

PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK



EVALUATION REPORT

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

**VOLUME 1: CORE TECHNICAL ASSISTANCE (PUBLIC SECTOR)
WITH MANAGEMENT RESPONSE (APPENDIX A)**

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OFFICE OF INDEPENDENT EVALUATION

AUGUST 2020

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Independent Evaluation
Technical Assistance by the Caribbean Development
Bank

Volume 1: Core Technical Assistance (Public Sector)

FINAL REPORT

August 2020

ABBREVIATIONS AND ACRONYMS

BMC	Borrowing Member Country
BNTF	Basic Needs Trust Fund
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CD	Capacity development
CES	Country Engagement Strategy
CTCS	Caribbean Technological Consultancy Services
DAC	Development Effectiveness Committee of the OECD
DiMSOG	Disaster Management Strategy and Operational Guidelines
FLEXCUBE	Oracle database of CDB transactions
GEPOS	Gender Equality Policy and Operational Strategy
IDB	Inter-American Development Bank
LOB	Line of business
mn	million
MDB	Multilateral development bank
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
PPMS	Project Portfolio Management System
PRISM	CDB's financial and operational data system
PSD	Private Sector Division
SDF	Special Development Fund
SDG	Sustainable Development Goal
SDFU	Special Development Fund (Unified)
SFR	Special Funds Resources
TA	Technical assistance
TCD	Technical Cooperation Division of CDB
TCU	Technical Cooperation Unit
TOR	Terms of Reference

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Dr. Kenneth Watson led the consultant team and wrote the draft reports for review, validation, and revision. Dr. Anne Perkins led the analysis of the TA portfolio, 2010-2018; and coordinated the survey of stakeholders. Ms. Shameza David supported the evaluation team's visit to Guyana.

The evaluation was supported by CDB managers and staff. The Vice-President Operations, and the Director, Projects Department, provided input and advice. The staff of the Technical Cooperation Division, including the Coordinator CTCS and CTCS officers, provided information and reviewed drafts of the Inception Report and the Evaluation Report. Approximately 50 CDB staff members participated in interviews and discussion groups, some several times.

Many stakeholders in borrowing member countries gave time to the evaluation, including many people interviewed in depth. Country authorities kindly hosted an evaluation mission in Barbados, Jamaica, St. Lucia, Dominica, and Guyana. Approximately 84 persons were interviewed and/or completed a questionnaire. Their inputs are gratefully acknowledged.

James Melanson, Head OIE

August 2020

EXECUTIVE SUMMARY

This independent evaluation of the Caribbean Development Bank’s Technical Assistance (TA) programme was undertaken in 2019-2020. The Terms of Reference enjoins the evaluators to “... assess technical assistance operations, and the effectiveness and usefulness of the technical assistance policy and operational strategy (TAPOS)¹ ... and make forward-looking recommendations.”

The evaluation assessed CDB’s TA against four performance criteria – relevance, efficiency, effectiveness, and sustainability.

Evaluation Scope and Methodology

Scope

This evaluation focused on a “core” set of 318 projects that were approved from 2010 to the end of 2018, out of a total of about 550 in the grants database, all funded by the Special Development Fund (Unified) - SDF(U). The set of projects is diverse and the way that they were delivered was representative of most technical assistance by the Bank. Of the 318 projects, a stratified sample of 34 was selected for closer examination. These included 24 regional projects (approximately 10% of the 233 regional projects in the sampling frame) and 10 national projects (approximately 12% of 85 national projects in the sampling frame). The evaluators visited Barbados, Dominica, Jamaica, St. Lucia and Guyana. Mini-case studies were written on three projects, as illustrative examples.

Methodology

The evaluation methods included an analysis of the financial and activity records for the 318 projects in the “core” portfolio. A detailed analysis of that portfolio is presented in Chapter 3. There was a review of literature, files, and documents, that included previous evaluations (there were no audits). The evaluators reported on progress against the Action Plan of the Technical Assistance Policy and Operational Strategy (TAPOS).

Thirty-four TA projects were selected for closer examination through document review, field visits and interviews. Some are presented as mini case studies in this report.

There were approximately 50 interviews at the Bank and 84 in borrowing member countries (BMCs). After interviews in the BMCs, interviewees were invited to complete an on-line written survey and about 70% did.

The Bank had recently completed an operational process review that made recommendations on technical assistance, and this was taken into account.

At the same time as this evaluation, there was a parallel one of the Bank’s technical assistance to the private sector (the Caribbean Technological Consultancy Services, CTCS) and this enabled some comparisons between the Bank’s work in the public sector and the private sector, where the evaluators judged comparisons to be reasonable.

¹ Terms of Reference, para 3.01

Typology of Technical Assistance

One of the findings of evaluations of technical assistance by other multilateral development institutions² was that a lack of clarity about the types of technical assistance, and the different ways in which they are expected to produce outcomes, has hindered their development effectiveness. Different types of TA should be designed and organized differently. This evaluation offers a typology of six categories of technical assistance:

- **TA-CD** - Organizational capacity building through staff training, attachments, mentorships, study tours and targeted fellowships for activities such as summer programmes at tertiary educational institutions.
- **TA-DIRECT** - Paying a consulting expert to improve the systems and practices of a particular organization, including, for example, IT systems.
- **TA-INVEST** - Professional services supporting the identification, design, assessment, preparation, or implementation of investment loans.
- **TA-PA** - Research, publications, policy development and advice. (At present some of this type of TA is supported by grants and some is part of the work programme of Economics Department funded by its administrative budget.)
- **TA-SUPPLEMENT** - Capacity supplementation by providing experts on contract or on secondment to work in the organization being supported. The difference between this type of TA and TA-DIRECT is mainly that supplementation tends to be longer term with the expert embedded in the host organization.
- **TA-EVENT** Sponsorship of events, such as meetings and conferences.

Technical assistance projects tend to be one type or the other but, of course, a single project can combine more than one type of assistance.

Resources

The Bank draws upon several sources of funds to provide technical assistance. The most important has been the Special Development Fund (Unified). The SDF(U) operates on a four-year cycle with a negotiated replenishment by Contributors at the start of each cycle. The period covered by this evaluation covers parts of three SDF(U) cycles, Cycle 7 (2009-2012), Cycle 8 (2013-2016) and Cycle 9 (2017-2020).

In SDF8, \$238 million was available for loans, the expectation being that most would support capital investments or, infrequently, policy-based loans (PBLs). In that cycle, \$39 million was available for grants. In the following cycle, SDF9, about the same amount was available for loans (\$236 million), but less was available for grants, (\$31 million). The net result was a reduction in the SDF(U) funds available in principle for technical assistance.

Most of the SDF grant resources are organized in set-asides. These are “indicative” amounts, not operational budgets. In general, they set an upper limit on the funds that can be used for each purpose. Most set-asides are defined by a “theme” such as “national statistics and governance”. There are two set-asides that are not restricted by theme. The first is for public sector technical assistance described only as “capacity building”. This category had funding of \$12 million in SDF 8, which was reduced to \$9 million in SDF9.

² Asian Development Bank, op, cit,

The second is for assistance to the private sector by the Caribbean Technological Consultancy Services (CTCS). The latter was also reduced from SDF8 to SDF9.

In summary, from SDFU8 to SDFU9, grant funding was reduced by 20%, and unrestricted TA to the public sector was reduced by 25% and to the private sector by 40%. Under the pressure of a larger structural gap in SDF9, the Bank and Contributors to the SDFU chose to maintain lending levels and reduce grants, with negative implications for technical assistance.

Regional and National Projects

National projects have become fewer. In 2010, national TA projects comprised about one third of the total dollar value of annual approvals and by 2018 this had declined to 6%. Regional projects, specifically regional workshops, have become more prominent. The latter have strengths and weaknesses. They are expensive per participant because of the cost of travel and accommodations, absorb a lot of staff time to deliver, and are sometimes less relevant to individual BMCs than customized national workshops might be. However regional workshops may be appropriate for specialty topics that cannot generate sufficient participants in a single BMC, and some may contribute to regional cooperation and integration depending on their design. On the whole however, the decline of customized national interventions needs consideration.

Achievements

In 2012, the Bank's Board of Directors approved a Technical Assistance Policy and Operational Strategy (TAPOS), based in part on the findings and recommendations of a previous external evaluation of TA (2007). This was an important milestone. Several commitments made when TAPOS was introduced in 2012 were met. For example, the 2007 evaluation recommended establishing a TA focal point within the Bank and this was done with the founding of the Technical Cooperation Division (TCD). However, some important commitments have not been met, as discussed in this report.

The TA benefits delivered by CDB to its member countries were substantial. A large portfolio of useful projects was conceived, designed, and delivered in partnership with BMCs. Recipients' views of the assistance provided are mainly positive. As well, technical assistance projects provided opportunities for all parts of the Bank to interact with clients and to provide advice and support. In summary, TA was an important part of the value package provided by the Bank to its members.

When surveyed during this evaluation, about one third of grantees/participants said that they achieved all of their objectives and that the results were excellent. The other two thirds said that they achieved a sufficient part of their objectives, and benefited sufficiently from the results of the TA, for their participation to have been worthwhile.

Grantees and beneficiaries were asked whether changes in the project design could have led to better achievement of objectives. Several said that it was too early to tell. Others commented that CDB was slow to approve any change in the project design during implementation and this led to unnecessary delay that may have compromised achieving objectives. The implication was that oversight by CDB sometimes involved micromanagement, a topic that came up in interviews as well.

The evaluators conclude that while objectives are largely achieved, there is room for improvement.

Table Exec. Summary - 1

Were you (your organization) able to achieve your objectives and produce the results you desired?

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.

Relevance

In a weak sense of “relevance” (has a project contributed to a CDB objective), all of the TA projects were relevant.³ In the strong sense of “relevance” (were the projects that make up the Core TA portfolio the best possible ones given CDB’s strategic objectives), the picture is mixed. For example, there were many grants to support policy development, studies, and publications. Were these products the most relevant ones that CDB could have funded? In the absence of advertising of grant opportunities to generate a set of applications that could be adjudicated comparatively it is difficult to say.

Second, there were many grants to support one-off events during 2010-2018. The last evaluation team (2007) was strongly of the opinion that, while relevant in the weak sense, such grants were often not strategic (not relevant in the strong sense). Such grants were also faulted because they were not subject to comparative adjudication. The evaluation report recommended that the total amount spent on them should be limited to a (low) fixed sum annually. However, as far as this evaluation has been able to ascertain, the situation did not change significantly.

The demonstration of relevance of TA is limited by its weak link with CDB’s Country Engagement Strategies (CES). Technical assistance is not dealt with comprehensively and strategically in the CES papers which are frequently not kept up to date. CDB has not produced annual operational plans for TA with reference to CESs.

³ For example, a project might help a few women but be insignificant to women overall in a BMC (that is, the TA was not strategic); or a project might assist a regional organization but not in a way that was likely to have much impact on overall regional cooperation and integration in the Caribbean. Or a project might fund skills training for a BMC government (a useful thing) but not have the potential to improve public sector management in a significant way. Et cetera.

Efficiency

Efficiency issues, especially timelines, are important at present because of the overall implementation gap (disbursement shortfall) that the Bank is experiencing for both TAs and loans.

To improve efficiency, the previous evaluation of TA (2007) recommended that there should be a focal point for the administration of TA. Five years later, this was achieved with the establishment of Technical Cooperation Division.

In 2018 and 2019, CDB conducted an Operations Process Review that included looking at the efficiency of TA processes. The products of that exercise included some policy changes (financial authority delegation, for instance), and the development of process maps, critical path analysis and process templates. Changes proposed by that exercise have not yet been implemented but have been incorporated into the Transformation Programme schedule which will address TA in 2021.

Another initiative currently being planned by CDB is to have “resident implementation officers” stationed in selected BMCs. If implemented, this might have a significant effect on the way the Bank delivers TA, depending on the responsibilities of those officers.

There was a large number of TA projects (approximately 115) that remained on the books until 2018-19 as “under implementation” although some were up to a decade old and there was little chance that they would be completed. These were addressed in a “clean-up” exercise.

TA contributed to ameliorating project implementation constraints in BMCs through procurement reform in general and specific support to procurement in projects (loans and grants) funded by the Bank. The separate PPAM/PCM project (not part of this evaluation) addressed project management skills in the BMCs.

Effectiveness

Effectiveness was reviewed at the project level because the amount of TA delivered annually per country (or per head of population) is much too small to expect major impacts, however useful individual projects may be. Some of the sample of projects reviewed in depth for the evaluation are presented in this report as mini case studies. They document results achieved in for instance climate smart agriculture, capacity for social and environmental policy in public institutions, and gender equality in access to credit. However, in the absence of an overall programmatic structure for planning and reporting the Bank’s TA, it has not been possible to assess results at any level of aggregation.

Overall, there was limited secondary data available about outputs and outcomes of TA projects. For example, the most recent status report⁴ for the TA portfolio states only the number of projects and participants, and the amount disbursed. Other output and efficiency metrics are not compiled, such as the number of participant days in workshops and the cost per participant day. The five portfolio performance metrics⁵ that were listed in the Results Framework attached to the last evaluation of TA (2007)⁶ were not subsequently measured and monitored. These were: (1) ‘Volume of TA relative to volume of lending; (2)

⁴ “Status of Technical Assistance Projects at December 31, 2016.”

⁵ ‘Volume of TA relative to volume of lending. (2) Distribution of TA relative to needs of BMCs (3) Types of TA compared with CDB and BMC priorities. (4) PPES scores for projects, covering strategic relevance, poverty relevance, efficacy, efficiency, sustainability and ID Impact (5) PES scores regarding: (a) CDB/consultant expert performance, and (b) EA/beneficiary performance.’

⁶ IDMAG Inc. and Rideau Strategy Consultants Ltd, (2007). An Evaluation Study of the Technical Assistance Operations of the CDB 2000-2004. Appendix B.

Distribution of TA relative to needs of BMCs; (3) Types of TA compared with CDB and BMC priorities; (3) PPES scores for projects, covering strategic relevance, poverty relevance, efficacy, efficiency, sustainability and impact; and (5) PPES scores regarding: (a) CDB/consultant expert performance, and (b) EA/ beneficiary performance.’

The Bank has recently been particularly interested in TA-INVEST. In March 2020, at the request of the evaluation team, CDB Division Chiefs, and Heads of Units, identified the TA grants during 2010-2018 that were linked with a capital investment projects. They proved to be a minority of TA projects (11%, or 58 of 535 grants). Considering only the sampling frame for this evaluation, the percentage was 6%. There was no SDFU set aside to fund TA-INVEST and no Project Preparation and Assessment Facility (PPAF) in the Bank.

How effectively cross-cutting strategic priorities were integrated into TA projects varied. Gender equality was mainstreamed more consistently than other cross-cutting themes. It is the only theme that is rated at project appraisal (the Gender Marker). There were some projects specific to climate change, and some specific to Regional Cooperation and Integration.

Monitoring of results has been limited. Supervision reports have often not been filed and completion reports by CDB staff are not always written.⁷ Independent evaluations of TA have been infrequent, with none completed between 2007 and the current study (2020).

Sustainability

Recipients of TA report a mixed picture regarding sustainability. The main constraint appears to be that TA projects are too frequently one-off rather than part of a systematic effort over time to improve capabilities in a certain area.⁸ Sustainability requires coherent lines of business delivered over time, with each initiative building upon and reinforcing its predecessors.

Another sustainability challenge occurs when supplementing BMC capacity without necessarily improving it (TA-SUPPLEMENT). While in some instances inevitable given the small size of some BMCs, a better approach is often to help governments buy the support they need from private sector professional services companies that operate across several BMCs.

Looking Forward: Relevance to CDB’s Strategic and Operational Plan 2020-24

To be relevant to the 2020-24 Strategic and Operational Plan, TA will have to respond to new priorities. CDB’s Strategic Plan, 2020-24⁹ focuses on building resilience - social, economic, and environmental. The Strategic Plan states:

“In order to promote more durable institutions that deliver on development effectiveness and lock in hard-won gains, the Bank will continue to help countries close capacity deficits through structured technical assistance (TA) and training that support enhanced implementation of their public sector investment programmes (PSIPs). Closing the digital divide will involve a multi-pronged process, including support for appropriate regulatory reforms around data governance;

⁷ Current guidelines require PCRs for TA projects greater than \$1million.

⁸ See CDB Office of Independent Evaluation, “Managing for Sustainability”.

⁹ Draft Strategic Plan, 2020-2024, September 24, 2019, BD 84/19

provision of targeted interventions designed to broaden and deepen e-government, including strengthening IT platforms; and driving down IT related costs.”¹⁰

These priorities are not entirely different from those pursued during the period of this evaluation, but some shifts in emphasis are apparent – the singling out of e-government, for example. Elsewhere in this report the evaluators have recommended that TCD write a strategic plan that would identify lines of business that respond to CDB’s current priorities and strategies.

Opportunities for improvement in CDB’s technical assistance

There were some programme weaknesses within a context that is generally positive. TA needs to be more strategic and more programmatic. To be more strategic, TA projects need to be linked more closely with Country Engagement Strategies (which need to be kept up to date); and in order to be more programmatic, the projects need to be less one-off and more part of a series of related interventions over time that have strategic coherence.

At an operational level, there has been a long-standing problem of too many approved projects not proceeding or being terminated before completion. This problem has often not been transparent because such projects were sometimes carried on the books as “under implementation” for long periods of time. This was flagged by the previous evaluation (2007), which recommended a special study to ascertain the causes and produce a solution. Such a study was not undertaken, so the reasons for the problem remain unclear. In 2018 the portfolio was cleaned up, but given some weaknesses in current systems and practices, as described in this evaluation report, it is not clear that the problem won’t emerge again.

Visibility, transparency, and competitive selection were not emphasized enough during this evaluation period. The programme would benefit from more advertised competitions for both grant applications and for procurement of professional services to implement approved projects.

Efficiency improvements are possible, including simplifying the relationship with grantees by instituting true “no objection” procedures, and managing more for results than by activities. This would involve paying for performance (outputs and outcomes) rather than reimbursing in detail for activities.

Knowledge and results management need improvement through: better project records and database management; better performance metrics (mostly cost effectiveness metrics); requiring that all TA projects have a Bank-written PCR that describes performance, results and lessons learned.

Recommendations

Recommendation 1: CDB should give technical assistance equal priority with investment and policy-based lending, because its impact per dollar is generally equally important.

Recommendation 2: CDB should clarify its thinking about technical assistance, as the basis for decisions about the focus, organization, and resourcing of technical assistance.

2.1 The Bank should produce a concept paper, including a result-based logic model, for each type of technical assistance that it intends to offer. Six different types of technical assistance are discussed in this evaluation.

¹⁰ Ibid, para 6.

2.2 TA-CD (capacity development) should remain a high priority and will need a Focal Point staffed by people with particular skills.¹¹ The Focal Point should coordinate and manage TA-CD to the public sector and to the private sector, since the activities and skills required are similar.

2.3 TA-INVEST should remain a high priority and be supported by an appropriate set aside in the SDFU for project preparation grants and implementation support grants in eligible countries.

2.4 TA-PA (research, policy and advisory services) should remain a high priority.

2.5 TA-EVENT is a lesser priority and should have a limited budget.

Recommendation 3: The possibility of a Caribbean Institute for Capacity Development should be explored through a feasibility study exploring various possible configurations, including a centre of excellence within the Bank or a virtual network of the Bank and partners. In any realistic scenario, the need for an organizing hub and substantial foundational and operational funding should be kept in mind.¹²

Recommendation 4: CDB should manage technical assistance more strategically.

4.1 The Bank should revise the Technical Assistance Policy and Operational Strategy (TAPOS, 2012), and prepare a new Action Plan, considering the findings of this evaluation.

4.2 In each Country Engagement Strategy (CES), the Bank should expand its analysis of BMC needs for technical assistance, in both the public and private sectors, and outline a customized strategy to address those needs. The CESs are not a good vehicle for listing projects in the pipeline unless they are updated each year.

4.3 The TA-CD Focal Point should prepare a strategic plan for 2020-2024, based on systematic analysis of public sector capacity development needs, and organized programmatically by “business lines”, which could be sectoral or thematic.

4.4. CDB should budget for at least one mission to each BMC every four to five years for in-depth analysis of needs for technical assistance. The costs of these missions should be an allowable charge against the general TA set-aside in the SDF(U).¹³ The needs analysis missions should be undertaken jointly between the CDB responsibility centres for technical assistance: the TA-CD Focal Point, Economics Department and the CTCS.

Recommendation 5: Each TA responsibility centre should do everything possible to make TA operations visible, transparent, and competitive.

¹¹ The Focal Point could be staffed by people qualified in various disciplines related to capacity development – skills training (in person and on-line), organisational analysis and programme design, mentoring, attachments and practicums, study tours and knowledge management.

¹² Explanation: The need for capacity development in the public sector in CDB’s borrowing member countries seems likely to remain for the foreseeable future. The “institute model” that is followed by some other multilateral financial institutions offers advantages.

¹³ Further to the point about annual missions for needs analysis - Ideally, each mission should be conducted collaboratively with development partners, both multilateral and bilateral. The mission should be thoroughly prepared and researched in advance. Some peripheral attention to this topic during project monitoring missions is not sufficient.

- 5.1 In the third quarter of each year, CDB should issue a public call for proposals for grants in support of TA-CD or TA-PA projects to be implemented during the following year. This should improve selectivity, visibility, and transparency. It is not necessary to specify ahead of time what percentage of the available grant funds would be committed as a result of these proposal calls, and what percentage would be reserved for ad hoc grants during the coming year. However, priority should be given to the former.
- 5.2 CDB should place a visible “TA Grants” flag on the front page of its website, that, when clicked shows all current invitations and solicitations and a list of awards made during the previous twelve months.
- 5.3 Procurement of professional services to deliver TA should be advertised sufficiently ahead of time to enable responses by consultants and comparative adjudication, whether the project is managed by CDB or the grantee. For individual consultants, CDB can maintain a directory of consultants if it finds that useful but referring to CVs in the directory should not be considered a sufficient alternative to open advertising. In principle, solicitations (by both the Bank and grantees), should be advertised on CDB’s website, for not less than 14 days for Expressions of Interest, and not less than 30 days for Requests for Proposal. Contract awards should be announced on the same site.

Recommendation 6: Technical assistance should be delivered in partnership whenever possible.

- 6.1 CDB should seek to establish not just a division of labour with other providers of technical assistance in the Caribbean, but joint activities whenever possible.
- 6.2 When engaging with other multilateral organizations that provide technical assistance in the Caribbean, such as the IMF CARTAC Multi-donor Trust Fund, CDB should offer collaborative services and facilities rather than rely on cash grants.
- 6.3 The TA-CD Focal Point should work jointly with the CTCS, or its successor programme, at least once each year on a regional capacity development initiative of interest to both public and private sectors – such as the legislative and regulatory framework for venture capital in the Caribbean, or employment policies for the disabled, or the role of universities and colleges in building capacity in the public and private sectors, as examples.

Recommendation 7: CDB should improve the reporting of technical assistance to senior management and to the Board.

- 7.1 The reporting of technical assistance in the Bank’s annual Development Effectiveness Report (DER) and the Annual Report on Portfolio Performance (ARPP) should be expanded to cover all technical assistance by the Bank, not just projects exceeding \$1 million. Descriptive data presentations should be complemented by an analytical discussion of performance, lessons learned and adjustments of strategy.
- 7.2 The TA-CD Focal Point should prepare an annual report on technical assistance to management (AMT) and a biennial report to the Board, at greater length than is possible in the DER or ARPP.

Recommendation 8: CDB should seek to deliver TA more efficiently.

- 8.1 CDB should revise the products of the recent Operational Processes Review to be specific to each type of TA and each responsibility centre.
- 8.2 Avoid micromanagement of TA – by contracting and managing for outputs produced and milestones met rather than reimbursing for activity expenditures. Use time-limited “no objection” provisions to

provide for expeditious approval of grantee requests for project design changes or for the reallocation of budget within the approved total envelope.

8.3 Strengthen project initiation and close-out procedures. The standard of preparation of TA projects prior to approval should enable all approved projects to be implemented within a reasonable time (without rush). Projects that are approved but do not proceed as planned should be closed promptly and any financial advance recouped.

Recommendation 9: CDB should improve its monitoring and analysis of the results of TA, and its instruments for learning from results.

9.1 CDB should develop a TA management information system that contains an accurate and up to date set of financial and activity data, project descriptors and KPI data for all projects under implementation.¹⁴ If this can be done immediately as part of the development of OP365, that would be best. If not, CDB should develop an interim stand-alone system of TA records that can later be integrated with the OP365. There should be identical financial and operational variables in the digital data records for all TA projects, both private sector and public sector, including project type and sector codes, and performance rating.

9.2 Every technical assistance project should be concluded by a Project Completion Report (PCR) written and filed by the CDB officer in charge, as soon as possible after substantial completion of the TA project. Each PCR should describe results, cost-effectiveness and lessons learned, and rate the performance of the project against the same criteria that were used at appraisal, including the gender marker.

9.3 CDB should commit to a regular cycle of accountability and learning activities for TA, as shown in the table below.

	Year						
	2020	2021	2022	2023	2024	2025	2026
Independent evaluation	✓					✓	
Internal audit		✓			✓		
Audit follow-up			✓			✓	
Biennial report to Board	✓		✓		✓		✓
Annual Report to AMT	✓	✓	✓	✓	✓	✓	✓
DER and ARPP	✓	✓	✓	✓	✓	✓	
Tracer Survey			✓			✓	
Line of Business (LOB) working papers		✓		✓		✓	

9.4 Internal Audit Division should conduct its first audit of TA operations¹⁵ along with its second audit of CTCS operations as soon as feasible.

¹⁴ CDB needs a much better management information system for technical assistance. Such an improved system was postponed during the extended development of PRISM, and again during OP365 development, in favour work on a capital projects module.

¹⁵ There has never been an internal audit or CDB's TA operations. There was one internal audit of the CTCS, in 2015.

9.5 The respective accountability centers for TA should track performance indicators that include outputs planned and achieved. The TA-CD Focal Point should have a coordinating responsibility.

9.6 Performance metrics should include more meaningful measures of outputs than the number of participants. They should also include at least one indicator of delivery efficiency (for example, administrative costs per \$100,000 in grants or direct operational expenditures), and cost efficiency indicators including the cost per participant day for workshops, attachments, study tours and mentorships.

9.7 Performance criteria should be the same for all projects, not weaker for smaller projects.¹⁶

Recommendation 10: Modernise the technologies used to provide technical assistance.

10.1 TA-CD should use on-line programmed learning (digital platforms) for pre-and-post-event learning, combined with short in-person workshops.

10.2 The on-line components of TA-CD activities such as workshops should move from nice-to-have to essential. Production of the agreed on-line components should be a pre-condition to final payment by CDB.

Recommendation 11: Improve the treatment of cross-cutting themes (CCT).

11.1 Have a CCT strategy in the TA-CD Strategic Plan 2020-2024 and in the annual operating plans for technical assistance and report CCT performance and results in the annual TA reports to AMT and biennial TA reports to the Board.

11.2 Some cross-cutting themes should be addressed in all TA project designs (gender equality for example). Others should be addressed depending on the characteristics of the TA project (e.g. RCI for regional projects).

11.3 Implement the recommendations of the 2018 evaluation of GEPOS, as reflected in the revised (2019) GEPOS and 2020 Action Plan, in the TA context.

11.4 Link regional TA projects with RCI priorities as defined in the Bank's strategic plan, and in the RCI strategy to be developed in 2020. RCI should be considered in every appraisal of a regional TA. If RCI is relevant, the appraisal should explain how the project design will contribute to it.

¹⁶ For example, the weaker gender marker criteria for projects under \$1 million should be discontinued.

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CHAPTER 1: INTRODUCTION

1.1. Technical Assistance by the CDB

The Caribbean Development Bank (CDB) provides technical assistance (TA) to its borrowing member countries (BMCs) and to regional organizations. TA can be provided in any area of policy or operations, and be in the form of a grant, loan, or advice and assistance from CDB staff.

Technical assistance has been part of CDB's "value package" since its foundation. It has three goals - to enhance the capacity of public or private organizations, to support CDB's loans, and to contribute to the achievement of its corporate thematic priorities, including gender equality, environment and climate change and regional cooperation and integration.

TA is guided by CDB's Technical Assistance Policy and Strategy (TAPOS, 2012), with the Technical Cooperation Division (TCD) of Projects Department responsible for its implementation. Different divisions and units of the Bank, including TCD, plan and implement individual TA initiatives.

1.2. Current Situation and Priorities

In 2020, the mission of the Bank, and the contributing mission of TCD, are:

CDB's Mission:

Reducing poverty and transforming lives through resilient, sustainable and inclusive development.

TCD's Mission:

To help lead CDB's efforts to build capacity, transfer knowledge and skills, and strengthen institutions in BMCs by working closely with other Divisions, BMCs and development partners.

The targeted subject matter in TCD's mission statement are not discrete categories and the evaluators suggest that it would be better organized by three lines of business that have different logics and dynamics. These are:

1. Organization capacity development (training to improve staff capabilities) and capacity supplementation (placing an expert)
2. Policy advice (direct advice from CDB to a member government; or providing knowledge products including paying for studies)
3. Support to loans (paying for consultants to complete technical tasks as part of a package with a CDB loan)

Please see Section 3.1.6 for further discussion of types of TA.

CHAPTER 2: EVALUATION OBJECTIVES, LIMITATIONS AND METHODOLOGY

2.1 Introduction to this Evaluation

This evaluation assessed the performance of the Core TA against four criteria - relevance, effectiveness, efficiency, and sustainability – and answered a set of evaluation questions. The Terms of Reference called for forward-looking conclusions and recommendations.

This report is Volume 1 of the evaluation of CDB’s TA. It deals with “core” TA (public sector). The Caribbean Technological Consultancy Services (CTCS), working in the private sector, was evaluated simultaneously with this study of Core TA, and is reported in Volume 2.

The sample frame for this evaluation comprised 318 TA grants and loans awarded over the period 2010 to 2018.

2.2 Evaluation Objectives

The purpose of this evaluation is to assess the Bank’s TA over the period 2010-18, and to provide evidence-based advice for improvement of relevance and performance during CDB’s forthcoming strategic planning period (2020-24).

“The TA Evaluation will assess Bank TA operations over the period 2010-18 and the effectiveness and usefulness of TAPOS as a guiding policy document introduced in 2012.”¹⁷

The evaluation is intended to inform and advise CDB’s Board, senior management, Technical Cooperation Division (TCD), and other Bank divisions that design, fund, and supervise TA projects. Stakeholders including donors, member governments, and participants in TA projects will also have interest in the forward-looking conclusions and recommendations that inform the scope, direction, and management of TA operations.

2.3 Limitations

This evaluation does not cover all TA delivered by CDB. It addresses only “core” TA to the public sector, both grants and loans,¹⁸ excluding certain areas of TA that the Bank intends to evaluate separately.¹⁹ The scope did not cover capital grants, technical assistance that was a component of a CDB loan, or technical assistance provided directly by CDB staff.

The evaluation covers a large number of diverse TA grants, and a small number of TA loans, over a long period of time (2010-2018). Therefore, its conclusions can be expected to be relevant to most TA funded by CDB.

¹⁷ Terms of Reference, para 3.01

¹⁸ This evaluation does not cover the BNTF, PPAM/PCM, the UK-CIF or the CTCS and some large programmes/partnerships with TA components. For an evaluation of the technical assistance that CDB provides to the private sector see Volume 2 of this report

¹⁹ For example, the BNTF, PPAM/PCM, and the UK-CIF. The CTCS is being evaluated separately and simultaneously with this general evaluation of technical assistance.

The study was not an impact evaluation to ascertain the ultimate results of technical assistance, such as measured on-the-job skills, employment effects or economic growth.

Although some efficiency issues are addressed, including some oversight and control issues, this study is not an audit. One of its recommendations is that an audit be conducted on a regular schedule.

2.4 Methodology

The evaluation used a mixed methods approach, gathering quantitative and qualitative data and “triangulating” it to address each evaluation question. Key informants included CDB staff, stakeholders in BMCs and beneficiaries.

The OECD/DAC evaluation criteria were used – namely “relevance, efficiency, effectiveness and sustainability”. Within these general categories of project performance, the evaluation’s Terms of Reference stated more detailed questions to be answered based on evidence.

Information was gathered from several sources, including a review of CDB documents, the general literature of TA, and evaluations by other multilateral development banks. The portfolio review used project data provided by CDB. The evaluators visited five BMCs and conducted interviews (with 50 CDB staff and 84 persons in BMCs).

During the Inception Phase, interviews were conducted with the President, Vice-President Operations and the Director Projects Department, the Director and staff of the Economics Department; Deputy Director Corporate Planning; Technical Cooperation Division Chief and staff; other Division Chiefs and staff of Projects Department, and various specialists in relevant areas. Board members resident in Barbados were interviewed at the time of the inception mission (Barbados, Canada and the United Kingdom), and those from Jamaica, St. Lucia, Dominica, and Guyana during the country visits.

Starting from a list of more than 500 grants made during 2020-2018, the evaluation team, assisted by TCD, identified 318 that would be the sampling frame for the evaluation and classified and coded the project records in several dimensions. Those not included in the sample frame included capital grants (not TA in the sense of institutional capacity building or technical support to CDB loans) and grants funded by various special Funds slated for separate evaluation, such as the ACP-EU-CDB Disaster Risk Management programme. Nor did the sampling frame include projects that were internal to CDB (“Use of Funds”). The TA projects in the sampling frame were all funded by the SDF(U). They were coded by sector and type of activity, in addition to country or regional, source of funding and responsibility centre in the Bank.

From this sampling frame, (often referred to as “core TA” in this report), the evaluation team selected a sample of 34 projects for closer examination. These included 24 regional projects (approximately 10% of the 233 regional projects in the sampling frame) and 10 national projects (approximately 12% of 85 national projects in the sampling frame).

The sample was a purposive one as required by the evaluation’s Terms of Reference. It was selected as follows. First, six member countries were selected, considering size, location and average income. These were Barbados, Dominica, Guyana, Haiti, Jamaica and St. Lucia. Five were visited by the team. It proved impractical to visit Haiti due to security concerns at the time of field visits. Each country was visited by two members of the evaluation team for one week. Interviews were held with key stakeholders who had a broad knowledge of TA by the Caribbean Development Bank (central government agencies) and with grantees and participants in the projects in the sample. At the same time, grantees and participants in regional projects were interviewed in BMCs, sometimes in more than one country covered by the project.

In total 84 people were interviewed by the evaluation team. After the interview, each person was invited to complete a questionnaire.

In summary, the main components of the evaluation methodology were:

- In-depth interactive interviews with stakeholders in the Bank, in BMCs and in regional organizations
- A review of relevant documents
- An analysis of existing data in CDB databases
- Visits to five BMCs
- A survey of a sample of stakeholders in 34 Core TA projects (25 regional and 10 national projects)
- Synthesis (triangulation) of information from all sources to answer the evaluation questions

Lessons learned about the evaluation scope and methodology

There were some advantages in giving the evaluation a broad scope that included nine years of experience and 318 TA projects. However, the evaluation does not present a complete picture of TA by the Bank in any one year. The next evaluation of the Bank's TA might well consider taking the complementary approach – that is, undertake an in-depth examination of all TA by the Bank in a single year. One argument against examining a single recent year in depth is that some TA might take a long time to show results. This is not a strong argument since the evaluators found that intermediate results were almost always apparent within a year or so of the TA activity.

The evaluators spent a lot of time doing in-person interviews, both within the Bank and in BMCs. However, now that people have become more familiar with virtual meetings because of the COVID crisis, much of the interviewing in a future evaluation might be done remotely with only modestly less effectiveness and with considerable gain in time.

This evaluation included a follow-up survey of interviewees in the BMCs. It was thought that their response rate would be good after their involvement in an interview. That did not prove to be the case and a great deal of personal follow-up was needed to finally attain a good response rate. In a future evaluation a better strategy might be a wider survey followed up by selective interviews of respondents.

Finally, the evaluation spent a small amount of time, as part of the literature review, looking at how other multilateral financial institutions design and deliver technical assistance. The evaluation team was able to draw upon its prior experience with these institutions. This was one line of enquiry that deserves more time in a future evaluation and might be usefully extended to examine the practices of some major Funds²⁰ as well.

²⁰ Some instructive examples might include the Global Fund for Aids, TB and Malaria, the Green Climate Fund and single purpose funds such as GAVI and the DEF.

CHAPTER 3 TECHNICAL ASSISTANCE 2010-2018

3.1 Introduction

3.1.1 Core Technical Assistance

For the purposes of this evaluation, “core TA” was defined as projects funded between 2010 and 2018 as TA grants or loans, that were not capital grants and were not sourced from a special fund that CDB intends to evaluate separately. Approximately 318 TA projects fit this definition of “core TA”.

3.1.2 Organization

TA management is decentralized throughout the Bank. Any Division in any Department can be the substantive lead for a TA project. The focal point is Technical Cooperation Division (TCD), which is part of the Projects Department. In 2020, TCD had thirteen permanent staff members, plus four project staff funded by an EU Standby Facility (three of which were filled at June 2020), plus a project coordinator and assistant dedicated to the Montserrat Governance Reform project. Of the 13, three professional staff and one support staff are dedicated to the private sector (MSME) TA unit, which manages the CTCS.

3.1.3 Resources

Resources for technical assistance are available from several sources. These include the Bank’s ordinary capital resources (OCR), and various special fund resources (SFR), the largest of which is the Special Development Fund, (Unified) (SDF(U)). Some sources of funds can support either grants or loans; and some sources support only one or the other. Not all grants are for “technical assistance” although sometimes these two terms have been loosely used as if they were synonyms.

The most important source of funds for technical assistance (grants and loans) has been the Special Development Fund (Unified). The SDFU operates on a four-year cycle with a negotiated replenishment by Contributors at the start of each cycle. The period covered by this evaluation covers parts of three SDF(U) cycles, Cycle 7 (2009-2012), Cycle 8 (2013-2016) and Cycle 9 (2017-2020).

In SDF8, \$238 million was for loans, the expectation being that most of these funds would support capital investment loans or policy-based loans (PBLs). In that cycle, \$39 million was available for grants. In the following Cycle, SDF9, about the same amount was available for loans (\$236 million), but less was available for grants, (\$31 million compared with \$39 million in SDF8). The net result was a considerable reduction in the SDFU funds available in principle for technical assistance, with the largest reduction being in the availability of grants.

Most of the SDF grant resources have been organized in set-asides. These are “indicative” amounts, not operational budgets. In general, they set an upper limit on the funds that can be used for each purpose. Most set-asides are defined by a “theme” such as “national statistics and governance”. There are two set-asides that are not restricted by theme. The first is for public sector technical assistance described only as “capacity building”. This category had funding of \$12 million in SDF 8, which was reduced to \$9 million in SDF9. The second is for assistance to the private sector by the Caribbean Technological Consultancy Services (CTCS). The latter was also substantially reduced from SDF8 to SDF9.

In summary, from SDFU8 to SDFU9, the grant funding available for technical assistance was reduced by 20% and unrestricted TA to the public sector was reduced by 25% and to private sector by 40%. Under the pressure of a larger structural deficit in SDF9, the Bank and Contributors to the SDFU chose to maintain lending levels and reduce grants, with implications for technical assistance, which has been mostly grant funded.

Table 3.1.3.-1--: SDF(U) Allocations and Set-Asides for SDFU 8 and SDFU 9.

FUNDS FROM WHICH TA GRANTS COULD BE MADE				
	Public sector		SDF8	SDF9
	Government Capacity Building		\$12	\$9
	National Statistics and Governance			\$6
Private Sector				
	CTCS		\$5	\$3
	Creative industries and competitiveness (enabling environment)			\$3
Thematic set-asides				
	Environment, climate, energy		\$5	\$3
	Agriculture and Rural Dev		\$3	\$3
	RCI and RPGs		\$10	\$4
	Citizen security		\$4	\$0
		Sub-total	\$39	\$31
FUNDS FROM WHICH TA LOANS COULD BE MADE				
	Country Allocations (for loans)		\$208	\$211
	Natural disaster mitigation & Rehab (loans)		\$30	\$20
	Regional projects (loans)			\$5
		Sub-total	\$238	\$236
OTHER				
	BNTF (Grants)		\$10	\$40
	Haiti		\$46	\$45
	Immediate Disaster Response (Grants)		\$5	\$3
	Provision for new BMC (loans)		\$10	\$0
		Sub-total	\$71	\$88
		Total	\$348	\$355

Source CDB, Corporate Strategy Division, August 2020

3.1.4 Utilization of the SDF(U) Set-aside Dedicated to TA (Capacity Building)

Over the past thirty years, the dedicated set-aside for TA (capacity building) which was part of the SDF envelope has generally been fully utilized and sometimes the final expenditure figure has been greater than the initial set-aside.

Table 3.1.4-1 SDF (U) Resources, TA Set-Aside (Capacity Building) and Utilisation, SDF 3 to 9

	Total SDFU	TA Set-Aside	Set-aside % of total	Utilization	Utilisation % of set-aside
SDF 3 1992-1996	\$158	\$12	7.6%	\$11	92%
SDF 4 1996-2000	\$173	\$1	0.6%	\$2	200%
SDF 5 2001-2004	\$151	\$11	7.3%	\$12	112%
SDF 6 2005-2008	\$258	\$10	3.9%	\$10	97%
SDF 7 2009-2012	\$391	\$8	2.0%	\$12	148%
SDF 8 2013-2016	\$348	\$12	3.4%	\$11	94%
SDF 9 2017-2020*	\$355	\$9	2.5%	\$5	56%

Source: CDB’s Corporate Strategy Division (CSD) February 2020. Dollar unit: USD millions, without inflation adjustment (nominal) SDF 9 only to end 2019 and therefore provisional as one year remains in the cycle.

3.1.5 Programmatic Technical Assistance

The previous evaluation of CDB’s TA (2007) said that TA should be more programmatic. This idea was picked up in TAPOS, which stated that “past evaluations as well as feedback received from CDB’s internal and external stakeholders, have consistently highlighted weaknesses in terms of the strategic relevance and programmatic coherence of the TA portfolio.”²¹ Other international finance institutions have come to the same conclusion. For example, the Asian Development Bank concluded in its evaluation of TA that it needed to be more programmatic, and this involved, among other things, having clearer concepts of the different types of TA.²² It said that a lack of clear ideas of what constitutes TA was one of the fundamental problems that had led to under-achievement.²³

TA could be organized “programmatically” in several ways. One way is by subject matter – for example, a “programme” of TA in financial management, or gender equality analysis, or hurricane-resilient construction methods, et cetera. TA can be described as programmatic when it is organized by business lines that have a coherent structure and are long-term and multi-faceted rather than one-off. Business lines should be chosen in light of CDB’s strategy and capabilities. In the private sector a “business line” is often defined by a product and a cluster of clients – gender analysis training for DFIs, for example, or agricultural entrepreneurship training for teenagers. There are many possibilities. Based on consultations with Operations areas, TCD should define the Bank’s business lines at the start of each planning period, in alignment with the Strategic Objectives and Corporate Priorities as contained in the Bank’s Strategic Plan.

3.1.6 Types of Technical Assistance

Some of CDB’s TA is organized programmatically. The first step in being more programmatic is to have a clear idea of how the types of TA naturally cluster into programmes. Calling everything that is funded by grants “TA” is unhelpful. A distinction between large TA and small TA, although it may have some

²¹ Caribbean Development Bank December 2012, PAPER BD 55/12 Add. 2. “Technical Assistance Policy and Operational Strategy of the Caribbean Development Bank.”

²² Asian Development Bank, Corporate Evaluation Study September 2014 Role of Technical Assistance in ADB Operations Reference Number: SES:REG 2014-10 Independent Evaluation: CS-0

²³ The other fundamental problem noted was a lack of priority accorded to TA relative to lending operations.

relevance to management processes, is not useful as a substantive distinction. Neither is the distinction between TA in the public sector and TA in the private sector especially useful because many capacity building activities and the professional skills to manage them are similar. For instance, workshop topics of interest to both public servants and businesspeople include project management, financial management, planning, governance, and the adoption and use of ESG²⁴ policies and practices.

There are various ways to categorize TA that might be considered. One, as described by the Asian Development Bank in an evaluation of its own TA,²⁵ is to distinguish between six main types.

- Organizational capacity building, mainly through staff training, attachments, and scholarships. (TA-CD)
 - Organizational capacity building through the work of an expert paid to improve the systems and practices of a particular organization, including for example IT systems (TA-DIRECT)
 - Capacity supplementation by providing experts on contract or on secondment to work in the organization being supported (TA-SUPPLEMENT)
 - Financial support for research, publication and advice (TA-PA)
 - Professional services supporting the identification, design, assessment, preparation, or implementation of investment loans (TA-INVEST)
 - Sponsorship of events, such as meetings and conferences. (TA-EVENT)

These are largely self-explanatory but are discussed in brief below.

TA-CD

The main way that CDB provides TA is through training of client staff (skills training workshops, CDTA-WS). The Bank does not support attachments, scholarships or study tours in its TA to the public sector, although these sometimes form part of education sector loans. It does support attachments in the private sector (CTCS grants).

TA-SUPPLEMENT

Rather than, or in addition to, teaching client staff how to do a task, CDB has sometimes paid to supplement their expertise on a medium to long-term basis. This is sometimes a good approach to assisting small MBCs that may not realistically be able to develop their own on-going expertise in specialty areas. “Capacity supplementation” by CDB has been entirely in the public sector and is likely to remain that way since seconding professionals to private companies without charging is not likely to be attractive to CDB. Examples include providing specialists in macroeconomics, or coordinators for disaster response funding or specialists in census management. Capacity supplementation is sometimes criticised, as it was in the previous evaluation of CDB’s TA (2007). In general, it is not an ideal form of TA because it may encourage on-going dependency. That is, providing one free resource just leads to the organization wanting another one rather than developing its own capabilities.

²⁴ ESG (environmental, social and governance matters) is a term common in the private sector. CDB uses “cross-cutting issues” (environment and climate change, gender equality and governance/regional cooperation and integration) to mean much the same thing.

²⁵ Asian Development Bank, Corporate Evaluation Study, September 2014 Role of Technical Assistance in ADB Operations Reference Number: SES:REG 2014-10 Independent Evaluation: CS-0

Nevertheless, one can argue that some BMCs are so small that sustaining all the in-house professional expertise needed by the government is impossible, especially if the need is periodic rather than on-going. Of course, another solution is the development of private professional services firms that serve a market that might cover several BMCs. At their best, grants can create a market for services from local firms. On the other hand, donors should be careful not to displace private business services.

TA-PA

CDB supports and provides advisory services to its BMCs, sometimes by CDB staff, and sometimes by grants to engage consultants. CDB has financed a large number of knowledge products during the period examined by this evaluation. Research and publications projects may be important, but they are seldom immediately urgent. In large measure, they should be selected by annual competition. Sometimes CDB provides technical support to BMCs that are implementing a major adjustment of their governance and policy regimes. These changes might be associated with a policy-based loan and in other cases could be, for example, related to an IMF “Program” (TA-PBL). These types of TA may have little in common with organizational capacity building, although there may be some overlap. In CDB, Economics Department is the main provider of advisory services, although Projects Department may provide advice as well. Thematic specialists (for example in gender equality) also play a role.

TA-INVEST

Supporting investment loans has always been an important objective. In the Bank’s present financial situation, with large undisbursed loan balances, there is understandably an increased emphasis on TA that can expedite project implementation – such as feasibility and design, procurement assistance, financial management and project management. In our sampling frame of 318 TA projects, 21 were reported to be in support of capital investment loans.

TA-EVENTS

About one in five TA grants in the sample (68 out of 318) were to support events. By dollar value, grants for one-off events amounted to 13.4% of expenditures. The events ranged widely from government meetings to non-profit sector events. Grants for business events were not covered by CDB’s core TA programme but by the CTCS. Grants in support of events tend to be approved and disbursed quickly. The amount and type of due diligence expected of CDB is different in such cases. When CDB is a minor contributor to an event, its accountability for the success of the event is limited and the separate effect of its contribution might not be ascertainable.

3.1.7. TA provided by various international development organizations

The following table lists some of the TA practices of selected MDBs and the IMF.

Table 3.1.7.1 Types of Technical Assistance Delivered by CDB and Selected International Finance Institutions

Type of TA	Providers of TA		
	CDB	Other MDBs	IMF
Capacity Building and Supplementation			
Capacity Development Technical Assistance - Skills training workshops (CDTA-WS)	TCD, TA grants CTCS grants	World Bank Institute provides curricula and materials	Institute for Capacity Development, and Regional training Institutes (Singapore and Nairobi)
Advice on Organization Development (Structures, Systems and Practices) (CDTA- ORG)	TA grants	Country Offices (and practice specialists based at HQ)	Regional Technical Assistance Centres e.g. CARTAC
Attachments, study tours, scholarships (TA-ATS)	CTCS grants		
Capacity supplementation	TA grants to pay the salary of term personal or secondees.	Seldom used but practice varies by Bank	CARTAC long-term resident advisors (LTX) and short-term advisors (STX). ²⁶
Advisory Services			
Policy and Advisory Technical Assistance (PATA)	Economics Department, thematic specialists (gender, environment, RCI and governance, etc.)	Country Offices (and practices specialists who may be based at country offices or HQ)	Regional Technical Assistance Centres (for example (CARTAC)
R&D TA Knowledge Products (RDTA)		Area Depts., Office of the Chief Economist	
Technical support to PBLs and similar interventions, like an IMF “Program” (TA-PBL)		Country Offices (and practices specialists who may be based at HQ)	“Program Country” support and review by Part IV missions from HQ (with some RTAC participation)
Capital Investment Loan Support			
Technical support to capital investments (TAINVEST)	Projects Department	Country Offices (and specialists who may be based at country offices or HQ)	
Sponsorship or contribution to events (TA-EVENT)	Ad hoc TA grants	n/a	n/a

Source: Author’s tabulation from various documents.

3.2 Resources and Activities

3.2.1 Approvals by Fiscal Year, 2010-18

This evaluation examined the records for 318 Core TA projects that were approved between 2010 and 2018 inclusive. The total amount approved was approximately USD60 million. The peak of activity was in 2015, when 50 projects were approved for a total of approximately \$12.3 million. About three quarters of these

²⁶ For example, statistical expertise has often been provided when a BMC is preparing to undertake a census.

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projects were designated “regional” and one quarter “national”. Regional projects involve participants from more than one BMC or involve a regional organization.

Table 3.2.1.1 Core TA Approvals by Fiscal Year, 2010-2018

All Core TA projects n= 318

Year	Number	Total	Percent	Average size
2010	40	\$7,615,696	12.7%	\$190,392
2011	32	\$5,620,346	9.4%	\$175,636
2012	30	\$4,725,905	7.9%	\$157,530
2013	21	\$2,886,958	4.8%	\$137,474
2014	29	\$4,855,572	8.1%	\$167,434
2015	50	\$12,251,768	20.4%	\$245,035
2016	36	\$5,287,092	8.8%	\$146,864
2017	44	\$7,059,657	11.8%	\$160,447
2018	36	\$9,703,616	16.2%	\$269,545
Total	318	\$60,006,610	100.0%	\$188,700

National projects, n-85

Year	Number	Total	Percent	Average size
2010	16	\$3,565,077	22.0%	\$222,817
2011	6	\$1,204,105	7.4%	\$200,684
2012	9	\$1,915,649	11.8%	\$212,850
2013	6	\$782,990	4.8%	\$130,498
2014	6	\$1,349,020	8.3%	\$224,837
2015	14	\$2,229,824	13.8%	\$159,273
2016	14	\$2,573,919	15.9%	\$183,851
2017	9	\$2,015,514	12.5%	\$223,946
2018	5	\$551,989	3.4%	\$110,398
Total	85	\$16,188,087	100.0%	

Table 3.2.1.2 Regional Projects (Approvals), by Fiscal Year, 2010-2018

Regional projects n=233

Year	Number	Total	Percent	Average size
2010	24	\$4,050,619	9.2%	\$168,776
2011	26	\$4,416,241	10.1%	\$169,855
2012	21	\$2,810,256	6.4%	\$133,822
2013	15	\$2,103,968	4.8%	\$140,265
2014	23	\$3,506,552	8.0%	\$152,459
2015	36	\$10,021,944	22.9%	\$278,387
2016	22	\$2,713,173	6.2%	\$123,326
2017	35	\$5,044,143	11.5%	\$144,118
2018	31	\$9,151,627	20.9%	\$295,214
Total	233	\$43,818,523	100%	\$188,062

Source: CDB TCD February 2020

Dollar unit: USD, nominal

3.2.2 Approvals by Country and Regional, 2010-18

Fourteen BMCs received at least one Core TA grant over the period. Five did not receive a national grant - the Bahamas, Barbados, British Virgin Islands, Cayman Islands and Trinidad and Tobago - though they benefited under regional TAs. A little more than half of the “national” projects were in four countries – Belize, Grenada, Jamaica, and Saint Lucia. No country received more than 5% of the total for this period. On a per capita basis, the grants were very small.

Table 3.2.2.1 Core TA Approvals by Country/Regional, 2010-2018 n=318

Country	Number of grants	Total Amount 2010-2018	Percent	Population (2018)	Grants per capita
Anguilla	2	\$395,812	0.7%	14,731	\$26.87
Antigua and Barbuda	1	\$364,765	0.6%	96,286	\$3.79
Bahamas	0			385,637	
Barbados	0			286,641	
Belize	14	\$3,004,500	5.0%	383,071	\$7.84
British Virgin Islands	0			29,802	
Cayman Islands	0			64,174	
Dominica	6	\$1,094,105	1.8%	71,625	\$15.28
Grenada	10	\$1,917,904	3.2%	111,454	\$17.21
Guyana	8	\$1,328,755	2.2%	779,006	\$1.71
Haiti	3	\$780,635	1.3%	11,123,178	\$0.07
Jamaica	12	\$2,085,189	3.5%	2,934,847	\$0.71
Montserrat	1	\$75,000	0.1%	4,993	\$15.02
St. Kitts and Nevis	2	\$440,365	0.7%	52,441	\$8.40
St. Lucia	13	\$2,230,254	3.7%	181,889	\$12.26
St. Vincent and the Grenadines	6	\$971,924	1.6%	110,111	\$8.83
Suriname	5	\$1,216,779	2.0%	575,990	\$2.11
Trinidad and Tobago	0			1,380,843	
Turks and Caicos Islands	2	\$282,100	0.5%	37,665	\$7.49
Sub-total National	85	\$16,188,087	27.0%	18,624,384	\$0.87
Regional	233	\$43,818,523	73.0%		
Total	318	\$60,006,610	100.0%		

Source of data: CDB TCD Feb. 2020

Note: Per capita figures are approximate, using the 2018 population as a proxy for 2010-18.

USD amounts are nominal without adjustment for inflation

3.2.3 Activities Funded

The most common use of a Core TA grant was to develop a policy, produce a study or fund a publication (137 grants - 60% of the total by dollar amount).

Other uses included:

- About one quarter of projects were formal workshops and they accounted for 17.3% of approved funding.
- Slightly fewer (21% by number of projects and 9.4% by approved budgets) were events (meetings, seminars, conferences).
- Technical assistance directly to a Ministry or public organization comprised about 9% by number and 13.4% of the grants by dollar value.

Table 3.2.3.1 Types of Activity Funded by Core TA, 2010-2018

Type of Activity Funded	Number	Total Amount	Percent	Average Cost
Workshops	85	\$10,394,485	17.3%	\$122,288
TA to Ministry/Public organization	28	\$8,049,677	13.4%	\$287,488
Events	68	\$5,661,881	9.4%	\$83,263
Policy, study or publication	137	\$36,100,567	60.0%	\$263,508
Total	318	\$60,206,610	100.0%	\$189,329

Source of data: CDB. TCD February 2020. Interpretation of what is an “event” and what is a “workshop” by the author.
Note: Per capita figures are approximate, using the 2018 population as a proxy for population 2010-2018
USD amounts are nominal without adjustment for inflation

3.2.4 Skills Taught in Workshops

The skills taught in workshops were mainly of four types. Technical skills constituted by far the largest category of expenditures (approximately 28% of the funding). This included accounting and financial management skills, computer skills and project management. A related category, with 13%, of Core TA funding, was training in “general management, planning, organizational development and procurement”.

Table 3.2.4.1 Type of Skills addressed by Workshops funded by Core TA, 2010-2018

Type of Skill taught in Workshop	Number of Workshops	Amount	Percent
General Mgt., Planning and Org'l Dev't, and Procurement	13	\$1,482,730	13%
Financial Management and Accounting	4	\$284,440	3%
Education Management, Systems, Planning and Policies	7	\$567,770	5%
Individual Capacity Building	14	\$2,168,630	19%
Climate, Environmental Management and Stewardship	15	\$1,280,405	11%
Technical Skills	19	\$3,145,478	28%
Entrepreneurial skills	2	\$98,890	1%
Trade Policies and Programmes	4	\$722,566	6%
Public Sector Investment / PP Partnerships	2	\$155,000	1%
Other - internal to CDB	5	\$1,291,155	12%
Total	85	\$11,197,064	100%

Source of data: CDB. TCD February 2020
USD amounts are nominal without adjustment for inflation

3.2.5 Project Sizes

Over the period 2010-18 about half of the Core TA grants were less than \$50,000. There were 12 grants that were greater than \$750,000. The average size of a grant was \$188,700 (See Table 3.2.7-1). In 2018, that average size was \$275,914 reflecting an upward trend.

Table 3.2.5.1 Project Size, 2010-2018

Size of Grant	Number	Total	Percent	Average size
0-50,000	99	\$3,686,398	6.1%	\$37,236
50,001 to 100,000	58	\$4,568,546	7.6%	\$78,768
100,001 to 150,000	86	\$11,924,588	19.9%	\$138,658
150,001 to 250,000	21	\$4,487,372	7.5%	\$213,684
250,001 to 750,000	42	\$17,443,879	29.1%	\$415,330
> 750,000	12	\$17,895,827	29.8%	\$1,491,319
All Grants	318	\$60,006,610	100.0%	\$188,700

Source of data: CDB. TCD February 2020

USD amounts are nominal without adjustment for inflation

3.3 Sectors and Themes

3.3.1 Expenditures by Economic Sector, 2010-2018

Grants were made in many sectors. The sectors with the highest number of grants were “Government and Civil Society”, “Environment/Climate” and “Education”. The sectors that were highest dollar value of approvals included “Government and Civil Society” (17.4%) and “Social Infrastructure and Services” (13%). Next were education, banking and financial services, environment/climate, and multi-sector, each accounting for about 7% to 8% of approved amounts.

TCD should report TA activity by DAC sector codes which would make comparisons with other development organizations in the Caribbean and worldwide possible.

Table 3.3.1.1 Core TA Approvals by Economic Sector, 2010-2018

Economic Sector	OECD DAC 5 Sector Code	Number	Total Amount	Percent
Education	110	32	\$5,757,607	7.4%
Water and Sanitation	140	17	\$2,775,133	2.0%
Government and Civil Society	150	80	\$12,512,579	17.4%
Social Infrastructure and Services	160	23	\$7,815,887	13.0%
Transport and Storage	210	17	\$2,117,247	4.0%
Communications	220	7	\$668,100	1.1%
Energy	230	6	\$1,997,521	4.0%
Banking and Financial Services	240	17	\$3,977,953	7.0%
Business and Other Services	250	9	\$1,180,048	1.0%
Agribusiness	311	20	\$3,953,013	7.0%
Fishing	313	1	\$47,500	0.1%
Construction	323	3	\$1,116,800	3.0%
Trade Policy etc.	331	5	\$888,163	2.0%
Tourism	332	2	\$299,350	0.3%
Environment/Climate	410	35	\$4,360,856	8.0%
Other, Multi-sector	430	23	\$3,675,995	8.0%
Emergency response	720	3	\$350,474	0.7%
Disaster prevention and preparedness	740	11	\$1,172,229	2.0%
Admin. Costs of donors	910	7	\$5,340,155	12.0%
All Sectors		318	\$60,006,610	100.0%

Source of data: CDB. TCD February 2020

Per capita figures are approximate, using the 2018 population as a proxy for population 2010-2018.

USD amounts are nominal without adjustment for inflation

3.3.2 Stakeholder Views on Cross-cutting Themes

During the evaluation period CDB placed a high priority on cross-cutting themes, mainly three (gender equality, environment, and climate change, and RCI) but also others in certain periods, (citizen security and youth employment, for example). In the survey of stakeholders, only the first three were mentioned as examples of what a cross-cutting theme is. Most stakeholders were aware that CDB gives a high priority to cross-cutting themes. However, fewer than half thought that this made any difference to the project design or to their participation. This was significantly fewer than in the case of the CTCS.

3.3.2.1 Awareness, importance, and influence

Gender, Environment and Climate Change, and Regional Cooperation and Integration	Core TA		CTCS		Both	
	Number	Percent	Number	Percent	Number	Percent
Aware of high priority and it made a difference to the project design (or my participation).	10	43%	14	64%	24	53%
Aware of high priority but it made no difference to the project design (or my participation).	11	48%	6	27%	17	38%
Not aware of CDB's interest in these themes.	2	9%	2	9%	4	9%
Nonresponse to this question	3		0		3	
Number of active respondents	23	100%	22	100%	45	100%

Source: Survey of Stakeholders in BMCs, February-March 2020.

3.3.2.2 Comments by Stakeholders on Cross-cutting Strategic Themes

- These (crosscutting) issues were already considered in our proposal – they were not a result of CDB (respondent 10118)
- We identified the need to incorporate the themes internally and discussed it with our External Cooperation Management Division. It recommended and approached the CBD on our behalf, and if CDB had not come on board, we would have explored another source and taken the same themes into account (respondent 10109).
- All the themes are important in the general scheme of project work in the Caribbean region (respondents 19513, 19512)
- The themes are important and very alive in the Caribbean Region. In reference to (Country 5), our company includes these themes in our strategic goals (respondent 40208)
- These matters were already well established in the project before CDB became involved (respondent 40211)
- Not much discussion on these in the workshop. (respondent 21335)

3.3.3 Gender Equality

All TAs received a score on the gender marker at appraisal; but not all were clearly gender relevant. Of the 318 Core TA projects in the sampling frame for this evaluation, 39 were significantly relevant to gender issues, approximately 9.5% of all Core TA projects by dollar value. These relevant projects were of two types – those that addressed gender as such, and those that supported activities in areas and organizations in which women are heavily represented.²⁷

²⁷ Although one might expect that the first category would pertain to gender equality for both women and men, it is important to recognize that women and girls in the Caribbean continue to experience significant disadvantages related to business ownership/entrepreneurial ventures, and economic participation, "despite higher attainment in education" (2019 evaluation CDB's Gender Equality Policy and Operational Strategy study, para 25, 26). For this reason, this profile includes technical assistance projects that target businesses, industries or professions that are often populated mostly by women

Of the 39 gender-relevant projects, 27 were gender specific. Most (21 or 77.8%) were regional projects. Twelve workshops were approved for a total of \$1,415,923. Two were national workshops – Grenada and Guyana – and ten were regional. The Caribbean Institute in Gender and Development Training Program (Regional) received support four times (2011, 2013, 2015, and 2017). Two workshops focused on education issues; two addressed gender in the context of trade; two projects were funded related to CARICOM’s work on gender-based violence; one project related to combating human trafficking (Guyana); and another aimed to improve CDB’s own capacity to mainstream gender considerations in its work.

Twelve publications related to gender were partly or fully funded for a total of \$2,168,320, approximately half of the funding of gender-specific projects. Seven of the publications focused on policies, plans, strategies, or frameworks. Two were concerned with finance-related issues (access to credit, and gender equality in financial institutions). One project addressed CDB communications on social inequality related to poverty. One grant supported gender assessments in CDB’s BMCs. Grants supported two gender-relevant regional meetings for a total of \$67,290. The first supported CARICOM coordination meetings on Gender, Labour and Economic Security; the second to a special meeting of the CARICOM Women’s Bureau. There was a project that received funding for \$198,380 in support of legal aid/counselling for the prevention of gender-based violence in Grenada.

There were several projects that received a relatively high gender marker score only because they were of value to women not because they had anything to do with gender as such. All were regional projects, except two, a workshop on teacher in-service training in Montserrat, and a publication on education sector reform in Belize. There were five relevant workshops related to education and one to the music industry. There were five grants to education-related publications; and one to support an international conference on teaching and teachers. Education projects focused on one or more of sector strategy, sector reform, education planning and management, and sector and teacher capacity-building and effectiveness. There were two projects on mathematics education (a regional workshop on developing a framework for math education, and a publication on improving teacher effectiveness in the region).

3.3.3.1 Gender Equality Priorities and Commitments

The last evaluation of CDB’s TA programme (2007) did not give a lot of attention to gender. It mentioned MDG 3 Target 8, a 60% reduction in gender-based violence²⁸, but did not attempt to measure any impact that CDB might have had on this figure. Gender “equity” was also mentioned in the Toolkit for assessing TA projects, linked with poverty reduction, but not developed further.²⁹

In 2008, CDB adopted a Gender Policy and Operational Strategy (GEPOS). It made a strong commitment to mainstreaming gender considerations in all the Bank’s work. In 2013, CDB developed a “gender marker” that was thereafter used at project appraisal to rate the degree to which gender was addressed in each project. There was an independent evaluation of GEPOS in 2018. A revised GEPOS was approved by the Board in 2019, and the Gender Equality Action Plan 2020-24 in 2020.

²⁸ Logical Framework Matrix Appendix B.

²⁹ Toolkit. Appendix F.

In 2012, CDB incorporated some of the provisions of the GEPOS into its new TAPOS. The latter made the following commitments:

- Formulate TA standards that include gender equality in capacity development TAs of a cross-sectoral nature³⁰
- Review TA interventions for gender mainstreaming³¹
- Provide training on gender issues analysis³²

Nevertheless, gender equality is not mentioned specifically in the TAPOS Performance Framework³³, nor in the Workplan for Implementing TAPOS (Action Plan), nor in the checklist and performance criteria for TA interventions³⁴ but it is covered in general by reference to cross-cutting themes. Gender analysis was however part of the curriculum of the Bank's Public Policy Analysis and Management and Project Cycle Management (PPAM PCM) training which was delivered to CDB Staff and public servants in all BMCs during 2017-2019.

In 2018, OIE evaluated the GEPOS.³⁵ The report stated 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.” The evaluation makes recommendations that are relevant to TA. Two that are perhaps worth particular attention are: that CDB's programming should be informed by its national gender assessments (which need to be kept up to date); and that support of the national gender machineries should be an important part of programming.

This evaluation of TA reviewed the gender marker scores for its sample of projects. The scores were variable. CDB regards the gender marker as a “quality at entry” tool. It is not a monitoring or evaluation tool, so relates to project design rather than performance. It was introduced in 2013/2014 and revised in 2017,³⁶ and enables the Bank to report on gender equality as a component of development effectiveness and to track how much is spent on gender-specific and gender-mainstreamed projects.³⁷ 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 contains an additional indicator which measures whether supervision reports report on gender.³⁸

During appraisal, each TA 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).³⁹ A “gender

³⁰ TAPOS Section 3.09 “TA standards shall include ... (b) rigorous and systematic organizational assessment in the case of capacity development TAs of a cross-sectoral nature ... including gender”.

³¹ TAPOS Section 3.04 “Reviewing TA interventions ... related to ... gender mainstreaming.”

³² TAPOS Section 3.27 “CDB will provide training in methodologies that support effective TA management, including gender issues analysis ...”

³³ TAPOS Appendix 5

³⁴ TAPOS Appendix 3

³⁵ Evaluation of CDN's Gender Equality Policy and Operational Strategy, November 2019.

³⁶ 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 million “... is in line with the Annual Review of Portfolio Performance Report which reports only on TA's larger than a million. It is also in line with the TAPOS.”

³⁷ Indicator “Approved loans or projects with a gender-specific or gender mainstreamed rating (%)”

³⁸ Indicator “Projects reporting on gender results during implementation.”

³⁹ See CDB “Background for the Development of a Revised Gender Marker System”

marker”⁴⁰ score (on criteria that were revised in 2017) is calculated in 0.5 increments on a 0-4 scale. The score determines whether the project is:

- gender specific⁴¹ and gender mainstreamed⁴² (3 or 4 on a scale of 0-4),
- marginally mainstreamed⁴³ (2.5 to 3.5 points), or
- not gender specific or mainstreamed⁴⁴ (0 to 1).

The criteria that are the basis of the “gender marker” are different for projects over \$1 million or under \$1 million. For grants under \$1 million (most of the core TA projects) the gender marker scoring is simplified.⁴⁵ One point can be earned by meeting any of the following: sex-disaggregated data, address gender disparities or “enhance gender capabilities” (sic)⁴⁶ or have an objective that is gender relevant. No minimum score is required for approval of a TA project. Many of the projects reviewed received a score of “1” often based on a commitment to report sex-disaggregated data.

3.3.3.2 Findings on gender equality mainstreaming

- There were a number of gender-relevant TA projects (39) over the nine years of the evaluation period - enough to count as a “programme” of grants. CDB made several grants to support work against gender-based violence.
- In the cases examined, women and men participated about equally in the design, implementation, and benefits of TA projects.
- Other disadvantaged groups were not considered in most Core TA projects. Special provision for people living with disabilities were seldom made. A project to survey the extent of disabilities in the Caribbean was approved but did not proceed to implementation.
- There were more gender-relevant projects after 2012 than before, signaling a growing interest in the subject in the Caribbean and in CDB.
- Sex-disaggregated activity data, for instance the number of females and the number of males attending a workshop, was generally reported.
- For projects under \$1 million, no project scored a zero and several scored a 1 out of 4. The scoring appears to have little relevance to the funding decision. If the gender market is continued, it would be better to use the same criteria for all grants that presently apply only to projects over \$1 million. Whether the gender marker scores have inter-rater reliability is unknown because this has never been

⁴⁰ See Revised Gender Markers. Effective date: March 20, 2017

⁴¹ Gender Specific (GS): the project’s principal purpose is to advance gender equality. Gender Specific Projects are projects which directly enhance gender equality.

⁴² Gender Mainstreamed (GM): the project has the potential to contribute significantly to gender equality. The project is gender mainstreamed when gender considerations have been taken fully into account.

⁴³ Marginally Mainstreamed: the project has limited potential to contribute to gender equality.

⁴⁴ NO: no contribution to gender equality, it is not reflected in the project, or appears as a formal reference only.

⁴⁵ For TA projects under \$1 million, the project is gender specific and gender mainstreamed (3 or 4 on a scale of 0-4), marginally mainstreamed (2 points), or not gender specific nor mainstreamed (0 to 1). CDB states that there were three reasons for having a smaller version of the Gender Marker for TAs under USD1,000,000, 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.”

⁴⁶ What a “gender capability” is the evaluators do not know.

tested. The rating criteria changed in 2017, so scores before that date and after that date are not comparable. Gender marker scores are not reassessed (monitored) after the appraisal stage of TA projects.

GENDER EQUALITY AND ACCESS TO CREDIT

In 2008, CDB adopted its Gender Equality Policy and Operational Strategy (GEPOS) committing the Bank, among other things, to helping reduce the economic vulnerability of women and girls by more inclusive access to finance. Thereafter, CDB funded several initiatives regarding gender equality and access to credit.

CDB's Country Gender Assessment Synthesis Report¹ (2015), covered ten BMCs. It described common institutional constraints arising from stereotypes and biases that undermine efforts to support access to financial services by women and other vulnerable groups.² It flagged a need for gender-responsive products and services.

In 2014 CDB commissioned a study entitled: "Analysis of CDB's Portfolio to Identify Gender Disparities in Access to Credit and an Assessment of the Gender Monitoring Capabilities of Six Participating Financial Institutions". This study found that the readiness of Development Finance Institutions (DFIs) to adopt gender-mainstreaming principles in loan operations was constrained by limited knowledge and limited staff capacity; inadequate organisational and leadership commitment; and "weak availability of data and data systems for reporting, analysis and performance evaluation."³ In 2015, CDB used SDFU funds (\$237,160) to study titled "Integrating Gender Equality into Sector Operations", which, in part, considered women's access to credit.⁴

In 2018, CDB made a grant of \$148,940⁵ to assist three development finance institutions (DFIs) each to develop a Gender Equality Policy and Action Plan (GEPAP). The project was implemented in 2019, ending in July 2020. The three DFIs each contributed \$8342 in in-kind support, making the total nominal resources for the project \$173,965. The DFIs were the Development Finance Corporation of Belize, the Development Bank of Jamaica, and the Saint Lucia Development Bank. At the same time the consultants provided gender sensitivity training with staff; and conducted four focus groups (women, men, youth) and a "town hall" consultation. Some of the needs identified included governance issues (the commitment and engagement of senior management and the Board), the development and monitoring of key performance indicators (KPIs), the special challenges of unregulated microfinance entities, and the emergence of partial credit guarantees by development organizations and their potential relevance to inclusive finance.

Based on this work, and their expertise, the consultants prepared a report on best practices. This report was presented at a one-day regional workshop (a virtual meeting for knowledge exchange) for representatives of DFIs that were at that time "active partners" with CDB (seven member countries in addition to those represented by the three core DFIs in the study - Anguilla, The Bahamas, Barbados, British Virgin Islands, Dominica, Grenada and St. Vincent and the Grenadines). The idea was to disseminate lessons learned and to encourage other DFIs to prepare GEPAPs.

The strengths of this project included its focus on a high priority for CDB – women's access to credit – and its regional dimension. The sequence of activities was well thought through, from developing three GEPAPS, thereby identifying best practices and then convening a regional workshop for discussion and dissemination.

Its weaknesses were, first, CDB's slowness to act, four years having past between the baseline study in 2014 and the DFI GEPAP project in 2018. Second, there has been no follow-up in the two years since the DFI GEPAP initiative to see whether DFIs that were represented at the regional workshop did in fact develop GEPAPs based on the model that was presented, and, lastly, only half of CDB's borrowing member countries participated.

¹ The Country Gender Assessment Synthesis Report (2015), financed by CDB. The researched countries were Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, Barbados, Montserrat, St. Vincent and the Grenadines, Anguilla, Belize and Saint Lucia.

² This may include, but is not limited to, women, youth, the elderly, PWDs, different ethnic and linguistic groups, the underemployed, individuals in the informal sector, entrepreneurs lacking access to financial and business development services due to low/no access to physical collateral.

³ PRN 3799

⁴ PRN 3842

⁵ PAPER BD 117/18

3.3.4 Environment and Climate Change, Natural Disasters, and Renewable Energy

CDB's Climate Resilience Strategy 2019-2024,⁴⁷ says that the Bank will ensure that climate change and disaster risk considerations are mainstreamed into corporate strategies and policies, sector and thematic operational plans, country programming, implementation, monitoring and evaluation. However, unlike gender that is also "mainstreamed" with a gender marker score assigned to every project, CDB has no system of rating the integration of environmental concerns into project designs.

During 2010-2018, sixty-nine Core TA projects were approved in the broad area of environmental issues. The matters that received most attention were disaster preparedness and prevention, renewable energy, and governments' risk management capabilities. These were the highest priorities for BMCs. However, CDB could provide leadership on other environmental issues as well.⁴⁸

3.3.4.1 Disaster Prevention and Preparedness, and Recovery and Resilience

During 2010-2018, there were nineteen projects related to natural disasters and the environment for a total of \$2,843,272. Five of these were concerned with water management as an important factor in prevention and preparedness. One project helped build capacity for post-disaster needs assessment by the Planning Institute of Jamaica (2016, \$50,624). Dominica received \$239,500 in support, focused on the institutional strengthening of two ministries after tropical storm Erika (Public Works and Ports, 2015; and Finance in 2016). Records indicate that no disbursements were made to the 2016 Ministry of Finance project. Five projects in St. Lucia aimed to improve resilience. One examined ways to improve public sector evidence-based decision-making in support of resilience in response to environmental-based risks (2013); the St. Lucia Development Bank received support to strengthen due diligence for the environmental and social appraisal of credit lines (2012); and for strategic programming on climate resilience (2010), although records indicate that no disbursements were made with respect to this last project. Two additional projects concerned water management issues: a 2012 Vieux Fort Water Supply redevelopment study; and a 2014 John Compton Dam rehabilitation study.

In Belize there were three projects concerned with water issues. One was a water utility climate risk and vulnerability assessment (2015); the second was the development of an irrigation and drainage master plan for agriculture sector (2013), for which no disbursements were made; and the third was a study of water management in the Placencia area (2016). In Guyana, there were two related projects in 2017 - the development of an evidence-based gender equitable framework for climate-smart agriculture.

In Grenada there were two projects that received funding in 2010, one for the design of a strategic program for climate resilience and for the development of a supply master plan (Carriacou and Petite Martinique). In Dominica CDB supported the development of a national land use policy and physical development plan in 2012; In St. Vincent and the Grenadines there was a project to support strategic programming for climate

⁴⁷ CDV, Board paper BD 23/2 Add.2

⁴⁸ The importance of other issues varies by country but in different BMCs includes traffic congestion, inadequate regulation of the import of larger passenger vehicles and vans, over-use of pesticides, soil depletion by mono-crop cultivation, oil spills from marine traffic and on land in countries that have oil and gas resources, limited public transport, little use of bicycles partly because there are few bicycle paths, dumping of solid waste, localised air pollution from industrial operations, such as cement production facilities, and from cruise ships, urban sprawl, deforestation, losses of ecological diversity both on land and in the sea, loss of mangroves and wetlands, overfishing, water pollution from farm run-off, urban waste water and discharge from cruise ships, erosion and landslides precipitated by inadequate rural road construction, open drains in urban areas, declining aquifers, watershed erosion and inadequate sewage treatment prior to discharge to sea.

resilience (2010); and in the Turks and Caicos Islands there was support for a storm water flood risk management study (2012). The Hermitage Dam Rehabilitation Study (Jamaica) also received support in 2015.

3.3.4.2 Energy and the Environment

During 2010-18, there were thirty TA grants relating to energy and the environment, for a total of \$5,492,664. There were 10 workshops funded to a total of \$1,953,429. The largest contribution was \$1,462,965 in 2018 in support of a workshop on air-borne energy mapping, ranging surveys and training, although records indicate that no disbursements have been made. Peak workshop activity was 2015 and 2017 to 2018 (7 workshops = \$1,831,527 or 94% of funding) and was spread equally across categories.

There were 13 conferences (total \$861,807) on related topics. Two concerned sustainable energy. Two focused on managing environmental/climate risks; and nine involved discussions about international agreements, the Green Plan, and Caribbean transnational conventions and related intergovernmental activities. Peak conference activity was between 2016 and 2018 (nine events, \$552,584). There were four grants for policy development and reports for a total of \$1,873,548. Two had to do with sustainable energy, one was a publication on sustainable energy for a competitive OECS (2010), and the other supported an energy sector policy and strategy for CDB (2013). Another dealt with the physical, social, and economic implications of the 1.5 degrees average temperature increase target and the implications for small island states (2016); and the fourth was a thematic study of the Green economy (2013). The sustainable energy-related conferences received the most funding (\$1,736,230).

The Government of Suriname received support for its 2018 report on Stakeholder Engagement in the Energy Sector, and Jamaica for an energy interventions impact assessment survey, 1999-2008, together totalling \$169,079.

Adaptation to climate change was addressed in three projects for a total of \$803,880 - all of which occurred early in the period examined by this evaluation. One facilitated climate change adaptation in BMCs (2011); another focused on meteorological and hydrological data digitization (2011); and the third established internal audit capacity within the Caribbean Community Climate Change Centre (2012).

3.3.4.3 Natural Disasters Preparedness and Prevention

There were ten grants relating to natural disasters and the environment (\$1,159,679). These projects focus on elements of disaster prevention and preparedness, and on emergency response to environmental disasters. Three workshops on disaster prevention and preparedness were approved for a total of \$444,771. One involved training in business continuity planning for MSMEs (2010). One focused on increasing recovery management capacity (2010); and the third was designed to build individual and social resilience in the face of natural hazard events (2018, \$200,000). There were grants to conferences on Comprehensive Disaster Management (2011, 2018) and a symposium addressing agricultural risk management (2010, \$184,550). There were studies (total of \$132,195) of mainstreaming disaster risk management and accessing regional disaster risk management grant assistance, both in 2012. Records indicate that no disbursement were made for either project. Another involved the development of disaster risk management plans for the agriculture sector (2011 45,000). Three grants to a total of \$398,163, focused on emergency response. One was concerned with strengthening procurement and contract management systems (Management Disaster Agency, 2016); another provided support for operations and damage assessment post Hurricane Maria (2017); and the third provided logistical support and preliminary damage assessments – Hurricane IRMA (2017).

CLIMATE SMART AGRICULTURE, GUYANA

In July 2017, CDB approved a grant of USD 393,000 to the Government of Guyana (GoGY) to support a project called “Development of an Evidence Based, Gender Equitable Framework for Client Smart Agriculture Interventions.” The Ministry of Agriculture of Guyana was the implementing agency, in partnership with the International Centre for Tropical Agriculture (CIAT) based in Colombia, and the University of Guyana.

Agriculture is an important sector in Guyana (19% of GDP) and is especially important to less well-off rural people, who are often indigenous. The project aimed to promote climate resilience and adaptation in agriculture, in a country that is highly susceptible to natural hazard events, particularly flooding, drought, and seawater incursion into arable land. Gender roles were an important theme in the project.

In two sub-regions, one inland and one coastal, CIAT deployed its Climate Smart Agriculture – Rapid Assessment (CSA-RA) methodology. There were both top down and bottom up elements to the approach. Overall climate trend data for the regions was considered, but there was also on-the-ground engagement with farmers and their associations in representative communities. Conducted in separate groups of men and women, workshops assessed existing cropping, farm management, and marketing practices, and identified aspects that needed improvement. The project team also assessed the extent of local knowledge of climate trends and challenges going forward.

The target results indicators were:

- *a comprehensive crop vulnerability assessment report of agriculture in Guyana and spatial data sets on projected CC and current and future crop impacts (by June 2018)*
- *GoGY formally adopting a report to “prioritise key actions that could be implemented to mitigate the impact of CC/CV on agriculture in Guyana” (by August 2018).*

Both national capacity development, and regional knowledge sharing, were features of the project. Guyanese agricultural staff spent three months at CIAT, being mentored in the CSA-RA approach and participating in analysis and report writing. CDB also allocated USD 50,000 for a regional workshop to share results with other BMCs for which agriculture is important.

By mid-2020, the project was two years behind schedule but, according to CIAT, several intermediate results had been achieved, including that it had:

- *Identified and prioritized agronomically viable crops in two regions, along with discounted cost/benefit expectations for them under climate change adaptation scenarios*
- *Proposed improved farm management practices and small-scale infrastructure investments whose appropriateness had been verified through community engagement*
- *Surfaced the constraints faced by women farmers, and interventions that could address them.*

The outcome - a GoGY approved national plan for climate smart agriculture - is not yet in place, suggesting that a longer term, more programmatic rather than one-off approach will be needed. Capacity constraints of the grantee caused significant implementation delays. This was difficult to predict but might have been better anticipated in the design of this project. Both were lessons observed more widely in the sample portfolio.

3.3.5. Regional Cooperation and Integration

In 2008, the CDB Board approved an Operational Strategy for Regional Cooperation and Integration (RCI).⁴⁹ The declared priorities were:

1. Regional Public Policy Goods (support to the CARICOM Development Fund (TA); economic policy harmonisation, and development of a legal framework for doing business in a single economy; strengthening regional trade and economic policy negotiating capacity (support for economic analysis and civil society participation); and climate change (research support).
2. Transnational Public Goods (TPGs). Infrastructure needs assessment and preparation (water, maritime transport); agriculture and food security (selective needs assessment and operational arrangements); energy (efficiency, conservation, and renewable sources); and health needs assessment and operational arrangements (for selective regional specialised common services).
3. Organisation of Eastern Caribbean States (OECS). Public Goods Linked to RPGs/TPGs. Support for the OECS Development Strategy (selective components); modernisation of the public sector and debt management; education/skills linked to the labor market; and energy (efficient urban transport and renewable energy projects).

CDB's regional TA appears to have been largely unaffected by the declared priorities – regional public goods and transnational public goods do not figure prominently in the TA portfolio. The recent independent evaluation of the Bank's work in the OECS⁵⁰ noted that, although the Bank has declared RCI a high priority since 1970, the strategy is “not well known or used”. Further, the terms “regional cooperation” and “regional integration” are not defined by CDB nor distinguished from each other. The OECS evaluation stated that “This contributes to some ambiguity in CDB's approach and limits its potential effectiveness.”⁵¹

This lack of specificity is apparent in the “regional” projects in the Core TA portfolio. Almost three quarters of Core TA projects (73%) during 2010-2018 were “regional” in the sense of involving participants from more than one country. However, fewer involved inter-country cooperation or integration in a strong sense. One model that did so included a study of best practices regionally, a publication or workshop to disseminate those best practices, and encouragement to adopt common standards across the region.

Regional projects during 2010-2018 covered several sectors, including agriculture, transport, banking and financial services, construction, tourism, and other business services. They included projects targeting certain industries, projects contributing to societal welfare, and projects focused on efficiency.

In the sample reviewed by this evaluation there were twelve regional projects in agriculture for a total of approximately \$3 million. Four workshops received support between 2010 and 2012, for a total of \$209,000. Two workshops, both in 2010, provided training in protected agriculture practices in China. One was designed to attract Caribbean youth into farming careers (2010); and one focused on the small ruminant industry in the Caribbean (2011). CDB supported three agricultural conferences between 2010 and 2015, for a total of \$94,013. Two focused on specific crops (the Cassava value chain, 2014; and breadfruit, 2015). One was a consultation on high food prices in the region (2012). CDB funded five research and/or publication projects, for a total of approximately \$2.7 million. These included one on Cassava (2014), and

⁴⁹ CDB Board Paper 100/08 October 2008.

⁵⁰ CDB, OIE, August 2019. Cluster Country Strategy and Programme Evaluation of OECS and ODT Borrowers (2010-18).

⁵¹ Ibid. Executive Summary.

one on the possibilities for substituting plantation white for white sugar in food products (2018). One project involved research into protected agriculture (2011, a follow-up to the related project in 2010); another received funds to develop a disease management program for Black Sigatoka disease (2013). Another project included a review of the agriculture sector in the region and the development of CDB's agriculture sector policy and strategy (2017). One project addressed disaster risk management regionally, for the agriculture sector (2011, \$45,000).

3.4. Planning and Reporting

3.4.1. Planning Cycle, Strategic Plan and Annual Operating Plan

Since the SDF (U) provides the largest part of the funding of Core TA, it would be natural for TCD, or its successor Focal Point, to follow the SDF planning and funding cycle. However, unlike for the CTCS, there is no strategic plan for core TA. Nor does TCD produce an annual operational plan in the ordinary sense, with detailed tasking and budgeting by line of business.

3.4.2. Portfolio Status Reports

In September 2018, TCD completed a TA Status Report effective December 2016. It said that as of December 31, 2016, there were 230 projects in CDB's active TA portfolio, with commitments amounting to \$92.4 million,^{52/} of which \$48.8 million (53%) had been disbursed. This TA portfolio comprised 16 loans, with an approved value of \$22.4 million; 214 stand-alone grants, with an approved value of \$69.9 million; and four grants to support loan-funded initiatives, with an approved value of \$1.0 million. TA Loans had been provided to seven countries, and grants were under implementation in 15 countries, and regionally.

TCD's report provided several recommendations for TA going forward:

- Clean-up of Inactive TA projects
- Continue to roll out TAPOS to improve TA planning and management, especially the training of CDB staff (Pillar 4 of TAPOS, as per BD 55/12).
- Several important actions to be completed, including better data management, more thorough documentation of budget advances and improved close-out procedures for projects, especially in regard to recording whether objectives were achieved.
- Monitor the TA disbursement ratio.
- CDB needs to "elevate" discussions of TA strategy.
- Project Supervisors and Line Managers should be held to account for TA projects which are not properly closed out within four months of the completion of all project activities. Follow-up of undocumented advances and cancellation of undisbursed balances should be incorporated into performance work plans.

The report said that half of the 230 projects in the TA portfolio at that time (115 projects) were unlikely to be completed and would be deleted from the portfolio database in 2017. Of the 115 projects, 92 had undisbursed balances to be cancelled. Twenty-six of these projects involved cash advances for which no documentation existed.

⁵² Data extracted from the Project Portfolio Management System (PPMS).

Why so many TA projects did not proceed or were closed incomplete is unknown. The last independent evaluation of CDB's TA (2007) recommended that a special study be undertaken because the problem was apparent even at that time.

When projects do not proceed after approval, or after an initial cash advance, the time and resources of everyone involved have not been well used. When a project stays on the books long after it becomes apparent that it will not be completed, the portfolio looks larger but committed resources are tied up without producing results.

3.4.4. Project Completion Reports

Contrary to TAPOS commitments, Bank staff do not write project completion reports. The only documents on file are final reports by grantees and contractors.

3.4.5. Report to the Board

The annual report to the Board on TA was discontinued after 2012, although recent consideration has been given to reinstating it. At present, the only information reported to the Board about TA is in the Annual Report on Portfolio Performance and the Development Effectiveness Review, which cover only TA projects larger than \$1 million in a summary way.

CHAPTER 4: PERFORMANCE

This chapter considers the performance of CDB’s Technical Assistance, 2010-2018, against the criteria set out in the evaluation terms of reference – relevance, efficiency, effectiveness and sustainability.

4.1 Relevance

Clarity about the different types of TA is a prerequisite to programme relevance. There are several types of TA, as enumerated in Section 3.1.6. These are:

1. Organizational capacity building through staff training, attachments and scholarships (TA-CD)
2. Organizational capacity building through consultancies that directly improve the management and service delivery policies, systems and practices of a ministry or public agency. (TA-DIRECT)
3. Capacity supplementation by providing experts on contract or on secondment to work in the organization being supported (TA-SUPPLEMENT)
4. Financial support for research and/or publication of research and policy advice (TA-PA)
5. Professional services supporting the identification, design, assessment, preparation, or implementation of investment loans (TA-INVEST)
6. Sponsorship of events, such as meetings and conferences. (TA-EVENT)

The evaluators found all of these to be relevant, with the partial exceptions of TA-SUPPLEMENT, which can encourage dependency, and TA-EVENT, which tends to be ad hoc rather than strategic (echoing a similar conclusion of the 2007 evaluation).

The distinction between capacity building in the private sector and capacity building in the public sector should not be over-emphasized. The nature of the TA task is broadly similar. Delivering a workshop to businesspersons is in many respects the same as delivering a workshop to public servants. The development of knowledge products is similar; and training attachments can be as valuable in the public sector as in the private sector, although this instrument is not presently used in Core TA. Some training workshops are of interest to both public servants and businesspeople.

4.1.1 Client Perceptions of Relevance

Virtually all respondents to the evaluation survey (96%) reported that their project supported by CDB was highly relevant and important to them. (This result was similar for the CTCS.)

4.1.1.1 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.

Nevertheless, opinions on the project’s additionality were mixed. Almost half of the Core TA group indicated that they could have proceeded with the project without support from CDB. Only a quarter of the private sector group (CTCS survey) said the same.

4.1.1.2 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 (not proceed without the grant)	13	57%	14	78%	27	66%
Reasonably influential (substantial difference to participation and/or quality of the project).	9	39%	3	17%	12	29%
Useful but not important (could have proceeded at about the same standard, with our own funds or 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.

Some illustrative comments by stakeholders on the relevance of the Core TA projects were as follows (some comments seem to be more on efficiency than on relevance):

- Support was (just) adequate (respondents 10102, 10122, 10109).
- Very slow approval of change requests caused delay. CDB support was otherwise good (respondent 10110).
- Incentive(s) ... could enhance motivation ... and improve participation (respondent 70303).
- Remuneration to the engineering consultant could have been funded as TA support (it is being paid by the Government + implementing organization) with difficulty (respondent 40206).
- The support from CDB met the commitments made in the project appraisal report. The support throughout this project was excellent (respondent 40208).
- CDB should provide more targeted (customised) TA and less “bolt-on” TA. This would meet Bank goals better (respondent 40211).

4.1.2 TA Treatment in Country Engagement Strategies (CESs)

The evaluation team examined how TA was treated in the country engagement⁵³ strategy papers for the sample of countries visited – Barbados, Dominica, Jamaica, St. Lucia, and Guyana. The question was whether the CESs (previously Country Strategy Papers [CSPs]) articulated a strategic approach to TA for each BMC. In this context, “strategic” means, first, based on analysis of needs and alternatives; second, identifying and explaining TA priorities for the period; and third, considering such strategic factors as continuity of effort, sequencing of interventions and leverage for major impact.

TA was not treated in depth in the CESs. There was never a chapter on the topic and when TA was mentioned it did not tend to be developed in detail. Detailed strategies for institutional capacity building in the public sector and for support to projects funded by CDB loans were not presented. The resource envelope sometimes did not distinguish clearly between loan and grant resources. The TA activities of other donors were sometimes described but not specific collaborative efforts. The results frameworks did not tend to contain measurable capacity development targets resulting from TA.

As other evaluation studies have noted,⁵⁴ the CESs have often become out of date and remained so without revision over considerable periods of time. Some process changes have been proposed that should help⁵⁵. The problem of country engagement strategy papers not being a living document kept up to date to guide programming, was particularly apparent in those cases where the CES contained a list of proposed TA projects, which had not been revised for some years. Some clients whom the evaluators interviewed, although in positions to be the main contacts between the BMC government and the CDB, were not familiar with some TA projects that remained listed in the CES but were unlikely to proceed, while other projects with more currency were not listed.

One of the factors that appears to limit CDB’s capacity to keep CESs up to date, and to integrate TA, is that accountability within CDB for implementation of the country strategy is more diffuse than it is in other multilateral development banks that have country programme managers who are responsible and accountable for orchestrating all TA and loans in their country of responsibility. CDB’s Economics Department is responsible for drafting the country strategy while responsibility for implementation resides mainly in Projects Department.

Despite the deficiencies observed for the evaluation period, the need and potential for the country engagement strategies to be the vital guide to TA is obvious. For this potential to be realized, CDB should consider:

1. Allocating greater space in the CES to consideration of TA of all types (See Types of TA, above.) There should be more analysis of TA strategy relative to specific country needs and conditions rather than general statements.

⁵³ Previously called the country strategy papers (CSPs)

⁵⁴ 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. (It is worth noting that many BMC interlocutors expressed an appetite for more frequent engagement of this nature with the Bank.)” Recommendation 1. Page vi.

⁵⁵ CDB’s incipient practice is for the Advisory Management Committee (AMC) to review the CSPs 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 technical assistance.

2. Revising the analysis of TA priorities and plans for the BMC annually. 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, (natural disaster, health crisis or fiscal crisis), priorities might change a lot from year to year. Also, TA priorities, not so much for institutional development as for loans support, naturally change as the portfolio of loans changes.
3. Preparing an up-to-date list of TAs in the pipeline, a list of the TAs under implementation, and a list of TAs recently completed, at each annual revision, all to be appended to the revised country engagement strategy.

It is essential that every CES contain a chapter describing the capacity development strategy fitted to the country's needs, and an appendix listing TAs under implementation and, separately, TAs in the pipeline. The logical author of such a chapter, as input to each country engagement strategy paper, is TCD. The best schedule would be to revise this chapter and the TA appendices annually, whether or not the rest of the country strategy is revised.

4.1.3 A More Strategic Approach

There are a number of ways in which CDB could become more strategic in the management of the TA that it provides:

1. Write a strategic plan for TA, 2020-24, a period coinciding with the planning period for the SDF(U) and renew that plan every four years.
2. Link TA more strongly to country engagement strategies.
3. Be more comparative and competitive in selecting projects to fund.
4. Be more proactive and less opportunistic and responsive (ad hoc) in its grant approvals. Develop coherent lines of business and pursue them consistently over time.
5. For TA in direct support of loans, attempt to target strategic issues, not solely efficiency issues. For example, TA in support of a loan might develop a capacity within a government that has sustained value after the capital investment is complete.
6. Ensure that each TA project over \$50,000 appropriately addresses CDB's (2020-2024) cross-cutting themes: gender equality, digital transformation, regional cooperation and integration, and governance.

The way to be more proactive is to organize activities by line of business. For instance, instead of funding one initiative to improve construction standards in the Caribbean to make buildings more resilient to hurricanes, earthquakes, floods and landslides, CDB could pursue a TA "line of business" in resilient construction pursued over a longer period of time with various initiatives throughout its BMCs.

Having lines of business does not preclude some flexibility in funding projects. It is a matter of how much attention is paid to addressing high priority topics systematically over time and how much reliance is placed on funding useful projects as they arise ad hoc. Lines of business could be established as part of a strategic planning exercise.

In discussion with the evaluators, the Head TCD said: "Based on the literature on TA and CD, TA should be less short-term, and more comprehensive in its intentions looking at the larger system in which the TA will be delivered; more locally driven; underpinned by problem-driven iterative adaptation, etc. A World

Bank evaluation stated that “most capacity building support by the World Bank⁵⁶ lacked an integrated approach and remained too fragmented. Activities were scattered over many projects, often not linked to clear objectives. Tools and instruments could be more effectively and fully used as capacity building was often too limited to training. We at CDB can identify with some of the above, and some of these need to be flagged as part of us being more strategic.”

4.1.4 Other Relevance Issues

4.1.4.1 Market Test

Relevance can also be assessed by a “market test”. At present, grantees are expected to contribute 15% of the costs of the project; but this is generally in kind rather than cash and the incremental costs of the contribution are often low. Requiring a cash contribution would be a more effective test. Similarly, there is often no significant cost to participants. Participation in training is generally free. Some stakeholders mentioned to the evaluators that there is a risk of “workshop tourism”. Workshop participants’ travel and living expenses, including a non-accountable per diem, are paid from the CDB grant. Hotel accommodation and meeting facilities are generally used. To avoid misaligned incentives, it would be wiser to charge individual participants in workshops and training attachments some part of the cost of their participation, say 15% to 25% as a screening device. The cost per person day to attend a workshop in our sample varied from about \$250 to about \$800. If there is insufficient demand for the workshop when attendee fees are 15% to 25% of costs, then the workshop is probably not worthwhile.

4.1.4.2 Capacity Supplementation

The previous evaluation of CDB’s TA programme (2007) recommended against the kind of capacity supplementation that involves paying for temporary professional staff to work in BMC governments, rather than developing the long-term capabilities of those governments. The risk is that the government will become dependent on such help. There is merit to this argument. There is, also, however, some truth to the argument that some BMCs are so small that they will never be able to maintain all the professional staff in house that they occasionally need. An example is specialists in conducting a census. However, in general CDB should take a long-term view and not provide free supplementation of government staff capabilities what can reasonably be developed in house or purchased from private firms.

4.1.5 Looking Forward: Relevance to CDB’s Strategic and Operational Plan 2020-24

To be relevant to the 2020-24 Strategic and Operational Plan, TA will have to respond to some shifts in priorities. CDB’s Strategic Plan, 2020-24⁵⁷ is organized thematically and by sector, with some cross-cutting themes. The Bank’s declared focus is to build resilience - socially, economically, and environmentally. The Strategic Plan states:

“In order to promote more durable institutions that deliver on development effectiveness and lock in hard-won gains, the Bank will continue to help countries close capacity deficits through structured technical assistance (TA) and training that support enhanced implementation of their public sector investment programmes (PSIPs). Closing the digital divide will involve a multi-pronged process, including support for appropriate regulatory reforms around data governance;

⁵⁶ “Reflecting on 25 years of CD and emerging trends”

⁵⁷ Draft Strategic Plan, 2020-2024, September 24, 2019, BD 84/19

provision of targeted interventions designed to broaden and deepen e-government, including strengthening IT platforms; and driving down IT related costs.”⁵⁸

These priorities are not entirely different from those pursued during the period of this evaluation, but some shifts in emphasis are apparent – the singling out of e-government, for example. As the CTCS has done, TCD should produce a strategic plan for TA that considers, among other important issues, different types and business lines. The possibility of a quantum improvement in its TA capabilities through the establishment of a Caribbean Institute for Capacity Development,⁵⁹ housed at CDB, with commensurate resources should also be considered. A feasibility study and preliminary design would be a necessary first step for CDB to consider this option.

4.2 Efficiency

4.2.1 Client Perceptions of Efficiency

Core TA stakeholders were much more likely to be positive about CDB’s efficiency than the CTCS group, acknowledging that these are different programmes and target groups. Nevertheless, only half strongly agreed that the TA project was managed promptly and efficiently.

Table 4.2.1.1: Did CDB manage its part of the project promptly and efficiently

THE PROJECT WAS 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.

When TA participants were asked to “explain what worked well and what not so well in regard to efficiency,” many said that CDB 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 that were similar to criticisms from the private sector in the parallel evaluation of the CTCS. Problem areas included the following:

⁵⁸ Ibid, para 6.

⁵⁹ Capacity Development (CD) is the process by which people and organisations create and strengthen their capacity over time [Europe Aid. European Commission]. It therefore reflects objectives tied to

- Training and development of individuals
- Improving the quality of policies and services
- Organisational strengthening
- Provision of public information and knowledge
- Influencing the attitudes and decisions of different segments of the society towards the development goals in question. [*Oxford Policy Management Briefing Notes 2010 – 04*]

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

Core TA stakeholders added the following: (selected comments)

- Feedback received from CDB was always insightful and instructive. However, there was at least one instance when the required template was received after it was needed and therefore resulted in re-work as the correct form was not received in time. The modus operandi of CDB is rather inflexible and quite strict. It was a little frustrating at times (respondent 10103).
- The CDB had a very professional working relationship with the (grantee) and with me as project coordinator. There were no major hiccups and we responded well as a team (respondent 10120).
- The required procedure for requests for payments etc. rendered the process a bit lengthy (respondent 10122).
- CDB does not, to my knowledge, have Standard Operation Practices which prescribe set periods within which reimbursements must be made. There were instances when documentation was forwarded (to CDB) more than once (respondent 10109).
- Support from CDB was overwhelming. However, we have been experiencing extreme difficulty in achieving buy-in from specific stakeholders (respondent 70303).
- Follow-up post-forum did NOT work well (respondent 70317)
- Project launch should be recognized as a great opportunity to share the necessary templates for procurement and financial management, and to bring project team members on board and for sharing important information and asking questions (respondents 19513, 19512).
- Interaction with CDB worked very well, as did the Project Management Unit which was implemented under the supervision of the Chief Engineer and management team. Regular meetings and sharing of information were part of our daily operations. We also provided the required support throughout the project where the sense of ownership and commitment to its success is very high. We attended and participated in meetings with CDB mission in (Country 5) or virtual meetings.
- Project was managed efficiently. The project was affected by two major natural occurrences (Tropical Storm Erika and Hurricane Maria) and that caused delay in the project deliverables and variations in which affected the project cost (respondent 40208).

Core TA projects were, on the whole, well managed but tended to have some efficiency problems, for which each party tends to blame the other.

When the project is managed largely or entirely by CDB, it may absorb a lot of the officers' time that might be better spent in programme management rather than project implementation. To the extent possible, implementing agencies should be enabled to manage projects flexibly, with responsibility for agreed outputs and payment made when those outputs are produced, rather than being subject to detailed review of intermediate tasks and itemized expenditures.

In reviewing the organization of TA in the larger multilateral development banks, we found that they organize TA in similar ways to CDB. They generally have an organizational matrix of TA responsibilities and authorities. The two dimensions of the matrix are: (1) a central unit whose primary responsibility and skill set is capacity development; and (2) decentralized responsibilities for loan project management and subject matter expertise. The efficient organization of TA within CDB also depends on the balance between

the central unit (TCD) and the distributed responsibilities in other divisions and departments of the Bank. The evaluators conclude that efficiency is less a matter of the structural organization of the Bank and more a matter of having efficient systems and practices that apply whatever the overall organization may be. The main ones are as follows:

1. Speed in identifying TA projects, approving them and implementing them.
2. Management of data.
3. Competitive procurement of resources to implement TA projects.
4. Cost efficiency
5. Contingent loans/grants for TA
6. Use of technology

4.2.1.2 Pace of Implementation

Delay during implementation was the problem that was mentioned most in interviews with recipients in BMCs. About 43% of TA projects for which we have duration data (approval to final disbursement) were longer than a year in implementation and about 27% were longer than two years. These data include on-going projects and therefore understate expected durations (some projects were not yet finished). However, this matter is complex because a considerable number of projects that were unlikely to be completed were kept on the books as being in implementation far longer than they should have been.

Both CDB and grant recipients contributed to delays. Better incentives for prompt execution should be included in project agreements. On CDB's side, delays appear to have resulted from resource constraints and from micro-management of too many aspects of TA projects. More than one mid-term review of the Special Development Fund has commented on this tendency.

Three changes might help solve the long-standing problem of delays. First, pay for significant outputs rather than making detailed reimbursements for expenditures at the activity level; second, institute a true "no objection" system whereby if no objection is received from CDB within a specified time, the recipient may assume that the item submitted is approved; and third, have grants close automatically one year after approval if final disbursement has not been made and CDB has not agreed in writing to an extension of time.

Response time standards were envisaged but not implemented in PRISM, so there is currently no functional system for monitoring them. It is now anticipated that these will be incorporated in OP365, when it becomes functional for TA. In principle, measuring and monitoring response times is a fundamental requirement of efficient management. Until CDB records response times for each stage and major task of a TA project, it will be impossible to monitor its efficiency performance.

4.2.1.3 Management of data

We found that data for core TAs were spread across several IT systems⁶⁰ and difficult to compile for analysis. Information needs to be managed better. At a minimum, it should be possible to interrogate a single database that is up to date and contains information on the fundamental characteristics of each project. These include the project's unique identifier, milestone dates, financial data, targeting data (country, sector and type of activity) and activity data (for example, whether a completion report has been filed (yes/no), the number of participants who actually attend a workshop, etc.).

⁶⁰ PPMS and FlexCube with COGNOS as a report writing tool.

The TA database should be subjected periodically to automated consistency and logic scans to identify errors that can then be corrected. The evaluators found frequent errors in the data.

CDB intends to design and implement a new management information system, called OP365. However, it appears that information on TA will not be captured in that system until late 2021.

Keeping better records of TA should not be a difficult IT task if some rules are followed.⁶¹ The number of records is small, and the data variables are simple. The total grants database initially provided by TCD, covering both TA and the CTCS and capital grants, contained about 950 project records over nine years. The number of active records at any time, for projects under implementation, is only a fraction of that. Keeping good data records is a matter of adopting a simple numeric system of codes and constant attention to keeping records accurate and up to date. In the long run, better TA information records need to be captured in a CDB-wide system that includes both TA and loans. Since that appears to be a considerable time away, and since previous attempts to do that were not entirely successful, TCD should consider keeping a stand-alone database of records for the next few years. It should be easy to compile data in a form that is accurate, accessible, and easily uploaded to the CDB-wide system when the latter is ready.

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

4.2.1.4 Reporting

In general, reporting on TA was not adequate during 2010-2018. Annual reports (covering all TA by the Bank) to CDB's Board lapsed in 2012. This is an opportunity missed for strategic thinking and advice by the Board. The commitments in the TAPOS implementation plan to institute quarterly reporting to executive management and annual reports to the Board were not met. Clearly, TCD should submit a regular (perhaps biennial) report on TA to the Board that, among other things, summarizes the up-dated TA chapters and appendices in country engagement strategies.

However, to be effective, reporting the overall TA portfolio would have to be anchored in improved reporting of individual projects. At present, unlike capital projects, TA project reporting is left substantially to the grant recipient and/or the consultant who delivers the TA. This is not the way to obtain objective assessments of performance, to learn lessons and to chart follow-on activities by the Bank. These things can only be achieved if all TA projects have a completion report authored by the CDB project manager or the TCD officer as appropriate.

Not all completion reports need to be equally complex; but all need to cover the basic facts about expenditures, activities, outputs, outcomes,⁶² lessons learned and intended follow on. If human resources

⁶¹ Some rules need to be followed. For example, there should be only one data record for each project (not multiple records depending on various sources of shared funding). As well, uploading and downloading from the main database to Excel spreadsheets should be straightforward, without creating anomalies in the spreadsheets that make analysis difficult. Entries to the database should be checked frequently (say, monthly) by a second person to ensure there are no duplicate records and that the records are accurate and logically consistent.

⁶² Although outputs may be achieved, substantive outcomes, such as establishing new businesses or growing the enterprise, or achieving a more realistic water tariff (etc.) are sometimes not achieved. This may be because goals are unrealistic or because of weaknesses in the performance contract or a failure to enforce the contract. The degree to which outcomes are achieved is not always stated in completion reports, which tend to focus on

are not adequate to allow the writing of completion reports on a routine and timely basis, then this task should be contracted out via a Standing Offer or Retainer Contract that is funded from the TA budget.⁶³

4.2.1.5 Cost-efficiency

Cost-efficiency should be one of the criteria for approving or denying grant applications; and should be negotiated at the start of each project, monitored, and reported in completion reports. Regarding both workshops and attachments, the latter being only CTCS, cost-per-person-training-day should be calculated and compared with benchmarks. This would require more rigor in recording the number of actual training person-days. In only one instance did we find rigorous and verifiable recording of how many people attended a workshop during each day of that workshop.

4.2.1.6 Use of technology

This evaluation found limited use of new technologies for TA. There were no examples of the development of on-line training courses for capacity development among Core TA projects. Some appraisal documents envisaged that a workshop would lead to materials later being posted on-line; and in one instance that the evaluators observed, workshop participants were required to complete an on-line module before attending the workshop. In general, however, there was little use of modern training technologies during 2010-2018. This is not to imply that in-person work should be entirely discontinued, only that workshop-development consultants should not be hired unless they are expert in on-line training and that all workshops should combine mandatory on-line work by participants before the workshop meeting with commensurately fewer in-person workshop days (typically perhaps two working days on site rather than five or more).

4.2.2 Operations Process Review

CDB commissioned an “Operations Process Review” (OPR) led by an external consultant.⁶⁴ In January 2019, two reports were circulated: one on the present state of management of TA projects; and one on the proposed future state. The latter included a “TA engagement model”. There were three “scenarios”: TCD Initiated Technical Assistance; Other Unit/Division initiating TA not related to a capital investment loan; and Other Unit/division initiating TA related to a capital investment loan.

These three scenarios were each “mapped” and the critical path of project implementation described over the project lifecycle. The critical path was the shortest path from start to end that contained all necessary steps in the order in which they are required to be completed.

The challenges that CDB faces were stated to be:

- Low capacity in country to manage projects (both the government and CDB)
- Non-compliance or difficulty complying with procurement policy

activities. TCD states that a simplified completion checklist for small TAs was drafted and will be incorporated in the electronic management of TA from 2021 onwards.

⁶³ Completion reports written by CDB staff are essential and do not need to be onerous. A few pages on what was intended, what was achieved (objectives achieved and not achieved) and what follow-on is intended is all that is needed. An officer who is on top of her project should be able to write or dictate this in less than half an hour. This is not a significant time demand because the number of projects coming to completion each year is manageable. The exemption of TA/CTCS projects below \$1 million from completion reporting is not wise.

⁶⁴ RPM Academy, Canada. Operations Process Review – Future State Design & Implementation Caribbean Development Bank, Barbados. February 8, 2019.

- Inability to satisfy other conditions precedent, including legal conditions, in a timely fashion.⁶⁵

Additionally, an Engagement Model workshop for TCD was conducted in early 2019, however the proposed new approach was put on hold pending consideration of the Division's place within the organisation structure.

As part of the Operations Process Review, a TA working group developed a work breakdown structure to map the TA critical path, some "templates" including a form to record project "leads", and work instructions and process maps for each step in the critical path. Some process changes were also proposed, including delegation of approval limits below the President's level. No doubt, detailed process mapping and design of administrative forms can be useful in making procedures visible and identifying possible causes of delay, although at present, with CDB transformation imminent, administrative systems and practices are moving targets. A higher priority should be immediate reform of the obvious weak points of the system, including improvement in TA visibility and transparency, better data management, reformed completion reporting and project close out procedures.

4.2.3 Training CDB Staff to Manage TA Projects

During 2018-2020, TCD has held training sessions (boot camps) for CDB staff on the management of TA. 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 portfolio management system (PPMS), and quality at entry checklist, TA templates, approval process flows, procedures for TA close-out and cancellation of undisbursed balances.

There are currently no on-line training modules on managing TA, but some are planned. A video on TA management was rolled out in 2019 and is available on the Bank's Learning Management System, following a series of training sessions in 2018.

Once Transformation initiatives and implementation of OP365 for TA are complete, Projects Department should produce a revised version of a TA Operations Manual to cover both 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.

4.2.4 Competitive Processes

There are three areas of procurement that have received comment in past studies of TA - procurement of goods ancillary to a TA project; procurement of workshop venues; and procurement of professional services. Procurement is governed by CDB's procurement guidelines, which are harmonized with other MDBs and require that contracts over a minimum value have advertised solicitation. Nevertheless, there are exceptions.⁶⁶ One or more of these exceptions have applied to many TA procurements. Better practice would be for all solicitations for grant applications or consulting services to implement TA projects (for both Core TA and the CTCS) to be advertised. In cases where this is not done, an internal review procedure should examine and document the justification.

⁶⁵ Ibid. p. 19

⁶⁶ In the case of procurement of professional services, exceptions include: i) there are three suitably qualified consultants (individuals or firms) listed in 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).

4.2.5 Procurement

4.2.5.1 Procurement of Minor Goods

Similar to accepted practice among multilateral development institutions, and following the Bank's OPPM, 30% of the TA budget can be expended on goods ancillary to the project – for example, audiovisual equipment to be used in a workshop. In several instances during this evaluation, stakeholders in BMCs stated that obtaining CDB's permission for minor purchases was time consuming and inefficient. 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. Stronger "no objection" procedures, whereby task change requests, and budget allocation change requests, are automatically approved unless specifically denied, would help.

4.2.5.2 Procurement of workshop venues

TA workshops are often held in hotels. Best practice would be for CDB to obtain a minimum of three quotes from alternative venues. Otherwise, grantees are encouraged to hold national workshops in their own venues wherever possible. That is not an option for most regional workshops except when workshops are held at CDB headquarters in Barbados. 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 workshop. Hotels will bid at various levels depending on their current utilization that varies randomly. Obtaining three bids by potential venues for each workshop is best practice.

4.2.5.3 Procurement of Professional Services

Many TA initiatives require procuring professional services to implement all or parts of the project. The previous evaluation of TA encouraged more use of public competition in procuring professional services. The advantages in doing so include transparency, potential improvements in the quality of consultants engaged, and lower costs, although some TA may be more efficiently procured from single sources.⁶⁷ Less cogent reasons for single source procurement of professional services are 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.

There are provisions for competitive procurement of professional services to implement TA but there are many limitations and exceptions. We found that many procurements were single source or had a preferred source. It does not make a procurement competitive to simply compare CVs in the consultants' registry. Advertised procurement should be the default. Sometimes single source procurement makes sense, when the consultancy required is highly specialized; but often opportunities for advertised competitive procurement are missed. Benefits of greater competition could include higher quality of projects, higher visibility of CDB's funding and less risk. Opportunities should be sought to inject more competition into the procurement system for professional services to implement TA projects.

⁶⁷ The types of TA that may lend themselves most to single-source procurement include: (1) 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. (2) Workshops or studies that require highly specialized expertise that is only available from a single source – for example, BMC governments might recognize training and certification only from a limited set of recognized providers of training, such as ServSafe.

CDB Procurement Unit advised the evaluators that advertised requests for proposals are required for procurement of the services of firms, unless limited criteria for other approaches apply. CDB maintains a registry (database) of consultants, which was being updated at the time of this evaluation. The existence of a registry of consultants adds an element of competition to the procurement of professional services but not a strong one.

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, it is reasonable to expect greater due diligence by CDB and this should mean more transparent and competitive procurement procedures.

4.2.6 Knowledge Management

An important part of TA is knowledge management. There are extensive resources available free or at low cost. For example, the capacity development institutes of 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.

CDB's grants for research and publication should be organized into a coherent programme of articles and papers on topics that the Bank thinks are important to its strategic objectives, made much more visible on the Bank's website and, in general, given a higher public profile. The Bank should be much more proactive about commissioning research and should not let major opportunities go by because of the non-performance of a particular consultant, which was the case with a grant to study the extent of physical and mental disabilities among the people of the Caribbean.

4.2.7 Some Cost Issues

In the case of national projects, CDB typically covers part of the project's costs and the grantees contribute counterpart resources amounting to 5% to 15%, which can be contributed in-kind. With the agreement of CDB the grantee may recoup part or all its full costs, or more, through fees to participants. In the case of regional projects, costs are incurred and managed by CDB.

4.2.7.1 Cost Performance Metrics

The most rigorous measure of cost efficiency is "cost per unit outcome". TA "outcomes" are the improvements in organizational capacities and in the capabilities of participants to complete technical tasks successfully. However, since no measurements of these outcomes exist, it is necessary to work with indicators of results that are more intermediate in the causal chain. These include cost per participant day at training events, cost per mission day of direct TA, and the number of TA reports or website pages generated per TA project.

Another cost performance metric is overhead or delivery cost as a proportion of total programme costs. Several peers of the CDB that provide TA, including the multilateral development banks and major Funds like IFAD, use this metric. It is potentially useful because benchmarks exist. However, measurement can be tricky. In general, it is clear what is spent directly on TA (the grant amounts) and what is overhead (everything else). Nevertheless, there can be grey areas. For example, staff time may be spent in arranging workshops and presenting at them. Other staff may provide advice to governments.

Taking a strict view of what is overhead and what is grant, the benchmark that is common for this measure of programme cost efficiency is 17%.⁶⁸ Despite some complexities, this is a useful benchmark.

The evaluators conclude that CDB should track two cost efficiency metrics: (1) cost per participant day for training workshops and attachments; and (2) delivery costs as a proportion of total programming costs.

4.2.8 Project Duration

The last evaluation of TA noted “extended delays in the implementation of many projects” and recommended that a special study be undertaken to ascertain the causes and propose a remedy.⁶⁹

The Operations Process Review (2019) stated that reliable data does not exist for project durations,⁷⁰ that efficiency needed improvement, and recommended the following:

- standardizing work processes facilitated by task templates
- shortening the “critical path” from project identification through approval to implementation and completion, in part by eliminating some levels of review, and
- avoiding batch processing

The evaluators note that these recommendations may not address the key issues. Delays in TA project implementation appear to be caused by the grantee as much as by the Bank. Shortening the critical path will have an impact only if many projects are already proceeding through implementation in minimum time (on the critical path rather than some longer route).

CDB’s transformation paper⁷¹ has indicated that the most serious implementation inefficiency is between project approval and first disbursement following the signing of an agreement with the client – the average time being 11.5 months and CDB’s performance target being 6 months (for capital loans).⁷² The remedy proposed is to require that proposals be more complete before approval. It is to be seen whether this will result in greater efficiency or just lengthen another part of the process – making it longer to get approval and absorbing just as much CDB staff time prior to approval as was expended previously between approval and signing an agreement. After an agreement is in place, CDB has identified weaknesses in procurement expertise in BMCs as a key efficiency issue.

⁶⁸ 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 (2011-15) were budgeted at \$50.2 million or approximately \$10 million a year for each of the five years in Phase IV. About \$42 million (83%) was planned to cover direct delivery of TA. Overhead expenditures were budgeted at \$8.4 million 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 staff⁶⁸, 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”

⁶⁹ CDB Evaluation of Technical Assistance (2007). Recommendation 11.

⁷⁰ RPM Academy. (Jan. 2019) Operations Process Review. Current State Assessment. “Access to complete and accurate process data is a challenge shared by the majority of service sector organisations and CDB is no exception. For example, how long it takes to complete a task, how long something might wait between tasks, the type and frequency of errors requiring correction. As a result, quantifying the current state is left to estimations provided by subject matter experts involved in the mapping workshops.” P. 6

⁷¹ CDB, Transformation Programme, BD 67/20, JUNE 25, 2020

⁷² Ibid. Para 2.16

For core TA, the elapsed time between approval and a signed agreement varied considerably. For more than half the projects considered (124 of 236) there is no relevant data because they were recorded as “use of funds” and therefore the agreement date was assumed to be the same as the approval date. All regional projects fell into this category. Being recorded as “use of funds” does not mean necessarily that there was no implementing organization other than CDB. In most cases there was, but the date of their letter of agreement is not recorded.

About 35% of TA projects in the sample frame reached a signed agreement within 60 days of the project being approved. Sixty percent reached agreement within 90 days. Eighty percent reached agreement in less than 200 days. However, one in five projects (20%) took longer than 200 days to achieve a written agreement.

More important than the elapsed time from approval to a signed agreement, is the total time taken to deliver a TA project. This cannot be estimated in full because the earliest dated record is at project approval, so it is unknown how long it takes to bring an initial project proposal to a formal approval. The Operations Process Review recommended that CDB establish a formal system of registering project “leads”. If this becomes a feature of OP365 as proposed, then it will be possible to estimate the length of the whole project cycle.

About one in five Core TA projects takes less than 100 days from approval to final disbursement. Of those, almost a third disbursed fully on the same day the agreement was signed. At the other end of the duration spectrum, 22% took from 501 to 1000 days to reach final disbursement and about the same number took more than 1000 days. Many of these projects were eventually closed incomplete.

Table 4.2.8.1 Project Duration from Approval to Last Recorded Disbursement

Duration	CTCS		CORE TA	
	Number	Percent	Number	Percent
Less than 100 days	119	43%	53	22%
101-200	91	33%	32	13%
201-300	20	7%	32	13%
301-500	22	8%	20	8%
501-1000	18	7%	54	22%
More than 1000	4	1%	53	22%
All	274	100%	244	100%

Samples: 2010 to 2017.

Data: CDB TCD, 2020

Tabulation by author

4.2.8.2 Conclusions on project duration

As one can see from the table above, CTCS projects disburse much more quickly than TA projects, and many fewer go longer than 500 days. Since CDB procedures (post approval) are essentially the same in both cases, the difference must be attributable to the different client groups, although some types of projects, mainly major studies, appear to disburse relatively slowly; and projects in some countries also appear to disburse consistently more slowly than others.

What is a reasonable time target for complete disbursement? It has been suggested elsewhere in this report that a better system than first-come-first-served would be to have an advertised call for grant proposals in say, July, each year, adjudicated in October, for delivery the following year. This would allow time for successful applicants to advertise for the consultants needed to support implementation, to arrange such things as workshop venues and to advertise for applicants to participate. Thinking along these lines suggests that projects that fully disburse within a year should be regarded as on time.

Projects that go longer than a year without disbursement, other than any initial advance, are often eventually closed incomplete. There is a case for automatic termination of any project that is not fully disbursed within one year from the date of CDB approval.

4.2.9 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, the Bank should (and to some extent does) have standard procedures to close out TA projects on a timely basis.⁷³ An important part of close-out of completed projects that can be improved is the Project Completion Report (PCR). The OPPM states that completion reports are an important instrument in general and should be written within 6 months.⁷⁴ However, completion reports for TA are seldom written by Bank staff, only by the grantee and/or consultants.

This is a significant gap. The Operations Process Review of TA 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).

When a PCR is not written by CDB staff, evidence-based lessons are not recorded, and accountability is only partially achieved. At present, there is no rating of the project at completion against CDB's project performance criteria (relevance, efficiency, effectiveness, and sustainability). Ratings are only done at the appraisal stage. This is partly adequate for rating relevance, but not for rating efficiency, effectiveness, or sustainability. The fact that ratings are only made at the appraisal stage suggests that there is no serious effort made to learn from them based on actual experience. This is true of the gender marker as well.

The rationale for not having completion reports written by Bank staff may be that some projects are too small to warrant them.⁷⁵ On the contrary, any grant deserves to have a PCR written and left on file. The additional workload would be small because of the small number of projects coming to completion each

⁷³ 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."

⁷⁴ CDB's Operations Policies and Procedures Manual says: "A Project Completion Report (PCR) must be prepared by the Project Supervisor on all projects after implementation is completed. Volume 5 of the Operational Policies and Procedures Manual 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 the OIE so that it may plan its PCR audit programme." Source: OPPM 4/1/F3 BP (page 499).

⁷⁵ In general, CDB does not write completion reports for grants or loans under \$1 million.

year, the modest requirements in terms of length, and the likelihood that the Officer will be highly familiar with the project by that stage.

The long history of this issue indicates that PCRs will only be written if they are mandatory prior to final payment of the grant. It is essential that there be a clear and unavoidable milestone to provide an incentive for writing the PCR, otherwise busy staff will not give the task the priority that it deserves. PCRs should contain, among other things, final ratings of project performance against the performance criteria that were scored at appraisal, an appreciation of what the project achieved, and lessons learned. The length of the PCR text can be left to the discretion of the officer; however, a simple checklist would not be enough. 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.

Assuming PCRs are completed by CDB staff in future, at least one TA completion report should be selected at random by OIE for validation each year, from a list provided by TCD, and submitted to OAC.

4.3 Effectiveness

4.3.1 Clients' Views of Effectiveness

Technical assistance by multilateral development banks is part of a value package that includes lending, policy advice and TA. Technical assistance has at least three goals. It helps BMCs establish and maintain public services, and a good framework for public and private enterprises. It helps prepare the ground for public investments; and it supports individual capital investments. The ultimate objective is inclusive economic growth and poverty reduction. In principle, TA should be valuable to CDB's clients.

In the evaluation survey, TA clients were asked for their overall opinion of the project. All were "strongly positive" or "positive". This is a very favourable result. Nevertheless, only one third of Core TA grantees or participants were "strongly positive" compared with 80% of CTCS grantees/participants.

Table 4.3.1.1 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.

When asked to comment, the Core TA group said: (Selected comments.)

- Project was positive because it really helped us to develop important policies that will affect our strategy (respondent 10102).
- This was a very valuable project which will see (us) taking positive steps toward achieving strategic objectives (respondent 10103).
- The project provided a strong foundation to continue and build region-wide ... (respondent 70312).
- The project was timely and relevant ... (to further) the strategic goal of providing sustainable financing for excluded groups (respondent 19503).

- Project implementation was good overall, however, there were challenges coping with the impacts of Tropical Storm Erika and Hurricane Maria, resulting in delays (respondent 40206).
- We are working towards a successful completion of this project where the country will benefit tremendously ... (respondent 40208)

4.3.2 Were Objectives Achieved?

About one third of grantees/participants said that they achieved all of their objectives in the TA project, and that the results were excellent. The other two thirds said that they achieved a sufficient part of their objectives, and benefited sufficiently from the results of the TA, for their participation to have been worthwhile (see Appendix C, Table 4). This was not as favourable as the response to a similar question posed to CTCS participants. In the latter case closer to two thirds were fully satisfied with the results of the TA.

An explanation for these trends might be found in their further comments in the written questionnaire. Grantees and beneficiaries were asked whether changes in the project design could have led to better achievement of objectives. Several said that it was too early to judge results. Others commented that any change in the project design led to unnecessary delay that may have compromised achieving objectives. The implication was that oversight by CDB sometimes becomes unnecessary micromanagement, a topic that came up in interviews as well. The evaluators conclude that while objectives are largely achieved, there is room for improvement.

Table 4.3.2.1 Were you (your organization) able to achieve your objectives and produce the results you desired?

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.

4.3.2.2 Possible Improvements in Effectiveness

Effectiveness would be improved by greater programmatic coherence of the TA pipeline; and by stronger performance contracts⁷⁶ that help ensure the target outputs and outcomes are achieved.

⁷⁶ Payment to grantees has generally been for activities completed rather than for results (outputs) achieved. Performance contracts should be strengthened. As far as possible, payment should be for specified outputs, not for activities. In addition to being a better way of incentivizing the Grantees and consultants to maximize desirable

Effectiveness could also be improved by more clarity about the types of TA, a more analytical approach to assessing and monitoring TA, better positioning and branding of the TA portfolio, and more purposive identification of the best TA opportunities.

4.3.3 Support to CARTAC

Since 2002, CDB has contributed as a donor to the multi-donor trust Fund that finances the TA operations of the International Monetary Fund in the Caribbean - the Caribbean Regional Technical Assistance Centre (CARTAC). In 2002, CDB contributed \$300,000 from the SDF(U) to pay for an economist from CDB to work at CARTAC for a period of three years.⁷⁷ In 2005, CDB contributed a further \$375,000 for the same purpose.⁷⁸ In 2008, CDB contributed \$600,000 without conditions about its use.⁷⁹ In 2011, CDB contributed \$1,000,000.⁸⁰ (CARTAC Phase IV). In 2017, CDB contributed \$1,029,207⁸¹, followed by a grant of \$3,000,000, from the SDF Mexico account, for a total that year of \$4,029,207.⁸² CDB has been represented on the CARTAC advisory committee.

The Bank's grants to CARTAC were made to a multi-donor Trust Fund for the exclusive use of the International Monetary Fund of which CARTAC is a regional office.

The Bank shares many interests with CARTAC, and information generated by CARTAC has been valuable to the Bank, especially in the context of its policy-based loans, such as the PBLs to Barbados. One of the interviewees during this evaluation noted that CARTAC resident experts are able to travel constantly throughout the region and therefore are typically "on the ground in BMCs" much more than Bank staff and often have better information.

CDB's grant to CARTAC, while long standing at a modest level before being greatly increased in 2017, reflects a choice by the Bank to act as a donor, providing funds to another development institution to deliver

outputs, this has some potential, as well, for simplifying performance contracts and for simplifying the evidence contractors must submit with payment claims. Efficiency could be improved by simpler performance contracts that include payments at defined milestones, with evidence of outputs, rather than requiring detailed evidence of activities and expenditure receipts as the basis for costs reimbursement. The specification of outputs in performance contracts could improve incentives as well

⁷⁷ At its Two Hundredth (200th) Meeting held in Barbados on March 5, 2002, the Board of Directors (BOD) considered Paper BD 85/01 Add.1, entitled "Technical Assistance – Establishment of Caribbean Regional Technical Assistance Centre – Regional". The Board approved the use of funds from CDB's Unified Special Development Fund V (SDF[U]) not exceeding the equivalent of three hundred thousand United States dollars (USD300,000) to finance the assignment of an Economist from CDB's staff to CARTAC for a period of three years.

⁷⁸ At its 219th Meeting held in Barbados on December 8 and 9, 2005, BOD considered Paper BD 85/01 Add.2, entitled "Technical Assistance – Establishment of Caribbean Regional Technical Assistance Centre – Continuation of Support – Regional", and approved an amount not exceeding USD 375,000 to finance the assignment of an Economist at CARTAC for a period of 3 years. This covered Phase II (2005-07) of CARTAC's operations.

⁷⁹ In support of Phase III, BOD, at its 233rd Meeting held in Barbados, on October 28, 2008, approved the provision of USD600,000 (SDF[U]) as a direct monetary contribution to fund CARTAC's operations.

⁸⁰ Support for Phase IV of CARTAC operations, BD85/01 Add. 5, was approved at the 245th Meeting held in Barbados on March 17, 2011, for an amount not exceeding USD1,000,000.

⁸¹ CDB's BOD approved the use of an amount not exceeding the equivalent of USD1,029,207 from CDB's Special Funds Resources (SFR) (including the unutilized balance of USD29,207 from the fourth phase) to contribute to the fifth phase of CARTAC's Programme for the period 2017-2022."

⁸² CDB BD/85-01

services,⁸³ many of which the Bank could deliver itself if it chose to do so, either through an enhanced Economics Department or through a Caribbean Institute for Capacity Development housed at the Bank, if such an Institute existed (see Appendix B). The CDB Board documents related to the grants to CARTAC provided a rationale related to the effectiveness of the IMF in the Caribbean, but not a rationale for the use of CDB funds to help pay for the IMF's efforts. Specifically, alternative uses of these monies to support CDB's own advisory and training efforts were not described.

Much of CARTAC's work is relevant to CDB's interests but not all of it. First, CARTAC's advice is constrained by the IMF's policies and positions, enforced by "backstopping" from Washington-based staff. Also, CARTAC's technical assistance focuses on the implementation of the recommendations of IMF Article IV missions, and/or compliance with provisions of any IMF credit stand-by "programme" that may be in place. CDB may agree with these positions but not necessarily. Lastly, most of CARTAC services are to the Bank's borrowing member countries, but not all. For example, CARTAC provides services to Aruba, Bermuda, Curacao, and Saint Maarten.

The rationale for the major increase in CDB's contribution to CARTAC was that there was a "structural gap" in CARTAC's funding the replenishment cycle. However, CARTAC has made that claim at every replenishment of its supporting trust fund. The IMF needs to consider whether the CARTAC funding model is sustainable. For example, some other RTACs receive a much higher percentage of their operating funds from beneficiary countries.

The evaluators conclude that CDB has been an important support to CARTAC. In return, CARTAC engagement with CDB could be more substantial. The long-term experts who work at CARTAC, physically only a block away from the CDB campus, interact occasionally with staff of CDB's Economics Department but seldom engage with other CDB staff or participate in CDB events and seldom work jointly with CDB in the BMCs. Therefore, while there is a case for CDB to continue to be a sustaining contributor to CARTAC the Bank should consider what level of support to CARTAC is the best use of SDF(U) funds and what level of engagement it requires in return.

4.3.4 Support to Capital Investment Projects

CDB Division Chiefs and Heads of Unit identified a minority of TA grants during 2010-2018 that were linked with capital investment projects (11% or 58 of 535 grants). Considering only the sampling frame for this evaluation, the percentage was 6% (21 of 352 grants). The points below relate to the latter.

From 2010 to 2014, there were one or two TA grants per year that were linked with capital investment loans. From 2015 to 2018, they become more frequent, with most years having three to five TA grants in support of capital investment loans. The years 2017 (two such grants) and 2019 (no such grants) were lower than usual.

Half (10) were delivered by Social Sector Division. Of these, education was the most frequent sub-sector. Supportive grants occurred occasionally in other sectors.⁸⁴ Only two grants related to investment loans

⁸³ CARTAC provides professional services to support capacity development in member governments, in the areas of the IMF's expertise (public financial management including budgeting, dept management tax policy and revenue administration), monetary policy management and capital markets, national statistics and legal and legislative matters). With the partial exception of monetary policy and capital markets, these areas of IMF expertise overlap with those of the CDB Economics Department.

⁸⁴ The 21 grants were distributed by sector as follows: water and sanitation, 3; transport, 1; environment / climate, 2; banking / finance, 4; social infrastructure, 3; education, 6; agriculture, 2.

addressed the environment or climate change. The supportive grants tended to be for studies or training (15 of 21 grants) rather than, for instance, project appraisal or feasibility studies.

Five countries received TA grants in support of loans.⁸⁵ The most frequent recipient was Belize.

Overall, it can be observed that:

- Only about one third of BMCs received TA grants in support of capital investment loans, and those that did receive them did so infrequently.
- Support to capital investment loans was not a major purpose of TA grants during 2010-2018.
- Grants in support of capital investment loans were more opportunistic than programmatic. For example, capital projects did not all receive grant funding for, say, supporting work on CDB's thematic priorities – environment/climate change, gender equality or RCI.

4.3.5 TA Loans

TA loans are not treated in depth in this evaluation. The number of TA loans in the evaluation database is small (13). The evaluation does not cover TA loans that were financed from special Funds slated for separate evaluation. Nor does this evaluation study cover TA components that were bundled into a capital loan under a single budget. From 2010 to 2018 inclusive, the total amount comprised by the TA loans in our sample was \$20.1 million, of which two thirds (\$13.4 million) was sourced from CDB equity and reserves (ordinary capital) and the rest from the Special Development Fund (Unified).

Only six countries are represented by these projects. Barbados was the most active with four TA loans (\$6.9 million), and Belize next with three (\$4.9 million). Only Belize and St. Lucia received TA loans sourced from SDF funds.

The TA loan topics were mixed. Five of the 13 loans supported studies related to capital works (infrastructure). One project was on solid waste management and one on climate resilience of coastal areas. Eight were initiated and managed by Economic Infrastructure Division (EID). Three related to strengthening the machinery of government; and were managed by Economics Department. One related to education reform and another to student loans (PSDD and SSD divisions). Six TA loans were for more than \$2 million, two were between \$1 million and \$2 million, and five were less than \$750,000.

The effectiveness of TA loans compared with TA grants is unknown. If project performance had been rated at completion against the standard criteria, then correlation between performance ratings and being a loan or a grant could have been established. In the absence of such ratings, a special study would be needed, perhaps as part of the next evaluation of TA. CDB might also consider a working paper on how other MDB's use the TA loan instrument, including the size and focus of such loans, and what is known about their rationale, efficiency, effectiveness, and sustainability.

4.3.6 Contingent Financing

Some grants and loans are provided by CDB on a contingent basis. Feasibility studies and other technical work preparatory to a capital project may be provided to a client subject to conditions. Under some circumstances the TA grant is repayable (converted to a repayable loan); and under other circumstances the

⁸⁵ Recipients of supportive TA grants included Jamaica, 4; Belize, 9; St. Lucia, 2; Grenada, 3; Guyana, 1; and Regional, 2.

contingent grant remains a grant. The Bank can also provide a special investment contingent grant under the GeoSmart Initiative for supporting geothermal energy development.

TA grants may be provided on a contingent basis in anticipation of a later capital investment loan by CDB. If a loan does follow, the contingent grant is counted as part of the repayable principal of the loan. The grant remains a grant only if no investment loan follows.

The intent of this instrument was to prevent a grant recipient going to another lender for the related capital investment loan. The practical effect of the way the contingency is phrased is that the “grant” becomes repayable if there is a follow-on investment project, whoever finances that project. Only if there is no following investment project is the “grant” not repayable.

The incentives provided by this approach seem to be misaligned since CDB wants follow-on loans but the grantee avoids a repayment obligation if a follow on project and loan do not eventuate. A better instrument is contingent loans for TA that may later be forgiven. There is a special case involving exploration for natural resources, including geothermal development.⁸⁶

OPPM 3/A6 BP 2d defines a contingently recoverable grant (CRG) as follows:

A grant can also be provided on a contingently recoverable basis. If a beneficiary obtains financing from sources other than the CDB for a project or programme resulting from a grant TA provided by CDB, the amount of the grant shall be converted to a loan and shall be payable in one payment from the proceeds of the first disbursement of such financing, if such payment is compatible with the operating policy of the source of such financing, and if not, shall be payable on terms and conditions to be agreed with CDB.

The following example of a contingent repayment clause in a grant agreement was provided to the evaluators by TCD:

If the (grantee) obtains other financing, not from CDB, for a project or programme resulting from the (TA) grant from CDB, then the amount of CDB’s grant, in full, shall be converted to a loan and shall be payable in one payment from the proceeds of the first disbursement of such other financing. However, if such a payment is not compatible with the policies of the source of such financing, the grant will still be converted to a loan payable on terms and conditions that are compatible with those policies and are agreed between the grantee and CDB.

An example was the geothermal project in St. Vincent and the Grenadines. If the government obtained funding for the construction of the plant from sources other than CDB, then the full amount of CDB’s TA would have converted to a loan or more simply would have been repayable more or less immediately.

A contingent TA instrument may in theory be either a grant or a loan, but there is no practical difference between the two. In both instances CDB pays for the initial TA and then determines whether the monies are to be repaid or not. They are not repayable if a capital loan follows. They are repayable if there is no subsequent capital loan or if the capital loan is financed by an institution other than CDB.

⁸⁶ The Bank’s Energy Unit noted that for geothermal development, owing to the nature of the technical/resource risk, CDB provides an investment grant for exploratory and production well drilling under its GeoSmart Initiative. This goes to the project as a grant and is convertible to a loan if the drilling is deemed a success and the project proceeds to a financial close. This contingently recoverable grant instrument has been key to overcoming the drilling risks and encouraging private sector participation.

On the positive side, the contingency may give the Bank confidence to provide substantial grant TA with reasonable expectation that it will be preliminary to a loan, foreclosing to some extent the possibility of bad faith. However, this is a complex issue and the contingency could have unintended effects. First, it could be unclear whether there was a follow-on capital project or not. It is not unusual for a capital project or projects to be several years in the making. It is conceivable that there might be a difference of opinion about whether an eventual investment by the BMC government was significantly linked with the earlier TA or not. Another timing risk arises from the possible obsolescence of TA products over time. Technical assistance products tend to become out of date. If a subsequent capital project does not proceed for some time, then the technical tasks might have to be repeated, as indeed the evaluators saw in some instances. A client who is asked to repay a TA grant for work that is now obsolete might be doubly unhappy.

The psychology of contingent grants can be unfortunate. Senior officials in two BMC governments mentioned that they did not like the practice of contingent grants. One said that linking “grant” and “contingent” is an oxymoron, which to some extent seems true. The long-term relationship between the Bank and its BMCs is more important than legal coverage of unlikely contingencies.

Also, the incentive structure of contingent grants may not be advantageous to either party. If the grant is forgiven when no follow-on loan eventuates, then there is some incentive, albeit small, not to proceed to a linked capital project loan. A better incentive structure would be to start with a contingent TA loan and forgive it (or part of it) if a capital investment loan follows. Another option, given how important disbursement rates are to CDB at present, would be to forgive part of the contingent TA loan when CDB and the client sign a subsequent capital loan agreement, and forgive the rest upon full disbursement of the capital loan.

This suggests that the use of contingent TA grant agreements, as distinct from contingent loans, should be critically reviewed. Additionally, CDB should prepare a background paper on contingently forgivable TA loans, with an eye to identifying different incentive structures that might be useful in some circumstances, mainly for large TA projects that are approved subject to an expectation of a follow-on capital investment loan. To avoid confusion in this complex matter, CDB’s rules about the use of contingent loans should appear in only one place, the OPPM, and should be referenced but not restated in any other guideline or manual.

4.3.7 Organization of Technical Assistance in the Bank

From the establishment of the Bank in 1972, until 1978, a modest amount of technical assistance was provided on an ad hoc basis. In 1978, the Bank started a Technical Assistance Fund (TAF) to make technical assistance more systematic.⁸⁷ A Technical Assistance Unit (TAU) was established in the Secretary’s Department to administer the TAF.⁸⁸

In 1983, the TAU was merged with two other units⁸⁹ to form the Projects Services Division in the Projects Department.⁹⁰ This in turn subsequently became the Technical Cooperation Unit (TCU) in the same

⁸⁷ The TAF was established as an “Other Special Fund”.

⁸⁸ 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.

⁸⁹ The Technology and Energy Unit (TEU) and the Project Administration Training Unit (PATU).

⁹⁰ *TA Evaluation 1994*, pp. 13-14.

department.⁹¹ The initial resources for technical assistance were fully committed by mid-1984.⁹² At that time there was a (second) evaluation of the Bank's TA programme.¹¹³ 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 1986,⁹³ 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 technical assistance 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).⁹⁴

In 1996, the TCU 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,⁹⁵ 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 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 technical assistance 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 the 2007 evaluation of technical assistance, and an evaluation of the CTCS, there was a further restructuring of the Projects Department.⁹⁶ 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

⁹¹ The TCU was responsible for three programmes, the Technical Assistance Programme (TAP), the Caribbean Technological Consultancy Services (CTCS) network, and the Technical/Vocational Education Programme (TECVOC).¹¹³ Second Touche Ross evaluation, 1984, cited in *TA Evaluation 1994*, pp. 22-23.

⁹² 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.

⁹³ *TA Evaluation 1994*, p. 24.

⁹⁴ 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.

⁹⁵ 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.

⁹⁶ Implementation of the restructuring was begun in 2007.

Project Services Division 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 technical assistance evaluation that there be a stronger TA focal point was implemented with the establishment of the Technical Cooperation Division (TCD) in Projects Department. In addition to its responsibilities for core TA, specialized TA programmes, and the CTCS, were 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 technical assistance project.

While this structure remained in place at the time of this evaluation, plans have been announced to integrate CTCS within an expanded Private Sector Division, and to position the remaining functions of Technical Cooperation Division in a yet to be determined structure in the Operations area.

Technical assistance is one of the pillars of the Bank and key to its value proposition. As such, it deserves a higher profile. Other MDBs, and the IMF, have established Institutes for Capacity Development, headed either by a vice-president or a director, depending on their overall organizational structure. This is the logical direction for the evolution of the technical assistance function at CDB. The main constraint is funding – the need for substantial endowment and operational funding.

**INTEGRATING ENVIRONMENTAL AND SOCIAL CONSIDERATIONS
INTO THE DEVELOPMENT PLANNING PROCESSES**

In 2010, the PIOJ was accredited by the Adaptation Fund of the United Nations Framework Convention on Climate Change. By 2016, PIOJ was implementing a \$10 million contribution from the Adaptation Fund for climate adaptation in agriculture and in coastal areas. To maintain its accreditation with the Adaptation Fund, PIOJ was required to strengthen its policies and procedures in environmental and social matters.

At the time, PIOJ did not have operational policies and procedures to support the identification and management of E&S factors in its programmes and projects. Its only relevant tool was the “Threshold 21 Model” for prioritizing investment projects. This model included a checklist for gender equality, which had been put in place in 2006 and needed to be updated.

Therefor in 2016, CDB granted \$40,369¹ to the Sustainable Development and Regional Planning Division of the Planning Institute of Jamaica (PIOJ) to cover the cost of a consultancy to strengthen the Institute’s ability to integrate environmental and social (E&S) considerations in its development planning processes.² The PIOJ contributed \$8000 to the project, to bring its total budget to \$48,369.

The strengths of the project were, first, that it helped enhance the capacity of an influential planning institute in topics that were high priorities for CDB’s technical assistance programme – environment and climate changes and gender equality. As well, the grant had the immediate practical result of assisting the PIOJ to maintain its accreditation with the Adaptation Fund and to prepare for accreditation with the Green Climate Fund.

The limitations of the project were, first, that its outputs were formal changes to policies and procedures rather than demonstrated changes in how these cross-cutting themes were actually implemented in PIOJ’s decision making and in the investment decisions by the Government of Jamaica. Second, the focus was on one country, Jamaica, although planning institutes and ministries in other BMCs faced much the same requirements if they were to be accredited by the Adaptation Fund or the Green Climate Fund. From CDB’s perspective, more attention to regional cooperation and integration (replicating and standardizing this approach for other planning entities) might have provided additional benefits.

¹ PAPER BD 66/16

² PRN No: 3895

4.4 Sustainability

4.4.1 Client perceptions of sustainability

Most stakeholders report that their Core TA project resulted in sustained improvement in their capabilities and/or the capabilities of their organization. For 57% the project had made a major difference to them and/or to their organization. It was transformational. Another 30% said that capabilities had been improved to a minor extent; and 13% judged that there was no long-term improvement. These results were less favourable than the results reported for the CTCS in the parallel evaluation to this one.

4.4.1.1. Did the project result in any sustained improvements in your capabilities or those of your organization?

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.

Asked to comment, stakeholders said:

- Although the project is still ongoing, capacity building in areas such as Global GAP implementation is being rolled out (respondent 10104).
- We will see results only in the long-term. The project will have a transformational effect over time as the organisation continues to develop/implement and monitor projects/programmes. The project outputs will also be extremely important to our role as National Implementing Entity for the Adaptation Fund and possibly with respect to other similar climate resources. The use of the Environment and Social Safeguards (developed under the project) will definitely impact the various processes in the life cycle of the projects/programmes implemented by the organization and its implementing partners (respondent 10122).
- Capabilities may not be sustained in critical areas of project execution (respondent 40211).
(Selected comments. See Appendix C, Table 8 ff.)

About two-thirds of stakeholders said that sustainability could have been improved by a better project design.

4.4.1.2 Could a different project design or approach have had a more sustained impact?

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 respondents	16	100%	12	100%	28	100%

Source: Survey of Stakeholders, February-March 2020.

Invited to comment, stakeholders said:

- The project scope was limited to developing policies and conducting training. Additional value and impact could have been realized if consultants did practical application of policies ... (respondent 10102).
- This was a pilot project in uncharted waters... it will influence subsequent designs (respondent 10118).
- The organization designed the project to address its perceived needs, at the time. In retrospect however, we could have taken some existing organizational policies and updated them ... (respondent 10109).
- Follow up needs to be done at intervals to determine the impact on participants, identify gaps and improve capacity building (respondent 10108).
- Inclusion of more Island states would have resulted in a far-reaching impact. Also, emphasis could have been placed on strengthening the capacity of regional hubs to ensure sustainability of the program (respondent 10110).
- The overall project design was good in terms of being comprehensive and addressing the problems from a multi-dimensional angle. In hindsight, most challenges were related to CDB's administrative approach ... for example the procurement of goods and services and the payment of travel stipend for participants (respondent 70317).
- Post-qualification could have been considered to increase participation. High prequalification requirements decreased local participation, yet not much interest was shown by larger regional/international contractors. When only one bid was received for Lot 2, which was over budget, the procurement guidelines were too rigid to allow for timely resolution (respondent 40206).

4.4.2 Factors influencing sustainability

The main factor constraining the sustainability of Core TA results is limited follow-on. Too many projects, while useful in themselves, have been one-off.

The second constraint that needs attention is projects that supplement BMC capacity without necessarily improving it. In some instances that might be inevitable, but it is inherently unsustainable.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Achievements

The benefits delivered by CDB to its member countries through TA during 2010-2018 were substantial in total, although small per BMC. A large portfolio of useful projects was conceived, designed and delivered in partnership with BMCs.

There is a consensus that capacity development is extremely important and should be the primary focus of TA. Some TA provides help but does not leave behind a sustained improvement in capacity. We recognize, however, that sometimes “capacity supplementation” rather than “capacity development” may be inevitable because some BMC governments operate at too small a scale to develop specialist capacities internally. Ideally capacity supplementation would be provided by private professional services businesses based in the Caribbean, rather than grant funded by donors.⁹⁷ A grants programme that enables the grantee to buy services from the private sector is, in many ways, ideal.

This evaluation found that recipient attitudes were mainly positive, and, with some exceptions, capacity development achievements were substantial. Support to CDB’s lending was most frequently indirect but nevertheless important. In some instances, TA was a vital support to an investment project or a policy-based loan. Technical assistance provided opportunities for all parts of the Bank to interact with clients and to provide advice and support. TA was an important part of the value package provided by the Bank to its members.

The previous evaluation of TA had recommended establishing a TA focal point and this was done. However those evaluators had in mind more than an administrative unit. Rather, they described a “center of excellence” in capacity development that would bring together skills in training, organization design, human resources management and training. Other multilateral development institutions, such as the World Bank and the IMF, have Institutes devoted to capacity development – for example, the World Bank Institute and the IMF Institute for Capacity Development. They operate at a greater scale than the CDB, but the principle is the same. There is currently no Caribbean Institute for Capacity Development and, no doubt, it would take leadership and partnership to establish one.

5.2 Strengths and Weaknesses

Virtually all stakeholders had a positive opinion of their Core TA project; but only a third were strongly positive, compared with 80% in the case of the CTCS.

⁹⁷ The fact that donors fund free services may have an untended effect in some instances of inhibiting the development of private fee-charging professional services companies.

5.2.1 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.

The Core TA programme had many strengths; and the projects that worked well made substantial contributions to the capacities of their participant institutions. Over the evaluation period, 2010-2018, a large portfolio of projects was delivered, nationally and regionally. The programme financed the production and dissemination of many knowledge products; and contributed to many useful events across a wide spectrum of topics. The TA programme enabled the Bank to build and maintain relationships with stakeholders in BMCs that were beneficial to both. In interviews and in the survey, stakeholders reported many strengths.⁹⁸

⁹⁸ Strengths (verbatim comments by stakeholders)

- ✓ Results will be very informative for the future strategic plans of the (faculty and university). Decisions will be made on objective data developed from the project.
- ✓ The clearly outlined objectives and timelines left no ambiguity. Also, the TA from CDB staff was a strength.
- ✓ Financial aid from CDB was helpful. Data collected on sport facilities were sound and accurate. The project brought global best practice to the fore.
- ✓ The project addressed a need that the organization identified and provided a basis on which we can build. It facilitated the training of a range of personnel in the (organization name) itself and exposed staff of partner agencies such as the National Environment and Planning Agency and the Public Sector Investment Management Secretariat which appraises all public development projects. The ESF has been incorporated in the (our) Code of Conduct, Business Process including procurement. It was patterned on that used by the World Bank (respondent 10109).
- ✓ The main strength was maintenance of communication between all parties involved, including the consultant. This facilitated easy and timely responses to requests for clarification and general feedback. The provision of comprehensive and timely feedback on project outputs helped (respondent 10122).
- ✓ (The workshop) was informed by research Multi-dimensional approach. Multi-sectoral approach
- ✓ Consultancies and Study tours are facets of the soft components that should impact the learning outcomes for project beneficiaries. On October 03, 2018, the Project was launched with positions filled for Project Coordinator, Project Officer - Education, and Project Officer- Infrastructure. Although the three-membered group provided an effective core team for implementation, filled positions for Project Accountant and Procurement Officer would have enhanced the rate of implementation.
- ✓ Strengths included: (1) Focus group session assisted in crafting strategic imperatives for the Bank during the strategic planning process. The focus group sessions also provide an opportunity to focus on addressing gender disparities which existed at the (development Bank). (2) Knowledge sharing on a relatively new area for the Bank and the exposure to best practices. (3) Data generation which will assist in organizational decision making and the mainstreaming of gender lens investing at the (development Bank). (4) Identification of key strategic partners to assist with support and investment to target group (5) Knowledge and experience of the Consultants.
- ✓ Good project management, good consultancy, contractors, and support from CDB. Inclusion of Water Audit and Cost of Service and Tariff Study TA elements will help to ensure sustainability although these were somewhat politically contentious (respondent 40206).

The programme also had some weaknesses, observed by the evaluators and reported by stakeholders.⁹⁹ There was a fundamental problem of many approved projects not proceeding or being terminated incomplete and this problem was not transparent because these projects were often carried on the books as “under implementation” for long periods of time. This matter was flagged by the 2007 evaluation of the Bank’s TA, which recommended a special study (not so far undertaken) to ascertain the causes and produce a solution. In 2018 the portfolio was cleaned but changes to systems and practices are needed to prevent the problem emerging again.

There were several other relative weaknesses within a context that is generally positive. First, visibility and transparency were not emphasized enough. The degree of competition both in grant applications and adjudication and in procurement of professional services to implement approved projects, should be improved. Second, once approved, projects were sometimes rushed, with inadequate advertising of the opportunity to participate in (say) a workshop, with consequent compromises in accepting participants who did not closely fit the profile of target participants. Third, the stress in CDB strategic plans on economic growth did not always translate into TA projects that strongly supported that objective and/or supported the implementation of capital investment projects financed by CDB. And digital technologies should be used much more in future in combination with traditional in-person approaches to training.

5.2.2 Resources

One of the determinants of the strength of a TA programme is the adequacy and consistency of funding. This was difficult for the evaluators to judge because TA responsibilities and funding are distributed throughout the Bank. The core TA portfolio that is addressed in this evaluation is only part of CDB’s whole effort. However, there is some evidence of a loss of momentum. In SDF 8 the set-aside for TA was \$12

⁹⁹ Weaknesses (verbatim comments by stakeholders)

- ✓ The timeline for implementation was a challenge as several countries were not available to host or facilitate the boot camps within the specified timeline. This led to changes in the actual target countries. Additionally, climate innovation was a bit new to some of the participating countries which resulted in lower than expected uptake and participant numbers (respondent 10110).
- ✓ Lack of stakeholder buy-in and consultation; lack of communication (70303).
- ✓ Poor fit between CCS procurement requirements and capabilities of small entities at national level. Inadequate human resource at both regional and national levels to implement activities. Challenges with implementing initiatives in schools – e.g. school breaks, competing priorities such as academic agenda, school closure due to acts of God etc. (respondent 70317).
- ✓ Weaknesses emanate from a lack of understanding of how project implementation actually works, and how certain activities need to precede others, as well as the lead time required for each activity. Also, it needs to be understood that internal country procurement guidelines do not always harmonize with procurement guidelines of the CDB. This need for harmonization has long been recognized by the Ministry of Finance. The post of Procurement Officer was neither advertised nor filled at Project Launch and attempts to have this position filled have so far not borne fruit. The ability to write specifications for bidding documents and manage contracts (business processes) may be under-appreciated. In the meantime, a Procurement Specialist has been contracted for assisting with procurement. Another weakness is the lack of training provided to the Project Accountant. As Project Coordinator, I coach staff, but I am not able to train staff to any significant extent. Project coordination staff should be properly vetted based on capabilities and qualifications in the specific field of operation. Where there is need for incorporating the implementing agency’s internal protocols in specific areas, for example Financial Budgeting, then the requisite training/orientation should be organized for the incumbent in the Project Accountant position. In this way, both the internal and the external financial management controls of the Project stand to benefit (respondents 19513 and 19512).

million for four years of which only \$11.3 million was utilized. In SDF 9 the set aside for TA was reduced by 25% to \$9 million and to the end of FY2019 \$5 million had been utilized.

5.2.3 Main opportunities for improvement in CDB's technical assistance

The main opportunities for improvement in the management of Core TA are:

- ✓ Better coverage of TA in CDB's country engagement strategies and better linkage between TA projects delivered and the country engagement strategies.
- ✓ Better public visibility of the TA programme and stronger requirements for competitive adjudication of grant proposals and for competitive procurement of professional services to deliver projects.
- ✓ Better systems and practices to ensure that approved projects are implemented expeditiously and closed punctually.
- ✓ Better use of on-line technologies to deliver training and disseminate knowledge products.
- ✓ A better management information system, including monitoring of better metrics such as cost-per-trainee-day.
- ✓ Mandatory completion reports written by CDB staff before final payment of each grant.
- ✓ A revised TAPOS that considers the recommendations of this evaluation and commits to prompt implementation of an action plan.
- ✓ Establishment of a Caribbean Institute for Capacity Development housed at CDB (given sufficient endowment and operating resources).

5.3 Future Direction

The Caribbean Development Bank is at present considering various "transformation" possibilities that may have implications for its organizational arrangements for the delivery of TA. At the same time, the Bank is experiencing a problem of lagging disbursements from loans and TA, leading to a large "overhang" of committed but undisbursed funds. Therefore, using TA more vigorously to expedite the implementation of capital investment projects, and to a lesser extent policy-based loans, and paying more attention to expediting implementation of TA projects with rapid disbursements, is an attractive proposition. In the near term, this is the likely direction for the Bank. More consideration will be given to incentives for loan implementation that could be provided by grants of various types. More TA may be allocated to support the implementation of loans, and the instruments for this task can be clarified and strengthened.

5.4 Recommendations

Capacity development in BMC governments remains fundamental. Its importance should be given more visibility. At the same time, more needs to be done to support the design and implementation of CDB's loans.

The previous evaluation of TA (2007) promoted a shift away from ad hoc TAs to a more systematic, programmatic and proactive approach to strengthening borrowing member governments. That shift has been only partially achieved. To carry it further will require CDB to develop new concepts, structures and approaches.

It is obvious that the money that CDB has available annually to spend on TA, spread over its 19 member countries, is far from adequate. At the same time, CDB should consider whether its budget allocation for public sector TA is at the level it desires relative to its budget allocation for TA to the private sector.

CDB's TA programming needs to be better "branded". The tools for visibility include a more distinctive and memorable brand, a more prominent place on CDB's website, and well-advertised calls for grant proposals at a set time each year. At a more ambitious scale, in addition to its other advantages, a Caribbean Institute for Capacity Development would be a distinctive brand.

Recommendation 1: CDB should give technical assistance equal priority with investment and policy-based lending, because its impact per dollar is generally equally important.

Recommendation 2: CDB should clarify its thinking about technical assistance, as the basis for decisions about focus, organisation and resourcing.

2.1 The Bank should produce a concept paper, including a result-based logic model, for each type of TA that it intends to offer. Six different types of TA are discussed in this evaluation.

2.2 TA-CD (capacity development) should remain a high priority and will need a Focal Point staffed by people with particular skills.¹⁰⁰ The Focal Point should coordinate and manage TA-CD to the public sector and to the private sector, since the activities and skills required are similar.

2.3 TA-INVEST should remain a high priority and be supported by an appropriate set aside in the SDFU for project preparation grants and implementation support grants in eligible countries.

2.4 TA-PA (research policy and advisory services) should remain a high priority.

2.5 TA-EVENT is a lesser priority and should have a limited budget.

Recommendation 3: The possibility of a Caribbean Institute for Capacity Development should be explored through a feasibility study exploring various possible configurations, including a centre of excellence within the Bank or a virtual network of the Bank and partners. In any realistic scenario, the need for an organizing hub and for substantial foundational and operational funding should be kept in mind.¹⁰¹

Recommendation 4: CDB should manage technical assistance more strategically.

4.1 The Bank should revise the Technical Assistance Policy and Operational Strategy (TAPOS, 2012), and prepare a new Action Plan, considering the findings of this evaluation.

4.2 In each Country Engagement Strategy (CES), the Bank should expand its analysis of BMC needs for TA, in both the public and private sectors and outline a customized strategy to address those needs. The CESs are not a good vehicle for listing projects in the pipeline unless they are updated each year.

4.3 The TA-CD Focal Point should prepare a strategic plan for 2020-2024, based on systematic analysis of public sector capacity development needs, and organized programmatically by "business lines", which could be sectoral or thematic.

4.5. CDB should budget for at least one mission to each BMC every four to five years for in-depth analysis of its needs for technical assistance. The costs of these missions should be an allowable charge

¹⁰⁰ For capacity development technical assistance, TA-CD, there will be a continuing need for a Focal Point in the Bank. The Focal Point would be staffed by people qualified in various disciplines related to capacity development – skills training (in person and on-line), organisational analysis and programme design, mentoring, attachments and practicums, study tours and knowledge management.

¹⁰¹ Explanation: The need for capacity development in the public sector in CDB's borrowing member countries seems likely to remain for the foreseeable future. The "institute model" that is followed by some other multilateral financial institutions offers advantages.

against the general TA set-aside in the SDF(U).¹⁰² The needs analysis missions should be undertaken jointly between the CDB responsibility centres for technical assistance: the TA-CD Focal Point, Economics Department and the CTCS.

Recommendation 5: Each TA responsibility centre should do everything possible to make TA operations visible, transparent, and competitive.

5.1 In the third quarter of each year, CDB should issue a public call for proposals for grants in support of TA-CD and TA-PA projects to be implemented during the following year. This should improve selectivity, visibility, and transparency. It is not necessary to specify ahead of time what percentage of the available grant funds would be committed as a result of these proposal calls, and what percentage would be reserved for ad hoc grants during the coming year. However, priority should be given to the former.

5.2 CDB should place a “TA Grants” flag on the front page of its website, that, when clicked shows all current invitations and solicitations and a list of awards made during the previous twelve months.

5.3 Procurement of professional services to deliver TA should be advertised sufficiently ahead of time to enable responses by consultants and comparative adjudication, whether the project is managed by CDB or the grantee. For individual consultants, CDB can maintain a directory of consultants if it finds that useful but referring to CVs in the directory should not be considered a sufficient alternative to open advertising. In principle, solicitations (by both the Bank and grantees), should be advertised on CDB’s website, for not less than 14 days for Expressions of Interest, and not less than 30 days for Requests for Proposal. Contract awards should also be announced on the same site.

Recommendation 6: Technical assistance should be delivered in partnership whenever possible.

6.1 CDB should seek to establish not just a division of labour with other providers of technical assistance in the Caribbean, but joint activities whenever possible.

6.2 When engaging with other multilateral organizations that provide technical assistance in the Caribbean, such as the IMF CARTAC Multi-donor Trust Fund, CDB should offer collaborative services and facilities rather than rely on cash grants.

6.3 The TA-CD Focal Point should work jointly with the CTCS, or its successor programme, at least once each year on a regional capacity development initiative of interest to both public and private sectors – such as the legislative and regulatory framework for venture capital in the Caribbean, or employment policies for the disabled, or the role of universities and colleges in building capacity in the public and private sectors, as examples.

Recommendation 7: CDB should improve the reporting of technical assistance to senior management and to the Board.

¹⁰² Further to the point about annual missions for needs analysis - Ideally, each mission should be conducted collaboratively with development partners, both multilateral and bilateral. The mission should be thoroughly prepared and researched in advance. Some peripheral attention to this topic during project monitoring missions is not sufficient.

7.1 The reporting of technical assistance in the Bank's annual Development Effectiveness Report (DER) and the Annual Report on Portfolio Performance (ARPP) should be expanded to cover all technical assistance by the Bank, not only projects exceeding \$1 million. Descriptive data presentations should be complemented by an analytical discussion of performance, lessons learned and adjustments of strategy,

7.2 The TA-CD Focal Point should prepare an annual report on technical assistance to management (AMT) and a biennial report to the Board, at greater length than is possible in the DER or ARPP.

Recommendation 8: CDB should seek to deliver TA more efficiently.

8.1 CDB should revise the products of the recent Operational Processes Review to be specific to each type of TA and each responsibility centre.

8.2 Avoid micromanagement of TA by contracting and managing for outputs produced and milestones met rather than reimbursing for activity expenditures. Use time limited "no objection" provisions to provide for expeditious approval of grantee requests for project design changes or for the reallocation of budget within the approved total envelope.

8.3 Strengthen project initiation and close-out procedures. The standard of preparation of TA projects prior to approval should enable all approved projects to be implemented within a reasonable time (without rush). Projects that are approved but do not proceed as planned should be closed promptly and any financial advance recouped.

Recommendation 9: CDB should improve its monitoring and analysis of the results of TA, and its instruments for learning from results.

9.1 CDB should develop a TA management information system that contains an accurate and up to date set of financial and activity data, project descriptors and KPI data for all projects under implementation.¹⁰³ If this can be done immediately as part of the development of OP365, that would be best. If not, CDB should develop an interim stand-alone system of TA records that can later be integrated with the OP365. There should be identical financial and operational variables in the digital data records for all TA projects, both private sector and public sector, including project type and sector codes, and performance rating.

9.2 Every TA project should be concluded by a Project Completion Report (PCR) written and filed by the CDB officer in charge, as soon as possible after substantial completion of the TA project. Each PCR should describe results, cost-effectiveness and lessons learned, and rate the performance of the project against the same criteria that were used at appraisal, including the gender marker.

9.3 CDB should commit to a regular cycle of accountability and learning activities for TA, as shown in the table below.

¹⁰³ CDB needs a much better management information for technical assistance. Such an improved system was postponed during the extended development of PRISM, and again during OP365 development, in favour work on a capital projects module.

EVALUATION OF TECHNICAL ASSISTANCE 2010-2018
VOLUME 1: CORE TA

	Year						
	2020	2021	2022	2023	2024	2025	2026
Independent evaluation	✓					✓	
Internal audit		✓			✓		
Audit follow-up			✓			✓	
Biennial report to Board	✓		✓		✓		✓
Annual Report to AMT	✓	✓	✓	✓	✓	✓	✓
DER and ARPP	✓	✓	✓	✓	✓	✓	
Tracer Survey			✓			✓	
Line of Business (LOB) working papers		✓		✓		✓	

9.4 Internal Audit Division could conduct its first audit of TA operations¹⁰⁴ along with its second audit of CTCS operations as soon as feasible.

9.5 The respective accountability centers for TA should track performance indicators that include outputs planned and achieved. The TA-CD Focal Point should have a coordinating responsibility.

9.6 Performance metrics in all of reports should include more meaningful measures of outputs than the number of participants. They should also include at least one indicator of delivery efficiency (for example, administrative costs per \$100,000 in grants or direct operational expenditures), and cost efficiency indicators including the cost per participant day for workshops, attachments, study tours and mentorships.

9.7 Performance criteria should be the same for all projects, not weaker for smaller projects.¹⁰⁵

Recommendation 10: Modernise the technologies used to provide technical assistance.

10.1 TA-CD should use on-line programmed learning (digital platforms) for pre-and-post-event learning, combined with short in-person workshops.

10.2 The on-line components of TA-CD activities such as workshops should move from nice-to-have to essential. Production of the agreed on-line components should be a pre-condition to final payment by CDB.

Recommendation 11: Improve the treatment of cross-cutting themes (CCT).

11.1 Have a CCT strategy in the TA-CD Strategic Plan 2020-2024 and in the annual operating plans for technical assistance and report CCT performance and results in the annual TA reports to AMT and biennial TA reports to the Board.

11.2 Some cross-cutting themes should be addressed in all TA project designs (gender equality for example). others should be addressed depending on the characteristics of the TA project (e.g. RCI for regional projects).

11.3 Implement the recommendations of the 2018 evaluation of GEPOS, as reflected in the revised (2019) GEPOS and 2020 Action Plan, in the TA context.

11.4 Link regional TA projects with RCI priorities as defined in the Bank's strategic plan, and in the RCI strategy to be developed in 2020. RCI should be considered in every appraisal of a regional TA. If RCI is relevant, the appraisal should explain how the project design will contribute to it.

¹⁰⁴ There has never been an internal audit or CDB's TA operations. There was one internal audit of CTCS, in 2015.

¹⁰⁵ For example, the weaker gender marker criteria for projects under \$1 million should be discontinued.

PUBLIC DISCLOSURE AUTHORISED

APPENDIX A

CARIBBEAN DEVELOPMENT BANK



MANAGEMENT RESPONSE

EVALUATION REPORT

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

VOLUME 1: CORE TECHNICAL ASSISTANCE (PUBLIC SECTOR)

AUGUST 2020

APPENDIX A

MANAGEMENT RESPONSE

Evaluation of Technical Assistance by the Caribbean Development Bank Core Technical Assistance (Public Sector)

INTRODUCTION

The evaluation of the Technical Assistance (TA) portfolio in 2019-20 is a catalyst for rethinking the Bank’s TA approach and capacity development practice, and for framing a renewed vision for the TA instrument and products. TA needs to be such that it embodies and drives the principles of resilience and innovation. It also needs to recognise the complexity of reform processes and change. CDB’s TA portfolio should therefore be reoriented towards new practices and areas that bring value and help BMCs to reimagine the future and implement innovative solutions that underpin sustainable development outcomes. This requires significantly changing some aspects of the design and approach to TA. These positions are reflected in the following responses to the recommendations of the TA evaluation.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>Recommendation 1: CDB should give technical assistance (TA) equal priority with investment and policy-based lending, because its impact per dollar is generally equally important.</p>	<p>Accepted: TA is already envisaged as closely tied to capital investments and instruments geared to drive results, and both are prioritised in OP 365. CDB appreciates the need for a more structured and informed approach, especially through closer client engagement and the Country Engagement Strategy (CES) and Portfolio Review processes, to strategically target a range of TA responses across the continuum of strengthening systems as a whole over a longer period of time to have transformational impact. It is noted that designing TA must be more evidenced-based, and underpinned by a greater appreciation of the multi-dimensional issues/challenges associated</p>	<p>One of the original Transformation initiatives is “improve TA capital path”, which is to be operationalised through OP 365.</p> <p>Additionally, a Capacity Development model and a new TA Framework (see 4.1 below) will be developed to lay the foundation for repositioning and rebalancing TA.</p>	<p>Operations - Projects Department OP 365 team</p> <p>Operations - Office of the VPO</p>	<p>September 2022</p> <p>June 2022</p>

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	<p>with the environment where behaviour and mindset change is targeted.</p> <p>Generally, ad-hoc responses are not entertained, and the shift towards focusing on a more holistic approach, with various carefully targeted touch points, in collaboration with other development partners) will be increased. Wherever possible TA will be provided at project inception in a more concerted manner, to help strengthen skills, systems and structures that are critical to the readiness of capital projects. A capacity development model will be articulated to capture the system-wide holistic approach.</p>			
<p>Recommendation 2: CDB should clarify its thinking about TA, as the basis for decisions about the focus, organisation, and resourcing of TA.</p>	<p>Accepted: Based on lessons learned and a body of work that suggests that longer term support can enable broader and more sustainable institutional capability, the Bank will commit to more long term, strategic, context-specific, and programmatic capacity development underpinned by clear theory of change and value for money considerations.</p> <p>Bank will engage BMCs even more closely, understand the context and complexities affecting BMCs’ capacity and capabilities; be more problem- and evidence-driven, to innovate and generate good practice solutions with BMCs.</p>	<p>A new TA Framework (see 4.1 below) will be developed to lay the foundation for repositioning and rebalancing TA.</p> <p>Client Relations Management (CRM) for appraisal and supervision to be activated for both capital and TA projects.</p>	<p>Operations - Office of the VPO</p> <p>OP 365 Team</p>	<p>June 2022</p> <p>March 2022</p>

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>2.1 The Bank should produce a concept paper, including a result-based logic model, for each type of TA that it intends to offer. Six different types of TA are discussed in this evaluation</p>	<p>2.1 Accepted but modified: Rather than a concept paper, there is value in setting out a clear vision of CDB’s TA practice that articulates a holistic and system-wide capacity development model, and sets parameters for niche areas that the Bank will champion.</p> <p>The recommendation of having typology groups of TA was generally accepted by the TA Evaluation Advisory Committee¹, but will be reviewed to ensure harmonisation with the niche areas and the Bank’s updated strategic framework (2022-24).</p>	<p>A new TA Framework (see 4.1 below) will be developed to lay the foundation for repositioning and rebalancing TA.</p>	<p>Operations - Office of the VPO</p>	<p>June 2022</p>
<p>2.2 TA-CD (capacity development) should remain a high priority and will need a Focal Point staffed by people with particular skills.² The Focal Point should coordinate and manage TA-CD to the public sector and to the private sector, since the activities and skills required are similar.</p>	<p>2.2 Accepted but modified: Management wishes to have a more coordinated and concentrated function for TA. Locating this within the Knowledge Hub³ will be explored. Guided by the Bank’s principles and framework for building capacity and capabilities (see 4.1 below), the Hub will help to ensure that TA remains relevant and responsive through the coalescing of data on needs, cutting edge material, and synthesised learning. This will facilitate more analysis and distilling to help inform capacity development priorities and design.</p>	<p>Complete scoping exercise on TA function in Knowledge Hub</p> <p>Align with Knowledge Hub work plan</p>	<p>Operations – Office of the VPO</p> <p>Knowledge Hub team and Office of the VPO</p>	<p>May 2022</p> <p>Q4 2022 - Q1 2023</p>

¹ A team established by OIE with representatives from Economics, EID, PPU, CSD and TCD to validate the different reports (preliminary, draft evaluation) during the evaluation process.

² For capacity development technical assistance, TA-CD, there will be a continuing need for a Focal Point in the Bank. The Focal Point would be staffed by people qualified in various disciplines related to capacity development – skills training (in person and on-line), organisational analysis and programme design, mentoring, attachments and practicums, study tours and knowledge management.

³ The planned Knowledge Hub is envisaged as a central repository of data and information that users will access, analyse and use for decision-making.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	The coordination and management of capacity development TAs will happen in the respective Division/Unit. The Officers, PMs and DCs/Unit Heads are accountable for the delivery of TAs.	TA project cycle managed in OP 365.	Operations - Projects Department OP 365 team	March 2022
2.3 TA-INVEST should remain a high priority and be supported by an appropriate set aside in the SDFU for project preparation grants and implementation support grants in eligible countries.	<p>2.3 Accepted in part: TAs comprising professional services supporting the identification, design, assessment, preparation, or implementation of investment loans are one of the mainstays of the portfolio and Bank’s business development strategy and quality of aid. TA-INVEST is therefore acknowledged as high priority. The SDF grant framework can already accommodate this type of TA and has recently funded feasibility studies in relation to airport expansion/renovation and agricultural development.</p> <p>The Bank does not agree that a set aside specially for TA project preparation and implementation is required. The set-asides agreed to during the SDF 10 negotiations will allow CDB to address the critical needs of BMCs.</p> <p>With better diagnostics and engagement, TA will be used for better targeting implementation challenges and mitigating risks, so that investment projects in particular can proceed more smoothly.</p>	Ongoing	Operations	
2.4 TA-PA (research, policy and advisory services) should remain a high priority.	2.4 Accepted: The Bank will continue to develop appropriate knowledge and lending products to support policy and strategy development, and planning for country and regional levels, aligned	Ongoing	Operations	

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	closely with the Strategic Plan 2020-24. This will also be supported by the planned Knowledge Hub.			
2.5 TA-EVENT is a lesser priority and should have a limited budget.	2.5: Rejected: The idea of having a limited budget for events-related TA is not accepted as the Bank does not have a specific allocation for different types of TAs. There will be less events requiring major TA financing due to the restrictions relating to COVID-19. Leveraging the technology will also significantly reduce costs associated with TA-EVENTS. The Bank will maximise the expanded reach and larger audience, lower costs, lower environmental impact, faster distribution of presentations/webcasts, easier logistics, and other benefits that virtual events offer. Bank will continue to carefully target events and audiences to ensure that there is knowledge generation, thought leadership and resulting positive impacts.			
Recommendation 3: The possibility of a Caribbean Institute for Capacity Development should be explored through a feasibility study exploring various possible configurations, including a centre of excellence within the Bank or a virtual network of the Bank and partners. In any realistic scenario, the need for an organising hub and substantial foundational and operational funding should be kept in mind. ⁴	Accepted: Management will consider providing for a dedicated function within the planned Knowledge Hub, to facilitate TA research and innovation, knowledge products; inform TA solutions; and support policy advice in collaboration with other development partners, academia, regional bodies, etc. The concept of a centralised and focused function for TA within the Hub where knowledge, community of practice, and best practices are coordinated, will be carefully assessed. Using the platform of the	Complete scoping exercise on TA function in Knowledge Hub. Align with Knowledge Hub roll-out plan.	Operations - Office of the VPO Knowledge Hub team and Office of the VPO	May 2022 Q4 2022 - Q1 2023

⁴ Explanation: The need for capacity development in the public sector in CDB’s borrowing member countries seems likely to remain for the foreseeable future. The “institute model” that is followed by some other multilateral financial institutions offers advantages.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	<p>Knowledge Hub, CDB can play a central role in helping to nurture a regional cadre of capacity development and change practitioners, especially in implementation, procurement and other aspects of project management.</p> <p>The Bank will also continue to leverage the proven systems, expertise and agencies (e.g. CARTAC) in the Caribbean to deliver impactful programmes for those operating in or who are keen to become part of the development community.</p>			
<p>Recommendation 4: CDB should manage TA more strategically.</p>	<p>Accepted: CDB will reposition and rebalance TA operations, aligning with the five key pillars of the Bank’s new strategic framework (2022-24) (see response to recommendation 1 above). There is continued emphasis on attracting additional Other Special Funds (OSF), leveraging climate finance, and pursuing new TA opportunities in niche areas.</p>	<p>A Capacity Development model and a new TA Framework (see 4.1 below) will be developed to lay the foundation for repositioning and rebalancing TA.</p>	<p>Operations – Office of the VPO</p>	<p>June 2022</p>
<p>4.1 The Bank should revise the Technical Assistance Policy and Operational Strategy (TAPOS, 2012), and prepare a new Action Plan, considering the findings of this evaluation.</p>	<p>4.1 Accepted but modified: In lieu of another TAPOS, a TA Framework laying the basis for TA will be developed by Operations Area, specifically to outline a) general objectives of TA, strategic link with lending portfolio, CES, etc., and parameters for engagement in critical strategic anchors for sustainable development as guided by the updated Strategic framework (e.g. Governance, Climate Resilience, Digital Economy, Sustainable Energy, Gender Equality,</p>	<p>Development of the Framework will coincide with the development of the revised TA cycle and work instructions as part of OP 365.</p>	<p>Operations - Office of the VPO and Projects Department OP 365 Team</p>	<p>June 2022</p>

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	<p>Financial Resilience; b) TA groups (see 2.1 above); c) partnerships; d) measurement of performance; e) macro level processes and procedures (recognising that detailed procedures and guidelines are in work instructions integrated in the critical path) and f) delivery (Hub and human resources with shared responsibility for TA management [Operations]).</p> <p>This would be accompanied by a high-level action plan that aligns with the updated Strategic Plan.</p> <p>The Framework will be the main tool for communicating the Bank’s position where TA is concerned, ensuring that these are also widely understood by new staff, clients and partners.</p>			
<p>4.2 In each Country Engagement Strategy (CES), the Bank should expand its analysis of BMC needs for technical assistance, in both the public and private sectors and outline a customized strategy to address those needs. The CESs are not a good vehicle for listing projects in the pipeline unless they are updated each year.</p>	<p>4.2 Accepted: The CES presents an avenue for deeper analysis of the capacity limitations of BMCs and an opportunity to craft appropriate responses to these needs. The use of TA to develop capacity, especially leveraging the findings of the Public Policy Analysis and Management Project and Cycle Management training programme (PPAM/PCM) evaluation, provides the Bank with a customised strategy tailored to support BMCs in addressing their more stubborn development challenges. The listing of projects in the CES presents a pipeline of viable business opportunities for the Bank and the BMC. Given that BMCs’ priorities change over time, the point is taken that the consideration should be</p>	<p>Ongoing, and will be scaled up with improved project readiness and institutional assessments and diagnostic tools</p>	<p>Operations</p>	

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	given to routinely refreshing the list at agreed intervals with each BMC. The closer engagement via the CRM and other channels also serves to keep abreast of TA-related priorities within or closely aligned with PBLs, capital projects in particular.			
4.3 The TA-CD Focal Point should prepare a strategic plan for 2020-2024, based on systematic analysis of public sector capacity development needs, andorganised programmatically by “business lines”, which could be sectoral or thematic.	4.3 Accepted but Modified: There will be an Action Plan attached to the TA Framework aligning with the Bank’s updated Strategic Plan (see response at 4.1 above).	A new TA Framework (see 4.1) will be developed to lay the foundation for repositioning and rebalancing TA.	Operations – Office of the VPO	June 2022
4.4 CDB should budget for at least one mission to each BMC every four to five years for in-depth analysis of needs for technical assistance. The costs of these missions should be an allowable charge against the general TA set-aside in the SDF(U). ⁵ The needs analysis missions should be undertaken jointly between the CDB responsibility centres for technical assistance: the TA-CD Focal Point, Economics Department and the CTCS.	4.4 Accepted but modified. This needs analysis should form an integral part of preparation of the CES. Similar to the routine updating of the listing of projects, the needs analysis should be seen as an activity that is refreshed as a key part of consistent interactive country engagement.	Ongoing	Operations	

⁵ Further to the point about annual missions for needs analysis - Ideally, each mission should be conducted collaboratively with development partners, both multilateral and bilateral. The mission should be thoroughly prepared and researched in advance. Some peripheral attention to this topic during project monitoring missions is not sufficient.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>Recommendation 5: Each TA responsibility centre should do everything possible to make TA operations visible, transparent, and competitive</p>	<p>5. Accepted but modified: There is an urgent need to increase the visibility of the Bank’s TA operations. There is therefore scope for increased collaboration and information sharing between Operations and Corporate Communications Unit (CCU). TA initiatives, like all interventions within the Projects space, will remain visible, transparent and competitive. This is being further reinforced through the improved capital projects and TA critical paths (OP 365).</p>	<p>Ongoing - More concerted efforts to generate media engagement and outreach for Operations activities, including TA innovation and solutions. Closer interface with CCU’s promotion of Brand CDB and more key messages.</p>	<p>Operations and CCU</p>	
<p>5.1 In the third quarter of each year, CDB should issue a public call for proposals for grants in support of TA-CD or TA-PA projects to be implemented during the following year. This should improve selectivity, visibility, and transparency. It is not necessary to specify ahead of time what percentage of the available grant funds would be committed as a result of these proposal calls, and what percentage would be reserved for ad hoc grants during the coming year. However, priority should be given to the former.</p>	<p>5.1 Rejected: Assistance is based on country needs to be discussed in the CES process. The proposal is at odds with the SDF (U) objective. Capacity constraints may indeed hinder responses from the neediest BMCs. Closer engagement with BMCs is being pursued to more proactively generate TA leads and a stronger pipeline.</p>			
<p>5.2 CDB should place a visible “TA Grants” flag on the front page of its website, that, when clicked shows all current invitations and solicitations and a</p>	<p>5.2 Rejected: The idea of having a ‘TA Grants’ flag on the website is not considered to be necessary as Procurement plans for TA grants</p>			

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
list of awards made during the previous twelve months.	and capital projects are already published on the website. Management supports communicating TA operations more prominently (see 5 above).			
5.3 Procurement of professional services to deliver TA should be advertised sufficiently ahead of time to enable responses by consultants and comparative adjudication, whether the project is managed by CDB or the grantee. For individual consultants, CDB can maintain a directory of consultants if it finds that useful but referring to CVs in the directory should not be considered a sufficient alternative to open advertising. In principle, solicitations (by both the Bank and grantees), should be advertised on CDB’s website, for not less than 14 days for Expressions of Interest, and not less than 30 days for Requests for Proposal. Contract awards should be announced on the same site.	5.3 Accepted: Efforts are underway to advance prior procurement even to approval of TA, although it is recognised that some BMCs will not commence procurement until financing agreement is signed. The recommended directory already exists in the form of the Register of Consultants (ROC) which was upgraded by the Finance and Information and Technology Solutions Department (FITSD) in January 2021. Timelines for advertising already form part of CDB procurement procedures – procurement notices are monitored by PPU to ensure compliance.	Ongoing - Relevant Divisions/Units to action advance procurement wherever possible. ROC updated and staff advised by email. Ongoing - PPU to continue to monitor compliance with periods of advertising of procurement notices	All Divisions/Units executing TA as advised by Division Chiefs and Unit Heads. FITSD and CCU PPU	Completed
Recommendation 6: Technical assistance should be delivered in partnership whenever possible. 6.1 CDB should seek to establish not just a division of labour with other providers of TA in the Caribbean, but joint activities whenever possible.	6.1 Accepted: This approach is already actively practiced by the Bank.	Ongoing	Operations	

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>6.2 When engaging with other multilateral organisations that provide TA in the Caribbean, such as the IMF CARTAC Multi-donor Trust Fund, CDB should offer collaborative services and facilities rather than rely on cash grants.</p>	<p>Rejected: The evaluation refers to changes that the IMF should make in relation to CARTAC⁶ which are outside of the Bank’s remit.</p> <p>CDB’s partnerships with CARTAC extend beyond monetary contributions to the Trust Fund. Mandates overlap in several respects and are complementary. CARTAC helps all of the supporting entities to leverage their limited resources to focus on critical reforms in PFM, revenue policy and administration, financial sector supervision and statistics. E.g. CARTAC may be directly supporting a Ministry of Finance on particular debt management issues, which helps to facilitate implementation of PBL measures.</p> <p>The partnership with the Compete Caribbean Partnership Facility (IDB) is another example of CDB’s engagement with other multilaterals that provide TA. This also complements other CDB-funded MSME development activities (e.g. CTCS). While Compete Caribbean supports firms to scale up and innovate, there are other Bank TA operations that contribute to strengthening MSMEs. Collectively, these various initiatives contribute to strengthening the MSME ecosystem.</p>			

⁶ “The IMF needs to consider whether the CARTAC funding model is sustainable” – section 4.3.3 of the Evaluation Report.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>6.3 The TA-CD Focal Point should work jointly with the CTCS, or its successor programme, at least once each year on a regional capacity development initiative of interest to both public and private sectors – such as the legislative and regulatory framework for venture capital in the Caribbean, or employment policies for the disabled, or the role of universities and colleges in building capacity in the public and private sectors, as examples.</p>	<p>Accepted but modified: Extending CTCS’ reach and linkage with wider regional CD is supported. This can be achieved through collaboration which will be improved with OP 365. CTCS is naturally part of the efforts to improve understanding of TA needs and targeting of interventions.</p> <p>Reforms promoting a more enabling environment are being promoted as part of the CDB’s new private sector development thrust, creating opportunities for regional capacity development. CTCS is a unit in the Private Sector Division. It should be noted that CTCS’ support is sometimes integrated within other CDB-supported projects (TA and capital) – such linkages occur during project appraisal and the CES dialogue, for more synergies and efficiency. CTCS’s role and contribution will be considered as part of the repositioning of TA.</p>	<p>Highlight CTCS’ strategic position in TA Framework</p>	<p>Operations – Projects Department</p>	<p>June 2022</p>
<p>Recommendation 7: CDB should improve the reporting of TA to senior management and to the Board.</p> <p>7.1 The reporting of TA in the Bank’s annual Development Effectiveness Report (DER) and the Annual Report on Portfolio Performance (ARPP) should be expanded to cover all TA by the Bank, not only projects exceeding \$1 million. Descriptive data presentations should be complemented by an analytical discussion</p>	<p>7.1 Accepted: The OP 365 platform will facilitate a more seamless end-to-end and in-depth analysis of the Bank’s entire lending and grant portfolio, which includes TAs of all sizes. It should be noted that an internal annual report on TAs with values below \$1 million is currently done, and more comprehensive and analytical reporting of the entire TA portfolio is planned.</p>	<p>New TA portfolio management system implemented.</p> <p>All TAs reported annually in a single document.</p>	<p>OP 365 Team CSD</p>	<p>March 2022 December 2022</p>

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
of performance, lessons learned and adjustments of strategy.				
7.2 The TA-CD Focal Point should prepare an annual report on TA to management (AMT) and a biennial report to the Board, at greater length than is possible in the DER or ARPP.	7.2 Accepted but modified: with the introduction of a new TA portfolio management system, all TA data will be centralised (and the annual reporting will encompass all TA (see 7.1).			
<p>Recommendation 8: CDB should seek to deliver TA more efficiently.</p> <p>8.1 CDB should revise the products of the recent Operational Processes Review to be specific to each type of TA and each responsibility centre.</p>	8.1 Accepted: The output of the Operations Process Review is informing the development of the revised TA critical path and relevant work instructions for each type of TA undertaken by the Bank.	Ongoing	OP 365 Team Operations	
8.2 Avoid micromanagement of TA – by contracting and managing for outputs produced and milestones met rather than reimbursing for activity expenditures. Use time-limited “no objection” provisions to provide for expeditious approval of grantee requests for project design changes or for the reallocation of budget within the approved total envelope.	<p>8.2 Unclear: Payments against deliverables are already possible if contract is set up accordingly. This is increasingly common. Changes to TA project objectives, activities, cost, budget reallocation and form of procurement are authorised by the project supervisor in the Bank, as set out in operational procedures.</p> <p>OP 365 will enable more efficient supervision of projects and closer engagement with grantees. The improved portfolio management system will help to ensure that all activities during the life of a Project are managed more effectively.</p>			

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>8.3 Strengthen project initiation and close-out procedures. The standard of preparation of TA projects prior to approval should enable all approved projects to be implemented within a reasonable time (without rush). Projects that are approved but do not proceed as planned should be closed promptly and any financial advance recouped.</p>	<p>8.3 Accepted: It should be noted that the project critical path methods when fully employed in 2022 will help to tighten up TA management from lead intake to completion.</p>	<p>More targeted supervision effort throughout TA lifecycle. This will be facilitated by automated triggers at key project milestones, including project completion and closeout.</p>	<p>Operations</p>	<p>December 2022</p>
<p>Recommendation 9: CDB should improve its monitoring and analysis of the results of TA, and its instruments for learning from results.</p> <p>9.1 CDB should develop a TA management information system that contains an accurate and up to date set of financial and activity data, project descriptors and KPI data for all projects under implementation.⁷ If this can be done immediately as part of the development of OP365, that would be best. If not, CDB should develop an interim stand-alone system of TA records that can later be integrated with the OP365. There should be identical financial and operational variables in the digital data records for all TA projects, both private sector and public</p>	<p>9.1 Accepted: The incorporation of TA into the OP 365 will provide a comprehensive set of real time data on each intervention, both in the pipeline and portfolio.</p>	<p>TA project cycle management in OP 365.</p>	<p>OP 365 Team</p>	<p>March 2022</p>

⁷ CDB needs a much better management information system for technical assistance. Such an improved system was postponed during the extended development of PRISM, and again during OP 365 development, in favour work on a capital projects module.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)																																								
sector, including project type and sector codes, and performance rating.																																												
9.2 <u>Every</u> TA project should be concluded by a Project Completion Report (PCR) written and filed by the CDB officer in charge, as soon as possible after substantial completion of the TA project. Each PCR should describe results, cost-effectiveness and lessons learned, and rate the performance of the project against the same criteria that were used at appraisal, including the gender marker.	9.2 Accepted but modified: Data will be collected for small events-related TAs (events with values of approximately \$50,000), but full PCR will not be required in these cases.	Ongoing. For <u>every</u> TA to have a PCR, all TA management functions would have to be completed in OP 365 TA.	OP 365 Team Operations	Jan 2023																																								
9.3 CDB should commit to a regular cycle of accountability and learning activities for TA, as shown in the table below.	9.3 Accepted but modified: The proposed reporting, evaluation, audit cycle is too onerous given the staff resources available and the volume of other significant competing priorities. A more reasonable matrix could be explored.	Ongoing	Operations	New Annual Reporting approach by July 2022																																								
<table border="1" data-bbox="478 849 747 1349"> <thead> <tr> <th data-bbox="478 849 747 881"></th> <th colspan="3" data-bbox="478 849 747 881">Year</th> </tr> <tr> <th data-bbox="478 881 747 914"></th> <th data-bbox="478 881 567 914">2020</th> <th data-bbox="567 881 655 914">2021</th> <th data-bbox="655 881 747 914">2022</th> </tr> </thead> <tbody> <tr> <td data-bbox="228 914 478 979">Independent evaluation</td> <td data-bbox="478 914 567 979">✓</td> <td data-bbox="567 914 655 979"></td> <td data-bbox="655 914 747 979"></td> </tr> <tr> <td data-bbox="228 979 478 1011">Internal audit</td> <td data-bbox="478 979 567 1011"></td> <td data-bbox="567 979 655 1011">✓</td> <td data-bbox="655 979 747 1011"></td> </tr> <tr> <td data-bbox="228 1011 478 1044">Audit follow-up</td> <td data-bbox="478 1011 567 1044"></td> <td data-bbox="567 1011 655 1044"></td> <td data-bbox="655 1011 747 1044">✓</td> </tr> <tr> <td data-bbox="228 1044 478 1109">Biennial report to Board</td> <td data-bbox="478 1044 567 1109">✓</td> <td data-bbox="567 1044 655 1109"></td> <td data-bbox="655 1044 747 1109">✓</td> </tr> <tr> <td data-bbox="228 1109 478 1174">Annual Report to AMT</td> <td data-bbox="478 1109 567 1174">✓</td> <td data-bbox="567 1109 655 1174">✓</td> <td data-bbox="655 1109 747 1174">✓</td> </tr> <tr> <td data-bbox="228 1174 478 1206">DER and ARPP</td> <td data-bbox="478 1174 567 1206">✓</td> <td data-bbox="567 1174 655 1206">✓</td> <td data-bbox="655 1174 747 1206">✓</td> </tr> <tr> <td data-bbox="228 1206 478 1239">Tracer Survey</td> <td data-bbox="478 1206 567 1239"></td> <td data-bbox="567 1206 655 1239"></td> <td data-bbox="655 1206 747 1239">✓</td> </tr> <tr> <td data-bbox="228 1239 478 1349">Line of Business working papers</td> <td data-bbox="478 1239 567 1349"></td> <td data-bbox="567 1239 655 1349">✓</td> <td data-bbox="655 1239 747 1349"></td> </tr> </tbody> </table>		Year				2020	2021	2022	Independent evaluation	✓			Internal audit		✓		Audit follow-up			✓	Biennial report to Board	✓		✓	Annual Report to AMT	✓	✓	✓	DER and ARPP	✓	✓	✓	Tracer Survey			✓	Line of Business working papers		✓		<p>Annual reporting to AMT on the entire TA portfolio will be undertaken. DER and ARPP are done annually, and the approach to annual reporting is being revisited. Independent evaluations of major TA programmes may be built into their design (e.g. this occurred with PPAM/PCM), and the wider portfolio can be evaluated every five years as recommended.</p> <p>The Line of Business working papers are not accepted. The Bank's approaches to supporting business areas more holistically and achieving more sustainable outcomes will be appropriately</p>			Performance metrics in use by Q4 2022
	Year																																											
	2020	2021	2022																																									
Independent evaluation	✓																																											
Internal audit		✓																																										
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Biennial report to Board	✓		✓																																									
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Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	captured in Sector Strategies and associated Action Plans.			
9.4 Internal Audit Division should conduct its first audit of TA operations ⁸ along with its second audit of CTCS operations as soon as feasible.	Accepted but modified: An audit of discrete sections of the TA portfolio is a more feasible undertaking than an audit of the entire TA operations. Some clusters within the TA portfolio such as the EU funded EPA-CSME Standby Facility are already subjected to routine audits.	Audit of discrete section of TA portfolio.	Internal Audit	Q1 2023
9.5 The respective accountability centers for TA should track performance indicators that include outputs planned and achieved. The TA-CD Focal Point should have a coordinating responsibility.	<p>Accepted but modified: Project supervisors are responsible for tracking performance against indicators included in the results management frameworks. Project supervisors are also responsible for TA data management, and unit heads are accountable for the credibility of data on projects within their respective areas.</p> <p>Reporting against indicators and tracking performance will be aided by the new portfolio management system (OP 365).</p>	<p>Ongoing</p> <p>TA project cycle management included in OP 365.</p>	<p>Operations</p> <p>OP 365 Team</p>	<p>March 2022</p>

⁸ There has never been an internal audit of CDB's TA operations. There was one internal audit of the CTCS in 2015.

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>9.6 Performance metrics should include more meaningful measures of outputs than the number of participants. They should also include at least one indicator of delivery efficiency (for example, administrative costs per \$100,000 in grants or direct operational expenditures), and cost efficiency indicators including the cost per participant day for workshops, attachments, study tours and mentorships.</p>	<p>Rejected: This recommendation speaks to events and individual capacity building TAs (e.g. attachments). While Management places high value on the tracking of meaningful performance metrics, the recommended indicators focused on cost per participants etc. may be captured at the TA development stage. This can therefore be designed into the new OP 365 system.</p> <p>Consideration is being given to embedding standardised performance metrics in project supervision and completion reporting, to allow for calculations and comparability across the portfolio, measuring outcomes and returns on investment. This performance measure will be similar to the one for capital projects.</p>	<p>Improvements to TA portfolio data and analysis</p>	<p>OP 365 Team Operations</p>	<p>Performance metrics in use by Q4 2022</p>
<p>9.7 Performance criteria should be the same for all projects, not weaker for smaller projects.⁹</p>	<p>Rejected: Management does not consider the performance criteria to be less adequate/rigorous for smaller projects. All projects are screened in accordance with GEPOS guidance. Gender Marker will be updated by March 2022.</p>			
<p>Recommendation 10: Modernise the technologies used to provide technical assistance.</p>	<p>10. Accepted: This has already commenced. There is increased use of eLearning modules and virtual training. The Bank has signed an agreement with UWI Open Campus for the hosting and delivery of the PPAM/PCM programme on the UWI Open Campus platform.</p>	<p>Ongoing</p>	<p>Operations</p>	

⁹ For example, the weaker gender marker criteria for projects under \$1 million should be

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
10.1 TA-CD should use on-line, programmed learning (digital platforms) for pre-and-post-event learning, combined with short in-person workshops.	10.1 Accepted: This has already commenced. Conversion of learning and events to virtual delivery has increased since March 2020.	Ongoing	Operations	
10.2 The on-line components of TA-CD activities such as workshops should move from nice-to-have to essential. Production of the agreed on-line components should be a pre-condition to final payment by CDB.	10.2 Accepted but modified: More TA activities are already occurring online, spurred by COVID-19 and travel restrictions. CDB has pivoted accordingly to increased e-learning in the pre- and post-workshop periods. However, Management does not agree that this should be applied as an essential component of all workshops.	Ongoing	Operations	
<p>Recommendation 11: Improve the treatment of cross-cutting themes (CCT).</p> <p>11.1 Have a CCT strategy in the TA-CD Strategic Plan 2020-2024 and in the annual operating plans for TA and report CCT performance and results in the annual TA reports to AMT and biennial TA reports to the Board.</p>	<p>Rejected: The treatment of CCT can be appropriately captured within CSD's reporting architecture.</p> <p>The Bank's updated Strategic Plan (2022-24) addresses CCT; and the Results Monitoring Framework (RMF) in the Strategic Plan includes indicators for cross-cutting themes which are closely tracked.</p>			
11.2 Some cross-cutting themes should be addressed in all TA project designs (gender equality for example). Others should be addressed depending on the characteristics	Accepted: This is already being done. Further, enhanced mainstreaming of RCI will be promoted as part of a proposed RCI Policy and Strategy. A Discussion Paper is under preparation.	RCI Discussion Paper is actively being developed.	Projects Department Operations	March 2022

Recommendations	Management Comments / Responses (Accepted/ Accepted but Modified/ Rejected)	Commitments /Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p>of the TA project (e.g. RCI for regional projects).</p> <p>11.3 Implement the recommendations of the 2018 evaluation of GEPOS, as reflected in the revised (2019) GEPOS and 2020 Action Plan, in the TA context.</p>	<p>Accepted: The Gender Equality Action Plan (GEAP 2020) is under implementation. The Bank is executing a number of actions to implement recommendation 7 of GEPOS Evaluation - “Continue to strengthen CDB capacity for mainstreaming gender in operational work”.</p>	<p>GEAP implementation</p>	<p>Projects Department Operations</p>	<p>December 2024</p>
<p>11.4 Link regional TA projects with RCI priorities as defined in the Bank’s strategic plan, and in the RCI strategy to be developed in 2020. RCI should be considered in every appraisal of a regional TA. If RCI is relevant, the appraisal should explain how the project design will contribute to it.</p>	<p>Accepted: TA appraisal in OP 365 will be guided by job aids for all crosscutting areas. The increased use of assessments and diagnostics during preparation and appraisal will guide where RCI-related issues and activities should be appropriately incorporated in TA projects.</p> <p>The RCI team is part of the review team for all projects appraised, and as part of multi-disciplinary teams, is involved in appraisal process for both regional and national projects.</p>	<p>TA management in OP 365</p> <p>RCI Discussion Paper (and subsequent operational guidance)</p>	<p>OP 365 Team</p> <p>Projects Department</p>	<p>March 2022</p> <p>March 2022 (Paper)</p>

APPENDIX B

Recommendations of the Previous Evaluation (2007), TAPOS Commitments (2012), and Status at 2020

The previous evaluation of CDB's Core TA programme, which reported in 2007, covered the period from 2000 to 2004. It examined 37 TA projects and found that more than half were satisfactory or better; and one in five was excellent. However, about one quarter had serious deficiencies. The evaluation was followed by CDB's formulation and approval of a TA Policy and Operational Strategy (TAPOS, 2012).

This section lists the recommendations made in the 2007 evaluation study, the related commitments made in TAPOS and the status of those commitments in 2020.

1. CDB should organize better internally to deliver TA

The evaluation team in 2007 recommended establishing a central unit to provide expertise in capacity development (both individual and organizational capacity development), leadership of CDB's whole effort in TA, coordination of TA across all divisions of the Bank and administration of TA projects (coordinating appraisal papers and completion reports, when appropriate and keeping files and data).¹⁰⁶ It said that CDB should institute a TA focal point, produce a manual of TA procedures¹⁰⁷ and train CDB staff.¹⁰⁸ In 2012, TAPOS made a commitment (number 1.1) to establish a focal point, which was done. Technical Cooperation Division (TCD) remains operational at March 2020. Proposed changes over recent years to strengthen and clarify the division's mandate have been put on hold as consideration is given to its place in the organisation structure. This has reportedly affected the progression of some areas of its work, TA management in particular. Its role may be reconsidered as part of the current "transformation" programme of the Bank. One avenue for the evolution of the TCD would be towards a centre of excellence in capacity development, perhaps styled as a Caribbean Institute for Capacity Development.

There was a commitment to revise the TA Manual (TAPOS commitment): The actions required were: Update TA Manual to reflect proposed priority ranking; Update TA Manual to reflect Quality at Entry standards; Update TA Manual to reflect Quality of Supervision standards; Update TA Manual to reflect standards for monitoring TA results; Incorporate lessons learned within Quality At Entry standards in updated TA Manual. Status at 2020: These tasks are listed in the October 2019 Progress report as "in progress" with the following comments by TCD. Quality at Entry and Pre-Screening uploaded in OPPM and Intranet RMFs incorporated as standard practice in TAs >\$50k, and paper-based Supervision checklists and PCR template completed 2018 for roll out in 2019. Work has been undertaken on TA process maps and visual job aids as part of the Transformation programme's operations process review. Managing and recording critical path steps in TA implementation as part of the new Management Information System (OP365) will not however commence until late 2021 according to interviewees. This is due to phased OP365 implementation which will see capital projects integrated in the system first.

2. Make selection and approval of TA grants more strategic, programmatic and proactive; and less ad hoc.¹⁰⁹

¹⁰⁶ Ibid, Executive Summary, page x. "The Bank should establish a TA Focal Point (TAPOINT) or RGTA Work Group in Project Services Division to undertake the substantial work tasks that need to be done centrally"

¹⁰⁷ Ibid, Executive Summary, page x. "The Bank should establish a TA Focal Point (TAPOINT) or RGTA Work Group in Project Services Division to undertake the substantial work tasks that need to be done centrally."

¹⁰⁸ Ibid, Executive Summary. Recommendation 6. A priority should be given to systematic training and occasional follow-up workshops on TA management and experience, evaluation results and lessons learned, drawing on the experience of both CDB and other MDBs, for all operations staff involved in TA work. This should include development of an updated manual of TA policies, criteria and procedures (see Recommendation 11: Operational policy development).

¹⁰⁹ Ibid. Exec. Summary, page x: "CDB needs to further strengthen the strategic management of technical assistance. This would provide for a more integrated approach to priority setting and identification of intended results, and operationalization of some TA-intensive strategic objectives and policies such as support for regional cooperation and integration, with consideration of an appropriate balance between different areas of TA. To make this possible, the Bank should develop a TA operational framework or strategy to provide greater strategic focus for TA operations (see Recommendation 11: Operational policy development). As a part of such an operational policy framework, greater emphasis can be given to increased coherence of TA programming in support of key priorities, as distinct from ad hoc funding of individual TA requests, particularly regional TAs. All TAs should be regarded as a use of scarce resources and a tool for pursuing key objectives. Also as a part of such a framework, the Bank should consider identifying and developing "lines" of TA to enable a strengthening of TA design and supervision and increased learning from experience. Particular emphasis should be given to linkages between successive or related TAs or other CDB interventions and with larger programmes or projects or ongoing priorities. Where

TAPOS noted and agreed with the point. It stated that “feedback received ... from CDB’s internal and external stakeholders, has consistently highlighted weaknesses in terms of the strategic relevance and programmatic coherence of the TA portfolio.” (TAPOS Executive Summary, para 1). TAPOS commitment 1.2 (Table 1) stated: “Reviewing TA selection process and priority ranking. Actions to be taken: “Agree on proposed priority criteria for TAs. Communicate proposed priority ranking to Operations staff.” Status at October 2019: TCD states that it has ensured alignment with corporate and other priorities as part of TA screening and appraisal. Also (as part of the TA Process Review in 2019) a “lead intake” (business leads) process was developed to ensure sharpened focus on the purpose of each TA and its link to business development.”

The current evaluators note some limitations in the strategic alignment of TA. For example, it is easy to state that priority is given to investment-related TA but unless there is evidence that a significant and increasing amount of TA has been linked with investment-related TA then the assertion lacks substance. As well, we note that first-come-first served adjudication of grant applications does not lend itself well to strategic selectivity, at least not as well as a competitive approach that periodically considers groups of applications. Nevertheless, it is true that CDB’s senior management does sometimes reject TA proposals if they are seen as insufficiently strategic for CDB – for example, a recent proposal for a substantial project to train members of legislatures was rejected.

3. CDB should improve the efficiency of TA management

There were several commitments in TAPOS that aimed to improve the efficiency of CDB’s management of technical assistance. This section lists the commitment made by CDB, its status (in the opinion of the evaluators) and the evaluators’ comments.

TAPOS Commitment 3.1 (Efficiency) Implement distinct processes for handling TA grants of differing sizes. Actions required: Define ‘small TA’ ceiling; and develop streamlined process for management of “small TAs”.

Status at October 2019. Not yet done but TCD has proposed a changed process, such as a draft concept note format and streamlined approval steps for small events-related TAs (USD \$50,000 and less) as recommended in the TAPOS.

The evaluators conclude that the idea that a “small” TA, say under USD \$25,000, does not need some fundamental steps by the CDB project manager is not well based. Among those fundamental steps are an appraisal document and a completion report. The first is done well. The second is not yet done, although PCR templates have been prepared for eventual use in OP365 (late 2021 rollout expected).

TAPOS Commitment 3.2 (Efficiency): Develop revised TA monitoring and reporting templates.

Status at October 2019. Not done in PRISM (2012-2020). Planned but not yet functional in OP365. TCD has templates in draft,¹¹⁰ but TA data records will not be incorporated in OP365 until late 2021.¹¹¹

The evaluators conclude that the TA management information system could be improved immediately, without great expense, in a simple database that can be used in the meantime and uploaded to OP365 when that system is ready. Complex reporting templates may be desirable but given that they have not been achieved over a long period of time, a few simple variables kept consistently would be a step forward – percent expended, percent of work complete, anticipated completion date, and (at project completion) project performance ratings.

TAPOS Commitment 3.3 (Efficiency) Upgrading MIS. Develop and deploy a TA module in the project MIS.

possible, provision should be made in the TA design for ongoing monitoring of results and/or consideration of possible follow-on supportive action. “CDB needs to be more proactive in identifying prospects for technical cooperation. Each country strategy (now Country Engagement Strategy) would benefit from an explicit needs assessment to identify the highest priorities for technical assistance.”

¹¹⁰ TCD states: “Sign off is awaited. Completed by TCD as Part of TA business process review; concept note format for small event TAs submitted to senior management 2018. Further is streamlining proposed as part of Ongoing (TA) Operations Process Review (OPR) in 2019.”

¹¹¹ TCD states that: “Draft templates developed for TA in preparation for an electronic TA functionality as part of ongoing digital transformation.” TCD intends to capture the information in these draft templates when electronic functionality for recording TA data is fully developed within CDB’s new MIS, probably towards the end of 2021.

Status at October 2019: Not yet functional.¹¹²

TAPOS Commitment 3.4 (Efficiency) CDB will revisit approval limits and signing authority. CDB will approve “in principle” the devolution of approval limits and signing authority to the Bank’s senior and middle management.

Status at October 2019. The Board has increased the level of delegated authority to the President from USD \$150,000 to USD \$750,000. TCD states that a proposal to delegate approval authorities to four levels of management below the President has been made, to be implemented later in the Transformation programme.¹¹³ This is a matter of broad CDB policy. Authority to approve minor task change orders, up to a certain percentage of the original budget, or up to a certain dollar limit, might usefully be delegated to the Division Chief, TCD.

4. TCD should use TA to support CDB’s lending operations¹¹⁴

TAPOS commitments: The TAPOS Implementation Plan Status Report, January 2020, states that: “Priority (is given) to investment-related TA and TA which support PBL objectives included in the OPPM and staff TA training.”

Status at 2020: Twenty-one of the sample frame of 318 TA grants during the evaluation period supported capital investment loans.

This is not clearly more frequently than was the case prior to 2010 as described in the previous evaluation of technical assistance 2000-2004, which reported in 2007.

5. CDB should commission a special study of why so many TAs are cancelled incomplete or suffer extended delays in implementation.¹¹⁵

Status at 2020: No study on this topic was undertaken. Many TA projects during 2010-18 suffered extended delays in implementation and/or were ultimately cancelled incomplete. About 115 such projects of the 230 projects in the portfolio were addressed. If one considers only projects approved before 2017, to give them time to have run their course, about half took longer than a year from approval to final disbursement (or discontinuation). CTCS projects have disbursed more quickly, with only about 15% being a year or longer in implementation (see Section 4.2.8). In 2018-19, TCD cleaned up long-standing inactive projects that remained on the books, some with undocumented advances.

6. Improve knowledge management by maintaining a database containing a reasonably comprehensive record of each TA project.¹¹⁶

TAPOS commitments: Exec. Summary, page x: “TA information for policy development and decision making needs to be improved.¹¹⁷

¹¹² In process. TCD says: “Paused. TA process flow and draft templates were aligned with Capital in PRISM, prepared since 2017. Based on decision to no longer include TA management in PRISM, ITSD is to advise on an alternative TA functionality.”

¹¹³ “Proposed during the future state mapping of TA as part of the business process review; process flow maps for 5 levels of approval limits and signing authority (were) completed by TCD in 2019, and are to be reviewed by AMT as part of the ongoing transformation programme.”

¹¹⁴ Ibid, Executive Summary, Recommendation 10. The synergies between the Bank’s technical assistance and its investment lending should be a continuing priority in TA operations, including the use of targeted TA to address problems of project implementation as these arise.

¹¹⁵ Ibid, Executive Summary, Recommendation 11: “... An evaluation study of TAs that have been cancelled in full or in large part, and of other TAs where there have been extended delays in implementation, to identify common factors and other lessons of experience.”

¹¹⁶ Ibid. Exec. Summary, page x: “TA information for policy development and decision making needs to be improved. A comprehensive data base of all types of TA needs to be created and maintained, with some historical information for purposes of comparison and analysis. This is not currently (2007) available.”

¹¹⁷ A comprehensive data base of all types of TA needs to be created and maintained, with some historical information for purposes of comparison and analysis. This is not currently (2007) available.” Executive Summary,

Status at 2020: Data recorded for TA projects is limited to transaction data – financial numbers and dates – and administrative data such as the responsible Division and the project’s PRN/Legal Number. Comment: The existing data is not “reasonably comprehensive”. Each project’s data record should have (1) additional project descriptors, such as type of activity funded and OECD sector code and the “performance” ratings made at appraisal; and (2) project performance data at completion, such as the number of participants in each workshop and the number of days they attended and performance scores against the PPES criteria – relevance, efficiency, effectiveness and sustainability.

7. CDB should assess TA performance more rigorously¹¹⁸

TAPOS commitments: “To support the effective implementation of the TA Policy, CDB commits to assessing TA performance and results through application of appropriate criteria.”

Status at 2020: The TAPOS Implementation Status Report, January 2019, says that quality at entry has been improved by developing a checklist and rating system for TA Quality at Entry.”

Comment: The potential performance of TA projects is rated at appraisal (quality at entry) but actual performance is not rated at completion. Mandatory rating of performance at project completion should be considered in any revision of the TAPOS. All projects should be assessed at completion. Small TAs can have a simple completion report format, while still covering the essential points – a short text covering main points and some data that describes targets and achieved outputs, performance ratings and proposed follow-up. This current study is the first independent evaluation of TA since 2007 (14 years) and there has never been an internal audit or the programme. CDB should commit to a regular cycle of evaluation and audit.

8. CDB should cluster TA applications to improve selection¹¹⁹

During the last evaluation, the evaluation team recommended that CDB hold periodic calls for proposals to generate more applications, and potentially better applications, and that TA applications should be considered together to identify the best ones. The evaluation report said: “Applications should be clustered at set milestones during the year so that their relative worth is easier to assess.” The evaluation of the CTCS by a different consultant team in the following year made a similar recommendation.

TAPOS commitments: This was not addressed in the TAPOS Action Plan and no action was taken.

Status at 2020: No change from 2007. TA proposals are considered one at a time, on the basis of first come, first considered. The Operations Process Review (2018-19), using an industrial production analogy, thought that one-at-a-time processing is a good idea and criticized “batch processing” on the grounds that it is only the result of inefficiency. This is true if batching is just a result of not getting work done promptly; but not true if batching is a deliberate strategy to improve the solicitation and adjudication of grant applications.

Comment: Best practice in grants programmes is to cluster applications to enable rigorous rating and ranking. Advertised calls for proposals enable better adjudication, improve the visibility of CDB’s work, and add to transparency.

9. CDB should manage for results by paying for results¹²⁰ The 2007 Report said: “Payment of grants should be by performance milestones, wherever possible, rather than by reimbursement of detailed

Recommendation 8. “TA projects should be rated against the Bank’s standard criteria of project performance (PPES) at appraisal and at conclusion. The Bank should use the standard PPES performance criteria for all TA projects over an appropriate lower limit, such as \$50,000, that would cover significant numbers and types of TAs. We suggest that Evaluation and Oversight Division (EOV) should develop guidelines for scoring TAs against the standard (performance) criteria, and that EOV also consider defining key results and key results areas (KRAs) for TA (and the CTCS), and whether tracking against key results might be a complement to the PPES performance criteria in the PPMS.”

¹¹⁸ Ibid, Executive Summary, Recommendation 8. “TA projects should be rated against the Bank’s standard criteria of project performance (PPES) at appraisal and at conclusion. The Bank should use the standard PPES performance criteria for all TA projects over an appropriate lower limit, such as \$50,000, that would cover significant numbers and types of TAs. We suggest that EOV should develop *guidelines for scoring TAs* against the standard criteria, and that EOV also consider defining key results and key results areas (KRAs) for TA, and whether tracking against key results might be a complement to the PPES performance criteria in the PPMS.

¹¹⁹ Ibid, Interim Report. “Applications should be clustered at set milestones during the year so that their relative worth is easier to assess.”

¹²⁰ Ibid, Interim Report. “Payment of grants should be by performance milestones, wherever possible, rather than by reimbursement of detailed eligible costs. In particular, although not exclusively, the administration of small grants (say under USD10,000) could be simplified by a results-based approach to disbursement.”

eligible costs. The administration of small grants (say under USD10,000) could be simplified by a results-based approach to disbursement.”

TAPOS: Not addressed in Management Response and no commitment.

Comment: Payment for outputs specified in a performance contract is likely to be simpler than detailed reimbursement for the expenses of activities completed; and it would provide an incentive to the grantee to produce the agreed outputs. The evaluation team observed cases where the project over-achieved its target outputs and cases where it under-achieved, without the grantee receiving an adjustment in the grant budget amount in either case. However, this point applies more broadly than TA and changes would need to be made in CDB’s operations policies.

10. CDB should give grant recipients incentives for good performance, including reforming the approach to cost sharing.¹²¹

TAPOS: No commitment.

Comment: The two issues of incentives and cost sharing should be separated. CDB has a long-established practice of requiring 15% counterpart funding. The limitation of this practice however is that the counterpart funding can be provided in kind and therefore the marginal cost to a grantee can be close to zero. Requiring a cash commitment would be stronger market test of how valuable the project is to the grantee. In addition, there are many possible incentives, some with general applicability and some tailored to types of projects. Resource allocation in the BNTF, for example, includes a performance incentive.

11. CDB should gather better information and make it more accessible to help identify good projects, to manage TA well and to learn more from experience.¹²² In particular, CDB should conduct annual TA missions; and should ensure that objective completion reports, written by CDB staff or an independent consultant, are filed at project completion.¹²³

TAPOS commitments: TAPOS committed to CDB conducting annual TA mission. However, the commitment was phrased as missions to examine projects at risk. If there were annual missions to BMCs, however, the mission team could do both – examine projects at risk and update the TA plan for the BMC (assuming there was one).

TAPOS (Table 1, 2.2) committed to designing a template for completion reports.

Status at 2020: No change. The only reports are those written by the grantee or contractor, not by TCD staff.

Comment: Ensuring that objective reports, authored by CDB staff, are filed at each project completion is essential to learning. Periodic analysis of TA needs for each BMC (by in-person mission or otherwise), and a completion report for each TA project are vitally important.

¹²¹ Ibid, Interim Report. “Incentives for good performance could be sharpened. For example, the financial contribution or share of the TA costs by the recipient country or organization should be in cash, not in kind, to ensure ownership; and final disbursements should be contingent on the prior use of the counterpart funds pledged at the time of application.”

¹²² Ibid, Executive Summary. Recommendation 3: “The PPMS may need to be revised to make it more results-oriented and stronger as a tool to assess TAs at entry, and systematic use of the PPMS Pipeline Module as part of the TA project review and approval process should be considered.” “The CDB should enter information on all technical assistance projects into the Projects Performance Management System at two points in the project cycle – appraisal and completion (many TAs are too small for formal supervision reports to be mandatory)” “The CDB, itself, in addition to any consultant’s report funded by the TA, should complete its own Project Completion Report, with emphasis on lessons learned by the CDB.”

¹²³ Ibid, Executive Summary, page x: “CDB should provide adequate incentives to ensure that some type of project completion report (PCR) is prepared at the end of every TA. The PCR should be summative and express professional judgment on results and lessons learned. Evaluation and Oversight Division should sample completion reports annually and conduct a substantiation desk audit. Some type of project completion report for every TA project, including, in a simplified form, for smaller TAs, should be a basic requirement of TA operations.”

12. Strengthen the quality of TA supervision and reporting

TAPOS commitment. CDB will develop a checklist for TA Quality of Supervision; and design a revised format for TA monitoring and completion reports.

Status at October 2019. (1) TCD states that it has developed a Project Supervision Report (PSR) checklist; and (2) a Project Completion Report template (Paper Versions). It intends to use these forms until CDB adopts new e-forms as part of its digital transformation initiative.

Comment: There have been checklists, forms and templates designed in the past, as part of PRISM. Systematic use of such forms for record keeping has not been achieved.

13. CDB should strengthen TA monitoring to support results measurement

TAPOS Commitment: “Develop standards for monitoring TA results; Report quarterly to AMT on the progress of CDB’s TA portfolio; Report annually to CDB’s management and Board on the status of CDB’s TA portfolio.”¹²⁴

Status at October 2019: TCD stated: “Results Management Frameworks are standard for all TA grants over \$50k; TCD submitted annual reports to management in 2016, 2017 and 2018, but not quarterly reports. The current PPMS system does not facilitate portfolio level aggregation, OP365 may eventually improve the situation.

TAPOS commitment. CDB will budget for annual supervision visits for “at risk” TAs over the events-oriented TA threshold; and will subject all large TAs to periodic supervision review by inter-departmental (inter-specialist) teams.

Status at October 2019: Not done. The TAPOS Status Report of October 2019 states: “The feasibility (of this commitment) is to be explored as part of ongoing TA process review; respective administrative budgets already include allocations for TA supervision.”

Comment: This text appears to say that the various Divisions in Projects Department are responsible for TA supervision, including supervision missions, to be funded from their administrative budgets. Greater clarity is needed as to who is responsible for monitoring TA projects – TCD or the subject-matter experts elsewhere in Projects Department.

14. CDB should enhance its Portfolio Performance Criteria

TAPOS commitment (2.4): Adopt new TA performance criteria, “2.3 Strengthening TA monitoring to support quality of results.” “Action required: Report annually to CDB’s management and Board on the status of CDB’s TA portfolio.”

Status at October 2019: TCD stated “TA performance assessment scoring is on-going at appraisal stage; an evaluation process was launched 2019, with new (DAC evaluation) criteria.”

Comment: Performance cannot be adequately assessed at the appraisal stage, with the partial exception of the “relevance” criterion. Reporting TA to the Board lapsed without explicit consideration by the Board.

15. CDB should strengthen its evaluation of technical assistance

TAPOS commitment (2.5): CDB will institute a triannual (sic. triennial) evaluation of CDB’s TA portfolio (by external consultants).

Status at October 2020: An independent evaluation began in September 2019, the first since 2007.

Comment: Over the whole history of CDB’s technical assistance, an evaluation was not commissioned more frequently than every ten years and fifteen years have lapsed since the last one. An independent evaluation every four years (not 3) would be sufficient and would be a major improvement.

16. CDB should improve management of TA information

TAPOS commitment (2.6): “CDB will institute inclusion of lessons learned from past CDB and/or other MDB interventions within TA appraisal reports.”

¹²⁴ Stated in the TAPOS Status Report of October 2019.

Status at 2020: The TAPOS Status Report states: “This is ongoing; TA appraisal reports incorporate lessons learned.”

Comment: The appraisal reports reviewed during this evaluation may have built on earlier lessons learned but there was no explicit discussion of what those lessons were, for example learned from other MDBs’ experiences with similar TAs. At best, TCD’s learning is ad hoc, sporadic and tends to be lost with staff change. A new approach and instrument are needed, such as a series of topical working papers based on lessons from previous TAs delivered both by CDB and by other MDBs. CDB could offer to collaborate with other MDBs to produce papers on TA topics of common interest.

17. CDB should be transparent, analytical, and accountable, especially in reporting about TA to the Board.¹²⁵

TAPOS commitments: “TCD will be responsible for monitoring and semi-annual reporting on the TA project pipeline, TA portfolio size and composition to CDB’s management will belong to TCD, as TA Focal Point. To ensure independence in the monitoring and reporting on TAs, and remove the probable conflict of interest in having TCD involved in project appraisal, supervision and monitoring of all TA projects, annual reporting on TA portfolio performance to CDB’s BOD shall be the responsibility of the Coordinator for Quality Assurance and Monitoring (QA&M) in the office of the Vice-President (Operations)” (TAPOS Executive Summary, Para 6, page iii.)

Status in 2020: The annual report to the Board on TA lapsed after 2012. There is currently no position in the VPO office with the responsibility envisaged for a Coordinator Quality Assurance and Monitoring. CSD prepares the ARPP and DER, both of which report only basic financial information on TA projects over \$1 million.

Comment: A regular report to the Board is essential. The Board should express its preference for timing. Perhaps every two years would be sufficient.

18. Encourage mutual accountability by giving and getting feedback from stakeholders.¹²⁶

TAPOS commitments: None.

Status at 2020: There are no instruments of mutual accountability.

Comment: Mutual accountability is still a good idea; and policies and instruments to make it effective should be considered in a revision of the TAPOS.

19. CDB should improve its monitoring of TA especially for projects at risk. There should be more budget for TA field visits.¹²⁷

TAPOS commitments: Develop a checklist for TA Quality of Supervision.

Status at 2020. The “red flag” system to identify projects at risk is not used. Projects in difficulty have been carried on the books for long periods of time without being addressed or closed. In this situation, check lists are of little value. What is needed is a different approach to project supervision and stronger oversight by senior management.

20. Separate the programme of “capacity building TA” from the programme of miscellaneous small grants (for meetings and events).¹²⁸

TAPOS commitments: None.

¹²⁵ Ibid, Interim Report “The CDB’s annual report to the Board on the status of TA projects should be upgraded to be more analytical, to give a more complete picture of TA performance, and to cover trends and lessons learned.”

¹²⁶ Ibid, Interim Report. “The CDB should design a short standard form on which the Bank will provide feedback to TA recipients on their performance and a similar form for the TA recipient to provide feedback to the Bank on the Bank’s performance.” “The CDB should design a short standard form on which the Bank will provide feedback to TA recipients on their performance and a similar form for the TA recipient to provide feedback to the Bank on the Bank’s performance.”

¹²⁷ Ibid. Executive Summary. Recommendation 7: More resources should be found for TA fieldwork, including portfolio reviews, inception missions and supervision missions, particularly for higher risk institutional development TAs and complex TAs involving several partners.

¹²⁸ Ibid, Executive Summary, Recommendation 9. Consideration should be given to establishing a *TA Small Grants Fund* with a fixed ceiling on overall funding and simplified procedures. Such a fund might be \$120,000 per year.”

Comment: The intent appears to have been to separate small grants that are not strategic or targeted to capacity building, from larger capacity building TA. The rationale for having such small grants at all is not clear to the present evaluators.

Internal Audit

There have been no internal or external audits of CDB's TA programme.

APPENDIX C

The Capacity Development Institute Concept

The “institute” model of providing capacity development assistance is worth CDB’s serious consideration. It has many advantages; but would require a considerable commitment by the Bank and by donors. If the Bank were interested in exploring the institute idea, a feasibility study would be the first step.

As part of this evaluation of CDB’s technical assistance, the evaluators looked briefly at other models of delivering technical assistance, including capacity development “institutes”. The World Bank operated a “World Bank institute” for three decades. Other MDBs have, or have had, various approaches to organizing “centres of excellence” in capacity development, including the Asian Development Bank¹²⁹ and the African Development Bank.¹³⁰

This brief note considers just one example of technical assistance through an institute structure – that is, the Institute for Capacity Development (ICD) of the International Monetary Fund. It is an instructive example, but not the only way to provide technical assistance through an institute embedded within an international financial institution.

A fundamental characteristic of the IMF’s CD strategy is that the Fund has declared capacity development to be one of its three core functions, equal in status with its supervisory function and its lending activities. It is not a lesser priority than lending or policy advice. Another characteristic that is fundamental to the IMF’s approach is partnership - by which it means that its capacity development activities must be fully funded by donors and not draw unduly upon the IMF’s ordinary corporate resources.

The IMF’s capacity development work has grown rapidly in the past decade and now accounts for about a third of Fund spending and 18 percent of staffing - roughly 725 fulltime equivalents (FTEs).¹³¹ In 2013 the IMF stated a capacity development strategy. In 2018 the IMF reviewed progress on its CD strategy and published a strategy for the next five years.

The idea of a capacity development institute that is of equal importance with other core functions (lending and advisory services), is based on three assumptions.

Assumption 1: Capacity building is not merely a support to lending but an equal priority. In the case of the IMF, these core functions are like those of the CDB except for the IMF’s additional surveillance power:

- A. Advice (economic, financial and management advice, based on staff expertise, research and, in the case of the IMF, also based on its surveillance powers and activities)
- B. Finance (loans, credits, and capital grants)

¹²⁹ See ADB, Sept. 2016. “Capacity Development in ADB Operations – A Review of the Medium-term Framework and Action Plan for Capacity Development”, which, among other points stated: “The Midterm Review of Strategy 2020 observed that weak governance and institutional capacities continue to constrain the development prospects of many developing members. It found that capacity development was generally viewed as not being well integrated in ADB operations. To better understand and explain these findings, ADB reviewed its existing approach, as expressed in the Medium-Term Framework and Action Plan for capacity development. This report presents the findings and recommendations of the first comprehensive review of the framework since it was adopted in 2007.” (Executive Summary).

¹³⁰ See AfDB Governance and Public Financial Management Coordination Office. www.afdb.org

¹³¹ IMF Review of the Fund’s Capacity Development Strategy – Overview Paper. 2018. P. 9

C. Technical assistance for capacity development

Assumption 2: Substantial budgets are needed because institutional reform is a complex and, often, slow business. Donors and beneficiaries would have to provide sufficient financial support to ensure that the Institute is viable at a credible scale. The IMF ICD is funded by

- (1) a quadrennial replenishment process much like CDB's SDFU, covering mainly the regional technical assistance centers (RTACs). In the Caribbean, the regional office of the IMF, and the technical assistance centre, is CARTAC.
- (2) Special purpose trust funds, that can be established and replenished at any time. Examples include the Japan Sub-Account (JSA), which funds technical assistance in Asia and Africa, including the Singapore Regional Training Institute, and the Anti-Money-Laundering and Combating the Financing of Terrorism (AML/CFT) trust fund.

The IMF takes a hard line on funding. First, programming must remain within the monies received in hand, not merely promised. Second, all relevant costs of the IMF must be fully covered or the relevant activity is closed. Relevant costs include not only the direct costs of the Institute, but also costs of other Washington-based staff, both in the ICD and in the functional departments that provide expert "backstopping" to CD experts in the field, plus a premium on costs to cover general administration (7%)

While pleased to receive full funding from donors, the IMF does not normally partner with other donors or other development organizations to deliver technical assistance. In fact, quite the opposite. One of the main functions of "backstopping" from the functional departments in Washington DC is to ensure that all technical assistance complies with the policies, positions and standards of the IMF. It is thought that compliance could be compromised if another funder had a joint say in the design or delivery of the technical assistance. One partial exception is the Singapore Regional Training Institute, which is funded jointly by the Japan Sub-Account (trust fund) of the IMF and the Government of Singapore; and administered jointly (at the highest level of governance) by those two entities.

Assumption 3: An Institute must be headed by someone of sufficient rank to make the institute credible and must contain staff who are expert in capacity development as such. The relevant skills and experience include institutional analysis and organization design.

Functions of an Institute

The mandate of an institute for capacity development, as the name suggests, is to assist member country governments, including public entities such as business support organizations (BSOs), to develop their capacities. Relevant capabilities might include policy formulation, management and certain technical skills that are often related to data – that is, related to statistics, and information technologies. Depending on the mandate of the Institute providing the technical assistance, of course, many other areas of support are possible, such as meteorology (climate surveillance), emergency warning systems, law and public policy, transport, aquifer ecology, et cetera.

An Institute could provide support to investment loans and/or PBLs, either pro bono or on a chargeable basis, perhaps through an internal quasi-market. Whether it should, or whether this should be left to functional departments, is a matter for consideration. The IMF ICD does not provide technical support to IMF loans. That is the responsibility of the IMF's functional departments.

The Exploratory Path

If the possibility of a Caribbean Institute for Capacity Development is to be explored, the logical steps would be:

- I. Write a concept paper, including one or more case studies of the use of an “institute” structure by other IFIs¹³²
- II. Write a pre-feasibility study to be considered in principle by CDB’s senior management and Board
- III. Write a feasibility study and funding proposal to be considered by CDB’s Board and possible donors, including, perhaps, non-traditional donors.
- IV. If the feasibility study and funding proposal were approved by the Board and donors in principle, write a business plan and budget proposal, perhaps contingent on adequate first-round funding from donors.
- V. Establish the Institute.

A Task Force might accomplish this in three to six months, if there were a signal from donors that they might make a substantial addition to SDFU contributions to fund a Caribbean Capacity Development Institute and a signal from other partners that they might participate.¹³³

¹³² For further information on traditional and non-traditional approaches to TA and CD, donor and non-donor driven. See: <http://gsdrc.org/docs/open/hdq935.pdf>

¹³³ Such as universities and think tanks (regionally and globally). e.g. UWI Department of Government, Harvard Institute for International Development, the Bill and Melinda Gates Foundation, the Institute of Development studies at University of Sussex etc.