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CARIBBEAN DEVELOPMENT BANK



EVALUATION REPORT

TECHNICAL ASSISTANCE BY THE CARIBBEAN DEVELOPMENT BANK – (2010-2018)

**VOLUME 2: CARIBBEAN TECHNOLOGICAL CONSULTANCY SERVICES (CTCS)
WITH MANAGEMENT RESPONSE – APPENDIX A**

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James Melanson, Head OIE

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Executive Summary

This independent evaluation of the Caribbean Technological Consultancy Services (CTCS) was undertaken in 2019 and the first half of 2020. It covered the period 2010-2018 and was executed concurrently with an evaluation of CDB's Technical Assistance (TA) to the public sector.

Evaluation Approach

The CTCS was assessed against four performance criteria – relevance, effectiveness, efficiency, and sustainability. The evaluation mandate was to assess past performance, to draw conclusions and to make forward-looking recommendations.¹

The evaluation team visited five borrowing member countries (BMCs) (Jamaica, St. Lucia, Barbados, Dominica and Guyana), where they conducted 84 interviews, in addition to approximately 50 interviews with staff of the Caribbean Development Bank. Interviews were followed up with a written questionnaire. The responses are described in this report.

The evaluation examined project records and compiled tables for CTCS projects that were approved between 2010 and 2018. Of these, seventeen were examined in depth and three are written up as mini case studies in this report. These latter are intended to illustrate strengths, weaknesses and lessons learned, and cannot be viewed as representative of the total portfolio.

There was also a review of relevant literature, including five previous studies of the CTCS: an external evaluation (2007); an internal audit (2015); an analytical strategic plan (2016-2019); a beneficiary tracer study (2017); and a brand awareness and perception survey (2019). As well, the evaluators reviewed the wider literature of public aid to small business, especially TA programs of other multilateral development banks and some bilateral development agencies.

Overview of the CTCS

The Caribbean Development Bank began a programme of grant support to micro, small and medium businesses (MSMEs) soon after it was founded. The CTCS was established in 1982 with an initial focus on helping to upgrade production facilities, with advice and assistance on technology as well as attachments to upgrade skills. The CTCS has since evolved. During the evaluation period 2010-2018 its focus was mainly on skills-training workshops (about three quarters of the national projects) and several workshops were followed by on-site consultations at the business premises of one or more participants in the workshop.² There were also grants for direct technical assistance to individual companies (9.9%) and financial support for studies or publications (4.5%).

In 2006, when CDB adopted a performance-based concessional resource allocation system for the Special Development Fund (SDF), there was an amount set aside for the CTCS; and that practice has continued at each SDF replenishment, typically amounting to \$3 million (mn) to \$5 mn each four-year replenishment period. From 2010 to 2018 there were 269 CTCS grants for national projects and 31 for regional ones, for a total approved amount of approximately \$8.5 mn – a relatively small programme. In recent years, its total expenditure has amounted to about 10% of CDB grants to the public sector.

¹ Terms of Reference, para 2.03.

² For example, two workshops that were followed by on-site visits were “Marketing Techniques for Small Hotels” (2013) and “Computerized Management Accounting Techniques for MSMEs”.

The programme is sometimes called the CTCS “netwo–k”. This recognizes an innovative dimension of the initial concept wherein the CTCS works through Cooperating Institutions (Cis) in CDB’s BMCs. It was thought that, with encouragement, those institutions might develop the capability to provide “industrial extension services”, somewhat similar to agricultural extension services for farmers. The desired result would be “self-sustaining national networks of business and technical experts.”

If this strategy were successful, the CTCS would be less needed over time as Business Support Organizations in BMCs developed their own capacities. Instead, the CTCS evolved into a grant facility in support of MSME projects initiated by businesspeople or by a CI. At present there are 46 Cooperating Institutions. Grantees have most frequently been in industry, tourism and services, business services and agribusiness. Skills taught in CTCS workshops have varied across a range of technical and management skills of interest to small business. Entrepreneurship³ has occasionally been supported but has not been a major focus.

Resources

All CTCS projects in the evaluation sample were funded from the Special Development Fund (Unified), which is the main concessional resource window of the Bank. In each cycle of the Special Development Fund (SDFU) a certain sum has been set aside for the CTCS. The CTCS has always been a tiny part of the SDF(U), never more than 1.5% of the total. The set-aside in SDF8 was USD5 mn and in SDF 9 it was USD3 mn. Annual approvals have ranged from approximately \$0.7 mn to \$1.13 mn.

The CTCS is currently delivered by a four-person unit: a coordinator (appointed in 2018), two officers and an administrative assistant. The Coordinator reports to the Division Chief of the Technical Cooperation Division (TCD), who reports to the Director, Projects Department.

Relevance of the CTCS

The CTCS has an ambitious scope, but limited resources and low visibility. There is little evidence that the programme is well known in the wider business community. Its name, which over time has become dissociated from the actual work of the CTCS, does not help. However, it has been relevant to its participants, with some qualifications. Its incrementality is high – that is, its participants would not generally have proceeded with a similar activity without financial support. The financial contributions by sponsoring organizations and by individual participants are low and do not provide a significant “market test” of relevance.

Participants report that useful knowledge and skills were imparted. The highest relevance rankings were given to grants for attachments, but these were few.

A review of CDB’s Country Engagement Strategies (formerly Country Strategy Papers) revealed little in-depth treatment of private sector issues and less strategy for CTCS engagement. The Bank has in recent years stated its intention to increase engagement with the private sector, but apart from support to development finance institutions, this has not yet been realized. In fact, from CDF 8 to SDF 9, declining resources for the CTCS indicate a loss of momentum.

The CTCS has sometimes supported projects in low-growth or declining sectors and with companies that do not have high growth prospects and/or are too small for access to credit to be an important issue for them. At the lower end of the enterprise size spectrum, with community microbusinesses and individual livelihoods, the CTCS has overlapped with the Bank’s Basic Needs Trust Fund. There is a strong case for

³ *Investopedia* defines “entrepreneur” as “an individual who creates a scaleable new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.”

a better division of labour, with the CTCS focusing on larger, although still small, businesses, perhaps in the range of 6 to 100 employees.

CDB's Strategic Plan 2020-2024 signals renewed emphasis on private sector engagement, and this is further articulated in a recent paper on MSMEs which emphasizes "enhancing the bankability of MSMEs."⁴ This suggests an opportunity for CTCS to more clearly target high growth sectors and businesses, and to become active in new areas such as grants to business services enterprises, grants to educational institutions offering training in business, support to business innovation facilities such as incubators, grants for research on the high cost of doing business in BMCs, and aid to venture capital ecosystems. "Doing business" frameworks, (including private sector perspectives on legislation, regulations, and incentives), and knowledge products with policy or market relevance, would also be fruitful areas for increased CTCS attention.

The best way of assessing relevance would be against a baseline analysis of business needs for capacity development assistance in each borrowing member country. The CTCS strategic plan (authored in 2015 for the period 2016-2019) made worthwhile suggestions for improving relevance, in part through repositioning and rebranding.

Efficiency

Stakeholders commented on CTCS efficiency more than any other topic. Some reported prompt and efficient management by CDB, but a larger number cited slow processes, especially when there were changes in a project design that required approval. Some reported frequent change of responsible officer at CDB, unnecessary micromanagement of activities and expenditures and allowing too short a time to implement the project efficiently. There was also recognition however that delay was often caused by the grantee organization.

Grants to businesses and private individuals incur somewhat greater risks than grants to governments. In the history of the CTCS there has been one internal audit of its systems and practices to test their compliance with Bank rules (in 2015), and evaluations have been infrequent. The competitive aspects of grant adjudication and procurement of professional services for project implementation need to be strengthened, as do transparency and public visibility. There would be benefit from increased use of advertising and public notices for solicitation both of grant proposals, and of professional services to implement them.

As the Bank has struggled to modernize its management information systems, TA data tracking has taken second place to capital loan data management. This has resulted in inadequate tools for, and too little effort invested in, TA/CTCS portfolio information, analysis, and reporting. An interim solution and redoubled effort is needed while the new "OP365" architecture is under development. In addition, completion

⁴ Although general access to financial services is good in the Region, the access to finance of MSMEs is made difficult by a number of factors. These include the high cost of doing business which undermines profitability and growth. Beyond this, support services, training, and venture fund ecosystems that support equity investment are critical constraints that need to be addressed. The Bank intends to play a strong role in enhancing the bankability of the MSME sector by targeting a number of these constraints. Improving MSME access to finance will be a priority. Increased effort will be directed towards enhancing the capacity of financial institutions (FIs) to design market responsive and effective MSME lending programmes including support for the development of innovative solutions to collateral issues, among others. The Bank will also continue to specifically target the issue of women and youth access to finance as part of its broader attempt to remove the barriers that challenge the involvement of these groups in enterprise development. As part of the efforts to encourage innovation, the Bank will explore additional avenues for supporting the growth of MSMEs in sectors identified as having growth potential for economic diversification including the creative industries.

reporting by Bank staff on all CTCS grants, and tracking of efficiency metrics (such as cost per participant day of training workshops, administration costs as a proportion of grants) should be undertaken.

The CTCS was founded on the idea of a “network” of cooperating institutions (Cis) at a time when there were few business support organizations in CDB’s BMCs. It was thought that, with short term support, the cooperating institutions would develop the ability to provide services to business and become self-supporting through fees. This did not happen. Currently there are about 44 Cis of varied types, whose role is somewhat vaguely defined.

Effectiveness

Normally, TA by multilateral development banks is part of an overall value package that includes lending, policy advice and TA. However, CDB does not have a substantial business of direct lending to private businesses and the CTCS stands alone to an unusual degree. Its value proposition is that support to micro, small and medium sized businesses will improve productivity and thereby promote economic growth.

The effectiveness of a programme of grants is best judged by its outcomes. How much more dynamic is the small business sector in the Caribbean because of the CTCS? On the one hand, the CTCS has delivered many projects over almost four decades. On the other hand, its annual budget per BMC is tiny and expectations of outcomes should be commensurate with its scale.

Seventeen CTCS projects and their results were examined in depth. Three are presented as mini case studies in this report and demonstrated results (with limitations) in apparel design and manufacture, aquaponics, and food service certification. In the absence of an overall programmatic framework, it is not possible to report results at a higher level of aggregation.

There is some evidence of the relative effectiveness of different CTCS tools. In 2017, the CTCS undertook a survey of 60 persons who had attended workshops or benefited from attachments (short secondments) or in-plant TA. The highest response and satisfaction rates were for attachments and in-plant activities – indeed participants in general workshops hardly responded at all. This, (along with recommendations from an earlier evaluation, and its own 2016-2019 strategic plan), suggests that CTCS should rebalance its product mix towards direct consultancies in support of specific enterprises with less reliance on general training workshops.

The last evaluation of the CTCS, and indeed the evaluation of CDB’s TA to the public sector as well, said that to be effective the portfolio had to be more “programmatic”. It should be organized more coherently by business line; CDB should be more proactive and more selective in making grants; and TA efforts should be less one-off and more linked in mutually supporting series of activities over time. The CTCS has not yet moved significantly in this direction.

Objectives achievement – Number of Participant Beneficiaries

The metric that CTCS uses to quantify its results is the number of its direct beneficiaries, which is based mainly on the number of participants in workshops. The publication celebrating 35 years of the CTCS, *Supporting Entrepreneurship and Enterprise Development in the Caribbean*, said that the CTCS, had supported more than 10,000 “micro and small business enterprises.” It said, as well, that between 2012 and 2016, CTCS interventions benefited 2202 women and 1322 men.

Participant/beneficiary targets have been set for CDB as a whole and for the CTCS specifically. The difference between the two has not always been clear. In CDB’s Strategic Plan 2010-2014, the annual number of beneficiaries of Tas targeted at MSMEs was 720. In the following period (2015-2019) the projected number was more than twice the earlier figure, but the actual number of beneficiaries was about the same.

Table 1: Beneficiaries of TA Interventions Targeted at MSMEs, 2010-14, 2015-19 and 2020-24

	Strategic planning period		
	2010-14	2015-19	2020-024
Projected number of beneficiaries	3000	7000	4500
Actual number of beneficiaries	3600	3002 (2015-18)	n.a.

Sources: CDB Strategic Plans, 2015-2019 and 2020-2024, Appendix 4, Results Monitoring Framework

The corporate target has been in the range of 700 to 900 participant/beneficiaries per year. However recent CTCS reports have been much higher, in part because of their estimates of the number of people trained by “trainers” who had participated in regional train-the-trainers workshops. The CTCS 2019 Annual Report (Table 1) stated that the number of beneficiaries in that year was 1781 of whom 703 were women and 1078 were men. Roughly half of the beneficiaries in 2019 were young people,⁵ and one quarter of the total (445) attended workshops on residential building standards.⁶ (All of these figures are self-reported and were not verified by this evaluation.)

“Transformation” and the place of CTCS in the Bank

The Bank’s current transformation initiative suggests that the CTCS will be moved from its placement with the TCD, to the Private Sector Development Unit, where it was housed prior to 2011. This evaluation examined the history of CTCS location within the Bank and suggests options for consideration. Much depends on the CTCS product mix. If it continues to offer mainly general skills training in workshop settings, with a few attachments and knowledge products, then it is probably best placed where it is, in proximity with colleagues managing similar grants to governments. This would be especially true if CDB were to establish a Caribbean Institute for Capacity Development, which is an option discussed in the parallel evaluation of CDB’s Core TA. On the other hand, if the CTCS were to significantly change its product mix towards subsidizing consultancies to private businesses and supporting CDB private sector loans, assuming of course that CDB develops a substantial portfolio of such loans, then CTCS would best be co-located with Private Sector Division.

Recommendations

This evaluation has gathered evidence of the CTCS’s performance over the 2010 to 2018 period; its contributions, challenges, and risks faced. The evaluation gauged stakeholder perceptions, and noted the changing business environment in the Caribbean, including the increasing importance of computer tools and on-line platforms that support all aspects of business and the importance of credit to economic growth.

⁵ CTCS 2019 Annual Report, “Two of these interventions (“Strengthening the Entrepreneurial Spirit of Caribbean Youth” and “Caribbean Tech Entrepreneurship Programme”), designed and approved by the Bank in 2018 as part of its digital transformation and youth economic empowerment agendas, were implemented in collaboration with youth development agencies. As a result, a total of 882 young entrepreneurs (488 men and 394 women) in 12 BMCs were trained and provided with technical support, inclusive of mentorship, to help them start or grow their businesses .”

⁶ Ibid. “CTCS, in collaboration with Ministries and Departments of Housing and Planning in six BMCs, trained 432 persons (376 men and 56 women) comprising artisans and small contractors, building inspectors, engineers and architects in “Improved Construction Practices for the Construction of Houses”. This was a continuation of the Bank’s interventions, which began in 2018, to strengthen the resilience of BMCs, following the devastating impact of Hurricanes Maria and Irma on housing infrastructure in the region in 2017, and complements CJET training, resulting in a two-pronged approach in building the capacity of artisans and small contractors.”

In light of these, the following recommendations are offered to strengthen CTCS's relevance, efficiency, effectiveness and sustainability.

Recommendation 1: Given CDB's current MSME strategy⁷ and the findings of this evaluation, the Bank should reposition the CTCS (redefine its scope, products, focus and approach), rebrand it (with a new name, logo and communications strategy) and re-launch it.

Recommendation 2: The Bank should develop a strategic plan (2020-2024) for the CTCS or its successor programme. The plan should include an action plan based on the Management Response to this evaluation. Among other things, the plan should do the following:

2.1 Redefine the criteria for CTCS eligibility at both ends of the company size spectrum. The CTCS should focus mainly on small and medium (not micro⁸) businesses. Responsibility for community enterprises, microbusinesses and individual livelihoods should be left to the BNTF. Appropriate targets for CTCS assistance could include entrepreneurial start-ups but more often they will be small and medium size businesses in the range of, say, 6 to 100 employees. There is no need to restrict the target businesses further by defining other hurdles such as a certain level of sales or assets. The CTCS should focus on businesses that have clear potential for substantial growth and therefore needs for access to credit (based on bankability).⁹

2.2 Clarify the nature of the different types of TA that the CTCS will provide and develop a logic model and KPIs for each type of assistance.

2.3 Take a programmatic approach based on defined lines of business, which may be sectoral or functional, and which may change from one strategic planning period to another. A line of business is a series of related interventions to achieve sustained improvements in the capabilities of the target business organizations and businesses.

2.4 Support each CTCS line of business by an investment in knowledge products. To this end, the Strategic Plan 2020-2024 should contain an overview of topics to be developed into knowledge products, and CTCS annual operational plans should contain a list of knowledge products to be funded in the coming year.

2.5 Reconsider the value of the network of Cooperating Institutions as currently constituted since the original concept and purpose of the network no longer applies. Consider the following options:

- Invest in the network but not individual Cis, with grants to produce knowledge products, develop network tools and sponsor network events¹⁰. Consider whether the various types of organizations should be supported as one network, or several (BSOs, DFIs, business associations, chambers of commerce.)
- Provide TA directly to a more limited number of Cis to help develop their capabilities as business support organizations, but do not think of them as "hubs" that would manage projects implemented by other groups and organizations.
- Have a limited number of hub Cis (one per country) and compensate them for managing CTCS projects in the private sector.

⁷ See CDB BD 17/20 (2020) Enhancement of CDB's Contribution to MSMEs in its Borrowing Member Countries.

⁸ Micro businesses are defined by CARICOM as having fewer than 5 employees (See Section 1.3 Table 1.3-1)

⁹ The BNTF Operations Manual (2018) says: "Since its inception in 1979, the BNTF has been helping to reduce poverty in targeted communities by providing infrastructure and livelihood enhancement services..."

¹⁰ There were meetings of the CTCS network members in 2011 and 2018, which is much too infrequent for a functioning network.

2.6 Describe in the strategic plan, and in annual work plans, how each of CDB's cross-cutting themes will be addressed and make it clear that they apply to private sector projects as much as to public sector ones.

2.7 Provide that attachments not be strictly limited to the Caribbean if the best prospects for acquiring new skills are outside the region. For example, the centres of expertise for video animation are in Montreal, New York, Los Angeles, and London. The important thing is upgrading Caribbean skills as effectively as possible within the available budget.

Recommendation 3: Strengthen the link between CTCS's strategy and projects and CDB's Country Engagement Strategies (CES).

3.1 Each CES should include an analysis of the capacity building needs in the private sector in that country. Each CES should state priorities for CDB's cooperation with that country's business community and describe a plan for CTCS interventions. This should not foreclose the CTCS being responsive to grant proposals; but it does require more proactive planning of business lines and signaling to potential grantees of CDB's strategic interest in those business lines.

3.2 The CTCS unit should undertake a needs assessment in the private sector in all BMCs at least once every five years, scheduled at the right time to inform the development of each new Country Engagement Strategy.¹¹

Recommendation 4: The CTCS should be resourced at a level appropriate to its mission and in keeping with the Bank's renewed commitment to private sector development. A tiny budget and many priorities are at odds with the stated strategic priority. It is unreasonable to expect the CTCS to be "programmatically" when it does not have sufficient resources to be so except in a very limited way.

4.1 The SDFU set-aside for TA to the private sector should be larger.

4.2 CDB should explore possibilities for diversifying the sources of funds for the CTCS.

4.3 The Bank should consider the relative sizes of the budgets of CTCS, BNTF and public sector TA.

4.4 CTCS beneficiaries (both grantees and participants) should be required to contribute a significant portion of the full costs of the CTCS project as a market test of its worth, at a minimum 15% each and, depending on the activity, up to 25%¹². The grantee should take expected revenues into account in proposing a project budget and should be allowed to retain revenues.

4.5 The staffing of the CTCS should be reviewed when the CTCS's new mandate, strategy, position, and procedures are in place.

Recommendation 5: The future placement of the CTCS, or parts thereof, within the Bank's organization structure, should be undertaken considering what skills are required to deliver CTCS's products and services.

5.1 General capacity development through workshops and on-line training should be co-located with staff providing similar services in the public sector.

¹¹ CTCS conducted only one needs analysis exercise during the evaluation period, covering 9 BMCs out of 19 in 2016.

¹² A businessperson who is unwilling or unable to pay, say, 25%, of the costs of a workshop place or an attachment is probably not a good prospect for a growth oriented programme of assistance. A programme that pays all costs, including travel and living costs, and in many cases a per diem, may attract participants whose motivation is questionable.

5.2 Attachments and in-plant consulting assistance should be co-located with staff in direct contact with private sector clients and with experience with consulting to the private sector.

5.3 Technical assistance that is specific to or bundled with a loan to private enterprises and DFIs should be managed by staff responsible for such loans.

Recommendation 6: The CTCS should augment its product offerings:

6.1 Develop innovative products and services in new areas recently flagged by the Bank as high priorities, including entrepreneurship¹³ (innovation and scalable new business start-ups), risk sharing and access to credit and encouraging venture capital in the Caribbean.

6.2 Invest more in web-based training materials to be used in combination with shorter in-person workshops. Require every training project to include the creation of professional-quality on-line materials (programmed learning modules) to serve as pre-and-post-training tools to improve the quality and sustainability of knowledge and skills.

6.3 Develop more knowledge products, especially (1) market analyses in a form useful to private businesses; and (2) position papers that present private sector perspectives on doing business, including legislative, regulatory, and incentive frameworks for business enterprise (there was a set-aside for the latter in SDFU 9).

6.4 CDB's engagement with the private sector, including through TA, should engage the whole Bank. CTCS should produce an on-line modularized course for CDB staff to improve their ability to manage TA projects in the private sector. If resources allow, there should be periodic workshops to support the on-line training.

Recommendation 7: The CTCS should strengthen its transparency, visibility, and openness to competition.

7.1 In general, CTCS projects executed by Cis should conform to the Bank's Procurement Framework (2019), and those executed by the CTCS itself to the Framework's principles and best practices.

7.2 Make greater use of advertised proposal calls for grant applications and rely more on comparative and competitive adjudication of the proposals thus received. A proposal call in the third quarter of each year for projects to be implemented in the following year would be a good option. This approach is likely to improve quality thought better selectivity and improve CTCS transparency and visibility in the private sector.

7.3 Make greater use of public advertisement of invitations to bid for professional services to implement projects or to provide training venues. In principle, solicitations (by both the Bank and grantees), should be advertised on CDB's website at least 14 days in advance for Expressions of Interest, and at least 30 days in advance for Requests for Proposal. Contract awards should be announced on the same site.

7.4 Limits on consultants' fees per day, which apply nowhere else in the Bank, should be discontinued.

7.5 The CTCS should have greater visibility on CDB's website, perhaps with a "grants" icon on its home page, rather than being buried several levels deep in a menu structure that is difficult to navigate for those who are unfamiliar with the site.

¹³ Invesopedia defines "entrepreneur" as "an individual who creates a scaleable new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures."

Recommendation 8: Recognizing the risks inherent in a programme of grants to private businesses and individuals, the CTCS should strengthen its accountability (and learning) regime.

8.1 CTCS project proposals should be considered and approved by an inter-departmental committee, not an individual. The committee should recommend approval and the Director, Projects Department should have the authority and responsibility for final approval, although until financial approval authority is formally delegated by the President to the Directors, the President’s signature is required.

8.2 Commit to a fixed schedule of audits, evaluations, and reports, as follows:

A SYSTEMATIC CYCLE OF ACCOUNTABILITY AND LEARNING.

	Year						
	2020	2021	2022	2023	2024	2025	2026
Independent evaluation	✓				✓		
Internal audit		✓			✓		
Audit follow-up			✓			✓	
Biennial report to Board	✓		✓		✓		✓
Annual Report to AMT	✓	✓	✓	✓	✓	✓	✓
Tracer Survey			✓			✓	
LOB* working papers		✓		✓		✓	

- LOB = line of business
- Source: Main text of this report. Table 6.6.5-1

8.3 Conduct an internal audit guided by a risk analysis by Internal Audit Division. In preparation for this audit, given the move of CTCS to Private Sector Division and the consequent rearrangement of files, care should be exercised to ensure that all CTCS records, both general records and project records, for the 2015-2020 period are maintained and accessible to an audit.

8.4 The CTCS should seek ISO certification for risk management (ISO 31000:2009).¹⁴

Recommendation 9: CTCS should strengthen its operations planning, performance monitoring, (M&E) and reporting.

9.1 Prepare an operations plan for the following year, covering activities and performance targets.

9.2 Design performance metrics that fit CTCS products and services. These should include (1) participant days, not participants; (2) cost effectiveness metrics such as cost-per-person day for workshops and attachments and (3) CTCS administrative cost per \$100,000 in grants. CTCS should be more rigorous about requiring recording of the number of beneficiaries reached. For instance, workshop attendance should be verified by the attendee’s signature each day.

9.3 Develop a system of key performance indicators (KPIs) for the CTCS that is both integrated with the Bank’s KPIs for public sector TA and compatible with mainstream private sector ESG metrics¹⁵ for impact investors.

¹⁴ www.iso.org ISO 31000 is an international standard published in 2009 that provides principles and guidelines for effective risk management. It outlines a generic approach to risk management, which can be applied to different types of risks (financial, safety, project risks) and used by any type of organization.

¹⁵ Such as the IRIS system.

9.4 Annual reports to management and bi-annual reports to the Board, should describe CTCS performance against its KPIs for the current year and for two previous years on a rolling basis.

9.5 Ensure that completion reports are written by CDB staff for all CTCS projects, as early as possible and preferably immediately after final reports from the grantee and before final payment of the grant.

9.6 Harmonize CDB's operational policies and procedures for both public and private sector TA. The next version of TAPOS should cover both.

9.7 Develop a CTCS management information system that contains a set of financial and activity data, and KPI data, for each project in a database that is easily accessible. Invest in this database to ensure that it is kept accurate and up to date. If this can be done immediately as part of the development of OP365, that is optimal. If not, develop an interim stand-alone system that can later be integrated with the OP365. The simplicity of the data and the small number of data records makes this practical. Have identical variables in the digital data records for all TA projects, both private sector and public sector, including a standard set of performance criteria for rating projects.

9.8 Discontinue the automatic recording of the "Board approval date"¹⁶ and the "Agreement Date" as the same, and not recording a specific project close-out date other than the date of most recent disbursement.

¹⁶ Better described as just the approval date because CTCS projects do not go to the Board for approval.

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Abbreviations and Acronyms

ARPP	Annual Review of Portfolio Performance
BSO	Business Support Organization
BMC	Borrowing Member Country
BNTF	Basic Needs Trust Fund
CARICOM	Caribbean Community
CD	Capacity development
CDB	Caribbean Development Bank
CEDA	Caribbean Export Development Agency
CES	Country Engagement Strategy
CI	Cooperating Institution
Cognos	CDB Business Intelligence Database (IBM)
CTCS	Caribbean Technological Consultancy Services
DAC	Development Assistance Committee of the OECD
DER	Development Effectiveness Review
ESG	Environment, Social and Governance (indicators)
FLEXCUBE	Oracle database of CDB transactions
FTE	Full-time equivalent (one person year)
GEPOS	Gender Equality Policy and Operational Strategy
IDB	Inter-American Development Bank
KMS	Knowledge Management System
KPI	Key Performance Indicator
KRA	Key Results Area
LOB	Line of Business
M&E	Monitoring and evaluation
MDB	Multilateral development bank
mn	million
MSME	Micro, small and medium enterprises
OCR	Ordinary capital resources
OECD	Organisation for Economic Cooperation and Development
OECS	Organisation of Eastern Caribbean States
OIE	Office of Independent Evaluation
OPPM	Operations Policy and Procedures Manual
PCR	Project Completion Report
PCVR	Project Completion Verification Report
PPMS	Project portfolio management system
RCI	Regional Cooperation and Integration
SDF	Special Development Fund
SDG	Sustainable Development Goal
SDFU	Special Development Fund (Unified)
SFR	Special Funds Resources
TA	Technical Assistance
TCD	Technical Cooperation Division
TORs	Terms of Reference

1. INTRODUCTION

1.1 Technical assistance by the Caribbean Development Bank

Technical assistance (TA) is a core function of the Caribbean Development Bank (CDB). The Bank provides TA in several ways, including advice by Bank staff and as grants or concessional loans to public and private organizations.

1.2 Introduction to the Caribbean Technological Consultancy Services (CTCS)

In the private sector, CDB's main programme of TA is the Caribbean Technological Consultancy Services (CTCS). The CTCS helps micro¹⁷, small and medium enterprises (MSMEs) improve productivity and enhance competitiveness, through skills training (workshops), in-plant advice and training, attachments, and knowledge products. CTCS's vision and mission are as follows:

Vision: To be recognized as the premier programme in the Region for providing TA for the development of Caribbean MSMEs.

Mission: To facilitate growth-oriented TA to MSMEs in areas of capacity building, technology adoption and adaptation, productivity improvement and competitiveness.¹⁸

The stated objectives¹⁹ of CTCS are to:

- Contribute to the sustainable development of CDB's BMCs with poverty reduction as an overarching goal
- Promote broad-based economic growth by providing support to private sector development aimed at enhancing the viability MSMEs
- Seek to understand and address the development needs of entrepreneurs and MSMEs, particularly those operating within priority sectors/sub-sectors of BMCs
- Directly impact and improve the livelihood of persons in the micro and small business sector of BMCs
- Seek to establish a network of experts to address MSME development challenges in the Region
- Help individuals and businesses develop the required skills to plan, market, and manage a business while improving production capability
- Seek to achieve maximum impact at minimum cost

The CTCS works through Cooperating Institutions (CIs) in BMCs, and regionally, to provide the following services.²⁰

- Assistance with market research to ascertain the potential for new and expanding businesses
- Assistance in developing business, technical plans and marketing plans
- Upgrade of production systems and resolving production, and maintenance problems
- Assistance with selecting machinery and equipment

¹⁷ A "micro" business is defined in the CTCS context as an enterprise with fewer than 5 employees.

¹⁸ CTCS 35th Anniversary Publication. "Supporting Entrepreneurship and Enterprise Development in the Caribbean," 2017.

¹⁹ The objectives are stated on CDB's Intranet "What is the CTCS?"

²⁰ Ibid.

- Practical, on-the-spot advice and assistance in areas such as financial management, quality management and control, and other general management challenges
- Assistance in plant layout and production flow (this objective has rarely been relevant.)
- Assistance in staff training in all disciplines
- Support for institutional audits

CTCS' modes of service²¹ include:

- national and regional workshops to address MSME technical needs, sometimes followed by on-site consultations at the business premises of one or more participants in the workshop.
- subsidized expert services to help solve the administrative or operational problems.
- training attachments to transfer good practices and skills from one MSME to another.
- knowledge products, such as training materials, studies, technical guidelines and data.

2. Evaluation of the CTCS

2.1 Introduction to this Evaluation

This is an evaluation of the CTCS over the period 2010-2018,²² carried out in the first half of 2020. Stakeholders included CTCS clientele, CDB's Projects Department and its Technical Cooperation Division (TCD), other CDB staff and management, the Board of Directors, CTCS's Cooperating Institutions, governments of BMCs, and donors to the Special Development Fund (SDFU) who provided funds for the CTCS. An Advisory Committee comprised of CDB staff from Projects (TCD, EID) and Economics Departments supported the evaluation.

2.2 Objectives of the Evaluation

This evaluation assessed the performance of the CTCS²³ against the standard criteria of relevance, effectiveness, efficiency, and sustainability. Its overarching objective was to provide useful advice that was evidence-based, and which will contribute to improved performance of CTCS projects during CDB's forthcoming strategic planning period (2020-2024).

“The evaluation will assess CTCS programme performance and its contributions towards building MSMEs. This accountability and lesson identification exercise will use the criteria of relevance, effectiveness, efficiency and sustainability to assess the portfolio of CTCS Network projects during the indicated timeframe. By assessing and interpreting past performance, the evaluation will provide forward-looking conclusions and recommendations, which will in turn be useful in informing the scope, design and management of future CTCS Network support to MSMEs. The evaluation should also assess CDB's organizational and management arrangements for CTCS and suggest monitoring and evaluation systems and mechanisms.”²⁴

²¹ Ibid.

²² The Terms of Reference (para 2.02): “Evaluation use: The intended audience is CDB's Board of Directors, SDF Contributors, Senior Management, TCD specifically CTCS staff, as well as cooperating institutions who work with CTCS Network that are involved with these technical assistance interventions.”

²³ Terms of Reference, para 2.03.

²⁴ Terms of Reference, para 2.03.

2.3 Limitations

This study gathered a lot of information about results, from interviews, field visits and a survey. The CTCS has not measured its impacts on the use of skills on the job, on the number of businesses founded or expanded, on productivity improvements, or on changes in company income, or jobs created. These should be measured soon after the intervention, say within one to three years, or too many other factors come into play and obscure causality.

There were some topics not covered in this evaluation because they are slated for separate evaluation. Technical assistance to the DFIs is one. The evaluation did not cover CTCS grants to Haiti because CDB has a separate evaluation of aid to Haiti and because a field visit was not advisable at the time of the evaluation.

This evaluation report reviews the findings of the one audit of the CTCS (2015) but is not itself an audit and does not provide any audit assurances.

2.4 Methodology

The methodology of this evaluation is best described as mixed methods of gathering evaluation evidence and triangulation of that evidence to assess performance of the CTCS against the four performance criteria and to answer the evaluation questions. There was an analysis of the CTCS administrative database of projects, a review of documents, and discussions with Bank staff and with stakeholders (participants and CIs) in BMCs and a subsequent survey. The analysis of the portfolio of CTCS projects was based on data provided by CDB Technical Cooperation Division.

The sampling frame was approximately 300 CTCS projects approved between 2010 and 2018. Evaluators visited five BMCs selected according to size of BMC and its CTCS portfolio, location within the region (north/south, island/mainland), and level of development judged by per capita income. Seventeen projects were examined in depth, both national projects in the sampled countries and regional projects selected separately. This was a purposive sample chosen to cover a wide range of projects, not a random sample. After country visits, the interviewees were invited to complete a written questionnaire and 21 did. (See Appendix D for tabulated responses, Appendix E for sampling procedures, and Appendix G for a list of persons consulted.)

3. CTCS 2010-2018

3.1 Introduction and Context

3.1.1 History

The Caribbean Technological Consultancy Services (CTCS) followed earlier initiatives by CDB to assist small businesses in its BMCs. In 1976, the Industry Division of CDB established a Small Industry Project Data Bank (SIPDB) to document CDB's support to small enterprises. In 1982 the CTCS was approved as a one-year pilot project. It was described as "an informal partnership with cooperating institutions (CIs) of various kinds²⁵ providing TA and/or funding to micro, small and medium enterprises (MSMEs)."

The CTCS was intended to complement the existing Technical Information Services of CDB's Technology and Energy Unit (TEU). The TEU provided information or "know-how" while CTCS was expected to provide hands-on demonstrations of process improvement or the "show how". The idea was to help establish a network of Caribbean experts to solve industrial problems. The CTCS Network was to draw upon the knowledge and skills of (volunteer or low-cost) Caribbean businesspeople and consultants to assist their peers. It was thought that the skills transferred from one enterprise to another, sometimes from one BMC to another, would be practical and relevant to the needs of small local firms and that costs would be low.

Another dimension of the initial concept of the CTCS was that it would work through Cooperating Institutions (CIs) in CDB's BMCs (see Section 3.1.2 below). It was thought that, with encouragement, those institutions might develop the capability to provide "industrial extension services." The desired result was defined as "self-sustaining national networks of business and technical experts." If it were successful, the CTCS would be less needed over time as BMCs developed their capacities. Instead, the CTCS evolved into an on-going grants facility, funding small projects in support of MSMEs that could be initiated by businesspeople or a CI. In 2006, when CDB initiated its performance-based concessional resource allocation system for the SDF, there was an amount set aside for the CTCS; and that practice has continued at each SDF replenishment.

3.1.2 Organization

The CTCS is delivered by a four-person unit: a coordinator, two officers and an administrative assistant. The Coordinator reports to the Division Chief of TCD, who reports to the Director, Projects Department. Regarding the organization of the CTCS Unit, the CTCS Strategic Plan says:

"The approved human resources for the Unit are a Coordinator and two Operations Officers (and an administrative officer). Ideally, the work programme from this plan would require two additional Operations Officers... (as well the CTCS Unit needs) clarity about its core function of the CTCS Unit... the CTCS Unit (should not be) actively involved in the facilitation of workshops."²⁶

This evaluation team agrees and concludes that these additional resources are needed to enable more thorough programme design, planning and reporting. First, being more proactive and programmatic requires resources. Second, some important tasks need to be done that have not consistently been done in the past,

²⁵ CIs included Business Associations, the Caribbean Industrial Research Institute in Trinidad and Tobago, IAST Guyana, SRC Jamaica, the Food Produce laboratories in the OECS, National Bureaux of Standards, National Development Banks, National Development Foundations, other DFIs, Small Enterprise Development Units (SEDU), Chambers of Commerce and Industry, Hotel Associations, Manufacturing Associations and NGO's.

²⁶ CDB, CTCS Strategic Plan 2016-2019, Section 11.1, p. 16.

including BMC needs assessments and project completion reports (PCR) drafted by CDB officers. Better records need to be kept and analytical reports prepared for management and the Board. New instruments may need to be developed to fit CDB's new strategy and priorities as set out in its Strategic Plan, 2020-2024. On certain assumptions,²⁷ depending on the size of the programme of grants and depending on the amount of support to be provided by CTCS staff directly to businesses, the evaluators conclude that 5 or 6 FTEs may be needed.

3.1.3 Network of Cooperating Institutions

The CTCS Network of Cooperating Institutions is its defining instrument. The relationship between each CI and CDB is governed by a Letter of Agreement. Most are national organizations but, in principle, regional organizations can be Cooperating Institutions as well. The CTCS Manual (2017) says that there will be one CI per country, but there are often more than one. CTCS states that it intends to have one primary CI in each country

In 2020, there are 46 CIs, at least one in each borrowing member country. There are seven in Barbados, four in Jamaica and four in St. Kitts and Nevis. There is one CI in each of Anguilla, Belize and the Bahamas. The other BMCs have either two or three CIs. The CIs are mainly government departments or agencies. There are five Chambers of Commerce, three development banks and one small business association.

The CTCS Network is informal. It is not a network in the sense of having affiliate members with defined rights and obligations or having network instruments such as meetings of network members or a website or newsletter. The CTCS Strategic Plan, 2016-2019, made the following observation on the limitations of the Network:

“Besides the challenges that are imposed by the institutional arrangements of the CIs, from the CTCS side, there is an absence of rigor in the framework for the arrangements. There are no formal arrangements to manage the relationship between CTCS and the CIs. Accordingly, there are no performance specifications and no means to judge the value added by the relationship to the achievement of CTCS objectives”²⁸

Generally, the CTCS Strategic Plan proposes to strengthen the “network” by standardizing the agreements with CIs and making the provisions in those agreements more rigorous in the areas of performance commitments, project management, financial management and reporting.

CIs have met together once under the CTCS aegis, in 2018, in a workshop that included a briefing on the CTCS and then focused on how to develop proposals for grants. Fifty persons attended, including: thirty-eight (38) representatives of Cooperating Institutions from 19 CDB BMCs (14 men and 24 women). There were twelve (12) representatives (4 males and 8 females) from Regional and International Partner Agencies and from CDB. The report of the workshop concluded:

²⁷ The assumptions underpinning the estimate of 6.5 FTE required are as follows. Let us assume that the coordinator would not have individual responsibility for projects, and that one French-speaking officer would be responsible just for TA to the Haitian private sector. Let us further assume that 4 BMCs is a reasonable maximum number that one officer could effectively manage, especially if annual needs analysis and annual reporting are added to improve management (especially completion reports by the CDB staff person). Limiting the CTCS portfolio to 4 BMCs for each CTCS officer, implies 4.5 FTEs – plus the Haiti specialist, and the CTCS Coordinator. The total for the Unit would be 6.5 FTEs, a little more than doubling the existing complement.

²⁸ CDB, CTCS Strategic Plan 2016-2019, p. 31.

“The presentations outlined many of the issues and challenges that CIs face – reinforcing the urgent need for capacity development, not only for the MSMEs, but also for the CIs and BSOs. It was also clear that if CIs are to play an expanded role in MSME development, more attention has to be paid to building their capacity – in both technical and organizational support skills – so that they can fulfil the role expected of them. The workshop enabled the CI participants, and the Partner Agencies to gain a deeper understanding of the CTCS Network’s new modality of operations. However, in addition to providing ongoing information on the CTCS, other areas will be critical for CIs to function effectively in the new CTCS process, specific initiatives will be needed to develop CIs’ capability to diagnose the level of MSME readiness, and to identify the appropriate level of intervention to support MSME development; to deepen understanding of the process of change and adjustments that will have to be made within the CIs themselves as they adjust to the new CTCS modalities and expectations in their work with other BSOs and MSMEs, so that they can effectively coordinate CTCS activities. There were mixed views on the process of the workshop, and on the packed schedule of presentations, which did not allow sufficient time for discussion that many felt would have been valuable.”²⁹

The consultant’s report of the workshop summarized the “pros and cons” of CDB’s strategy for the CTCS, as follows:³⁰

Advantages of the strategy (selected points): “CTCS’s new approach, as presented to the workshop, emphasizes formalizing the relationship with CIs, helping strengthen their capacity and encouraging communications among CIs. The new approach also promises better alignment with country strategies. More “cohesion” is promised within the CTCS approach and framework. Finally, more resources are promised.”

Disadvantages of the strategy (selected points): “Some CIs might find it difficult to manage a programme of CTCS projects rather than the occasional one-off. There is rivalry between some CIs and some business support organizations, and among BSOs themselves. Who is to be the CTCS lead in the country? CIs find it difficult to coordinate projects from multiple partners. Governments may interfere. Resources are insufficient for the tasks.”

The evaluators observe:

- ✓ There is no network website apart from the CTCS webpage on CDB’s website and that is somewhat difficult to find.
- ✓ There is no newsletter or other instrument for intra-group communications.
- ✓ It may be that the heterogeneity of CIs would be better served by more than one network. The CTCS might best work with clusters, such as all the Chambers of Commerce in BMCs or all of the private sector small business associations or the government agencies with an explicit mandate to promote small business.

The evaluators reviewed some examples of Letters of Agreement between CDB and the CTCS Cooperating Institutions in BMCs. They are contracts for services to be provided by the CIs; but are phrased sometimes as “requests” from CDB. Several observations arise:

²⁹ Report of the CTCS Network Regional Stakeholders Meeting. May 2018.

³⁰ Ibid, Appendix II, p. iii.

- ✓ The nature of a “Letter of Agreement” is unclear. The agreements have aspects of letters of intent, joint venture agreements and project contracts.
- ✓ Several terms common in the Letters of Agreement are not well defined. For example, the term “allocation” is used rather than clearer terms such as “grant” or “accountable contribution” or “fee”. Other terms that are used but are not sufficiently precise include: “national coordinating agency” (sometimes used interchangeably with the term Cooperating Institution), “informal partnership”, “hub for the network programme”, “hub satellites”, and “TA interventions”.
- ✓ Agreements seldom specify the results to be achieved in a measurable way. The performance requirements in the Letters of Agreement tend to be simple conditions precedent for first payments by CDB. A condition can be as simple as the CI appointing a liaison officer to deal with CDB. Disbursements are not generally contingent on the CI producing defined outputs or outcomes. Somewhat noncommittal terms such as “expected” are used when referring to outputs that CDB would like to see produced. The evaluators observed cases where payments were not withheld when target outputs were not achieved (many fewer participants in a workshop than originally proposed, for example) and, on the other hand, where payments were not increased if the project exceeded its target outputs.
- ✓ Audit is mentioned in the Agreements but only as CDB’s intention to engage independent consultants sometimes (undefined) to undertake financial supervision, audit and impact assessments. In the Agreements that the evaluators reviewed, there was no legal requirement for the CI to keep specified financial records and make them available for audit when requested by CDB.

Other observations:

- ✓ A standard Framework Agreement (FA) to formalize its relationship with CIs might be useful. Such an agreement would establish the roles, commitments and legal responsibilities of the parties. In general, framework agreements do not address specific projects, although they may have an indicative (up to) budget limit and make provision for administration expenses related to the FA. The point of a Framework Agreement is that it makes provision for task orders to establish projects under its umbrella. The Framework Agreement with a CI would be a long-term agreement to cooperate. Normally a FA enables projects to be funded and implemented more quickly.

3.1.4 Eligibility/Target Clientele

During the evaluation period, 2010-2018, eligibility for CTCS support was targeted (not restricted) to companies with fewer than 50 employees. However, the CTCS informed the evaluators that there was no restriction on company size regarding participation in workshops; and since most CTCS activities have been workshops, the upper limit on eligible companies has been at least very flexible.

There was no minimum company size for eligibility. Individuals who were not in business at all, or who were public servants or teachers could and did participate in CTCS-funded activities.

In 2020, after the period of this evaluation, the target clientele was redefined. This is relevant since this evaluation is in part forward looking. In the (2020) paper submitted to SDF 10 contributors, MSMEs are defined as shown below. The paper said: “While there is no harmonised definition of ‘MSME’ across CDB’s BMCs ... MSMEs will be classified in accordance with the definition posited by CARICOM ... an enterprise must fulfil at least two of the following three criteria to be classified as an MSME.”

TABLE 3.1.4-1 CTCS CLASSIFICATION OF ITS TARGET CLIENTELE (MSMES)

Criteria	Micro	Small	Medium
Number of Employees	Less than 5	5 to less than 25	25 – 50
Capital/Asset (USD)	Less than 25,000	25,000 to less than 350,000	350,000 to less than \$1 mn
Sales (USD)	Less than 50,000	50,000 – Less than 750,000	750,000 – \$3 mn

Source: Table 1: Parameters for Measuring MSMEs. BD 1720 March 2020. (para 2.02)

Therefore, in future, to be a target of CTCS assistance a business must have fewer than 50 employees, and capital assets less than USD1 mn and sales less than USD3 mn (any two). The definition of MSME covers most enterprises in the Caribbean, as it would in most areas of the world according to OECD data,³¹ but whether it targets the best prospects for the CTCS is an important question. At the lower end of the size scale, the CTCS overlaps with the livelihoods and microenterprises supported by the Basic Needs Trust Fund.

This tightening of the company-size constraint at the upper end is potentially self-defeating. It is based on several misperceptions about MSMEs, drastically limits the number of businesses in some sectors, is much more constraining than limits in the size of MSMEs eligible for concessional support in North America or Europe, and is especially constraining for growing businesses that are increasingly accessing credit for growth, just the group that CDB has targeted for assistance.

In summary, some of the problems with this definition of target MSMEs are as follows:

- ✓ The purpose of TA to business is to boost economic growth and job creation. There is a common misconception that small businesses are the main engine of both. It is closer to correct to note that small businesses suffer a lot of volatility and churn, with many jobs being created and many lost in any given period. Sustainable job creation in most economies is not particularly correlated with small business.
- ✓ While it is true that Caribbean MSMEs are, on average, much smaller than, say, North American MSMEs, this is an empirical not a normative matter. Having a lower size limit on assistance eligibility is inappropriately normative. The maximum size of enterprise is much smaller than, say, the definition of SME that is used by Statistics Canada (Small: 1-99 employees; Medium: 100-499 employees; Large: 500 employees and more). The fact that Caribbean businesses tend to be smaller than Canadian businesses is true but not a good reason for being more restrictive about their eligibility for concessional assistance. That is a formula for Caribbean businesses not just being smaller but staying smaller.
- ✓ Effectively the CARICOM criteria adopted by the CTCS imply that no company with sales over \$3 mn and assets over \$1 mn is eligible for CTCS assistance. That precludes most or all processing and manufacturing operations and most services operations, like call centres and most growing businesses. The criteria may be restrictive to different degrees depending on the business sector. For example, a law firm with more than 50 employees may be large, while a call center with more than 50 employees may still be small. A professional services company will likely have few capital

³¹ About half of firms in Europe, for instance, employ fewer than 50 employees. OECD data reported by the Economist, May 2, 2020, p. 60, Chart 2.

assets, while a shipping company might have many. (There is also the practical issue of whether the assets are owned or leased, and whether that matters.)

- ✓ There are complexities in what should be counted as “one employee”, including how to count part time staff, seasonal staff, casual staff and contracted out staff functions.
- ✓ There is no minimum size of MSME as presently defined. Single individuals, who are not running a business enterprise with no employees, and with no obvious prospects of growing, can and have participated in CTCS training. At the “single livelihoods” end of the enterprise size spectrum, the CTCS overlaps with the Basic Needs Trust Fund.
- ✓ The maximum size of enterprise (meeting any 2 of the following - 50 employees, assets of \$1 mn or sales of \$3 mn) is restrictive if the aim is to support growing enterprises by helping them professionalize their management, establish a Board, establish a more sophisticated debt and equity structure, and adopt appropriate ESG policies.
- ✓ Employees of larger businesses have participated in initiatives supported by the CTCS, for example in ServSafe training.
- ✓ Public servants, although they do not fit into any of the eligibility categories in Table 1.3.1 have participated in CTCS-supported initiatives. More broadly, CTCS support to institutional development of CIs that are not business enterprises, or not in the private sector at all (government ministries and agencies) does not fit the eligibility categories. It may be that separate eligibility categories for CIs are required.
- ✓ The eligibility criteria do not align specifically with CTCS priorities – for example, there is no preference in determining eligibility for businesses that have demonstrated growth potential, no preference for regional businesses over national businesses, or exporters over firms serving a local market. The early CTCS was oriented in principle towards manufacturing and processing business, but that proved impractical given the structure of most BMC economies. In the eligibility determination there is no preference for businesses in the new economy, environmental fields or women-led businesses. This is not to say that the CTCS does not work in these areas, only to say that there are no preferences of this kind used to target eligible enterprises. To illustrate – at present, a female-led company with 51 female staff (say an average of 15 in three call centres serving ecotourism) or capital assets of \$1.1 mn, working regionally in a high-growth green economy field of business are ineligible for CTCS support.

This leads to the following observations:

- CDB has a goal to promote growth-oriented small and medium businesses during 2020-2024, especially those that need to improve their use of debt and equity finance. Given this target, the CTCS targets for enterprise size, as far as they are taken seriously, are too permissive at the lower end of the enterprise size spectrum and too restrictive at the upper end.
- The BNTF offers CDB an alternative instrument for working with individual livelihoods and micro businesses.
- CIs are central to the CTCS model, and they tend to have various definitions of “small businesses” that they support. Therefore, the utility of having MSME criteria specific to the CTCS is unclear, especially if those criteria are more restrictive than the criteria used by one or more CIs.
- The CTCS should think through its targeting of different types of businesses and be less concerned about size rules.

3.1.5 CDB's MSME Strategy

The CTCS is an instrument of the Bank's MSME strategy. There were several developments in the Bank's strategy during the evaluation period. In 2016, CDB published a paper "Micro, Small and Medium Enterprise Development in the Caribbean: Towards A New Frontier."³² It proposed a MSME³³ development strategy with three-tiers.

1. Support productivity and improvement in product quality to improve competitiveness.
2. Strengthen and modernise the business support organizations (BSOs).
3. Produce policies and strategies and enact legislation to foster a business-friendly environment.

It also recommended institutional reforms that included the following, all of which remain relevant.

- ✓ A company registration system common to all countries in the Caribbean, to make establishing a business easier.
- ✓ Establishing a BSO in every country in an appropriate ministry or agency.

Other proposals included:

- ✓ Training programmes be developed to enhance the ability of MSMEs to meet "information needs of their financiers".
- ✓ Tax reform should reduce tax rates for MSMEs, and BMCs should shift the balance of revenue collection from direct taxes on businesses to indirect taxes on consumption.
- ✓ Labour reform should produce greater flexibility in hiring and firing staff.
- ✓ Accredited Financial Institutions (AFIs) and Microfinance Institutions (MFIs) should be empowered to take deposits and offer an expanded range of financial products to their MSME clients.
- ✓ Governments should encourage a culture of entrepreneurship by producing an Entrepreneurial Studies syllabus in the schools.
- ✓ Governments should also address the skills gaps in tourism and hospitality, agricultural science, and financial services.
- ✓ Public-Private Partnerships (PPPs) should be encouraged.
- ✓ Governments should support professional services businesses so that they can "sell affordable capacity building services to a larger proportion of businesses".

3.1.6 MSME Position Paper 2020

CDB published a forward-looking position paper in 2020³⁴ that broadly reiterated the previous themes, with more stress on business access to investment and credit for growth ("bankability").

³² The study assesses the status of MSMEs in eight of CDB's BMCs - Antigua and Barbuda, Barbados, Belize, Guyana, Jamaica, Trinidad and Tobago, St. Lucia and Suriname. It also examines the challenges facing the sector and proposed a structured approach to addressing these problems.

³³ The study recommends that, given the absence of a standard definition of MSMEs across the Caribbean, in order to facilitate consistency in the registration and analysis of MSMEs as a distinct growth sector, microenterprises should be classified as those with one to five employees; small enterprises as those with 6 - 15 employees and medium enterprises as those with 16-50 employees.

³⁴ CDB, "Enhancing CDB's contribution to MSME Development in its BMCs", Paper BD17.20, March 31, 2020.

“Access to finance, remains a binding constraint for regional MSMEs, as outlined in the latest World Bank Doing Business Report 2020, which showed the Caribbean averaging 135 of the 190 countries surveyed with Jamaica having the highest rank of 15 and Suriname the lowest of 181 on the access to credit indicator. Reasons for Jamaica’s high access to finance ranking can be attributed to its’ national focus on strengthening of legal rights, credit information frameworks (including increasing coverage of credit bureaux) and credit registries.³⁵ ... Many MSMEs experience difficulties in demonstrating investment readiness or credit worthiness, including the capacity to develop realistic business plans and sound marketing plans, forecast financial outcomes, and in understanding the range of financing options available.”³⁶

“CTCS Network is CDB’s main vehicle for providing capacity building and training to the private sector, especially MSMEs, in a range of areas: construction, tourism, agriculture, technology and the creative industries. CTCS Network TA interventions (workshops, training attachment and direct on-site/in plant assistance) have been directed towards enhancing the technical skills and managerial capacity of entrepreneurs, MSME owners, managers and employees, as well as the overall operational capacity of MSMEs and Business Support Organisations (BSOs). These interventions have enabled beneficiary MSMEs to, among other things, realise improved production efficiency, product quality, management of financial resources, customer service delivery, and receive enhanced business support services. CTCS Network programming has also complemented and supported the Bank’s wider agenda, including support for renewable energy/energy efficiency, agriculture, green-tech, technology driven enterprises, creative industries and strategic focus on the Bank’s cross cutting themes such as gender equality. CTCS Network interventions have also contributed to the establishment of new businesses and growth of existing businesses resulting in the creation and expansion of employment opportunities for a number of men and women in the BMCs. The CTCS Network programme invested over USD8.8 mn in 303 projects in BMCs between January 2010 and June 2019. However, even with the successes of the programme, there are still significant capacity deficiencies within MSMEs, which affects their competitiveness and sustainability. This deficiency is also evident in the decreasing balance of trade within most BMCs.”³⁷

The paper notes that CDB offers MSME funding through facilities other than the CTCS, such as Agriculture, Renewable Energy and the Basic Needs Trust Fund, but at a smaller scale.

The paper states the following lessons in regard to what works in MSME support.³⁸

3.1.7 Policy coherence lessons

“Support for a MSME Development strategy must be embedded in each country’s national development plan to achieve policy coherence. Implementation of a MSME development strategy needs the participation and collaboration of numerous stakeholders. Getting the fundamentals right in the legal, regulatory, and administrative frameworks has the greatest impact on MSME development in most contexts. However, policy advice at this level should not be limited to drafting of policies, legislation, and regulations. Without proper administrative capacities, especially at local levels, where the entrepreneurs have their contact with the improved frameworks, it would be difficult to achieve the

³⁵ CDB, “Enhancing the CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 4.01. p.3.

³⁶ CDB, “Enhancing the CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 4.07.

³⁷ Ibid, para 5.04

³⁸ Ibid, p. 16

intended results. Therefore, more and additional donor resources should be channeled to capacity building for “implementation” at central and local levels.”

Implications for the CTCS:

- ✓ CTCS has in the past seldom funded private sector inputs to legislative and regulatory reform; but it could do so, including relevant knowledge products and workshops.
- ✓ CDB’s country engagement strategies have often not considered in depth either the private sector in general or the CTCS in particular.

3.1.8 Donor coordination lessons

“Donor coordination is crucial to improve efficiency and effectiveness of resources both on partner and donor sides. Such coordination should be based on joint analytical work towards assessing and prioritising needs. There needs to be more dynamic approaches to the donor community in an attempt to attract OSF soft resources to complement the Bank’s own resources. Additionally, donors such as the EU are moving towards more indirect management of their development aid, which will provide additional opportunity for CDB to access project funding.”

Implications for the CTCS:

- ✓ Implementation of the CTCS has not involved much donor coordination.

3.1.9 Sustainability lessons

“The Bank’s engagement with MSMEs should be both programmatic, helping to address areas along a continuum, and should avoid one-off interventions. In this regard, interventions should be planned based on the diagnostic assessment of the needs of MSMEs in BMCs and programmes developed that are targeted, fit for purpose, replicable and sustainable. BSOs that support MSME development should be adequately resourced. Donors and other stakeholders must include institutional strengthening and capacity building of BSOs as a key component of MSME development.”

Implications for the CTCS:

- ✓ CTCS should be organized and planned programmatically, with attention to on-going lines of business and with fewer one-off initiatives. It should be responsive to its CIs in defining those lines of business and then it should be proactive in pursuing them.

3.2 CTCS Portfolio, 2010-2018

3.2.1 Resources of the CTCS

All the CTCS projects in the evaluation sample were funded from the SDFU, which is the main concessional resource window of the Bank. In each cycle of the SDFU a certain sum has been set aside for the CTCS. The CTCS has always been tiny part of the SDF(U), never more than 1.5% of the total. The set-aside in SDF8 was USD5 mn and in SDF 9 it was USD3 mn. (See Table 3.2.1-1)

TABLE 3.2.1-1 SDF(U) RESOURCES, CTCS SET-ASIDE AND UTILISATION, SDF 3 TO 9

	Total SDFU USD mn	CTCS Set-Aside USD mn	CTCS % of total SDF	CTCS Utilization USD mn
SDF 3 1992-1996	\$158	\$2.0	1.27%	\$2.0
SDF 4 1996-2000	\$173	\$1.0	0.58%	\$2.0
SDF 5 2001-2004	\$151	\$1.0	0.66%	\$1.2
SDF 6 2005-2008	\$258	\$4.0	1.55%	\$2.5
SDF 7 2009-2012	\$391	\$4.5	1.15%	\$3.5
SDF 8 2013-2016	\$348	\$5.0	1.44%	\$3.9
SDF 9 2017-2020*	\$325	\$3.0	0.9%	\$2.6 (to 2019)

Source: CDB, Feb. 2020

Until 2004 the CTCS was fully utilized in each cycle of the SDF, and sometimes expenditure was substantially over the initial set-aside. In SDF 6, the set aside was greatly increased, from \$1 mn to \$4 mn; but utilization lagged. This was the pattern in the following phases as well. In three replenishment periods (SDF 6 to 8), the CTCS set aside was substantially under-utilized. In SDF 9, the set-aside was much lower than in previous cycles and with one year remaining at the time of this evaluation, it appears to be on track to be fully utilized.

3.2.2 CTCS Activities

In the evaluation data set, by far the largest category of activities funded was “workshop, conference, or event.” In the case of national projects, grants to individual enterprises and training attachments were next (7.5% to 9.9%). Among regional projects, grants to regional associations, for policy development, studies or publications were significant and initiatives internal to CDB were significant as well.

TABLE 3.2.6-1 APPROVALS BY TYPE OF ACTIVITY FUNDED, 2010-2018

(A) 2010-2018 National		n = 269		
Type of Activity Funded	Number of Grants	Total Amount	Percent	Average Cost
Workshop, conference, event	181	\$4,381,155	72.1%	\$24,205
Attachment (Training)	20	\$455,887	7.5%	\$22,794
TA to individual enterprise	57	\$599,958	9.9%	\$10,526
Business/Sector Association	2	\$11,728	0.2%	\$5,864
Policy, study or publication	5	\$333,659	5.5%	\$66,732
Support to CDB loan	1	\$49,000	0.8%	\$49,000
Internal initiative (CDB)	1	\$90,000	1.5%	\$90,000
Other - Energy Line of Credit	2	\$153,920	2.5%	\$76,960
Total	269	\$6,075,306	100.0%	\$22,585

(B) 2010-2018 Regional		n = 31		
Type of Activity Funded	Number of Grants	Total Amount	Percent	Average Cost
Workshop, conference, event	13	\$1,204,577	49%	\$92,660
Attachment (Training)		\$0	0%	
TA to individual enterprise	1	\$54,721	2%	\$54,721
Business/Sector Association	2	\$386,629	16%	\$193,315
Policy, study or publication	6	\$235,117	10%	\$39,186
Support to CDB loan		\$0	0%	
Internal initiative (CDB)	8	\$474,615	19%	\$59,327
Other - Budget Support	1	\$100,000	4%	\$100,000
Total	31	\$2,455,659	100%	\$79,215

Source: CDB TCD February 2020. Nominal US\$

3.2.3 Annual Approvals and Project Sizes

The number of CTCS approvals varied greatly from year to year, ranging from 57 in 2010 to 9 in 2018. The years 2014 and 2017 were low points in activity for internal reasons of staffing in the CTCS Unit. In the past four years, the annual expenditure has varied between USD1 mn and \$1.2 mn.

Grants have increased in average amount over time. In 2018 the average grant was more than twice the size in previous years, CTCS states that the increase was mainly the result of more regional workshops, which are more expensive per participant than national workshops.

TABLE 3.2.3-1 CTCS APPROVALS BY FISCAL YEAR, 2010-2018

Year (9 years)	Number of grants	Annual Total	Percent	Average size of grant
2010	57	\$ 767,766	9.0%	\$ 13,470
2011	37	\$ 477,648	5.6%	\$ 12,909
2012	50	\$1,194,237	14.0%	\$ 23,885
2013	38	\$1,059,009	12.4%	\$ 27,869
2014	16	\$ 515,808	6.0%	\$ 32,238
2015	29	\$1,149,572	13.5%	\$ 39,640
2016	46	\$1,241,195	14.5%	\$ 26,983
2017	18	\$ 996,406	11.7%	\$ 55,356
2018	9	\$1,129,326	13.2%	\$125,481
Total	300	\$8,530,968	100.0%	\$ 28,437

Source: Data: CDB TCD February 2020. Tabulation Rideau Strategy Consultants Ltd. Nominal USD.

3.2.4 CTCS Approvals by Country and Regional

The total annual grants to recipients in various BMCs, over nine years, has varied from a low of \$129,623 in Trinidad and Tobago to a high of \$889,000 in Haiti. Apart from Haiti, no country group of MSMEs received more than USD500,000 in total over the nine years from 2010 to 2018.

Several BMCs received about 5% of CTCS expenditures (4% to 6%). These include Barbados, Belize, Guyana and St. Kitts and Nevis. Except for Montserrat, which is a special case, the highest grants per capita were received by Anguilla, St. Kitts and Nevis, and the British Virgin Islands.

Total CTCS grants per capita spread over nine years varied from \$43.7 in Montserrat to one cent in Haiti and two cents in Jamaica. CTCS projects may have been effective individually; but the amounts per country have been much too small to make a significant impact on private sector capacity, even if one makes generous assumptions about the possible leverage of the TA initiatives.

Table 3.2.4-1 CTCS Approvals by Country, 2010-2018

Country	Number of grants	Total Amount 2010-2018	Percent	Country Population (2018)	Grants per capita
Anguilla	10	\$169,659	2.0%	14,731	\$11.5
Antigua and Barbuda	8	\$182,765	2.1%	96,286	\$1.9
Bahamas	5	\$120,269	1.4%	385,637	\$0.3
Barbados	25	\$412,040	4.8%	286,641	\$1.4
Belize	10	\$336,682	3.9%	383,071	\$0.9
British Virgin Islands	8	\$181,330	2.1%	29,802	\$6.1
Cayman Islands	4	\$118,139	1.4%	64,174	\$1.8
Dominica	16	\$287,308	3.4%	71,625	\$4.0
Grenada	14	\$237,603	2.8%	111,454	\$2.1
Guyana	14	\$393,694	4.6%	779,000	\$0.5
Haiti	35	\$888,796	10.4%	11,123,178	\$0.1
Jamaica	13	\$497,793	5.8%	2,934,847	\$0.2
Montserrat	14	\$218,134	2.6%	4,993	\$43.7
St. Kitts and Nevis	27	\$419,753	4.9%	52,441	\$8.0
St. Lucia	16	\$222,004	2.6%	181,889	\$1.2
St. Vincent and the Grenadines	23	\$248,303	2.9%	110,111	\$2.3
Suriname	5	\$154,847	1.8%	575,990	\$0.3
Trinidad and Tobago	9	\$129,623	1.5%	1,389,843	\$0.1
Turks and Caicos Islands	5	\$152,571	1.8%	37,665	\$4.1
Sub-total National	261	\$5,371,314	63.0%	18,633,378	\$0.3
Regional (19 BMCs)	39	\$3,159,654	37.0%		
Total	300	\$8,530,968	100.0%		

Source: CDB. T CD February 2020

Note: The per capita figures are only approximate, using the 2018 population data as a proxy for 2010-18..

n = 300 grant approvals during 2010-2018 inclusive

USD amounts are nominal without adjustment for inflation

Note: Regional is 37% of total grants; National is 63% of total grants

3.2.5 Approvals, by Economic Sector

CTCS grants were awarded in a variety of economic sectors. The two sectors that received most funding were industry and tourism. Together they accounted for approximately 60% of the total amount expended over nine years. There was also a significant amount of funding for business services and for agribusiness.

Each received a little less than 10% of total approvals. There were 30 grants to support business services enterprises or about 3 per year across all 19 BMCs.

TABLE 3.2.5-1: CTCS APPROVALS, BY ECONOMIC SECTOR, (2010 FY TO 2018 FY, INCLUSIVE)

Economic Sector	OECD Sector Code	Number of grants	Total Amount Approved	Percent
Energy	230	9	\$419,641	5%
Banking and Financial Services	240	3	\$79,885	1%
Business Services	250	30	\$637,341	8%
Agribusiness	311	26	\$761,771	9%
Fishing	313	3	\$67,345	1%
Industry	321	121	\$2,897,438	34%
Construction	323	3	\$330,202	4%
Trade Promotion.	331	2	\$119,396	1%
Tourism and hospitality	332	81	\$2,105,399	25%
Other Multi-sector	430	11	\$391,168	5%
Budget support	510	1	\$100,000	1%
No Sector Internal CDB		10	\$571,390	7%
All Sectors		300	\$8,480,976	100.0%

n = 300 grant approvals during 2010-2018 inclusive

Source: CDB. TCD February 2020

USD amounts are nominal without adjustment for inflation

3.2.6 Skills Taught at CTCS Workshops

CTCS workshops covered a wide variety of small business skills. By the number of workshops, the largest category was “customer service.” By total expenditure, the largest category was “trades, technical and artisanal skills.” Entrepreneurial skills were a small part of the total activity (10.9%).

Table 3.2.6-1 Skills taught in CTCS Workshops.

Type of Skill taught in Workshop	Number of Workshops	Amount	Percent of the total \$
General Management	29	\$660,880.25	11.8%
Financial Management and Accounting	30	\$596,402.47	10.7%
Trades, Technical and Artisan Skills	33	\$1,098,566.60	19.7%
IT and Computer Skills	11	\$241,472.82	4.3%
Marketing and Business Devt	25	\$547,293.16	9.8%
Certification and Regulatory Compliance	18	\$757,234.84	13.6%
Customer Service	41	\$907,135.50	16.2%
Entrepreneurship	4	\$607,730.00	10.9%
Other - Energy Audit	3	\$169,016.00	3.0%
Total	194	\$5,585,731.64	100.0%

Source: Data: CDB TCD February 2020. Tabulation Rideau Strategy Consultants Ltd.

3.2.7 CDB Initiatives

During 2010-2018, nine CTCS-funded projects were executed by CDB, for a total expenditure of \$481,391. Three involved promoting the CTCS, for a total of \$11,079, including: \$709 for a 2010 CDB international fair; \$6,775 for the production of a CTCS video presented at the Bank's Board of Governors Meeting in 2011; and \$3,595 for a display book at FOROMIC in 2012.

Another three initiatives related to meetings and consultations for a total of \$208,941 including \$81,590 for a 2011 regional stakeholders meeting; \$37,072 for consultations with CTCS stakeholders and owners of MSMEs at the Bank of Governor's 24th Annual Meeting in Guyana, 2014; and \$90,279 for a regional stakeholders meeting of the CTCS Network in 2017.

Two grants were for sub-regional workshops on results-based management for the CTCS network of cooperating institutions (2015 and 2016), for an expenditure of \$176,671. One grant in 2015 supported a study entitled "CTCS technical assistance needs assessment and collection of baseline data relative to MSMEs in the Region" (\$84,700).

3.3 Planning and Reporting

3.3.1 CTCS Strategic Plan, 2016-2019 and the Status of its Action Plan

In 2015, the CTCS commissioned a strategic planning exercise.³⁹ It began with a TOWS analysis⁴⁰ (threats, opportunities, weaknesses, strengths). Some results of that analysis were as follows:

³⁹ André Vincent Henry IBIZ, Ideas to Business Limited, 6 Veriel Drive, Beau Sejour, Blue Basin, Diego Martin, Trinidad and Tobago, andrevhenry@icloud.com

⁴⁰ A TOWS analysis is a variant of a SWOT analysis and is an acronym for Threats, Opportunities, Weaknesses and Strengths. ... A **TOWS analysis** enables an organisation to match its internal strengths, and external opportunities (SO) to develop 'maxi-maxi' strategies – those with the greatest potential for success.

Strengths

- A functioning network of Cooperating Institutions
- Knowledge of Caribbean experts who can provide professional services
- Past beneficiaries reasonably satisfied with cheap or free CTCS services

Weaknesses

- Unclear or unfocused strategy, vision, purpose (sic)
- Weak needs assessment
- Absence of documented standard operating procedures (SOPs)
- Weak collaboration within CDB
- Weak marketing and promotion of CTCS
- Mixed group of CIs, with informal relationships with the CTCS. Some Cooperating Institutions report weak communications with them; and some think that it is too difficult to become a CI.
- Weak monitoring and evaluation (M&E) processes

Action Plan

The CTCS strategic plan, 2016-2019, concluded with an action plan. In 2019, CTCS reported the status of action items. Many items in the Action Plan were imprecisely stated (“provide input”, “collaborate with” etc.) or inherently on-going, so it is not easy to tell whether they were achieved or not.

Selected action items that the evaluators judge to be complete include:

- ✓ Write templates and checklists for M&E information (item 2.1.3)
- ✓ Operations manual written and disseminated (item 2,1,7)
- ✓ Develop new architecture for the registry of consultants (item 3.1.3)
- ✓ Promote knowledge diffusion and networking (item 3.1.4, CTCS reports 12 knowledge products completed by the end of 2019)
- ✓ Support creative industries (item 3.1.6, one project completed Barbados BDIC fashion design. Also, CDB launched a new Creative Industries and Innovation Fund in 2018)
- ✓ Support Cooperating Institutions (item 4.4.1 – CTCS conducted pilot needs assessments in nine BMCs in 2016, but none since, and organized meeting of business support organizations in 2018, the first since 2011. There was a commitment to convene a meeting of CIs every two years, item 4.1.2)
- ✓ Draft a standard Letter of Commitment for engagements with Cooperating Institutions (item 4.1.3)

Select action items that were not achieved or only partly achieved include:

- Fund at least four projects on access to financing (Item 1.1.2). None funded.
- Fund at least two joint projects with BNTF on community enterprises and livelihoods. (Item 1.1.6) None funded
- Set up a “user friendly” management information system to capture monitoring and evaluation data on projects. (Item 2.1.1). Not achieved.
- Report on efficiency metrics every six months. (item 2.1.4) No efficiency metrics reported.
- Report annually on efficiency and effectiveness of outputs. (item 2.1.5, no efficiency or effectiveness metrics reported, only financial data reported for use in ARPP and DER for projects over \$1 mn)

- Bring register of consultants up to date with current biodata. (item 3.1.1), Issue public call for consultant applications for inclusion in the registry (item 3.1.2)
- Fund projects that focus on innovation by MSMEs (item 3.1.5)
- Fund projects that improve MSME “green potential” and resource efficiency (3.1.7)
- Have projects and activities in each annual CTCS workplan to support young people in business ownership. (item 4.2.2, one project funded in four years, on youth entrepreneurship)
- Have projects each year and activities in each annual workplan to support women-owned businesses (one project in four years, We-Export in collaboration with CEDA)
- Develop and implement a multi-year marketing and communications plan and update it annually. (item 5.1.1, Some activities and items have been completed, including a Brand and Perception Survey in 2019 and an e-brochure)
- Adopt a new name and logo. (item 5.1.3, not done although proposals were made in the CTCS Strategic Plan 2015)
- Establish a knowledge management system (item 6.1, not advanced significantly)

Action on Strategic Priorities

The strategic priorities identified by the strategic plan and the evaluators’ assessment of progress against each one, are as follows:

- Produce needs analyses in BMCs.
 - A pilot set of needs analyses was completed in nine BMCs in 2016. This evaluation did not assess their quality. There was not a comprehensive assessment for all BMCs. Some needs analyses should be done each year and all BMCs should be covered in each five-year cycle.
- Improve the roster of experts.
 - The roster of experts, which was intended to be the main tool by which to procure experts to implement CTCS projects (mainly workshops), had fallen into disrepair. Names were added to the registry ad hoc when needed. A public call for consultants to submit general applications for inclusion in the roster was contemplated but has not been done. The Registry remains a work in progress. More importantly the evaluators question whether a registry is the best tool, compared with open competitions advertised on CDB’s website and perhaps on other media.
- Strengthen the network of Cooperating Institutions
 - A meeting of Business Service Organisations (BSOs) was held in 2018. This was the first since 2011. If the CIs are to function as a network, more support is needed.
- Create and operate a knowledge management system
 - There is little in place that resembles an organised knowledge management system. Completion reports are not written by CTCS staff. Learning briefs are not written or circulated. Some publications have been funded but not managed as part of a KMS in the Bank.
- Improve the visibility of the CTCS
 - The visibility of the CTCS in the business community remains low, and little has been done to improve it, although some proposals about branding and communications have been put forward.
- Do more for gender equality
 - Little has been done to advance gender equality in the private sector. There has been one project focused on women-owned businesses. Similarly, little was done to advance CDB’s

other cross-cutting priorities, which are regional cooperation and integration (regional workshops may or may not be significant RCI initiatives) and environment/climate change. These themes should be mainstreamed in the work of CTCS, just as much as they are in other TA by the Bank.

- Do more to help young people in business

The intent was to have a line of business in youth entrepreneurship, with relevant projects every year in a coherent sequence that built momentum and sustainability. There has been one project in four years on youth entrepreneurship. The sustainability of the effects of a single project is low.

- Improve key administrative systems to deliver CTCS better

The CTCS has produced an operations manual and various templates and checklists. Some other needs for administrative improvement have not been met, such as adopting response time standards or improving selectivity through competitive approaches to granting and to procuring professional services.

3.3.2 Annual Operational Plans

The CTCS Strategic Plan, 2016-2019,⁴¹ makes the following commitment:

In November of each year, CTCS will prepare a detailed work programme of technical assistance. Using the most cost-effective method, CTCS will host consultations with CIs and other key stakeholders, including development partners to identify points of convergence, opportunities for collaboration and leveraging of resources. In planning its work programme, CTCS will ensure that the mode of delivery for each intervention is most appropriate for the need being met. Once the annual TA work programme has been finalised, as part of its marketing and promotion strategy, CTCS will take steps to ensure that opportunities to access TA are publicized to potential beneficiaries as widely as possible. In this regard, CTCS will explore opportunities to leverage the networks of CIs and other stakeholders and will employ Internet and social media as appropriate.⁴²

However, the evaluators were unable to obtain an annual operational plan to review.

3.3.3 Quarterly and Annual Reports

In 2019, the CTCS produced quarterly and annual reports, for TCD and the Director Projects Department. The 2019 Annual Report stated the amount approved and the amount disbursed during the year, by sector and country. Total disbursements were approximately \$700,000 of which 68% was spent directly by CDB on regional projects. Apart from regional participation, there were CTCS-funded activities in six countries – four LDCs (Anguilla, Guyana, Suriname and St. Vincent and the Grenadines) and two MDCs (Guyana and Jamaica).

There were no comparisons of actual activity with targets for the year. CTCS Annual Reports should describe achievements against the targets earlier established in the operational plan; and provide explanations for the pattern of activity during the year (why 70% of disbursements in 2019 were for regional initiatives, for example, or why only six countries had national projects). Whatever standard performance metrics the CTCS chooses should be stated in its Annual Report but, depending on the metric, not necessarily in its quarterly reports.

⁴¹ CDB, CTCS Strategic Plan 2016-2019, p. 29.

⁴² Ibid, p. 29.

3.3.4 CTCS Operations Manual

In 2017, CTCS published an Operations Manual. It covers products and services, project cycle management, governance structure, monitoring and evaluation, and communications and knowledge management. It is useful to stakeholders, especially those who are not familiar with CDB operations. However, it contains some provisions that are different from Core TA and some that are different from the Bank's Operations Policy and Procedures Manual (OPPM). It is preferable for the rules that govern TA by the Bank to be set out only in one place, that is, the OPPM. The rules should apply consistently to both public sector and private sector TA without exception.

3.3.5 Country Missions and Needs Analysis

The CTCS Strategic Plan, 2016-2019,⁴³ notes the following deficiencies in needs analysis:

There is no evidence that CTCS conducts systematic needs assessments of the MSME sector in individual BMCs. CTCS has no process for determining the needs of potential beneficiaries and prioritizing those needs. The evidence suggests that CTCS intermittently asks CIs for recommendations for inclusion in its programming; however, CIs have indicated that they receive no feedback from CTCS and that there is no evidence in the actual work programme that their input has been taken into account. CTCS programmes appear to be based on a general sense of the needs of the MSME sector, notwithstanding that the specific needs of MSMEs may vary significantly from country to country. While there are common areas of interest that would benefit most MSMEs in the region at the same time, because of the diversity of MSMEs, the sectors within which they operate, the variations in the operating environment in their respective countries and the variations in support that is provided, there is an even greater need to aim for more focused planning. Because of the general nature of planning, CTCS has a bias toward workshops interventions.⁴⁴

Missions

There is no travel budget specifically for CTCS missions to BMCs. CTCS officers accompany Bank missions on occasion; and other CDB officers may gather information of use to the CTCS when they are in-country.

In conjunction with Core TA, CTCS should have a regular schedule for completing country needs assessments for TA, with the CTCS focusing, of course, on the private sector. Perhaps this can be done on the same four-year cycle as the SDF, with four to five country needs assessments being researched and written each year.

Needs Analysis

In 2016, CDB commissioned an analysis of MSME needs in nine of its BMCs.⁴⁵ These studies described the small business sector in each country, the business support organizations and, in general, the needs for training. They did not develop specific projects for funding.

⁴³ CDB, CTCS Strategic Plan 2016-2019, p. 29.

⁴⁴ CDB, CTCS Strategic Plan 2016-2019, p. 28.

⁴⁵ The nine countries were the Bahamas, Grenada, Haiti, Suriname, Turks and Caicos Islands, St. Kitts and Nevis, Guyana, and St. Lucia.

3.3.6 Planning Cycle and Country Allocations

Unlike the SDF and the BNTF, the CTCS does not have a four-year planning cycle, although it developed a Strategic Plan that covered the four years, 2016 to 2019, which coincided with SDF 9. Nor does CTCS make budget allocations by country. Since the CTCS is fully funded by the SDF, it makes good sense that it should adhere to the same four-year planning cycle as the SDF. However, unless the CTCS were to be funded at a much higher level, it would not be sensible to attempt to allocate resources by country. Other developments that would make country allocations more feasible include planning and executing them more closely with Core TA, or if CDB develops a stronger in-country presence to help implement projects.

3.3.7 Project Approval Authorities

In principle, CTCS project approval authorities should not differ from those for other TA delivered by the Bank. However, they do in fact differ significantly. The Division Chief, TCD, has final approval authority for projects of any size, as noted in the CTCS Operations Manual.⁴⁶ In 2019, the Operations Process Review recommended that financial approval authority for all technical assistance should be delegated up to various limits for different levels of management. This recommendation has not yet been adopted; so, at present, only the President has financial approval authority as delegated from the Board. The President may have the authority to delegate some level of authority to approve grants. This issue is beyond the scope of this evaluation. In principle, assuming adequate oversight to control risk, grant approval authority should be delegated to the lowest level of management competent to exercise it.

CTCS approval authorities that are presently at the level of the TCD division chief for the CTCS should be brought more into line with approval authorities for other sorts of TA. It would be better practice for project applications to be considered by a committee. For example, applications could be adjudicated by the Director, Projects Department, with advice from the Division Chief TCD and the Division Chief, Private Sector. Normal practice in such cases would be for grant approval notification letters to be signed by the President, exercising his delegated authority from the Board to commit the Bank financially for projects up to USD750,000.

If the CTCS is transferred to a new Private Sector Division in Projects Department, these approval procedures and authorities would still apply.

3.3.8 CTCS in CDB's Corporate Strategy and Operational Plan, 2020-2024

CDB's Strategic Plan, 2020-2024⁴⁷ states that the Bank will play a more active role in the private sector.⁴⁸ Specifically, it commits to the following:

⁴⁶ CTCS Operations Manual, 2017, p. 35

⁴⁷ Draft Strategic Plan, 2020-2024, September 24, 2019, BD 84/19

⁴⁸ CDB's Strategic Plan, 2020-2024, says: "The Bank intends to sharpen its strategic focus and expand its role in the private sector... it will support greater development of the MSME sector through, among other things, de-risking initiatives that improve record keeping, enhances business transparency and promotes bankability. Relatedly, the Bank will support the building out of the wider ecosystem for private sector development including supporting country-led reforms which are aimed at improving Doing Business ranking scores. These efforts will be further anchored by the provision of appropriately priced financing primarily through the Bank's special funds window. Internally, the Bank will reorganise itself to more effectively engage the private sector. This will include greater centralisation and coordination of all aspects of private sector interface including public-private partnerships (PPPs) activities, intermediary and direct lending, refashioning of the Bank's CTCS programme that makes it better fit for purpose, product development, as well as right sizing the talent pool and skills set the Bank has as its disposal."

1. Build capacity in MSMEs to “de-risk” them, making them more “bankable”. De-risking will include better record keeping and transparency (and other things including the professionalization of management, the establishment of a Board or advisory structure, and the adoption of appropriate ESG policies).
2. Refashion the CTCS to make it better fit for purpose.
3. Internal to CDB, centralize all aspects of the Bank’s work in the private sector.

3.3.9 CTCS in Country Engagement Strategies

The CTCS is an instrument of CDB’s private sector strategy and therefore should be treated at reasonable length in each Country Engagement Strategy (formerly Country Strategy Paper). However, the CTCS strategic plan, 2016-2019, as described in Section 3.4.5, did not address the role of country strategies as a foundation for CTCS strategy and planning. Neither did the previous evaluation⁴⁹ of the CTCS examine how well (if at all) the CTCS was integrated with CDB’s country engagement strategies.⁵⁰

This evaluation considered whether the CTCS was treated in CDB’s country engagement strategies, and how strategically⁵¹. A sample of country strategies including those for Barbados, Dominica, Jamaica, St. Lucia and Guyana was reviewed, with the following findings:

- The Country Engagement Strategy Papers did not analyse the private sector and its needs in depth, although it was sometimes declared to be a priority.⁵²
- CTCS was generally mentioned but not developed significantly as a topic.

As other evaluations have noted,⁵³ the Country Engagement Strategy Papers have tended to become out of date. Some changes in their processes are planned.⁵⁴ If they were kept up to date their potential to guide the CTCS would be excellent. For this potential to be realized, however, several things would have to happen. First, the needs of the private sector, especially but not exclusively MSMEs, would have to be analysed in depth in each country engagement strategy paper, and greater space would have to be allocated to

⁴⁹ Trevor Hamilton and Associates (2008). “Evaluation of the CTCS, 1998-2006”.

⁵⁰ Previously called the country strategy papers (CSPs).

⁵¹ In this context, “strategic” means, first, based on analysis of needs of the private sector and alternatives; second, identifying and explaining CTCS priorities for the period; and, third, considering such strategic factors as partnership with “cooperating institutions”, continuity of effort, sequencing of interventions and leverage for major impact.

⁵² There was never a full chapter on the private sector. The resource envelope generally did not show what resources were available and could be utilized from the CTCS. The private sector activities of other donors were sometimes mentioned, but specific collaborative efforts were seldom described perhaps because they are not common. The results frameworks in the Country Engagement Strategy Papers did not typically contain capacity development targets for the private sector.

⁵³ See for instance, CDB OIE (2019) “Cluster Country Strategy and Programme Evaluation of OECS and ODT Borrowers – 2010-2018: “The Bank should more evenly deploy its own and BMCs’ limited resources over the CS cycle, streamlining the analytic front-end and putting more effort into periodic review and country engagement” (Recommendation 1. Page vi). It is worth noting that many BMC interlocutors expressed an appetite for more frequent engagement of this nature with the Bank.

⁵⁴ CDB’s incipient practice is for the Advisory Management Team to review the Country Engagement Strategy Papers quarterly, with an emphasis on tracking disbursements; but more than review is needed to keep them up to date as a functioning strategic tool for TA.

developing a TA strategy for the private sector. To facilitate this, the Bank should revise its needs analysis for public and private sector TA in each BMC at least once in each 4-year SDF cycle.⁵⁵

3.4 Results Matrix, Previous Evaluation, Audit and Other Studies

3.4.1 CTCS Results Framework and Metrics

The CTCS Strategic Plan, 2016-2019, states that the impact that the CTCS seeks is to improve the productivity and competitiveness of MSMEs that participate in a CTCS activity.⁵⁶ The targets were as follows: (1) 50% of a sample of participants are still in business; (2) 25% of a sample of participants have increased their employment by at least 20%; (3) 25% of a sample of participants have increased turnover by at least 25%.

Although this evaluation did not rigorously assess the impact of the CTCS, it is, nevertheless, possible to make some observations based on information collected.

- First, the premise of the impact objective is that all CTCS participants are MSME business owners and operators. That was not necessarily the case. Some were potentially interested in establishing a business or were just interested in the topic or in upgrading their skills as an employee (accounting skills, say) or in learning material that they could in turn teach. The CTCS impact objectives may need to be revised to be more appropriate to the mix of people actually attending CTCS activities.
- Second, the goal is a weak objective. If, at follow up, only 50% of participating businesses were still in business then selectivity at application would need to be improved.
- Third, increasing employment and turnover in each participating MSME by 25% seems a reasonable target but does not mean much without a time frame. Twenty-five percent in a year would be a lot but not 25% in ten years.
- Lastly, if impact targets are to be stated then there needs to be a commitment to measure them and resources allocated to make that practical.

CTCS's intermediate objective was 7,000 businesspeople from MSMEs to receive TA during 2016-2019 (4 years), with sub-targets by gender, age and economic sector.⁵⁷ CTCS reports that the actual number of beneficiaries was 3002 (unverified by the evaluators) over the five-year period from 2015 to 2019 (see Section 4.3.2, Table 4.3.2-1). This is less than half the target; but the problem may have been an unrealistic target rather than inadequate performance. A clearer distinction should be made between people who participated in a CTCS activity (say, a workshop) and estimates of people who may have benefited at one remove (say from a briefing or training provided by a CTCS participant). It would be useful for CTCS to revise its intermediate objective to be more precise about expected outputs, including participant days engaged in different CTCS activities and cost-per-participant day, rather than just unverified counts of "participants" or "beneficiaries."

⁵⁵ In some cases, circumstances will not have changed much (although some lessons may have been learned) and revisions, therefore, will be easy. However, in other cases, especially after a crisis that affects the private sector (natural disaster, health crisis or fiscal crisis), priorities might change a lot from year to year.

⁵⁶ CTCS Strategic Plan, 2016-2019. Section 13.5 Results Matrix. Table 12.

⁵⁷ "On completion of the needs assessment described in Result 1, the result for the Immediate Objective will be broken out into gender, age and sectoral components."

There were seven results listed in the CTCS Strategic Plan. Each result in the framework has targets specified, which is commendable.

1. Needs-based programme planning
2. A searchable and scalable roster of consultants
3. A well-functioning network of Cooperating Institutions
4. Gender equality programming
5. Youth oriented programming
6. Effective promotion and marketing
7. Improved internal effectiveness

This is an eclectic mix of “results,” with some obvious gaps. At this level, results should be specified as outputs, not as processes. The evaluators also note that, while gender and youth are mentioned, there is no mention of the environment, regional cooperation and integration, risk, “bankability”, markets (value chains) and market analysis, investment ecologies, corporate governance or the professionalization of business management.

3.4.2 Private Sector Approach to Impact Metrics

In the private sector, impact investors use various systems to monitor and report their impact. The IRIS+ system is the best known. The terminology generally in use is ESG – environment, social and governance impacts. Gender equality is subsumed under “social” and climate change under “environment.”

Use of the IRIS+ system provides comparability among the claims of different impact investors, which is important to potential donors. This makes it easier for investors to make decisions about allocating their funds. Use of IRIS+ facilitates comparisons among impact claims.

Given that the CTCS works in the private sector, it would be useful if there were a link between its Results Framework and IRIS+ in order to be able to communicate with impact investors in the private sector, and to have benchmarks against which to compare the CTCS.

3.4.3 Risk Management, ISO Certification and Audit

Risk Management and Targeting

The CTCS Manual states that “Projects department (should) complete a thorough assessment of all (CTCS) projects focusing on four key pillars of risk namely financial, operational, developmental, and strategic, consistent with the Bank’s enterprise risk management framework.”⁵⁸

However, the CTCS runs greater risks than does CDB’s TA to the public sector because CTCS grantees are private organizations and individuals that are inherently more subject to various risks than public sector organizations (sustainability risks, probity risks, CDB reputation risks, etc.). The CTCS also takes greater risks than some other TA programmes in the Caribbean because it is willing to makes grants to individuals who are not in the formal business sector and are not “bankable” in other ways. The CTCS Strategic Plan 2016-2019 says:

“Many of the programmes of support offered to MSMEs by other development partners have higher (more demanding) selection criteria than the CTCS. For example, some programmes require that beneficiaries operate within the formal sector; have a minimum number of years of financial reports or

⁵⁸ CTCS Manual (2017), p. 68.

have higher levels of assets and/sales and/or turnover that that required by CTCS. Additionally, some of these programmes require beneficiaries to make a significant contribution; this often puts technical assistance out of the reach of those most needing it.”⁵⁹

There are two important statements in the paragraph above. First, the CTCS has no minimum requirements for participation, unlike several other programmes supporting MSMEs in the Caribbean. (See the CTCS Strategic Plan, 2016-2019 for a list of other programmes.) The result is that the CTCS attracts a very mixed group of participants, some not likely to be growth businesses in the near future.

Second, it describes CTCS participants as those “those most needing assistance” in some sense. But are the enterprises that cannot afford to pay even a fraction of the cost of CTCS assistance likely to be in a position to grow? Some CTCS participants might be better subjects for BNTF interventions, where individual livelihoods are the target, if they are not good prospects for a “growth oriented” business programme like the CTCS.

In part, the risk profile of the CTCS is determined by a strategic choice between being oriented to individuals and micro and small enterprises (like the BNTF is) or being oriented to small and medium enterprises in the formal business sector (as would be appropriate if entrepreneurial economic growth were the primary target rather than direct poverty reduction).

There are indications that the risk stance taken by CDB regarding the CTCS has resulted in an unknown but probably considerable number of project failures. For instance, the previous independent evaluation of the CTCS (2007) noted many grantees that it could not locate. The internal audit of the CTCS (2015) also commented on the CTCS’s high risk profile (see Section 3.5.5 Lessons Learned from the Internal Audit of the CTCS).

Finally, it may be relevant, although not specific to the CTCS, that the last independent evaluation of TA in general commented on the large number of projects that did not proceed or that were closed incomplete. It called for a special study.⁶⁰

Since the CTCS seems to have a high tolerance of project risk, this needs to be balanced by strong risk controls. Risk control needs, first, due diligence in the review of grant applicants, ensuring that they are as they portray themselves and do not have any characteristics that should bar their participation. As well, risk control requires rigorous performance contracts with the CIs and with other actors in the project, such as workshop facilitators and specialists. Where possible, CDB should negotiate penalties for non-performance.

At the end of projects, there should be a completion report written by a CDB professional staff person before final payment of the grant to ensure that essential provisions of contracts have been met.

Overall, there should be strong on-going risk management of the CTCS, which requires more frequent risk-based audits of the CTCS either by CDB Internal Audit or by an external auditor (see Section 3.5.6 Lessons Learned from the Internal Audit of the CTCS). Grant provisions should entitle CDB to audit the use of monies by grantees if it decides to do so; and there should be such audits of a small sample of grantees each year selected according to risk criteria.

Each application for a CTCS grant to an enterprise (individual or company) should be subject to a credit check and that credit check should be kept on file.

⁵⁹ CTCS Strategic Plan, 2016-2019, page 23.

⁶⁰ CDB, Independent Evaluation of TA, 2006. Authors IDMAG Inc. and Rideau Strategy Consultants Ltd. Canada.

Each grant agreement contains a clause that provides for repayment of the grant, including any advance payment, if the grantee does not produce the outputs as specified in the agreement. This should be enforced. The evaluators observed projects where important outputs had not been produced but the full grant was paid nevertheless.

Audit and ISO Certification

The CTCS, as part of TCD and the Bank, is not ISO certified for risk management (ISO 31000:2009),⁶¹ and CTCS has never been the subject of an external audit.

In 2015, CDB conducted an internal audit of the CTCS. The objective was “To enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.”⁶² It was limited to compliance issues (not performance issues). It sought to determine whether the CTCS had complied with CDB’s policies, procedures, and guidelines. It was based on a small sample of CTCS projects that had been approved in 2014. Depending on the issue, the audit considered a sample of three to six of the 11 CTCS projects that had been approved in that year.⁶³

The audit did not examine data at the level of Cooperating Institutions or beneficiary enterprises.

TCD has self-reported progress on the audit recommendations but, four years later, there has not yet been a follow-up by Internal Audit Division to attest to progress on the management action plan or to identify any deficiencies that may remain. CTCS has self-reported on that status of the Action Plan.

The following audit recommendations have been acted on:

1. Write a manual of operational policies and procedures⁶⁴
2. Transfer the authority for claims processing and payment from the CTCS to CDB’s PPU⁶⁵

The following audit recommendations have been acted on only in part:

1. Establish formal efficiency (responsiveness) metrics and targets for key CDB activities related to approving and implementing projects. That is, set standards for response times and monitor the performance of the CTCS Unit.⁶⁶ (For the evaluators’ further observations see Section 4.2.3 of this report “Efficiency Metrics”.)
2. Produce annual operational workplans that are subject to oversight. (See Section 3.4.6 of this report “Annual Operational Plans”.)
3. Procure professional services competitively whenever possible and maintain a roster of consultants who are pre-qualified competitively.⁶⁷ (See Section 4.2.5 “Procurement of Goods and Services”.)

⁶¹ www.iso.org ISO 31000 is an international standard published in 2009 that provides principles and guidelines for effective risk management. It outlines a generic approach to risk management, which can be applied to different types of risks (financial, safety, project risks) and used by any type of organization.

⁶² Institute of Internal Auditors Foundation (2017). *Internal Auditing*. P. 2-6.

⁶³ A total of 11 activities were approved and executed in 2014, with a total budget allocation of USD304, 391. The total amount disbursed as of December 31, 2014 was USD208, 572.

⁶⁴ Internal Audit Division, CDB, op.cit. p.3.

⁶⁵ Internal Audit Division, CDB, op.cit. p.3.

⁶⁶ Internal Audit Division, CDB, op.cit. p.3.

⁶⁷ Maintain a roster of consultants. Call periodically for consultants to submit Curricula Vitae (CVs). Competitive evaluation of at least three CVs from individual consultants. Documentation and approval of the justification for

4. Sign a formal Memorandum of Understanding between the CTCS and each Cooperating Institution, specifying the objectives and the role of each party. (See Section 3.1.4 “Agreements with Cooperating Institutions”)

CTCS should do the following:

- ✓ Obtain ISO certification for risk management.
- ✓ An internal audit of the CTCS or its successor programme should be undertaken every fourth year, in the final year of the SDF cycle, to provide assurance to CDB management, CDB Board and SDF donors. Internal Audit should conduct an assurance exercise (compliance audit) in 2020 as a follow-up to its audit in 2015. A larger sample of grants should be examined by the auditors than was examined in 2015. That audit should examine progress on the issues addressed previously (2015) and examine any others that may arise. The audit should be preceded by a risk assessment exercise to identify the highest priority issues for audit attention.
- ✓ Every second cycle of the SDF (every 8 years), in the middle of the cycle so as not to duplicate an internal audit, CDB should commission an external audit of the CTCS or its successor programme. Each external audit should provide assurance of financial probity and address selected performance issues, in accordance with a risk assessment in the planning phase, as well as addressing compliance issues. The first external audit should be conducted in the fourth quarter of 2022 or the first quarter of 2023.
- ✓ The costs of ISO Certification and of specialist consultants to support each internal audit or to conduct external audits should be chargeable against the CTCS set-aside from the SDFU.

3.4.4 Previous (2007) Evaluation of the CTCS

In 2007 CDB commissioned an evaluation of the CTCS over the eight-years from 1998 to 2006. The study was conducted by a Jamaica-based consulting company.⁶⁸ The Terms of Reference for the evaluation were to assess CTCS’s relevance, efficiency, effectiveness, and sustainability.

Information was gathered from about 100 stakeholders, including CDB staff, the staff of cooperating institutions, and beneficiaries, in seven BMCs.⁶⁹ The evaluation team also made comparisons between the CTCS and programmes of other donors providing TA to MSMEs in the Caribbean.⁷⁰

the selection of consultants, especially in cases of single-source solicitations. Provide appropriate training to CTCS Network staff on consultancy service procurement, and institute measures to ensure the application of the lessons learned.

⁶⁸ Trevor Hamilton and Associates, An Evaluation of the Relevance, Performance, Effectiveness and Sustainability of the CTCS Network over the period 1998 to 2006.

⁶⁹ Antigua and Barbuda, Barbados, Commonwealth of Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines.

⁷⁰ There were four bilateral/multilateral organizations playing significant roles in private enterprise development in the BMCs. They are: □ Comparisons were made with the IDB Private Enterprise Development Program which supports SMEs and agricultural ventures. □ The USAID Private Sector Competitiveness Program which supports interventions in enterprises deemed to be performers and is most likely to succeed in exporting. □ The EU Private Sector Development Program which funds interventions for modernizing enterprises and enhancing the capacity of private enterprise service support organizations. □ The CTCS program which provides TA for enhancing productivity, efficiency, and development of enterprises and strategic economic support institutions.

The 2007 evaluation team observed that the CTCS had strengths and weaknesses at that time.⁷¹ It said that the main strengths included responsiveness, flexibility and minimal “bureaucracy.” The main weaknesses included a lack of focus on strategic concepts and goals (which the consultants largely considered to be poverty reduction); inefficient resource allocation (not funding the best opportunities from a costs and likely results perspective);⁷² inadequate assessment of applicants and their risks of non-performance;⁷³ and limited program transparency and accountability.⁷⁴ The evaluators also concluded that the CTCS’s relationships with its network of cooperating and implementing agencies needed to be managed better. These are themes that were picked up ten years later in the CTCS Strategic Plan (2016-2019).

The general recommendations of the 2007 evaluation were:

- ✓ Achieve better strategic focus (re-brand the CTCS)
 - Management of the CTCS, it was said, should focus more on its main strategic goals – its main focus should be direct poverty reduction and there should be a close linkage between the CTCS and CDB’s Basic Needs Trust Fund (BNTF).⁷⁵ The CTCS should focus on individuals to promote self-employment skills and single-person entrepreneurship.⁷⁶ The evaluation report discussed using the CTCS to teach self-employment skills to individuals and micro businesses, but there was no discussion of its potential role in support of growth oriented medium size enterprises that have a viable business opportunity that might be scaled up.⁷⁷
 - At the same time, and perhaps not entirely consistently, the consultants recommended that the CTCS improve its effectiveness⁷⁸ by repositioning itself strategically to target growth opportunities in the “new economy.”

⁷¹ The evaluators said that “It (CTCS) has significant advantages. It has significant beneficiary participation - Minimized documentation and bureaucracy - Quick turnaround time - Favorable beneficiary ratings - It also has some noteworthy shortcomings: - Documentation provides very little data for: future assessment, or performance monitoring. - Very little risk assessment of the applications for T.A. - The cooperating agency is underutilized and typically has no obligation to ensure performance. - There is little or no contractual obligation for the beneficiaries to perform. - There are no mechanisms for competitive procurement of T.A. providers.” CTCS Evaluation Report, 2008, Box 3.3, page 3-11.

⁷² By far the greater part of expenditures was for workshops, which the evaluators concluded were less cost effective than on-site solutions (attachments).

⁷³ CTCS Evaluation Report: “It is beneficiary friendly, flexible, easy to access and comes with minimal paperwork. □ It lacks mechanisms to promote or facilitate competitiveness, efficiency, risk assessment, beneficiary performance, competitive procurement, beneficiary choice, bankability, formal performance agreement.”” Box 3-5, page 3-14.

⁷⁴ A significant number of grants had gone to individuals who at the time of the evaluation could not be identified and traced.

⁷⁵ CTCS Evaluation, 2008: “CTCS Opportunities: CTCS can support the BNTF and other community-based skills by training programs with T.A in business mentoring and attachments for trained personnel with a commitment to self-employment.” (Box 6-6) “The CTCS logical framework, constructed by the consultants, (states) that the socio-economic imperatives of the BMCs will be sustained prosperity with a much higher rate of equity, ... with greater and new demand for services from the CTCS..” (page 4.12).

⁷⁶ CTCS Evaluation, 2008, page 1-7.

⁷⁷ CTCS Evaluation, 2008, page 1-7: “It has concentrated over 60% of its portfolio on “newcomers” even though it is universally believed that the mortality rate among SME start-ups is about 80% in the first 5 years.”

⁷⁸ Improve efficiency and effectiveness by the following actions. “Outsource the field operations activities, through formal agreements, to cooperating institutions. Rationalize the role of cooperating institutions. Utilize BMCs’ capacities in TA and pay partial monthly direct costs associated with delivering the T.A. Optimize the use of local

- The evaluation report concluded that the CTCS needed a better public “brand” and greater public visibility.
- ✓ Fund fewer workshops and more attachments
 - Regarding the instruments of the CTCS, the evaluation report recommended that it move away from workshops on topics for which training and materials were already widely available. It said that general workshops incurred high costs and produced intangible results and low economic returns. The evaluators recommended, instead, that CTCS should increase the number and quality of attachments (“site-specific solutions” focused on the needs and opportunities of specific enterprises). The consultants said that attachments typically have low costs and high economic returns.⁷⁹ “Allocate a much larger share of the budget to attachments and on-site solutions” (recommendation 3.5). “Attachment” included “site specific” inputs by an expert, sometimes a business peer, who visits the site of the grantee’s business and provides advice or alternatively grantees visit another site to observe and learn best practices. Some “attachments” involved trainees being “attached” to a business for a short period to learn skills – somewhat like a practicum. For example, kitchen staff from a small hotel in one country might be temporarily attached to a hotel in another country to upgrade their skills.
- ✓ Be more business like
 - Improve the information about applicants and grantees. The evaluators (2007) could not find a substantial number (approximately 40%) of the people who had received grants. They said that part of the problem might have resulted from inadequate management information systems and that, in the opinion of the evaluators, the CTCS had not followed up sufficiently with beneficiaries. They concluded that better management of grant records was needed. Management responded that there were extenuating circumstances including destruction of records.⁸⁰
 - Do better risk analysis of applications, including requiring references from banking institutions and/or business associations.
 - Be more rigorous about cost recovery to enhance sustainability. “Invest in workshops only when there is a significant co-financing partner or cost recovery portion.”⁸¹ Include some cost recovery

resources and facilities for TA and attachments where practicable. Allocate a much larger share of the budget to attachments and on-site solutions. Invest in workshops only when there is a significant co-financing partner or cost recovery portion. Establish and operate with a simplified format for assessing potential viability of each intervention in order to realize a high responsive rate. Fund more process and productivity-oriented consultancies and less on marketing, business development, accounting etc. as these are increasingly available from many other providers. Fund activities for successful CTCS beneficiaries who request T.A to take them to the next level.” CTCS Evaluation, 2008. Executive Summary.

⁷⁹ CTCS Evaluation, 2008, page 1-5.

⁸⁰ CDB, Portfolio Manager, Private Sector Development Division (PSDD), through Division Chief, PSDD. “Review of the CTCS (Evaluation) Interim Report” June 13, 2008. “The consultants identified a major challenge in locating 40% of beneficiaries, particularly those not currently in business. While we accept that the CTCS’ database needs to be enhanced, the consultant needs to be aware that the lack of data on individual interventions from 1998 to 2004 resulted in part from the removal and destruction of the CTCS TA and Workshop files in 2007.”

⁸¹ Enhance the sustainability of the CTCS by the following actions: “Institutionalize CTCS in BMCs through partnerships. Empower CTCS to raise grant funds as a critical performance criterion. Give CTCS a brand recognition status among its beneficiaries, partners and in the Division.

in all projects, especially from repeat clients who had been successful with earlier CTCS grants and who have the potential to move to a higher level of business success.⁸²

- Restructure CTCS systems and practices to be more transparent and accountable.⁸³ Improve transparency and accountability by making applications for grants more competitive, better documented and more demanding (i.e. with clearer requirements for contractual performance).⁸⁴

Lessons Learned from 2007 evaluation, and current status

In 2020, many of the strengths and weakness of the CTCS that the evaluators observed in 2007 remain unchanged although external conditions have changed. The CTCS remains a popular program among its clientele, although not widely known. Its performance agreements with grantees are sometimes not stringently enforced.⁸⁵ Cost recovery practices have not changed. The CTCS has not been rebranded, although, in 2020, TCD has told the evaluators that there is a proposal to do so that awaits consideration by CDB senior management. Transparency challenges remain substantially as they were in 2007. PCRs are not written by CDB staff (see Section 4.2.7 Project Completion and Close Out). Project data are not easily available, being spread across several IT systems in the Bank (see Section 3.2.4 Management Information). Reporting to the CDB Board is minimal (see Section 3.4.3).

In 2007, there was an internal management response to the evaluation report, but no commitment to an action plan. Subsequently, in 2012 CDB adopted a Technical Assistance Policy and Operational Strategy (TAPOS) and an implementation plan that, in principle, applied to the CTCS as well as other TA by the Bank, although there was no specific mention of the CTCS in the main text of TAPOS, only in an appendix. Similarly, there was no mention of the CTCS in the TAPOS Implementation Plan, although many of the lessons that had been learned about TA in general should also be applied to the CTCS.

Some changes were made after the 2015 internal audit (see Section 3.4.3 Risk Management, ISO Certification and Audit), but in general there has been limited reform to its positioning, brand, systems and practices.

3.4.5 Tracer Study of Beneficiaries, 2013-2017

The CTCS Strategic Plan, 2016-2019 made a commitment to follow-up with beneficiaries. It said:

Beneficiary tracking is important for two aspects of programme effectiveness. It will assist in informing needs-based programming and will be an integral part of programme monitoring and evaluation, which will feed back into programme improvement. From each workshop intervention, CTCS will select 10% of participants to form the pool for beneficiary tracking. Given the limited amount of direct TA and attachments currently in the programme, CTCS will use all beneficiaries of these last two modes as the

⁸² CTCS Evaluation, 2008, “An increasing cadre of satisfied and growing clientele who are low risks and need T.A to take them to the next level. They represent a market that could be charged a higher cost recovery fee.” Lessons Learned, Section 1.4.

⁸³ Accountability would be improved by better initial documentation, contracts with implementation agencies and beneficiaries that have performance stipulations, and monitoring of outcomes.

⁸⁴ CTCS Evaluation, 2008: “Stop business as usual in terms of the following: High concentration on workshops; casual relationships with coordinating agencies; high concentration on conventional consultancies which have high travel cost content in an environment where international travel will be increasingly expensive; no risk assessment of requests for T.A. Lack of post T.A follow-up” (page 1-8).

⁸⁵ To illustrate, we observed one workshop designed for 25 participants that attracted 10, without comment on file or penalty.

*pool for tracking. If and when the number of beneficiaries from direct TA and attachment increases significantly, CTCS will adjust the percentage to be included appropriately. At annual intervals, CTCS will circulate a short questionnaire (not more than five questions) to the participants in the sample in order to secure feedback.*⁸⁶

CTCS has not conducted an annual survey; but in 2017, it surveyed 60 beneficiaries of CTCS grants between over the 2013-2016 period. The selected beneficiaries had received grants for three types of activities – workshops, training attachments and in-plant TA. Seventeen persons responded to the survey, a 28% response rate. Of these, most (13 of 17, 76%) had benefited from attachments or in-plant TA. Few workshop attendees responded (4 of 43, 9%). The implication is that the beneficiaries of attachments were much more engaged than the workshop attendees.

The respondents, 59% men and 41% women, were owners, managers, and operators of MSMEs engaged in arts and crafts, food preparation, hospitality services and manufacturing. Those who responded were positive about the benefits they had received from the projects in which they had participated.⁸⁷ On the basis of the tracer survey, it was concluded that training attachments and direct in-plant TA provide more value for money than general workshops.⁸⁸

The tracer survey was a low-cost initiative that delivered strategically useful information about the CTCS, and recommend that it be conducted every two years and expanded to include Core TA as well as the CTCS. Such surveys are opportunities to keep in touch with participants and to learn lessons. Over time, if they are designed well, repeated surveys can produce time series data that would be useful for evaluating trends in performance.

3.4.6 Brand Awareness

In September 2019, CDB commissioned a survey to ascertain the degree to which businesspeople in the Caribbean were aware of the CTCS, and what they thought about its performance and the name Caribbean Technological Consultancy Services.

There were 35 responses. No population size or sampling frame is described. Therefore, the findings of the survey, while useful, might not be representative. Very few people, only 6 (17%), had heard of the CTCS and fewer knew anything about its services. Respondents tended to be more aware of their national business support agency.

Almost three quarters of respondents (71%) rated CTCS communications as poor or very poor. Sixty percent thought the name “Caribbean Technological Consultancy Services Network” did not accurately

⁸⁶ CTCS Strategic Plan 2016-2019, p. 36.

⁸⁷ Some quotes included the following: *“The training has enabled to greatly improve our quality system. We have gone from 10% to about 90%. My customers benefit from a higher quality of service and good food. I was able to invest with confidence, with all the information on how the market is structured, its size and the type of distribution to adopt. It has helped us to build strategic relationships with other agencies and leverage those relationships to the benefit of our clients. Our customer service has improved, the sense of profits has been realized. After the training, customer base, profits and productivity have increased. It has ensured that we are up to date with all our transactions and this has aided significantly in our reports to our stakeholders.”*

⁸⁸ CDB concluded: *“... the results of the survey affirmed that beneficiary MSMEs of training attachments and direct/in-plant assistance are better able to quantify or qualify the impact of TA on their businesses. This is because these types of TA seek to address critical pertinent and intimate efficiency and productivity challenges within their operations. Conversely, workshops are group training primarily intended to enhance the technical and managerial capacity of MSME owners, managers and operators. As such, beneficiaries of such interventions cannot easily equate the knowledge and skills acquired to direct impact on their operations given that several other variables would have contributed to business improvement.”*

reflect the services offered. A large majority disliked the name for various reasons, including its perceived inaccuracy in reflecting CTCS services and because it was difficult to remember. Obviously, the outcome of the survey was unfavourable, with especially poor findings on the visibility, design and brand of the CTCS.

3.4.7 CTCS Perceptions Survey

In September 2019, CDB commissioned a perception survey of past CTCS participants. Most respondents had participated in a workshop and, not unexpectedly, the workshop modality was “top of mind” for them. The perception survey covered some of the same ground as the Brand Awareness Survey and did not add a lot to its findings. The respondents said that the CTCS activity had been important to them and that they would recommend it to other MSMEs. By far the most frequent way that the participant had learned about the training opportunity was from a CDB staff member. Finally, they reported seldom collaborating with other participants after the event.

MINICASE 1: FASHION DESIGN WORKSHOP

In 2018, CDB CTCS provided a grant¹ of USD53,650 to enable the Barbados Investment Development Corporation (BIDC) to present a 10-day workshop in Fashion Design and Business Management targeted at teachers² of fashion design and owner-operators of micro and small businesses in the apparel sector, who are for the most part women. The project followed a previous project funded by IDB. According to the BIDC the grant covered about two-thirds of the costs of the workshop.³

The workshop was presented by two international consultants engaged by BIDC – one a specialist in apparel design and one a specialist in apparel manufacturing. It covered creative design, sewing and pattern-making skills, fashion research (including sourcing, trends and markets), finance and human resources, branding, promotion, production and the product cycle. It was well received by trainees, as evidenced by the end-of-training questionnaire. In addition to reviewing files and interviewing the principals at BIDC, the evaluators visited the workplaces of two women entrepreneurs who had participated in the workshop and examined the website of a third.

Strengths of the project

The project was a good fit with two of CDB's priorities – helping women and helping MSMEs – and it was, in part, in the cultural and creative sector that CDB sees as having potential in the Caribbean. It upgraded the skills of its participants, and it had some potential leverage in that the teachers who participated could pass their knowledge and skills to their students.

Limitations of the project

The apparel sector is a questionable focus for economic development in Barbados. CDB's appraisal of this project stated that employment in this sector had declined from about 4000 people in 1981 to about 300 currently. Annual export earnings from the sector were stated to be BBD 300,000 barely twice the cost of the workshop. Garment export has ceased to be a significant business sector in Barbados and seems unlikely to become one. The residual industry appears to comprise micro sewing workshops catering to local needs such as single piece sewing, school uniforms and hotel uniforms, with some tourist items.

The computer-aided-design (CAD) component of the workshop was not presented; and the workshop design and materials were provided by the consultants and remain their property. Although planned to be videotaped, the workshop was not recorded except in still photographs. It was thought initially that the course might be put on-line by BIDC and made available for a fee, thereby becoming self-sustaining but that ambition was not realized.

The target number of participants was 16. Ten businesspersons and five teachers attended, not all for the whole duration of the workshop, for a total of 117 person days. The timing of the workshop proved to be problematic, since it was presented during the college year, when teachers availability was constrained, and at a busy time in the tourist year, when MSME entrepreneurs were likely busy. Consequently, the cost-per-participant-training-day was about USD687.

Project Performance

At appraisal, CDB staff scored this project as an expected 3.75 on a scale of 1 to 4,⁴ indicating that it was likely to be “highly satisfactory”.⁵ Implementation, however, was weaker than expected and the evaluators conclude that this project, although beneficial, underperformed expectations.

At appraisal, the gender marker indicated that the project was “marginally mainstreamed with limited potential to contribute to gender equality.” The evaluators agree although we note that the project managers at CDB and at BIDC, the workshop leaders and the participants were almost all women. Although the proposal said the men were to be invited as well, none were. Therefore, some women benefited although gender equality, as such, was not significantly affected. No provision was made for other dimensions of disadvantage, such as physical disability.

The project might have had more impact if it had been planned further in advance and held at a more appropriate time of year. Serial delays moved it from a summer event to a busy time of the college and business year. It would have had a more sustained impact by packaging training materials for on-going use by the participating institutions or as an on-line resource of the BIDC. The cost per participant training day was high; and the likely economic impact on the clothing sector, which had suffered a precipitous decline, was positive but small.

¹ July 2018.

² Teachers at the Barbados Community College (BCC), the Garment Technology Programme at the Samuel Jackman Prescod Institute of Technology (SJPI) and the Garment Making Programme at the Barbados Vocational Training Board (B VTB).

³ At Appraisal, the total budget was projected to be USD 78,750 of which BIDC was to contribute USD 22100 and SIPI USD 3000.

⁴ The overall performance score is the simple average of the scores on the OECD/DAC project performance criteria (relevance, efficiency, effectiveness and sustainability)

⁵ In accordance with CDB's TA project Performance Assessment System (PAS), the performance scale is from 1.0 to 1.75 (unsatisfactory), < 1.75 and < 2.5 (marginally unsatisfactory), > 2.5 and < 3.25 (satisfactory), > 3.5 and up to 4.0 (highly satisfactory).

4. PERFORMANCE

4.1 Relevance

4.1.1 Relevance to Clients

Virtually all respondents to the survey conducted for this evaluation, both CIs and beneficiaries, reported that the CTCS activity in which they had been involved was highly relevant and important to them (see Appendix D, Table 2). Opinions on the activity's additionality were more mixed but still positive. A little more than half of the respondents said that they would definitely not have proceeded with the project without support from the CTCS. The rest reported that the funding was "reasonably influential" on their decision to initiate or participate in the project (Appendix D, Table 3).

Some illustrative comments by stakeholders were:

Development of the Risk Inspection Manual was an excellent preparatory step for coordination of users, owners, producers and all other persons involved in the food industry, and could assist in strengthening the capacity of these individuals to make them more aware and prepared, and strengthen compliance (respondent 10106).

Project will allow me to provide financially for my children and the flexibility to be more involved with them while earning an income (respondent 10111).

Very relevant to organizational priorities, although it could have been improved with the provision of (named) software to MSMEs who did not have access to it (respondent 10514).

This evaluation concludes however that it is impossible to be definitive about the overall relevance of the CTCS activities, without two things:

- Baseline needs analysis for the private sector in BMCs and an analysis of what TA is available from other sources.
- Market tests of the value of the CTCS to participants. Beneficiaries sometimes made a financial contribution and sometimes not. The participant contributions listed in the CTCS operations manual (Table 2) are not significant, ranging from \$20 to \$50 per participant.

4.1.2 Harmonizing the CTCS with CDB's MSME Strategy

CDB's MSME strategy as articulated in its position paper in 2020⁸⁹ is focused on growth opportunities and businesses large enough to be concerned with access to credit for growth ("bankability"). Going forward, this would suggest a stronger emphasis for the CTCS in these areas than was evident in the 2010-2018 period.

The strategy paper said:

"Access to finance, remains a binding constraint for regional MSMEs, as outlined in the latest World Bank *Doing Business* Report 2020, which showed the Caribbean ranked, on average, around 135th of the 190 countries surveyed with Jamaica having the highest rank of 15 and Suriname the lowest of 181 on the access to credit indicator (see Figure 1). Reasons for Jamaica's good access to finance ranking can be attributed to its' ... strengthening of legal rights, credit information frameworks (including

⁸⁹ CDB, "Enhancing the CDB's contribution to MSME Development in its BMCs", Paper BD 17.20, March 31, 2020.

increasing coverage of credit bureaux) and credit registries.⁹⁰ ...Many MSMEs experience difficulty in demonstrating investment readiness or credit worthiness, including the capacity to develop realistic business plans and sound marketing plans, forecast financial outcomes, and in understanding the range of financing options available.”⁹¹

There is an opportunity therefore to reposition the CTCS to harmonize more clearly with CDB’s current thinking about support to MSMEs, and this could be expressed through a new CTCS strategic plan (2020-2024).

4.1.3 Scope of the CTCS

The CTCS has an ambitious scope and limited resources. It covers a wide range of business enterprises in all economic sectors across 19 BMCs. It works through many cooperating institutions and uses a variety of instruments. Inevitably, its interventions tend to be one-off and its impact in any one area is limited.

Given this small budget, a narrower scope could be pursued more effectively. It is difficult to be focused on: (1) individual livelihoods and micro-enterprises; and (2) medium sized businesses, at the same time. The needs of these two groups are different.

Individual livelihoods and micro-businesses should be supported by CDB’s Basic Needs Trust Fund, as indeed they are. The CTCS, as its mission statement indicates, should focus on growth-oriented small and medium business enterprises (SMEs). This might imply reducing the number and type of cooperating institutions, to focus on those that have a mandate compatible with the new priorities of the CTCS.

The instruments of the CTCS should be better balanced and integrated into coherent lines of business. A line of business, planned over several years, might use several instruments, including workshops, knowledge products (especially on-line), enterprise-specific attachments, mentorships and on-site expert TA. For example, say the CTCS had a line of business in supporting corporate boards for small and medium businesses. It might begin with a review of the situation in BMCs and a review of best practices worldwide as well (knowledge product). It might then proceed to a regional workshop to discuss the issues and develop an agenda for further TA. It might then proceed to support other relevant studies, workshops on sub-topics and/or TA to individual enterprises attempting to establish a Board or an advisory group.

4.1.4 Business Environment

In its 2020 paper on enhancing its contribution to MSME development, CDB said:

“A critical challenge is the absence of an appropriate enabling business environment characterised by weak legislative, regulatory and incentive frameworks.”⁹² “It is proposed that CDB provide TA to support the implementation of each BMC’s strategic plan for improving the doing business environment. Additionally, the Bank is seeking to support business climate reform studies in BMCs and the development of a Business Climate Reform strategic implementation plan for each country.”⁹³

⁹⁰ CDB, “Enhancing CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 4.01. p.3.

⁹¹ CDB, “Enhancing CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 4.07.

⁹² CDB, “Enhancing CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 4.17.

⁹³ CDB, “Enhancing CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 8.02.

CTCS has not contributed to improving *Doing Business* frameworks, although it could legitimately fund relevant TA in support of private sector perspectives and positions. This could take the form of knowledge products, such as position papers by business associations.

The CTCS could in future play a role in bringing a private sector perspective to bear on business frameworks.

4.1.5 Visibility, Marketing and the CTCS Brand

Visibility is low

The visibility of the CTCS in the business sector is low, with the partial exception of those who have participated in an activity funded by it. The evaluators found that even in some CIs, senior managers were unfamiliar with the CTCS or only minimally familiar. The CTCS Strategic Plan, 2016-2019,⁹⁴ stated:

CTCS is not well known among its core constituency ... Many beneficiaries, who participated in training organised and paid for by CTCS, were not aware of the origin of the resources. Beneficiaries also did not know about the other programmes offered by CTCS (such as attachments) and even if they did, they were not aware of how to initiate contact. CTCS's promotion efforts are currently confined to a tri-fold brochure and mentions of specific activities on the CDB website. A more active and structured promotion and marketing strategy would raise awareness about CTCS ... Several things should be done: (1) develop a marketing and promotion plan⁹⁵; (2) produce collateral material; create an Internet and social media presence; (3) specific marketing activities; (4) have gender-sensitive public communications strategies; and publish a newsletter.

Visibility is important at several levels, including among organizations and individuals who may be attracted to develop a project and apply for a grant; second, among businesspeople who may participate in an activity, say a workshop; and third, among managers and policy makers in business support organizations.

The visibility of the CTCS is limited by its very small scale (\$1.13 mn in approvals in 2018 with activities spread thinly across many economic sectors and 19 BMCs). More can be done to enhance visibility, but there are inherent limitations given its present resources. The best sort of visibility would be attained by advertising of opportunities to submit proposals and of opportunities to participate in activities. The CTCS should solicit project proposals once each year, advertising the opportunity widely. This should be the focus of the granting process, although it does not preclude occasional ad hoc grants.

Marketing is minimal

When the CTCS signs an agreement with a CI, it states that the role of the CTCS should be acknowledged in materials. Nevertheless, the evaluators found that awareness among stakeholders is low. This is inevitable if the stakeholder becomes aware of the opportunity entirely or largely through the CI.

⁹⁴ CDB, CTCS Strategic Plan 2016-2019, p. 35.

⁹⁵ Ibid. "CTCS will develop a plan to promote and market its technical assistance in collaboration with the CDB's Corporate Communications Department and IT Department. The plan will focus on reaching beneficiaries and potential facilitators. CTCS will explore the use of email and social media alerts as part of its communication strategy and will develop a database of contacts to facilitate this purpose."

The CTCS Brand

For some time, TCD has been aware of the need to reposition and rebrand the CTCS. The CTCS Strategic Plan 2016-2019 proposed that the name of the CTCS should be changed to *Small Enterprises and Entrepreneurship Development Programme (SEED)*.

“At the time of inception of CTCS, the main economic development strategy was import substitution manufacturing. Accordingly, in relevance to that policy, the focus of CTCS and its predecessor interventions at CDB were on manufacturing. The name of the CTCS reflected the manufacturing focus. The Caribbean economy has evolved significantly since then with services supplanting manufacturing in most economies. The mission of CTCS has expanded considerably and represents a more diverse focus. Accordingly, it is proposed that the name of the programme should be changed from the Caribbean Technical Consultancy Services Network to Small Enterprise and Entrepreneurship Development Programme (SEED).”⁹⁶

The evaluators were unable to obtain a copy of the original founding document (Board paper) for the CTCS, so cannot be sure how its initial purposes were stated. Generally accepted thinking in development circles in the 1970s and 1980s was focused on import-substitution manufacturing. That approach was oriented toward protectionism, with the idea of establishing a Caribbean market for local manufacturers that was protected by high tariff barriers from external competitors from outside included parts of the Caribbean. Even at that time, this strategy overlooked the import needs of key segments of Caribbean economies – agriculture, services (tourism and financial services) and commodities (oil and gas, minerals). Import substitution through protected local monopolies and oligopolies was also a recipe for high prices to the general consumer and high prices for inputs to services. Finally, as a result of market protection, governments became dependent on tariffs and duties for revenues.

For these reasons the CTCS strategic plan 2015-2019 was on the right track in proposing to reposition and re-brand the CTCS based on different ideas about the needs of the private sector in the Caribbean. These ideas are carried forward in CDB’s recent private sector policy and operational plan and its emerging MSME strategy (see Section 4.1.5).

The CTCS Strategic Plan, 2016-2019 fails, however, to mention one of the main problems of business enterprise in the Caribbean – recurrent natural disasters. Technical assistance to the private sector, if it is to be effective, must consider the need to build resilience in the face of recurrent treats of destruction and disruption.

As well, the new economy worldwide is substantially a digital one. Entrepreneurship has become almost synonymous with high-tech (digital) startups. In this new world, some of the main competitive factors include risk capital, entrepreneurial skills, education, mobility, and cheap and efficient telecommunications. Clusters of expertise and activity have emerged in various places worldwide.

However, CTCS projects during the period of this evaluation, 2010-2018, were only peripherally relevant to entrepreneurial skills. If one looks, for example, at the various degrees in entrepreneurship offered at universities and colleges, it is clear that their curricula do not resemble the skills that have been the focus of CTCS workshops and attachments.

⁹⁶ CDB, *CTCS Strategic Plan, 2016-2019*. Author: André Vincent Henry, Principal Consultant, Ideas to Business Limited. Trinidad and Tobago; andrevhenry@icloud.com.

By and large, the skills taught in the CTCS workshops and attachments were aligned with basic technical skills, individual self-employment and artisanal micro enterprises. The previous evaluation of the CTCS (2007) recommended a closer relationship between the CTCS and BNTF, aiming at grass-roots poverty reduction. This would be a coherent vision, aligned with a fundamental part of the Bank's mandate, but is it not the Bank's current vision for MSME support by the CTCS. The CTCS does not need to duplicate the efforts of the BNTF at the bottom of the MSME pyramid.

The CTCS should prepare a concept paper to clarify the vision for the CTCS in the context of the future needs and opportunities of the business sector in the Caribbean. It should consider the emerging economy and the need for resilience in the private sector. This paper would help underpin the development of a new "brand" for the CTCS. In light of this concept paper, the CTCS should be repositioned as a programmatic instrument aimed at developing critical capabilities among Caribbean small and medium size businesses. A new name should arise naturally from that repositioning exercise. The name recommended by the CTCS Strategic Plan, SEED, may be a good choice; but it implies a direction and commitments that CDB should consider carefully.

"CTCS" has few of the fundamentals of a good brand. It is a complex acronym that is difficult to remember, and "technological consultancy services" has little relationship to most of what the CTCS does. The mechanics of a brand need to be developed or refined. These include a memorable mission statement, well thought through positioning relative to other organisations providing TA to the private sector in the Caribbean, with easily recognizable marks including a new name and logo.

It is also worth considering whether the CTCS should be branded separately from CDB's other capacity building activities. If CDB hosted a Caribbean Institute for Capacity Development, covering both governments and businesses, then a single brand would be the best option.

4.1.6 Alternative models worth considering but outside the scope of this evaluation

There are several models of TA to the private sector worth considering but which are outside the scope of this evaluation study.

- A Caribbean Institute of Capacity Development housed at CDB. Such an institute, perhaps headed by a Director, would raise the Bank's engagement with capacity building to a higher level, in both the public and private sectors.
- Outsourcing the CTCS.⁹⁷ This would move in the opposite direction of the first option above (that is, an Institute housed in CDB). In 1998, CDB's Board approved outsourcing the CTCS but management was unable to conclude an agreement with any potential acquirer. In 2020, there may be other options with organizations such as Compete Caribbean.
- Radically simplify CTCS's disbursement model, for example, with annual sustaining grants to business support organizations in BMCs rather than project-by-project programme management.
- Radically simplify CTCS's disbursement model along the lines of a fellowship granting system, which would call for applications from individual business enterprises to send staff to existing courses, workshops and events organized and managed by other training and capacity development organizations, such as universities and colleges or other development organizations.

⁹⁷ At the October 15, 1998 Board of Directors Meeting (BD 181) the Directors agreed to the out-sourcing of the CTCS Network.

4.2 Efficiency

4.2.1 Stakeholder Perceptions of CTCS Efficiency

Stakeholders commented on CTCS efficiency more than on any other topic (see Box 1). They were ambivalent about whether CDB managed its part of the CTCS project promptly and efficiently. A quarter of them strongly agreed that it did. Most of the rest said that there were “some limitations”. A small number reported that there were serious problems. (See Appendix D, Question 6.) When the evaluators conducted interviews in person in BMCs, the complaints about inefficiency tended to be voiced more strongly than in the written questionnaire, but they were mixed with acknowledgements of problems caused by the CI or the national government.

When grantees and participants were asked to “explain what worked well and what not so well in regard to efficiency,” many said that the CTCS did a competent job of managing the project, with many of the basic requirements covered well. On the negative side, they tended to criticize several things consistently, including the following:

- Frequent changes of CDB’s project manager
- Unnecessary (in their view) micromanagement of expenditures
- Allowing too short a time to schedule the project efficiently

CTCS projects that are managed by CIs tend to have some efficiency problems, for which each party tends to blame the other. However, when the project is managed largely or entirely by CDB, it may absorb a lot of officer time that might be better spent in programme management rather than project implementation tasks. To the extent possible, implementing agencies should be enabled to manage projects flexibly, with responsibility for agreed outputs and payment when those outputs are produced, rather than being subject to detailed review of intermediate tasks and itemized expenditures.

BOX 1: STAKEHOLDER COMMENTS ON EFFICIENCY

- What worked well/what not? Apart from (trainer name) who allowed us to bounce our ideas off him and to provide continued guidance, I have not seen or heard from anyone at CDB since. There were no updates given from the “contact persons” such as (names). They are no longer stakeholders and we do not know who has succeeded them. There was no real clarity as to what would happen next after the training was done. We were told that to move to next level, we had to do business plans which honestly most of us didn't have the expertise or actual data relevant to our situation to complete (respondent 10111).
- As an implementing agency, we expect and prefer active involvement by donors in our projects, including guidance on reporting, procedures for financial accountability, and regular meetings and/or site visits to ensure compliance with expectations and requirements. Over our 2-year project period, we were managed by three different CDB supervisors, including an extended period of no supervision. This required us to explain project status, resend project reports and adjust reporting formats several times, adding substantial coordination/management efforts on our part (with limited funding for such activity (respondents 10115, 10107).
- We also experienced overly strict/inflexible management of budget funds. When reality did not align precisely with plans, we were not granted any flexibility / changes in spending. For example, when a budgeted item was not needed (such as a participant stipend), it was not spent; yet when an unexpected item was needed (additional trainer fees), it was disallowed ... We frequently under-spent the budget, although we had to use other funds to cover the true costs (respondents 10115 and 10107).
- The training and certification of the Hospitality Assured programme technical assistants – that is Business Advisors and Assessors – went very well. The TA to the businesses went well. The assessment process went well. What didn't work so well was managing the timelines (as noted previously). Also - certain types, size and structure of business required more or less time for implementation and completion of the programme (respondents 20406 and 20401).
- As the person who managed the project, there were limitations beyond my control. We had to partner with a training institution that initially agreed to meet certain commitments. However, it did not meet all its commitments and had no backup solutions to offer. For example, the consultant had to resort to instructing the participants in the finer points of pattern making, and some grading and how it translates into the international manufacturing process manually because there was only one tutor on the island, capable of teaching the CAD programme (for Fashion). When they took ill, there was no backup tutor provided, so the consultant had to improvise and did a wonderful job (respondents 20408, 20404, 20403).
- Almost everything else worked well. However, next time, we will have to allocate dedicated administrative assistance because the volume of work was far more than was anticipated for staff members with full time responsibilities and other commitments. Additionally, we will try not to have such a tight window to complete the project since the major challenge was coordinating the availability of the consultant, the availability of the training facilities, and the availability of the participants that are also tutors at multiple training institutions (respondents 20408, 20404, 20403).
- The delivery of projects was well coordinated on both ends due to the understanding of the requirements for CDB and executing agency. There was constant dialogue and exchange of information providing for ready feedback on any issues which gave rise to possible delays (respondent 19501).
- We were able to promote this programme and get enough MSMEs to attend. Further, a proper facility was sourced, the facilitator was competent, and we were able to successfully impart the information to our attendees (respondent 19514).
- The simple diagrams used were good. Pictures from (example country after a natural disaster) and of building defects were informative. Some aspects came across as the personal opinion of the presenter to do things in a certain way – for example, the detail on display was under heavy scrutiny by the other engineers attending the workshop who expressed that they did not feel the detail had adequate hurricane straps. I think if the details and comments presented had been developed by a group of engineers, they would have had a greater impact (respondent 00123). (Selected Comments, See Appendix B, Table 6.)

4.2.2 Operations Process Review, 2019-2020

In 2018 and 2019, CDB commissioned an “Operations Process Review” led by an external consultant.⁹⁸ In January 2019, two reports were circulated: one on the present state of management of projects; and one on the proposed future state. Speaking of the CTCS, the Review said the following:

“CTCS’s current engagement model relies heavily on Business Support Organisations (BSO) for screening and registering of requests for support as well as supporting the delivery of services... The cooperating entities are selected from existing regional/ national technologically oriented institutes, development agencies and ministries; resource institutions (RIs) or centers of expertise in the fields in which CTCS Network works, including individual specialists or consulting firms who register with the CTCS Network to provide services at (sic) concessionary rates. In reviewing the current engagement model, the Operations Review team noted several points in favour of using BSOs in a Network as the defining characteristic of the CTCS. These include the fact that BSOs are “on the ground” in BMCs, aware of players and needs in the private sector and able to contribute resources to projects and to manage their implementation.”⁹⁹

A disadvantage is the fact that the BSO stands between CDB and the customer. Without direct contact with potential clients the CTCS finds it more difficult to forecast demand and therefore there is no ‘pipeline’ of CTCS projects other than what BSOs are interested in supporting. CDB is ‘removed’ from the process and end-customer experience is dependent on CI/BSO service levels and service processes - (there is) less transparency. The BSO/CI organizations ‘filter’ requests and CDB has limited visibility and limited understanding of ‘true’ demand by MSMEs for technical assistance.”¹⁰⁰

The evaluators agree that CDB should be more proactive in advertising opportunities to participate in CTCS-supported activities.

4.2.3 CTCS Lines of Business

The CTCS works through a network of cooperating institutions (see Section 3.1.3). Therefore, its programme should be developed in conjunction with those CIs. The CTCS Strategic Plan 2026-2019 stated that the CTCS should focus on programme design, network management and oversight.

Emphasizing that CTCS officers should not be distracted from programme management, the CTCS Strategic Plan 2016-2019 makes the following commitment:

“CTCS staff has been actively involved in the delivery of training. While it is useful for the staff to have a first-hand understanding of the dynamics of training delivery, it should not be overdone. The primary responsibility of CTCS staff should be gaining an understanding of the needs of the sector, designing systems for the delivery of TA, and monitoring and evaluating the implementation and impact of TA.”¹⁰¹

The evaluators have come to the same conclusion - the CTCS model, whereby the Bank works substantially through Cooperating Institutions, is a good one. CTCS staff resources are not best used as workshop presenters or hands-on facilitators at the project level.

Both the content and the approach to management of the CTCS should be more programmatic. The CTCS has moved in this direction in recent years and needs to consolidate it as a general strategy and approach to

⁹⁸ RPM Academy, Canada.

⁹⁹ CDB, Operations Process Review (2019) Future State Design and Implementation. p. 25.

¹⁰⁰ CDB, Operations Process Review (2019) Future State Design and Implementation. p. 25.

¹⁰¹ CDB, CTCS Strategic Plan 2016-2019, p. 28.

TA . The design of CTCS programmes (lines of business) should be responsive to client needs and thereafter be implemented by CIs.

“The Bank’s engagement with MSMEs should be both programmatic, helping to address areas along a continuum, and should avoid one-off interventions. In this regard, interventions should be planned based on the diagnostic assessment of the needs of MSMEs in BMCs and programmes developed that are targeted, fit for purpose, replicable and sustainable.”¹⁰²

Even with continuous engagement of the MSMEs sector primarily through CTCS Network, the Bank’s assessment of the sector suggests technical gaps still exist particularly in areas such as innovation, entrepreneurship, financial management, marketing, customer service and project management. Additionally, MSMEs require support formalising their business processes to access financing, and adoption of new technology and innovative processes. The capacity-building programme is particularly important to support financial inclusion in countries with a large number of micro and small enterprises but limited business support services, like Haiti. The CTCS Network is the main programme that supports the de-risking of MSMEs.”¹⁰³

Any CTCS Strategic Plan 2020-2024 should be organized programmatically and describe how the role of the CTCS officer will evolve to focus increasingly on programming and network management. CTCS officers should focus on managing the network, not on hands-on project facilitation. Each technical assistance project should be part of a “line of business” that has coherence and continuity, not a one-off. This is not to say that all one-off interventions lack value; far from it. However, the greatest value is likely gained when a series of interventions, perhaps of different kinds (workshop, attachments, knowledge products), produce some progression and momentum in an area of capacity development. Some areas of intervention that the Bank now thinks are vital require different instruments from those taught in workshops focused on basic business skills. These areas include entrepreneurship and professionalization of business management including financial management to be investment (debt or equity) ready.

4.2.4 Competitive Processes

There are three areas of procurement that have received comment in past studies of the CTCS: procurement of goods ancillary to a TA project; procurement of workshop venues; and procurement of professional services (mainly workshop facilitators and subject matter specialists). The CTCS Strategic Plan 2016-2019 makes the following commitment:

“Once the annual TA work programme has been finalised, as part of its marketing and promotion strategy, CTCS will take steps to ensure that opportunities to access TA are publicized to potential beneficiaries as widely as possible.”¹⁰⁴

¹⁰² CDB (March 31, 2020), “Enhancing the CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, Para 6.01.

¹⁰³ CDB (March 31, 2020), “Enhancing the CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, Para 7.04.

¹⁰⁴ CDB, CTCS Strategic Plan 2016-2019, p. 29.

Procurement regulations

CTCS procurement, over the period covered by this evaluation, was governed by CDB's procurement guidelines¹⁰⁵ when CIs were undertaking the procurement, and by the guidelines set out in the CTCS Operations Manual (2017) when the CTCS secretariat was doing so.

The CTCS Operations Manual gives guidelines for the procurement of the services of single consultants and consulting firms, with differing requirements for contracts less than USD 25,000, or over USD 25,000 but less than USD 75,000.¹⁰⁶ There are a number of exceptions that allow either sole sourcing or non-advertising, including i) there are three suitably qualified consultants (individuals or firms) listed in CTCS's Consultants Registry; ii) the work is a continuation of previous similar work by the consultant; iii) specialized skills are required for the work and are available only from one provider; or iv) the work is needed at short notice or the consultancy is of short duration (the latter is not defined).¹⁰⁷ The net effect has been that most years have seen few or no advertised procurements.

Advertised competitive procurement should be the default; and procurement from a single source should only be undertaken when there is a strong case that advertising would not benefit the Bank. Since visibility and transparency are important, the latter should not often be the preferred mode of procurement.

Procurement of Minor Goods Ancillary to a TA Project

The DAC guidelines for TA allow for up to 30% of the total budget to be expended on goods ancillary to the project – for example, audiovisual equipment to be used in a workshop. CDB reserves the right to approve such items before the transaction. In several cases during the evaluators' interviews with stakeholders in BMCs it was said that obtaining CDB's permission for minor purchases is time consuming and inefficient, for example when CDB denies permission to purchase minor equipment in a situation where it costs as much to rent it as to buy it; or when reviewing the transaction costs more than the potential saving.

In general, micromanagement of small items is not in the spirit of results-based management and is not the best use of CDB staff time. Grantees contracted by CTCS should have unaccountable discretion for small expenditures on goods; but only up to a specified dollar limit that would vary by project. Wherever possible, payment should be for outputs produced, not expenses incurred. CDB review of intended expenditures, when essential, should be subject to "no objection" provisions on a short timeframe.

Procurement of workshop venues

CTCS workshops are often held in hotels CIs are encouraged to hold national workshops in their own venues wherever possible. That is generally less an option for regional workshops. Occasionally CDB has held TA workshops at its headquarters in Barbados. When a commercial venue is used, best practice is to obtain three quotes from alternative suppliers.

Choosing a venue involves striking a balance between quality and economy. The more attractive a hotel is, the greater the risk of attracting participants who are more interested in a stay in the hotel than in the

¹⁰⁵ Note a new Procurement Framework (Policies and Procedures) was approved in June 2019, after the review period of this evaluation. The new situation would however be similar in that CIs would have to conform to the Banks Framework, whereas the CTCS itself would adhere to its Operations Manual.

¹⁰⁶ Guidelines for procurements over USD 75,000 are not described; rather the CTCS Officer is directed to consult with CDB's Procurement Policy Unit for guidance.

¹⁰⁷ CTCS Network Operations Manual. (2017) p. 65.

workshop. The best way to control this cost would be to charge participants a significant part of it, say a quarter to a half, and to offer participants a choice of different kinds of accommodation where feasible.

Procurement of Professional Services

Many CTCS initiatives require procuring professional services from individuals or firms, such as facilitators and consultants. The requirement arises less frequently in grants in support of non-workshop events and in training attachments. Professional services costs can be a substantial part of the budget for the project.

Several studies of the CTCS, including the 2007 evaluation, the 2015 internal audit, and the review associated with the CTCS strategic plan (2017) have encouraged more use of competition in procuring professional services for CTCS projects. The advantages in doing so include transparency, potential improvements in the quality of consultants engaged, and possibly lower costs. The disadvantage is that professional services in some types of CTCS TA are more efficiently procured from single sources. The types of TA that lend themselves most to single-source procurement include:

- Follow-on activities, such as the presentation of a workshop that has been presented previously by a consultant and is now proposed for presentation in another BMC.
- Workshops or studies that require highly specialized expertise that is only available from a single source – for example, aquaponic small holder agriculture is a narrow field with limited training resources available; or, to consider another example, BMC governments might recognize training and certification only from a limited set of recognized certifiers, such as ServSafe.

Less cogent reasons for single source procurement of professional services would be that the project is too small to justify the work involved in a competitive procurement or that the requirement is too urgent to take the time. The first is only applicable to very small single grants and the latter can be a matter of inadequate planning and scheduling.

Registry of Consultants

CTCS maintains a registry (database) of consultants. When a need for professional services arises the CTCS officer can consult the registry to prepare a short list of potential consultants. Periodically there is a call for submissions by consultants who are interested in being listed in the registry. However, the evaluators were unable to ascertain how often this has been done. Consultants may be added to the registry at the time when they are proposed by a CI or by CDB as a resource for a specific CTCS project.¹⁰⁸ CTCS's Strategic Plan states some proposals for improving the registry system.¹⁰⁹

¹⁰⁸ CTCS Network Operations Manual, p, 51 "CTCS recruits consultants with diverse backgrounds, skills, and competencies who are registered in the CDB Consultant Database. These consultants must have relevant skills/qualification in the area pertinent to the intervention. However, they do not need to have experience, given the CTCS Network's interest in building indigenous capacity. Consultants are also selected based on recommendations from CIs or a potential beneficiary. These consultants are requested to register in the consultant database before they are contracted."

¹⁰⁹ CDB, CTCS Strategic Plan 2016-19, pps. 30-31 makes the following observation on procuring professional services to deliver CTCS projects: "A critical success factor for the effectiveness of CTCS interventions is the quality of consultants. In its original formulation, CTCS's objective was to use indigenous expertise to build the capacity of MSMEs. It was reasoned that Caribbean expertise would not only be less expensive but, more importantly, would be more relevant to the Caribbean as the experts would have a better understanding of the operating environment of the MSME in the region."

At present, CTCS does not have a well-ordered roster of consultants nor an effective system for identifying, selecting and quality control of consultants. The selection of consultants is ad hoc and there is no uniformity of criteria.

The existence of a registry of consultants adds an element of competition to the procurement of professional services but not a strong one. The key characteristics of procurement systems that rely on a registry rather than advertised public competitions are that public visibility, openness and transparency are lower than in public competitions. Second, adjudication is typically less formal and less documented than in a competitive system where criteria are clearly set out.

The CTCS procurement rules are more stringent than those for TA under the Bank's Procurement Framework. For instance, dollar thresholds at which competitive procurement is required are lower. However, there are many exceptions to the "requirements in principle" for competitive tendering so the practical effect of the differences between the two sets of guidelines may not be great.

An important factor is the difference in risk profiles between TA for the public sector and grants to private organizations and individuals. In the former, it is reasonable for CDB to rely substantially on the probity of BMC government ministries and agencies. In the latter, greater due diligence by CTCS is needed and this means in general more transparent and competitive procurement procedures.

Most CTCS procurement of professional services, either directly by CDB or by CIs, should be advertised. Advertising can be facilitated by longer project timelines and removal of the cap on professional fees per day.

For a solicitation to be considered competitive rather than single source, the requirement should be listed on CDB's procurement website. If CDB intends to award a single source contract, then ideally a Notice of Intent should be posted on the procurement website before award, stating the intended contractor, either person or organization. Failing that, there should at a minimum be a documented internal justification and approval process.

4.2.5 Knowledge Management and Management Information

In an important sense, the business of the CTCS is knowledge management. The CTCS Strategic Plan 2016-2019 makes the following observation on knowledge management:

"Although the core of CTCS is at CDB Headquarters, by definition (and name) CTCS is a network and the network is spread across the BMCs. The network also has different kinds of participants with different interests and capacities. CTCS' tool of trade is primarily information and knowledge. In this context CTCS requires a knowledge management system (KMS).

(A KMS is) the creation of knowledge repositories, improvement of knowledge access and sharing as well as communication through collaboration, enhancing the knowledge environment and managing knowledge as an asset for an organization". The key components for a KMS for CTCS will be a

This situation results in different practices and challenges for transparency; for example, staff members of some CIs serve as consultants and facilitators in the delivery of TA. There is nothing intrinsically wrong with such an arrangement, especially where in smaller BMCs the required skills and expertise might be scarce. What is needed, however, are clear criteria and preclearance of consultants. An up to date, continually refreshed roster of consultants could be an important tool to enable CTCS to match skills and expertise to the needs of MSMEs."

The Strategic Plan makes the following further commitment: "Populating the roster will be done in two phases. Phase one will be to regularise the existing consultants. CTCS will collaborate with CIs to request existing consultants to submit updated résumés and to indicate a continuing interest in working with CTCS. The second phase of populating the roster will be screening new consultants. New consultants will be screened through two mechanisms. As part of its marketing and promotion strategy, CTCS will have a continuing open call for potential consultants to submit résumés in order to be included in the roster. Additionally, consequent on each needs assessment, CTCS will, through its collaborators and through its public communications media, issue calls for consultants in the specific areas of priority identified in the needs assessment."

framework for ease of creating knowledge, packaging knowledge, using knowledge and finding knowledge. The CTCS knowledge management (KM) component of the strategy will comprise a range of practices to be used by CTCS to identify, create, represent, distribute, and enable adoption of insights and experiences. In particular, the KMS for CTCS will focus on processes for designing training workshops, online training and training attachments and meetings; harvesting knowledge and information from various relevant sources; creation of directories, bibliographies; and codification of standard operating procedures.”¹¹⁰

There are extensive resources available to the CTCS free or at low cost. For example, the capacity development institutes of the other multilateral development banks and other IFIs such as the International Monetary Fund have invested heavily in developing workshops for presentation in developing countries and emerging markets and these could be adapted to the Caribbean at low marginal cost.

Management Information

Financial and operational data about CTCS projects is spread across several databases. The evaluators found it difficult to access the information needed to analyse the activities, expenditures and performance of the CTCS. When it is accessed from various sources, too much time is needed to construct tabulations and graphs ad hoc.

There is a proposal to consolidate TA and CTCS information in a Client Relations Management (CRM) system, but not until the end of 2021 at the earliest, management information about loans being perceived as higher priority than TA. In the interim however, records for all technical assistance projects, including the CTCS, could be substantially improved in a form that can be easily uploaded to the new system when it is ready.

The CTCS management information system should be upgraded as quickly as possible rather than given lower priority than loans information. Given the small number of CTCS projects, even over a decade, and the simplicity of the data, constructing a database that consolidates the required information and enables automatic reports, should not have to wait years.

4.2.6 Costs Management

4.2.6.1 Staff and Administrative Costs

The CTCS unit is integrated within the financial systems of the Bank. It uses CDB’s staff resources, both in the CTCS unit and in other parts of the Bank and relies upon CDB’s overhead resources without specifically tracking or accounting for costs. Therefore, the CTCS unit does not report its financial performance in full.

Delivery of the CTCS absorbs some management time in TCD, three professional staff and one administrative staff in the CTCS unit, and a substantial amount of time spent by other professional staff in various Departments of the Bank, who are involved in the projects. This is a large investment in delivering \$700,000 in grants (2019). Some of this time involves providing expertise in the topic of the grant, not only grant administration. Nevertheless, our recommendation that staff resources be expanded is contingent on a major remodeling and expansion of the programme.

While an in-depth study of costs is beyond the scope of this evaluation, section 4.2.6.4 below suggests metrics for tracking per unit delivery costs of the CTCS going forward.

¹¹⁰ CDB, CTCS Strategic Plan 2016-2019, p. 37.

4.2.6.2 Project Costs and Participant Fees

In the case of national projects, the CTCS covers part of the project’s costs and the Cooperating Institution a smaller part, typically 15%, which can be contributed in-kind. With the agreement of the CTCS, the CI may recoup part or all its costs through fees to participants. In the case of regional projects, costs are incurred and managed by CDB. CTCS states that it charges participants a “nominal commitment fee” on a sliding scale, as shown in Table 4.2.6.2-1. This fee is paid to the CI or to CDB. Fees are not applicable to employees of CIs or Government officials. The rationale for this fee schedule is not apparent to the evaluators.

TABLE 4.2.6.2-1 PARTICIPANT COMMITMENT FEES

Size of Enterprise*	Type of Technical Assistance	
	National Workshop	Direct TA (expert advice in plant) and Training Attachments
Micro	USD 20 per participant	USD150.00
Small	USD 20 per participant	USD 200.00
Medium	USD 20 per participant	USD 300.00

Source: CDB, CTCS, Intranet, May 2020

4.2.6.3 Professional Services Cost Structure

The CTCS has a long history of placing a cap on per day professional fees of experts hired to implement projects – mainly for course presentation but for other activities as well. The original purpose of the cap was to keep costs low, though CTCS also sought to use inexpensive local resources partly on a pro bono basis. Caribbean businesspeople would teach and aid other Caribbean businesspeople.

When CTCS was founded, the “honorarium” (professional fee per day) was capped at USD125. In 2011 the cap was USD250, which the CTCS at the time estimated to be about half the market rate.¹¹¹ In 2020, the cap is USD350.¹¹²

The evaluators estimate that these rates are much less than half market rates; but this depends on the requisite level of professional service. For example, in 2011, when the CTCS cap was \$250, the IMF Caribbean Technical Assistance Centre (CARTAC) said that its average fee for long-term resident experts was \$1125 per day and for short-term experts (STX) was \$1141.¹¹³ If one assumes an annual inflation rate of, say 1.5% over the past nine years, then the short-term expert rate may now be approximately \$1300 per day. STX staff include both Caribbean and international experts.

In the case of the IMF, these rates included a 7% administrative charge levied by the Fund. They did not include items such as travel. The per day costs of STX including travel costs was on average \$1700.¹¹⁴ These rates were far from the top of the scale for highly skilled professional trainers in, say, entrepreneurship or strategic management or marketing. Large firms¹¹⁵ that provided such services (advice and training in business processes, technology and marketing) in North America at that time typically

¹¹¹ Source: CDB. The Genesis of the CTCS. PowerPoint Presentation, February, 2011.

¹¹² Source” CDB, CTCS, email April 22, 2020.

¹¹³ IMF, July 2012. Evaluation of the Cost-Effectiveness of CARTAC in the First Year of Phase IV – FY 2011, Section 3.7, pp. 35.

¹¹⁴ Ibid, Table 3.8.3.

¹¹⁵ Such as, for example, Booz Allen Hamilton.

charged in the range of \$2500 to \$3000 for professional staff on short-term assignments that required travel.¹¹⁶

So, if one considers \$1300 per day to be a reasonable benchmark for experts in small business TA in 2020, then the current CTCS cap is approximately one quarter of that. The \$1300 figure seems a reasonable benchmark since it reflects what CARTAC currently pays for short-term experts in public sector TAs that in most contexts have been lower than professional services to the private sector.

There are pros and cons to the CTCS cap on professional fees. CTCS may be mobilizing Caribbean self-help resources at very low cost and thereby contributing substantial benefits to recipients. Disadvantages however could include:

- ✓ Unforeseen negative effects on private firms providing professional services in the Caribbean if their market rates are undercut by subsidized CTCS services.
- ✓ A perception of unfairness if the cap is waived in some cases but not in others.
- ✓ A constraint on public advertising of solicitations, which might not cast CDB in a good light if the cap on per diem rates is unreasonably low.
- ✓ The kinds of professional services that can be provided under the rate cap might be limited to lower-level skills. If the CTCS were seen as primarily an anti-poverty program helping individuals and very small businesses with basic business skills, then this might not be a problem. However, if the CTCS in future wishes to focus more on entrepreneurship and economic growth opportunities, as indeed the CDB strategic plan 2020-2024 says that it does, then the fee cap might be a serious constraint.
- ✓ The fee cap might constrain some CIs from working with CTCS grants. For example, when CDB tried to outsource the CTCS in 1997-1998 it was unable to find an implementing agency that could deliver the programme within the constraints of its financial model.
- ✓ There are some anomalous aspects of the fee cap. First, CDB exercises no fee cap in its Core TA work (public sector). Second, CDB contributed USD3 mn to the IMF CARTAC in 2018 and these monies have been used to fund CARTAC's TA operations (mostly public sector) at professional fees for short-term experts that are much higher than the CTCS cap.
- ✓ Having a low cap on professional fees might raise some probity risks, such as various work arounds to generate an acceptable total fee for a workshop presenter by extending preparation time, for example. This possibility was mentioned to the evaluators by the implementing agency for a CTCS-funded workshop that had total costs of approximately USD800 per participant day, a cost that seems to reflect market rates more closely than the capped professional fees do.

All things considered, the cap on per day professional fees may have outlived its purpose and be unsuited to the CTCS strategy going forward.

4.2.6.4 Cost Performance Metrics

The most rigorous measure of cost efficiency is “cost per unit outcome”. CTCS's “outcomes” are the improvements in MSME participants' capabilities to manage their businesses. However, since no quantitative measurements of these outcomes exist, it is necessary to work with CTCS outputs that are more intermediate in the causal chain. These include cost per participant day at CTCS training events, cost per mission day of direct TA, and the number of TA reports or website pages generated per TA.

¹¹⁶ Source: evaluators' estimate from experience.

The second important cost performance metric is overhead or delivery cost as a proportion of total programme costs. Peers of CDB that provide TA, including the multilateral development banks and major Funds like IFAD, monitor cost efficiency in part at the programme level – delivery costs as a proportion of total costs. The challenge is often in determining which are programme delivery costs and which are programme costs. For example, when CARTAC considered its cost efficiency it counted half of the costs of the Centre Coordinator as delivery costs and half as programme costs. To illustrate, one might suppose that the Coordinator does programme management for half of his or her time and for the other half provides advice and functions as a trainer in workshops. The general benchmark for this measure of programme cost efficiency is 17%.¹¹⁷ The CTCS should track two cost efficiency metrics: (1) cost per participant day for training workshops and attachments; and (2) delivery costs¹¹⁸ as a proportion of total programming costs.

4.2.7 Project Duration, Delay, and Incompletions

Project Duration

CTCS projects are completed more quickly than Core TA projects, on average. That may be because dealing with BSOs involves fewer political complexities than dealing with government ministries.

One aspect of CTCS project duration, the lag between project approval and the signing of an agreement with the grantee, is difficult to estimate from the available data because projects are recorded as if they were like “use of funds” – that is, the agreement date is assumed to be the same as the approval date. Of course, that is not the case. Nevertheless, we understand that CTCS grant approvals are generally followed by an agreement with the grantee within a short time.

CTCS projects take varied lengths of time from initiation to completion. There is no data on how long it takes from initial contact (a lead) to an application being received for consideration. From application to approval, for a workshop for instance, takes, on average, two months, some being much quicker and some much longer.¹¹⁹

¹¹⁷ See GEF Administrative Expenses – Fees and Project Management Costs. External Review, Rideau Strategy Consultants Ltd. Dr. Kenneth Watson and Ms Joan Barclay. October 2011 Also, for example, IMF, CARTAC, op cit. Section 3.4 p. 30 “Activities for CARTAC Phase IV (2011-2015) were budgeted at \$50.2 mn or approximately \$10 mn a year for each of the five years in Phase IV. About \$42 mn (83%) was planned to cover direct delivery of technical assistance. Overhead expenditures were budgeted at \$8.4 mn or 17% of the total budget. Our definition of ‘overhead’ includes: IMF Trust Fund Fee; Project management at IMF HQ; Support and administrative staff in the field; Host-country in-kind contribution for local office facilities and utilities; IMF in-kind contribution for some local administrative staff¹¹⁷, driver, and some operational expenses; IMF in-kind contribution for Center Coordinator Salary & Travel (administrative component of his/her duties) IMF in-kind contribution included 35% salary and 25% travel for Center Coordinator”

¹¹⁸ “Delivery costs” are all expenditures that are not monies that reach the client.

¹¹⁹ CTCS Internal Audit (2015). Section 2 TA Operations Governance System, and Integrity of Information. “It took an average of 55 days to approve TA proposals for workshops.”

The evaluators examined project durations for a sample of 288 CTCS projects that were approved during 2010-2018. Sixty percent took more than 100 days from approval to the final disbursement on record¹²⁰ and 15% took more than a year. This is more expeditious than CDB's TA projects in the public sector (Core TA). Nevertheless, it is slow for a granting programme. Considerations around timeliness that were cited in interviews included:

- “Country lethargy.”
- CDB is trying to speed up the process by encouraging CIs to do as much as possible to prepare procurement in anticipation of project approval without making any irreversible financial commitments.
- Often by the time “conditions precedent” are completed by the grantee/trainee, the officer in charge at CDB may have changed, confusing the issue.
- Implementation can be delayed because of the low priority that CDB gives to TA.
- CDB officers often do not record the status of projects quarterly as they are supposed to do.
- The “sheer weight of the workload” slows things down.
- Lack of knowledge of TA in general, and CTCS projects specifically, by CDB officers (outside of TCD) can slow things down. TCD has conducted staff training sessions including “boot camps” to improve officers’ knowledge and skills in TA management. Also, TCD intends to prepare short videos for staff as part of a Learning Management System on -line. These efforts should cover CTCS projects as well as Core TA.
- Approval might be slower now than it was in (sic) 2012 because CDB’s systems have become more demanding.
- “Close out is a big issue (for TA in general, including the CTCS in principle.” CDB project officers often do not extend the terminal date on file on a timely basis when needed. “Years can go by and then CDB is ‘scrambling’ to do a time extension. Projects with undocumented advances (about 35 projects) are particularly difficult to close. The VPO intends to issue a directive on this topic. There was a ‘clean up’ to the end of 2018.
- Project appraisal can take a long time. However, there can be delays in all three phases – appraisal, implementation, and close-out. CTCS is faster because its projects do not go to Loans Committee for approval.
- There is an action item in the TAPOS implementation plan as follows: “Budget for annual supervision visits for ‘at risk’ TAs over the events-oriented TA threshold.” Such supervision visits should cover all active CTCS projects at the same time.
- The Basic Needs Trust Fund (BNTF) provides an incentive to BMCs for prompt implementation of projects so CTCS could do so as well.

Delay is a significant problem with CTCS projects, but not as serious as it is in the public sector (Core TA). The CTCS should track projects using a duration metric, report project aging in its quarterly and annual reports, and use the “red flag” system in the PPMS to alert managers to lagging projects.

¹²⁰ The evaluators started this investigation by examining ‘project duration to date’, defined as the number of days between project approval and the most recent disbursement. This is, of course, only an approximation of project duration. A better measure would be to count only those projects that are complete and closed. New projects that are on-going will by this measure look short because they have not yet had timer to run. This method of measuring duration is likely to understate the average duration, partly because of the new projects that are on-going and partly because there is no measure of how long the project was in play before approval. When CDB has a functioning system that records leads, officers will be able to tell how long it takes to complete the whole project lifecycle from a lead to completion.

4.2.8 Project Completion and Close Out

Project close-out can be challenging when projects take several years to complete and/or are inactive for long periods. Nevertheless, TCD/CTCS should (and to some extent does) have standard procedures to close out projects on a timely basis.¹²¹ An important part of close-out that can be improved is the PCR. The OPPM states that completion reports are an important instrument in general.¹²² However, the CTCS Operational Manual does not make provision for completion reports by Bank staff, only by the CIs and/or consultants.

This is a significant gap. The Operations Process Review of TA (see Section 4.2.2), referring to TA in general, said that the purpose of the PCR is to provide an unbiased account of the operational experience and of the results of each fully disbursed project; to rank the performance of the project; to distill the lessons learnt that can be fed back to new project design; and to feed into the Performance Assessment System (PAS) and the Annual Portfolio Performance Review (APPR). This is not done in the case of CTCS projects, despite applying to them equally.

Therefore, evidence-based lessons are not necessarily recorded, and accountability is only partially achieved. Since there are no staff-produced PCRs for CTCS projects, there is no rating of the project at completion against CDB's project performance criteria (relevance, efficiency, effectiveness and sustainability), only ratings that were made at the appraisal stage. This results in the anomalous situation where each CTCS project is rated against these criteria at the appraisal stage, along with a rating on the gender marker, but not rated after evidence exists as to actual performance. Nothing on CTCS project performance is presented to CDB's Oversight and Assurance Committee.¹²³

The rationale for not having CTCS completion reports by Bank staff may be that the projects are too small to warrant them.¹²⁴ On the contrary, any grant deserves to have a PCR on file, although the amount of detail should vary by the size of the project. The length of the PCR text can be left to the discretion of the officer, subject to overview by the CTCS Coordinator and the Division Chief TCD. However, a simple checklist would not be enough. The project officer should write an appreciation of what the project achieved, summarize lessons learned and note any follow-on activities planned. In many cases these topics can be covered in a short memorandum, of say three pages, that should not take the officer in charge more than an hour to write. Given the small number of CTCS projects coming to completion each year, the modest requirements in terms of length, and the likelihood that the Officer will be highly familiar with the project, the additional workload would be small – at the most three to five PCR Memos per month across two CTCS officers and the CTCS Coordinator.

¹²¹ In 2019, CDB's Operations Process Review said that Project Close Out needed to be improved – “needs to be standardised and enforced; Implement a (1 page) project closeout to supplement (consultant/Business Partner) reports; Include lessons learned. Identify next steps or future opportunities (ex. sub-regional/regional interventions). Upload to knowledge base. Identify interventions worthy of ‘case studies’ that can be shared and used to promote CTCS as well as CDB as a whole.”

¹²² CDB's Operational Policies and Procedures Manual (OPPM) says: “A PCR must be prepared by the Project Supervisor on all projects after implementation is completed. Volume 5 of the OPPM details the Bank's approach to PCR preparation. The PD is responsible for maintaining the supervision record and for preparing the PCRs based on it. It is also responsible for maintaining an up-to-date schedule of PCRs to be completed and issued during the following calendar year. This schedule should be copied to OIE so that it may plan its PCR audit programme.” Source: OPPM 4/1/F3 BP (page 499).

¹²³ The validation of PCRs by OIE, presented to the Oversight and Assurance Committee, as mentioned in the quote from the OPPM above, has been conducted only for loan projects, not for the CTCS.

¹²⁴ In general, CDB does not write completion reports for grants or loans under \$1 mn.

One of the reasons that PCRs are not completed appears to be that they are left too long after project completion. Guidelines state that a PCR should be written within six months of the end of the project.¹²⁵ Longer than this and the Officer's recall of the project has degraded, or the Officer in charge has changed, and other responsibilities have intervened. To have a reasonable chance of being written, a PCR should be due at or soon after project completion. There is a case for making a PCR mandatory before final disbursement because that would create a milestone and an incentive for writing it.

Every CTCS project should have a PCR written by the CDB officer in charge and placed on file before final disbursement of funds. It should contain, among other things, final ratings of project performance against the performance criteria that were scored at appraisal. Assuming PCRs are completed by CTCS staff in future, at least one CTCS completion report should be selected at random by OIE for validation each year, from a list provided by TCD, and submitted to OAC as is done with other PCVRs for Core TA and for loans.

4.2.9 Organization Issues

Since its inception, the CTCS has been delivered by a dedicated unit comprising three professional staff and an administrative support person. It has always been part of CDB's Projects Department; but its location within that Department has alternated between the private sector unit and a capacity development unit like the current TCD. The logic of housing it within a private sector unit is that such a unit understands business enterprises. The logic of housing it within a larger TA unit, encompassing TA to both governments and businesses, is that general TA requires professional skills that are much the same whatever the sector (training and institutional development skills). On the one hand, a general TA focal point can be strong in professional skills such as designing and presenting workshops and, on the other hand, decentralization of TA responsibilities to subject-matter experts enables the Bank to bring to bear a different kind of expertise in professional services..

Over time, the TA that was envisaged in CDB's charter, mainly pre-investment activities, became broader in scope, gradually including various types of institutional strengthening, including training for investment project implementation and policy development. This broadening influenced how TA was organized.

Other MDBs have tried various approaches to organizing private sector TA. The challenge is different when the MDB contains a separate corporate entity dedicated to private sector work, responsible for both loans and TA to business enterprises. The typical mix of business sizes in the private sector lending portfolio is also a factor. Larger businesses tend to require more sophisticated approaches to technical assistance. In particular, companies that are making the transition from "mom and pop" operations to growing cooperate enterprises, often require TA to professionalize management and to establish a Board or advisory group to help with strategy and corporate policies. An increasingly important case is businesses

¹²⁵ The Operations Process Review (2019) noted: "The PCR is focused on accountability for results-based reporting, borrower evaluation of the experience and reflections on the future sustainability of the project. The PCR should be completed within six months after project completion." When is a Project Considered 'Complete'? "When all the physical and technical works associated with the project has been completed."

"Note: if most of the project was implemented but due to a dispute the project has come to a halt, the Division Chief (DC) and the Operations Officer responsible for the Project will decide on whether a PCR should be done at that time. The preparation of the PCR may not await final disbursement. The Office of Independent Evaluation (OIE) is informed of the intended delivery of PCRs for the coming fiscal year so that the preparation of Project Performance Evaluation Memoranda (PPEM) can be scheduled. The Division Chief (DC) is responsible for preparing the PCR schedule, which is approved by the Director, Projects Department (DPD). After the PCR is completed in the respective Division, a divisional meeting is held to discuss the issues raised and the contents and accuracy of the draft PCR. Comments and suggestions, once accepted, are incorporated into the draft PCR."

that have reached the point of being attractive investments for venture capital Funds. “Impact” investors require that the enterprise have policies in place to cover at least gender equality and environment and climate change and have internal policies the address diversity and staff with disabilities.

History of CDB’s organization of technical assistance including the CTCS.

From the establishment of the Bank in 1972 to 1978, a modest amount of TA was provided on an ad hoc basis. In 1978, the Bank started a Technical Assistance Fund (TAF) to make TA more systematic.¹²⁶ A Technical Assistance Unit (TAU) was established in the Secretary’s Department to administer the TAF.¹²⁷

In 1983, the TAU was merged with two other units¹²⁸ to form the Projects Services Division in the Projects Department.¹²⁹ This in turn subsequently became the Technical Cooperation Unit (TCU) in the same department.¹³⁰ The initial resources for TA were fully committed by mid-1984.¹³¹ At that time there was a (second) evaluation of the Bank’s TA programme.¹³² It found that the results of projects funded by the TAF had generally been valuable and recommended that the Bank continue this type of activity.

After 1986,¹³² resources were provided from the SDF(U) by an allocation of funds at the opening of each replenishment cycle. The earlier TAF was discontinued. The Bank continued to fund some TA from its ordinary capital resources and reflows from earlier concessional loans. As well, TA funds were contributed by other agencies including USAID, IDB, CIDA or DFID, generally classified as Other Special Fund Resources (OSFR).¹³³

In 1996, the Technical Cooperation Unit had three component units – the CTCS, General TA and the Technical/Vocational Education Programme. After 1996, the TCU was moved under the supervision of the Deputy Director Social Development and the Technical/Vocational Education Programme was discontinued.

In 2002, the Technical Cooperation Unit,¹³⁴ was merged into new Project Financing and Project Supervision divisions created by a reorganisation of the Projects Department. Thereafter it was in principle possible for any division in the Bank to initiate and manage a TA project. In practice, however, TA projects were largely the responsibility of project officers in Project Financing Division (PFD) and Project Supervision Division (PSD), plus, occasionally officers in Economics Department, and in the case of

¹²⁶ The TAF was established as an “Other Special Fund”.

¹²⁷ 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.

¹²⁸ The Technology and Energy Unit (TEU) and the Project Administration Training Unit (PATU).

¹²⁹ *TA Evaluation 1994*, pp. 13-14.

¹³⁰ The TCU was responsible for three programmes, the Technical Assistance Programme (TAP), the CTCS Network, and the Technical/Vocational Education Programme (TECVOC).¹³¹ Second Touche Ross evaluation, 1984, cited in *TA Evaluation 1994*, pp. 22-23.

¹³¹ 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.

¹³² *TA Evaluation 1994*, p. 24.

¹³³ 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.

¹³⁴ 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.

CTCS, officers in the Private Sector Development Division (PSDD). Other divisions of the Bank, such as Corporate Planning Division (CPD), led TA projects in their specialised areas.

In 2003, the TCU was disbanded, and its staff was distributed among divisions created by another reorganization of the Bank. Responsibility for TA was fully decentralized in the Bank. Individual officers, largely in Projects Department and Economics Department, but on occasion in other Departments of the Bank, assumed full responsibility for TA projects. The CTCS became a unit of the Private Sector Development Division.

After an evaluation of TA (2000-2004) which reported in 2007, and an evaluation of the CTCS completed in 2007, there was a further restructuring of the Projects Department.¹³⁵ This included establishing a new Project Services Division, with various horizontal policy and operational functions. There was a small focal point for TA work, with exclusive responsibility for some special categories of TA. The Unit also became responsible for TA in some thematic areas including regional programming and regional public goods (RPGs), governance and institutional development.

The new structure consisted of four divisions, each responsible for cradle-to-grave management of projects in various sectors (including infrastructure, social sector, and private sector development). There was a Project Services Division (PSD) to provide common services. PSD was responsible for TA in support of loans and also TA in crosscutting themes such as gender, the environment, and RCI, as well as governance and related institutional strengthening. However, most TA responsibilities remained decentralized to the sector divisions. The Economics Department was made responsible for TA in support of the Bank's new policy-based lending facility.

In 2012, the recommendation of the 2007 TA evaluation that there be a stronger TA focal point was implemented with the establishment of the TCD in Projects Department. The CTCS was then attached to that Division. The Division Chief reported directly to the Director, Projects Department. In principle, it remained possible for any Division in the Bank to initiate a TA project in conjunction with TCD. This structure remains in place at the time of this evaluation.

Evaluators' observations

Over a long period of time there has been a unit dedicated to delivering the CTCS. The location of that unit has varied, sometimes being more closely attached with other TA professionals in the Bank and sometimes being part of a private sector unit and more aligned with experts in private business. However, these changes appear to have had little effect on the types of CTCS grants.

The CTCS has a dual mandate – broad capacity development and individual loan support. The second, loan support, has been the junior partner because CDB has not had a substantial loans portfolio in the private sector, with the partial exception of its lines of credit to development finance institutions (DFIs).

There is an argument in favour of separating the two functions that have traditionally been covered by the CTCS. The first function is general capacity development offered to a wide MSME audience, mostly through workshops. It could stay with the Bank's main capacity development operations under TCD. The second function, technical support that is targeted at specific enterprises, could be transferred to private sector division. This would have advantages if CDB intends to expand its private sector loans portfolio because staff with strong private enterprise experience and strong consultancy experience in the private sector could be brought to bear in private sector division. At the same time staff with strong qualifications in general training and organization development could continue to manage workshops from TCD, in close

¹³⁵ Implementation of the restructuring was begun in 2007.

contact with colleagues doing the same type of work in the public sector. This would be efficient and would tend to break down the walls between TA to the public sector and TA to the private sector, which are largely artificial in the area of general management and functional skills.

To illustrate the sort of TA that would be best managed from private sector division, consider, for example, a loan to a company that intends to establish and operate in the Caribbean long-term care facilities for the elderly, hoping to attract a clientele from the United States, Canada and Europe. Technical assistance could support a feasibility study. This would be a job for a private consultancy that is specialized in the health care markets. A TA grant for such purposes would be best managed by CDB staff who were familiar with the way in which management consultancies work in the private sector.

Other examples of situations that would require private sector expertise at a high level include entrepreneurial start-ups and companies preparing for an initial public offering on the equity markets. In both cases, companies have a temporary need for a lot of special expertise and normally contract for it to be provided by professional services firms. CDB, if it wished, could play an important support role. Technical assistance of this kind would be best orchestrated from private sector division.

If, on the other hand, this sort of sophisticated and complex consultancy is not contemplated, and the CTCS intends to remain as a purveyor of general management and technical skills that any business person or company might be interested in, then there is no need to move the unit away from TCD.

4.3 Effectiveness

4.3.1 CTCS Value Package

Normally, TA by multilateral development banks is thought of as part of a value package that includes lending, policy advice and technical assistance. CDB, however, does not have a substantial business line of direct lending to private businesses. Therefore, the CTCS stands alone to an unusual degree. Its value proposition is that support to micro, small and medium sized businesses will improve productivity at the base of the enterprise pyramid and thereby promote economic growth (see Section 3.1.1 History, Vision and Mission). Investment in MSMEs is often justified, in the literature, as an engine of job creation. This, however, is a common misunderstanding of the sector, which is generally subject to more “churn” than larger enterprises – more jobs are created but also lost, in each period.

The CTCS also supports sub-micro (single person or family) enterprises, mainly through workshops on basic business and artisanal skills.

4.3.2 Were Objectives Achieved?

Programme Level Objectives

The publication celebrating 35 years of the CTCS, *Supporting Entrepreneurship and Enterprise Development in the Caribbean*, said that the CTCS, had supported more than 10,000 “micro and small business enterprises.” It said, as well, that between 2012 and 2016, CTCS interventions benefited 2202 women and 1322 men.

The metric that CTCS uses to quantify its results is the number of its direct beneficiaries, which is based mainly on the number of participants in workshops. Targets have been set for CDB as a whole and for the CTCS specifically. The difference between the two has not always been clear. In CDB’s Strategic Plan 2010-2014, the annual number of beneficiaries of TAs targeted at MSMEs was 720. In the following period (2015-2019) the projected number was more than twice the earlier figure but the actual number of beneficiaries was about the same. Why there was such a large shortfall from the target is not known.

Table Exec Sum – 1: Beneficiaries of TA Interventions Targeted at MSMEs, 2010-14, 2015-19 and 2020-24

	Strategic planning period		
	2010-2014	2015-2019	2020-2024
Projected number of beneficiaries	3000	7000	4500
Actual number of beneficiaries	3600	3002 (2015-18)	n.a.

Sources: CDB Strategic Plans, 2015-2019 and 2020-2024, Appendix 4, Results Monitoring Framework

The corporate target has been in the range of 700 to 900 per year. However, recent CTCS claims have been much higher, in part because of their estimates of the number of people trained by “trainers” who had participated in regional train-the-trainers workshops. The CTCS 2019 Annual Report (Table 1) stated that the number of beneficiaries in that year was 1781 of whom 703 were women and 1078 were men. Roughly half of the beneficiaries in 2019 were young people,¹³⁶ and one quarter of the total (445) attended workshops on residential building standards.¹³⁷ (All of these figures are self-reported and were not verified by this evaluation.)

Table 4.3.2-2 CTCS Beneficiaries, 2019

Sector/Sub-sector	Number of beneficiaries	Number of beneficiaries, by sex	
		Women	Men
General Management and Business Development	882	394	488
Construction Related Activities	432	56	376
Agriculture and Agro-processing	94	35	59
Tourism-related Activities	332	210	122
Institutional Strengthening	41	8	33
Total	1781	703	1078

Source: CTCS Annual Report, 2019, Table 1

Disbursements totaled \$700,000, so the cost per beneficiary was approximately \$400, assuming the self-reported beneficiary counts were correct.

Grantees and beneficiaries were asked whether CDB could have provided better support to the initiative in which they participated. They said:

- Training projects should be on weekends for those in the private sector. Additional resources, not just financial, would be welcome (respondent 10106).

¹³⁶ CTCS 2019 Annual Report, “Two of these interventions (“Strengthening the Entrepreneurial Spirit of Caribbean Youth” and “Caribbean Tech Entrepreneurship Programme”), designed and approved by the Bank in 2018 as part of its digital transformation and youth economic empowerment agendas, were implemented in collaboration with youth development agencies. As a result, a total of 882 young entrepreneurs (488 men and 394 women) in 12 BMCs were trained and provided with technical support, inclusive of mentorship, to help them start or grow their businesses.”

¹³⁷ Ibid. “CTCS, in collaboration with Ministries and Departments of Housing and Planning in six BMCs, trained 432 persons (376 men and 56 women) comprising artisans and small contractors, building inspectors, engineers and architects in “Improved Construction Practices for the Construction of Houses”. This was a continuation of the Bank’s interventions, which began in 2018, to strengthen the resilience of BMCs, following the devastating impact of Hurricanes Maria and Irma on housing infrastructure in the region in 2017, and complements CJET training, resulting in a two-pronged approach in building the capacity of artisans and small contractors.”

- CBD should have grant funding available to a (demonstration project) to allow workshop participants to gain hands-on experience and generate income or capital to help pay for their system upgrades (respondent 10111).
- CDB's support, while a critical part of our strategic objectives, was targeted to training workshops and materials only. We (the implementing agency) need support in other areas of the project, including extensive coordination and stakeholder engagement activities (respondents 10115 and 10107).
- We received very good support; timely feedback, relatively quick disbursement of payments, extensions to support project challenges (respondents 20406 and 20401).
- As a first-time coordinator of such a project, there were many things that were learned along the way. Our CDB officer was extremely helpful, and I understand each project is unique, but it would be useful for newcomers to have some sort of checklist (case study example?) to ensure they do not miss anything. For example, had we known, we could have made a case to have the training recorded and packaged for future use throughout the CDB territories, we would have negotiated that and done so (respondents 20408 - coordinator, 20404, 20403). (For more selected comments, see Appendix D.)

Project Level Objectives

Fifty-seven percent of stakeholders responding to the evaluation survey stated that they had achieved all their objectives and that the CTCS project produced excellent results for them. Another 33% said the project had achieved enough of their objectives to be worthwhile. Ten percent said that it had not been worth their investment of time and money.

Asked whether a different design might have achieved the project's objectives better the respondents said that more attention to product value chains and more time to organize the workshop, would have achieved objectives better. (Box 2)

The evaluators considered these reported statistics. The number of beneficiaries was projected to double from 2010-2014 to 2015-2019 but instead it declined by 11%. This appears to be mainly a phenomenon of unrealistic objective setting. The target number of beneficiaries for 2020-2024 (Table 4;3;2-1 above) appears to be somewhat more realistic, given the historical pattern, but still 50% higher than the previous period, without, as far as yet known, any increase in resources.

As well, the evaluators were unable to verify the participant counts. During 2015-2018, the CTCS supported 65 national workshops and 3 regional workshops. To reach 800 beneficiaries through workshops alone, during 2015-2018, would have required an average of 36 participants per workshop. In our sample,

Box 2: Stakeholder's Comments

No formal evaluation tool was used to assess results. From the perspective of the implementer, project design should allow for flexibility in training to increase the involvement of the targeted population (respondent 10106)

If individuals had been put in teams from the batch, it would have encouraged accountability and persistence to succeed (respondent 10111). The design would benefit from more coordinated activities to engage value chain partners and other key stakeholders. Training in (agriculture technique) alone is not enough. Participants need ongoing education, technical assistance, and certification, links to credit, suppliers and markets, and support from other influencers, all of which is required (respondent 10115 and 10107)

Modifying timelines to reflect the true duration of the project's implementation. In our project, we learned that different businesses required different timelines for completion of the programme based on their size (micro, small, and medium), number of employees and structure. However, these were lessons learned as the project rolled out and adjustments were made accordingly (respondents 20406 and 20401)

Project was not badly designed, and it was delivered well. The issue, in my opinion, was that because the material presented was largely the opinion of one Engineer behind the scenes, there was not total buy-in, especially by other engineers that were involved (respondent 00123)

(Selected comments. See Appendix C, Table Q4 ff.)

the number of participants per workshop varied between 10 and 25, with most being between 10 and 15. There was some leverage. In some cases, the participants in a workshop trained others later but there were no verified counts available.

The number of beneficiaries claimed appears to be larger than the number that can be substantiated on the basis of the number of workshops alone. However, the evaluators were unable to make a better estimate because of the limitations in the data available. For only one workshop in the sample was actual attendance at the workshop, for each workshop day, recorded rigorously by the presenters of the workshop and reported to CDB.

Projections of the number of beneficiaries to be reached during the coming period should be based on detailed operational plans by the CTCS for the period, which should in turn be based on an analysis of likely demand from each BMC and regionally for each type of CTCS intervention. Plans should show whether CTCS has enough resources (human and financial) to achieve the targets. Annual reports by the CTCS to CDB management and the Board of Directors should report progress against the targets set in the CTCS operational plan.

CTCS should record both the number of participants in each of its initiatives and, in the case of training, the number of participant days. The latter metric is particularly important because it is essential to managing and analysing costs per output. The number of participants is not especially meaningful if some workshops are a day long and some two weeks long. The organizers of each workshop or training attachment should be required to submit a list to CDB for each workshop day with each participant's signature visible on the list for each day.

Projections of the number of beneficiaries to be reached during a planning period should be supported by an analysis of demand and resources; and related in a credible way to resources expected to be available. CTCS should use "participant day" as its main unit of output, not number of participants. CTCS should be more rigorous about requiring recording of the number of beneficiaries reached.

4.3.3 Workshops, Conferences and Events

The main output of the CTCS has been national workshops, with a lesser number of regional workshops. They have taught a small business skill or an artisanal skill (see Section 3.2.7 "Skills Taught in Workshops"). During 2012 to 2018, the CTCS funded 138 national workshops and 11 regional workshops. These involved 71% of expenditures during those years. Costs per participant day varied by more than a factor of three from one workshop to another (see Section 4.2.6).

At the end of each workshop, participants completed a questionnaire. The feedback is mostly positive, which is not unusual for a free workshop that provides a service that otherwise would be expensive.

Occasionally, the CTCS gave a grant in support of a conference or event, rather than a training workshop. The evaluation of Core TA in 2006 said that there were too many ad hoc grants to support events. However there do not seem to have been enough such grants by the CTCS during 2010-2018 to raise concerns.

4.3.4 Attachments and Mentorships

An attachment can involve one or more people visiting a more advanced enterprise to learn by observation and interaction. Generally, an attachment is more focused than a study tour, and involves a single destination and host enterprise; but the two may be similar in some respects.

The idea of attachments involving Caribbean businesspeople instructing others was prominent in the early conceptualization of the CTCS. However, it has proved in the last decade to be only a minor activity, involving about 10% of the CTCS expenditures (see Section 3.2). The attachments have been brief. It seems

reasonable that some longer-term relationships might develop after an attachment, but such mentorships are not explicitly supported by the CTCS.

In the past, those who have studied the work of the CTCS have tended to hold a favourable opinion of attachments as an instrument. The CTCS Strategic Plan 2016-2019 said about one attachment:

“One of the most notable and focused activities in the last several years was the training of thirteen (13) Haitian nationals over a period of three weeks at the Crane Residential Resort in Barbados. The participants in this training initiative were employees of six leading hotels in Haiti who were trained in Food and Beverage Management, Front Desk Operations and Housekeeping Management. This group training was executed in collaboration with the Association Touristique d’Haïti (ATH). This training should be seen as part of the Bank’s continued support to private sector development in Haiti, and it demonstrates the opportunities that exist for the work of CTCS to be aligned and integrated with the Bank’s other programmes and to be informed by priorities proposed by beneficiaries and their representatives.”¹³⁸

The previous evaluation of the CTCS (2007) recommended that attachments be a larger part of its programme, arguing that workshops are more expensive and result in less substantive and less lasting impacts. One piece of evidence that provides indirect support for this position is the fact that beneficiaries of attachments responded to CTCS’s Tracer Survey in 2017 in much greater numbers proportionately than participants in workshops (see Section 3.5.7.2. Lessons Learned from the Tracer Survey of CTCS Beneficiaries, 2013-2017).

The Tracer Survey of past CTCS participants (2013-2016) concluded in favour of attachments (see Section 3.4.6). Those who responded were positive about the benefits they had received from the projects in which they had participated.¹³⁹ Training attachments and direct in-plant TA seemed to provide more value for money than general workshops.¹⁴⁰

The reference to “in plant” TA may seem to target only manufacturing or materials processing businesses but that is not necessarily the case. Attachments, including study tours and mentorships can be useful for services businesses as well.

The same conclusion had been reached by the earlier evaluation of the CTCS (2007)¹⁴¹ (see Section 3.4.3). That evaluation recommended that the CTCS move away from workshops on topics for which training is widely available, including on-line, and towards site-specific training solutions. Since that time, the

¹³⁸ CDB, CTCS Strategic Plan 2016-2019, p. 27.

¹³⁹ Some quotes included the following: “*The training has enabled to greatly improve our quality system. We have gone from 10% to about 90%. My customers benefit from a higher quality of service and good food. I was able to invest with confidence, with all the information on how the market is structured, its size and the type of distribution to adopt. It has helped us to build strategic relationships with other agencies and leverage those relationships to the benefit of our clients. Our customer service has improved, the sense of profits has been realized. After the training, customer base, profits and productivity have increased. It has ensured that we are up to date with all our transactions and this has aided significantly in our reports to our stakeholders.*”

¹⁴⁰ CDB concluded: “... *the results of the survey affirmed that beneficiary MSMEs of training attachments and direct/in-plant assistance are better able to quantify or qualify the impact of TA on their businesses. This is because these types of TA seek to address critical pertinent and intimate efficiency and productivity challenges within their operations. Conversely, workshops are group training primarily intended to enhance the technical and managerial capacity of MSME owners, managers and operators. As such, beneficiaries of such interventions cannot easily equate the knowledge and skills acquired to direct impact on their operations given that several other variables would have contributed to business improvement.*”

¹⁴¹ Trevor Hamilton and Associates, An Evaluation of the Relevance, Performance, Effectiveness and Sustainability of the CTCS Network over the period 1998 to 2006.

availability of training opportunities on-line, including courses and programmed learning developed by other IFIs, has increased enormously.

The 2007 evaluation noted that when CTCS workshops are convened in person, as all were during the 2012-2018 evaluation period, they typically incur high costs for travel and accommodation, and often produce intangible results and low economic returns. The evaluators recommended that CTCS should, instead, increase the number and quality of attachments (“site-specific TA solutions”) to address the needs and opportunities of specific enterprises. Attachments typically have low costs and high economic returns.¹⁴² They concluded that CTCS should allocate a larger share of the budget to attachments and on-site solutions.”¹⁴³

Based both on previous studies and information collected in the current evaluation, the CTCS should invest more in training attachments and in-plant TA relative to investment in general group workshops. There are several caveats. First, site-specific initiatives are relatively demanding of CDB CTCS officers and TCD managers. In contrast, workshops may move more money and demand less investment of time. These are not trivial concerns. The CTCS unit within TCD would have to be properly resourced if it were to expand site-specific work. (See Section 3.1.2 Organization of the CTCS.) Second, many of the workshops supported by CTCS have been designated as “train-the-trainer” workshops. In the best cases, this mode offers leverage although many of the participants in such projects that we reviewed were not professional trainers and did not conduct any training sessions with others afterwards. Third, there will always be some special situations where an in-person workshop is the most cost-effective way to train, especially when the training materials must be customized to a specific national context.

Different modes of training are not mutually exclusive – a programmatic approach by CTCS to a certain topic (say, for example, improving construction standards to be more resilient to hurricanes) might use a combination of knowledge products, on-line learning, short in-person workshops (national or regional), and in-plant assistance and training attachments.

The CTCS project that supported the development of gender equality policies and action plans in DFIs is an example. It involved three interventions in different DFIs, the writing of a manual based on the best practices identified during those interventions, and a regional workshop to consolidate and disseminate the lessons learned.

Among other IFIs that we reviewed, the Singapore Regional Training Institute, an institution funded jointly by the Government of Singapore and the International Monetary Fund, offers a good model of multi-faceted programmatic approaches to key training topics. It would be funds well spent for a CTCS officer to visit that Institute (or to have an attachment for say a month).

It may be that if the CTCS were advertised more widely in the business community, including the possibility of support for attachments, then more demand would be generated. And if CTCS were to work more in entrepreneurship in the new economy, then attachments and mentorships might be a more important tool. Other donors have pioneered interesting models of mentorship support in recent years that the CTCS could learn from.¹⁴⁴

In developing the attachment instrument further, it would be helpful to have guidelines and a brochure, and to advertise in the business community for applications. A reasonable proportion of the budget, perhaps 20% rather than the present 10%, should support attachments and mentorships – something like \$200,000 per year at present budget levels. Restricting attachments to the Caribbean might not be the best strategy if

¹⁴² Op. cit. Hamilton. CTCS Evaluation, 2008, page 1-5.

¹⁴³ Recommendation 3.5 of the 2007 evaluation of the CTCS.

¹⁴⁴ For example, Canada. INFRONT. Global Affairs Canada. 2019. Evaluated by TDV Global, Ottawa.

the best possible attachments are in North America or Europe or China. The important thing is upgrading skills as effectively as possible for the budget. The minor benefits of restricting mentors to the Caribbean are less important than beneficiaries getting the best mentors available anywhere.

4.3.5 Enterprise-specific technical assistance

Technical assistance can be specific to a single enterprise, either by supporting an attachment that involved the staff of only one enterprise or by providing expert advice and assistance in-plant. The 2007 evaluation concluded that enterprise-specific TA provides more value than general workshops. Similarly, CTCS's Strategic Plan, 2016-2019 concluded that there is evidence of the effectiveness of training attachments and direct "in-plant" TA, compared with workshops.¹⁴⁵ The reference to "in plant" TA may seem to target only manufacturing or materials processing businesses but that should not be the case. Attachments, including study tours and mentorships can be useful for service businesses as well.

As concluded in the 2007 evaluation, CTCS should move towards enterprise-specific training solutions that typically have lower costs than regional workshops and high economic returns.¹⁴⁶ Since that time, the availability of training opportunities on-line, including courses and programmed learning developed by other IFIs, has increased enormously, which supports the point that general workshops now operate in a training market with many options.

There are several caveats. First, site-specific initiatives are relatively demanding of the time of CTCS officers. In contrast, workshops may expend larger budgets and demand less investment of CDB staff time. The CTCS unit within TCD would have to be properly resourced if it were to expand enterprise-specific work (see Section 3.1.2 Organization of the CTCS). Second, many of the workshops supported by CTCS have been designated as "train-the-trainer" workshops. In the best cases, this mode offers leverage although some of the participants in reviewed projects were not professional trainers and did not conduct any training sessions with others afterwards. Third, there will always be some special situations where an in-person workshop is the most cost-effective way to train, especially when the training materials must be customized to a specific national context.

Among other IFIs reviewed, the Singapore Regional Training Institute, funded jointly by the Government of Singapore and the International Monetary Fund, offers a good model of multi-faceted programmatic approaches to training. It would be funds well spent for a CTCS officer to visit that Institute for a training attachment.

4.3.6 Knowledge Products

Among the approximately 300 projects in the sample frame, there were ten that supported the production or publication of knowledge products. It may be that further knowledge products resulted from other workshops or attachments. In several instances, there was a proposal for funding course materials to be put on-line after a workshop, but the evaluators were unable to identify cases where they were.

¹⁴⁵ CDB concluded: "... the results of the survey affirmed that beneficiary MSMEs of training attachments and direct/in-plant assistance are better able to quantify or qualify the impact of TA on their businesses. This is because these types of TA seek to address critical pertinent and intimate efficiency and productivity challenges within their operations. Conversely, workshops are group training primarily intended to enhance the technical and managerial capacity of MSME owners, managers, and operators. As such, beneficiaries of such interventions cannot easily equate the knowledge and skills acquired to direct impact on their operations given that several other variables would have contributed to business improvement."

¹⁴⁶ Op cit. Hamilton. CTCS Evaluation, 2008, page 1-5.

Each CTCS line of business should be supported by investment in knowledge products. To this end, the Strategic Plan 2020-2024 should contain an overview of appropriate topics, and annual operational plans should contain a list of knowledge products to be funded during the coming year.

4.3.7 Training of Trainers

The CTCS has used the training-of-trainers modality occasionally. For example, in 2019 it sponsored a workshop for instructors from technical colleges on computerized job estimating in construction.¹⁴⁷

Indirectly the CTCS has added to training capacity in the private sector in the Caribbean by hiring consultants to present workshops or conduct on-site TA. CTCS as a client contributes to a Caribbean market for professional services and builds capacity. This effect could be made more systematic by targeting professional services firms, and by supporting attachments and tours that would build their expertise and by making grants for course development in the private sector.

The CTCS should target professional services firms that serve private businesses in the Caribbean for its training-of-trainers modality.

4.4 Cross Cutting Themes

4.4.1 Stakeholders' Commitment to Thematic Priorities

Two thirds of stakeholders responding to the evaluation survey said that they were aware that CDB gives high priority to gender equality, the environment and climate change, and regional cooperation and integration. They said that these themes made a difference to their project design and/or participation. Somewhat unexpectedly, this percentage was much higher than the response to a similar question posed to Core TA participants in public sector projects. (See Appendix B, Table Q5).

About a quarter of CTCS stakeholders indicated that the themes made no difference to the project design and/or to their participation in it. Another 10% said that they were unaware of these priorities.

When invited to comment, stakeholders said that women played a major role in the small business sector, that all the themes are important but not always obviously addressed by the project, and that regional workshops in themselves make a contribution to RCI by bringing people together from different countries. (Box 3)

¹⁴⁷ CTCS Annual Report, 2019. CTCS, through a Train-the-Trainer Workshop, trained 41 trainers (33 men and 8 women) of technical training institutions from 18 BMCs in “Computerised Job Estimation Tool (CJET).” The Tool was developed by CDB to enable artisans and small contractors to accurately and reliably prepare tender documents and job estimates that would enable them to present bids, especially the Bill of Quantities for construction-related projects. This training was intended to institutionalise CJET in technical training institutions in order to strengthen their construction-related training programmes for both aspiring and practicing artisans and small contractors. To date, CJET has been institutionalised in technical training institutions in six BMCs (Antigua, Belize, Cayman Islands, Grenada, Guyana, and Jamaica).”

BOX 3: STAKEHOLDERS' COMMENTS ON CROSS-CUTTING THEMES

- *The food industry in (country name) is strongly skewed to women. More women than men are involved and willing to participate, from both regulatory and knowledge perspectives. Against this background, every effort to strengthen and assist in development of 'start up activity' using participation and completion would be an added advantage (respondent 10106)*
- *As a single mother of three young children and because of my training, I have knowledge of the themes stated above. However, I did not necessarily connect them with CDB. I also didn't see them tangibly in the project 10111)*
- *Environmental sustainability is a core objective of our project, which promotes capacity building and uptake of climate-smart agriculture. Gender equality is important to all our work. Finally, we hope to expand our work and integrate our climate adaptive innovation across the Caribbean to improve regional resilience (respondents 10115 and 10107)*
- *Both gender equality and sustaining the environment were important themes. (Agriculture technique) is an environmentally- considerate way of planting crops and raising fish while recycling water. This method is geared towards persons who would not otherwise have gotten involved in farming, many of whom are females and other vulnerable groups.*
- *CDB's promotion of preservation the environment and gender equality are themes that are current and that we adhere to. We were able to achieve 45% females in the training activities (respondent 10124).*
- *As a regional organization focused on the sustainable development of Caribbean Tourism and aligning to and supporting the UN's Sustainable Development Goals, we were very aware of CDB's focus on these areas. The work programmes of our organization are those that support sustainable development and ascribe to the UNWTO's concept of sustainable tourism summarized as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities". This allowed us to work with CDB as a partner whose priorities were very similar to ours (respondents 20406 and 20401)*
- *The project was conceptualized as a precursor to a larger project that is intended to address most of the themes. Therefore, the TA related to the themes did make a difference to our participating and to us seeking the assistance of CDB. We thought CDB would be the best organization to partner with on such a project (respondents 20408, 20404, 20403).*
- *Sustaining the environment and improving regional cooperation and integration in the Caribbean are important. I believe in having a solid regional building code produced regionally by a team of experts and stakeholders to give legitimacy. This would make the "train the trainer" project more successful as technocrats in the region would go away with knowledge of what they have to do and not just an option that appears to be the presenter's opinion, even though the work was good (respondent 00123) (Selected Comments, See Appendix B. Table Q5 ff.)*

4.4.2 Gender Equality

The CTCS Strategic Plan, 2016-2019,¹⁴⁸ stated seven strategic objectives, one of which called for a priority list of the needs of women-owned businesses and an annual work programme targeting women-owned MSMEs. It noted three types of obstacles to gender equality that the CTCS should address: socio-cultural, educational and financial.¹⁴⁹

¹⁴⁸ CDB, CTCS Strategic Plan 2016-2019, p. 27.

¹⁴⁹ "As a result of gender stereotyping women-owned enterprises face challenges that go beyond those that are common to MSMEs in the Caribbean. As a consequence, women-owned enterprises "tend to be constrained to low growth sectors associated closely with the home and informal in nature. The effect of this concentration, accompanied by gender stereotyping by service providers, is a constraint in access to productive resources (physical and human capital), precluding the exploitation of opportunities for innovation and enhanced

The recent paper on MSME development took a somewhat different tack, stressing that many female-owned businesses are either one person undertakings or are very small. They tend to be informal and have limited prospects of business growth because of many factors. These include a lack of entrepreneurial skills, inadequate business skills and limited “bankability” (no access to debt financing and no third-party equity financing).

“Across CDB’s BMCs, women entrepreneurs have lower access to finance than do male entrepreneurs. This is particularly problematic for women entrepreneurs who want to grow their businesses. Research findings suggest that not only are women entrepreneurs less likely to access credit, but the terms of borrowing can also be less favourable for women. Further, the disparity in access to finance for women owned businesses in BMCs is primarily linked to two main issues: (a) Women-owned businesses tend to be concentrated in low growth sectors, and as such are unattractive to investors; and (b) there are structural and administrative problems displayed by women-owned business that are not dissimilar to MSMEs generally, such as lack of proper financial management, the absence of a business plan, lack of project management skills, technological deficiencies and poor book-keeping. Given the inherent biases to these businesses accessing finance there needs to be specific de-risking programmes targeting this vulnerable group, which will increase bankability.”¹⁵⁰

Country Gender Assessments

CDB has funded a series of country gender-equality assessments. The evaluators reviewed several reports (Dominica, Jamaica, and Guyana). They are rich sources of information about the needs of female businesspeople and the constraints they encounter. They do not mention the CTCS.

The trend has been for women to be enrolled in higher education proportionately more than men; but they tend to enroll in fields that have traditionally been female-oriented, such as teaching or nursing. Men still dominate in business management and technical fields.

Gender Marker

One tool for integrating gender considerations into CTCS initiatives is the Gender Marker. CDB regards the gender marker as a “quality at entry” tool. It is not used for monitoring or evaluation. It was introduced in 2013/2014 and revised in 2017.¹⁵¹ The Gender Marker enables the Bank to report on gender equality as a component of development effectiveness and to track funds allocated to gender-specific and gender-mainstreamed projects.¹⁵² This is in line with the Results and Monitoring Framework (RMF) Level 3 of the Bank’s Strategic Plan and the Bank’s commitments made under SDF 9. SDF 9’s RMF Level 3 further contains an additional indicator which measures whether supervision documents report on gender.¹⁵³

competitiveness”. There are several gender-based obstacles to enterprise development, which can be categorised as socio-cultural, educational, and financial. With specific reference to financial obstacles, women-owned businesses: (a) Often lack required collateral to access credit from a conservative (risk averse) commercial banking sector in the Caribbean. (b) Often lack “business skills” among entrepreneurs to enable them to communicate with finance providers, or deal with their bureaucratic conditionalities (hence an overreliance on more informal financing sources). (c) Are considered as too “small scale”, and women not being entrepreneurial.”

¹⁵⁰ CDB, “Enhancing CDB’s contribution to MSME Development in its BMCs”, Paper BD 17.20, March 31, 2020. Para 4.13 and 4.14.

¹⁵¹ CDB VP Operations Memorandum, March 14, 2017. In the founding memo for the revised gender marker CDB states that having a simplified approach to projects under \$1 mn “... is in line with the Annual Review of Portfolio Performance (ARPP) Report which reports only on TA’s larger than a million. It is also in line with the TAPOS.”

¹⁵² Indicator “Approved loans or projects with a gender-specific or gender mainstreamed rating (%).”

¹⁵³ Indicator “Projects reporting on gender results during implementation.”

During appraisal, each CTCS project is assessed from a gender perspective to ascertain the degree to which it conforms to criteria that are based on CDB's gender policy and operational strategy (GEPOS).¹⁵⁴ A "gender marker"¹⁵⁵ score (on criteria that were revised in 2017) is calculated in 0.5 increments on a scale of 0 to 4. The score determines whether the project is: gender specific¹⁵⁶ or gender mainstreamed (3 or 4 on a scale of 0-4)¹⁵⁷, marginally mainstreamed (2.5 to 3.5 points)¹⁵⁸, or neither (0 to 1)¹⁵⁹. For grants under \$1 mn the gender marker scoring is simplified.¹⁶⁰ This threshold is in line with the Annual Review of Portfolio Performance (ARPP) Report which reports only on TA's larger than a million.

The evaluators concluded that the gender marker scores in the CTCS appraisal reports reviewed were not useful. All received a score of 2 or 3 and were noted as "gender mainstreamed" even where the project had nothing significant to do with gender equality. If women were expected to be involved and if there was an intention to count how many, then this was in general good enough for the project to be "gender mainstreamed".

Also, it is not a good idea to allow less stringent gender equality scoring for projects under \$1 mn. Either the gender marker score in CTCS project appraisals should be discontinued or it should be made meaningful by the application of criteria more like those for projects over \$1 mn and by requiring a supporting description of how the project design was modified to advance gender equality.

GEPOS Evaluation

In 2019, OIE evaluated the Gender Equality Policy and Operational Strategy (GEPOS).¹⁶¹ Among other findings, it was noted that few initiatives have focused on the root causes of inequality or taken a multi-dimensional or integrated approach to addressing socio-economic challenges as experienced differentially by women and men. It concluded:

... CDB has not sufficiently leveraged the different components of its own portfolio (for example, by linking CTCS training on entrepreneurship to access to finance" "Of note, however, are some recent initiatives to help strengthen the links between CDB Lines of Credit to Development Finance Institutions (DFIs) and CTCS training and TA or to strengthen mainstreaming of gender in the DFIs (para 85). (An example from Core TA.)

Of the CTCS in general, the evaluation said:

¹⁵⁴ See CDB "Background for the Development of a Revised Gender Marker System."

¹⁵⁵ See Revised Gender Markers. Effective date: March 20, 2017.

¹⁵⁶ Gender Specific (GS): the project's principal purpose is to advance gender equality. GS Projects are projects which directly enhance gender equality.

¹⁵⁷ Gender Mainstreamed (GM): the project has the potential to contribute significantly to gender equality. The project is GM when gender considerations have been taken fully into account.

¹⁵⁸ Marginally Mainstreamed: the project has limited potential to contribute to gender equality.

¹⁵⁹ NO: no contribution to gender equality, it is not reflected in the project, or appears as a formal reference only.

¹⁶⁰ For TA projects under \$1 mn, the project is GS and GM (3 or 4 on a scale of 0-4), marginally mainstreamed (2 points), or not GS nor mainstreamed (0 to 1). CDB states that there were three reasons for having a smaller version of the Gender Marker for TAs under USD1 mn as follows: "The aim is to reduce bureaucratic burden for TAs, which usually focus on studies, workshops and conferences or training. Most of the TAs have no complex implementation setting; so the implementation dimension is not considered in the Marker. Smaller TAs (under 50,000) do not have a DMF. The Marker therefore has no M&E dimension. However, data requirements are captured in the Design criteria of the Marker."

¹⁶¹ CDNJ (March 2019). Board Paper 92/2019-B3

The CTCS network has been used to support implementation of GEPOS ... In recent years, several Network initiatives have focused on gender issues and/or the economic empowerment of women. In 2017, the CTCS coordinated a TA project intended to empower women through capacity building in access to finance. In addition, CTCS provided capacity training for CTCS cooperating institutions, such as a workshop in 2015 to strengthen institutions from 13 countries in monitoring and reporting practices, including gender-sensitive reporting. Since the Strategic Plan 2010-2014, CDB ... collected sex-disaggregated data on beneficiaries of CTCS interventions as part of its tracking of CDB's contribution to private sector development, yet without setting specific targets for women.¹⁶² (CTCS states that) between 2010 and 2017, 3,394 women benefitted from CTCS initiatives out of a total of 6,124 beneficiaries. While women have had an overall higher representation than men in CTCS initiatives, the extent to which this translates into transformative change in entrepreneurship can depend on a variety of factors, such as women's access to financial resources and the prevalence of gender stereotypes in certain sectors. The 2017 Operations Manual for CTCS incorporates gender considerations at both conceptual and procedural levels.¹⁶³ As such it seeks to mainstream gender at key stages of the project cycle. A Gender Marker was provided to assess CTCS projects...

Gender equality projects 2010-2018

All CTCS projects reviewed received an acceptable score on the gender marker, though reservations about the tool as expressed above should be borne in mind. Thirty-four of about 300 CTCS projects (2010-2018) made substantive contributions to gender equality. These included gender-specific projects, grants to female owned and operated businesses, and TA to business in sectors mainly populated by women. This was about the same number of similar projects observed in the Core TA database, in the parallel evaluation to this one. However, the CTCS budgets for gender-relevant projects were much smaller, totaling only about 15% of the equivalent funding for gender-related Core TA projects (public sector).

There were two CTCS workshops targeted at women. One was a national workshop on business modelling for female entrepreneurs (2012, Barbados). The other focused on access to women's access to finance (regional, 2017). Over the evaluation period, there were sixteen CTCS grants to individual women or enterprises owned by women. Four of these involved attachments. The others involved a variety of artisan training activities or trades-related activities. Four were fashion and/or textile-related projects (Dominica, St. Kitts, SVG), four involved training in hairdressing and spa/wellness activities (St. Kitts; SVG), three involved arts and crafts (St. Kitts); two involved baking activities (SVG); and one involved soap manufacturing (SVG). Of the two remaining projects, one involved developing a plan for an agro-processing operation (Belize); the other focused on customer service in tourism and hospitality.

There were sixteen grants to assist business sectors that were largely targeted to women. Fourteen were for *national workshops*. One provided TA to the Network of Rural Women Producers (ANBNROP) regarding market research and business planning in Antigua and Barbuda. One was a training *attachment* in housekeeping in Jamaica. The workshops focused on the following sub-sectors: the music industry (3 Jamaica, regional); fashion-related businesses, including sewing (4 Barbados, Haiti, St. Kitts); tourism housekeeping (6 Haiti, Jamaica, Montserrat); and hairdressing (2 St. Kitts). All were national workshops except for support given to ANBNROP and the training attachment.

¹⁶² DERs report annually on the Strategic Plan RMF indicator on the number of beneficiaries of CTCS and other TA interventions by sex.

¹⁶³ It defines gender equality as the "principal element in the promotion of sound business management and is critical for productivity, competitiveness, and well-functioning economies" and centers CTCS as "a unique vehicle for addressing gender gaps in employment, promoting women's entrepreneurship and contributing to financial inclusion in BMCs." Source: 2017 Operational Manual – CTCS Services Network, p.39.

This suggests the following:

- ✓ The amount of investment in women-friendly TA was less in the CTCS than it was in Core TA over the same period.
- ✓ Most of the relevant CTCS projects were straightforward assistance to women, without having much to do with gender as such. Any consideration of gender relationships was peripheral. Nor were there any projects that addressed men's business activities and constraints from a gender perspective.
- ✓ There were no grants that addressed the interactions of other dimensions of disadvantage with gender, such as ethnicity, disability, or age.
- ✓ There was a shift in the focus of CTCS assistance to women over the period of this evaluation. All 16 projects that supported individual female business owners and entrepreneurs were approved in the period 2010 to 2012. Thereafter, from 2013 to 2018, most grants were for general workshops on topics of interest to women.
- ✓ In many cases, CTCS grants that assisted women were not in sectors of the economy where there was much prospect of growth – sewing shops, hairdressing, spa operations, housekeeping in tourist facilities, and specialty soap production. Individual livelihoods are better handled by the BNTF. The CTCS should focus on growth-oriented entrepreneurship.
- ✓ The CTCS should also address other dimensions of disadvantage that interact with gender (disability, ethnicity, and age).

4.4.3 Environment and Climate Change

About 4% of CTCS funding during 2010-2018 had a strong environmental aspect compared with about 21% of Core TA projects during the same period. The Caribbean is not a significant contributor to green house gasses, except for the oil and gas industry and livestock farming, although the scale and impact are small. Therefore, TA with climate change in mind, is naturally focused on preparedness, mitigation, and resilience. Broadly speaking, the environmental focus of the relevant CTCS projects was on energy conservation and renewable energy.

There were many environmental topics of interest to the private sector that the CTCS did not address. These included business resilience to hurricane damage and business continuity. Depending on the country, they also included, solid waste management, potable water management, sewage treatment, urban sprawl, road traffic and congestion, air and water pollution by cruise ships, deforestation, land degradation, use of toxic pesticides, watershed deterioration and erosion, over fishing or over-hunting, loss of ecological diversity in part by expansion of agriculture, and animal and bird habitat degradation both on land and in coastal waters, CTCS funded environmentally oriented projects in seven countries and regionally.¹⁶⁴ There were five relevant workshops, three national and two regional workshops. All were related to energy efficiency.¹⁶⁵

¹⁶⁴ One each in Belize (\$85,920 or 23.7% of national projects), Grenada (\$49,000 or 13.6% of national projects), St. Kitts (\$14,795 or 4.1% of national projects), and St. Lucia (33,941 or 9.4% of national projects); and 2 each in Barbados (\$18,975 or 5.3% of national projects), the Bahamas (\$55,582 or 15.4% of national projects), and Dominica (\$102,880 or 28.5% of national projects).

¹⁶⁵ 5 workshops were supported, to a total of \$268,348 or 50.4% funding approved to address this issue. 3 (60%) were national in scope (Bahamas, Dominica, St. Lucia), to a total of \$96,612 or 36% of available workshop funding. Sensitization to energy efficiency/renewable energy initiatives for MSMEs was the concern of 2 national workshops (Dominica, St. Lucia - \$68,821), and 1 focused on energy efficiency and renewable audits (Bahamas, \$27,791). 2 regional workshops received \$171,736 or 64% of workshop funding – 1 designated as a “workshop

CTCS also funded three lines of credit for energy efficiency on-lending.¹⁶⁶ Four enterprises (individuals or companies) received a grant. These included one project on energy auditing¹⁶⁷ one to assist with preparing a business plan for an energy efficiency product¹⁶⁸; one on retrieval and capture of relevant technical information on energy efficiency and conservation;¹⁶⁹ and one on energy audits for small hotels.¹⁷⁰

Overall, the CTCS spent little in support of the environment during 2010 to 2018. In addition to the gaps noted above, the CTCS has not funded the development of environmental policies and procedures by medium size enterprises.

The annual CTCS work plans should contain a section on environmental action in the private sector. A reasonable proportion of CTCS funding should be aimed at needs and opportunities for private sector environmental action.

4.4.4 Regional Cooperation and Integration

There were approximately 23 CTCS regional initiatives between 2010 and 2018. They were of several types, mainly workshops, studies and publications, and support for industry and business associations. Thirteen workshops incurred a total of expenditure of \$1,204,577. In addition, there were some sub-regional workshops relating to small hotels, the music business and youth.

The regional workshops aimed to improve competencies in various areas. Four were in general management, finance and accounting, and two each were concerned with customer service, trades and artisan activities, hospitality certification and regulatory compliance, or IT and computer skills. One each focused on energy auditing;¹⁷¹ women's access to credit (2017); and on business continuity planning in the event of a natural disaster. The Cultural and Creative Industries Innovation Fund received \$100,000.

Two regional workshops (2016, 2017) dealt with certification and regulatory compliance through the "Hospitality Assured" program, for a total expenditure of \$290,199, about one quarter of all CTCS expenditures on regional projects. Of this, \$40,656 was made available to the SERVSAFE training and

consultation" on energy audit protocols (\$107,284), and 1 on water and energy conservation for small hotels (\$64,452).

¹⁶⁶ 3 were lines of credit – EE/RE, totaling \$202,920 or 38.1% approved to address this cross-cutting issue. Recipients were: Belize 2014 (\$85,920); Dominica 2014 (\$68,000); and Grenada 2015 (\$49,000). Records indicate that, although the agreement between CDB and Grenada was signed, no disbursements have yet been made.

¹⁶⁷ Technical and Vocational Institute of the Bahamas, \$27,791.

¹⁶⁸ Solar transport, Barbados. 2010, \$10,775.

¹⁶⁹ Barbados, 2012, \$8,200.

¹⁷⁰ Nevis, St. Kitts, 2010, \$14,795.

¹⁷¹ Roughly one third of regional workshops focused on management, and on financial management and accounting, to a total of \$266,844 or 22.2%. 3 were train-the-trainer workshops: 1 in 2013 on business modelling techniques (\$102,463); 1 in 2012 on general management and financial management techniques (\$88,325); and 1 in 2014 on management accounting systems for MSMEs (\$39,924). The fourth dealt with continuity planning for MSMEs (\$36,132) in 2011. 8 or 61% of regional workshops, to a total of \$830,449 or 68.9%, included 2 each on customer service, trades and artisan undertakings, certification and regulatory compliance, and IT and computer skills. Enhancing customer service, to a total of \$137,211 or 11% was the focus of 2 workshops: 1 for owners and managers of small hotels (\$71,170) in 2011; the other a train-the-trainer session for MSMEs (\$66,041) in 2012. Another 2 were directed toward trades and artisan undertakings, to a total of \$310,554 or 25.8%: the agriculture sector benefited from a 2010 workshop on production techniques for small poultry producers and processors (\$31,616); and the construction industry from a 2018 train-the-trainer workshop on improved practices for house construction (\$278,938).

certification compliance programme for its mid-term assessment (2017). There was a grant of \$5,100 for a publication on a computerised job estimation tool for small contractors.

There were two CTCS regional workshops on improving IT and computer skills (2010), for a total expenditure of \$92,485. There was one on job cost estimating for artisans and small contractors (\$28,033); and one teaching IT and computer-based skills to enhance water and energy conservation in small hotels (\$64,452). Both were delivered in 2010. One regional project involved a consultation on standardized energy audit protocols, with an expenditure of \$107,284.

CTCS funded five publications (\$228,342). Three involved agriculture, one providing \$156,186 for certification to accredit the plant pathology laboratory of the Citrus Research and Education Institute. Two dealt with tropical fruit processing, including plans for a multi-purpose facility and another aimed to produce fruit pulp (\$2,400 each, 2012).

Two grants supported business associations, for total expenditures of \$386,629. The Caribbean Tech Entrepreneurship Programme (2018-19) received \$273,294 in 2018; and \$113,335 supported 2015 stakeholder consultations and business plan development to establish the Caribbean Creative Industry Management (CCIMU), Caribbean Export Development Agency.

It is clear that regional workshops contribute something to regional cooperation and integration just by bringing people together from different countries to learn about a subject of common interest. However, that does not make them efforts to harmonize regulations or practices across countries or to promote active cooperation among them. For example, computerized job cost estimating is a useful skill but it has little to do with regional cooperation and integration; whereas a regional workshop that, say, focused on standardizing the accreditation of a profession group to facilitate mobility across countries and work regionally might have a substantial contribution to market integration for services.

The CTCS should remain proactive in identifying topics for regional workshops that are likely to make a substantial contribution to regional cooperation and integration.

4.4.6 Youth Entrepreneurship

Of the seven strategic objectives stated in the 2016-2019¹⁷² CTCS Strategic Plan, one called for the CTCS to open a “youth window” and prepare a priority list of needs of youth-owned businesses with an annual work programme targeting youth-owned MSMEs. It stated the following:

Technological developments and rising educational exposure, among other factors, have created new opportunities for young people to be entrepreneurs. The fields of information and communication technologies, the creative industries and even new forms of agri-business have proved to be especially attractive to youth. These opportunities have come, however, with their own set of challenges. The dynamics of many of these new areas are unfamiliar to institutions, which are supposed to provide business services to MSMEs. Additionally, forms of organisation of many of these activities and the business culture associated with them are sometimes viewed as unorthodox. These factors indicate a range of supports that could be put in place to support the development of MSME.¹⁷³

CTCS’s 2019 Annual Report said:

Two interventions (“Strengthening the Entrepreneurial Spirit of Caribbean Youth” and “Caribbean Tech Entrepreneurship Programme”), designed and approved by the Bank in 2018 as part of its digital transformation and youth economic empowerment agendas, were implemented in collaboration with

¹⁷² CDB, CTCS Strategic Plan 2016-2019, p. 27.

¹⁷³ CDB, CTCS Strategic Plan 2016-2019, p. 34.

youth development agencies. As a result, a total of 882 young entrepreneurs (488 men and 394 women) in 12 BMCs were trained and provided with technical support, inclusive of mentorship, to help them start or grow their businesses. These projects have enabled a number of young persons to embark on innovative initiatives, such as an agro-processing venture that caters to locally made organic baby food in Tobago, and a creative, edutaining, and innovative technology-based business that provides training opportunities for youth through animation and digital media in Guyana.¹⁷⁴

Investing in promoting entrepreneurship among young people is a long-term proposition. The CTCS should fund a study to assess the interests and needs of young people in BMCs who might consider careers in business or as entrepreneurs and to identify an effective strategy for the CTCS to pursue to support them. One option that should be assessed is whether a cost-effective way to encourage young people to consider careers as entrepreneurs might be to work through the schools, in curriculum development and teacher training.

4.5 Sustainability

4.5.1 Did sustained improvement result?

Most stakeholders report that the CTCS project resulted in sustained improvement in their capabilities and/or the capabilities of their organization. (See Appendix C, Table 7) Three quarters said that the project had made a major difference them and/or to their organization that was transformational. Another 21% said that capabilities had been improved to a minor extent; and 5% judged that there was no long-term improvement. These results were much better than the results reported for Core TA in the parallel evaluation to this one.

Asked to comment, stakeholders said:

- The sustained improvements include: Valuable lessons learned by this officer personally from the experience of participating in the entire process. Idea or concept creation that met the necessary criteria. Contributing to proposal preparation. Project planning and budgeting; project coordination and logistics execution; and reporting, evaluation, and analysis to improve in the future
- (I was) encouraged by the successful completion of this project, more Business Development Officers within the organization were encouraged to start creating new projects to put forward and seek funding to benefit their own assigned sectors.
- From observing the sessions, the coordinators, like the participants were exposed to timely and practical information that we have incorporated into the way we interact with our clients, particularly those clients who were not a part of the training. The participants themselves were quick to apply the information to their own businesses. The trainers were also eager to share it with their students and having included it in their curriculum to varying degrees and they will continue to do so year after year (respondents 20408, 20404, 20403).

However, despite this positive feedback, two thirds of stakeholders thought that a different project design or approach could have had more sustained impact. Asked to comment, CTCS grantees and participants said:

- The design and approach could have been better in the following areas: Developing the capacity of trainers in-country; restructuring delivery process to be able to use weekends rather than weekdays

¹⁷⁴ CTCS Annual Report 2019, p. 2.

do that businesspeople could more easily attend; longer time for advertising the course... (respondent 10106)

- The project (should have) used a team method and had a lead member for each batch who was tasked with constant (sic) communication, and (if team participants) had banded together to purchase materials etc. and to share vital information, then I believe more participants would take at least minor steps toward actual business development. A basic business start-up kit (with technology) should have been provided, possibly with schedules for construction (of basic facilities required for the proposed business start-ups). There should have been mandatory hours, agreed on by participants and other stakeholders, for hands-on training on an operational system, whether with an agricultural school or with a privately owned system (respondent 10111)
- It would have been better to have more professionals involved in the development of the workshop materials. Possibly a draft of a regional manual could have been given out beforehand, to give those attending time to study it, and bring questions and suggestions to the workshop (respondent 00123).

(Selected comments. See Appendix D, Table 8 ff.)

4.5.2 Sustainability at the Programme Level

The CTCS is entirely dependent on a set-aside of SDF(U) monies at each replenishment. To improve sustainability, CDB should consider what possibilities there might be for diversifying the sources of funds for the CTCS.

4.5.3 Sustainability at the Project Level

Sustainability at the project level depends on the stakeholder remaining engaged in a relevant enterprise and in furthering her or his learning. The risk with one-off initiatives is that neither of these might happen.

The link with an existing or prospective enterprise needs to be established at application; and resources for continued learning need to be thought through at project design.

Sustainability was good in some projects; but in a significant number of others it was not strong. Without careful attention to sustainability, the half-life of information imparted in a workshop can be short.

4.5.4 Follow-Up Support

The TOWS¹⁷⁵ analysis in the Strategic Plan, 2015-2019¹⁷⁶ identified follow-up support as one of the strategic areas for improvement by the CTCS. It said:

At the conclusion of each intervention as well as through follow-up tracking of beneficiaries, CIs and facilitators will identify those beneficiaries who could benefit from further support. In particular, those who have potential to attract investment to their enterprises; require additional technical assistance for highly marketable projects; and show a high level of commitment to transform their enterprises. To support follow-up action, CTCS will use the following mechanisms. Determine the nature of follow up support appropriate to the enterprise, Determine whether the follow up support identified can be met from programme resources (for example a participant in a workshop may require an attachment to take their production to the next level); and identify potential alternative sources of support in the programmes of other partners and collaborators.

¹⁷⁵ A TOWS Analysis is an extension of a SWOT Analysis that identifies Strengths, Weaknesses, Opportunities and Threats but then goes further to match the strengths with opportunities and the threats with weaknesses.

¹⁷⁶ CTCS Strategic Plan, 2016-2019, Section “Strategic Priorities”, Point 1.4, page 7.

To follow-up in this way would require a change of stance by the CTCS and add substantially to its workload. Some BSOs have a follow-up system at least to the extent of keeping an up-to-date mailing list of participants in training events and notifying them of new opportunities as they arise. However, a needs analysis at the enterprise level, as noted in the quotation above, would be more demanding than this.

If the CTCS periodically conducted general MSME needs analyses in BMCs, as recommended in this evaluation report (Section 3.4.1), and if it kept up-to-date contact records for past participants in projects that it had supported, then it would be possible, when a needs analysis was underway for the MSME sector in the BMC, to invite past participants to submit a statement of their main needs and/or to attend a discussion of general needs in the MSME sector.

Another possibility, given resources, would be to offer small follow-up grants directly to participants who wished to apply. For example, a participant in a workshop on hurricane-resistant construction methods, perhaps a consultant to construction firms in the Caribbean, might apply for a follow-up grant to attend a conference on the topic to be convened in New Orleans (say) and focused on the experience of the southern rim of US states. The maximum size of such grants and the method of adjudication would require thought by the CTCS, and might well be addressed in its next strategic plan, (2020-2024). Simple follow-up grants, perhaps under USD 5000, adjudicated by the CI and limited to, say, three per CTCS-funded workshop or attachment project, might be financially manageable.

In its next strategic plan, 2020-2024, the CTCS should describe its strategy for follow-up to initiatives that it funds and initiate a new instrument or instruments to make follow-up support a reality.

4.5.6 Training CDB Staff to Manage CTCS Projects

Assuming that attention to private sector capacity development will become more mainstreamed in the work of the Bank, all Bank staff should know something about managing TA grants to private enterprises and the differences between this and managing grants to governments.

The TCD has conducted training sessions (boot camps) for CDB staff on the management of TA. This training is in part relevant to the CTCS. Training of staff is important because of the decentralization of TA responsibilities in the Bank. Training focused substantially on the use of the Bank's project management system (PPMS). See Section 4.2.6 Knowledge Management and Management Information System.

There are no on-line training modules on managing TA, but some are planned. A *Technical Assistance Operations Process Review* and the general transformation initiative by the Bank are underway. These will result in changes in the management of TA and will require the revision of systems and retraining of staff.

When the Operations Process Review and the Transformation Initiative are complete, Projects Department should produce a revised version of a TA Operations Manual to cover both Core TA and the CTCS; and TCD should produce an on-line modularized course for CDB staff to improve their ability to manage TA. Completing the course should be mandatory for all professional staff. Periodic workshops should support this process.

MINICASE 2: AQUAPONICS

In 2017, CDB (CTCS) made a grant of \$180,007, of which \$110,785 was disbursed, to enable INMED, a non-government international development organization, to present workshops in Jamaica on “aquaponics”. This is an intensive farming method that combines small water-fed grow beds and fishponds in a synergistic way to obtain high yields. The coordinating institution was the Jamaican Rural Development Authority (RADA). USAID provided related support at a higher scale.¹ INMED prepared and presented three farmer workshops (July 2018, November 2018 and August 2019². 74 people attended, exceeding the target of 45. In addition, INMED’s train-the-trainer workshop (May 2018) involved 24 RADA extension officers³

The strengths of the project were that it targeted MSMEs in innovative agriculture, with potentially positive environmental impacts and strong participation by women. It had leverage since the agricultural extension workers who participated could pass their knowledge and skills to farmers. There was evidence of good cost management. The cost of the third and largest 5-day workshop for potential aquaponics farmers was \$17,000, or \$125 per participant day, a fraction of the per-participant-day costs of some other CTCS-funded workshops. One admirable aspect of INMED’s approach was to hold the training in an adequate but modest venue, with dorm accommodations, rather than a hotel, and not to provide a stipend to participants over and above travel, accommodation, and meals. This helped ensure that the incentives of the attendees were aligned with those of the project. Participants signed an attendance sheet each day. Approximately half of the trainees were female. In Jamaica, roles in farming tend to be influenced by gender, with males prominent in commercial production and in the use of more advanced farming technologies. Therefore, it would have been a gain if the project had enabled women to establish scaleable aquaponics operations.

The weakness of the project was that few if any trainees went on to establish aquaponics businesses.⁴ Access to credit by participants who did not have collateral for loans proved a barrier. The only aquaponics operations resulted from grants to public institutions by the broader (IACSA) project. The lesson is that such training struggles to attract participants who are seriously interested in becoming entrepreneurs in the target industry and who have at least the minimum experience and financial assets to make that a viable possibility.

¹ This project was undertaken within the context of INMED’s broader work on aquaponics in Jamaica that was funded by USAID entitled “Increasing Access to Climate Smart Agriculture” (IACSA), with a budget of approximately USD \$1.3 million. In Phase II of this project, USAID provided 50/50 matching funds when INMED secured funding from partners such as CDB. The whole project (not only the training activity funded by the CTCS grant) had six task areas, Online Prequalification¹ Hands-On Training¹ Loan Application¹ Aquaponics System Construction¹ Access to Markets¹ Ongoing Support¹

² See Final Report: “Increasing Access to Climate Smart Agriculture: Capacity Building Support for Aquaponics Farmers and Trainers in Jamaica” September 30, 2019.

³ In addition, INMED trained 20 RADA agents through its *Increasing Access to Climate-Smart Agriculture Program* that was the precursor and framework for the workshops funded by CDB CTCS.

⁴ In December 2021, following completion of report writing, evidence was presented to evaluators that a number of aquaponics operations had more recently been established, benefitting from provision of inputs complementary to CTCS training.

5. RESPONDING TO THE TRANSFORMATION AGENDA

In June 2020, a paper on CDB’s transformation agenda was submitted to the Board.¹⁷⁷ This document made several points that are relevant to the CTCS.

5.1. More Substantial Engagement with the Private Sector

The transformation agenda stated: “find a viable basis for more substantial engagement with the private sector.”¹⁷⁸ Though not explicitly stated in the paper, some possibilities for the CTCS could include:

- Devote more resources to the CTCS
- Engage more directly with business enterprises rather than mainly through intermediary CIs and DFIs.
- Devote resources to helping improve the Doing Business frameworks in BMCs
- Seize opportunities to engage with the private sector that arise from CDB’s enhanced country presence (Resident Implementation Officers).

These are discussed below.

5.1.1. Engage more through greater resources

CDB devotes about ten times as much funding to TA in the public sector compared with the private sector.¹⁷⁹ Resources could be increased, or rebalanced, to give greater support to the private sector.

5.1.2. Engage more through TA Direct to Businesses

Two studies have recommended that the CTCS support more TA that is direct to business enterprises.¹⁸⁰ In principle, the CTCS can fund direct in-plant advice and assistance and direct attachments that involve the staff of a single or a few business enterprises. However, these instruments have not been used much. One reason appears to be that the financial model is impractical. There is a low limit on per day consultancy fees; and the third party who hosts an attachment is expected to do so without compensation. A secondary reason for low use is that the instrument is little known in the private sector in BMCs. More substantial engagement with the private sector through direct TA is possible but would require redesigning the grant instruments.

5.1.3. Engage more through enhanced *Doing Business Frameworks*

CDB has not used the CTCS significantly to assist private sector input to governments’ development of “doing business frameworks” (legislation, regulation, and incentives). This is an area that bridges the interests of Core TA and the CTCS. The Transformation paper states that this will be a high priority for the new private sector division that will include the CTCS. “... country-led reforms aimed at improving “Doing Business” ranking scores, with emphasis on leveraging technology.”¹⁸¹

¹⁷⁷ CDB’s Transformation Programme. BD 67/20 June 25, 2020.

¹⁷⁸ Ibid, para 2.02

¹⁷⁹ CTCS approvals are typically about \$1 billion per annum, while TA to the public sectors is about \$10 mn to \$12 mn per annum. (See Evaluation of CDB’s Core TA, June 2020, Table 3;2;1-1)

¹⁸⁰ The independent evaluation of the CTCS (2007) and the CTCS Strategic Plan (2015)

¹⁸¹ CDB Transformation Paper (2020). Op cit. Para 2.21e

5.1.4. Engage the private sector through enhanced presence in country

The new Resident Implementation Officers (RIOs)¹⁸² could develop a relationship with CTCS cooperating institutions in-country, and with the relevant DFI.¹⁸³ This mandate could be extended to developing a network of contacts directly with private enterprises through mechanisms like an interactive website, an electronic newsletter and networking events.

5.2. Greater Programme Coherence

5.2.1.Lines of Business

The Transformation paper envisages new lines of CTCS business. Specifically, it focuses on de-risking to improve bankability of business enterprises and consequent enhancement of access to credit. It says that the Bank (CTCS) will “provide support to MSMEs through de-risking initiatives that improve recordkeeping, enhance business transparency and promote bankability.”¹⁸⁴

5.2.2.Implementation Readiness

CDB has committed to improving TA/CTCS project readiness prior to approval.¹⁸⁵ Specific standards are not stated, other than first-disbursement timing targets for loan projects.

5.2.3.Standard Task Templates

CDB’s Transformation paper recommends the design of standard task templates for the management of TA. Some are in draft as a result of the work of the Operations Processes Review (2019-2020) The task templates should be used by the CTCS as well with a few modifications as possible to promote consistency in the management of TA across the Bank.

5.2.4. Task Standards

CDB’s transformation paper mentions disbursement standards, with appear to be standards for capital investment projects, but no standards for TA projects.¹⁸⁶

¹⁸² CDB Transformation Paper (2020) Op cit. Para 2.09 “Increasing in-country presence is another initiative CDB is implementing to improve client experience. The Bank established the Haiti Country Office in 2018 as part of that thrust and is in the process of engaging Resident Implementation Officers (RIOs) in select BMCs. These RIOs will function as an operational interface between CDB and its clients as they support the Operations Officers and Project Coordinators in client engagement activities in their assigned BMCs. The first two RIOs will commence duties in Belize and St. Lucia in August 2020.”

¹⁸³ Ibid. Para 2.09.

¹⁸⁴ Ibid. Para 2.21A.

¹⁸⁵ Ibid. Para. 2,17C. “consistent with the TA Policy to take a more proactive approach to TA as a solution, such as with respect to improving project readiness.”

¹⁸⁶ Ibid. Para 2.16 “The benefit of these changes is already being observed in stronger disbursement performance. While averaging only 14% over the previous five years, the disbursement ratio exceeded 18% at the end of December 2019. Over the long-term, the level of undisbursed funds is expected to decline significantly, facilitating the Bank achieving the Level 3 RMF target of six months for the average time taken from approval to first disbursement (the average at the end of 2019 was 11.5 months) and improving overall project effectiveness. The Bank recognises, however, that implementation performance is also impacted by certain in-country factors and is working with its BMCs in addressing those factors so as to improve development outcomes.”

5.2.5 Modern Technologies for On-line Training and Advisory Services

CDB's transformation paper states that the use of digital technologies in all parts of its operations and in all sectors, but especially in training and education, will be one of its highest priorities.¹⁸⁷

5.2.6 Project Record Management

CDB's transformation paper contains material on its data management system – PRISM and the system in development, the Client Relationship Management (CRM) System. The data requirements for better management of the CTCS are not complex. All that is needed is a complete record for each TA/CTCS project, which can be entirely numeric – dates, budget and disbursements figures, client categories, and performance codes. When PRISM was developed, TA data was considered secondary to loan project records and was never fully addressed.¹⁸⁸ The current development of the CRM has similarly postponed the development of a TA data system until loan data systems are fully implemented. If CDB cannot produce such a database of TA records quickly, the task could be contracted out and the product maintained in a form that will serve until the CRM is functional and that can then be uploaded to the CRM.

5.2.7 TA Reform Topics Not Addressed in the Transformation Paper

Several topics considered in this evaluation were not addressed in CDB's transformation paper.

- Investing in TA needs analyses as an input to country engagement strategies
- Repositioning and rebranding the CTCS
- Upgrading the annual operational planning process.
- Managing risks better including using competition more
- Having a completion report written by CDB staff for each project
- Regular (biennial) reporting to the Board

¹⁸⁷ Ibid. Paras 2.26, 2.27 and others.

¹⁸⁸ Ibid. Para 2.17B. "... the PRISM configuration prioritised the capital projects; TA was scheduled for subsequent development".

MINICASE 3: SERVSAFE CERTIFICATION

From 2014 to 2016, CDB made six grants for ServSafe training workshops in BMCs (Antigua and Barbuda, Anguilla, Dominica, Grenada, Guyana, and Montserrat) for a total of \$266,288¹. About 175 people attended the workshops.

The ServSafe programme is offered by the U.S. National Restaurant Association. It trains and certifies food handlers and managers of facilities that serve food. In the Caribbean, Public Health Inspection Units of Ministries of Health typically offer two to three hours of training for food handlers on an annual basis as a requirement for receiving or renewing a food handlers' badge/certificate. However, there is little regional cooperation or integration. Approaches and standards vary widely. The mid-term evaluation of the CTCS grants for ServSafe said that "the food handlers training offered in most BMCs is considered to be very basic and only scratches the surface in terms of what should obtain in food service establishments."² Another training and certification programme is offered on-line by Springboard Caribbean, a UK-based organization, certified by the Royal Society for Public Health.³

The strengths of the workshops funded by the CTCS were, first, that they were very relevant to the needs of the Caribbean since tourism and hospitality is a major industry in BMCs; and second, the ServSafe approach and materials are regarded by many as the "gold standard" for safe food handling.

There were weaknesses as well. The logical partner,⁴ the Ministry of Health, did not participate or participated minimally in four of the five countries.⁵ In some cases, because of inadequate preparation in-country, the mix of participants was not optimal, with many not being servers or food service managers.⁶ The training manual was not automatically provided to participants in some workshops, and some did not purchase it. Each workshop was a one-off event with no follow-up, so sustainability is doubtful. Of those who took the certification test, the failure rate was high – over 40% in three of the six BMCs. The mid-term evaluation stated that pre-workshop baseline measurement was not completed, or not done adequately, and participants' action plans developed during the workshops were perfunctory and not monitored afterwards.⁷ The mid-term evaluation also noted that participants paid nothing towards the cost of the training and that it would have been preferable if there had been a reasonable charge.

¹ This total includes \$40,656 for a mid-term evaluation study.

² CDB, Mid-Term Evaluation of ServSafe Training and Certification, June 2018, p. 17

³ Springboard Caribbean's accredited and certificated compliance training programmes include: Food Hygiene and Sanitation Standards (Level 2):-A one day, certificated workshop that ensures all line staff understand the reasons for the safe handling of food, and are aware of their responsibilities. Hazard Analysis and Critical Control Point (HACCP) Foundation Workshop: - A one day workshop for all operational staff responsible for monitoring and maintaining food safety controls, accredited by the RSPH. HACCP Certification Workshop:- A three-day certificated workshop for your key supervisors, managers and members of your HACCP implementation team. A level 3 programme accredited by the RSPH.

⁴ One interviewee said to the evaluators: "Ministry of Health is important, but it might be useful to verify that the national and regional standards bureau were involved. They, especially CROSQ, are likely to be critical for regional cooperation and integration, indicated above, in this area. This is a project that should have dovetailed nicely with some of the work that the Bank was doing (and did in the review period) in RCI."

⁵ CDB, Mid-Term Evaluation of ServSafe Training and Certification. "The capacity constraints reported by Ministries of Health/Public Health inspection Units (MOH) limited the availability of additional or supplemental resources to support the follow up and scaling up of the ServSafe training programme. There was also an apparent "turf" issue where some MOH units felt they should have been more integrally involved from the outset as the programme was being conceptualised." Executive Summary.

⁶ CDB, Mid-Term Evaluation of ServSafe Training and Certification, "Some stakeholders shared the concern that not enough sensitisation was done among enterprise owners and managers to further their greater participation. Consequently, only a small percentage of participants across the six BMC were managers or owners. In Anguilla for example, only three of the nineteen participants (16%) were registered as managers while Dominica reported nine (9) persons of thirty-three (33) persons registered (27%) were managers." P. 21

⁷ Ibid, p. 21

6. CONCLUSIONS

6.1 Overall contribution

The CTCS has a long history of service to MSMEs in the Bank's BMCs. Much useful work has been accomplished over many years. From the evidence gathered and presented in this report the CTCS has conveyed significant benefit to stakeholders. It made approximately 300 grants over the 2012-2018 period, worked with Cooperating Institutions in every borrowing member country, and used local consultants to various degrees as implementers.

The CTCS has also had an interest in thematic issues and communicated that interest to grantees and participants in events – gender equality, environment and climate change and regional cooperation and integration. To a lesser extent because CDB does not have a substantial lending program in the private sector, the CTCS has provided support to project loans. Finally, to a minor extent that the CTCS has funded projects that have been relevant to *Doing Business* frameworks in BMCs.

6.2 New Environment and Need to Reposition the CTCS

The small business economy worldwide and in the Caribbean has changed greatly since the CTCS was last evaluated in 2007. The technologies for training and consultation have also changed. These changes have resulted in different priorities being articulated in CDB's Strategic Plan 2020-2024. In particular, CDB has given a high priority to "enhancing the bankability of the MSME sector."¹⁸⁹ This perspective requires rethinking the focus and instruments of the CTCS. The concept of "enhancing bankability" applies more to medium sized enterprises than it does to individuals or microbusinesses. Some areas of work in which the CTCS has traditionally been involved remain relevant. These include:

- Aid the development of business services in the Region – consultants and educational institutions offering training in business.
- Promote innovation.
- Enhance the capacity of financial institutions (FIs and DFIs) to lend to MSMEs.

In contrast, enhancing bankability suggests that the CTCS should strengthen its focus in areas where it has been less active in the past:

- Help address the high cost of doing business that undermines profitability and growth of MSMEs (*Doing Business* frameworks).

¹⁸⁹ Although general access to financial services is good in the Region, the access to finance of the MSMEs is made difficult by a number of factors. These include the high cost of doing business which undermines profitability and growth. Beyond this, support services, training, and venture fund ecosystems that support equity investment are critical constraints that need to be addressed.

The Bank intends to play a strong role in enhancing the bankability of the MSME sector by targeting a number of these constraints. Improving MSME access to finance will be a priority. Increased effort will be directed towards enhancing the capacity of FIs to design market responsive and effective MSME lending programmes including support for the development of innovative solutions to collateral issues, among others.

The Bank will also continue to specifically target the issue of women and youth access to finance as part of its broader attempt to remove the barriers that challenge the involvement of these groups in enterprise development. As part of the efforts to encourage innovation, the Bank will explore additional avenues for supporting the growth of MSMEs in sectors identified as having growth potential for economic diversification including the creative industries.

- Encourage the establishment and growth of venture capital ecosystems that support equity investment.
- Support the growth of MSMEs in sectors that have high growth potential and/or high potential to contribute to economic diversification. (CTCS has sometimes made grants in business sub-sectors which have high potential for growth and sometimes in sub-sectors that do not have high-growth potential.)

The CTCS needs to be repositioned and refocused. In the past, it has shared the microenterprise space with the Basic Needs Trust Fund (BNTF). Given limited resources it would be best to leave that to BNTF in order to focus on new priorities. Given CDB's increased focus on "bankability" of small businesses that are oriented to growth, CTCS should form relationships with Cooperating Institutions that are comfortable working with substantial businesses with high growth prospects, rather than with individuals and family businesses that do not have the potential for major growth. This is not to slight the latter, just to say they are better addressed by the BNTF.

The CTCS should focus on small to medium size enterprises (6 to 100 employees) that have strong growth prospects. The focus should be business strategy and planning, professionalization of management and governance, and preparing growing businesses to access debt and equity financing and use it well.

A greater presence online

The worldwide shift to digital platforms for training was already evident before the COVID 19 crisis and the crisis has made the matter urgent. It has also accelerated the trend towards delivering not only training but many sorts of professional services on-line.

CTCS projects in future should be delivered substantially on-line.

- CTCS should offer grants to assist CIs to establish training facilities with appropriate hardware and software to enable on-line presentations and learning.
- All workshops should combine on-line learning plus in-person meetings that are shorter than has been the case in the past. The typical workshop should be, say, 10 hours working on-line as a prerequisite to attending an in-person session for, say, 2 days, then followed by, say, 5 further hours on-line as a prerequisite for receiving a certificate of achievement.
- If workshop is not replicable online it should not be funded; and the grant agreement should make it clear that performance in this regard is not optional nor something that can be dropped if there is pressure on the budget during implementation. Copyright for curriculum and materials should belong to CDB so the workshop can be presented later in cooperation with another CI in another BMC. Final payment to the grantee should be contingent on CDB receiving those materials in an acceptable form. Knowledge management by the CTCS should be focused on this task of achieving replicable workshops with standard curricula and support materials, sometimes made and sometimes bought and sometimes just acquired from a source like the World Bank Institute and customized to the Caribbean.

Opportunities to Innovate and Use Online Platforms

There are new opportunities for the CTCS to innovate. For example, attachments could be developed as on-line mentorships, with reasonable remuneration for the attachment host and the mentor. Materials on-line can be consulted later by participants, when they need a refresher, and used by the next "workshop" group. Digital platforms, used in innovative ways, have many potential advantages, including access to the best experts wherever they may be, supported by local facilitators, much like professors and teaching

assistants in universities. One caveat is that training that is entirely online does not seem to work well. People will do the 10 hours of preparation online if they know that they need to be ready for an in-person workshop, and they will do the 5 hours on-line after the in-person session if a certificate depends on it.

Consulting and Attachments

The CTCS needs to rethink its approach to purchasing professional services. Expert business consultants are expensive, whether they be experts in design, marketing, production, distribution, or finance. The CTCS cannot obtain expertise at half market rates, without compromising the quality of the expertise. When the CTCS is transferred to a new private sector division of the Bank, use of this instrument will need to be rethought.

While “attachments” is a modality not used intensively over the review period, there is enough successful experience to continue with it. If the CTCS were more widely known, demand for attachment grants would increase. Attachments and study tours can work well but they should be associated with other instruments in a package (in sequence - knowledge product, workshop, attachment, mentorship).

6.3 Strengthen the Network

There are many reasons why the network of Cooperating Institutions is important to CTCS. They provide a presence on the ground in BMCs that CDB lacks, could contribute knowledge and resources that leverage CDB’s own funds, and add to sustainability by being available for follow up.

However, the concept of CIs and the concept of a “network” need to be rethought. Some possibilities include:

- Invest in the network but not individual CIs, with grants to produce knowledge products, develop network tools and sponsor network events¹⁹⁰. Consider whether the various types of organizations should be supported as one network, or several (BSOs, DFIs, business associations, chambers of commerce.)
- Provide TA directly to a more limited number of CIs to help develop their capabilities as business support organizations, but do not think of them as “hubs” that would manage projects implemented by other groups and organizations.
- Have a limited number of hub CIs (one per country) and compensate them for managing CTCS projects in the private sector.

In some options, having a “network” of Cooperating Institutions does not preclude the CTCS providing assistance directly to individual enterprises as well.

When the CTCS “network” is rethought, the following points should be considered.

- The CTCS Strategic Plan 2016-2019 said that CTCS staff should manage the CI network and not be distracted by involving themselves directly in presenting workshops.
- Regional initiatives could be run by multi-country consortia of CIs.
- CTCS could work with CIs to develop a programmatic approach to TA to SMEs, with defined lines of business carried out over time.
- CDB could assist CIs to innovate and to modernize their approach to TA to their clientele.

¹⁹⁰ There were meetings of the CTCS network members in 2011 and 2018, which is much too infrequent for a functioning network.

In summary, CTCS needs to support a more coherent network of business support organizations, without CIs becoming the sole avenue of contact between the Bank and MSMEs.

6.4 Redesign, rebrand and relaunch the CTCS.

Overall, given the extent of changes recommended in this report and the Bank's transformation initiative, there is an opportunity to re-design, re-brand, and re-launch the CTCS. This could include:

- Focusing on small (6 to 25 employees) and medium-size businesses (26 to 50 employees – or, better, 100 employees). Micro businesses and single livelihoods (from a single operator up to 5 employees) should be left mainly to the BNTF.
- Targeting SMEs with high growth potential.
- Settling on “lines of business” relevant to the Bank's small business strategy, including professionalization of management, development of Board and advisory structures, adoption of ESG policies, innovation, entrepreneurship, and readiness for investment through both debt and equity.
- Relaunching the CTCS with a new name that matches its revised focus.

6.5 Improve Visibility and Selectivity

“Visibility” and “selectivity” are related because more competitive procedures (advertising) can improve both.

The evidence presented in this report, especially the results of interviews in BMCs, indicates that the CTCS is little known in the Caribbean business community, which is surprising for a programme that makes about \$1 mn in grants each year. This is mainly the result of a lack of advertising at three stages of each project: (1) calls for grant proposals; (2) calls for applications from participants; and (3) solicitations for professional services to implement the project. Other factors that contribute to a lack of visibility include not having a memorable brand, and not having a significant presence on the web and in social media. CTCS's low profile also comes in part from working through Cooperating Institutions (CIs) but this arrangement has many offsetting advantages.

Another effect of the lack of advertising is less-than-optimal selectivity, on the same three levels – project identification, attracting the best possible applicants and consultant selection.

The CTCS should advertise its grant and participation opportunities and its needs for professional services.

(A) Soliciting applications for grants and subsequently for participants:

- The opportunity for CIs or others to apply for a CTCS grant should be advertised at least once each year, in September or October, in anticipation of projects to be implemented the following summer.
- Sufficient time should be allowed for the project implementing agency, normally a CI, to advertise widely for businesspersons interested in participating in each CTCS activity or event. The cost of such advertising should be an allowable expense under the Agreement with the CTCS. A certain level of advertising and minimum length of time to respond should be standard and mandatory for all projects funded by the CTCS. All events and activities should be advertised on the CTCS webpage/website as well as locally.

Capacity development projects should not be fast-tracked on the grounds of urgency. On the contrary, there were instances where a longer period for soliciting proposals, engaging consultant implementers and facilitators, and attracting participants from the target group,

would have worked better. In general, receiving proposals around September or October, for activities planned for the following summer, during the lull in private sector economic activity that is common in countries with strong winter tourism, would suit businesses better than workshops in the last quarter of the year or the first quarter of the next. This point does not apply to TA bundled with a loan that has its own timeline and deadlines.

- To promote RCI, all events and activities funded by the CTCS, including national workshops, should be open to businesspeople in more than one BMC. All CIs should be notified automatically of all CTCS project approvals. It should be mandatory for the implementing agency to advertise the opportunity in at least one adjacent BMC in addition to its home country. In order to avoid the travel cost which might be a disincentive for the implementing agency to include people from other BMCs, the CTCS should cover the approved travel costs of participants from BMCs other than the home BMC from a separate budget pool.

(B) Soliciting professional services for implementation

- The registry of consultants should be discontinued. There are too many risks in continual single source procurement, and those risks are not much ameliorated by a requirement to consult other curricula vita on the registry. A registry is not the best way to optimize the selectivity of a procurement system for professional services. Advertising is best practice, for good reasons.
- One option that has the convenience of a Registry but fewer of its drawbacks is competed Standing Offers for Services (indeterminant amount contracts that provide a framework within which project task orders may latter be issued). The strength of Standing Offer Agreements is that they can lend themselves well to series of similar tasks (like presenting a workshop over time in several BMCs, without having to compete the procurement each time). The weaknesses of Standing Offer Agreements are that they can easily become a way to avoid individual procurement competitions even when the latter are the best option; and if they are over-used they can become a barrier to entry of new firms since SOAs tend to be recomputed infrequently and tend to favour larger firms (although this may be a less serious issue in the Caribbean where few professional services firms exceed the size threshold of “medium-sized” enterprises – 60 full-time employees, plus associates.)
- All procurements of professional services in support of a project funded by the CTCS should be advertised for a minimum of 30 days both locally and on the CTCS webpage/website.
- Costs of advertising should be an allowable expense under the CTCS grant.

6.6 Programming, Project Management and Risk

6.6.1 Lines of Business

The CTCS needs a different approach to programming. It has funded useful initiatives but too many have been one-off projects. Several studies, going back to its last evaluation in 2007, have advised that it should be more programmatic. What that means is developing continuous lines of business and designing interventions that reinforce each other over time. There are many possible lines of business in the SME space. CTCS should select a limited number of lines of business to support during the 2020-2024 planning period, organized loosely in a matrix. One dimension of the matrix should be the six action areas for MSMEs that are listed in CDB’s Strategy and Operational Plan, 2020-2024. The other dimension should be selected growth sectors of the BMC economies 2020-2024. CTCS’s resources are of course much too small for it to be able to completely populate all of the cells of such a planning matrix with projects, even spread over four years.

Each of the main six lines of business should include the development of knowledge products. These can involve grants for studies, databases, publications, or workshop materials. The important thing, if they are to be funded by the CTCS, is that they should be generated in the private sector and take a private sector perspective on the issues. Little was spent by CTCS on knowledge products during the period of the evaluation. One important aspect of knowledge products is that they are sometimes better bought than made. There are many workshop/course curricula that can be purchased and customized to a Caribbean clientele and made available by the CTCS free to small businesses and small business support organizations. Sometimes those materials are free or close to free, including materials developed by other multilateral development banks, the IMF and major Funds.

6.6.2 Project Management

The risk of micro-management by CDB was mentioned to the evaluators in several BMCs. CDB controls too many of the detailed transactions involved in each TA project. CDB says in its transformation paper (2020) that it intends to reduce micromanagement. To do this it should manage results not transactions. It should use results-based performance contracts that enable the implementing organization to proceed unhindered to produce the agreed outputs and get paid when they are produced, often on a per-unit basis. For example, CTCS could pay “per trainee day” with controls to make sure that only targeted trainees are counted, rather than reimburse expenditures for activities without an explicit link between the payments and key outputs.

Simplification may be helped through the acquisition of on-line workshops produced by the private sector or by other IFIs.

6.6.4 Clarify and Re-balance Project Approval Authorities

The TA Operations Process Review (2019) recommends delegating TA/CTCS project approval authorities to lower levels in CDB. The CTCS has been anomalous in this regard. During the evaluation period, the TCD Division Chief exercised sole approval authority, whatever the project budget, although as a matter of practice the Director Projects Department was aware of all grants and signed any agreement with the grantee. Whatever CDB decides about the delegation of financial approval authorities, the CTCS should conform to Bank-wide practices.

As well, project approval should be by a committee, not an individual. CTCS applications should be adjudicated by the Director, Projects Department, and advised by the Division Chief TCD and the Head of the Private Sector Unit. Grant approval notification letters should be signed by the President, exercising his delegated authority from the Board to commit that Bank financially for projects up to \$750,000.

6.6.5 Manage Risk Better

Because the CTCS makes grants to private individuals and companies, its risk profile is relatively high, compared with grants to government departments and agencies. In this context, CTCS should manage risk better

- CTCS should obtain ISO certification for risk management.
- An internal audit of the CTCS or its successor programme should be undertaken every fourth year, preferably in the final year of the SDF cycle, to provide assurance that the CTCS has complied with CDB rules, has appropriate systems, and has appropriate practices to manage risk. Internal Audit should conduct an assurance exercise (compliance audit) in 2020 or 2021 as a follow-up to its audit in 2015. A larger sample of grants should be examined by the auditors than was examined in 2015. That audit should examine progress on the issues addressed previously (2015) and examine any

others that may arise. The audit should be preceded by a risk assessment exercise to identify the highest priorities for audit attention.

- Every second cycle of the SDF (every 8 years), in the middle of the cycle so as not to duplicate an internal audit, CDB should commission an external audit of the CTCS or its successor programme. Each external audit should provide assurance of financial probity and address selected performance issues, in accordance with a risk assessment in the planning phase, as well as address compliance issues. Good timing for the first external audit, assuming there will be an internal audit in 2020, would be 2022 (the middle of SDF 10).
- The costs of ISO Certification and of specialist consultants to support each internal audit or to conduct external audits should be chargeable against the CTCS set-aside from the SDFU.
- The accountability cycle should be organized systematically, something like the schedule shown in table 6.7.5-1

TABLE 6.6.5-1 A SYSTEMATIC CYCLE OF ACCOUNTABILITY AND LEARNING.

	Year						
	2020	2021	2022	2023	2024	2025	2026
Independent evaluation	✓				✓		
Internal audit		✓			✓		
Audit follow-up			✓			✓	
Biennial report to Board	✓		✓		✓		✓
Annual Report to AMC	✓	✓	✓	✓	✓	✓	✓
Tracer Survey			✓			✓	
LOB* working papers		✓		✓		✓	

- LOB = line of business

6.6.6 Improve Planning and Reporting

CTCS should do better tracking of results.

- Annual Reports should describe achievements against the targets earlier established in the operational plan for the year; and should provide explanations for the pattern of activity during the year (why 70% of disbursements in 2019 were for regional initiatives, for example, or why only six countries had national projects).
- Standard performance metrics for the CTCS should be stated in the Annual Report (See Section 3.4.1 Results Matrix and Metrics).
- Targets for outputs to be achieved during the planning period should be supported by an analysis of demand and related in a credible way to CTCS programme resources expected to be available.
- CTCS should use “participant day” as its main unit of output, not number of participants.
- CTCS should be more rigorous about requiring recording of the number of beneficiaries reached. For instance, workshop attendance should be verified by the attendee’s signature each day.

6.6.8 Better Close-Out Procedures

CTCS should have better close out procedures for projects

- Every CTCS project should have a PCR written by the CDB officer in charge and placed on file before final disbursement of funds.
- Each CTCS PCR should contain, among other things, final ratings of project performance against the performance criteria that were scored at appraisal.
- Assuming PCRs are completed by CTCS staff in future, at least one CTCS completion report should be selected at random by OIE for validation each year, from a list provided by TCD, and submitted to OAC as is done with other PCVRs for Core TA and for loans.

6.7 Organize in a way that suits its new agenda

CDB's transformation paper (2020) states that the CTCS will become part of a new Private Sector Division in Projects Department. This may be a good choice if the CTCS's product mix changes to be focused on subsidized consultancies to enterprises, grants to support attachments and grants in support of CDB loans.

However, if the CTCS's product mix remains much the same as it was over the review period (mainly training workshops), then it fits well within CDB's capacity development machinery and should become even more integrated within the Bank's whole capacity development TA to all sectors, public and private. Its rules, systems and practices should not in that case be different from any TA delivered by the Bank. It should be subject to TAPOS equally and reforms to enhance efficiency should apply to it equally. Conceivably it could become a pillar of a Caribbean Institute for Capacity Development, housed at CDB if such were to be instituted.

7. RECOMMENDATIONS

This evaluation has gathered evidence of the CTCS's performance during 2010 to 2018, its contributions, and challenges, and the risks faced. The evaluation gauged stakeholder perceptions, and noted the changing business environment in the Caribbean, including the increasing importance of computer tools and on-line platforms that support all aspects of business. In light of these, the following recommendations are offered to strengthen CTCS's relevance, efficiency, effectiveness and sustainability.

Recommendations

Recommendation 1: Given CDB's current MSME strategy¹⁹¹ and the findings of this evaluation, the Bank should reposition the CTCS (redefine its scope, products, focus and approach), rebrand it (with a new name, logo and communications strategy) and re-launch it.

Recommendation 2: The Bank should develop a strategic plan (2020-2024) for the CTCS or its successor programme. The plan should include an action plan based on the Management Response to this evaluation. Among other things the plan should do the following:

2.1 Redefine the criteria for CTCS eligibility at both ends of the company size spectrum. The CTCS should focus mainly on small and medium (not micro¹⁹²) businesses. Responsibility for community enterprises, microbusinesses, and individual livelihoods, should be left to the BNTF. Appropriate targets for CTCS assistance could include entrepreneurial start-ups but more often they will be small and medium size businesses in the range of, say, 6 to 100 employees. There is no need to restrict the target businesses further by defining other hurdles such as a certain level of sales or assets. The CTCS should focus on businesses that have clear potential for substantial growth and consequent needs for access to credit (bankability).¹⁹³

2.2 Clarify the nature of the different types of TA (lines of business) that the CTCS will provide and develop a logic model and KPIs for each type of assistance.

2.3 Take a programmatic approach based on the defined lines of business, which may be sectoral or functional, and which may change from one strategic planning period to another. A line of business is a series of related interventions to achieve sustained improvements in the capabilities of the target business organizations and businesses.

2.4 Support each CTCS line of business by an investment in knowledge products. To this end, the Strategic Plan 2020-2024 should contain an overview of topics to be developed into knowledge products, and CTCS annual operational plans should contain a list of knowledge products to be funded in the coming year.

2.5 Reconsider the value of the network of Cooperating Institutions as currently constituted. Consider the following options:

- Invest in the network but not individual CIs, with grants to produce knowledge products, develop network tools and sponsor network events¹⁹⁴. Consider whether the various types of organizations should be supported as one network, or several (BSOs, DFIs, business associations, chambers of commerce.)
- Provide TA directly to a more limited number of CIs to help develop their capabilities as business support organizations, but do not think of them as "hubs" that would manage projects implemented by other groups and organizations.

¹⁹¹ See CDB BD 17/20 (2020) Enhancement of CDB's Contribution to MSMEs in its Borrowing Member Countries.

¹⁹² Micro businesses are defined by CARICOM as having fewer than 5 employees (See Section 1.3 Table 1.3-1)

¹⁹³ The BNTF Operations Manual (2018) says: "Since its inception in 1979, BNTF has been helping to reduce poverty in targeted communities by providing infrastructure and livelihood enhancement services..."

¹⁹⁴ There were meetings of the CTCS network members in 2011 and 2018, which is much too infrequent for a functioning network.

- Have a limited number of hub CIs (one per country) and compensate them for managing CTCS projects in the private sector.

2.6 Describe in the strategic plan, and in annual work plans, how each of CDB's cross-cutting themes will be addressed and make it clear that they apply to private sector projects as much as to public sector ones.

2.7 Provide that attachments should not be strictly limited to the Caribbean if the best prospects for acquiring new skills are outside the region. For example, the centres of expertise for video animation are in Montreal, New York, Los Angeles, and London. The important thing is upgrading Caribbean skills as effectively as possible within the available budget.

Recommendation 3: Strengthen the link between CTCS's strategy and projects and CDB's Country Engagement Strategies (CES).

3.1 Each CES should include an analysis of the capacity building needs in the private sector in that country. Each CES should state priorities for CDB's cooperation with that country's business community and describe a plan for CTCS interventions. This should not foreclose the CTCS being responsive to grant proposals; but it does require more proactive planning of business lines and signaling to potential grantees of CDB's strategic interest in those business lines.

3.2 The CTCS unit should undertake a needs assessment in the private sector in all BMCs at least once every five years, scheduled at the right time to inform the development of each new Country Engagement Strategy.¹⁹⁵

Recommendation 4: The CTCS should be resourced at a level appropriate to its mission and in keeping with the Bank's renewed commitment to private sector development. A small budget and many priorities are at odds with the stated strategic priority. It is unreasonable to expect the CTCS to be "programmatic" when it does not have sufficient resources to be so except in a very limited way.

4.1 The SDFU set-aside for TA to the private sector should be larger.

4.2 CDB should explore possibilities for diversifying the sources of funds for the CTCS.

4.3 The Bank should consider the relative sizes of the budgets of the CTCS, the BNTF and public sector TA.

4.4 CTCS beneficiaries (both grantees and participants) should be required to contribute a significant portion of the full costs of the CTCS project as a market test of its worth, at a minimum 15% each and, depending on the activity, up to 25%¹⁹⁶. The grantee should take expected revenues into account in proposing a project budget and should be allowed to retain revenues.

4.5 The staffing of the CTCS should be reviewed when the CTCS's new mandate, strategy, position and procedures are in place.

Recommendation 5: The future placement of CTCS, or parts thereof, within the Bank's organization structure, should be undertaken considering what skills are required to deliver CTCS's products and services.

5.1 General capacity development through workshops and on-line training should be co-located with staff providing similar services in the public sector.

5.2 Attachments and in-plant consulting assistance should be co-located with staff in direct contact with private sector clients and with experience with consulting to the private sector.

¹⁹⁵ CTCS conducted only one needs analysis exercise during the evaluation period, covering 9 BMCs out of 19 in 2016.

¹⁹⁶ A businessperson who is unwilling or unable to pay, say, 25%, of the costs of a workshop place or an attachment is probably not a good prospect for a growth oriented programme of assistance. A programme that pays all costs, including travel and living costs, and in many cases a per diem, may attract participants whose motivation is questionable.

5.3 Technical assistance that is specific to or bundled with a loan to private enterprises or DFIs should be managed by staff responsible for such loans.

Recommendation 6: The CTCS should augment its product offerings:

6.1 Develop innovative products and services in new areas recently flagged by the Bank as high priorities, including entrepreneurship¹⁹⁷ (innovation and scalable new business start-ups), risk sharing and access to credit and encouraging venture capital in the Caribbean.

6.2 Invest more in web-based training materials to be used in combination with shorter in-person workshops. Require every training project to include the creation of professional-quality on-line materials (programmed learning modules) to serve as pre-and-post-training tools to improve the quality and sustainability of knowledge and skills.

6.3 Develop more knowledge products, especially (1) market analyses in a form useful to private businesses; and (2) position papers that present private sector perspectives on doing business, including legislative, regulatory and incentive frameworks for business enterprise (there was a set-aside for the latter in SDFU 9).

6.4 CDB's engagement with the private sector, including through TA, should engage the whole Bank. CTCS should produce an on-line modularized course for CDB staff to improve their ability to manage TA projects in the private sector. If resources allow, there should be periodic workshops to support this on-line training.

Recommendation 7: The CTCS should strengthen its transparency, visibility, and openness to competition.

7.1 In general, CTCS projects executed by CIs should conform to the Bank's Procurement Framework (2019), and those executed by the CTCS itself to the Framework's principles and best practices.

7.1 Make greater use of advertised proposal calls for grant applications and rely more on comparative and competitive adjudication of the proposals thus received. A proposal call in the third quarter of each year for projects to be implemented in the following year would be a good option. This approach is likely to improve quality thought better selectivity and improve CTCS transparency and visibility in the private sector.

7.2 Make greater use of public advertisement of invitations to bid for professional services to implement projects or to provide training venues. In principle, solicitations (by both the Bank and grantees), should be advertised on CDB's website at least 14 days in advance for Expressions of Interest, and at least 30 days in advance for Requests for Proposal. Contract awards should be announced on the same site.

7.3 Limits on consultants' fees per day, which apply nowhere else in the Bank, should be discontinued.

7.4 The CTCS should have greater visibility on CDB's website, perhaps with a "grants" icon on its home page, rather than being buried several levels deep in a menu structure that is difficult to navigate for those who are unfamiliar with the site.

Recommendation 8: Recognizing the risks inherent in a programme of grants to private businesses and individuals, the CTCS should strengthen its accountability (and learning) regime.

8.1 CTCS project proposals should be considered and approved by an inter-departmental committee, not an individual. The committee should recommend approval and the Director, Projects Department should have the authority and responsibility for final approval, although until financial approval authority is formally delegated by the President to the Directors, the President's signature is required.

8.2 Commit to a fixed schedule of audits, evaluations, and reports, as follows:

¹⁹⁷ Invesopedia defines "entrepreneur" as "an individual who creates a scaleable new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures."

A Systematic Cycle of Accountability and Learning.

	Year						
	2020	2021	2022	2023	2024	2025	2026
Independent evaluation	✓					✓	
Internal audit		✓				✓	
Audit follow-up			✓				✓
Biennial report to Board	✓			✓		✓	
Annual Report to AMC	✓	✓	✓	✓	✓	✓	✓
Tracer Survey			✓				✓
LOB* working papers		✓			✓		✓

- LOB = line of business
- Source: Main text of this report. Table 6.6.5-1

8.3 Conduct an internal audit guided by a risk analysis by Internal Audit Division. In preparation this audit, and given the move of CTCS to Private Sector Division, and the consequent rearrangement of files, care should be exercised to ensure that all CTCS records, both general records and project records, for the 2015-2020 period are maintained and accessible to an audit.

8.4 The CTCS should seek ISO certification for risk management (ISO 31000:2009),¹⁹⁸

Recommendation 9: CTCS should strengthen its operations planning, performance monitoring, and reporting.

9.1 Prepare an operations plan for the following year, covering activities and performance targets.

9.2 Design performance metrics that fit CTCS products and services. These should include (1) participant days, not participants; (2) cost effectiveness such as cost-per-person day for workshops and attachments and (3) CTCS administrative cost per \$100,000 in grants, CTCS should be more rigorous about requiring recording of the number of beneficiaries reached. For instance, workshop attendance should be verified by the attendee's signature each day.

9.3 Develop a system of key performance indicators (KPIs) for the CTCS that is both integrated with the Bank's KPIs for public sector TA and compatible with mainstream private sector ESG metrics¹⁹⁹ for impact investors.

9.4 Annual reports to management and bi-annual reports to the Board should describe CTCS performance against its KPIs for the current year and for two previous years on a rolling basis.

9.5 Ensure that completion reports are written by CDB staff for all CTCS projects as early as possible, preferably immediately after final reports from the grantee and before final payment of the grant.

9.6 Harmonize CDB's operational policies and procedures for both public and private sector TA. The next version of TAPOS should cover both.

9.7 Develop a CTCS management information system that contains a set of financial and activity data, and KPI data, for each project in a database that is easily accessible. Invest in this database to ensure that it is kept accurate and up to date. If this can be done immediately as part of the development of OP365, that is optimal. If not, develop an interim stand-alone system that can later be integrated with the OP365. The simplicity of the data and the small number of data records makes this practical. Have identical variables

¹⁹⁸ www.ISO.org ISO 31000 is an international standard published in 2009 that provides principles and guidelines for effective risk management. It outlines a generic approach to risk management, which can be applied to different types of risks (financial, safety, project risks) and used by any type of organization.

¹⁹⁹ Such as the IRIS system.

in the digital data records for all TA projects, both private sector and public sector, including a standard set of performance criteria for rating projects.

9.8 Discontinue the automatic recording of “Board approval date”²⁰⁰ and “Agreement Date” as the same, and not recording a specific project close-out date other than the date of most recent disbursement.

²⁰⁰ Better described as just the approval date because CTCS projects do not go to the Board for approval.

PUBLIC DISCLOSURE AUTHORISED

APPENDIX A

CARIBBEAN DEVELOPMENT BANK



MANAGEMENT RESPONSE

EVALUATION REPORT

TECHNICAL ASSISTANCE BY THE CARIBBEAN DEVELOPMENT BANK – (2010-2018)

VOLUME 2: CARIBBEAN TECHNOLOGICAL CONSULTANCY SERVICES (CTCS)

AUGUST 2020

MANAGEMENT RESPONSE

EVALUATION OF THE CARIBBEAN TECHNOLOGICAL CONSULTANCY SERVICES

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>Recommendation 1: Given CDB’s current MSME strategy and the findings of this evaluation, the Bank should reposition the CTCS (redefine its scope, products, focus and approach), rebrand it (with a new name, logo and communications strategy) and re-launch it.</p>	<p>Accepted: This was already in train prior to evaluation. Surveys were conducted to validate justification for rebranding. Preliminary discussions were held with Director of Projects (DPD). On hold, pending establishment of Private Sector Division (PSD).</p>	<p>Rebrand to be presented to AMT for approval as agreed under new PSD.</p>	<p>PSD</p>	<p>Q2 2022</p>
<p>Recommendation 2: The Bank should develop a strategic plan (2020-2024) for the CTCS or its successor programme. The plan should include an action plan based on the Management Response to this evaluation. Among other things, the plan should do the following:</p>	<p>Accepted but modified: A strategic framework for CTCS was outlined in the MSME SDF 10 paper and shared with SDF Contributors. This framework is aligned to Recommendation 2 and guides current appraisals of CTCS projects.</p>	<p>Strategic Framework (2022-25) to be tabled for approval by new Head, PSD.</p>	<p>Head of PSD, MSME Unit</p>	<p>Q2 2022</p>
<p>2.1 Redefine the criteria for CTCS eligibility at both ends of the company size spectrum. The CTCS should focus mainly on small and medium (not micro) businesses. Responsibility for community enterprises, microbusinesses and individual livelihoods should be left to the Basic Needs Trust Fund (BNTF). Appropriate targets for CTCS assistance could include entrepreneurial start-ups but more often they will be small and medium size businesses in the range of, say, 6 to 100 employees. There is no need to restrict the target businesses further by defining other hurdles such as a certain level of sales or assets. The CTCS should focus on businesses that have clear potential for substantial growth and therefore needs for access to credit (based on bankability).</p>	<p>Accepted. A CTCS Strategic Framework for 2022-2025 rather than 2020-24 should be developed which takes this into consideration and feed into the strategic direction for CDB’s private sector operations as a whole.</p> <p>Accepted. Prior to this evaluation, CDB had begun to review the MSME eligibility criteria. Staff are currently 940dularized9494 the ‘start-up’ category, determining how CTCS intervenes at different stages of the business cycle.</p>	<p>Confirm revised eligibility criteria and update Operations Manual for CTCS accordingly.</p>	<p>PSD/MSME Unit</p>	<p>Q2 2022</p>
<p>2.2 Clarify the nature of the different types of TA that the CTCS will provide and develop a logic model and key performance indicators (KPIs) for each type of assistance.</p>	<p>Accepted with modified: CTCS is guided by the Bank’s overall results framework and has been reporting consistently on same from inception. The Bank focuses on results indicators rather than KPIs but CTCS can improve the tracking of metrics to maximise results.</p>	<p>Ongoing – Continue to track the results indicators in the RMF of the Bank’s Strategic Plan, that are relevant to CTCS. Review existing indicators for improvement.</p>	<p>PSD/MSME Unit</p>	

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
2.3 Take a programmatic approach based on defined lines of business, which may be sectoral or functional, and which may change from one strategic planning period to another. A line of business is a series of related interventions to achieve sustained improvements in the capabilities of the target business organisations and businesses.	Accepted: Approach already established and ongoing.	Ongoing- Continued strengthening of alignment of CTCS with the Bank's Strategic Objectives.	PSD/MSME Unit	
2.4 Support each CTCS line of business by an investment in knowledge products. To this end, the Strategic Plan 2020-2024 should contain an overview of topics to be developed into knowledge products, and CTCS annual operational plans should contain a list of knowledge products to be funded in the coming year.	Accepted: Already agreed and articulated to team, since 2019.	Ongoing.	PSD/MSME Unit	
2.5 Reconsider the value of the network of Cooperating Institutions as currently constituted since the original concept and purpose of the network no longer applies. Consider the following options: <ul style="list-style-type: none"> Invest in the network but not individual Cis, with grants to produce knowledge products, develop network tools and sponsor network events. Consider whether the various types of organisations should be supported as one network, or several (BSOs, DFIs, business associations, chambers of commerce.) Provide TA directly to a more limited number of Cis to help develop their capabilities as business support organisations, but do not think of them as “hubs” that would manage projects implemented by other groups and organisations. Have a limited number of hub Cis (one per country) and compensate them for managing CTCS projects in the private sector. 	Rejected: A hybrid approach has been identified as the preferred approach to engage with MSME stakeholders in CDB's Borrowing Member Countries (BMCs). This approach was also recommended by the consultant involved in the process mapping exercise undertaken by the Bank in 2019. CTCS experience has proven that working exclusively with a singular/limited number of Cis in country is ineffective in BMCs (e.g. Suriname and Guyana) which have different levels of maturity and capabilities within the MSME development sector. There has also been influx of new niche BSOs players (dedicated to climate entrepreneurship for example) who should be considered based on merit. Partnerships should be established based on strength of project concepts and capacity of implementing entity to deliver.			
2.6 Describe in the strategic plan, and in annual work plans, how each of CDB's cross-cutting themes will be addressed and make it clear that they apply to private sector projects as much as to public sector ones.	Accepted: Already done in operations of CTCS.	Ongoing – Continued strengthening of the alignment of CTCS with the Bank's cross cutting themes.	PSD/MSME Unit	
G.8 Training attachments not be strictly limited to the Caribbean if the best prospects for acquiring new skills are outside the region. For example, the centres of expertise for video animation are in Montreal, New York, Los Angelis, and London. The important thing is upgrading Caribbean skills as effectively as possible within the available budget.	Accepted: This is the status quo.	Review of attachment modalities to facilitate stronger alignment with CTCS Strategic Framework once approved.		

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
Recommendation 3: Strengthen the link between CTCS’s strategy and projects and CDB’s Country Engagement Strategies (CES).				
3.1 Each CES should include an analysis of the capacity building needs in the private sector in that country. Each CES should state priorities for CDB’s cooperation with that country’s business community and describe a plan for CTCS interventions. This should not foreclose the CTCS being responsive to grant proposals; but it does require more proactive planning of business lines and signaling to potential grantees of CDB’s strategic interest in those business lines.	Accepted: This approach has been agreed to in principle, with focal points for CTCS shared with Economics staff for inclusion in CES teams. A more structured engagement is required and collaboration between Economics Department and the new PSD strengthened.	Ongoing.	PSD/MSME Unit, Economics Department	
3.2 The CTCS unit should undertake a needs assessment in the private sector in all BMCs at least once every five years, scheduled at the right time to inform the development of each new Country Engagement Strategy.	Accepted but modified: A comprehensive needs assessment of the sector in 19 BMCs every five years is ambitious and would not be manageable. A scoping exercise augmented by strengthened engagement with key resources in country on an ongoing basis to update the situation periodically would be more appropriate. CES process and ongoing stakeholders’ engagement is also an important source for assessing needs.	Ongoing.	PSD/MSME Unit	
Recommendation 4: The CTCS should be resourced at a level appropriate to its mission and in keeping with the Bank’s renewed commitment to private sector development. A tiny budget and many priorities are at odds with the stated strategic priority. It is unreasonable to expect the CTCS to be “programmatically” when it does not have sufficient resources to be so except in a very limited way.	Accepted	Ongoing. In lieu of existing budget limitations, the team has ramped up partnership engagement efforts to leverage CTCS resources and to co-finance interventions and to be more targeted and focused in project selection.	PSD/MSME	
4.1 The SDFU set-aside for TA to the private sector should be larger.	Accepted: A case was made for increased resources during SDF 10 negotiations. An allocation of \$3 mn remained on par with the SDF 9 allocation.	Completed.	PSD, DPD, Corporate Strategy Division (CSD)	
4.2 CDB should explore possibilities for diversifying the sources of funds for the CTCS.	Accepted: Team has been expanding partnerships to co-finance projects and leverage CTCS resources e.g. CDB/Caribbean Export Development Agency (CEDA) post COVID response, and Organisation of American States (OAS) Partnership Agreement.		PSD/MSME Unit	

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
4.3 The Bank should consider the relative sizes of the budgets of CTCS, BNTF and public sector TA.	Accepted for CTCS		CSD, DPD	
4.4 CTCS beneficiaries (both grantees and participants) should be required to contribute a significant portion of the full costs of the CTCS project as a market test of its worth, at a minimum 15% each and, depending on the activity, up to 25%. The grantee should take expected revenues into account in proposing a project budget and should be allowed to retain revenues.	Accepted but modified: General rule of thumb for counterpart financing exists in accordance with OPPM. Revenues from approved activities are nominal. Flexibility is required and dependent on the nature of the project and the desired developmental outcomes.		PSD/MSME Unit	
4.5 The staffing of the CTCS should be reviewed when the CTCS's new mandate, strategy, position, and procedures are in place.	Accepted but modified: Any restructured programme should promote a fit for purpose team. CDB accepts this concept as part of its wider transformation programme.		Human Resource and Administration department (HRAD), DPD	
Recommendation 5: The future placement of the CTCS, or parts thereof, within the Bank's modularized structure, should be undertaken considering what skills are required to deliver CTCS's products and services.	Accepted: CTCS is already part of CDB's restructured private sector operations with the establishment of the new PSD.		DPD, PSD, Transformation Team	
5.1 General capacity development through workshops and on-line training should be co-located with staff providing similar services in the public sector.	Rejected: Beyond the scope of CTCS. May be considered as part of the wider rethinking and modularized of TA operations ¹	A management response to the reframing of Capacity Development framing as recommended by the TA evaluation, will be made.	HRAD	
5.2 Attachments and in-plant consulting assistance should be co-located with staff in direct contact with private sector clients and with experience with consulting to the private sector.	Rejected: As above	As above		
5.3 Technical assistance that is specific to or bundled with a loan to private enterprises and DFIs should be managed by staff responsible for such loans.	Accepted but modified: Hybrid interventions (TA and Loans) should be jointly managed by appropriate staff. This should be more easily facilitated with the consolidated PSD team.	Ongoing	PSD	
Recommendation 6: The CTCS should augment its product offerings:				

¹ The Office of Independent Evaluation explanations to 5.1 and 5.2: It suggests that to the extent the CTCS offers generic capacity development (CD) to the private sector (training, workshops), the CTCS intervention should be co-located with the unit of the Bank that offers CD to the public sector. Whether public or private sector, good practices in CD are similar and the Bank could develop a centre of excellence in this, and not deal with CD in a piecemeal way. To the extent CTCS offers bespoke assistance to MSMEs through in-plant or consulting services, then that part of CTCS should be co-located with a group that is focused on private sector assistance (currently PSD).

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
6.1 Develop innovative products and services in new areas recently flagged by the Bank as high priorities, including entrepreneurship (innovation and scalable new business start-ups), risk sharing and access to credit and encouraging venture capital in the Caribbean.	Accepted but modified: Given limited resources, expanding the scope of CTCS's product offerings will require blending with other funding sources. Can be implemented with additional resources.	Ongoing	PSD	
6.2 Invest more in web-based training materials to be used in combination with shorter in-person workshops. Require every training project to include the creation of professional-quality on-line materials (programmed learning modules) to serve as pre-and-post-training tools to improve the quality and sustainability of knowledge and skills.	Accepted: Approach has already commenced, 98odularized by COVID and travel restrictions.	Ongoing	PSD/MSME Unit	
6.3 Develop more knowledge products, especially (1) market analyses in a form useful to private businesses; and (2) position papers that present private sector perspectives on doing business, including legislative, regulatory and incentive frameworks for business enterprise (there was a set-aside for the latter in SDFU 9).	Accepted: Integrated in sub-project deliverables.	Ongoing	PSD	
6.4 CDB's engagement with the private sector, including through TA, should engage the whole Bank. CTCS should produce an on-line 98odularized course for CDB staff to improve their ability to manage TA projects in the private sector. If resources allow, there should be periodic workshops to support the on-line training.	Accepted but modified: Management accepts in principle that engagement with the private sector should be integrated with wider operations. The provision of an online course for CDB staff to improve TA project management in private sector needs to be considered within the context of a comprehensive training programme for CDB staff.		DPD, PSD, CSD	
Recommendation 7: The CTCS should strengthen its transparency, visibility, and openness to competition.				
7.1 In general, CTCS projects executed by Cis should conform to the Bank's Procurement Framework (2019), and those executed by the CTCS itself to the Framework's principles and best practices. 7.2 Make greater use of advertised proposal calls for grant applications and rely more on comparative and competitive adjudication of the proposals thus received. A proposal call in the third quarter of each year for projects to be implemented in the following year would be a good option. This approach is likely to improve quality thought better selectivity and improve CTCS transparency and visibility in the private sector.	Accepted: Already done. Accepted: Already incorporated in the Bank's more programmatic approach to building a stronger pipeline of demand-led projects and increased Network visibility through Calls for Proposals as one of the modalities. E.g. CDB/CEDA Covid 19 Response Grant Facility for export-oriented MSMEs.	Review of CTCS Operations Manual to ensure procurement framework reflects revised procurement guidelines.	PSD, Procurement Policy Unit (PPU)	Q1, 2022 Q3, 2021

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
G.8 Make greater use of public advertisement of invitations to bid for professional services to implement projects or to provide training venues. In principle, solicitations (by both the Bank and grantees), should be advertised on CDB's website at least 14 days in advance for Expressions of Interest, and at least 30 days in advance for Requests for Proposal. Contract awards should be announced on the same site.	Rejected: Not consistent with the agreed approach articulated in PPU.			
7.4 Limits on consultants' fees per day, which apply nowhere else in the Bank, should be discontinued.	Accepted: Clarification – There has not been a fixed rate for CTCS consultants, though a range has been used over the years, which has been increasing. Fees should be commensurate with scope of services required.		PSD, PPU	
7.5 The CTCS should have greater visibility on CDB's website, perhaps with a "grants" icon on its home page, rather than being buried several levels deep in a menu structure that is difficult to navigate for those who are unfamiliar with the site.	Accepted: Increased visibility of CTCS is required in general. Need for more dynamic digital interface, including increased use of social media which is more appropriate for CTCS's target market (MSMEs).	Consideration of a dedicated Marketing Resource assigned to CTCS.	PSD/MSME Unit, CCU	Q1, 2022
Recommendation 8: Recognising the risks inherent in a programme of grants to private businesses and individuals, the CTCS should strengthen its accountability (and learning) regime.				
8.1 CTCS project proposals should be considered and approved by an inter-departmental committee, not an individual. The committee should recommend approval and the Director, Projects Department should have the authority and responsibility for final approval, although until financial approval authority is formally delegated by the President to the Directors, the President's signature is required.	Rejected: CTCS is designed as a rapid response mechanism to support MSME development. The recommendation is inconsistent with the Bank's new approach to delegation of authority to effect more timely responsiveness to BMCs. The approval process has been working relatively well and is in line with the CTCS Operations Manual ² .			

² The CTCS Operations Manual was reviewed by IAD and was found to be aligned to the recommendations and observations made and was included in an Action Plan shared with AMT, prior to being presented to Oversight and Assurance Committee (OAC). The management plan was therefore 'closed' on June 29, 2017.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)																																																																							
<p>8.2 Commit to a fixed schedule of audits, evaluations, and reports, as follows:</p> <p style="text-align: center;"><u>A SYSTEMATIC CYCLE OF ACCOUNTABILITY AND LEARNING</u></p> <table border="1" data-bbox="244 358 1018 769"> <thead> <tr> <th rowspan="2"></th> <th colspan="7">Year</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Independent evaluation</td> <td>✓</td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Internal audit</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Audit follow-up</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Biennial Report to Board</td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Annual Report to AMT</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Tracer Survey</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Line of business working papers</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> </tr> </tbody> </table>		Year							2020	2021	2022	2023	2024	2025	2026	Independent evaluation	✓				✓			Internal audit		✓			✓			Audit follow-up			✓			✓		Biennial Report to Board	✓		✓		✓		✓	Annual Report to AMT	✓	✓	✓	✓	✓	✓	✓	Tracer Survey			✓			✓		Line of business working papers		✓		✓		✓		<p>Rejected: A fixed schedule is outlined in the Operations Manual. The recommendation to do a tracer survey, evaluation and annual reporting were kept. The requested commitment to an internal audit of CTCS every three years, and biennial reporting is not accepted. PCRs are done for every intervention. CTCS satisfies established reporting requirements as agreed for SDF, DER and CDB Annual Reports.</p>			
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Line of business working papers		✓		✓		✓																																																																					
<p>8.3 Conduct an internal audit guided by a risk analysis by Internal Audit Division (IAD). In preparation of this audit, and given the move of CTCS to PSD, and the consequent rearrangement of files, care should be exercised to ensure that all CTCS records, both general records and project records, for the 2015-2020 period are maintained and accessible to an audit.</p>	<p>Accepted with modification: Internal Audit completed in 2016. CTCS has been incorporated in PSD and records are being maintained.</p>	<p>Head PSD to advise on scheduling of further audits.</p>	<p>PSD, IAD</p>	<p>Q2, 2022</p>																																																																							
<p>8.4 The CTCS should seek ISO certification for risk management (ISO 31000:2009).</p>	<p>Rejected: CTCS is not a standalone entity, and is guided by the Bank's overall Risk Management framework".</p>																																																																										
<p>Recommendation 9: CTCS should strengthen its operations planning, performance monitoring, (M&E) and reporting.</p>																																																																											
<p>9.1 Prepare an operations plan for the following year, covering activities and performance targets.</p>	<p>Accepted: Already being done.</p>	<p>Ongoing</p>	<p>PSD</p>	<p>Q1, 2022</p>																																																																							
<p>9.2 Design performance metrics that fit CTCS products and services. These should include: (1) participant days, not participants; (2) cost effectiveness metrics such as cost-per-person day for workshops and attachments; and (3) CTCS administrative cost per \$100,000 in grants. CTCS should be more rigorous about requiring recording of the number of beneficiaries reached. For instance, workshop attendance should be verified by the attendee's signature each day.</p>	<p>Accepted in principle. Will be addressed in proposed CTCS Strategic Framework (2022-2025).</p>	<p>Review of performance metrics for enhanced monitoring and evaluation.</p>	<p>PSD/MSME Unit, CSD</p>	<p>Q2, 2022</p>																																																																							

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/Rejected)	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
9.3 Develop a system of KPIs for the CTCS that is both integrated with the Bank's KPIs for public sector TA and compatible with mainstream private sector ESG metrics for impact investors.	Accepted with modification: CTCS is guided by the Bank's overall RMF and has been reporting consistently on same from inception. The Bank focuses on results indicators rather than KPIs but CTCS can improve the tracking of metrics to maximise results.	Ongoing alignment with established RMF.	PSD/MSME Unit, CPD	
9.4 Annual reports to management and bi-annual reports to the Board, should describe CTCS performance against its KPIs for the current year and for two previous years on a rolling basis.	Rejected: CTCS is guided by the Bank's overall RMF and has been reporting consistently on same from inception. The Bank focuses on results indicators rather than KPIs but CTCS can improve the tracking of metrics to maximise results.			
9.5 Ensure that completion reports are written by CDB staff for all CTCS projects, as early as possible and preferably immediately after final reports from the grantee and before final payment of the grant.	Accepted: Completion Reports are currently being done by the implementing partners and consultants but could be strengthened if the process is similar to that used by Bank staff. This approach will be considered during an exercise to enhance supervision under the transformation programme.	Ongoing	PSD, MSME Unit	
9.6 Harmonise CDB's operational policies and procedures for both public and private sector TA. The next version of Technical Assistance Policy and Operational Strategy (TAPOS) should cover both.	Accepted but modified: CTCS will be considered as part of the development of a new TA framework laying out the Bank's principles and priorities for building capacity and capabilities.	A new overarching TA framework to be developed.	Office of the Vice President, Operations.	June 2022
9.7 Develop a CTCS management information system that contains a set of financial and activity data, and KPI data, for each project in a database that is easily accessible. Invest in this database to ensure that it is kept accurate and up to date. If this can be done immediately as part of the development of OP365, that is optimal. If not, develop an interim stand-alone system that can later be integrated with the OP365. The simplicity of the data and the small number of data records makes this practical. Have identical variables in the digital data records for all TA projects, both private sector and public sector, including a standard set of performance criteria for rating projects.	Rejected: CDB had adopted an integrated approach to information management. CTCS will benefit from the new Dynamics 365 interface and should therefore not require a standalone MIS.			
9.8 Discontinue the automatic recording the "Board approval date" and the "Agreement Date" as the same, and not recording a specific project close-out date other than the date of most recent disbursement.	Accepted.	Communication to team to promote compliance.	PSD	2021/12/31

Appendix B

Evaluation Questions and Answers

Questions about relevance (alignment with priorities and strategy)

Introduction to “relevance” questions. “Relevance” as a project performance criterion has been defined by the OECD/DAC and adopted by CDB.²⁰¹ Multilateral development banks seldom do anything that is entirely irrelevant to their mission. Therefore, in evaluations, projects tend to get a good score on “relevance.” The relevance of the CTCS is incontestable if “relevance” is interpreted in its broad common meaning.

Nevertheless, the previous evaluation of CDB’s TA (2000-2004) stated that although each project was to some degree relevant to development, many of the projects examined were not highly relevant to CDB’s priorities.

Questions and Answers

1. To what extent has the CTCS been aligned with CDB’s strategic priorities for its work in the private sector and for MSMEs in particular?²⁰²

The CTCS has tried to address too many of CDB’s strategic priorities; and those priorities have been changing in ways that do not fit many of CTCS’s traditional activities. Therefore, the CTCS needs to be rethought and repositioned (see Section 4.1 Relevance). It should have more focus, which may mean leaving the micro/individual livelihoods space to the BNT, and focusing on enterprises that have high potential for growth and therefore need to professionalize their management and access investment for growth, both debt and equity financing.

2. Have the eligibility rules for SDF or other SFR resources been a significant constraint to the relevance of the CTCS?

No.

3. To what extent has the CTCS been guided by TAPOS?

TAPOS addressed Core TA more than the CTCS. If there is a TAPOS II, it should address the needs of both equally.

4. How does the CTCS compare with the MSME small grants programmes of other MDBs working in the Caribbean?

CTCS works with Cooperating Institutions, largely business support organizations (BSOs) in CDB’s BMCs. Therefore, CTCS makes a contribution to institutional strengthening that others who work more directly with small and medium business enterprises do not make as effectively. On the other hand, other programmes have been stronger in teaching and supporting entrepreneurial growth businesses.

Questions about Effectiveness

Introduction to effectiveness questions. “Effectiveness”, as a project performance criterion, has been defined by the OECD/DAC and adopted by CDB²⁰³ Project (expected) effectiveness is rated by CDB at the appraisal stage. The evaluation will examine existing monitoring and completion data; and tracing data gathered by the CTCS.

Questions and Answers

5. To what extent has the CTCS achieved its objectives and produced its targeted results?

CTCS has not defined its outputs well and has tended to under-perform its targets. The programme should adopt better metrics and should adopt realistic targets (see sections 3.4.1, 3.4.2).

²⁰¹ OECD/DAC Definition of Relevance: The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor. In evaluating the relevance of a programme or a project, it is useful to consider the following questions: To what extent are the objectives of the programme still valid? Are the activities and outputs of the programme consistent with the overall goal and the attainment of its objectives? Are the activities and outputs of the programme consistent with the intended impacts and effects?

²⁰² “Strategic priorities” include the priorities articulated by CDB’s corporate strategic plan, its policies and operational strategies and its country engagement strategies. We expect that these are aligned with BMC priorities.

²⁰³ OECD DAC Definition of Effectiveness: A measure of the extent to which an aid activity attains its objectives. In evaluating the effectiveness of a programme or a project, it is useful to consider the following questions: To what extent were the objectives achieved / are likely to be achieved? What were the major factors influencing the achievement or non-achievement of the objectives?

6. To what extent was the CTCS mandated to support CDB’s lending operations in the private sector during the review period, and to what extent did it do so? To the extent that it did not have such an explicit mandate during the review period, should it in future?

CTCS engaged in general capacity development and did not provide significant direct support CDB loans to private sector organizations, in part for the good reason that CDB has not had a significant lending programme for the private sector, with the partial exception of development finance institutions (DFIs).

7. To what extent has CTCS contributed to improving the legislative, regulatory, and incentive frameworks for MSMEs in BMCs?

CTCS did not make grants in support of reform of legislative, regulatory, and incentive frameworks for small business.

8. Has the CTCS adequately incorporated and mainstreamed CDB’s high priority themes and cross-cutting issues (gender equality, environment and climate change and regional cooperation and integration)? Have other dimensions of disadvantage or exclusion such as income level, geography, ethnicity, colour, age or physical or mental disability been considered along with gender when designing core TA and CTCS projects?

In general, CTCS paid less attention to cross-cutting themes than Core TA did. In regard to gender equality, CTCS counted how many females and how many males participated in its activities, and reported these numbers, but otherwise gender did not influence project designs and participants reported a low level awareness of them.

See Section ---: The regional projects made a contribution to regarding regional cooperation and integration, just be bringing people together from different BMCs, but the CTCS regional projects were not especially systematic about harmonization of authorities, standards and practices across the region. CTCS did little to mainstream environmental topics in its funding projects.

Questions about efficiency

Introduction to “efficiency” questions. “Efficiency,” as a project performance criterion, has been defined by the OECD/DAC and adopted by CDB.²⁰⁴

9. Have CTCS projects been delivered (approved, agreed, implemented, and completed) in a timely fashion?

CTCS projects should be scheduled better. More time needs to be allowed to organize the activity and the activities should be scheduled at times that suit private businesses – generally in off-peak seasons (the summer) and on weekends, (See Section 4.2.7)

10. Is CDB well organized to deliver the CTCS?

Decisions about redesigning the CTCS should be made before organizational issues are addressed, including the issues addressed in the TA Operational Review in 2019.

11. To what extent was the CTCS mandated to address implementation constraints for capacity development in BMCs during the review period, and to what extent did it do so?

In 2011 and 2016 CTCS commissioned needs analyses in BMCs. Some discussed constraints on implementing capacity development projects in the private sector.

12. How well does CDB coordinate with and/or work with Cooperating Institutions and development partners to deliver the CTCS?

The idea of working through Cooperating Institutions has largely worked well although more structure, continuity and attention to the CI’s institutional capacity is desirable.

13. Have CTCS projects been adequately monitored and evaluated by CDB and/or the cooperating organizations?²⁰⁵

²⁰⁴ OECD/DAC Definition of Efficiency: Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted. When evaluating the efficiency of a programme or a project, it is useful to consider the following questions: Were activities cost-efficient? Were objectives achieved on time? Was the programme or project implemented in the most efficient way compared to alternatives?

²⁰⁵ Does the TA programme have a results-oriented M&E framework based on a theory of change and leading to a strategy? Are outputs and outcomes well defined and relevant to (transformational) change? Are indicators (data) well defined and monitored to track and report progress and performance? Are there adequate resources budgeted for monitoring, evaluation, and reporting?

Over the evaluation period, 2010-2018, the CTCS was evaluated only once and audited only once, which is far too infrequent.

Questions about sustainability

Introduction to sustainability questions. “Sustainability,” as a project performance criterion, has been defined by the OECD/DAC and adopted by CDB.²⁰⁶

14. Is there evidence that CTCS grants have resulted in sustainable improvements in recipients’ capabilities?

Sustainability of CTCS achievements is inherently fragile and could be improved by better continuity (fewer off initiatives) and a programme approach with a well thought through services of mutually supporting activities within each line of CTCS business.

15. Does the CTCS have enough resources to deliver its programme of grants at a sufficient scale?

No.

Looking Forward – Some Questions

16. What are the main opportunities for improvement of the CTCS?

The main opportunity for improvement is to redesign, reposition and rebrand the CTCS. (See Section --)

17. What are the implications for the CTCS of the priorities articulated in CDB’s *Strategic Plan for 2020-2024*?

The CTCS should seek opportunities to support entrepreneurial businesspeople whose enterprises have a high potential for growth.

²⁰⁶ OECD/DAC Definition: Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable. When evaluating the sustainability of a programme or a project, it is useful to consider the following questions: To what extent did the benefits of a programme or project continue after donor funding ceased? What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?

Appendix C

Responses to the Survey of Stakeholders

Questions and Responses

Question 1: My role in the project.

MY ROLE IN THE PROJECT WAS	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Grantee/Cooperant	17	65%	16	76%	33	70%
Technical specialist/consultant.	1	4%	1	5%	2	4%
Participant and beneficiary	8	31%	4	19%	12	26%
Other						
Nonresponse to this question	0		0		0	
Number of active respondents	26	100%	21	100%	47	100%

Question 2: How important to you was the project that was funded? (Grantee) -- Or how important to you was your participation in the project? (Participant)

HOW IMPORTANT WAS THIS PROJECT TO YOU?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Very important project to me/us.	25	96%	20	95%	45	96%
Important project but not essential.	1	4%	0	0%	1	2%
Useful project but not important	0	0%	1	5%	1	2%
Nonresponse to this question	0		0		0	
Number of active respondents	26	100%	21	100%	47	100%

Source: Survey of Stakeholders, February-March 2020.

Q 2a: Could the project have been more relevant?

CTCS – Relevance of Project

Country 1

Development of the Risk Inspection Manual was an excellent preparatory step for coordination of users, owners, producers and all other persons involved in the food industry, and could assist in strengthening the capacity of these individuals to make them more aware and prepared, and strengthen compliance (respondent 10106).

Project will allow me to provide financially for my children and the flexibility to be more involved with them while earning an income (respondent 10111).

Country 2

Already very relevant as part of our strategy to make tourism industry in the region more efficient and competitive (respondents 20406 and 20401).

Country 3

Project met the priority objective for the sector (respondent 19501).

Very relevant to organizational priorities, although it could have been improved with the provision of QuickBooks software to MSMEs who did not have access to it (respondent 10514).

Question 3: How influential was CDB's financial support on your decision to proceed with the project (or proceed with your participation)?

Comments

HOW INFLUENTIAL WAS CDB'S FINANCIAL SUPPORT?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Very influential because I/we could not have proceeded without the grant.	13	57%	14	78%	27	66%
Reasonably influential because it made a substantial difference to my participation and/or the quality of the project.	9	39%	3	17%	12	29%
Useful but not important. I/we could have proceeded at about the same standard, with our own funds or with other support.	1	4%	1	6%	2	5%
Nonresponse to this question	3		3		6	
Number of active respondents	23	100%	18	100%	41	100%

Source: Survey of Stakeholders, February-March 2020.

Comments

Could CDB have provided better support to the project?

CTCS

Country 1

Training projects should be on weekends for those in the private sector. Additional resources, not just financial, would be welcome (respondent 10106).

CBD should have grant funding available to a (demonstration project) to allow workshop participants to gain hands-on experience and generate income or capital to help pay for their system upgrades (respondent 10111).

CDB's support, while a critical part of our strategic objectives, was targeted to training workshops and materials only. We (the implementing agency) need support in other areas of the project, including extensive coordination and stakeholder engagement activities (10115 and 10107).

Country 2

We received very good support; timely feedback, relatively quick disbursement of payments, extensions to support project challenges (respondents 20406 and 20401).

As a first-time coordinator of such a project, there were many things that were learned along the way. Our CDB officer was extremely helpful, and I understand each project is unique, but it would be useful for newcomers to have some sort of checklist (case study example?) to ensure they do not miss anything. For example, had we known, we could have made a case to have the training recorded and packaged for future use

throughout the CDB territories, we would have negotiated that and done so (respondents 20408 - coordinator, 20404, 20403).

Regional CTCS

CDB did a good job (respondent 00123).

Country 3

Support received from CDB assisted with the delivery of the relevant sub-projects. Financial support was in keeping with projected costs (respondent 19501).

The support provided was enough for the project to be viable (19514).

Question 4: Were you (your organization) able to achieve your objectives and produce the results you desired?

Responses

DEGREE TO WHICH OBJECTIVES WERE ACHIEVED?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Achieved all objectives and produced excellent results	8	38%	12	57%	18	45%
Achieved enough objectives and results to be worthwhile.	13	62%	7	33%	20	50%
Did not achieve results that justified the investment of time and resources	0	0%	2	10%	2	5%
Nonresponse to this question	5		0		5	
Number of active respondents	21	100%	21	100%	40	100%

Source: Survey of Stakeholders, February-March 2020.

Comments

Could changes in the project design have achieved the objectives better?

CTCS

Country 1

No formal evaluation tool was used to assess results. From the perspective of the implementer, project design should allow for flexibility in training to increase the involvement of the targeted population (respondent 10106).

If individuals had been put in teams from the batch, it would have encouraged accountability and persistence to succeed (respondent 10111).

The design would benefit from more coordinated activities to engage value chain partners and other key stakeholders. Training in (agriculture technique) alone is not enough. Participants need ongoing education, TA TA, and certification, links to credit, suppliers and markets, and support from other influencers, all of which is required (respondents 10115 and 10107).

Country 2

Modifying timelines to reflect the true duration of the project's implementation. In our project, we learned that different businesses required different timelines for completion of the programme based on their size (micro, small, and medium), number of employees and structure. However, these were lessons learned as the project rolled out and adjustments were made accordingly (respondents 20406 and 20401).

Regional

Project was not badly designed, and it was delivered well. The issue, in my opinion, was that because the material presented was largely the opinion of one Engineer behind the scenes, there was not total buy-in, especially by other engineers that were involved (respondent 00123).

Question 5: Please explain which of these themes were important in the project and how they affected the project design. Explain which of these themes were important to you and how they affected your participation.

Responses:

GENDER, ENVIRONMENT AND REGIONAL COOPERATION AND INTEGRATION	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
I was aware that CDB's gives high priority to these themes and it made a difference to our project design (or my participation).	10	43%	14	67%	24	55%
I was aware but it did not make a difference to our project design (or my participation).	11	48%	5	24%	16	36%
I was not significantly aware of CDB's interest in these themes.	2	9%	2	10%	4	9%
Nonresponse to this question	3		0		3	
Number of active respondents	23	100%	21	100%	44	100%

Source: Survey of Stakeholders, February-March 2020.

Comments

CTCS

Country 1

The food industry in Country 1 is strongly skewed to women. More women than men are involved and willing to participate, from both regulatory and knowledge perspectives. Against this background, every effort to strengthen and assist in **development of 'start up activity'** using participation and completion would be an added advantage (respondent 10106).

As a single mother of three young children and because of my training, I have knowledge of the themes stated above. However, I did not necessarily connect them with CDB. I also didn't see them tangibly in the project (respondent 10111).

Environmental sustainability is a core objective of our project, which promotes capacity building and uptake of climate-smart agriculture. Gender equality is important to all our work. Finally, we hope to expand our work and integrate our climate adaptive innovation across the Caribbean to improve regional resilience (respondents 10115 and 10107).

Both gender equality and sustaining the environment were important themes. (Agriculture technique) is an environmentally- considerate way of planting crops and raising fish while recycling water. This method is

geared towards persons who would not otherwise have gotten involved in farming, many of whom are females and other vulnerable groups.

CDB's promotion of preservation the environment and gender equality are themes that are current and that we adhere to. We were able to achieve 45% females in the training activities (respondent 10124).

Country 2

As a regional organization focused on the sustainable development of Caribbean Tourism and aligning to and supporting the UN's Sustainable Development Goals (SDGs), we were very aware of CDB's focus on these areas. The work programmes of our organization are those that support sustainable development and ascribe to the UNWTO's concept of sustainable tourism summarized as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities". This allowed us to work with CDB as a partner whose priorities were very similar to ours (respondents 20406 and 20401).

The project was conceptualized as a precursor to a larger project that is intended to address most of the themes. Therefore, the TA related to the themes did make a difference to our participating and to us seeking the assistance of CDB. We thought CDB would be the best organization to partner with on such a project (respondents 20408, 20404, 20403).

Regional CTCS

Sustaining the environment and improving regional cooperation and integration in the Caribbean are important. I believe in having a solid regional building code **produced regionally by a team of experts and stakeholders to give legitimacy**. This would make the "train the trainer" project more successful as technocrats in the region would go away with knowledge of what they have to do and not just an option that appears to be the presenter's opinion, even though the work was good (respondent 00123).

Country 3

Gender inequality is not an issue in Saint Lucia, and we support the values of environmental sustainability and regional cooperation (19514).

Question 6: Do you agree with the following statement: CDB managed its part of the project promptly and efficiently?

Responses

WAS THE PROJECT MANAGED PROMPTLY AND EFFICIENTLY?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Strongly agree.	11	50%	5	25%	16	37%
Agree, subject to some limitations	11	50%	15	75%	26	60%
Disagree	0	0%	1	0%	1	2%
No opinion	4				4	
Nonresponse to this question	0		0		0	
Number of active respondents	22	100%	21	100%	43	100%

Source: Survey of Stakeholders, February-March 2020.

6a. Please explain what worked well and what not so well?

Comments:

CTCS

Country 1

The major risks that have been identified have to do with the date proposed for the training and the securing of accommodation for the trainers. This was critical because of the availability of airlift from the Lesser Antilles to the Greater Antilles. Attendees had to be here for 5 days to receive the training and for 3 days to conduct the training (respondent 10106).

What would have worked better – (1) securing of training material /manual, (2) the completion of the contract and (3) reimbursement-uploading of the payments, and (4) identification of trainers (respondent 10106)

What worked well/what not? Apart from (trainer) who allowed us to bounce our ideas off him and to provide continued guidance, I have not seen or heard from anyone at CDB since. There were no updates given from the “contact persons” such as (names). They are no longer stakeholders and we do not know who has succeeded them. There was no real clarity as to what would happen next after the training was done. We were told that to move to next level, we had to do business plans which honestly most of us didn't have the expertise or actual data relevant to our situation to complete (respondent 10111).

As an implementing agency, we expect and prefer active involvement by donors in our projects, including guidance on reporting, procedures for financial accountability, and regular meetings and/or site visits to ensure compliance with expectations and requirements. Over our 2-year project period, we were managed by three different CDB supervisors, including an extended period of no supervision. This required us to explain project status, resend project reports and adjust reporting formats several times, adding substantial coordination/management efforts on our part (with limited funding for such activity).

We also experienced overly strict/inflexible management of budget funds. When reality did not align precisely with plans, we were not granted any flexibility / changes in spending. For example, when a budgeted item was not needed (such as a participant stipend), it was not spent; yet when an unexpected item was needed (additional trainer fees), it was disallowed. As such, we frequently under-spent the budget, although we had to use other funds to cover the true costs (respondents 10115 and 10107).

We surpassed the targeted number of persons trained and their evaluation of the training received was very positive. There were limitations with the venue selected for the training to take place. That could have been improved (respondent 10124).

Country 2

The training and certification of the Hospitality Assured programme technical assistants – that is Business Advisors and Assessors – went very well. The TA to the businesses went well. The assessment process went well. What didn't work so well was managing the timelines (as noted previously). Also - there was an observation that certain type, size and structure of business required more or less time for implementation and completion of the programme (respondents 20406 and 20401).

As the person who managed the project, there were limitations beyond my control. We had to partner with a training institution that initially agreed to meet certain commitments. However, it did not meet all its commitments and had no backup solutions to offer. For example, the consultant had to resort to instructing the participants in the finer points of pattern making, and some grading and how it translates into the international manufacturing process manually because there was only one tutor on the island, capable of teaching the CAD programme (for Fashion). When they took ill, there was no backup tutor provided, so the consultant had to improvise and did a wonderful job.

Almost everything else worked well. However, next time, we will have to allocate dedicated administrative assistance because the volume of work was far more than was anticipated for staff members with full time responsibilities and other commitments. Additionally, **we will try not to have such a tight window to complete the project since the major challenge was coordinating the availability of the consultant, the availability of the training facilities, and the availability of the participants** that are also tutors at multiple training institutions (respondents 20408, 20404, 20403).

Regional

The simple diagrams used were good. Pictures from (example country after a natural disaster) and of building defects were informative.

Some aspects came across as the personal opinion of the presenter to do things in a certain way – for example, the detail on display was under heavy scrutiny by the other engineers attending the workshop who expressed that they did not feel the detail had adequate hurricane straps. I think **if the details and comments presented had been developed by a group of engineers, they would have had a greater impact** (respondent 00123).

Country 3

The delivery of projects was well coordinated on both ends due to the understanding of the requirements for CDB and executing agency. There was constant dialogue and exchange of information providing for ready feedback on any issues which gave rise to possible delays (respondent 19501).

We were able to promote this programme and get enough MSMEs to attend. Further, a proper facility was sourced, the facilitator was competent, and we were able to successfully impart the information to our attendees (respondent 19514).

Question 7: Did the project result in any sustained improvements in your capabilities or those of your organization?

Responses:

DID THE PROJECT RESULT IN SUSTAINED IMPROVEMENT?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
The grant and project made a major difference to me and/or my organization. (transformational)	13	57%	14	74%	27	64%
The project improved my/our long-term capabilities to a minor extent	7	30%	4	21%	11	26%
The project made no difference to my/our capabilities in the long term	3	13%	1	5%	4	10%
Nonresponse to this question	3		2		5	
Number of active respondents	23	100%	19	100%	42	100%

Source: Survey of Stakeholders, February-March 2020.

Comments

CTCS

Country 2

The sustained improvements include:

1. Valuable lessons learned by (me) personally from the experience of participating in the entire process
 - a. Idea or concept creation that met the necessary criteria
 - b. Contributing to proposal preparation
 - c. Project planning and budgeting
 - d. Project coordination and logistics

- e. Execution and reporting
 - f. Evaluation and analysis to improve in the future
2. **Encouraged by the successful completion of this project**, more Business Development Officers within the organization were encouraged to start creating new projects to put forward and seek funding to benefit their own assigned sectors.
 3. From observing the sessions, the coordinators, like the participants were exposed to timely and practical information that we have incorporated into the way we interact with our clients, particularly those clients who were not a part of the training. The participants themselves were quick to apply the information to their own businesses. The trainers were also eager to share it with their students and having included it in their curriculum to varying degrees and they will continue to do so year after year (respondents 20408, 20404, 20403).

Question 8: Could a different project design or approach have had a more sustained impact?

Responses:

COULD A DIFFERENT PROJECT DESIGN HAVE HAD A BETTER IMPACT?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Yes	10	67%	8	67%	18	67%
No	5	33%	4	33%	9	33%
Uncertain	7		8		15	
Nonresponse to this question	4		1		5	
Number of active responder	16	100%	12	100%	28	100%

Source: Survey of Stakeholders, February-March 2020.

Comments:

CTCS

Country 1

The design and approach could have been better in the following areas:

- ✓ Developing the capacity of trainers in-country;
- ✓ Restructuring delivery process to be able to use weekends rather than weekdays do that business people could more easily attend;
- ✓ Longer time for advertising the course;
- ✓ Amend the selection process to include consideration of some persons based on the relationship with the local health department (respondent 10106).

If the project used a team method or had a lead member for each batch that was tasked with constant communication, and to band together to purchase materials etc. and to share vital information, I believe more participants would take at least minor steps toward actual business development. A basic business start-up kit (with technology) should have been involved, possibly with schedules for construction for each participant teams in the batch. There should be mandatory hours, agreed on by participants and other stakeholders, for hands-on training on any operational system, whether with an agricultural school or with a privately owned system (respondent 10111).

The main objective was to provide access to online training and workshop training to persons interested in (agricultural technique). We achieved both objectives with great reviews. Participants are still able to access the online training, further augmenting their knowledge in the field. It is difficult to see how one could better online training free of cost to registrants (respondent 10124)

A design with broader activities would help improve impact sustainability. Not only are more workshops needed to meet demand for training in (agricultural technique), including advanced and continuing education, but there is also much more need for coordination activities to sustain the outcomes, such as stakeholder engagement and partner development with educational institutions, markets for these types of farming enterprises, and other links with the value chain (respondents 10115 and 10107).

Country 2

Project is a precursor to a much larger undertaking, so the full impact or benefit will not be known until that part has been executed. However, the immediate outcomes of this project have been extremely positive as evidenced by the improvements in the output of the participants themselves and additionally, for the tutors, the output of their students (respondents 20408, 20404, 20403).

Regional

More professionals involved in development of the material. Possibly a draft of a regional manual given out beforehand, to give those attending time to study and bring questions and suggestions (respondent 00123).

Q 9: Strengths and Weaknesses?

Comments

CTCS

Country 1

Strengths, as follows:

- ✓ Excellent program to enhance food safety in the country
- ✓ Developing an elite group of food handlers that can act as trainer of trainer in the system
- ✓ Expected improvements in process, procedure and practices

Weaknesses, as follows:

- ✓ Not enough to develop capacity in country
Insufficient flexibility with the timeline from advertisement to selection and implementation
- ✓ Inadequate identification of requirements from Ministry to undertake this joint venture so that the legal perspectives can be clearly known resulting in a reduction of the “to-and-fro” (respondent 10106).

Strengths: Individuals involved were passionate (names). We still communicate with each other though the WhatsApp group is dormant at times (?).

Weakness: Little to no notifications regarding charges in CDB management; not much clarity regarding the steps to access funding (respondent 10111).

Strengths included clear objectives and indicators, designed to meet a specific need for the project

Weaknesses: included narrow scope considering larger strategic objectives. There were rotating supervisors with different expectations and an inflexible budget for participants' spending allowance (respondents 10115 and 10107).

Country 2

Strengths: The buy-in from government regarding the value of the project; the training of personnel who provided the TA to micro, small and medium-sized businesses participating in the project (Business Advisors and Assessors); and providing participating businesses with tools and knowledge to address deficiencies in their operations and to improve service delivery.

Weakness - More challenges than weaknesses – it would have been better to make allowances for participants from businesses, particularly micro/small businesses, to receive additional TA and more time in which to complete their journey (respondents 20406, 20401).

Strengths: Main ones -

1. The project catered to a variety of persons - tutors, businesspersons in the industry and also persons who were both.
2. It exposed them to aspects of the business that they would otherwise not be aware of, e.g. understanding the process to outsource manufacturing as well as designing for production and cost efficiency, selecting designs for their versatility and creating a classic or signature item which can be repeated season after season with minimal changes
3. It catered to persons with a wide range of design styles and target markets, from corporate wear, ladies' eclectic styles, Japanese inspired, Wool outer wear, jersey plus sizes to men's African inspired wear.

Weaknesses: Main ones -

1. The CAD segment had to be replaced with a manual approach.
2. The sessions were not video recorded. Only photographed.
3. The (training institute) failed to meet their commitment to convert the information shared into an online version of the course for use by interested persons throughout the region.
4. The topics could not be taught in great depth due to time constraints. A course, taught in short modules over a longer period, should be considered in the future for persons in the industry who are at an advanced level and want to pursue a more technical export production strategy. That is the proposed concept for the larger project – The Country 2 Fashion Centers of Excellence (respondents 20408, 20404, 20403).

Regional

Strengths: Project was good in sense that it brought the Caribbean together to examine how each territory carries out building control Visuals were good; drawings simple and easy to read, as were the tables. Presenter was clear and we understood what he was proposing.

Weaknesses: Addressed in earlier questions. I don't want to harp on them because what CDB did was an excellent step forward. There were some contradictions between the regional presentation and national practice (respondent 00123).

Country 3

Strengths

- Targeted group of participants (Garment producers)
- Targeted group of participants (CMAS :QuickBooks – MSMEs)
- Dedicated period and location for learning (3 weeks)
- Training Consultants were very knowledgeable in their field
- Ability to replicate training without assistance from CDB
- Quick response time from CDB Project Officers on queries during project planning and delivery

Weaknesses

- Training only provided for introductory level
- Only one cohort of participants sponsored by CDB which limits the reach of training programme
- Country specific needs not targeted; for example CDB would provide training for introductory level whereas intermediate or advance level training is required (respondent 19501).

Strengths – Suitable venue; competent facilitator; strong database of MSMEs; effective support from CDB.
Weaknesses – Software issue; no software provided in advance; unable to provide participants with Software for business use (respondent 19514).

Q 10: Overall, what is your general opinion of the project?

HOW POSITIVE WAS YOUR EXPERIENCE?	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Strongly positive	8	33%	16	80%	24	55%
Positive	16	67%	3	15%	19	43%
Somewhat negative	0	0%	1	5%	1	2%
Very negative	0	0%	0	0%	0	0%
Nonresponse to this question	2		1		3	
Number of active respondents	24	100%	20	100%	44	100%

Source: Survey of Stakeholders, February-March 2020.

Comments

CTCS

Country 1

The Caribbean is a major supplier of food and food service to the local population and the tourist market. The latter contributes significantly to the GDP of the region. Any system, mechanism or programme that can strengthen and give confidence to the market is worthwhile.

The objectives of the project were very strong and commendable, and this was coupled with the expected outcome.

Longitudinal studies with comparisons with other islands should be done in order to determine the effectiveness of the training (respondent 10106).

I feel as if I and the other **participants were “built-up” about the possibilities of the program, especially funding**, to just be let down. I am in constant communication with one of my batch mates who, we would say, has been the most successful thus far with some steps. However, though passionate and pressing on, he is yet to see real returns (respondent 10111).

The project was a good idea from CDB and INMED. The training exposes me to how to grow agriculture production yearly despite the effects of climate change. More assistance can be given by offering to provide funding to all participants, either through grants or loans. I think training in the area of marketing, proposal writing, financials, food storage, product development and food safety would improve us as participants (respondent 10125).

My opinion is based mainly on the really positive reviews of the participants in the project (respondent 10124).

Overall, the project successfully fulfilled a critical and specific need, and the evaluation of beneficiaries showed positive outcomes (respondents 10115 and 10107).

Country 2

The project was a very good one with the ability to significantly impact how regional businesses in the tourism sector operate. It showed the use of this business improvement tool and framework that is internationally recognized, and which support tourism excellence and customer service delivery in MSMEs. It was especially relevant to owner-managed businesses (respondents 20406 and 20401).

The project proved there is a need for this type of training and preparation in the island and in the region. The enthusiasm shown by the group, their comments regarding how long they have been in business and have been

waiting for this type of information and the items they were able to produce in approximately 2 days was a good indication of the receptiveness of the designers and producers. In addition, a few of the participants have implemented the knowledge and techniques gained to improve their own product as well as improving the cohesiveness, presentation and finish of their students' portfolios (respondents 20408, 20404, 20403).

Sustainability is damaged when it takes too long to get a project done. Roadblocks come up that otherwise might not have had time to appear (BMC stakeholder 13).

Regional

The project was an excellent idea. I do believe there needs to be some fine tuning, but it has created an environment for the foundation of common building standards in the Caribbean. I believe that there must be more done to be truly impactful. I am not sure that what was presented will change the way inspections are carried out, so another way should be looked at to do this. But, as stated above, CDB did an excellent facilitating job. Thank you (respondent 00123).

Country 3

Projects were well executed, and participants were able to identify their shortcomings throughout the delivery. This only augured well for their continuous learning within their chosen businesses. As mentioned before, the Consultants were very knowledgeable in their fields which encouraged discussion and introduction of best practices. Sessions were very interactive (respondent 19501).

The workshop participants were mixed. Some did not seem to have a serious interest or commitment (respondent 13).

A one-off workshop is no good. There should be more advanced ones so the participants have some way to advance. Otherwise it is soon forgotten (stakeholder 14).