

CARIBBEAN DEVELOPMENT BANK



EXECUTIVE SUMMARY WITH MANAGEMENT RESPONSE

PROJECT COMPLETION VALIDATION REPORT

**BASIC EDUCATION PROJECT
ANTIGUA AND BARBUDA**

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OFFICE OF INDEPENDENT EVALUATION

SEPTEMBER 2014

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EXECUTIVE SUMMARY

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**BASIC EDUCATION PROJECT
ANTIGUA AND BARBUDA**

SEPTEMBER 2014

1. EXECUTIVE SUMMARY

BASIC PROJECT DATA

Project Title:	Basic Education Project – Antigua and Barbuda
Country:	Antigua and Barbuda
Sector:	Social and Personal
Loan No.:	5/SFR-OR-AN and 5/SFR-OR-AN Add.1 and GA8/AN
Borrower:	Government of Antigua and Barbuda
Implementing/Executing Agency:	Ministry of Education, Sports, Youth Affairs and Community Development

CARIBBEAN DEVELOPMENT BANK LOAN AND GRANT (USDmn)

<u>Disbursements (\$mn)</u>	<u>OCR</u>	<u>SFR</u>	<u>Total</u>
Original Loan Amount	7.07	3.57	10.64
Additional Loan	0.83	0.56	1.39
Technical Assistance Grant	-	0.09	0.09
Total Loan and Grant Disbursed	7.90	4.22	12.02
Cancelled	0.10	-	0.10
 <u>Project Milestones</u>	 <u>At Appraisal</u>	 <u>Actual</u>	 <u>Variance (months)</u>
Board Approval (Original Loan)	1997-12-11	1997-12-11	-
Loan Agreement signed	1998-02-17	1998-04-28	(2.37)
Loan Effectiveness ¹	1998-05-31	1999-02-03	(8.1)
Board Approval (Add. Loan)	2002-10-10	2002-10-10	-
Loan Agreement signed (Add. Loan)	2002-12-31	2002-12-02	1
Loan Effectiveness (Add. Loan)	-	-	-
 <u>CDB Loan</u>	 <u>At Appraisal</u>	 <u>Actual</u>	 <u>Variance (months)</u>
First Disbursement Date	1998-06-30	1999-09-30	(15)
Terminal Disbursement Date (TDD)	2001-12-31	2010-03-11	(98.37)
TDD Extensions (number)	-	5	-
 <u>Project Cost & Financing (\$mn)</u>	 <u>At Appraisal</u>	 <u>Actual</u>	 <u>Variance</u>
CDB Loan (Original and Add. Loan)	12.03	11.55	0.48
CDB Grant	0.09	0.02	0.07
Counterpart (GOAB)	2.93	6.46	(3.53)
Total	15.05	18.04	(2.99)
 <u>Terms</u>	 <u>Interest Rate</u>	 <u>Repayment</u>	 <u>Grace Period</u>
CDB Loan (SFR)	4%	25 years (including grace period)	5 years
CDB Loan (OCR)	6.75 (variable)	17 years (including grace period)	5 years
 <u>Implementation</u>	 <u>At Appraisal</u>	 <u>Actual</u>	 <u>Variance</u>
Start Date ²	1998-05-31	1999-02-03	(8.1) months
Completion Date	2004-12-31	2010-03-11	(63) months
Implementation Period	6.6 years	11.0 years approx.	(4.4 years)
 <u>Economic Rate of Return (%)</u>			
At Appraisal	Not applicable		
Additional Loan	Not applicable		

¹ Date conditions to First Disbursement satisfied

² Implementation begins with satisfaction of conditions precedent

2. PROJECT DESCRIPTION

2.01 In December 1997, the Caribbean Development Bank (CDB) approved a loan in the amount of US\$10.64 million (mn) to the Government of Antigua and Barbuda (GOAB) to assist in financing the Basic Education Project (BEP); and a grant to GOAB of US\$92,000 for consulting services to assist in the implementation of the project. GOAB and the Board of Education (BOE) provided counterpart funding of \$0.82mn and \$3.12mn respectively to meet the remaining project costs. The total investment cost of the project was \$14.67mn.

Revised Project Costs

2.02 In October 2002, CDB approved an additional loan to GOAB in the amount of US\$1.39mn to assist in financing the civil works component of the project. The revised contribution of GOAB and BOE was USD2.93mn, a decrease of 7.3% over the original contribution. The revised cost of the project was estimated at USD15.05mn.

PROJECT OBJECTIVES

2.03 The primary objectives of the project were to:

- (a) achieve an enhanced learning environment at the secondary level;
- (b) bring about qualitative improvements in the delivery of teaching and the effectiveness of student learning, and
- (c) enhance the capability of the Ministry of Education, Youth, Sports and Community Development (MEYSCD) to effect qualitative improvements in the development, supervision and management of basic education.

IMPLEMENTATION PERFORMANCE

2.04 Although most of the planned targets were met, implementation progress was unsatisfactory. At appraisal, the project was scheduled to have been implemented over the five-year period 1997-2002. In the revised Appraisal Report, the implementation period for project outputs was extended between 2002 and 2004. Civil works at the nine project schools were eventually completed in 2008. The Project Completion Report (PCR) states that in addition to the extended period of civil works at some of the schools, and the limited outcome of two key institutional strengthening activities, implementation progress was marginally unsatisfactory.

2.05 Factors cited in the PCR as contributing to the delay in project implementation were misprocurement which was reportedly due in part to inadequate communication between CDB and the Borrower; untimely delivery by consultants; limited availability of construction materials in 2007 prior to the Cricket World Cup when there was high demand; and the slow pace of work by some of the contractors.

SUSTAINABILITY

2.06 The PCR rates Sustainability as *Satisfactory*. The PCR notes that GOAB is undertaking a fiscal adjustment programme. It points out that, should continued macro-economic challenges negatively impact revenue adequacy, this could further constrain educational expenditure and restrict investment for needed infrastructural upgrades and adequate levels of recurrent non-salary expenditure. This will impact meeting ongoing maintenance of facilities and recurrent provision of educational resources. Another concern of the PCR is that stakeholder disengagement, poor coordination and communication; and continued lack of ownership, especially at the micro-levels, may not facilitate optimising the use of the outputs of the project.

This has implications for the general approach to sustaining the quality of the outputs, such as the enhanced infrastructure and resources, particularly if centrally-allocated resources are inadequate. In light of significant threats to full realisation of the project benefits, the Evaluator rates Sustainability as *Marginally Unsatisfactory*.

EVALUATION CRITERIA

2.07 This Project Completion Validation Report (PCVR) assessed performance of BEP utilising evaluation criteria that are in line with best practice standards recommended by the Working Group on Evaluation Criteria and Ratings for Public Sector Evaluation of the Multilateral Development Banks (MDBs) Evaluation Cooperation Group (ECG) and adopted by other multilateral Banks. The assessment focused on project performance that was based on the Relevance, Effectiveness, Efficiency and Sustainability of the project as its core performance evaluation criteria and three complementary criteria: Thematic and Institutional Development Assessments; CDB's Performance and Borrowers' Performance.

OVERALL ASSESSMENT

2.08 The overall assessment of project performance was *Marginally Unsatisfactory*. This rating was based on an arithmetic average of the total scores from separate assessments of the four core evaluation criteria: Relevance (*Highly Satisfactory*); Efficiency (*Unsatisfactory*); Effectiveness (*Marginally Unsatisfactory*); and Sustainability (*Marginally Unsatisfactory*).

PERFORMANCE OF BORROWER AND EXECUTING AGENCY

2.09 The PCR provides an assessment of the Borrower/Implementing Agency performance which it rates as *Unsatisfactory*. It states that besides the understandable inexperience and weak capacity of the Borrower, there seemed to be limited commitment by MEYSCD. The BOE is said to have attempted to fulfil its responsibilities but the unusual project management relationship between MEYSCD and BOE, coupled with the non-functioning Project Steering Committee, served to hinder project implementation.

2.10 The PCR further states that key institutional strengthening activities commenced without the relevant institutional capacity in place to guide implementation and derive maximum benefit from the outputs of the services provided. The relative instability of the project oversight function, as exemplified by the repeated change in key project management staff at the beginning of the project, contributed to the persistent implementation difficulties. The Evaluator also rates the performance of the Borrower and the Executing Agency as *Unsatisfactory*.

PERFORMANCE OF CDB

2.11 The PCR provides a self-assessment rating of CDB's performance as *Satisfactory*. The justification for the rating is that the project appraisal was detailed and clearly identified project risks. It states that in retrospect, it might have been more useful to have provided a more comprehensive monitoring and evaluation framework to guide the process both for the Borrower as well as for Bank staff. Focus during project supervision was said to have been primarily output indicators and less so on development issues. Another area which deserved more attention and inclusion in the monitoring framework was the issue of equity. The PCR states that it would have been useful for the project to have identified indicators of equity and inclusion; and for this aspect of the development of the education system to have been carefully monitored since the goal or project purpose was 'an improved and more effective education system in operation'. It further states that an effective education system is one that is responsive to the needs of all children irrespective of gender and socio-economic background.

2.12 The PCR states that CDB's Supervision Reports carefully analysed and reported on the major implementation issues and provided appropriate recommendations for action. It points out, however, that

throughout implementation the project received a satisfactory rating despite the countless implementation issues which led to a protracted implementation period of more than a decade. It concludes that CDB might examine its current policies for addressing projects in crisis and consider, where necessary, cancellation and re-appraisal; or at minimum having Senior Management intercede with the Borrower at its highest level.

TABLE 1: SUMMARY RATINGS OF CORE EVALUATION CRITERIA AND OVERALL ASSESSMENT OF PROJECT

Criteria	PCR/PSRs	OIE Review		Reason if any for Disagreement/Comment
	Rating	Score	Rating	
Strategic Relevance	Highly Satisfactory	4.00	Highly Satisfactory	
Poverty Relevance				
Effectiveness	Marginally Unsatisfactory	2.00	Marginally Unsatisfactory	
Efficiency	Marginally Unsatisfactory	1.00	Unsatisfactory	Significant cost overruns and delays in project implementation.
Sustainability	Satisfactory	2.00	Marginally Unsatisfactory	Significant threats to full realisation of project benefits.
Composite (Aggregate) Performance Rating	Satisfactory	2.25	Marginally Unsatisfactory	Lower ratings by the Evaluator for the Efficiency and Sustainability criteria.
Borrower & EA Performance	Unsatisfactory	Rated only	Unsatisfactory	-
CDB Performance	Satisfactory	Rated only	Satisfactory	-
Quality of PCR	-	Rated only	Satisfactory	-

LESSONS

Monitoring Indicators

2.13 Monitoring and impact indicators must be results-based and be part of a single comprehensive document which includes assumptions and risk factors; and should take into account issues such as equity and poverty reduction. This will allow supervision teams to monitor not only indicators relative to outputs but also progress towards outcomes.

Project Design

2.14 The prototype architectural/engineering designs developed under the CDB/World Bank-funded St. Lucia BEP have been generally accepted as the best practice for the design of schools in the Caribbean. The facilities provided have generally proven to be quite adequate but in some instances the type of construction and materials used have been found to be inappropriate. In future, consideration should be given to the experience of the users and the designs altered to provide more appropriate solutions.

Project Management

2.15 When preparing and updating implementation schedules, project management teams need to pay particular attention to the sequencing of events to ensure there is adequate coordination of activities. Draft terms of reference for consultants need to be finalised in consultation with the beneficiary units and the schedule for consultancies should ensure counterpart staff is in place to enable the transfer of knowledge.

2.16 Project Management arrangements, while reflecting the idiosyncrasies of the borrowing member country, should be as unencumbered as possible, with dedicated structures for greater efficiency, with regular input and oversight from the stakeholder agencies. Any project management arrangements for a follow-on project should avoid the fragmentation of responsibilities between civil works on the one

hand, and the quality improvement and institutional strengthening activities on the other, except in a case where there is a project coordination focal point who is ultimately responsible for the execution of all components.

Ownership

2.17 The issues of fostering ownership and ensuring effective change management must remain central throughout appraisal and implementation. Measures such as nominating champions in key departments; ensuring that implementers understand their roles and have opportunity for feedback; stakeholder input to ensure fit-for-use outputs; and providing regular progress updates (newsletters and meetings) for end-users and stakeholders can be considered.

Project Performance

2.18 In cases where there is slow and persistent underperformance, CDB ought to probe the underlying problems, provide specific training as required not only for project staff but also for their supervisors or reporting officers; and senior CDB staff should intercede by consulting with officials including the Ministry of Finance when implementation progress is hindered by inaction in areas outside the control of the project management staff. The final action would be cancellation of the loan and a re-appraisal to address the major problems. There is need for clear policy on the issue which can be communicated to borrowers.

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MANAGEMENT RESPONSE

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MANAGEMENT'S RESPONSE

1.01 There is general congruence between the PCR and the Validation Report, except in three areas: the rating of the efficiency, sustainability and overall project performance.

2.01 In relation to the rating of efficiency, the PCR Team rated performance as *Marginally Unsatisfactory* while the rating in the Validation Report was *Unsatisfactory*. The Validation Report posited that significant cost overruns and delays in implementation merited such a revised rating. While noting the same factors, the PCR team had assigned a slightly lower rating, but is amenable to the revised rating indicated in the Validation Report. It is noted that one of the major issues was the in-country arrangement for management of education sector projects, with the Ministry of Education responsible for quality enhancement and the Board of Education responsible for civil works, and the lack of cooperation and poor relationship between these two agencies. A key lesson for the Division is the need to be more proactive in revising/amending project design during implementation in a changing environment with many of the key risks being realised. The efficiency issues highlighted in the PCR have influenced the design of the Second Basic Education project, particularly in terms of having more effective implementation arrangements within the country context, to allow timely achievement of outputs and results.

3.01 In relation to the rating for sustainability, the PCR team rated performance as satisfactory while the rating in the Validation Report was marginally unsatisfactory. This was premised on the potential risks identified in the PCR, the decline in teacher capacity through the high degree of voluntary separation taken by teachers trained under the project (due to fiscal difficulties and the need to decrease government expenditure), and the relatively low percentage of trained teachers at the end of the project. The PCR team recognised that the need for continuous professional development of staff and maintenance of facilities depended on the constrained fiscal position of the Government of Antigua and Barbuda. Invariably, the revised ratings translate to a reduced rating of *Marginally Unsatisfactory* for overall assessment, from *Satisfactory* as indicated in the PCR.

4.01 Both the PCR Team and the validators agree that, there were some valuable lessons learned from the project that would assist, and have already assisted the Bank, in designing and supporting interventions which maximise its development effectiveness in its Borrowing Member Countries.