23 For these reasons, and also the particular mix of skills and experience that are necessary for successful TA work,²⁹⁶ we doubt that the management of technical assistance can be fully decentralized successfully. Much TA management can be decentralized, but there remains a large TA workload that needs to be handled, and the need for a source of knowledge and experience on capacity development and other types of TA.

9.24 There are, in our view, at least five roles/tasks in technical assistance that need dedicated staff. In total, these appear to require a *technical assistance focal point (TAPOINT)* or *regional/governance/TA work group (RGTA)* with several professional staff that handle only technical assistance and the regional programming and central governance work that will rely heavily on TA to achieve objectives. This is not suggested as a replacement for “TA champions” throughout the Bank, but as a complement to and support for them.

9.25 The central roles/tasks that require a TAPOINT include:

1. **TA strategy and coordination.** The TA Focal Point would take the lead in developing the Bank’s overall technical assistance strategy. It would monitor and report TA results across the Bank, based mainly on information that will need to be entered in the PPMS. Since CDB does not now have a data base that records all types of TA, this would require constructing such an information system, but PPMS should be able to serve this purpose, with some adaptation and possible revision of fields.

The TAPOINT would, *inter alia*, prepare:

- a. An *annual TA Work Plan* based on Key Results Areas for technical assistance, drawing on the Bank’s RBM cascade of objectives and priorities, the current SDF replenishment agreement, and other strategic documents. The TA Work Plan would be prepared at the same time as the general Work Program and Budget of the Bank.
- b. An *annual report to the Board of Directors on TA Portfolio Performance*. (“Annual Review of Technical Assistance”) to parallel the Report on Loan Portfolio Performance. The TAPOINT would keep statistics on overall TA operations by the Bank and would work with Evaluation and Oversight Division to prepare this report. It would build on, but be more comprehensive than, the existing “Status Report on Technical Assistance Projects under Implementation.”²⁹⁷
- c. *Country Technical Assistance Reviews (CTARs)*, in conjunction with country portfolio reviews and results-based country strategies. These would be done on occasions when a new country strategy paper was under preparation.
- d. *Institutional Technical Assistance Reviews (ITARs)*, perhaps annually – one for each of the main regional institutions or programmes receiving CDB technical assistance, e.g. UWI,

²⁹⁵ This has been a conclusion, for example, in World Bank and Asian Development Bank TA programme evaluations. See Chapter 3.

²⁹⁶ This has been a theme in other MDB evaluations of TA.

²⁹⁷ Since late 2001 this report has covered only “stand-alone” TA projects, and it does not directly address performance.

CARICOM, and OECS. An ITAR would be the major-institution equivalent of a results-based country strategy.

- e. *New Member Technical Assistance Reviews.* CDB assistance to Haiti, for example, may rely heavily in technical assistance for some time. Suriname may also soon become a member.
 - f. The TAPOINT should also prepare a “*TA Projects at Risk*” report for the Bank’s Senior Management Group semi-annually, drawing on information in the PPMS, partly to highlight problem areas that it may be possible to address, and partly to ensure prompt closure of ineffective TAs and release of the funds and project supervision time for other purposes.
2. ***TA expertise in institutional strengthening interventions and good governance.*** CDB needs a centre of excellence in institutional strengthening and governance as defined by the governance strategy paper and toolkits. This is a crosscutting theme that is extremely important for technical assistance and that addresses the “strategic lever” of good governance in the poverty reduction strategy. It requires specialized knowledge and experience that not all CDB officers have. The TAPOINT could both manage some TA projects that are entirely or dominantly focused on institutional strengthening or capacity development, and also provide crosscutting expertise in support of projects in other sectors that have a significant component of institutional strengthening.
 3. ***TA to regional organisations and related support for regional cooperation and integration.*** The TAPOINT should manage the CDB’s programme of technical assistance for regional programmes, including those related to CARICOM, OECS and UWI, but, also, if/as appropriate, regional institutional projects such as CRNM, CARTAC and CEDERA, recognizing that there may also be other units in the Bank responsible for working with these agencies. It could also include the central work within the Bank needed to understand and define appropriate CDB support for *regional public goods (RPGs)*, which in itself is a significant and important task and goes beyond TA, potentially into infrastructure projects as well, although TA to BMCs for policy development on RPGs may be an important element.

To do these tasks well, including the time in the field that is necessary for effectiveness, would require a significant amount of staff time. How much time is required could be determined after the TAPOINT prepares an operational programme for TA for regional programmes. The main focus would be CDB’s regional priorities, as set out in the RBM framework for supporting regional cooperation and integration and the underlying policy paper. It would involve operationalization of that paper and, therefore, would address one of the steps in the *SDF 6 Action Plan*.

4. ***Coordination of Technical Assistance Related to Policy-Based Loans.*** CDB is about to enter upon Policy-Based Lending (PBL). The success of such lending depends partly on the success of the related technical assistance, which is likely to have substantial governance/institutional strengthening components. This technical assistance may be extensive and diverse, as well as difficult. A major PBL deserves dedicated technical assistance management, both to maximize its development impact and to help control the Bank’s risk exposure. The nature of this role can be worked out jointly with Economics Department and other Projects Department divisions.
5. ***Manage a “TA Small Grants Fund” for responsive grants.*** Reference was made above to the desirability of reinstating a “TA Small Grants Fund” for small-budget projects that have development merit. We suggest for consideration a limit of \$20,000 per project and an annual

ceiling for the Fund of perhaps \$120,000 (or \$480,000 over a 4-year period). The logical place to house and manage such a Fund would be the Technical Assistance Focal Point.

TAPOINT Resources

9.26 CDB, in general, and the Projects Department in particular, have tight constraints on staff resources. This matter is, of course, outside our scope. Special resources might, however, be made available for some initial period by one or more bilateral donors to strengthen CDB's TA operations, if a persuasive proposal were developed.

9.27 The potential workload of the TAPOINT is substantial, and its responsibilities would require adequate staff resources and budget for what is a key function of the Bank. In addition to handling a heavy workload, the TAPOINT will need staff resources to ensure continuity when one officer leaves the Bank, or is away from the office. It will need travel funds for field supervision and programming. The TAPOINT will also need funds for consulting contracts for Bank-executed TA projects and TA strategy work.

9.28 TCU had three professional staff, one full-time consultant and two support staff. Even with that level of staff the TCU did not do several of the tasks we have listed above as important. Given the expected workload in future, and the likely demands for various types of TA expertise, as well as the substantial additionality involved in regional policy and programming, including with respect to RPGs, and in governance and capacity development work, it is difficult to see the TA central management tasks being done well with fewer than three to four professional staff plus one administrative person. These resource requirements need a special human resources study.

9.29 Of course, the staff of the TAPOINT might not be entirely new resources. Some tasks that are distributed throughout the Bank could shift to the TAPOINT, freeing some resources in other parts of the Bank. This view, however, may be optimistic. It might be more realistic to assume that some of the tasks that are important for the TAPOINT are not presently being done, and would require additional resources.

Managing for Development Results (MfDR)

9.30 **CDB's Results Agenda.** A number of specific steps related to TA operations are in the Bank's MfDR *Results Agenda*, its *2005-2009 Action Plan* and the *SDF 6 Action Plan*. These include several programme areas, in particular strengthening the capacity of BMCs to monitor and evaluate progress toward the MDGs, supporting poverty reduction strategies, capacity building in areas of social protection and governance and economic management, implementation of the CSME, and capacity building for RPGs.²⁹⁸ They also include, for CDB itself, strengthening results-oriented approaches in country programmes and further operationalization of the poverty reduction, governance, and regional cooperation strategies, as well as strengthening the measurement of the effectiveness of CDB's various types of interventions. In the case of the regional strategy, the intended action is the establishment of an operational policy and programme planning capability to parallel the country-focused planning process, and to develop an operational programme for regional activities.²⁹⁹

9.31 The concept of a TAPOINT should assist significantly in moving forward on key parts of this agenda, jointly with other divisions and departments in the Bank. There are also some more specific operational steps than can be taken to assist in strengthening the results-orientation of TA operations.

²⁹⁸ See, for example, *Strategic Plan 2005-2009*, "Managing for Development Results: Pillar 1", pp. 28-30.

²⁹⁹ *Ibid.*, Pillar 2, pp 30-33.

9.32 **Quality at Entry.** *Quality at entry* is particularly important for results-achievement in many TA projects, especially those intended to support capacity development, institutional strengthening and policy development. Several issues related to quality at entry were identified in the Evaluation's examination of projects in the project sample. In part, these were related to the limited use of field visits to assess and appraise a TA proposal, its design and planned level of effort, even where there was a complex institutional reform being attempted.

9.33 In a number of cases, a well-written proposal from a BMC agency was approved if it was in a priority area, without an adequately critical review or an outside expert assessment. In some of these instances, there was evidence that the TA's ability to achieve its intended results could have been improved with a better institutional assessment or expert review of the project design. In one case, CDB's own experience with an almost identical TA in another country could have been drawn on to strengthen the new TA. A strengthened capacity to apply institutional memory and lessons of experience in institutional strengthening TAs can help in this regard, but field visits or the use of outside experts, such as from CARTAC or a qualified consultant, need to be considered in appropriate cases.

9.34 There is one other step in the headquarters review process that could help to strengthen the assessment of TAs before approval. To promote quality at entry, the Bank had the practice, until the end of 2002, of using a *Screening Form for TA* requests.³⁰⁰ The form was circulated to key responsibility centres in the Bank and, when complete, was the basis for a funding decision. As noted above, the key approval document is currently the *Recommendation and Approval of Technical Assistance form*, which includes some but not all of the elements of the *Screening Form*, although it does include some additional elements. Information on some TAs after 2004 is also entered into the *Pipeline Module* of PPMS but, as already noted, this is not currently used as an active management tool.

9.35 The strength of the TA Screening Form was that it presented the costs and potential benefits of the TA concisely, while providing space for comments by different officers. These included the TA officer directly handling the appraisal, someone in the Technical Cooperation Unit, the relevant officer in the Sector Division, the Economics Department and the DPD and VPO. These comments were a rich source of advice to the decision maker (although not a substitute for field-level inspection). The PPMS could serve the same function, but perhaps not so conveniently and concisely. A weakness of the old TA Screening Form was that it did not explicitly identify the key results that were the targets of the TA.³⁰¹ Nor did it tie in with the project performance criteria in the PPMS.³⁰²

9.36 The Pipeline Module of PPMS has fields that can provide valuable information as part of the decision-making process. Consistent completion of the PPMS Pipeline Module for TA projects and its use as a basis for project review and approval could facilitate the process, and this could be complemented by review of the former TA Screening Form to identify other fields that might usefully be added to the Pipeline Module.

Monitoring and Supervision

9.37 Many TA programme evaluations have concluded that effective supervision, including supervision in the field, is a key to improved TA project quality and results, particularly for institutional development TAs. This includes previous evaluations of CDB's TA.³⁰³

³⁰⁰ See Appendix H.1, "Preliminary Review/Screening of TA Requests."

³⁰¹ A Log Frame is required for TA projects over \$100,000. This seems to be a reasonable requirement.

³⁰² The PPMS project performance criteria are harmonized with the OECD/DAC criteria, with an additional emphasis on poverty. They are poverty relevance, strategic relevance, efficacy, efficiency, institutional development impact, sustainability, EA performance and CDB performance.

³⁰³ "A major weakness ... is the limited supervision of TA by CDB", Post-Evaluation of the CDB TA Programme,

9.38 The evidence from the project sample for this evaluation supports this conclusion. In a number of cases there was strong and consistent monitoring from headquarters, although not in all cases. But there were issues that were difficult to deal with from headquarters, and problems that seemed to need field-level problem-solving. This includes the issue of monitoring changes in the institutional context in which an institutional strengthening/capacity development TA takes place, and assessing whether a change in project design or objectives is necessary to achieve intended results or to strengthen results, or whether a problem-solving discussion with key personnel is needed. This requires some flexibility, but it is also more difficult to do from headquarters.

9.39 The evaluation team concluded that greater field-level supervision could have a potentially significant result in terms of improving TA project quality. It would be valuable if this became more possible with the organisational changes being made in 2007.

TA Completion Reports

9.40 Our sample of projects from CDB's core TA operations was not closely monitored for results during 2000-2004. As already noted, the basic details of a TA are entered into the Project Module of PPMS, but TAs are not scored against the Bank's project performance criteria at appraisal, supervision or completion, and for the projects in the evaluation sample there was a general absence of project assessment by CDB staff on results or lessons learned.

9.41 If the TA involves a consultant, there is often a consultant's final report on file, and the same applies if there is a CSO involved, and in some cases there were end of project reports by a government or regional agency EA, but Bank staff themselves do not generally write TA completion reports. The core concept of the PPMS (that each project would be scored at each stage of appraisal, supervision and closure) has also not been applied to TA. Since there appear to be virtually no completion reports by Bank staff, it seems premature to discuss how Evaluation and Oversight Division might sample completion reports for audit/substantiation.³⁰⁴

9.42 Nevertheless, it will not be possible to monitor TA results or seek improvements effectively unless some type of PCR is completed. Nor will it be possible to judge staff performance effectively. The PCR need not be an elaborate report, but some commentary, perhaps on top of the consultant's or EA's or CSO's report, that speaks to results in relation to objectives and that records key issues and lessons learned is needed. A fairly simple PCR form for TAs could be developed, with a report in somewhat more depth for TAs over, for example, \$75,000. If there is an extended period over which the TA remains in active status, then periodic, perhaps yearly reports, however brief, would be needed as a routine process. The completion of some form of TA completion report should be a basic requirement of TA operations.

Scoring Project Performance

9.43 We encountered some scepticism among CDB staff on whether the standard project performance criteria (as used in the PPMS) were applicable to technical assistance. We did, however, apply those criteria to our sample of TA projects with some care, in part as an experiment.³⁰⁵ In practice, we found no greater difficulty in applying them to TA than we would have found applying them to an equivalent diverse set of investment projects. With the exception of very small TA grants, we found no significant bar to applying the Bank's performance criteria to TA projects. This does not mean, however, that no work needs to be done on tailoring some of the criteria to fit TA projects more effectively.

1985-1991, p.68.

³⁰⁴ A model for the future might involve procedures that are used by the Independent Evaluation Departments of other multilateral development banks, including the IDB, the Asian Development Bank and the World Bank.

³⁰⁵ See Chapter 2.

9.44 In fact, the application of the performance criteria to TA does raise some different issues than in the case of investment projects, and the questions and issues to be used for some of the criteria need to be tailored accordingly. “Sustainability”, for example, tends to have a somewhat different meaning. Institutional development impact, in many cases, is a key strategic objective, and there can be difficulty in separating ID impact from strategic relevance. In some cases, however, ID impact may not be in evidence as an objective, although in most instances ID impact is likely to be a significant consideration, whether expressed or implied, and there can be unintended results that are useful to identify. Where ID is clearly not an objective, however, this criterion need not be scored, and the weightings should be adjusted accordingly.

9.45 One adjustment that can be made is that, where CDB itself is the executing agency, the criterion of CDB performance should cover all aspects of the Bank’s performance, and executing agency performance need not be scored separately in that case. It should also be noted that CDB performance can be a very important factor in determining TA project quality and results achievement, and should probably be included in the weighted performance rating in the case of TAs.

9.46 Specific guidelines for scoring TA projects, however, need to be written.

Approaches to Results-Based Management

9.47 There are different approaches to TA results management, and they are not necessarily mutually exclusive:

- (1) Score the TA, at least larger TAs, against the PPES/PPMS performance criteria at appraisal, supervision and completion.
- (2) Score progress against “key results” defined in the TA project document (including the Log Frame in cases where the project is budgeted over \$100,000), with these being clearly linked to the Bank’s RBM framework.
- (3) Monitor the TA’s contribution to the Millennium Development Goals for the Caribbean, using a methodology yet to be developed, as SDF Contributors have requested for all SDF-financed projects, and which CDB has under consideration.

9.48 The first method (using CDB’s standard criteria for project performance) has much to recommend it in terms of simplicity and consistency across the Bank. Applying the criteria at the appraisal stage is, of course, a matter of professional judgement, since results are expected rather than actual. It is quick, simple and, with some substantiation in text, is a good way to assess the potential of a TA. One of its strengths is that it facilitates comparisons among different TA proposals. If it were possible to consider TA proposals in bunches, then this could be a good method of comparing and selecting among them, assuming that funds are limited. It also has the strength of being the same approach that the Bank currently takes with investment projects. CDB is ahead of most multilateral development banks in using a consistent set of performance criteria at all stages of the investment project cycle. There is much to be said for using the same methodology for TA projects.

9.49 An alternative method focuses not on general performance criteria but rather on *specific “key results”* that the TA is committed to produce. Of course, these “key results” are different for each project, although the project might fit within a “line” of TAs³⁰⁶ that has more or less standard “key results areas” (KRAs). Progress towards key results can be scored at supervision milestones and the degree of achievement can be scored at completion. Appendix I shows a *pro forma* example of such an approach.

9.50 These two methods are not mutually exclusive. It would be possible for re-designed PPMS modules for TA to contain both a short list of key results and an appraisal performance score against the

³⁰⁶ Such as institutional strengthening of departments of national revenue, for instance.

CDB standard criteria. Particularly for the most important TAs, we favour the approach of listing key results (grouped within KRAs, if the CDB has managed to develop a “line” in a particular area of TA). It may also be easier to link KRAs with intended results under the Bank’s evolving RBM framework

9.51 On monitoring contributions to individual Caribbean-specific targets for the MDGs, a prior step may be to develop the methodology to do this for investment projects, although a question that should be asked of every TA is whether it is likely to contribute to one of the MDG targets for the Caribbean.

9.2 Recommendations

9.52 The principal recommendations from the evaluation study relate to the management of TA operations. In addition, as requested by the Bank, the study has identified key areas where further evaluation work or operational policy development could contribute to TA programme learning and coherence and support the implementation of the recommendations on TA management.

Management of TA Operations

1. CDB needs to further strengthen the *strategic management of technical assistance*. This would provide for a more integrated approach to priority setting, identification of intended results, and operationalisation of some TA-intensive strategic objectives and policies such as support for regional cooperation and integration, with consideration of an appropriate strategic balance between different areas of TA. The Bank is moving to implement results-based management in its general operations. This approach can be applied more rigorously to TAs as well. To make this possible, the Bank should develop a *TA operational framework or strategy* to provide greater strategic focus for TA operations (see also Recommendation 11: *Operational policy development*).

As a part of such an operational policy framework, greater emphasis can be given to increased coherence of TA programming in support of key priorities, as distinct from *ad hoc* funding of individual TA requests, particularly regional TAs. All TAs should be regarded as a use of scarce resources and a tool for pursuing key objectives. Also as a part of such a framework, the Bank should consider identifying and developing “lines” of TA to enable a strengthening of TA design and supervision and increased learning from experience.³⁰⁷

Particular emphasis should be given to linkages between successive or related TAs or other CDB interventions and with larger programmes or projects or ongoing priorities of the beneficiary. Wherever possible, provision should be made in the TA design for ongoing monitoring of results and/or consideration of possible follow-on supportive action.³⁰⁸

2. *TA information for policy development and decision making* needs to be improved. A comprehensive data base of all types of TA should be created and maintained, with some historical information for purposes of comparison and analysis. This is not currently available.³⁰⁹
3. The PPMS may need to be revised to make it more results-oriented and stronger as a tool to *assess TAs at entry*, and systematic use of the PPMS Pipeline Module as part of the TA project review and approval process should be considered.³¹⁰
4. CDB should provide adequate incentives and sanctions to ensure that some type of project completion report (PCR) is prepared at the end of every TA. The PCR should be summative and express professional judgment on results and lessons learned. Evaluation and Oversight Division should sample completion reports annually and conduct a substantiation desk audit. Some type of

³⁰⁷ See paras. 5.36-5.37, 5.60-5.63, 8.04-8.09, 8.35-8.39 and 9.03-9.13.

³⁰⁸ Section 7.3, inset text “Factors in Efficacy”, Section 7.5, inset text “Factors in Sustainability” and para. 8.20.

³⁰⁹ See paras. 5.57-5.59.

³¹⁰ See paras. 5.46, 5.58 and 9.34-9.36.

project completion report for every TA project, including, in a simplified form, for smaller TAs, should be a basic requirement of TA operations.³¹¹

5. The Bank should establish a *TA Focal Point (TAPOINT) or RGTA Work Group* in Project Services Division to undertake the substantial work tasks that need to be done centrally.³¹²
6. In addition, a priority should be given to *systematic training, and occasional follow-up workshops*, on TA management and experience, evaluation results and lessons learned, drawing on the experience of both CDB and other MDBs, for all operations staff involved in TA work. This should include development of an updated manual of TA policies, criteria and procedures (see Recommendation 11: *Operational policy development* below).³¹³
7. *More resources should be found for TA fieldwork*, including portfolio reviews, inception missions and supervision missions, particularly for higher risk institutional development TAs and complex TAs involving various agencies.³¹⁴
8. The Bank should use the standard *PPES performance criteria* for all TA projects over an appropriate lower limit, such as \$50,000, that would cover significant numbers and types of TAs. Specific guidelines for scoring TA projects, however, need to be written. We suggest that Evaluation and Oversight Division (EOV) should develop *guidelines for scoring TAs* against the standard criteria. We also recommend that EOV experiment with defining key results and key results areas (KRAs) for TA, and consider whether tracking against key results might be a complement to the PPES performance criteria in the PPMS.³¹⁵
9. Consideration should be given to establishing a *TA Small Grants Fund* with a fixed ceiling on overall funding and simplified procedures. A possible level for such a fund could be \$120,000 per year.³¹⁶
10. The *synergies between the Bank's technical assistance and its investment lending should be a continuing priority in TA operations*, including the use of targeted TA to address problems of project implementation as these arise.³¹⁷

Follow-up Studies and Operational Policy Development

11. Consideration should be given to undertaking some or all of the following studies that are beyond the scope of the present evaluation, but which would provide important insights into TA results and effectiveness as well as more effective guidance for Bank staff in TA operations:

Evaluation studies:

- A country-level evaluation, either of TAs or of *TAs and investment projects*, but including project-related as well as stand-alone TAs, preferably where there are important performance issues at stake. The evaluation has identified Guyana as an example of where this could be particularly valuable, covering the experience of the Guyana PIU and the factors underlying the substantial improvement in the Bank's country portfolio performance, and how best to achieve and maintain better portfolio performance in that country (see Box 5 on page 90).
- A sector or thematic evaluation where there is an available cluster of similar TAs that can be assessed in terms of results and factors that could strengthen TA effectiveness. An example

³¹¹ See paras. 5.56 and 9.40-9.42.

³¹² See paras. 5.50-5.53, 8.40-8.41 and 9.19-9.29.

³¹³ See paras. 3.22-3.25 (including footnote 79) and Appendix J (recommendations group 5)

³¹⁴ See paras. 3.26-3.29, 5.54-5.55, 9.32-9.30 and 9.37.9.39, and page 55, Box 1.

³¹⁵ See paras. 9.47-9.49.

³¹⁶ See paras. 9.16-9.18.

³¹⁷ See paras. 9.14-9.15.

would be TAs supporting tax reform and tax administration or broader economic management (MOF and Inland Revenue).

- An evaluation study of TAs that have been cancelled in full or in large part, and of other TAs where there have been extended delays in implementation, to identify common factors and other lessons of experience.

Operational policy development:

- To implement Recommendation 1: Development of an operational policy framework for TAs, identifying relative priorities and intended results for a given time period and providing criteria for decision-making in different areas, drawing on the separate strategies for poverty reduction, supporting regional cooperation and integration, and good governance and institutional strengthening.
- To strengthen TA project cycle management: Review of TA policies and procedures at each stage of the project cycle, with a view to revising and updating the *Technical Assistance Manual*, considering separately different categories of TAs, e.g. those executed by a BMC agency, by the Bank, by a regional agency, and by a CSO, and those where CDB is administering TA funds on behalf of another donor agency. Some of the requirements and conditions may need to be adjusted for different types of executing agency, e.g. a regional agency or CSO.

This would provide an opportunity to update and strengthen procedures and recognize differences in how best to achieve TA effectiveness in different circumstances, and is particularly important under a substantially decentralized system of managing TA operations.

10. LESSONS LEARNED

10.01 Some of the lessons that have emerged from the current evaluation study are listed below.

1. *Staff supervision, including field supervision, is a critical ingredient in project success.* There were several examples in the project sample where field visits at project inception and/or during implementation might have helped to ensure or strengthen project results through improved design, better assessment of institutional capacity, more effectively addressing implementation issues, and/or assessment of evolving circumstances and adjustment of project design in the course of implementation.

This is similar to the findings of other TA evaluations, including the most recent Asian Development Bank's annual report on loan and TA portfolio performance, which judged that low numbers of TA inception missions and TA review missions were a key indicator of weaknesses in TA administration.³¹⁸ This is also consistent with the findings of previous evaluations of CDB TA.³¹⁹ Strengthened project supervision could reduce project risk and improve outcomes and higher level results.

2. *Flexibility in project design and in adjusting to changing circumstances in the course of TA implementation can contribute to strengthening project results.* This is especially the case in institutional strengthening/capacity development TAs, where a “process project” approach, or elements of such an approach, may help to ensure achievement of objectives, or otherwise strengthen results. This again is consistent with the findings of other TA evaluation studies.
3. *Linkages with other projects or programmes, either concurrently or as follow-on, can contribute to project effectiveness, results achievement and sustainability.* There were several examples of single-intervention TAs that were not as effective as they might have been if better linkages had been present. This argues for a more programmed approach and a conscious search for appropriate linkages in project selection and design.
4. *The presence or absence of supportive and follow-up actions can determine project effectiveness and reduce or increase sustainability risks substantially.* This is similar to the previous finding, and relates both to project design and to supportive and follow-up action by both the beneficiary or other agencies and CDB itself. There was a general absence of planning for such supportive or follow-up actions in the TAs examined in the project sample, although in one important case such planning and willingness to follow up with specific support was a commendable feature of the TA intervention, even though the government concerned has been slow to take advantage of the Bank's planned support. Many TAs, however, did not have such planning or continuing attention.
5. *Planning for some degree of continued monitoring in appropriate cases can strengthen project outcomes and sustainability.* There were examples in the project sample where this might have made a significant contribution in strengthening results and obtaining better value for effort and resources expended. There were also cases where such monitoring could have contributed to lessons learned and potential improvement of subsequent TAs.

³¹⁸ Para. 3.29. The AsDB's proportion of TAs approved that have had inception missions or review missions, however, was far higher than what the Evaluation found to be CDB practice. The AsDB reports on TA portfolio performance have also recommended reducing the number of new TA approvals and the existing TA portfolio as a means of strengthening TA administration and improving TA quality and strategic relevance.

³¹⁹ See Appendix J, recommendations group 3.

6. *Steps that can be taken to improve project design, reduce project risk and strengthen project results also include the use, in appropriate cases, of particular expertise that can be made available to the Bank and/or the beneficiary, such as a CARTAC taxation adviser or an FAO or PAHO specialist.* A more consistent approach to use of outside expertise in this way could contribute to project effectiveness in particular types of projects. CDB has had good experience in working with specialist partners and this approach could be taken more proactively.
7. *A more consistent application of CDB's own TA experience and lessons learned could also make a contribution to improving project design and results.* In the project sample, this applied particularly, but not only, where a very similar TA was being undertaken in one country to another TA previously undertaken elsewhere.
8. *Where a TA leads to sustainable capacity development it can have a positive impact far out of proportion to its modest budget.* Although there were some very good examples, sustainability was generally the weakest dimension of the sample of projects examined in the Evaluation. Sustainability is both important and difficult and requires careful attention in project design, implementation monitoring and follow-up action as appropriate.
9. *The TA programme needs to be more strategic and focused in order to have better results.* While the strongest dimension of the project sample was the rating for strategic relevance, this criterion was very general in its application, and there were a substantial number of small TAs that it would be difficult to characterize as strategic to the development of BMCs or CDB's defined objectives. This was equally apparent from the analysis of overall TA operations, including the core TA programme. This has implications for operational planning, country programme development, project design and linkages with other CDB operations.
10. *Managing for results requires information on performance, which is generally lacking in the Bank's TA operations.* There are several dimensions to this. The first is the general absence of an end-of-project assessment by CDB staff, whether in the form of a PCR or otherwise. This has been commented on in the previous evaluations of CDB's TA operations as well as the current study. A second dimension is that the PPMS has not yet been used as an active management tool for even the largest and most significant TAs. The current evaluation has applied the standard performance criteria to examination of a significant sample of TA interventions, and found that, with some adaptation, there should be no practical bar to applying these criteria and the Bank's PPMS reporting to TAs, other than possibly the smallest TAs. Improvement in performance and a more effective TA programme could be expected to result from better reporting and the availability and use of project assessments.
11. *There are specialized experience and skills that are important for effective TA design and implementation.* These are not necessarily available to all projects personnel. Experience since the disbanding of the TCU has also shown that there are some central TA functions that have fallen by the wayside. This underlines the importance of a central focal point for key aspects of TA operations, including strategic and operational planning, as well as the need for effective training and access to core TA experience and skills.

APPENDICES

EVALUATION CRITERIA AND ISSUES

Table A.1 describes some of the factors or issues that we will take into account in applying the evaluation criteria to the project sample and to the TA programme.

Table A.1: Evaluation Criteria and Relevant Factors and Issues

Evaluation Criteria	Core Factors to be Taken into Account	Related Factors and Issues
RATIONALE:		
<i>Strategic relevance</i>	Extent to which the TA project/ programme fits BMC priorities and CDB strategic objectives, country strategies and programmes, comparative advantage, and policy (e.g. SDF) priorities.	<p>Some of the factors to be taken into account in assessing TA "strategic relevance" are: How central is the TA project to the country's development strategy? Is the TA key to structural or policy reforms? How much 'leverage' does the project have? How much depends on it? How urgent is the project's contribution to the BMC's development? TA can be highly relevant strategically if it supports the development of an important policy, such as an environmental regulation or plan, for example, or if it reaches a strategically important group or community. TA activities that improve the capability of people to pursue development objectives can also be strategically important.</p> <p>Similarly, issues include how strategically relevant the TA project and the Programme as a whole are to CDB's strategic objectives, including those of SDF, as set out in documents such as the Strategic Plan for the period, the relevant Report of SDF Contributors, CDB's poverty reduction strategy, the strategy on governance and institutional strengthening, and (prospectively) the policy on supporting regional cooperation and integration. Flexibility and adaptability to changing BMC priorities and needs also should be examined. These issues require analysis at the project level and at the Programme level.</p> <p>Key Issues: Was there a direct link between the TA and a strategic document of the host BMC? If there was a CDB Country Strategy, did this TA fit it well? To what extent was there a fit between the TA and the CDB Strategic Plan 2000-2004 and corporate objectives? To what extent was there a fit between the TA and the priorities stated in the SDF 5 Contributors' Report? Did the project remove obstacles to growth? Was the TA important to structural or policy reforms? How much 'strategic leverage' did the TA have? Was the TA flexible and adaptable in responding to new and emerging priorities of BMCs? Did the TA address the 'strategic levers' (capability enhancement, vulnerability reduction and good governance)?</p>
<i>Poverty relevance</i>	Extent to which the TA project/ programme contributes, or is likely to contribute, to reducing poverty. Extent to which it fits with BMC and CDB poverty reduction strategies.	<p>Are there gender or racial/communal inequities that will be lessened by the TA? Will it make a significant contribution to achieving the poverty reduction objectives set out in the BMC's key development policy documents, including the country poverty assessment and the country poverty reduction strategy paper or action plan where these exist? Is the project consistent with the CDB's poverty reduction strategy and operationalization tools, including the 'strategic levers' of capability enhancement, reduction of vulnerability and good governance? Relevance of a TA might show itself in such things as influencing broad-based economic growth, being targeted specifically to the interests and welfare of the poor and social safety nets.</p> <p>Key Issues: Was there a link between the TA and a poverty reduction strategy paper or action plan? Did the TA involve direct services to the poor and disadvantaged? Was there a plausible link with poverty reduction through pro-poor economic growth? Was there a close link with social equity (gender, race)?</p>

Evaluation Criteria	Core Factors to be Taken into Account	Related Factors and Issues
OUTCOMES:		
<i>Efficacy (similar to Effectiveness)</i>	Extent to which stated policy, financial, institutional, social and environmental objectives have been or are expected to be achieved, taking into account their relative importance.	TA is efficacious or effective if it achieves its policy, physical, financial, institutional, social and environmental objectives. Excessively modest or ambitious objectives should be normalized when assessing efficacy. Efficacy judgments are made in terms of the TA project's declared objectives. Outcomes or results need to be analysed at the different levels of the results chain, including medium-term outcomes and, where possible, longer term impacts (or contributions to such impacts) for the final beneficiaries, direct and indirect, intended and unintended, where these can be identified. Key Issues: Were the objectives of the TA clear and measurable? Did the TA achieve its physical and financial objectives? Did the TA achieve worthwhile social and environmental results? Are outcomes measured and reported in supervision reports, completion reports or project evaluations? Were there indirect, unplanned or adverse consequences of the TA? Were the outcomes for final beneficiaries likely to be commensurate with CDB's investment?
<i>Efficiency</i>	Extent to which the TA has achieved or is expected to achieve its objectives in a cost-effective manner. How economically resources/ inputs have been or are being converted to results.	The technical meaning of "efficiency" (the economist's meaning) is not often applied to a TA project, but more often to infrastructure and other major loans. In practice, the efficiency issues that are likely to arise in regard to TA are usually "cost effectiveness" issues. That is, was the service provided as economically and efficiently as possible? The identification and use of indicators is an important factor in being to assess efficiency as well as efficacy or effectiveness. Timeliness is also an important factor. Key Issues: Did the TA's contracts specify outputs well? Were the outputs expected from the TA clear? Was the TA project economical, taking into account all costs? Was the 'project management' of the TA effective? Was the TA started and finished on time?
<i>Institutional development impact</i>	Extent to which the TA has established institutional arrangements to make efficient use of human, financial and other resources. Extent to which the TA improves or weakens the ability of a country or the region to make more efficient, equitable and sustainable use of its human, financial and other resources.	TA has a positive institutional development impact ³²⁰ if it improves the norms and practices (institutional capacities, policy framework, systems and practices) that enable the country to make efficient use of its human, financial and natural resources. ³²¹ The OECD/DAC says: "As to scope, ID impact covers the full span of the 'rules of the game' – the formal laws, regulations and procedures, and informal norms and practices that govern social and economic interactions and exchanges between people. Thus this criterion embraces a great deal more than organisational strengthening, with which it was primarily associated in the past." In most cases, the relevant institution will be a government department or agency, or a semi-public agency, or an NGO. Institutional development impact arises mostly from positive changes in the organisation's structure and procedures, in the capability of its human resources, or in its mandate and policies. The TORs lay particular emphasis on the impact of the TA programme on building institutional capacity to generate sustained growth

³²⁰ The definition of institutional development impact varies from one MDB to another. Some consider that the topic is adequately addressed in their evaluations under other criteria. For example, the EBRD focuses on changes in the "rules of the game" in transition from planned to market economies, and thereby shows a strong interest in institutional development impact, although it does not presently use the term. All MDBs involved in the Evaluation Cooperation Group which do not presently have ID impact as an explicit criterion are in the process of adopting it. The ECG evaluators have raised two main issues in regard to the use of an ID impact criterion. They relate to the scope of the criterion and the coverage of unintended as well as intended impacts.

³²¹ For a good discussion of institutional development impact as an evaluation criterion see: Douglas C. North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, 1990, ISBN 0-521-39416-3

Evaluation Criteria	Core Factors to be Taken into Account	Related Factors and Issues
<i>Sustainability</i>	Ability of the TA to deliver effectively its intended benefits over the life of the Programme. The probability of continued long-term benefits after the TA has been completed.	<p>and reduce poverty, consistent with the role of good/effective governance in the CDB's poverty reduction strategy.</p> <p>Key Issues: Did the CDB overall show adequate concern for institutional capacity building? Did the TA have developing institutional capacity as an explicit objective? Was the project preceded by an institutional needs assessment? Did the TA develop institutional capacity or did it do the work of the institution directly? Did the TA result in important changes in institutional mandate or policy? Did the TA result in important changes in institutional structure or procedures? Did the TA result in important changes in institutional human resources? Were measures of the desired ID outcomes stated in the project document? What were the main factors that influenced the success of the ID part of the project? Was the overall ID impact commensurate with the resources devoted to this objective?</p> <p>"Sustainability" is closely related to risk. The OECD Evaluation Cooperation Group has suggested that eight factors should be considered in assessing sustainability: technical soundness, government commitment including supportive legal and regulatory frameworks, socio-political support, economic viability, financial viability, institutional and organizational and management effectiveness, environmental impact, and resilience to exogenous factors. Sustainability is in some cases easy to define, and in others, difficult. For example, an agricultural extension TA that aims to accelerate adoption of new seeds that would anyway be adopted eventually might receive a rating of <i>highly sustainable</i> if adoption was <i>fully accelerated</i>. It is difficult to generalize on sustainability and risk, since the application of the concepts varies considerably from one type of TA to another. The TORs include an emphasis on assessing the effectiveness and sustainability of institutional arrangements for TA operations, the performance of consultants, drawing lessons from experience to improve performance and sustainability, and identifying risks to CDB if TA programme objectives are not met.</p> <p>Key issues: How high was sustainability risk in the project? Was sustainability articulated explicitly as an objective? Did the Terms of Reference for the TA describe the meaning of and requirements for sustainability? What were the risks for CDB if the TA objectives were not addressed? Was institutional capacity adequately assessed? Were adequate financial and other resources available to support the TA and its objectives? Was the TA technically sound? Was ownership and socio-political support good? Did the project involve significant environmental impacts? Were sustainability requirements addressed in a Completion Report? How resilient was the project to exogenous factors? Was a significant on-going effort by the BMC required for sustainability? What were the main factors, if any, that compromised sustainability?</p>
INSTITUTIONAL PERFORMANCE:		
<i>Borrower executing agency performance</i>	<i>and</i> Extent to which the performance of the beneficiary or executing agency reflects ownership (in preparation and implementation) and responsibility for the TA, and whether loan or grant obligations with respect to achievement of the TA's	<p>This covers much of the project cycle, with emphasis on the adequacy of assumption of ownership and responsibility for success and sustainability, including commitment of personnel, counterpart funding, quality of project management, compliance with loan conditions, procurement management, and organisation/administration, as well as effective use of the results of the TA in terms of institutional strengthening or otherwise.</p> <p>Key Issues: Did the EA plan its work well? Did the EA complete its tasks efficiently and on time? Availability and performance of counterpart staff? Were counterpart funds adequate? Has the EA (or beneficiary) made</p>

Evaluation Criteria	Core Factors to be Taken into Account	Related Factors and Issues
<i>CDB performance</i>	<p>objectives and sustainability have been complied with.</p> <p>Extent to which CDB's role was appropriate during different stages of the TA cycle and the extent to which the Bank supported implementation through appropriate oversight. Generally, the quality of services, including to ensure quality at entry and viability of implementation arrangements, e.g. project identification and design, disbursement management, project scheduling, project supervision, use (if/where appropriate) of an MTR, and consultant performance.</p>	<p>good use of the TA results?</p> <p>CDB performance is reflected in the competent management of its inputs to the project. The OECD/DAC says: "MDBs are uniquely responsible for independent project appraisal, in contrast to the preparation and implementation phases where the borrower clearly has primary responsibility."³²² In the case of TA, however, there is often a need for continuing support and supervision during project preparation and implementation, including the mid-term review, if there is one. To some extent, one should assess the CDB's performance independently of the outcome of the TA. Sometimes a TA will fail and sometimes succeed brilliantly, not caused by the Bank either way. Therefore, at a minimum, the project definition document should ideally state specific targets and standards for CDB performance on key tasks (timing, budget control, and quality of services). The TORs lay particular emphasis on CDB's performance in terms of ensuring quality at entry and management/supervision of TA operations, as well as efforts to promote stakeholder involvement; on the allocation of resources to the TA Programme and to individual BMCs in the context of development priorities and country assistance strategies, on CDB's monitoring and reporting on TA operations, and on the extent to which recommendations of the TA Evaluation for 1992-1999 have been implemented.</p> <p>Key Issues: Was the CDB the 'executing agency'? Quality of CDB management of the TA [Quality of the CDB evaluation of the TA request? Quality of the TA project design? Quality at entry (quality of the TORs)? Quality of supervision reports? Was a mid-term review undertaken? Quality of mid-review, if any? Quality of the Completion Report, if any.] Satisfaction of client-beneficiary? Lag between expected and actual completion? Was coordination with other donors a significant consideration? Degree of coordination with other donors (other major agencies? In-country?)</p>

³²² OECD/ECG, "Harmonization of Evaluation Criteria".

APPENDIX B

DRAFT LOGICAL FRAMEWORK MATRIX FOR TECHNICAL ASSISTANCE

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	CRITICAL ASSUMPTIONS
<p><u>Goal:</u></p> <p>To be a catalyst for poverty reduction through social and economic development in the Region by providing technical assistance to BMCs as a complement and support to CDB financing activities.</p>	<ol style="list-style-type: none"> 1. Volume of TA relative to volume of lending. 2. Distribution of TA relative to needs of BMCs 3. Types of TA compared with CDB and BMC priorities. 	<ol style="list-style-type: none"> 1. TA budgets and lending budgets over time. 2. Dollar volumes of TA and "needs scores" as determined by the CDB (SDF resource allocation exercise) 3. Coding of sample of TA projects in regard to priorities. 	<p>Needs can be identified and TA resources targeted to those needs.</p> <p>The technical/expert skills needed to implement the TA are available in the CDB or in the consulting community.</p> <p>The EA has the capability to benefit from expert assistance and advice.</p>
<p><u>Purpose:</u></p> <p>To remove constraints to development by providing services and advice (a) in regard to governance and economic management in general and (b) in the project preparation phase of development initiatives.</p> <p>To enhance and strengthen human and institutional capabilities.</p>	<p>PPES scores in regard to:</p> <ol style="list-style-type: none"> 1. Strategic relevance 2. Poverty relevance 3. Efficacy 4. Efficiency 5. Sustainability 6. ID Impact 	<ol style="list-style-type: none"> 1. CDB Country Strategy, Strategic Plan 200-2004, SDF 5 Contributors' Report 2. Country Poverty Assessment, Poverty Reduction Strategy Paper and Action Plan 3. TA objectives statements (TORs), and results statements (supervision reports, reviews, and completion reports) 4. Contract(s) related to the TA, project management data in the CDB PPMSA 5. Risk assessments in Completion Reports 6. ID Needs Assessments in Project Appraisal Documents, Information from interviews with the beneficiaries. 	<p>The question of technical assistance is addressed in the key documents, such as the CDB country strategy and the country Poverty Reduction Strategy Paper.</p> <p>Project documents are accessible on file (especially Completion Reports).</p> <p>Project documents are comprehensive in regard to such topics as institutional needs assessments (where relevant) and risk assessments.</p>
<p><u>Program:</u></p> <p>Provision of technical assistance to the CDB, to BMCs and to appropriate regional institutions.</p>	<p>PPES scores in regard to:</p> <ol style="list-style-type: none"> 1. CDB/consultant expert performance 2. EA/beneficiary performance 	<ol style="list-style-type: none"> 1. Interview information on beneficiary/EA satisfaction. Quality of reports on file. Lags in implementation and completion. 2. Completion of EA tasks and meeting of commitments on time, including providing counterpart funds and on-going resources where needed. 	<p>Attribution is manageable. In particular CDB and EA performance can be separated from the influence of exogenous factors such as changes in governments.</p> <p>EAs/beneficiaries kept records and can provide information about counterpart resources.</p>

INFORMATION PROTOCOL/FIELD QUESTIONNAIRE

(1) CASE SUMMARY

Project Sample Number:

PRN:

Project Title:

Country/Region/Sub-Region:

Year:

Name of Executing Agency (CDB or other):

Name of Implementing Agency (if applicable)

Type of project:

Sector:

Amount approved:

Date approved:

Amount disbursed:

Type of funding (grant or loan or reimbursable grant):

Source of funding (OCR, SDF, OSFR, SDFMEX, SFR IDB, CDB 'use of funds', etc):

Counterpart funding:

Was a partnership with another international or donor agency involved? () Yes () No

If so, which agency?

Other agency budget contribution, if any:

Expected period of implementation:

Actual period of implementation:

Stand-alone project?

Was there a related (preparatory or follow-on) TA during 2000-2004?

How many supervision reports are on file?

Was there a consultant's final report on file? () Yes () No

Was there a completion report (or end-of-project report) on file? () Yes () No

If classified as a regional or sub-regional project, did it consist primarily of sub-projects for different countries or institutions?

TA Objectives and Summary Description:

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(2) Case Summary (continued)

CDB contact person:

Consultant/Expert/Resource Person(s):

Beneficiary country/institution/project contact person(s):

(3) RESULTS SUMMARY

Strategic relevance

Questions:

1. *Was there a direct link between the TA and a strategic document of the host BMC?*
2. *If there was a CDB Country Strategy, did this TA fit it well?*
3. *To what extent was there a fit between the TA and the CDB's corporate priorities and Strategic Plan 2000-2004?*
4. *For an SDF-financed TA, to what extent was there a reasonable fit between the TA and the priorities stated in the SDF 5 Contributors' Report? For TA financed from other sources, was there a reasonable fit with a priority for that source of funds?*
5. *Does the TA address a priority theme in another strategy document (e.g. governance strategy)?*
6. *Does the TA help to remove obstacles to growth? Was the TA important to structural or policy reforms or economic adjustment objectives?*
7. *How much 'strategic leverage' did the TA have?*
8. *Was the TA flexible and adaptable in responding to new and emerging priorities of the BMC or BMCs?*
9. *Did the TA address the 'strategic levers' of capability enhancement, vulnerability reduction and good governance?*
10. *For regional/sub-regional projects, is there an identifiable link to regional cooperation/integration? To the provision of regional public goods? Does the TA support institutional strengthening for a key regional institution?*
11. *Did the project take into account the activities of other donors and local institutions in the same area?*

Evidence of Strategic Relevance:

APPENDIX C

Poverty relevance

Questions:

1. *Does the TA address one or more of the three ‘strategic levers’ of CDB’s poverty reduction strategy: capability enhancement, reduction of vulnerability and good governance? (e.g. improving access to basic social services, or improving the regulatory framework for environmental or social standards)*
2. *Was there a relationship to one or more of the Millennium Development Goals or related MDG Targets?*
3. *Was there a link to a country poverty reduction strategy paper, action plan or Country Poverty Assessment?*
4. *Did the TA involve direct services to the poor and disadvantaged?*
5. *Was there a plausible link with poverty reduction through pro-poor economic growth?*
6. *Was there a close link with social equity objectives (gender, race, community)?*
7. *Is there any other plausible link, direct or indirect, with poverty reduction?*

Evidence of poverty relevance:

Relation to the three “Strategic Levers”

0 1 2 3 4 5 6 7 8 9 10

Link to the Millennium Development Goals

0 1 2 3 4 5 6 7 8 9 10

Efficacy

Questions:

1. *Were the objectives of the TA clear and measurable?*
2. *Can results be identified at different stages of the results chain (outputs, outcomes and longer-term results, if any)?*
3. *How do expected and actual results compare? Can variances be explained?*
4. *Did the TA achieve worthwhile social and environmental results?*
5. *Can a contribution to long-term objectives be plausibly identified?*
6. *For an advisory TA, did the TA have an influence (commensurate with its cost) – or can reasonably be expected to have – on a strategic, sector or thematic priority for that country, region or sub-region?*
7. *For a project preparatory TA, did it lead to a well-prepared investment project?*
8. *Are outcomes measured and reported in supervision reports, completion reports or project evaluations?*
9. *Were there indirect, unplanned or adverse consequences of the TA?*
10. *Were the outcomes for final beneficiaries likely to be commensurate with CDB's investment?*

Evidence of Efficacy:

Efficiency

Questions:

1. *Did the TA contract(s) specify outputs?*
2. *Were the outputs expected from the TA clear?*
3. *Was the TA project economical, taking into account all costs?*
4. *Was project management for the TA effective?*
5. *Were planned resources used properly, e.g. Were expenses met as intended? Was financial information adequate? Was there prudence and probity in project management?*
6. *Was the TA started and finished on time?*

Evidence of Efficiency:

Sustainability

Questions:

1. *How high was sustainability risk in the project?*
2. *Was sustainability articulated explicitly as an objective?*
3. *Did the TORs for the TA describe the meaning of and requirements for sustainability?*
4. *What were the risks for CDB if the TA objectives were not addressed?*
5. *Was institutional capacity for the TA adequately assessed?*
6. *Were adequate financial and other resources available to support the TA and its objectives?*
7. *Was the TA intervention technically sound?*
8. *Was ownership and socio-political support good?*
9. *What was the possibility of continued long-term benefits after the TA was completed? Was the local situation conducive to sustainability?*
10. *Did the project involve significant environmental benefits?*
11. *Were sustainability requirements and results addressed in a Completion Report?*
12. *How resilient was the project to exogenous factors?*
13. *Was a significant on-going effort by the BMC required for sustainability?*
14. *What were the main factors, if any, that compromised sustainability?*

Evidence of Sustainability:

Institutional development impact

Questions:

1. *Did the CDB show adequate concern for institutional capacity building?*
2. *Did the TA have developing institutional capacity as a explicit objective?*
3. *Was an adequate assessment made of institutional needs (as distinct from capacity)?*
4. *Did the TA develop institutional capacity or did it do the work of the institution directly?*
5. *Did the TA result in important changes in institutional mandate or policy?*
6. *Did the TA result in important changes in institutional structure or procedures?*
7. *Did the TA result in important changes in institutional human resources?*
8. *Were measures of the desired ID outcomes stated in the project document?*
9. *What were the main factors that influenced the success of the ID part of the project?*
10. *Was the overall ID impact commensurate with the resources devoted to this objective?*

Evidence of Institutional Development Impact:

(4) CDB PERFORMANCE

Questions:

1. *Was the CDB the Executing Agency?*
2. *Quality of CDB management of the TA:*
 - 2.1 *Was the TA programmed and planned as an integral part of CDB's country, governance or other strategy, and did this strategy provide sound direction for the TA?*
 - 2.2 *Quality of the CDB evaluation of the TA request?*
 - 2.3 *Quality of the TA project design?*
 - 2.4 *Quality at entry (institutional capacity assessment, ownership, learning from past experience, setting reasonable objectives for tracking and assessment the TA, transition planning, quality of the TORs)?*
 - 2.5 *Was there timely and effective monitoring and supervision during implementation?*
 - 2.6 *Was the TA implemented as designed, which factors affected implementation performance, and how were they addressed?*
 - 2.7 *Quality of supervision reports?*
 - 2.8 *Did CDB provide enough of the right type of staff and other resources for the TA?*
 - 2.9 *Was a mid-term review undertaken?*
 - 2.10 *Quality of mid-term review, if any?*
 - 2.11 *Quality of the Completion Report, if any?*
 - 2.12 *Did quality control systems provide an effective method of ensuring the quality of TA formulation?*
3. *Satisfaction of client-beneficiary?*
4. *Lag between expected and actual completion?*
5. *Was coordination with other donors a significant consideration?*
6. *Degree of coordination with other donors (other major agencies? In-country?)*

Evidence of CDB Performance:

(5) CONSULTANT-EXPERT PERFORMANCE

Questions:

1. *Was a consultant/expert engaged?*
2. *If so, how well did he/she perform?*
3. *Is there an explicit rating of the consultant performance on file?*
 - 3.1 *Was CDB satisfied with the consultant-expert's performance?*
 - 3.2 *Was the client-beneficiary satisfied with the consultant-expert's performance?*
 - 3.3 *Quality of the consultant's written product?*

Evidence of Consultant-Expert Performance:

(6) EXECUTING AGENCY/ IMPLEMENTING AGENCY PERFORMANCE

Questions:

1. *How well did the executing agency perform?*
2. *Was there effective 'ownership' by the executing agency/ beneficiary/ stakeholders?*
 - 2.1 *Did the EA plan its work well?*
 - 2.2 *Did the EA complete its tasks efficiently and on time?*
 - 2.3 *Availability and performance of counterpart staff?*
 - 2.4 *Were counterpart funds adequate?*
 - 2.5 *Has the EA (or beneficiary) made good use of the TA results?*

Evidence of Executing Agency/ Implementing Agency Performance:

(7) LESSONS LEARNED

Questions:

1. *Together with other TAs for the country/region/sub-region in the selected sample, were lessons learned or can such lessons be identified? Both positive and negative factors should be identified.*
2. *Can best practices in the particular area be identified?*
3. *Is there anything on file?*
4. *Was there a mechanism for learning lessons (such as an exit workshop or exit interviews or section in a Completion Report)?*

Lessons learned:

INITIAL BENCHMARKING FOR PERFORMANCE SCORING

D.01 The initial benchmarking for the scoring of projects in the project sample is referred to in Section 2.6 in Chapter 2. Its purpose was to strengthen the consistency of the project scoring by members of the evaluation team. This was done by use of the Delphi technique, as indicated in Section 2.6. Further information on this is provided below.

D.02 The salient characteristics of a Delphi exercise are:

- Careful marshalling of information beforehand on each TA project.
- Use of persons with diverse relevant experience to comment on project performance and to score the projects.
- Independent estimates by each evaluator made separately and anonymously to prevent any follow-the-leader effect.
- Repeated rounds of estimates (in this case, two rounds), each time with the group knowing the average results of previous rounds of estimation and with discussion preceding each round.
- When those requisites are met, group-based judgments have been shown to be more accurate than estimates by a single expert.³²³

Results of the Benchmarking

D.03 In the benchmarking exercise, the overall average score for eight projects and all performance criteria was 5.1 out of 10.³²⁴ Table 2.6 shows the performance scores assigned by the four scorers in the benchmarking exercise.

D.04 The highest average benchmarking score was for “strategic relevance” (7.1 out of 10) and the lowest was for “sustainability” (3.9 out of 10). The scorers varied most on the “poverty relevance” criterion. There was, in fact, a debate in the Delphi session regarding the application of this criterion, some arguing that there should be some direct effect on poverty to justify a high score on poverty relevance, and others arguing that significant indirect relevance was generally adequate, such as the expectation of a significant improvement in government revenues where there was reasonable expectation that this would result in increased support for a national poverty reduction strategy. All of the scorers, however, recognized the relevance of the various factors relating to the three “strategic levers” in the Bank’s poverty reduction strategy.

D.05 In general, the scorers were reasonably consistent from one scorer to another. The standard deviation among the four scorers (depending on the performance criterion) varied from 0.28 (consultant performance) to 0.94 (poverty relevance). Therefore, the scores, although undertaken independently, were in general clustered in a narrow band on the 0-10 scale. Scorers did differ among themselves, but not by much. For example, a standard deviation of 0.53 indicates that more than two-thirds of all scores were within a range that was 1.0 wide in the 0-10 scale. It is noteworthy that the standard deviation of scores of each single scorer was considerably greater than the standard deviation between scorers on a single criterion. To put it another way, there was more scoring variation between performance criteria than between scorers.

³²³ Surowiecki, J. (2004). *The Wisdom of Crowds: Why the Many are Smarter than the Few and How Collective Wisdom Shapes Business, Economics, Societies and Nations*. New York: Doubleday.

³²⁴ The average benchmark score was a little higher than the eventual average score for the full sample of projects, which probably reflects only the selection of substantial and interesting cases for the benchmarking exercise, rather than a random sample.

APPENDIX D

TABLE D.1: AVERAGE PERFORMANCE SCORES (SCALE 0-10), BY CRITERION AND SCORER, FOR BENCHMARK PROJECTS (SECOND ROUND SCORES)

Criteria	Scorer 1	Scorer 2	Scorer 3	Scorer 4	All Scorers (average)	Standard deviation of scores
Strategic Relevance	6.75	7.63	6.63	7.57	7.1	0.53
Poverty relevance	4.19	6.50	5.38	5.43	5.4	0.94
Efficacy	3.63	4.00	4.88	4.70	4.3	0.59
Efficiency	4.38	4.88	4.50	5.56	4.8	0.53
Sustainability	3.81	3.50	4.00	4.24	3.9	0.31
ID impact	3.56	3.69	4.13	5.40	4.2	0.84
CDB performance	5.50	5.63	3.88	5.29	5.1	0.81
Consultant performance	6.25	6.88	6.38	6.40	6.5	0.28
EA performance	4.06	4.88	4.13	4.99	4.5	0.49
All criteria (average)	4.68	5.28	4.88	5.51	5.1	0.38
Standard deviation of scores	1.19	1.47	1.04	0.98	1.09	

Source: Benchmark Exercise at CDB, August 15, 2006

These were unweighted scores. As noted above, all projects were scored individually according to all criteria, and then as a second stage, the full data set of performance scores for six criteria were weighted according to the weights that CDB uses in its Project Performance Evaluation System (PPES) to produce a composite rating, following CDB's standard evaluation methodology.³²⁵

³²⁵ The PPES weights in 2006 are: strategic relevance 10%, poverty relevance 20%, efficacy 30%, cost efficiency 10%, institutional development impact 20%, and sustainability 10%.

THE THREE STRATEGIC LEVERS OF THE POVERTY REDUCTION STRATEGY³²⁶

3.1 Poverty Reduction

3.03 CDB's poverty reduction strategy, of which SDF operations are an essential part, builds on the Bank's experience over successive SDF cycles, with their emphasis on social development, poverty reduction, environmental sustainability and good governance, including programmes targeted directly at the poor. The broad outlines of the strategy were approved by SDF Contributors in the course of the SDF 5 process, and the strategy has been further developed in a policy paper reviewed by the Board of Directors and by Contributors during the SDF 6 process.

3.04 The strategy provides a broad framework for addressing the causes and characteristics of poverty in the Caribbean, and is consistent with the objectives of the MDGs, which emphasise poverty reduction, human development and environmental sustainability in their multi-dimensional aspects, together with the need for a results-oriented partnership.

3.05 Three broad priorities or 'strategic levers' are at the heart of the Bank's poverty reduction strategy. These priorities are overlapping, and in some cases focus on different aspects of the same factors and programmes. The three priorities are:

- (a) *enhancement of capabilities;*
- (b) *reduction of vulnerability;* and
- (c) *good governance.*

These are the elements of the *poverty prism*, endorsed by Contributors in the SDF 5 Agreement as a comprehensive and flexible operational instrument to build on and broaden the Bank's poverty reduction focus. The three poverty reduction priorities provide a lens through which all of the Bank's operations are viewed at all stages of the operational or project cycle, including ordinary capital operations as well as those of SDF. Within these priorities is a focus on particular interventions targeted directly at the poor, such as the Bank's flagship community development programme, the BNTF, but the strategy is broader including attention to social and gender equality, emphasising the multi-dimensional aspects of poverty in the Caribbean and of the MDGs themselves.

3.06 *Contributors reaffirmed their support* for this innovative approach to strengthening the focus of the Bank's work on poverty reduction. *They underlined, however, the critical importance* of fully operationalising the poverty reduction strategy through all stages of the project cycle as a priority milestone in the SDF 6 Action Plan. *They expressed regret* that it had not been possible to carry this work further during SDF 5, but *welcomed* the efforts that had now been made and the expected early completion of operational guidelines for applying the poverty reduction strategy.

3.07 The poverty reduction strategy includes an integrated set of measures, including the undertaking and updating of CPAs as an essential knowledge base for policy and programme and project design, support for the development of national poverty reduction strategy papers (NPRSs), preparation of country strategy papers (CSPs) for CDB's own operations, and the strengthening and use of social and gender analysis as an essential underpinning for application of the poverty prism. Each of these elements of the strategy is part of the Action Plan for SDF 6.

³²⁶ Excerpt from *Reducing Poverty in the Caribbean and Targeting the Millennium Development Goals: Report of Contributors on SDF 6*. This provided a convenient short checklist of types of assistance consistent with the "three strategic levers" that was used in the Evaluation, in addition to the Bank's *Poverty Reduction Strategy* itself.

3.08 M&E are integral to the effectiveness of the strategy and the application of lessons learned. *Contributors strongly endorsed* the Bank's intention to use the MDGs, with appropriate targets and indicators, as the broad framework for the M&E system, including in CSPs for individual BMCs, and *they underlined the importance* of further work on this as a priority milestone in the SDF 6 Action Plan.

Capability Enhancement

3.09 The enhancement of capabilities is concerned with the economic and social empowerment of individuals and with equipping persons living in poverty or at the margin of poverty to take advantage of economic opportunities and to participate in the social and political processes that govern their lives.

3.10 Interventions under this priority during SDF 6 will include:

- (a) assistance to BMCs to *restructure their economies, allocate resources more effectively, develop and implement policy reforms and create an enabling environment* for investment and job creation;
- (b) support for *human resource development*, particularly through improving access to, and the quality of, formal and non-formal education and training, especially for the poor, the disadvantaged, and those living in rural areas;
- (c) support for *rural development*, including building economic and social capital in rural communities, providing economic opportunities for indigenous populations and promoting the development of rural enterprises;
- (d) development of *micro and small enterprises (MSEs)* and training in *small business management and marketing*, including access to credit and provision of innovative TA;
- (e) Support for provision of *essential social and economic infrastructure*, and
- (f) mainstreaming gender equality at all levels through capacity building in gender based analysis for the production of statistics, for priority setting in economic and social policy making and planning and in community-based programming, and in Bank operations.

Reducing Vulnerability

3.11 The reduction of vulnerability can prevent the poor from descending deeper into poverty and those close to and vulnerable to poverty from becoming poor or indigent. Exposure to economic volatility and environmental hazards is a critical factor threatening incomes and assets in the BMCs. Market insecurity and the effects of economic and trade liberalisation threaten livelihoods and have resulted in significant declines in living standards. Frequent natural disasters compound the effects of economic instability, and elevated rates of HIV/AIDS threaten to undermine social and economic progress.

3.12 Particular attention during SDF 6 will be given to:

- (a) mainstreaming *natural hazard risk management* at regional, national and community levels, including promotion of a culture of disaster risk reduction, incorporating hazard risk considerations into project design, disaster preparedness, disaster mitigation and prevention, and emergency response and disaster rehabilitation;
- (b) accessible and efficient *delivery of public services*, including water and sanitation and community health facilities;
- (c) formulation of *health policy and health systems reform*, with the objective of improving efficiency and quality of services, including policies that favour pro-poor activities and vulnerable groups; continued collaboration with development partners within the framework of Caribbean Cooperation in Health, and support for national and regional responses to HIV/AIDS in the framework of the Regional Strategic Plan of Action;
- (d) *shelter development and special mortgage interventions for low-income households* to improve their living conditions, and development of the policy and institutional framework for sustainable

housing, regularisation of squatter settlements and improving living conditions for the urban poor; and

- (e) *rural development* interventions that are highly participatory and build social capital, assist small farmers and indigenous populations, promote the development of rural enterprises to reduce the risk of income failure, and provide essential social and economic infrastructure.

3.13 *Contributors welcomed, inter alia*, the Bank's initiatives in relation to natural hazard risk management, and the support that had been provided to this work by USAID. *They supported* the addition of this function to the Bank's permanent establishment, and *endorsed* the active programme envisaged.

Good Governance

3.14 The quality of governance is critical for the reduction of poverty, the development of economic and social policies to address the causes of social exclusion and inequity, the provision of public services, and broad-based, sustainable growth. *Contributors welcomed* the Bank's Strategy on Governance and Institutional Development³²⁷ and *underlined the importance* of further steps to operationalise the strategy.

3.15 Good governance provides effective economic management, promotes stronger commitment to common goals and enhances the prospects for achieving national objectives such as increases in investment and incomes, decreases in crime and poverty, and improvements in social indicators. It contributes to the realisation of improved living standards and higher quality of life.

3.16 The framework for the Bank's governance strategy consists of six elements:

- (a) supporting the creation of a *modern, effective and accountable public sector* capable of delivering valued public services;
- (b) building and reorienting capacities to meet the needs and challenges of globalisation and integrating market-oriented economic policies with poverty reduction through improved macroeconomic management, revenue/expenditure management and policy management;
- (c) encouraging *social partnerships and wider participation* in national consensus-building, local development planning, and the provision of local public services that benefit the poor;
- (d) supporting the *establishment and strengthening of regulatory systems* for environmental and social protection and orderly private sector development, improved justice systems, and improved governance of the private sector;
- (e) encouraging *regional cooperation through strengthening regional governance mechanisms as well as national capacity* for implementing regional and international commitments that contribute to strategic global repositioning; and
- (f) *mainstreaming governance* in the Bank's operations, including those of SDF.

3.17 Given limited resources, the Bank will need to select priorities within this framework. In doing this, CDB will be guided by its comparative advantages and core competencies, as well as its particular areas of influence. These will emphasise improving the capability of BMCs to design and implement appropriate policies, programmes and projects to create the conditions for pro-poor growth and development, and expanding partnerships. The emphasis will be on collaborative relationships with development partners – bilateral and multilateral agencies and inter-governmental organisations – in the design and implementation of good governance interventions.

3.18 At the national level, the use of SDF 6 resources will be targeted on:

- (a) building capacity for improved tax systems and administration;

³²⁷ "Strategy on Governance and Institutional Development," September 2003, circulated under BD 25/01 Add. 3 October 30 2003, approval by the Board recorded December 11, 2003.

- (b) improving project cycle management;
- (c) developing capacity for improved policy management and coordination;
- (d) increasing capacity for improved fiscal and debt management;
- (e) strengthening implementation capacity, particularly in relation to the delivery of services;
- (f) improving accountability in the public sector;
- (g) establishing strong legal and regulatory frameworks, including environmental management and modernisation of the legal environment for private sector development;
- (h) building capacity to improve and maintain security, including a range of related interventions;
- (i) promoting transparency, including in government contracting and physical development planning;
- (j) encouraging the development of national Information and Communication Technology (ICT) policies and strategies to improve knowledge management and institutional learning, and the delivery of public services;
- (k) promoting social partnerships and meaningful participation of civil society in development planning and the functioning of public services; and
- (l) promoting gender sensitivity and gender management systems.

3.19 *Contributors noted* that several of the most heavily indebted developing countries in the world are in the Caribbean, and that strengthening good governance requires addressing the fiscal stress and debt sustainability issues if the countries are to effectively make the transition in the new environment. In particular, the impact of the high debt ratios and resulting high debt service ratios has significantly reduced the fiscal space of these countries to address urgent issues of development and economic transition. *Contributors welcomed* the Bank's intention to submit for review by the Board of Directors at its October 2005 meeting, a paper on innovations to the Bank's lending policy including a possible policy-based lending instrument that would, in collaboration with development partners, directly address issues of fiscal and debt sustainability.

3.20 *Contributors stressed* the importance of public security as an element of good governance and a primary public good. *They underlined* that in some BMCs crime and violence had assumed major importance as obstacles to development, with far-reaching consequence for society, and *welcomed* the recognition of this by the Bank, in giving consideration to possible assistance in areas such as improving physical conditions and support for security personnel, public education, strategic planning and outreach, needs assessment and strengthening of the criminal justice system.

POVERTY STRATEGY TOOLKIT No. 8. TECHNICAL ASSISTANCE

This is a **GENERIC** toolkit for any intervention that includes a Technical Assistance (TA) component.

CDB's TA aims to enhance development planning, management and implementation capabilities within borrower member countries (BMCs). It comes in several forms: advisory services, training activities, research and promotional activities. TA is provided both by Bank staff in the course of their normal work programmes and by external specialists.

The emphasis on capacity enhancement and governance in CDB's TA programme makes it a key instrument for operationalising CDB's Poverty Reduction Strategy. Many of the issues raised in the sector checklists rely on TA activities.

General checklist

WILL THE TA COMPONENT OF THE INTERVENTION:	Tick if yes	Note anything you want to explain or clarify here
<p>1. Contribute to a programme that <i>aims to have poverty reduction and gender equity outcomes</i> through:</p> <ul style="list-style-type: none"> • enhancing capacity/productivity • reducing vulnerability or • improving governance/accountability? <hr/> <p>The following list gives examples of <i>the sort of links</i> that can be made between TA and poverty reduction. Whether these links are realised in practice will depend on how the objectives of the TA are expressed in the TOR and the experience and orientation of consultants hired to undertake the work.</p> <p>Examples of TA contributing to enhancing capacity/productivity:</p> <ul style="list-style-type: none"> • TA to help the Labour Department collect and analyse information on the labour market might be expected to inform education, training and employment policies and planning and/or contribute to the development of a national HRD strategy; • TA to strengthen gender analysis in the preparation of national statistics might be expected to improve understanding of gender differences in access to productive employment and social services and allow these to be addressed in sector planning and resource allocation exercises; • TA to develop a tourism Masterplan might be expected to provide strategic guidance to the public and private sectors (including micro-enterprises) and NGOs on how to maximise returns from tourism in a responsible manner; • TA to regional research and information sharing on curricula development and reform might be expected to enhance national education and training programmes and thereby contribute to raising standards and pass-out rates in schools and colleges. <p>Examples of TA contributing to reducing vulnerability:</p> <ul style="list-style-type: none"> • TA to develop a national communications strategy on HIV/AIDS might be expected to help reduce the vulnerability of those at risk – both directly and through reducing the stigma associated with HIV/AIDS; 		

<ul style="list-style-type: none"> • TA to help reform VAT systems might be expected to have (at least) no negative impacts for poorer groups – provided changes to VAT are based on a thorough assessment of what the poor buy • TA to assess the vulnerability of schools to natural hazards might be expected to contribute directly to reducing the vulnerability of children, teachers and the local community to natural hazard risks. <p>Examples of TA contributing to improving governance/ accountability:</p> <ul style="list-style-type: none"> • TA to help strengthen the management of customs departments might be expected to increase resources available for other sectors of the economy, particularly the social sectors • TA to strengthen the institutional framework for local government might be expected to directly strengthen governance systems at local level; • TA to design a communications strategy for community radio might be expected to improve the voice of local women and men in issues that affect them and thereby contribute to governance objectives. 		
<p>2. Consider including the following <i>criteria (as relevant) in the specifications for consultancy teams:</i></p> <ul style="list-style-type: none"> • a <i>gender balance</i> within the team itself - this may be an appropriate requirement for the research or consultancy work in question; it may also help provide an appropriate skills mix • a <i>general awareness</i> of poverty reduction issues in the sector, including sensitivity to gender concerns, to the meaning of vulnerability (when applied to the sector) and to good governance can best be supported? • <i>previous experience</i> of developing mechanisms that aim to ensure project benefits reach poor or rural communities in the country concerned? • <i>expertise in identifying/investigating</i> natural hazards and risks (where this is an aspect of the work)? • an <i>understanding of CDB's own PRS</i> and of the way this is being operationalised (for work that contributes to CDB project design, appraisal, supervision or evaluation) 		
<p>3. Promote <i>consultancy expertise within the region</i> and thereby build regional and national capacity? For example, through:</p> <ul style="list-style-type: none"> • targeting regional consultancy firms whenever feasible; • circulating CDB's registered list of regional and/or local firms to larger companies with a suggestion that they use one of these for work requiring regional expertise; • building in a technological transfer component so that the successful consultancy firm is tasked to enhance the skills of their local counterparts through mentoring and training. (Particularly when the TA is not specifically aimed at capacity enhancement.) 		
<p>4. Indicate areas of severe skills shortages in the private or voluntary sector that <i>other interventions might address? (e.g. CTCS)?</i></p>		



CDB PROJECT IDENTIFICATION, PREPARATION AND APPRAISAL

TECHNICAL ASSISTANCE PROJECTS

Processing Stages for both Technical Assistance Loans and Grants

1. Request Registration of Application
2. Preliminary Screening of Application
3. Preparation of Project Profile
4. Resource Allocation
5. Screening of Request and Data provided
6. Preparation and Appraisal
7. Review
8. Loans Committee
9. Recommendation (R) and Approval (A):
 - (a) < USD 50,000 - DPD (R), Vice-President Operations (R) and President (A)
 - (b) < USD 150,000 – DPD (R) and President (A)
 - (c) > USD 150,000 - President (R) and Board of Directors (A)
10. Notification and Finalisation of Legal Documentation



CDB PROJECT IDENTIFICATION, PREPARATION

TECHNICAL ASSISTANCE PROJECTS

Technical Assistance Report Checklist

- *Country*
- *Project Title*
- *Borrower/Grantee*
- *Executing Agency*
- *Beneficiary*
- *Date of Application*
- *Type of Financing*
- *Source of Funds*
- *Legal Status of Applicant*
- *Consistency with:*
 - *CDB Strategic Objective(s)*
 - *CDB Corporate Priority(ies)*
 - *Country Objective(s)*
- *Summary Budget*



CDB PROJECT IDENTIFICATION, PREPARATION AND APPRAISAL

TECHNICAL ASSISTANCE PROJECTS

Technical Assistance Report Checklist (continued)

- *Project Background*
- *Project Proposal/Description*
- *Project Objectives*
- *Project Justification/Benefits*
- *Environmental Impact*
- *Social Impact*
- *Execution*
- *Procurement*
- *Recommendations*
- *Approval*
- *Supporting Appendices*
 - *Detailed Budget*
 - *Terms of Reference*
 - *Logical Framework Matrix for projects USD 100,000 and over*

16. Comments of CPO, TCU: _____

17. Comments of DD, SDD: _____

18. Comments of DPD: _____

RECOMMENDATIONS/DECISIONS RE APPRAISAL

<u>OFFICER</u>	<u>Action Recommended/Approved</u>		<u>Terms Recommended/Approved</u>				<u>Funding Source</u>		<u>Specified</u>	<u>Initials/Date</u>
	<u>Reject</u>	<u>Appraise</u>	<u>Grant</u>	<u>Loan</u>	<u>CL</u>	<u>Other</u>	<u>SDF</u>	<u>Other</u>		
O, TCU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____/____
), SDD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____/____
'D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____/____

FURTHER COMMENTS MAY BE MADE ON SHEETS TO BE ATTACHED.

APPENDIX H.2

**CARIBBEAN DEVELOPMENT BANK
RECOMMENDATION AND APPROVAL OF TECHNICAL ASSISTANCE (TA)
(Under USD 150,000)**

1. Country:	2. Project Title:	3. PRN No:
		4. Sector:
5. Grantee:	6. Executing Agency:	7. Beneficiary:
8. Date of Application:	9. Type of Financing:	10. Source of Funds:
11. Legal Status:		
12. Consistency with Strategic Objectives:		
<p style="margin-left: 40px;">(a) Corporate: .</p> <p style="margin-left: 40px;">(b) Thematic:</p> <p style="margin-left: 40px;">(c) Country:</p>		
13. Budget:		
		<p><u>Contributors</u> <u>BDS'000</u> <u>%</u></p> <p style="text-align: right;">Total</p>
14. Background:		
15. Proposal/Description:		
16. Project Objective:		

17. **Project Justification/Benefits:**

18. **Environmental Impact:** Major Minor

Social Impact: Major Minor Not Applicable

19. **Execution:**

20. **Procurement:**

21. **Loans Committee Recommendation:**

22. **Recommendation:**

Signed: _____ _____
Director, Projects Department Date

23. **Approval:**

Approved by: _____ _____
President Date

SUPPORTING DOCUMENTATION

APPENDIX H.3

SCREENING PROCESSES AVAILABLE IN PPMS PIPELINE MODULE

Caribbean Development Bank - PPMS

**PROJECT PORTFOLIO MANAGEMENT SYSTEM
PIPELINE MODULE** w_fppas001 2007-06-20 11:06:14 am

SEARCH APPLICATION | NEW APPLICATION

Application: 880 | Client: Anguilla | Unit: | Type of Financing: | Country: Anguilla | Sector: | Allocation Cycle: 1 | Short Name: xxx | Current Stage: APPLICATION SETUP

Application Details

Country: Anguilla | Funding Method: Loan

Client: | Is the Application for a Loan/Grant or Additional Loan/Grant? New Additional

If Additional Loan/Grant, Please enter PRN or Application No of the Original Loan/Grant
 PRN: | Application No.: |

Project Name: xxx | Project Description: xxx | Project Objectives: xxx

Project Background: | CDB Strategic Objective(s) [right-click to modify]

Economic Contribution and Benefits: | CDB Corporate Priority(ies) [right-click to modify]

Foreign Exchange Implications: | Country Objective(s)

Application Date: 0000/00/00 | Identification Date: | Applicant Name: | Address: |

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Caribbean Development Bank - PPMS

**PROJECT PORTFOLIO MANAGEMENT SYSTEM
PIPELINE MODULE** w_FPPAS002 2007-06-20 11:06:46 am

SEARCH APPLICATION | NEW APPLICATION

Application: 880 | Client: Anguilla | Unit: | Type of Financing: | Country: Anguilla | Sector: | Allocation Cycle: 1 | Short Name: xxx | Current Stage: APPLICATION SETUP

Additional Details

Sector: | TA Category: | Project Type: | Type Of Financing: | Financial Project? Yes No

Department: Projects Department | Division: | Unit: | Channel: | File Number: | Notification Date: 0000-00-00

Co-ordinator: | Portfolio Manager: | Country Economist: | Legal: |

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Caribbean Development Bank - PPMS

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

w_FPPIS002 2007-06-20 11:07:01 am

Application	880	Client	Anguilla	Unit	
Type of Financing		Country	Anguilla	Sector	
Allocation Cycle	1	Short Name	xxx	Current Stage	APPLICATION SETUP

Project Financing

Financing Agency	Financing Type	Original	Revised	
Total				0 0

+ New
✎ Modify
✖ Delete

Financing Agency	<input type="text"/>	Type Of Financing	<input type="text"/>	<input checked="" type="checkbox"/> Ok
Original Amount	<input type="text" value="0"/>	Revised Amount	<input type="text" value="0"/>	<input checked="" type="checkbox"/> Cancel

Is contingent loan recovered? Yes No N/A Is PPA recovered? Yes No N/A

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Caribbean Development Bank - PPMS

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:52:10 pm

Application	847	Client	GOSKN .ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

Executing Agency

Executing Agency	CDB		
Agency Address	Willey, St. Michael		
Website Address			
Project Manager	N/A		
E-Mail			
Fax	- -	Telephone 1	- -
Organization Type	Development Bank	Telephone 2	- -
Comments On Management	<input type="text"/>		
Comments On Financial Position	<input type="text"/>		
Comments On Capabilities	<input type="text"/>		
Execution - Responsibilities and Inputs (TA)	N/A		

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Caribbean Development Bank - PPMS

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:52:26 pm

SEARCH APPLICATION

NEW APPLICATION

- APPLICATION SETUP
 - Application Details
 - Additional Details
 - Project Financing Details
 - Processing Stages
 - Setup Team
 - Processing Schedule
 - Application Status
 - Print Project Processing Schedule
- PROJECT PROFILE
 - Executing Agency
 - CDB Project Costs**
 - Total Project Cost
 - Requested Funding
 - Requirements
 - Benefits
 - Assessment
 - Submit for Project Profile Decision
 - Print Project Profile
 - Print TA Recommendation/DIRL Report
- PRELIMINARY ASSESSMENT
 - Recommended Funding
 - Allocation of Funds
 - Country Allocations
 - Submit To Next Stage
 - Print Preliminary Assessment
- PROCEED TO APPRAISE
 - Review
- PROJECT PROCESSING ACTIVITY
 - Setup Team
 - Participating Department/Division/Unit
 - Consultant Schedule
 - Submit To Next Stage

Application	847	Client	GOSKN -ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

CDB Project Costs

S. No	Project Component	Original Amount	Revised Amount
1	Consultancy	310,000	0
2	Price Contingency	37,000	3,000
3	Equipment and Software	30,000	30,000
Total		377,000	33,000

Serial No. Project Component

Component ID

Description

Original Amount Revised Amount

Caribbean Development Bank - PPMS

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:52:44 pm

SEARCH APPLICATION

NEW APPLICATION

- APPLICATION SETUP
 - Application Details
 - Additional Details
 - Project Financing Details
 - Processing Stages
 - Setup Team
 - Processing Schedule
 - Application Status
 - Print Project Processing Schedule
- PROJECT PROFILE
 - Executing Agency
 - CDB Project Costs
 - Total Project Cost**
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- PROCEED TO APPRAISE
 - Review
- PROJECT PROCESSING ACTIVITY
 - Setup Team
 - Participating Department/Division/Unit
 - Consultant Schedule
 - Submit To Next Stage

Application	847	Client	GOSKN -ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

Total Project Cost

S. No	Description	CDB	Borrower	Executing Agency	Other	Total
1	Consultancy	0	0	0	0	0
2	Price Contingency	3000	0	0	0	3,000
3	Equipment and Software	30000	0	0	0	30,000
Total		33,000	0	0	0	33,000

Serial No.

Cost Component Component ID

Description

CDB Amount Executing Agency Amount

Borrower Amount Other Amount

Caribbean Development Bank - PPM5

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:52:57 pm

SEARCH APPLICATION

NEW APPLICATION

- APPLICATION SETUP
 - Application Details
 - Additional Details
 - Project Financing Details
 - Processing Stages
 - Setup Team
 - Processing Schedule
 - Application Status
 - Print Project Processing Schedule
- PROJECT PROFILE
 - Executing Agency
 - CDB Project Costs
 - Total Project Cost
 - Requested Funding**
 - Requirements
 - Benefits
 - Assessment
 - Submit for Project Profile Decision
 - Print Project Profile
 - Print TA Recommendation/DIRL Report
- PRELIMINARY ASSESSMENT
 - Recommended Funding
 - Allocation of Funds
 - Country Allocations
 - Submit To Next Stage
 - Print Preliminary Assessment
- PROCEED TO APPRAISE
 - Review
- PROJECT PROCESSING ACTIVITY
 - Setup Team
 - Participating Department/Division/Unit
 - Consultant Schedule
 - Submit To Next Stage

Application	847	Client	GOSKN -ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

Requested Funding

Type Of Financing	Fund Source	Original Amount	Revised Amount	Interest Rate	Grace Period
Grant	UNIFIED - SDF	36,000	33,000	0.00	0
Use of Funds	UNIFIED - SDF	341,000	0	0.00	0

+ New
✎ Modify
✖ Delete

Summary		
Type Of Financing	Original Amt	Revised Amt
Grant	36,000	33,000
Use of Funds	341,000	0

Type of Financing: Funding Source:

Original Amount: Revised Amount:

Interest Rate: Grace Period: (months)

✓ Ok
✗ Cancel

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Caribbean Development Bank - PPM5

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:53:13 pm

SEARCH APPLICATION

NEW APPLICATION

- APPLICATION SETUP
 - Application Details
 - Additional Details
 - Project Financing Details
 - Processing Stages
 - Setup Team
 - Processing Schedule
 - Application Status
 - Print Project Processing Schedule
- PROJECT PROFILE
 - Executing Agency
 - CDB Project Costs
 - Total Project Cost
 - Requested Funding
 - Requirements**
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 - Setup Team
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 - Consultant Schedule
 - Submit To Next Stage

Application	847	Client	GOSKN -ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

Requirements

Feasibility Study Required Yes No

Details

TECHNICAL ASSISTANCE REQUIRED FOR

a) Feasibility Study Yes No

Details

b) Project Preparation Yes No

Details

c) Project Implementation Yes No

Details

d) Accounts and Management Yes No

Details

e) Others Yes No

Details: Consultancy services to conduct CPA and to prepare PRS and Poverty Maps and the provision of equipment and software for data processing and analysis

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Caribbean Development Bank - PPMS

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:53:25 pm

Application	847	Client	GOSKN -ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

SEARCH APPLICATION

NEW APPLICATION

- APPLICATION SETUP
 - Application Details
 - Additional Details
 - Project Financing Details
 - Processing Stages
 - Setup Team
 - Processing Schedule
 - Application Status
 - Print Project Processing Schedule
- PROJECT PROFILE
 - Executing Agency
 - CDB Project Costs
 - Total Project Cost
 - Requested Funding
 - Requirements
 - Benefits**
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 - Print TA Recommendation/DIRL Report
- PRELIMINARY ASSESSMENT
 - Recommended Funding
 - Allocation of Funds
 - Country Allocations
 - Submit To Next Stage
 - Print Preliminary Assessment
- PROCEED TO APPRAISE
 - Review
- PROJECT PROCESSING ACTIVITY
 - Setup Team
 - Participating Department/Division/Unit
 - Consultant Schedule
 - Submit To Next Stage

Benefits

Expected Benefits

Impact Of Project On Environmental Conditions

Major
 Minor
 Not Applicable

Impact Of Project On Social Conditions

Major
 Minor
 Not Applicable

Poverty Assessments assess the current conditions affecting the welfare of people, identify policies, strategies, action programmes and projects that would sustainably reduce the extent and severity of

Impact Of Project On Technical Conditions/Sector

Impact Of Project On Energy Saving

Project Output For

Export
 Both
 Domestic Consumption
 Not Applicable

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Caribbean Development Bank - PPMS

PROJECT PORTFOLIO MANAGEMENT SYSTEM PIPELINE MODULE

2007-06-20 01:53:40 pm

Application	847	Client	GOSKN -ST.KITTS	Unit	No Unit
Type of Financing	Grant and U	Country	St. Kitts & Nevis	Sector	MULTI-SECTOR
Allocation Cycle	1	Short Name	St. Kitts and Nevis Country Poverty	Current Stage	Approved

SEARCH APPLICATION

NEW APPLICATION

- APPLICATION SETUP
 - Application Details
 - Additional Details
 - Project Financing Details
 - Processing Stages
 - Setup Team
 - Processing Schedule
 - Application Status
 - Print Project Processing Schedule
- PROJECT PROFILE
 - Executing Agency
 - CDB Project Costs
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- PROJECT PROCESSING ACTIVITY
 - Setup Team
 - Participating Department/Division/Unit
 - Consultant Schedule
 - Submit To Next Stage

Assessment

Assessment of Borrower, Beneficiary and Executing Agency

N/A

Priority Rating of Project by

Executing Agency
 Urgent
 High
 Normal
 Marginal
 Low
Government / Borrower
 Urgent
 High
 Normal
 Marginal
 Low
CDB
 Urgent
 High
 Normal
 Marginal
 Low

Does the Project merit consideration ?
 Yes
 No

For TA/DIRL Projects

Recommendation	Terms and Conditions
The use of funds not exceeding three hundred and forty one thousand United States dollars to finance	
Procurement	Legal Status

Beneficiary

Government of St. Kitts and Nevis

Disbursement

[Submit project profile for review?](#)
 Yes
 No

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EXAMPLE OF A RESULTS-BASED TA MONITORING FORM

(1) Key Results Areas for the TA

Key Result Area (Outcomes)	Results Targets (Outputs, Outcomes)	Milestone Dates	Baseline (Previous Results Rating)
(KRA 1) SOE reform and privatization	2008 TA proposed to examine SOE portfolio management.	No ADB operations at present.	Not Scored
(KRA 2) Financial sector reform A well-functioning secured transactions framework to increase and broaden access to credit	Secured Transactions Law	Passed by May 2007	SAT
	Notice Filing Archive	Tested and fully operational by end of 2007	
Expansion of microfinance products and client outreach, and sound microfinance portfolio performance	Microfinance technology tested and implemented	By 2008	

(2) TA Project Results

KEY RESULTS (Meaningful Outputs, Outcomes)				
KRA	Key Results	Project Specific Weight	Progress	
			Score (0-6)	Rating
KRA 1	Nat Bank's expands rural small loan portfolio by 30%.	60%	5.5	H-SAT
KRA 1	Establish a microfinance task force.	30%	3.5	SAT
KRA 1	Implement policy environment	10%	1.75	UNSAT
	RESULTS RATING (Weighted Average)	100%	4.6	H-SAT

IMPLEMENTATION RESULTS (Inputs, Activities, Risks)		
Project dimension	Performance Score (0-6)	Progress Rating
PDMC Commitment to Project	4.0	SAT
Adequate Resources	4.0	SAT
Changes in Scope	4.0	SAT
Timely performance	3.5	P-SAT
EA performance	3.0	SAT
Consultant performance	5.5	H-SAT
Average Implementation Rating:	3.5	SAT

SUBSTANTIATION AND COMMENT
The TA was highly successful with respect to the rural and microfinance outreach product for the National Bank of ---. The policy and legal environment component was rated satisfactory. The TA did not succeed in launching the implementation of the policy recommendations, due to lack of momentum towards the end of the TA on the part of government and microfinance organisations.

RECOMMENDATIONS OF PREVIOUS EVALUATIONS OF CDB TA³²⁸

2 nd TA EVALUATION 1984	3 rd TA EVALUATION 1994	4 th TA EVALUATION 2000	CURRENT STATUS
1. TA programme planning			
Continue to develop overall long and short range planning.			Some efforts have been made in planning and programming, and TA has been provided increasingly in some key policy-guided areas. Many other TAs, however, are largely responsive to circumstances and frequently are single interventions.
2. Project preparation			
	The TA project appraisal process should be improved through clear identification of objectives and targets, incorporation of lessons learnt from previous projects, etc.		The project appraisal process has been reviewed and improved, but for TAs it has been difficult to apply a structured process, particularly with respect to incorporation of lessons learned and particularly since the closure of the TCU. Log frame analysis is however applied to larger TAs.
3. TA supervision and management			
	A major weakness of the TA programme is limited supervision by CDB. The TCU should be strengthened with additional staff to undertake the necessary supervision of TA projects.	The Bank's performance in the management of its inputs to TA projects plays a significant part in the outcomes of the projects. The Bank should examine the responsibilities/ work load of project officers with a view to making as-needed portfolio changes or increasing the number of field officers, given the trend of increasing demand for and complexity of TA projects.	Staff constraints and other responsibilities have made it difficult to increase TA supervision, particularly in the field, and in many cases TAs have been assigned to officers who were currently available. The importance of strengthening staff supervision of TAs, including field-level missions, has been re-emphasized in the current report.
4. Executing agencies and beneficiaries			
		Historically, the general performance of executing agencies in technical assistance is weak. The value of close adherence to	The problem is recognized and efforts have been made to emphasize the importance of the EA's role. Continuing

³²⁸ Recommendations shown are those of continuing relevance and are grouped under similar topics. Some other recommendations were specific to particular circumstances at the time or are covered by recommendations listed.

APPENDIX J

2 nd TA EVALUATION 1984	3 rd TA EVALUATION 1994	4 th TA EVALUATION 2000	CURRENT STATUS
		implementation activities should be re-emphasized to all who are involved as well as firmly included in the design (monitoring and evaluation) of projects.	efforts will be required.
	As part of an improved M&E system, training of staff of executing agencies and other BMC entities should be undertaken to improve their understanding of their role in TA project cycle activities.		Training in project cycle management is being restarted.
		Poor information dissemination can cause the failure of projects in achieving their stated goals. Project implementation, performance and outputs can be enhanced by increased public awareness. The inclusion of a public relations component in the project can assist in effecting positive changes.	This has been done in appropriate cases.
5. Procedures and training			
	The revised draft TA manual should be discussed widely among projects department staff to familiarize all parties with its use and agreement obtained on the contents.	The Technical Assistance Manual (TAM) is an important part of TA management, which should define in a clear and concise manner the operations, functions and responsibilities of departments and operatives involved in TA. The TAM remains a draft document despite considerable passage of time. There is an urgent need for finalization and sign-off to facilitate a clear understanding of the guidelines among project officers, beneficiaries/ stakeholders and consultants.	The TAM was revised and submitted to senior management. Although not formally approved, the manual has provided the operational procedures and responsibilities for TA operations. There have, however, been significant organisational changes, and the possibility of a new manual is understood to be under consideration.
		Training should be undertaken as a vehicle to improve awareness and to underline the importance of monitoring and supervisory functions.	A TA Training Workshop was held in February 2005 to assist projects staff doing TA work after the disbanding of the TCU. Time constraints, however, have made it difficult to date to follow up with further training.
6. Monitoring, reporting and evaluation			
Increase the focus on formal measurement of project outputs,	A comprehensive M& E system should be designed to monitor not only achievements of		PPES and PPMS were developed and introduced in 2000-2001, but, as

APPENDIX J

2 nd TA EVALUATION 1984	3 rd TA EVALUATION 1994	4 th TA EVALUATION 2000	CURRENT STATUS
expectations and benefits.	individual TA projects but also the overall TA programme. Elements of this M&E system should include agreed monitoring indicators and targets, forms and formats to facilitate the collection and analysis of relevant information for use in monitoring and supervision, guidelines for TA Project Completion reports, formal scheduling of future evaluation, and formats to facilitate the management of TA.		discussed elsewhere in this report, only limited use has been made of the system to date for TA projects. The issues have been addressed in the current report.
Supervisors should provide reports on project progress quarterly.	As a general rule, PCRs should be completed by CDB staff for TA projects.	The value of proper record-keeping cannot be over-emphasized. It should be made mandatory that each TA project have a project completion report (PCR) prepared.	Preparation of PCRs has not generally proved possible, partly because of staff constraints and competing responsibilities. The importance of introducing this requirement has again been emphasized in the current report.
	The length of time taken to initiate evaluation of TA projects is excessive and coupled with the absence of completion reports and on-going monitoring, the evaluation exercise becomes very difficult.	The failure to maintain proper records and produce necessary deliverables, e.g. PCRs, coupled with extended time from project completion to post-evaluation increase the probability of losing useful information and the evaluator's task more arduous. The Bank should aim to establish an evaluation roster of projects.	Evaluations have been undertaken for the specialized programmes, i.e. BNTF, CTCS and NDMF and for CTCF, and periodic TA programme evaluations have been undertaken.. Limited evaluation resources have constrained evaluation work generally.
7. Project follow-up			
	TA supervision personnel should become more involved in implementation of recommendations and follow-up of individual TA projects.		Staff constraints and other responsibilities have made this difficult. To date, follow-up has not generally been an explicit component of TA project design.
	TA projects will be more useful if they are reviewed by the relevant departments and if recommendations are evaluated and where appropriate implemented. Action should be taken to ensure that such post-implementation activities are undertaken for the effective use of TA funds.		Staff constraints and other responsibilities have made this difficult.

TERMS OF REFERENCE

1. BACKGROUND

1.01 The Caribbean Development Bank (CDB) provides loan financing to the governments of its Borrowing Member Countries (BMCs), and to public and private-sector entities in those countries. It also lends to private-sector entities without government guarantee, and may invest in equity in those enterprises. In support of its developmental objectives, CDB includes technical assistance (TA) to public and private-sector enterprises in its BMCs.

1.02 The overarching goal of CDB's TA is to build and improve institutional capability and capacity in its BMCs. This is achieved by Human Resource Development through technology transfer, training and systems improvement aimed at strengthening institutions and enhancing the absorptive capacity of CDB's BMCs in their efforts to establish sustained economic growth/development.

1.03 Article 2 of CDB's Charter mandates the Bank, *inter alia*, "to provide appropriate TA to its regional members, particularly by undertaking or commissioning pre-investment surveys and by assisting in the identification and preparation of project proposals". This mandate is further defined by Article 20 which states that CDB's TA should "serve CDB's purpose and come within its functions".

1.04 CDB's TA activities are therefore designed to assist CDB's BMCs in accelerating their economic development through planning, programme development and implementation, and through institutional support, both at the level of the individual projects and in national economic management. As such, CDB's TA Programme is designed to complement and enhance CDB's financing activities.

1.05 CDB provides different types of TA services to its borrowers. It may provide TA on an on-going basis by members of the Bank's staff, as part of their normal work programmes, or by external specialists hired on a temporary basis. CDB may be the executing agency for its own TA projects/programmes or for projects/programmes funded from extra-regional sources. CDB may also act, on the basis of a pre-determined fee, as a financial agent for TA projects/programmes funded from extra-regional sources. Other entities may function as executing agencies for Bank-funded operations by specific agreement(s) with the Bank.

1.06 Funding for TA loans and grants has been from CDB's Ordinary Capital Resources, its Special Development Fund (SDF) and Other Special Funds (OSF). The SDF was established in 1970 to provide loans of high development priority. Initial funding for the SDF, and subsequent contributions thereto, were provided on varying terms and conditions by different contributors. The Unified Special Development Fund was accordingly created in 1983 to overcome the problems associated with individual donors and funding arrangement.

1.07 The core priorities of the Bank's SDF operations since the approval of the resolution of the contributors to the SDF 5 in 2001, has been the enhancement of the capabilities of the poor and those who are vulnerable to poverty, the reduction of vulnerability of the deprived groups, and good governance to support poverty reduction and broad-based, sustainable economic growth. The TA grants funded by the OSF also support CDB operations aimed at reducing poverty. Over the period 2000-2004, the total amount of TA approved was USD43.9 million and the SDF financed approximately 51% of the total amount of TA approved by CDB.

1.08 There have been four reviews of the performance of CDB's TA Programme. It was first reviewed in 1980/81 as a condition of a grant agreement between CDB and the United States Agency for International Development (USAID) to assess the use of USAID's contribution to the Bank's TA fund. A second review was undertaken in 1984 as required under the terms of the grant agreement between CDB and USAID. The objectives of the third and fourth reviews, which covered the periods 1985-1991

APPENDIX K

and 1992-1999, respectively, were to assess the impact of the Bank's TA Programme on the economies of CDB's BMCs and to determine whether the Programme had achieved its goals. The consultants who undertook these reviews also identified lessons from experiences of selected projects and made recommendations for the improvement of the Bank's TA Programme.

1.09 CDB and contributors to the TA Programme need to be informed of the efficiency and effectiveness of the use of SDF resources. An evaluation of the TA Programme over the period 2000-2004 will inform contributors to the TA Programme, including contributors to the SDF, of the performance and effectiveness of both the TA Programme and the SDF in meeting their objectives and Programme priorities.

1.10 The proposed evaluation of the TA Programme will utilise the following evaluation criteria:

- (a) **Strategic Relevance:** the extent to which the Programme fits the BMCs development priorities and is consistent with CDB's strategic objectives;
- (b) **Poverty Relevance:** the extent to which the Programme contributes to or is likely to contribute to reducing poverty;
- (c) **Efficacy:** the extent to which the Programme's stated policy, financial, institutional, social and environmental objectives have been achieved, or are expected to be achieved;
- (d) **Efficiency:** the extent to which the Programme has achieved, or is expected to achieve its stated objectives in a cost-effective manner;
- (e) **Sustainability:** the ability of the Programme to effectively deliver its intended benefits over the life of the Programme;
- (f) **Institutional Development Impact:** the extent to which the Programme has established institutional arrangements to make efficient use of the financial, human and other resources;
- (g) **CDB's Performance:** the extent to which CDB's role was appropriate during specific stages of the Programme cycle and the extent to which the Bank supported implementation through appropriate oversight; and
- (h) **Borrower and Executing Agency Performance:** the extent to which borrower and/or executing agency performance reflected ownership (preparation and implementation) and responsibility for the Programme, complied with loan or grant obligations with respect to the achievement of the Programme's objectives and sustainability.

2. OBJECTIVES

2.01 The overall objective of the consultancy is to assess the development effectiveness of CDB's TA Programme in the context of the Bank's increased emphasis on poverty reduction with a view to obtaining lessons of experience and recommendations, where appropriate, for improvement of the Programme. The specific objectives of the consultancy are to:

- (a) evaluate the performance of the TA Programme over the period 2000-2004 in relation to the achievement of Programme objectives;
- (b) assess the extent to which the TA Programme is consistent with the strategic objectives and the development priorities of CDB's BMCs;
- (c) recommend improvements, if necessary, to increase the effectiveness, efficiency, relevance and policy framework of the TA Programme to CDB's BMCs;
- (d) derive strategic, programmatic and operational lessons; and
- (e) recommend improvements to the monitoring and evaluation framework.

3. **SCOPE OF SERVICES**

3.01 The Consultants shall utilise CDB's standard evaluation criteria as outlined in paragraph 1.10 above to assess the impact of selected projects/programmes funded under CDB's TA programme over the period 2000-2004 in the following BMCs: Barbados, Dominica, Guyana, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines. The Consultants shall also assess the impact of selected TA projects that are regional rather than country specific. The services provided will involve, but not be limited to, the following tasks:

(i) Strategic Relevance

- (a) review the volume, composition, financing, goals and selectivity of the TA Programme over the period 2000-2004;
- (b) assess the extent to which the goals of CDB's TA Programme and the SDF have been achieved, or are expected to be achieved; and
- (c) assess the degree of flexibility and adaptability of the TA Programme in relation to new and emerging priorities of CDB's BMCs.

(ii) Poverty Relevance:

- (a) assess the extent to which CDB's TA Programme has contributed, or is expected to contribute, to a reduction of poverty in CDB's BMCs in the context of the 'strategic levers' of capability enhancement, vulnerability reduction and good governance; and
- (b) assess the extent to which CDB's TA Programme is being aligned to the objectives in the Poverty Reduction Strategy Paper.

(iii) Efficacy:

- (a) assess the outcome of the TA Programme on the final beneficiaries; and
- (b) assess the outcomes, the indirect benefits and/or unplanned results of the TA Programme.

(iv) Efficiency

- (a) assess the extent to which the TA Programme has achieved, or is expected to achieve, its objectives in a cost-effective manner; and
- (b) assess indicators in place to measure performance, outputs, outcomes and impact of the TA Programme.

(v) Sustainability

- (a) assess the effectiveness and sustainability of institutional arrangements for TA operations in CDB's BMCs;
- (b) assess the performance of consultants, where applicable;
- (c) identify lessons from experience and recommendations for improving the delivery, sustainability and performance of TA projects/programmes; and
- (d) identify potential risks to the Bank if the objectives of the TA Programme are not achieved.

(vi) Institutional Development Impact:

- (a) assess the impact of the TA Programme in building institutional capacity to generate sustained growth and to reduce poverty in CDB's BMCs.

(vii) Bank Performance

- (a) assess CDB's performance in terms of the quality at entry and management/ supervision of its TA operations as well as its efforts to promote meaningful stakeholder involvement in the Programme;
- (b) assess CDB's allocation of funds to the TA Programme and the suitability of the criteria for allocating TA to CDB's BMCs in the context of the development priorities of the BMCs and country assistance strategies;

APPENDIX K

- (c) assess CDB's monitoring and reporting on TA operations; and
- (d) assess the extent to which CDB has implemented recommendations for the improvement of the Bank's TA Programme made by the consultants who undertook the evaluation of the TA Programme for the period 1992-1999.

(viii) Borrower and Executing Agency Performance

- (a) assess borrower ownership and commitment to TA projects/programmes; and
- (b) assess borrower/executing agency compliance with loan and/or grant agreements.

4. METHODOLOGY

4.01 The Evaluation and Oversight Division has selected 40 projects funded by CDB's TA Programme over the period 2000-2004 for in-depth evaluation. The sample size represents approximately 11 percent of the total number of TA grants and loans approved by CDB over the review period. The selection of projects was not random but was based on an attempt to select a representative sample that reflects thematic areas as well as, *inter alia*, sources of funding and project size. The sample excludes TAs approved by CDB under the Basic Needs Trust Fund Programme, the Caribbean Technological Consultancy Services (CTCS) Network Programme, the Canadian Technical Cooperation Fund and disaster rehabilitation project, as these Programmes will be subject to separate independent evaluations. Other considerations in the selection of projects for in-depth review were the need to include both regional and country specific projects and also projects categorised on the basis of the 'strategic levers' of capability enhancement, vulnerability and governance. There is a bias in the sample in terms of the number of projects funded with SDF resources but the sample includes projects funded with OSF resources which are not subject to a separate independent evaluation.

4.02 The Consultants will:

- (a) review relevant documentation of the respective governmental agencies and CDB, including existing databases, registry files, appraisal reports, reporting forms, repayment records, disbursement records, and loan and grant agreements. The following is a list of available background documents:
 - (i) Special Development Fund (Unified) – Implementation and Progress Report for SDF 5 as of September 2004;
 - (ii) Special Development Fund – Assessing Performance and Improving Program Quality – April 1996;
 - (iii) Special Development Fund (Unified) – Annual Report 2002 and Financial Projections, 2003-2005;
 - (iv) Special Development Fund (Unified) – Annual Report 2003 and Financial Projections, 2004-2006;
 - (v) Final Report – Post-Evaluation of CDB's Technical Assistance Programme (1992-1999) by Agri-Systems (Jamaica) Limited;
 - (vi) A Partnership for Poverty Reduction in the Caribbean – Report of Contributors on SDF 5;
 - (vii) Performance Review – Special Development Fund Cycle 4 – Final Report, September 2000;
 - (viii) Post-Evaluation of Caribbean Development Bank's Technical Assistance Programme (1985-1991) – Post-Implementation Evaluation Unit, December 1994;
 - (ix) CDB's Strategic Plan 2000-2004;
 - (x) Discussion Paper on the Strategic Framework 2005–2009; and
 - (xi) Poverty Reduction Strategy Paper – 2004.
- (b) survey selected personnel from CDB, borrowers, executing agencies and other stakeholders in the TA Programme, including a sample of beneficiaries, in the six BMCs selected out of the 17 participating countries;
- (c) survey a sample of beneficiaries of regional projects/programmes in the six BMCs selected; and
- (d) review the operation and effectiveness of TA programmes of other multi-lateral financial institutions.

Stakeholder Analysis

4.03 This analysis will assess the level of satisfaction of the stakeholders with CDB's TA and their perception of CDB's performance. The methodology should take advantage of rapid appraisal techniques including formal and informal interviews, focus group discussions and other methods selected, according to needs. Prior to beginning the assignment, the Consultants should provide CDB with a method of approach and a plan of action for conducting the evaluation.

5. INPUTS

5.01 CDB will provide the Consultants with all relevant documentation to facilitate the completion of the consultancy, as well as facilitate access to relevant members of staff and management.

6. QUALIFICATIONS AND EXPERIENCE

6.01 The Consultants should possess post-graduate training in project management and evaluation and specific experience in the fields of finance, social science and human resource development. Prior experience in programme management and programme evaluation techniques, capability building and the operation of TA Programmes is required.

6.02 Each member of the team should have at least ten years working experience in his/her respective discipline and the following competencies:

- (a) fluency in English;
- (b) project cycle management and the use of the logical framework approach as a design and management tool;
- (c) knowledge of CDB procedures or experience with multi-lateral development banks; and
- (d) experience in the application of their skill in the Caribbean Community (CARICOM) Region.

7. DELIVERABLES AND REPORTING REQUIREMENTS

7.01 The Consultants will be required to submit the following reports:

- (a) two copies of an Inception Report within three weeks of commencement of work providing details of the revised work plan and schedule for the consultancy. CDB will provide comments on the Inception Report within two weeks of receipt and the Consultants will adjust the work plan according to the comments received and agreed upon;
- (b) three copies of an Interim Report within 11 weeks of commencement of work with key findings, issues and recommendations after the completion of the required research and travel to the assigned countries. CDB will provide comments on the report within two weeks of receipt and the Consultants shall take account of these comments in completing the remainder of the assignment and in preparing their Draft Final Report;
- (c) three copies of a Draft Final Report within three weeks of receipt of CDB's comments, detailing the findings, conclusions and recommendations of the study. CDB will provide comments on the report within two weeks after its receipt; and
- (d) three copies of the Final Report incorporating the comments of CDB within one week of receiving comments. The Final Report shall include an Executive Summary with fully cross-referenced findings, recommendations and lessons learnt.

An electronic version of all the reports must also be submitted in a format acceptable to CDB.

