

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE CARIBBEAN DEVELOPMENT FACILITY II			2. PROJECT NUMBER 538-0040	3. MISSION/AID/W OFFICE RDO/C
			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <u>538-81-01</u>	
			<input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	
5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY _____	B. Final Obligation Expected FY <u>80</u>	C. Final Input Delivery FY _____	A. Total \$ <u>17.5M</u> B. U.S. \$ <u>17.5M</u>	From (month/yr.) <u>9/78</u> To (month/yr.) <u>9/80</u>
			Date of Evaluation Review: <u>September 20-October 15, 1980</u>	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., sirgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1) The Ministries of Finance in Jamaica, Guyana and Barbados should be required to submit revised projections of utilization of CDF-II funds (this has been done); 2) The frequency of country visits and on-site inspections of subprojects should be increased (a schedule is now being negotiated); 3) The Bilateral missions should be requested to carry out periodic site visits (structure has been developed but formal requests have not been made); 4) Host country institutions should be requested to send to the CDB copies of the quarterly or semester reports they send to prime donors; 5) Prime donors should be requested to send to the CDB copies of their appraisal reports of projects utilizing CDF funds; and 6) Prime donors should be requested to inform CDB/RDO/C of their schedule of supervisory visits and either to permit joint visits or to provide AID/CDB with briefings.	Mark Waldman	3/31/81

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT		
<input type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____	A. <input type="checkbox"/> Continue Project Without Change		
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____	B. <input type="checkbox"/> Change Project Design and/or		
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	<input checked="" type="checkbox"/> Change Implementation Plan		
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	C. <input type="checkbox"/> Discontinue Project		
11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Name and Title)			12. Mission/AID/W Office Director Approval		
Stephen C. Pender, CBDO/RDO/C			Signature		
Toni Christiansen-Walker, EA/IDI			Typed Name		
Mark S. Waldman, CP/IDI			William B. Wheeler		
Terrence P. Liercke, PROG			Date		

SUMMARY OF ANNUAL EVALUATION
OF
CARIBBEAN DEVELOPMENT FACILITY II

CONCLUSIONS:

The major conclusion of the evaluation is that the screening and approval of subprojects for financing under CDF-II has been in conformity with the requirements of the Project Agreement. The CDB took the initiative in defining subproject impact on target groups when material submitted by prime donors was insufficient. The second conclusion of the evaluation concerns project implementation. The CDF-II project has been achieving the objectives of the loan, but in spite of the availability of funds, projections of disbursements are not being met. Due to institutional barriers in Jamaica, outstanding funds of \$6-7 million may be rapidly used if transferred to other countries or, if not, the December 31, 1980 PACD must be extended to December 31, 1981 (deobligation is not considered a viable alternative). The evaluation concluded that disbursement in Barbados and Guyana has gone well, with all funds projected to be disbursed in Barbados by the December 31, 1980 PACD and all funds already disbursed in Guyana with significant numbers of vouchers accumulated for potential disbursement under CDF-III. CDF-II is estimated to have employed or maintained employment for 6,700 workers during a continuing period of economic adjustment.

RECOMMENDATIONS:

The evaluation recommends that: (1) the flow of information to CDB and RDO/C on the financial status of the project, the status of implementation of the subprojects, and country conformity with agreements with the IMF and IBRD be improved; and (2) improvements be made in CDB/AID monitoring of the financial status of the project and the status of subproject implementation, with the bilateral missions taking a more active role. As a result of these recommendations the following monitoring procedures are suggested: 1) RDO/C in coordination with CDB will request the quarterly or semester reports from the host countries as provided to the prime donors. Copies of reports will be sent to the CDB and will be available to AID on request; 2) The appropriate regional or bilateral mission will visit subproject sites every six months and submit site reports to RDO/C; 3) The regional mission will conduct an annual review in country and will prepare a project synopsis with information on employment generated, basic human needs met, and such other economic factors as are deemed important. The bilateral missions will make inputs to these reports and receive copies; 4) RDO/C will invite comments and advice from the bilateral missions on new projects prior to CDB acceptance for CDF funding; and 5) RDO/C will provide the bilateral missions with the appropriate subproject and project managerial information along with copies of trip reports.

ACTIONS TO BE TAKEN:

The evaluation makes the following suggestions concerning specific actions to be taken: 1) The Ministries of Finance in Jamaica, Guyana and Barbados should be required to submit revised projections of utilization of CDF-II funds (this has been done); 2) The frequency

of country visits and on-site inspections of subprojects should be increased (a schedule is now being negotiated); 3) The bilateral missions should be requested to carry out periodic site visits (structure has been developed but formal requests have not been made); 4) Host country institutions should be requested to send to the CDB copies of the quarterly or semester reports they send to prime donors; 5) Prime donors should be requested to send to the CDB copies of their appraisal reports of projects utilizing CDF funds; and 6) Prime donors should be requested to inform CDB/RDO/C of their schedule of supervisory visits and either to permit joint visits or to provide AID/CDB with briefings.

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CARIBBEAN DEVELOPMENT FACILITY II

ANNUAL EVALUATION

I. Introduction

A. Background

The purpose of the Caribbean Development Facility (CDF) project is to assist the governments of the English-speaking Caribbean countries participating in the Caribbean Development Facility to maintain adequate levels of development investment by providing resources needed to carry out essential donor-assisted socio-economic projects. The Borrower and executing agency is the Caribbean Development Bank (CDB).

The CDF-II project consists of a \$17.5 million loan and a \$2.5 million grant. The loan program forms a part of the Caribbean Development Facility, a mechanism established under the Caribbean Group for Cooperation in Economic Development (CGCED) in 1978 to provide supplementary financing to maintain adequate levels of development investment by providing resources needed to carry out essential donor-assisted projects.

The More Developed Countries (MDC's) of Jamaica, Barbados, and Guyana are eligible to utilize CDF-II loan funds providing financing on a cost reimbursement basis for their local currency counterpart contributions to high priority development projects of prime donor institutions (World Bank, IDB, CIDA, EDF, and other Free World donors). The rationale for this mode of assistance is that given the current state of the MDC's economies, local counterpart resources are not available to support critical donor socio-economic development projects. Therefore, without the facility, these projects would be slowed or stopped with resultant decreases in development investment, employment, and foreign exchange earnings. The participating countries, in turn, will have committed themselves to undertake self-help measures reflected in medium-term macro-economic programs intended to lead to financial stability and long-term growth. CDF-II is the second tranche of AID assistance to the Facility initiated under the CDF-I project signed in September 1978.

The \$2.5 million in grant funds under CDF-II represent additional capitalization of the Basic Human Needs Fund (BHNF), also a program of the CDB initiated with previous AID assistance. Assistance under BHNF is provided to the Less Developed Countries (LDC's) of the English-speaking Caribbean (Belize and the seven members of the Eastern Caribbean Common Market) to finance initiation of subprojects designed to generate employment and rehabilitate essential infrastructure.

B. Scope of the Evaluation

The purpose of this evaluation is to: (a) assess the manner in which other donor projects (hereinafter termed subprojects) were screened for inclusion in the CDF; (b) examine the status of those subprojects and (c) review the subproject monitoring system with a view toward strengthening that system for a possible third tranche to CDF.

Following discussions with RDO/C, it was agreed that the evaluation will focus only on the use of CDF-II resources in Jamaica, Barbados and Guyana. The BBNF subprojects in the LDC's will be the subject of a separate evaluation planned for November/December, 1980. The primary concern of the evaluation would be on the subproject selection, implementation, and monitoring process. The socio-economic performance of the countries involved in the project, the overall income and employment impacts of subprojects, and other socio-economic aspects of CDF-II will not be assessed in this evaluation due to data and time constraints.

C. Evaluation Methodology

The evaluation was conducted based on the following:
(a) review of RDO/C project files; (b) review of CDB project files;
(c) discussions with RDO/C and CDB personnel involved in the implementation of CDF-II and (d) evaluation team visits to Jamaica, Barbados and Guyana to evaluate subproject status. The visits to the MDC's included discussions with the host country officials responsible for subproject implementation, subproject contractors, supervisory consultants involved in the various subprojects, and subproject site visits. The Ministries of Treasury and/or Finance of Guyana and Jamaica coordinated all meetings with implementing agencies and a representative of that Ministry attended most meetings and participated in some site visits. In addition, an introductory and final briefing was held with USAID/Jamaica and USAID/Guyana to discuss the status of CDF-II and the project monitoring system.

The evaluation team consisted of Terrence Brown, CRDO USAID/Bolivia on TDY to RDO/C; Toni Christiansen-Wagner, RDO/C; and Mark Waldman, RDO/C. In addition, Mr. Stephen Ryner, CRDO, RDO/C participated in the development of the evaluation framework and subproject site visitations in Guyana. Mr. Neville Grainger of the CDB participated in the Jamaica country visit and Mr. Morris Hooper of CDB in the Guyana country visit. Mr. Grainger or Mr. Hooper also participated in the meetings and discussions in Barbados regarding subproject implementation in that country. The AID evaluation team is extremely grateful for their invaluable assistance and participation. The evaluation was conducted from September 15 to October 4, 1980.

II. Subproject Screening

Subprojects are defined as those socio-economic development projects of Prime Donors selected for funding under CDF-II. These projects were selected from a list of existing and potential projects in the MDC's identified by the World Bank. Projects financed by communist countries, commercial banks and self-financed projects were excluded. Of those projects eligible for financing under the Caribbean Development Facility, a further screening was necessary prior to their selection as eligible for AID financing. Criteria were defined in the CDF-II Project Paper and carried into the Project Agreement as follows:

- (1) Projects must be:
 - sponsored by an external free-world donor other than AID;
- (2) Projects must fall into one of the following funding categories:
 - Agriculture, Rural Development and Nutrition;

- Population;
 - Education and Human Resources Development;
 - Special Development Activities;
 - Health
- (3) Projects receiving AID funds must be designed as having a significant impact upon the poor in the recipient country (including direct and indirect benefits). The poor are defined to include all those whose income falls below the 50th percentage on a country's income scale.
- (4) Projects promoting production and marketing of sugar, palm oil, and citrus will not be financed, and
- (5) Projects must be shown not to have significant detrimental effects on the environment.

As a condition precedent to finance any eligible subproject the CDB was required to furnish the following to AID:

- (a) evidence that the country in which the respective project is to be carried out has been qualified for assistance by the CG after review of its proposed development policies and investment program;
- (b) evidence that CDB has identified the project to which assistance will be provided as eligible under AID subproject selection criteria (defined above);
- (c) evidence that CDB has received from the appropriate donor institution a written statement with such supporting documentation as may be necessary confirming:
 - (i) that the proposed eligible project is currently, technically, economically and financially feasible;
 - (ii) that the financial plan for the project prepared by the donor has been reviewed and updated;
 - (iii) that the proposed eligible project will not have a significant effect on the human environment, or if it does, that a satisfactory environmental analysis has been prepared; and
 - (iv) that the proposed eligible project (which shall be adequately described) will have a significant impact upon the poor of the country.

To assess whether all approved subprojects conformed to the above sets of criteria, the files of RDO/C and CDB were reviewed.

Regarding the documentation submitted by CDB to RDO/C, in all cases the necessary documentation for each subproject was submitted and based on that submission, RDO/C issued an implementation letter approving the subproject.

The CDB files were examined in turn to analyze the basis for the various certifications made by it to AID. Again, in all cases, CDB had received from prime donors certifications and other data as follows:

1. Certification That Proposed Subproject Remains Economically, Technically and Financially Feasible:

For all subprojects, CDB has on file a letter from the prime donors certifying continual project feasibility, along with copies of the particular appraisal reports. It was not a condition of the Project Agreement that CDB undertake its own appraisal of the accuracy of these certifications; indeed to do so would have imposed a significant technical burden on CDB and placed them in a politically sensitive position vis-a-vis prime donors and host governments.

That being said, it is also the case that a number of the subprojects have experienced significant modifications since the initial appraisal reports were prepared. Therefore, in some cases the subproject as designed and appraised proved financially or technically "unfeasible" over time and was modified during the course of implementation to maintain its feasibility. The majority of these modifications were necessitated by rapidly escalating project costs leading to cut-backs in physical outputs.

For example, the Jamaica Sites and Services project is in the process of undergoing a significant redesign as a result of a rapid rise in construction costs. The resultant design modification raises some interesting problems regarding its feasibility compared to the original design. Despite the fact that the World Bank was aware of the problems facing this project, no mention was made of them in its letter certifying continual project feasibility.

From this and other examples, it is clear that the certifications received by CDB from prime donors represent statements of the continuing commitment of those donors to the projects rather than reflect any technical assessment of continuing feasibility. Unless AID wishes CDB to undertake its own reassessment of subprojects, this is the most AID can expect.

2. Updated Financial Plan

In all cases, CDB received an updated financial plan for the proposed subprojects.

3. Environmental Impact

Prime donors certified their projects to be environmentally sound. However, review of prime donor project appraisal reports in most cases do not reflect any explicit identification of possible environmental issues nor include mechanisms to minimize potential problems.

It should be noted that the appraisal reports date back to the early 1970's in some cases and therefore absence of explicit environmental analyses is not surprising. Sensitivity of the donor community to environmental problem is relatively recent. For example, if AID were receiving a supervised agriculture credit program such as the Jamaica Self-Supporting Farmer Development Project, the problem of

pesticide management would have been considered. Based on discussions with host country project managers and site visits, the evaluation team is confident that subprojects are being implemented in an environmentally sound manner. For example, the Mahaica-Mahaicony-Abary River project in Guyana is carrying out extensive ecological impact studies. However, explicit analytic documentation of that assertion is for all projects not contained in CDB files.

4. Impact On The Poor

CDB provided a statement of the impact on the poor of each proposed subproject. In some cases, the information presented was more carefully defined in terms of target group than the prime donor appraisal reports. In general, the donor appraisal reports did not clearly define benefit incidence (except in the case of IDB projects financed with SFO funds). In a number of cases, conclusions on beneficiaries therefore were based on ex post assumptions about the income level of project beneficiaries or the eligibility criteria established for participation of individuals in various subprojects.

For projects involving agriculture credit, housing, or other direct means of limiting participation to a specific target group, project beneficiaries in all cases examined were within the 50th percentile limit (e.g. Jamaica First Rural Development, Jamaica Self-Supporting Farmers Development, Jamaica Sites and Services). Measures of benefit incidence for other types of projects (e.g. Jamaica Fourth Highway) are not as clearly defined. Based on the evaluation team's review of donor assessment reports, CDB certifications to RDO/C, and site visits, the assertion that all participating subprojects substantially benefit the host country's poor is reasonable as illustrated below:

Several prime donor projects in Jamaica are particularly significant for their impact on the poor target group. These include:

(a) Sites and Services: This self-help housing project will provide up to 6,000 poor families (maximum income range approximately 30-35th national family income percentile). In addition to such selection criterion as income, family size, and proximity of current residence to the new housing site, women heads of households are given some measure of preference. This preference is meant to begin to redress the legal and social barriers which exist limiting access of female heads of households (particularly those with children) to acceptable shelter.

(b) Self-Supporting Farmer Development: A detailed socio-economic evaluation of the impact of this project (on file in RDO/C) clearly indicates that participating small farmers have experienced measurable gains in income as a direct result of the expanded access to credit and technical assistance provided by the project.

(c) Second Education: The World Bank's First and Second Education Projects have expanded the capacity of the public education system (in terms of quality as well as classroom facilities) to serve the needs of the country. Many of the secondary schools constructed under the program are in outlying areas, significantly increasing the number of students enrolled in secondary education. On terms of curriculum, pre-vocational

(grades 7-9) and vocational education (grades 10-11) are key aspects of the curriculum.

5. AID Subproject Eligibility Criteria

All selected subprojects are sponsored by other Free World Donor (specifically, IDB, World Bank, CDB and EDF). All fall within one of AID's functional accounts. The impact on the poor and on the environment is discussed elsewhere. The only major criterion remaining to be examined is that other donor projects promoting the production and marketing of sugar, palm oil, and citrus were not to be financed.

Of the selected subprojects, several include financing and/or development of sugar cane and in some cases citrus as a small farmer crop. This is true for example of the Jamaica First Rural Development Project and the Jamaica Self-Supporting Farmer Development project. In both cases and as a result of practical project implementation, sugar cane and to a lesser extent citrus is part of the farm plan of the small farmers participating in the subprojects as verified by site visits to farms in the Spanish Town area and the settlement area of "Equity and York" outside Montego Bay.

Although sugar and citrus are produced as part of the agricultural production on specific farms financed under these subprojects, it could be argued that these subprojects do not violate this requirement of the Project Agreement given the local production and relatively small amount of these crops involved. In addition, financing of these crops can be attributed totally to prime donor financing.

III. Status of Subproject Implementation

The following section will review the status of the subprojects financed under CDF-II. The approach used in this review was to discuss implementation status with involved host country officials, project consultants, contractors, etc., and visit subproject sites when possible. For each site visit, at least one member of the AID evaluation team was present along with a representative of the CDB and the host country. The following will review the overall status of subproject implementation in Jamaica, Barbados and Guyana. Summaries of the status of each subproject are contained in Annex A based on a standard site visit reporting format. Site visit reports are contained in Annex B.

A. Jamaica

1. Subproject

Under CDF-II, twelve other donor projects were selected for inclusion in CDF-II as presented in Table I. Of these twelve projects, meetings were held with GOJ project officials (usually the designated project managers) for the following:

- Mandeville Water Supply
- Montego Bay/Falmouth Water Supply
- Second Education
- First Rural Development
- Parish Retail Markets
- Fourth Highway
- Secondary Main and Parish Roads

- Self-Supporting Farmer Development Project
- Second Population
- Sites and Services

Of that group, site visits were conducted for the following:

Montego Bay/Falmouth Water Supply:

The site visit to Montego Bay included review of project status at the offices of the project supervisory engineering firm and a brief tour of key facilities under construction in Montego Bay.

Second Education:

The site visits consisted of a discussion - tour of the media center in Kingston and a rural secondary school in Seaforth.

Sites and Services:

The evaluation team visited two project sites; Nannyville in Kingston and Catherine Hall in Montego Bay. The Nannyville site was essentially complete; Montego Bay was about to receive the first group of home owners to begin construction of their own core units.

First Rural Development:

A settlement area designated "Equity and York" outside Montego Bay was visited. Individual plots had just been adjudicated on the site and settlers were planting their first crops.

Self-Supporting Farmer Development Program:

Three participating farmers in the Spanish Town area were visited; a vegetable farmer, a mixed cropping farmer, and a livestock farmer.

Of the subprojects not visited, several were judged inappropriate for a site visit at the time of the evaluation team's trip. These involved the Mandeville Water Supply project (work on the system had not been initiated) and Parish Retail Markets (GOJ was in the process of meeting initial conditions precedent to disbursement). The Small-Scale Enterprise Development and the Student Loan Revolving Fund projects were not included in the evaluation. They were funded to cover CDF-I only. The Second Education project was visited to sample one activity under CDF-I.

In addition to the project and site visits, the evaluation team met with the Assistant to the Director of the Project Assessment and Monitoring Company (PAMCo) of the GOJ Ministry of Finance.

As can be seen from Table II, utilization of the resources under CDF-II has been extremely slow. Of the \$10.0 million allocated to Jamaica, only \$2,578,000 has actually been disbursed or has

been submitted to CDB for reimbursement. Based on actual disbursements, reimbursement claims in process, and estimates of eligible Government of Jamaica (GOJ) subproject expenditure through the December 31, 1980 PACD, it is estimated that the maximum potential draw-down of funds under CDF by that date will be \$8,028,000 (see Annex C).

Discussions with CDB officials, GOJ project managers, and site visits to selected projects revealed a number of reasons for the slow pace of the utilization of CDF-II resources as discussed below:

1. Funding Category Limitations:

Resources under CDF-II are allocated on the basis of AID's functional accounts. Agriculture, Rural Development, and Nutrition (F&N), Selected Development Activities (SDA), Health and Population (H&P), and Education (EDN). These allocations are carried through to the CDF agreements between the MDC's and CDB. Although there is no fixed allocation for specific subprojects, (several projects may compete for funds within the same functional account on a first-come, first-serve basis), there is no flexibility to shift funds between functional accounts within a country's total funding level. CDB officials stated that the final allocations by functional account of CDF-II were not made based on an assessment of demand within that category but rather on the basis of AID's internal decision regarding funding availabilities by functional account. This translates into probable over-funding of some functional accounts, particularly H&P and F&N in the case of Jamaica.

2. Use Of CDF-I:

The first tranche of the Caribbean Development Facility program (CDF-I) had an initial PACD of September 30, 1979. Given the slow draw-down of funds (particularly in Jamaica), that date was extended to September 30, 1980. Although activities are eligible for funding under CDF-II from October, 1980, reimbursements to approximately June or July, 1980 for Jamaica were attributed to CDF-I to utilize those funds by the PACD. This has delayed initiation of draw-downs under CDF-II.

3. Coordination Within GOJ:

The GOJ through its implementing agencies has been incurring expenditures under approved subprojects which are eligible for financing under CDF-II, but for which no claims have yet been submitted. In addition, claims when submitted are for expenditures incurred months before the date of submission.

Several factors contribute to this documentation problem. First, the GOJ has no system for monitoring use of CDF-II effectively. The central unit charged with monitoring of external donor projects (Project Assessment and Monitoring Company (PAMCO) of the Ministry of Finance) does not review or report on the status of CDF. The office within the Ministry of Finance charged with implementing CDF-I and CDF-II (involving primary review of reimbursement documentation submitted by subproject implementing entities and forwarding claims for reimbursement to CDB) is ineffective and is not actively pursuing project implementation.

Second, GOJ implementing entities are not preparing reimbursement requests on a timely basis. This appears true both for CDF

and prime donor reimbursement requests. In one case, the management of a subproject entity was not aware that their projects were eligible for financing under CDF-II. The subproject accountant, however, was aware of CDF and was communicating with the Ministry of Finance. However, the accountant had not taken the time to complete the necessary documentation to receive reimbursement.

From the country and site visits, it was clear that unless GOJ improves its internal monitoring of CDF-II and brings a more forceful management style to its implementation, disbursements will continue to lag unnecessarily.

Discussions with PAMCo indicate that they are interested in taking a more active role in the monitoring of CDF-II. It is recommended that CDB and RDO/C actively support this change. It may be appropriate to transfer GOJ's monitoring and reimbursement responsibilities from the financial section of the Ministry of Finance to PAMCo.

4. Pace Of Subproject Implementation:

The principal cause of slow utilization of CDF-II is the overall slowness in implementing donor projects. Among the implementation problem affecting all donor projects were:

- inadequate staffing
- lack of spare parts for contractor equipment
- shortage of building materials, particularly cement
- lack of qualified local construction contractors
- contractor default
- delays in procurement of off-shore equipment involving contracting and licensing problems
- violence or threats of violence on subproject sites.

Although these problems are common to most development projects, they have become acute in Jamaica over the last year.

5. GOJ Financing:

The cost- reimbursement mechanism used by CDF-II obviously requires initial expenditure by GOJ for eligible project costs. Given tight budgetary constraints, the flow of funds probably is less rapid to implementing agencies than are their requirements. However, the slow pace or inadequate amount of disbursements from the Ministry of Finance to implementing agencies was not cited by those entities as major difficulties impeding implementation of subprojects. It was also clear that cutbacks have been made in the scope of subproject due to limited GOJ resources.

In summary, more funds were programmed for use in Jamaica than could be absorbed within the time frame of CDF-II. Approximately \$8.0 million is the most which can be utilized by the current PACD. In terms of the status of subproject implementation, the current political and economic problems facing Jamaica are contributing to a slow-down in implementation which will become more severe during the October-November election period.

TABLE I
Jamaica Subprojects

<u>Subproject</u>	<u>Funding Category</u>	<u>Prime Donor</u>
Small-Scale Enterprise Development*	SDA	IBRD
Student Loan Revolving Fund*	EDN	IDB
Second Education*	EDN	IBRD
Self-Supporting Farmer Development	F&N	IDB
First Rural Development Program	F&N	IBRD
Sites and Services	SDA	IBRD
Mandeville Water Supply	SDA	IBRD
Second Population	H&P	IBRD
Montego Bay - Falmouth Water Supply	SDA	IDB
Fourth Highway	F&N	IBRD
Secondary Main & Parish Roads	F&N	IDB
Parish Retail Markets	F&N	IDB

* CDF-I only.

TABLE II

Financial Status. Jamaica Subprojects.

As of 9/30/80

(in US\$ 000)

<u>Project</u>	<u>(Allocated)*</u>			<u>(Disbursed)</u>		
	<u>CDF-I</u>	<u>CDF-II</u>	<u>Total</u>	<u>CDF-I</u>	<u>CDF-II</u>	<u>Total</u>
Self-Supporting Farmer Development	-	-	-	3,612	760	4,372
First Rural Development	-	-	-	1,888	1,003	2,891
Fourth Highway	-	-	-	-	-	-
Secondary Main & Parish Roads	-	-	-	-	46	46
Parish Retail Markets	-	-	-	-	-	-
Sub-total F&N	(5,500)	(4,700)	(12,200)	(5,500)	(1,809)	(7,309)
Sites and Services	-	-	-	2,000	621	2,621
Mandeville Water	-	-	-	-	-	-
Montego Bay Water	-	-	-	-	-	-
Small-Scale Enterprise Development	-	-	-	600	N/A	600
Sub-total SDA	(2,600)	(2,300)	(4,900)	(2,600)	(621)	(3,221)
Second Population	-	-	-	1,479	148	1,627
Sub-total H&P	(2,000)	(1,000)	(3,000)	(1,479)	(148)	(1,627)
Student Loan Revolving Fund	-	-	-	199	N/A	199
Second Education	-	-	-	801	N/A	801
Sub-total EDN	(1,000)	(N/A)	(1,000)	(1,000)	(N/A)	(1,000)
Total	11,100	10,000	21,000	10,579	2,578	13,157

* Allocations by functional account - not by subproject.

Note: The CDB received and is processing vouchers for the following subprojects:

	(US \$)
CDF-I - Population II	<u>\$ 512,000</u>
CDF-II - Self-Supporting Farmers	\$ 520,000
- First Rural Development	\$1,091,000
- Sites and Services	<u>\$ 285,000</u>
CDF_II Total	<u>\$1,896,000</u>

This will bring disbursements under CDF II to \$2,972 million, leaving \$7.028 million undisbursed as of October 31, 1980.

B. Barbados

The following is the list of approved subprojects under CDF for Barbados:

TABLE III
Barbados - Subprojects

<u>Subproject</u>	<u>Funding Category</u>	<u>Donor</u>
Bridgetown Sanitary Sewerage Project	SDA	IDB
Industrial Estates	SDA	CDB
First Education	EDN	IBRD
Samuel Jackman Prescod Polytechnic	EDN	IDB
Oistins Fisheries Development Project	F&N	EDF

TABLE IV

Financial Status - Barbados Subprojects
As of 9/30/80

(in US\$ 000)

<u>Project</u>	<u>(Allocated)</u>			<u>(Disbursed)</u>		
	<u>CDF-I</u>	<u>CDF-II</u>	<u>Total</u>	<u>CDF-I</u>	<u>CDF-II</u>	<u>Total</u>
Bridgetown Sanitary Sewerage				-	894	894
Industrial Estates				400	-	400
Sub-total SDA	(400)	(1,200)	(1,600)	(400)	(894)	(1,294)
First Education				-	147	147
Samuel Jackman Prescod Polytechnic				800	196	996
Sub-total EDN	(800)	(1,300)	(2,100)	(800)	(343)	(1,143)
Oistin Fisheries				-	-	-
Total	1,500	2,500	4,000	1,200	1,237	2,437

For each of the five subprojects, meetings were held with appropriate officials of the Government of Barbados (GOB) attended by a member of the AID evaluation team and CDB. In addition, site visits were conducted for the following projects:

- Industrial Estates:

Three Industrial Estates were visited (Six Roads, Newton, Pines). The visit included factory shells under construction, occupied and functioning, and artisan workshops (Pines).

- First Education:

Two construction sites were visited - Eden Lodge Primary School and the addition to the Erdiston Teacher's Training College.

- Samuel Jackman Prescod Polytechnic:

The team inspected the school construction site.

The pace of project activity in Barbados has lagged but not seriously. Total disbursements to 9/30/80 have been \$1,237,000 of the \$2.5 million permitted for Barbados. However, based on discussions with GOB and CDB officials, supplemented by subproject site visits, it is anticipated that project expenditures in excess of the \$1,263,000 available for disbursement will have been accrued by the December 31, 1980 PACD.

Reasons for a less than expected rate of project implementation involved delayed initiation of project activities, spot shortages of construction materials (particularly cement), and a chronic shortage of skilled construction workers. In addition, the Barbadian construction industry is extremely strained as a result of an overall upsurge in construction activity on this island. As a result, construction costs are increasing and it is becoming increasingly difficult to effect procurement of construction services.

C. Guyana

1. Subprojects

Under CDF-II, three projects were undertaken in Guyana. All were also funded under CDF-I. Chart A shows the projects, their project codes, and levels of disbursements. The evaluation team met with GDG government officials, both project managers and representatives from the relevant ministries. Site visits were conducted for all three subprojects

- Tapakuma Irrigation Project:

The evaluation team met with the Chief Hydraulic officer of the MOA, the Chief Finance Officer, and the Project Manager for a review of the project status. Part of the team then spent a full day touring the project area by helicopter, land rover, and light plane.

- Second Education Project:

The evaluation team reviewed the project at the MOE with the project manager and then visited two typical construction sites, one a substantially complete concrete extension of an existing building and the other a wooden community high school about 30% complete.

- Mahaica-Mahaicony-Abary Irrigation Project:

The evaluation team met with the prime donor's local representative, and then reviewed the project status with the projects' General Manager, Principal Planning Officer, Engineering Project Manager, and Financial Project Manager. The team followed up with a day long visit to the project site.

In addition to the above-mentioned meetings the team met with representatives of the Ministry of Finance and the State Planning Commission. As Table I demonstrates, Guyana has been able to disburse all funds under CDF-I and CDF-II. There are, additionally, vouchers already prepared for submission should CDF-III become a reality. Additionally, no voucher submitted by GOG to CDB has been returned for any reason. It appears that computerization of some MOF operations has had a highly beneficial result, as has CDB pressure on GOG to maintain the rate of disbursement.

Issues raised by various GOG officials include:

- a) Primarily, interest in receiving the third CDF tranche;
- b) Concern by one project manager that the MOF was not telling him how much of his vouchers had been paid;
- c) The nature of "local" as opposed to "foreign" costs in some situations.

Problems in the implementation of specific subprojects have not resulted in disbursement slowdowns. This is partially because problems resulting in scaledowns of work contracted with international firms have resulted in additions to local costs. The scaledowns, it should be noted, were themselves due primarily to GOG funding limitations.

In summary the CDF program in Guyana has been characterized by timely disbursements and is likely to continue in this way should CDF-III be implemented.

TABLE V

Guyana Subprojects

<u>Subproject</u>	<u>Funding Category</u>	<u>Prime Donor</u>
West Demerara Road*	F&N	IBRD
Tapacuma Irrigation	F&N	IBRD
Mahaica/Mahaicony/Abary Project	F&N	IDB
First Education		IBRD

* CDF-I only

TABLE VI

Financial Status - Guyana Subprojects
As of 9/30/80
(in US\$ 000)

<u>Project</u>	<u>Allocated</u>			<u>Disbursed</u>		
	<u>CDF-I</u>	<u>CDF-II</u>	<u>Total</u>	<u>CDF-I</u>	<u>CDF-II</u>	<u>Total</u>
West Demerara Roads				1,240	-	1,240
Tapacuma Irrigation				1,963	1,525	3,488
Mahaica/Mahaicony/ Abary Project				1,997	2,925	4,972
Sub-total F&N	(5,200)	(4,500)	(9,700)	(5,200)	(4,500)	(9,700)
Second Education				200	500	700
Sub-total EDN	(200)	(500)	(700)	(200)	(500)	(700)
Total	5,400	5,000	10,400	5,400	5,000	10,400

IV. Project Monitoring

A. Current Project Monitoring System

1. Prime Donors

As stated in the Project Paper and Implementation Letter No. 1 dated October 25, 1978, responsibility for monitoring and reporting on approved subprojects was the responsibility of the various prime donors. CDB was requested in Implementation Letter No. 1 to request submission of periodic reports on project progress from the various donors. Annex I of the Project Agreement further states that "the prime donors of each project funded through CDF will be responsible for overall supervision and monitoring of project implementation".

While there is no doubt that prime donors have the responsibility to supervise and monitor their own projects, the flow of information on this monitoring process to CDB has not been consistent or complete, particularly on the part of IBRD. Based on a review of CDB files, the following is a list of the most recent prime donor reports submitted to CDB:

Prime Donor Reports to CDB
(as of June 1980)

<u>Country</u>	<u>Project</u>	<u>Donor</u>	<u>Date</u>	
Jamaica	First Rural Development	IBRD	7/78	10/79
Jamaica	Sites and Services	IBRD	1/79	1/80
Jamaica	Second Population	IBRD	7/78	2/80
Jamaica	Small-Scale Enterprises	IBRD	3/79	1/80
Jamaica	Second Education	IBRD		4/78
Jamaica	Secondary Main & Parish Roads	IDB	12/79	6/80
Jamaica	Self-Supporting Farmer Development	IDB	12/79	6/80
Jamaica	Montego Bay Water	IDB		6/80
Jamaica	Mandeville Water	IDB		6/80
Jamaica	Parish Retail Markets	IDB		6/80
Jamaica	Student Credit Fund	IDB		12/79
Jamaica	Fourth Highway	IBRD		No report located

Prime Donor Reports to CDB, cont'd

<u>Country</u>	<u>Project</u>	<u>Donor</u>		<u>Date</u>
Guyana	Mahaica/Mahaicony/Abary Project	IDB	12/79	6/80
Guyana	West Demerara Road	IBRD		3/79
Guyana	Tapacuma Irrigation	IBRD	3/79	2/80
Guyana	Second Education	IBRD		5/79
Barbados	S.J.P. Polytechnic	IDB		6/80
Barbados	Bridgetown Sewerage	IDB		12/79
Barbados	Oistins Fisheries	EDF		7/80
Barbados	First Education	IBRD	No report located	
Barbados	Industrial Estates	CDB	No report located	

As can be seen, several reports on project progress are over a year old or are missing. IBRD has stated that their supervisory missions are sent as needed rather than on a fixed schedule. IDB normally prepares semi-annual project status reports which most recently have been submitted to CDB. EDF has submitted one overall report to CDB, including a discussion of the Oistins Fisheries Project. The frequency of EDF's project supervision reporting is not clear. No reports are in CDF files regarding CDB projects. Status is apparently ascertained informally within CDB.

Based on the evaluation teams' review and site visits, prime donors do supervise and monitor their projects. When requested, they submit their official supervision reports to CDB. However, these reports do not reflect the full extent of prime donor monitoring. In addition, the reports have not been sufficiently timely to adequately track the course of subproject implementation and its implications for utilization of CDF-II funds.

To cite an example from the field visits, the IBRD Sites and Services project in Jamaica has not submitted a reimbursement request to CDB since December, 1979. A significant restructuring of the self-help housing sites remaining to be built under the subproject has been in process since early 1980. As a result IBRD is reviewing the percentage of total costs it will reimburse the GOJ for the subproject costs incurred. To date, a new percentage has not been fixed; therefore GOJ cannot request reimbursement either from IBRD or CDB (since CDF-II will finance in essence all costs not reimbursed by IBRD). This documentation problem which has significantly disrupted the flow of CDF-II reimbursements to the Sites and Services project was not known by CDB until the evaluating team visit to Jamaica. Clearly, IBRD has been aware of the problem, but no information of the problem was made available from IBRD to CDB.

In contrast, the evaluation team discovered that the IDB representative to Guyana was making weekly visits to the project site as well as consulting on a regular basis with MOA and MOF officials in Georgetown. IDB officials similarly were active in Barbados, where project officials referred to their regular inspections of various sites in the Bridgetown Sewerage project.

2. CDB

CDB's monitoring role is limited to receipt of prime donor reports and review and potential of eligible vouchers. Their role is one of the financial monitoring of the flow of funds under CDF-II and does not encompass subprojects as such.

Implementation Letter No. 1 requests CDB to submit quarterly progress reports, including a statistical and a narrative portion. The statistical section was to show cumulative totals of expenditures for all eligible subprojects. The narrative section was to be as follows:

- (a) where there is a prime donor other than CDB, it would arrange and transmit to AID, if available, copies of the prime donor's supervision monitoring or other progress reports;
- (b) where the prime donor is CDB, it would transmit copies of its internal reports.

Only two financial reports of this type are contained in the RDO/C files, the most complete being that submitted dated June 16, 1980. In CDB's internal memorandum dated March 20, 1980, the RDO/C project manager is reported to have requested quarterly statistical summaries of approvals, commitments, and disbursements under CDF-I and CDF-II. The same memorandum indicates reports were to begin with the period ending March 31, 1980. To date, formal receipt of those reports has not begun. However, from the overall financial data provided to the evaluating team, it appears that CDB maintains adequate project books and records.

Regarding the narrative reports, RDO/C in its letter dated August 21, 1980 confirmed its understanding that responsibility for monitoring subprojects would fall on the prime donors. In addition, the letter agreed that it would be preferable to have prime donor reports retained by CDB and not submitted to RDO/C. However, RDO/C is to have access to those reports as requested.

In addition to periodic receipt of prime donor monitoring reports, the CDF-II project manager has undertaken project monitoring trips to Guyana and Jamaica. There have been two trips to Jamaica (in addition to the visit with the AID evaluation team), both accompanied by RDO/C staff. There also have been annual trips to Guyana.

To summarize, CDB has lived up to the agreed-upon monitoring system with the exception of financial reporting and reporting on the CDB Industrial Estates project.

3. RDO/C.

RDO/C staff participated in an evaluation visit to Guyana and Jamaica in September of last year. During that trip, meetings were held with involved host country officials, although no specific site visits were conducted.

RDO/C has limited its monitoring of CDF to financial tracking of disbursements. Frequent informal contact is maintained between the RDO/C project officer and the CDB project manager.

B. Evaluation Of Monitoring System.

In the General Accounting Office's report "U.S. Response to Jamaica's Economic Crisis", dated July 17, 1980, RDO/C was criticized for inadequate monitoring of CDF. The report recommended that AID:

"insure that the Caribbean Development Bank improve the frequency of transmissions of prime donor project monitoring reports to AID to assure full awareness by AID and Caribbean Development Bank of project progress and problems. AID should also insure that AID staff periodically visit AID/CDF project sites to supplement and verify information provided by prime donor reports."

To assess the adequacy of project monitoring, the questions to be answered by the monitoring process must be defined. Given the nature of the project, particularly the distance between AID and the various other donor projects financed under CDF, the following are the major concerns and data required for adequate project monitoring:

1. Financial Status Of The Project

Information required involves (a) disbursements by subproject and loan both cumulative and by quarter; (b) advances made, liquidated, and outstanding; and (c) reimbursement requests received by CDB but not processed. In addition, revised projections of subproject disbursements by quarter would be useful. Prime donor disbursements by quarter also would be helpful to assess implementation status.

2. Periodic Information On The Status Of The Implementation Of Subproject.

Information is needed to assess whether subproject progress is adequate to absorb CDF at the rate programmed. Documentation problems (as distinct from problems with the pace of subproject implementation) also could be identified on a timely basis.

3. Country Conformity With Agreements With The International Monetary Fund Or World Bank Stand-By On Extended Fund Facility Or Program Loans.

Since a condition of initial participation of

countries in the ÇDF program is their commitment to and implementation of medium-term economic stabilization and growth programs, periodic data should be made available regarding their continued compliance with the agreed-upon programs.

Project monitoring and reporting as measured against these requirements could be improved.

First, in the matter of financial reporting, CDB has not complied with project requirements. It is understood that this problem has been brought to their attention and the matter should be resolved.

The most problematic area is that relating to adequate periodic information on the status of subprojects. Prime donor information has in some cases been incomplete and untimely. Thus, while CDB has been aware of lags in the rate of disbursements for some subprojects it has not in all cases received adequate detailed financial and analytical information. Thus, while project implementation and supervision remains the primary responsibility of the prime donor, specific knowledge of the reasons for critical delays has not been available at CDB.

To provide timely information, alternative sources of timely data include:

- 1) Improve the flow of project monitory information and reports from prime donors;
- 2) Require the Ministries of Finance of Jamaica, Barbados and Guyana to submit revised projections of utilization of CDF funds by quarter with brief statements of subproject status;
- 3) Increase the frequency of CDB and RDO/C country visits, including site inspections;
- 4) Request USAID/Jamaica and USAID/Guyana to include site visits to CDF projects.
- 5) Request host country institutions to submit to CDB periodic project progress reports which they normally submit to prime donors, and
- 6) Request prime donors inform CDB and RDO/C of the schedule of their supervisory visits to CDF-financed projects to either permit joint visits or the briefing of AID (RDO/C or country USAID's) and/or CDB officials on the conclusion of the visits.

The following briefly assesses each of these alternatives:

(1) Prime Donor Reporting:

IDB apparently prepares six-month monitory reports for all projects. If these are not submitted to CDB on a regular basis, CDB should continue to request them. World Bank is more difficult since its supervision reports are not undertaken at a fixed frequency. Again,

CDB may have to specifically request IBRD to submit these reports, perhaps by routine letters every six months. For CDB projects, its internal monitoring reports should be passed to the CDF project manager. The frequency of EDF project reports was not determined. CDB should assure that it receives all periodic reports on a timely basis.

In all cases, CDB should be requested to pass along to RDO/C copies of prime donor periodic reports. These reports would facilitate site visit preparation and permit RDO/C to communicate subproject status more clearly to USAID/Jamaica and USAID/Guyana.

(2) Reports From The Ministry Of Finance:

The Ministry of Finance of the respective countries is the prime implementing entity of the CDF program, including the preparation of vouchers for reimbursement for submission to CDB. Given the importance of CDF in terms of foreign exchange earnings as well as local currency support, the Ministry of Finance should be the single entity most concerned about the pace of drawdown of CDF resources. It is therefore reasonable to request that they initiate formal reporting to CDB on a quarterly basis concerning the implementation status of CDF. This report should include a financial statement, including reimbursements requested, reimbursement received, and quarterly projection of anticipated expenditures eligible for reimbursement under CDF. A very brief narrative summary also would be useful. Hopefully, this type of reporting requirement would contribute to better coordination between the Ministries of Finance and the various implementing agencies and provide needed data on project progress to CDB.

(3) Frequency Of Monitoring Visits:

Annual visits to Guyana and Jamaica by CDB and RDO/C are not adequate to effectively monitor the projects. Quarterly visits would impose an unacceptable staff burden on both institutions and would be in excess of the level of monitoring required by the CDF program. Semi-annual visits augmented by some assistance from bilateral USAID's in terms of random subproject site visits would serve an important function in terms of identifying and resolving documentation problems constraining the pace of CDF drawdowns and maintaining accurate projections of the use of CDF resources. These semi-annual reviews should also be held with the Barbadian Ministry of Finance. It should be stressed that prior to the semi-annual reviews, Ministries of Finance should be informed of precisely the information required for the reviews with sufficient lead time to prepare that information.

During the semi-annual reviews, site visits to selected subprojects should be undertaken with host country officials with priority assigned to problem subprojects (i.e. those with significant differences between actual and projected CDF disbursements). It also may be possible to undertake subproject site visits independent of the semi-annual reviews. Certainly that is the case for Barbados. The RDO/C project manager, in coordination with Mission technical divisions should explicitly program CDF monitoring visits into their work load in Barbados.

For Jamaica and Guyana, it may be possible to undertake CDF subproject site visits in conjunction with other RDO/C visits in those countries and/or with the assistance of bilateral USAID's as discussed below.

(4) Bilateral USAID Involvement:

It is important that RDO/C increase its communication with the bilateral Missions in Guyana and Jamaica. In both countries, the USAID's were interested in the CDF program and willing to contribute to the monitoring effort. RDO/C should send to the bilateral Missions copies of CDB's reports (or at least copies of RDO/C's quarterly project report) to keep those Missions informed of overall project progress. To facilitate random subproject site visits, RDO/C should provide each Mission with a format site visit report and the names of the appropriate Ministry of Finance/Implementing agency contacts. Given the number of subprojects in Jamaica, it would be useful to work out a schedule of site visits to be folded into that Mission's normal site visit plans for bilateral projects.

(5) Host Country Reporting:

All host country implementing agencies submit periodic implementation reports to the involved prime donors. These reports are usually quarterly or semi-annually. Since CDB is co-financing approved subprojects, it is reasonable that they also would receive these reports at CDB's option. This point should be discussed with the prime donors.

(6) Prime Donor Monitoring Consultation:

Prime donors should be requested to inform CDB of planned supervisory Missions related to their projects receiving funds under CDF. Although participation of CDB or AID in the mission itself may not be possible, the prime donors should assure that officials from CDB or AID (RDO/C or the bilateral Missions) are briefed on the status of CDF-financed projects.

Adaption of some combination of the above alternatives should permit more detailed monitoring of a third tranche of AID assistance to CDF by CDB and AID. Both CDB (with the exception of periodic formal financial reporting) and AID have monitored CDF-I and CDF-II in conformity with the agreements reached during project negotiations. Experience to date indicates that a higher level of monitoring for future CDF funding would be useful in terms of maintaining current, management-useful data on the progress of CDF. Also, RDO/C must be cognizant of the concerns expressed in the aforementioned GAO report. The nature of project monitoring and a clear definition of monitoring roles should be carefully negotiated before moving into a third tranche for CDF.

In selecting which of the above (or which combination of the above) monitoring mechanisms to adopt, CDB and RDO/C should consider how much information is sufficient and to avoid creating systems which will generate more data than required for adequate monitoring of the CDF program. In this regard, it would be a duplication of effort, for example, to request reports from Ministries of Finance and implementing agency reports submitted to prime donors. Also, the feasibility of several of the above options should be examined in more detail than was possible during this evaluation.

One final comment on subproject monitoring is essential. Neither CDB nor AID should interpose itself into the process of

implementation of prime donor projects. There is a clear distinction between the need to maintain current information on the status of subproject and the appearance of intervention in the actual implementation of these subprojects. The evaluation team country and site visits verified that prime donors are doing an adequate job of monitoring and supervision of their projects supported by the CDF program.

Regarding the monitoring of performance of the three countries under IMF agreements or IBRD program loans, those institutions should be requested to submit reports on performance to CDB and to RDO/C through LAC/CAR.

V. Conclusion.

The following briefly summarizes the major conclusion of the special evaluation:

A. Screening And Approval Of Subprojects

The screening and approval of subprojects for financing under CDF-II has been in conformity with the requirements of the Project Agreement. The analytic basis for prime donor certifications of continuing feasibility of the subprojects, target group impact, and environmental impact is in some cases weaker than desirable since: (a) prime donors do not re-assess major feasibility issues during project implementation; (b) appraisal reports frequently do not contain adequate information on target group and environmental impact, and (c) CDB has not been required to carry out its own independent appraisal of these issues. CDB has, however, done a reasonable job in defining target group impact by augmenting appraisal report information or requesting prime donors to supplement that information.

The only case of possible inconsistency between subprojects selected and the requirements of the Project Agreement was in the area of eligible crop financing. The evaluation team identified several cases of sugar cane and citrus production by small farmers being financed under CDF-II. No system was observed which would restrict the use of credit for sugar cane, citrus or palm oil production in projects providing credit to small farmers. Although the cases observed of production of excluded crops was so minor that their funding could easily be allocated to prime donor resources, the problem of restrictions on crop eligibility should be reviewed during the preparation of CDF-III.

B. Subproject Implementation

1. Jamaica

The pace of implementation of subprojects in Jamaica has been slow with disbursements under CDF lagging seriously. Of the estimated total potential disbursements eligible for reimbursement under CDF-II of \$20.4 million, actual disbursements have been only \$2.6 million as of 10/30/80 (including \$1.0 million in vouchers being reviewed by CDB). Based on site visits and discussions with CDB, it is estimated that total eligible accrued expenditures in Jamaica will not exceed \$8.0 million by the December 31, 1980 PACD, or \$2.0 million less than committed to Jamaica under CDF-II. Either those funds must be transferred to other countries, the PACD extended, or funds deobligated. It should be noted

that the \$8.0 million is a generous estimate and utilization may be more in the \$7.0 million range.

The reasons for the slow utilization of CDF-II are (a) poor coordination within the Government of Jamaica regarding the use of CDF resources and (b) implementation problems with individual subprojects.

Regarding the first problem, the Ministry of Finance has played a passive or inactive role in informing subproject implementing agencies of the availability and documentation necessary to receive reimbursements under CDF-II. Unless responsibility for managing CDF is improved, the documentation problem will persist and could endanger utilization of eligible accrued expenditures through delayed submission of documentation to CDB beyond the nine-month period for their presentation beyond the PACD.

The multiple problems with subproject implementation (including materials shortages, contract default, procurement delays, etc.) are particularly acute in Jamaica. There are the main reasons for the failure of Jamaica to absorb all CDF-II resources by the current PACD. It appears in retrospect that the projections for Jamaica were overly ambitious and that funds were over-programmed.

2. Barbados.

In general, the program has moved well in Barbados. Subproject implementation problems (such as spot shortages of cement and saturation of the capacity of the construction industry) have caused delay in some projects. That delay will become more serious next year as the Second Education Project accelerates the contracting of school construction.

Based on estimates of accrued expenditures, it is expected that Barbados will utilize all \$2.5 million in CDF-II allocated to it.

3. Guyana.

Both \$5.4 million of CDF-I funds and \$5 million in CDF-II monies have been disbursed in a timely manner in Guyana. Subproject implementation problems, such as shortages of materials, have not caused delayed disbursements beyond the PACD and in fact the full CDF-II tranche is already disbursed and significant numbers of vouchers are accumulating for potential submission under CDF-III.

4. CDF-II Impact on Subproject Progress.

In Jamaica the lack of close monitoring of CDF by the Ministry of Finance implied less than active concern on its part for the value of CDF resources, either in foreign exchange terms or budget support. Although this point should not be overplayed, it is clear that CDF did not play as important a role as it could have in supporting other donor projects. For example, it appears the decision to severely cut back the design of the Sites and Services projects was made without considering increasing the use of CDF-II resources for that project. It is unfortunate that over \$2.0 million will not be utilized by the PACD while for want of those resources poor families

will be denied additional resources for shelter construction.

It would be difficult to empirically determine whether local counterpart contributions to CDF subprojects would have been reduced without the availability of CDF. In Jamaica the National Water Authority management implemented the Montego Bay/Falmouth and Mandeville Water Supply projects without being aware that their costs were eligible under CDF. It was the strong view of project managers in Barbados and Guyana, however, that CDF funds had been very important in allowing them to have made the progress they had. They felt that without funds under CDF in the future the local cost portion of their projects would suffer significant reductions in scale and rate of completion, thus jeopardizing the projects in their entirety.

Country: Jamaica
 Project: Secondary Main and Parish Council Roads
 Funding Category: FN
 Prime Donor: IDB
 Loan Agreement Date: 4/74
 Original Completion Date: 4/78
 Revised Completion Date: 4/80
 Revised Completion Date: 3/81

CDF Disbursements:

CDF I (actual): N/A
 CDF II (estimated): \$150,000

A. Project Description

The project consists of the design, reconstruction and related engineering services for 60 miles of secondary roads in rural areas of Jamaica. These roads will provide access to markets and social services for the predominantly poor, agriculturally oriented population which inhabit the rural areas. Most of the rural populace have income levels well below those of the urban sector.

B. Project Implementation

In rural areas, the project now provides for only 46 miles of secondary road. Only one contractor is available to do the road work and his time is shared with other projects which he has on the island. In addition, the first contractor defaulted; poor sub-base materials required an alteration in routing, and shortages of cement and aggregate have delayed the road construction.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IDB	10.0	1.5	11.5
VIF	-	3.9	3.9
GOJ/CDF	0.1	5.2	5.3

Total Project Cost 20.7

Country: Jamaica
Project: Second Population
Funding Category: PN
Prime Donor: IBRD
Loan Agreement Date: 6/76
Original Completion Date: 6/80

CDF Disbursements:

CDF I (actual): \$1,449,000
CDF II (estimated): \$500,000

A. Project Description

The project is designed to support and maintain the objectives of the Borrower's maternal, child health, family planning and nutrition programs. It provides for the construction of 57 health centers in the country of Cornwall and the purchase of vehicles, furniture, training materials and equipment for the centers. It also provides for technical assistance and training of 65 mid-wives and 1,327 health aides. The project's objectives of reducing fertility, reducing the serious protein-calorie malnutrition in children up to five years of age, and eliminating anaemia in pregnant and lactating women are expected to impact significantly on the country's lower income groups.

B. Project Implementation

Second Population

Due to the revised completion date, December 31, 1981, this project will exceed the original project outputs. To date thirty-four health centers have been completed, fourteen are under construction, and nine are in various stages of development. In addition, a fifty-eighth site has been made available by UDC in a flood area. All of the vehicles and most of the furniture have been received; and special equipment has been ordered and shipped from overseas. The number of graduates from the mid-wife and health aides training programs will exceed the original projections. Post-Partum family planning services have been expanded in fourteen hospitals and plans for expanding eight more are being made. The original number of post-partum services to be expanded was seventeen. Most of the printed and AV materials for the nutrition education component of the project have been prepared and the planning and evaluation unit continues to recruit the full complement of staff and consultants.

Country: Jamaica

Project: Parish Retail Markets Reconstruction

Funding Category: FN

Prime Donor: IDB

Loan Agreement Date: 10/79 (Anticipated)

Original Completion Date: 10/83 (Anticipated)

Estimated Completion Date: 10/84

CDF Disbursements:

CDF I (actual): N/A

CDF II (estimated): \$100,000

A. Project Description:

One of the principal elements in the GOJ's recently established national marketing strategy is the reconstruction of antiquated Parish retail markets. An IBRD loan project is financing nine Parish markets in the Western Region of the country. This project will undertake the reconstruction of an additional sixteen (16) Parish markets. The purpose of the project is to enhance the efficient distribution of agricultural products, by reducing produce waste and food contamination, improving access to markets for producers, consumers and intermediaries, and facilitating the collection and dissemination of market information. Increases in production and reductions in marketing costs are anticipated from the efficiencies generated by the project. Project beneficiaries^{ies} will largely consist of small producers and consumers from among the lower income strata of Jamaican society.

B. Project Implementation

This project is in the initial stages. Borrower plans to have all CP documentation to effectiveness met by the terminal date of 9/30/80; project construction will begin in May '81; and technical assistance will begin in October '81.

Due to the delay in signing the Loan Agreement, this project has not used any CDF Funds. Some limited disbursements are possible for local costs for design work of up to \$200,000 (J\$298,000) by 12/80. Discussions further pointed out that there is poor coordination in the use of CDF within GOJ.

C. Project Financing

	(millions of dollars)		
	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IDB	6.0	1.0	7.0
GOJ/CDF	<u>-</u>	<u>3.0</u>	<u>3.0</u>
Total Project Cost			10.0

Country: Jamaica
Project: Montego Bay/Falmouth Water Supply
Funding Category: HE
Prime Donor: IDB
Loan Agreement Date: 1/76
Original Completion Date: 2/80
Revised Completion Date: 8/80
Revised Completion Date: 6/81

CDF Disbursements:

CDF I (actual): N/A
CDF II (estimated): \$600,000

A. Project Description

The project is designed to provide an adequate supply of water to the town of Montego Bay and surrounding areas thereby improving health conditions for the affected population. The \$20 million project will finance wells, pumping stations, turbine pumps, reservoirs, transmission and distribution lines, improvements to the Montego Bay truck distribution system, and the construction of the secondary distribution system to areas in and around Montego Bay. Some 3,000 new house connections will be made under the project. Over 80% of the system's water will be pumped to low income families residing in the Project area, including squatter settlements,

B. Project Implementation

Contractors have completed virtually all of the project's major structures including the pumping stations, reservoirs, and piping. Well fields are complete except for a small section servicing an area east of Montego Bay. This section should be in service by November 1980. Two additional contracts have been awarded to upgrade the primary distribution system by installing a ringmain around Montego Bay City and by adding two more reservoirs. Work on the secondary distribution system to the low income families residing within the boundaries of the project continues with 5,604 ft. of pipe left to lay.

The entire main system should be finished and in operation by February 1981. Difficulties and delays have been attributed to licensing, letters of credit and foreign exchange, delivery of spare parts and valves from abroad, and shortages of materials and supplies in Jamaica. It was pointed out by the NWA that this project was started in 1977 and will, therefore, not exceed the four year limitation with the revised completion date in June 1981.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IDB	9.8	2.2	12.0
GOJ/CDF	-	8.0	<u>8.0</u>
Total Project Cost			20.0

Country: Jamaica
 Project: Greater Mandeville Water Supply Scheme
 Funding Category: HE
 Prime Donor: IDB
 Loan Agreement Date: 5/79
 Original Completion Date: 11/83
 CDF Disbursements:

CDF I	(actual)	N/A
CDF II	(estimated)	\$600,000

A. Project Description

The project will meet the projected potable water requirements to the year 2010 of the urban/semi urban/rural population in the Greater Mandeville area (82.2 sq. miles). Wells, catchment tanks and water trunks currently are used to supply water to the residents in the project area, an unsatisfactory arrangement. The project will finance the physical plant and equipment, transmission and distribution lines, house connections and meters, improvements to existing storage tanks, the installation of public standpipes, and the replenishment of a fund for financing household connections. A survey conducted in the Greater Mandeville area revealed that the majority of households to be serviced under the project had incomes equivalent to less than half the Jamaica per capita income.

B. Project Implementation

Construction has not been initiated; first tender for transmission line construction and distributing lines closes in October with construction to begin in February or March 1981; most major supply contracts (e.g. pipes, valves) have been awarded and L/C's opened; project is approximately 3 months behind schedule but may be made up, therefore, no change in final completion date. NWA has not requested reimbursements under CDF but will before December for costs of engineering design works of up to \$600,000.

Major problem with DCF use is total lack of communication between the Ministry of Finance and NWA; close cooperation would have resulted in earlier requests for disbursements. All expenditures to date have been in local currency which are CDF eligible.

A total of nine construction contracts will be awarded, in addition to three (3) material contracts.

C. Project Financing

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IDB	7,5	3,3	10,8
GOJ/CDF	<u>-</u>	<u>5,0</u>	<u>5,0</u>
Total Project Cost			15,8

Country: Jamaica
Project: Fourth Highway
Funding Category: FN
Prime Donor: IBRD
Lona Agreement Date: 7/79
Original Completion Date: 9/82
CDF Disbursements:
CDF I (actual): N/A
CDF II (estimated): \$500,000

A. Project Description

The project, which forms part of the GOJ's Five-Year Road Maintenance Program, consists of asphaltic overlay and surface treatment of about 335 miles of arterial, secondary and tertiary roads, the procurement of road maintenance equipment and spare parts for the Ministry of Work's (MOW) road maintenance equipment fleet, and technical assistance and training for MOW personnel responsible for carrying out the Government's Road Maintenance Program. In designing the project, a special effort was made to maximize the immediate impact on employment generation. The project will employ about 1,300 people, most of whom will be unskilled and residing in the various rural localities and townships benefitting from the road improvement program. Over 70% of the roads targetted for upgrading under the program pass through rural areas inhibited largely by small farm families. In many of these areas passage by vehicle is presently not possible or very difficult due to the poor condition of the roads. A major project objective is to facilitate the flow of goods and services to and from rural areas, thereby integrating the rural populace more fully into the country's overall social and economic development.

B. Project Implementation

The MOW began awarding contracts for the first phase of this project in March 1980. To date, four contracts have been awarded for 40 miles of roads. The first three contractors have completed 12 miles out of 22 miles and the fourth will begin in the near future. Problems and delays have been caused by acute shortages of materials e.g. aggregate, by administrative and procedural delays in equipment and spare part procurement, and by contractor's availability. As a result, the project is fifteen months behind schedule, and the MOW is currently reviewing the entire project to redefine and revise the scope. Project reassessment is scheduled for completion in October 1980. Indications are that the mileage programmed for new asphalt overlay work will be reduced and that the savings from the reduction will be used to do more resealing of existing roads.

The project's impact on employment has been high during the initial preparatory work phase. In terms of the MOW, the full complement for technical assistance will be on board in October 1981 and training for MOW personnel in the Road Maintenance Program has begun.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IBRD	16.0	-	16.0
GOJ/CDF	-	7.3	<u>7.3</u> ^{1/}
Total Project Cost			23.3

^{1/} The Loan agreement also requires the GOJ to finance recurrent expenditures under the Program estimated at J\$53 million, equivalent to U.S.\$29.8 million.

Country: Jamaica
Project: First Rural Development
Funding Category: FN
Prime Donor: IBRD
Loan Agreement Date: 6/77
Original Completion Date: 12/80
Revised Completion Date: 12/82

CDF Disbursements:

CDF I	(actual):	\$1,880,000
CDF II	(estimated):	\$1,000,000

A. Project Description

The project provides for the establishment of nine Agricultural Settlements in the western region of Jamaica for 1,400 landless families and families with insufficient land and includes construction of village, farm and access roads, farm houses, provision of utilities and other community facilities, soil conservation and forestation schemes, credit and other farm inputs under the supervision of the Ministry of Agriculture. The project also provides for the reorganization and decentralization of the Ministry of Agriculture, including the construction of offices, staff houses and the purchase of vehicles. A third component of the project provides for the construction/reconstruction of 70 miles of feeder roads and 9 rural markets, the development or extension of 41 rural water supply systems, and the installation of 6,000 waste disposal units. Provision is also made for hiring consulting and specialist services for physical planning, administration and supervision.

In the project area, principally in the county of Cornwall, the average annual per capita income is estimated at \$175, although close to 50 per cent of this population group have annual per capita incomes of under \$100. Malnutrition is widespread and social services meager. The area's unemployment level is estimated to be 25 per cent. The establishment of agricultural settlements, the provision of market facilities, the construction of feeder roads and the extension and rehabilitation of the water supply and waste disposal systems are all expected to upgrade the quality of life for these low income families.

B. Project Implementation

(1) Agricultural Settlements

The acquisition of one of the original nine settlements has been cancelled; however, development plans for all but three of the remaining sites have been updated and finalized. Surveying and subdivision continues

on four of the settlements and plots of land are now being allocated on six. Two hundred forty-eight farmers have been placed to date and one hundred fifty-eight farm houses are under construction. Road and farm house construction have been delayed due to shortages of materials, escalating costs, and heavy rainfall. As a result, adjustments are being made by reducing the size of the farm houses and by reducing the mileage as well as the quality of the roads. Water supply and sewerage systems are being reviewed and scaled-down to offset project cost overruns. The Ministry is in the process of re-examining and redesigning the project in order to determine what can be accomplished within the original scope.

In addition to shortages of materials/supplies and cost increase, delays in the rate of implementation are also attributed to sporadic hostility and violence on project settlement sites, especially from squatters who have been displaced, people who have not been chosen for placement, and from people seeking employment.

(2) Regional Infrastructure

- Approximately 49 of the original 68 miles of access village and farm roads are in various stages of construction; adjustments have been made to increase the miles of farm roads and tracks from 40 to 63 miles.

- Three of the rural markets have been constructed, three are under construction, two are designed, and a plot must be identified for the last one. The nine markets are intended to accommodate 3,000 vendors and serve an estimated 50,000 families.

- Construction on the water supply systems continue with the assistance of the National Water Authority (NWA). One of the settlements has water; four others are still under construction. Original plans to tap into NWA's ongoing projects have been altered, therefore, additional costs will be incurred for this component of the project

- Approximately 3,400 concrete latrines have been constructed which is 57% of the target.

(3) Decentralization of the Ministry of Agriculture

The Ministry of Agriculture has been reorganized according to plan and construction is in progress on eight houses and six offices. These buildings are located on each of the nine sites. One house and one office have been completed and are being used by the extension staff,

C. Project Financing ^{1/}

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IBRD	8.5	6.5	15.0
GOJ/CDF	-	16.4	<u>16.4</u>
Total Project Cost			31.4

^{1/} Devaluation of the Jamaica Dollar coupled with inflation have undermined the original budget estimates for the project. An IBRD appraisal team will review the situation shortly and revise budget estimates accordingly.

Country: Jamaica
Project: Second Education
Funding Category: EH
Prime Donor: IBRD
Loan Agreement Date: 3/71
Original Completion Date: 6/75
Revised Completion Date: 3/80
Revised Completion Date: 12/80

CDF Disbursements:

CDF I (actual): \$801,000

CDF II (estimated): N/A

A. Project Description

The project consists of constructing and equipping new secondary school facilities as well as the construction and equipping of extensions to existing high schools and junior secondary schools with a view to providing over 19,000 additional places and to introduce comprehensive instructional programs thereto. It also provides for the expansion of teacher training as well as vocational facilities to increase enrollment. Technical assistance and fellowships to assist in educational planning and curricula development are also part of the supportive measures included in this project. It is expected that by making the educational program more relevant, the high rate of unemployment among unskilled workers will be significantly reduced as skills relevant to the labor market are acquired. The additional student places being created would also assist in reducing the pressure for places and thus reduce the level of drop-outs, mainly among those from low income families.

B. Project Implementation

All of the schools are completed and operational. Some equipment is still on order but should arrive before the revised completion date in December 1980. At this time, the project is in the implementation stage. Preliminary discussions have been held with IBRD officials concerning a third education project with emphasis at the tertiary level.

Country: Jamaica
Project: Self-Supporting Farmers' Development Program
Funding Category: FN
Prime Donor: IDB
Loan Agreement Date: 12/77
Original Completion Date: 12/81

CDF Disbursements:

CDF I (actual): \$3,612
CDF II (estimated): \$1,000,000

A. Project Description

The purpose of the program is to support the development and diversification of Jamaica's agricultural sector by providing credit aimed at increasing the production and productivity of about 1,500 small and medium size farmers operating individually or as members of cooperatives. Such farmers shall work a parcel of land between 5 and 25 acres, although these limits may be adjusted according to the soil fertility and capacity for earning a minimum annual net income of US\$1,400 or the equivalent at 1977 prices. In addition to the land-owning farmers, credit may also be extended to farmers who rent for periods in excess of the term allowed for payment of any subloan granted. The proceeds of the IDB loan are being used to purchase imported inputs, machinery and equipment and to make permanent improvements requiring the use of foreign currency. Subloans extended by the Jamaica Development Bank to target group farmers are based on farm investment plans. Subloan interest charges are 7% per year, with grace and repayment periods varying in accordance with individual cash flow projections developed under the farm plans.

B. Project Implementation

A unit has been established within the Jamaica Development Bank to implement this project. In addition to the central office in Kingston, there are 13 parish offices staffed with a manager, an assistant, an extension officer, and a loan recovery officer. The project is on target as 2,269 sub-loans have been committed and all the remaining funds should be committed by the terminal commitment date in December, 1980. Arrears on sub-loans have increased to 14.9%; a special committee has been appointed to review this problem. The "Socio-economic Evaluation Report" dated September 1980, concludes that the loan problem has had a positive impact on its beneficiaries, a multiplier effect, and a marked improvement in terms of production and income.

Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IDB	3,070	2,930	6,000
GOJ/CDF	-	3,000	<u>3,000</u>
	Total Project Cost		9.000

Country: Jamaica
Project: Sites and Services
Funding Category: SD
Prime Donor: IBRD
Loan Agreement Date: 6/74
Original Completion Date: 12/80
Revised Completion Date: 6/82

CDF Disbursements:

CDF I	(actual):	\$2,000,000
CDF II	(estimated):	\$1,000,000

A. Project Description

The project represents an initial effort by the GOJ to demonstrate the effectiveness of a comprehensive approach to the problems of the urban poor. It is designed to provide infrastructure for self-help housing, essential community services and job opportunities to the lower income groups in Jamaica. The project finances the development of 6,000 housing lots, the construction of related infrastructure and community facilities, business enterprises construction and equipment, consulting services and the training of personnel. It is anticipated that this program will help alleviate a severe shortage of low cost housing in Jamaica's largest cities and put such housing within the financial reach of low income groups. The small industries enterprises component of the project will provide an estimated 1,000 additional jobs and opportunity for training unemployed workers and thereby raise the family income levels of the participating households and help stabilize the new communities.

B. Project Implementation

The Sites and Services Division of the Ministry of Construction is responsible for the implementation of the project. Sites are being developed in Kingston (Nannyville, Hunts Bay I & II, and Marcus Garvey) Montego Bay and Spanish Town. The project has been adversely affected by rapid cost increases in construction materials, particularly cement. As a result, the IBRD and the Ministry are reviewing several modifications in the project design to reduce costs. These include for the three sites yet to be completed (Montego Bay, Marcus Garvey, and Hunts Bay II) reduction or elimination of the provision of construction materials sufficient to complete the basic core unit to families, elimination of the availability of project-financed credit for core unit expansion, and reduction of the time each family is given to complete the basic core unit and move in to the house (from two years to six months). These design changes are still under review by IBRD. In addition, IBRD is examining a reduction in its percentage reimbursements of eligible project costs from 54 percent to around 30 percent to retain IBRD participation in the project until its completion. A decision on this problem has been pending for over six months.

Applications from low income families for the core units continue to exceed the number available. Out of 5,485 completed core unit sites, 968 self-help houses are finished and occupied, 165 are incomplete and occupied and 576 are under construction. All lots on the six sites will be allocated and community facilities should be constructed by December 1981 to ensure project completion by June 1982. Problems which have affected project implementation include, tremendous cost escalations and inflation, violence on some sites, and decisions to modify the project to effect certain cost economies. To date the project has been a successful attempt to provide low-cost housing on a self-help basis. The design modifications discussed above, however, will place additional financial strain on low income families by forcing them to go into higher debt to acquire construction materials without project financing.

OFFICIALS PARTICIPATING IN SITE VISIT II: (Montego Bay)

	<u>Name</u>	<u>Title</u>
USAID:	T. Brown T. Christiansen-Wagner	USAID/Bolivia RDO/C
CDB:	N. Grainger	Project Manager
HOST COUNTRY	T. Fife	Min. Construction
CONTRACTOR:	T. Folkes	Montego Construction

OTHER:

IV. FINANCIAL STATUS:	<u>TOTAL</u>
1. PRIME DONOR CONTRIBUTION	8,5
2. OTHER DONOR CONTRIBUTION	
3. HOST COUNTRY CONTRIBUTION	13,3
4. CDF CONTRIBUTION	<u>21,8 mil.</u>

A. SUB-OBLIGATIONS DISBURSEMENTS

B. COMMENTS:

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID: 1st construction contracts defaulted and left site.

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

This project is an integrated approach to self-help, low income housing. Income maximum is J\$50 per week per family. Total cost of unit is approximately J\$15,000. Community facilities (school, market, community centers) are built on-site by the GOJ. Families are provided a service wall and sanitary core plus initial allocation of construction materials to complete core unit. A technical account is available to complete unit. Both Nannyville and Montego Bay are oversubscribed; for example in Montego Bay, of 828 total units, 4,000 applications were received; Nannyville is virtually complete (550 units). The Montego Bay basic pre-settlement construction is complete and ready to begin moving in families. The project appears reasonably successful in providing housing to low income groups, except concrete construction techniques are becoming too costly for these groups even with the self-help approach.

IV. FINANCIAL STATUS:

	<u>FY</u>	<u>LC</u>	<u>TOTAL</u>
1. PRIME DONOR CONTRIBUTION	3070	2930	6,000
2. OTHER DONOR CONTRIBUTION			
3. HOST COUNTRY CONTRIBUTION		3000	3,000
			<hr/>
			9,000 mil

4. CDF CONTRIBUTION

A. SUB-OBLIGATIONS DISBURSEMENTS

B. COMMENTS:

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS: Three farmers receiving financing under the self-supporting farmers' development program (SSFDP) were visited in the Spanish Town area. The first was owned by Mr. Bennet, a free-holding farmer. Free-holding farmers are issued title to their land by the Government of Jamaica based on specific terms and conditions for land payment. In addition, Mr. Bennet is participating in the SSFDP to obtain a loan for crop production and irrigation on his 10 acre farm, a cropping program was developed in cooperation with an extension officer from the parish office which includes ockra, mango, pumpkin, and sugarcane. Plans for an overhead sprinkler were also finalized.

Mr. Bennet expressed concern over the risks inherent in the marketing of produce. Farmers have no guaranteed outlet for their crops and depend on "higglers" to buy what is grown. He did, however, have confidence in his abilities to make a profit and continue to repay his loan. Mr. Edward Taylor of Nightengale grove owned a mixed farm. Mr. Taylor also grows coconuts, mangoes, pumpkins and has some cows. With the SSFDP loan, he purchased the necessary equipment and constructed a broiler shelter. He then signed a contract with Jamaica broilers to raise 10,000 chicks and sell them after 8 weeks to the broiler factory. Three years ago when Mr. Taylor set up his operation this was commercially viable, however, recently the investment and start-up costs have increased more rapidly than earnings so that risks are very high for a farmer now entering this business.

Mr. Stephen Decasseres of Hill Run in Spanish Town applied to the SSFDP to purchase laying hens for his livestock farm. He currently has 3 shelters and over 6,000 hens. With the profit from the eggs, he has

invested in pigs and is now raising over 100 pigs. He has recently signed a contract with a packer for the pigs and plans to expand the physical facilities on his 5½ acres to accommodate more pigs.

Although the overall SSFDP project is moving well, high administrating cost of program, subsidized interest rate (7%), and relatively high bad debt (moving toward 15%) will require continuing GOJ subsidy to maintain SSFDP. In addition, given rate of draw-down of funds for current farmers in program, ability to add new farmers from first rural development project is questionable. Based on sample of three farmers visited subproject selection criteria appears to include small-scale commercial farmers and individuals for whom farming is not their major source of income.

This project is on target; terminal commitment date is 12/80, final disbursement date 12/80. To date, Jamaican Development Bank has committed J\$13.2 million of total J\$14.5 million, and expects no problem committing balance of the IDB loan by December 1980. JDB has been reimbursed or has in process J\$9.5 million. Project progress was significantly improved following IDB approval to finance cocoa, bananas, and coffee. IDB provides extension assistance to farmers in the program which currently includes over 8,000 farmers.

IV. FINANCIAL STATUS:

1. PRIME DONOR CONTRIBUTION	<u>FY</u> 9.8	<u>LC</u> 2.2	=	12.0
2. OTHER DONOR CONTRIBUTION				
3. HOST COUNTRY CONTRIBUTION		8.0	=	8.0
				<hr/>
				20.0 million

4. CDF CONTRIBUTION

A. SUB-OBLIGATIONS

DISBURSEMENTS

B. COMMENTS:

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF DISCUSSIONS: The project is nearing completion as the pumping stations, reservoirs, and transmission/distribution lines have been built and are in operation. Contractors are currently working in upgrading the primary distribution system in Montego Bay by putting a ringmain around the city and by building two more reservoirs. The secondary distribution system in low income areas surrounding the city is also under construction at this time. The project completion date has been extended to June 1981. Due to problems related to the delivery of materials and supplies from abroad and to letters of credit and foreign exchange. In addition, the scope of the project has been expanded at a cost of approximately \$2,000,000 J.

IV. FINANCIAL STATUS:

1. PRIME DONOR CONTRIBUTION	7.292
2. OTHER DONOR CONTRIBUTION	
3. HOST COUNTRY CONTRIBUTION	15.550
	<hr/>
	22.842 mill

4. CDF CONTRIBUTION

A. SUB-OBLIGATIONS DISBURSEMENTS

B. COMMENTS

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF SUBPROJECT PROGRESS AND DISCUSSION: Seaforth Secondary School was built nine years ago under the world bank's first education project. The school was visited as typical of schools built under the first and second education projects and to see first hand the application of new curriculum developed under second education. The school employs 62 trained teachers, 8 interns, 5 youth service workers, 1 vice-principal, 1 principal, and auxillary personnel. One of the problems in staffing Seaforth is finding qualified staff in the areas of industrial arts, music and counseling/guidance.

This project was funded under CDF-I only and has been completed. Total enrollment is 1650; and since the school was originally built to accommodate 810 students, a shift system has been instituted. Children from the outer boundary areas came to school in the morning and those that lived closer to school came for the afternoon shift. The school was originally built for Junior Secondary level students (Grades 7-9) but has expanded to include grades 10 and 11. Students are given the option of preparing for the CXC exams or pursuing other interests. Streaming has been instituted for those who chose to take the exams. One of the interesting options for those students who are interested in agriculture is the school farm. On the farm students grow vegetables/fruits and have a poultry shed, goat run, and piggery, the school provides a feeding program to the students consisting of breakfast and one hot meal. The food for the program is partially supplied from the school farm.

Given the age of the school, the building has been very well-maintained through community support and participation.

REPORT OF SITE VISIT

COUNTRY: Jamaica DATE: September 23, 1980
COUNTRY SUBPROJECT: 1st Rural Development RELATED PROJECT TITLE: CDF I/II
DATE OF APPROVAL: 6/77 PROJECT NO.: 538-0023 538-0040
APPROVED AMOUNT 31.4 million
ORIGINAL COMPLETION DATE: 12/80
ESTIMATED COMPLETION DATE: 12/82
FUNDING CATEGORY: FN
PRIME DONOR: IBRD

OFFICIALS PARTICIPATING IN SITE VISIT:

	<u>NAME</u>	<u>TITLE</u>
USAID:	T. Christiansen-Wagner	RDO/C
	T. Brown	USIAD/Bolivia
CDB:	N. Grainger	Project Manager
HOST COUNTRY:	Mr. Woodburn	Regional Project Manager

CONTRACTOR:

OTHER:

I. SUBSTANTIVE ELEMENTS OF CONTRACT:

- A. CONTRACTOR (S)
- B. KEY CLAUSES IN CONTRACT
- C. ENGINEERING OR CONSTRUCTION
- D. PROCUREMENT PLANS/SCHEDULES
- E. LOGISTICAL SUPPORT
- F. OTHER

II. FREQUENCY OF BORROWER REPORTING TO PRIME DONOR Quarterly

III. FREQUENCY OF PRIME DONOR SUPERVISORY VISITS

IV. FINANCIAL STATUS:

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
1. PRIME DONOR CONTRIBUTION	8.5	6.5	15.0
2. OTHER DONOR CONTRIBUTION			
3. HOST COUNTRY CONTRIBUTION		16.4	<u>16.4</u>
4. CDF CONTRIBUTION			31.4
A. SUB-OBLIGATIONS		DISBURSEMENTS	?
B. COMMENTS:			

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

Site visit to "Equity and York" settlement area outside Montego Bay. One hundred and fifty-eight families are being settled on 2 - 10 acres of land each. Serious problems on-site related to squatters, farmer selection; and violence contributed to an overall delay in the project. Farmers are now selected and work has begun on housing; roads are being built. No project funded farmer credit is yet available until farmers have formal certification of their land leases. Planting therefore is starting with farmers' own resources. Project site has experienced cost overrun mostly related to road construction.

TRIP REPORT

NAME : Toni Christiansen ~~Farmer~~
POSITION : CP/IDI
PLACE VISITED : Jamaica
DATE VISITED : September 20-27, 1980
PERSONS SEEN : See attached itinerary
OFFICIAL ACTIVITIES: Meetings with USAID/Jamaica, Ministries and PAMCO
TO : Mr. William B. Wheeler, Director
Mr. Dwight B. Johnson, Assistant Director
Mr. Stephen C. Ryner, CRDO ✓
Files

Terrence Brown, CRDO, USAID/Bolivia; Toni Christiansen-Wagner, CP/IDI; RDO/C; and Neville Granger, CDB, Project Manager; travelled to Jamaica in order to perform a special evaluation of CDF-II project activities. The purpose of this special evaluation was to determine the status of subproject implementation, financial disbursements and commitments for FY '80, and to ascertain the financial projections for FY '81. AID funds are made available to countries participating in CDF-I & II through the CDB. CDB relends the funds to MDC Governments to finance local currency and off-the-shelf costs in socio-economic development projects. These projects are eligible for financing if they are assisted by an International Donor, if they are included in the country investment programs as accepted by the Caribbean Group, and if they are consistent with AID's legislative mandate.

Projects eligible for CDF funding in Jamaica include:

<u>COUNTRY/PROJECT</u>	<u>PROJECT CATEGORY</u>	<u>PRIME DONOR</u>
<u>JAMAICA</u>		
1. Self-Supporting Farmers' Development Program	F & N	I.D.B.
2. First Rural Development Program	F & N	I.B.R.D.
3. Sites and Services	S.D.A.	I.B.R.D.
4. Second Population	H & P	I.B.R.D.
5. Mandeville Water Supply	S.D.A.	I.D.B.
6. Montego Bay Falmouth Water Supply	S.D.A.	I.D.B.
7. Fourth Highway	F & N	I.B.R.D.
8. Secondary Main and Parish Council Roads	F & N	I.D.B.
9. Parish Retail Markets	F & N	I.D.B.
10. Small Scale Enterprise Development Project*	S.D.A.	I.B.R.D.

.../

11. Student Loan Revolving Fund*	E.D.N.	I.D.B.
12. Second Education*	E.D.N.	I.B.R.D.

* Project financed under CDF-I only.

The Special Evaluation Team held a series of meetings with the project personnel in the Ministries of Finance, Works, Agriculture, Education, Health/Environmental Control, and Construction. Summaries of the CDF-II subproject implementation status based on these discussions, are attached as an annex to the evaluation report. The evaluation team was able to visit a number of sites and to meet with ten of the twelve project managers. The two that were left out were funded under CDF-I only (see attached itinerary).

The sites visited included two of the Sites and Services developments, (Nannyville and Catherine Hall), one Rural Development site (Equity and York), one Second Education school (Seaforth Secondary), 3 farms in the Self-Supporting Farmers' Development Program, and the Montego Bay Water Project. Attached to the evaluation are site visit reports which include summaries of discussions and subproject progress. Three other important meetings were held: a briefing and debriefing with USAID/Jamaica and a meeting with the Project Analysis and Monitoring Co. (PAMCO) which is an Agency of the Ministry of Finance and Planning. PAMCO's primary concern is the development of new projects; however, another responsibility is the quarterly reporting on the status of externally financed projects to the Economic Council.

USAID/Jamaica was extremely cooperative and contributory. Mr. Arthur Patrick, CPDO, will backstop RDO/C on this project, and he has agreed to assist in site visits and in reporting requirements based upon guidance from RDO/C. Mission Director, Mr. Glen Patterson, requested a copy of this evaluation with instructions from RDO/C as to follow-up activities. He also recommended that USAID/Jamaica be kept informed and included in CDF-III project development.

Attachment: As stated

SPECIAL EVALUATION

ITINE RARY - September 22-26, 1980.

- Monday:
1. Briefing with USAID/Jamaica.
 2. Meeting with Ministry of Finance (Kingston); Mrs. Plummer, Acting Director of Economic and Financial Services; Mr. Pierce, Assistant.
 3. Meeting with National Water Authority:
Mr. S.A. Small, General Manager; Mr. Henning, Technical Director;
Mr. Lloyd Grey, Mandeville Water/Project Manager; Mr. Victor Thompson,
Montego Bay Water/Project Manager.
 4. Ministry of Education:
Mr. Cecil Turner, Second Education Project Coordinator.
 5. Media Center:
Mr. Ross Murray, Chief Education Planner.

Tuesday: (Kingston)

1. Ministry of Agriculture:
Mr. Canute McLean, Parish Retail Markets Project Coordinator;
Mr. Clayto-Day, MOA Controller.
2. Site visit: Sites and Services Project (Nannyville).
Mr. Sidney Errar, Community Worker, Ministry of Construction.
3. Site Visit: Second Education Project (Seaforth Secondary School)
Mrs. Cynthia Bonner, Principal.

Wednesday:(Montego Bay) Site Visits:

1. Sites and Services Project (Catherine Hall)
Mr. Trevor Fife, Ministry of Construction; Mr. Trevor Folkes, Montego
Construction.
2. First Rural Development Project (Equity and York)
Mr. Woodburn, Regional Project Manager.
3. Montego Bay/Falmouth Water Project (Montego Bay)
Mr. Lloyd Thompson, National Water Authority; Mr. Patrick O'Callaghan,
Consulting Engineer.

Thursday: (Kingston)

1. Meeting with Ministry of Works
Mr. Richard Howard, Director, Fourth Highway Project; Mr. Stanley Williams,
Director, Secondary Main and Parish Council Roads Project; Mr. Raymond
Brooks, Administrator (MOW).
2. Meeting with Ministry of Agriculture:
Mr. Henry Stuart, Vice-President of Agriculture and SSFD Project;
Mr. Tuller, Economist

3. Site Visit:
Self-Supporting Farmer Development Program (near Spanish Town)
Mr. D. Whittaker, Vice-President, Agriculture; Mr. D. Brown, Assistant
Project Officer.

Friday: (Kingston)

1. Meeting with the Ministry of Health and Environmental Control:
Mrs. Kensington, Administrative Officer, Second Population Project.
2. Meeting with Sites and Services:
Mr. C. Laidley, Director, Sites and Services Project; Mr. Audley
Sailsman, Deputy Project Director.
3. Meeting with Project Analysis and Monitoring Co. (PAMCO).
Mr. Gillings, Assistant Managing Director.
4. Meeting with USAID/Jamaica Mission:
Mr. Glen Patterson, Director
Mr. Frank Norris, Assistant Director
Mr. Henry Johnson, Program Officer
Mr. William Jones, CRDO
Mr. Arthur Patrick, CPDO.

COUNTRY:	Barbados
PROJECT:	Bridgetown Sanitary Sewerage System
FUNDING CATEGORY:	HE
PRIME DONOR:	IDB
LOAN AGREEMENT DATE:	4/76
ORIGINAL COMPLETION DATE:	4/80
REVISED COMPLETION DATE:	10/81
CDF DISBURSEMENTS:	
FIRST TRANCHE (7/78 - 9/79):	None
SECOND TRANCHE (10/79 - 9/80):	\$894,000 (actual)

A. Project Description

The proposed sanitary sewerage system will improve sanitary conditions in the downtown area of Bridgetown where activities and people are concentrated and where the problems of waste and sewage have reached critical proportions and seriously polluted the environment. Sewage is actually surfacing during heavy rains. A high water table and poor ground absorption make it impossible for the septic tanks and wells to cope with the growing volume of sewage in the project area. The project includes a sewage collector system, a sewage treatment plant and an underwater effluent discharge for the plant. Initially, the collector system will take the sewage from an area of approximately 200 hectares with a population of 37,000 people. The major part of the area serviced is inhabited by lower income families living for the most part in one room houses on the fringes of the commercial district. The industrial estates also to be serviced by the system employ mainly lower class workers.

B. Project Implementation

The Ministry of Health and National Insurance is responsible for supervising the execution of the project. Three major contracts have been let to construct the sewerage system envisaged under the project. The first contract for constructing the sewage treatment plant will be finished November 1980, one month behind schedule. The pump station will be done in April 1981 rather than October 1980 and will be \$.5 million over budget, due to a lack of soil surveys at the initial site. Work under the second contract for the ocean outfall was completed on schedule in December 1979. A third contract, for the sanitary sewer system, was let in mid-September 1979. Since the lowest tender offer for this contract was originally 134% higher than estimated, a second

loan for the project was obtained from IDB and new tenders were called for. Construction under contracts 1 and 3 will likely proceed at full pace over the next year, requiring counterpart expenditures of about \$1.5 million. Work on the third contract, the sewers, was 40% complete in August of 1980 and will be complete in June of 1981.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IDB	12.060	.200	12.260
GOB/CDF	4.173	3.483	<u>7.656</u>
Total Project Cost			<u>19.916</u>

Country: Barbados
 Project: Industrial Estates Second Loan
 Funding Category: SD
 Prime Donor: CDB
 Loan Agreement Date: 11/78

Original Completion Date:

CDF Disbursements:

First Tranche (7/78 - 9/79):	\$400,000	(Actual)
Second Tranche (10/79 - 9/80):	None	(Actual)

A. Project Description

The project is the second phase of the Caribbean Development Bank's assistance to the GOB for the development of industrial estates (factory shells), the construction of smaller workshop areas, and the rehabilitation of Pelican Village, which consists of workshops and retail outlets for the handicraft industry. Most of the businesses that are expected to be established in the new or refurbished buildings are highly labor intensive. For the factory shells alone, some 760 full-time manufacturing jobs are projected. The project will also provide opportunities for training unskilled workers in various skills.

B. Project Implementation

The Barbados Industrial Development Corporation, a publicly owned entity, is responsible for the project's execution. To date, all conditions precedent to disbursement have been complied with, two of the four factory shells eligible for CDF assistance have been largely completed, and the workshops for local small-scale entrepreneurs have been completed with the exception of electrical work.

Over the next year, the Industrial Development Corporation anticipates that the rehabilitation of the Pelican Village complex will be finished, the remaining factory shells completed, and the electrical connections for the small workshops installed. The demand for such facilities is quite high. Requests for leasing or buying much of the space being provided under the project have already been received by the Corporation.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
GOB/CDF	-	1.66	1.66
CDB	n.a.	n.a.	3.44
Total Project Cost			<u>5.10</u>

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IDB	12.060	.200	12.260
GOB/CDF	4.173	3.483	<u>7.656</u>
Total Project Cost			19.916

Country: Barbados

Project: Samuel Jackman Prescod Polytechnic
 Funding Category: EH
 Prime Donor: IDB

Loan Agreement Date: 7/77

Original Completion Date: 5/81

CDF Disbursements:

First Tranche (7/78 - 9/79):	\$500,000	(Actual)
Second Tranche (10/79 - 9/80):	\$196,000	(Actual)

A. Project Description

The project consists of constructing and equipping a set of buildings on a Government-owned site to provide consolidated and improved facilities to accommodate larger student enrollment in the Samuel Jackman Prescod Polytechnic Institute. In addition, it will provide a new and varied pattern of courses to be offered by an enlarged staff to train skilled and semi-skilled technicians in fields for which employment opportunities exist (e.g., carpenters, electricians, masons, welders, printers and mechanics), and will also embrace institutional development in areas of vocational guidance, administration, and planning.

Heavy emphasis will be placed on the training of the 'drop-out' youth and unemployed persons. The project is expected to benefit largely persons from among the least economically advantaged strata of the country.

B. Project Implementation

All of the conditions precedent to disbursement have been satisfied; contractors prequalified; and a fixed price contract awarded (7/79) to construct the building complex over the next two years. A consultant has provided the Ministry of Education (MOE) with a complete list of furniture and equipment requirements including potential supply sources, specifications, and estimated costs. Following competitive procedures, the MOE intends to secure the furniture and equipment within the next year. Preparations are currently underway to lay the foundations and physical plant construction is expected to be finished by the end of 1980.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IDB	4.330	2.270	6.6
GOB/CDF	0.075	3.925	<u>4.0</u>

Total Project Cost 10.6

Country: Barbados

Project: Oistins Fisheries Terminal

Funding Category: FN

Prime Donor: EDF

Loan Agreement Date: 12/79 (Anticipated)

Original Completion Date: 10/81 (Anticipated)

CDF Disbursements:

First Tranche (7/78-9/79): None (Actual)

Second Tranche (10/79-9/80): None (Actual)

A. Project Description

The project seeks to establish a sanitary terminal complex for receiving, storing and selling fish for local consumption. Moreover, the storage facilities will permit a higher degree of price stabilization than is currently found in the market place. This is the first of several terminals expected to be constructed by the GOB over the coming years. About 250 small fishermen and their families with average household incomes of \$4,500 or less will benefit from the project, in addition to an equal number of small retailers. The majority of consumers benefitting from the improved facilities and more stable prices are from the lower income groups. Refrigerated trucks will also be procured under the project to transport fresh fish to marketing outlets in the country's rural areas. Initially, the terminal will be managed by the Superintendent of Markets. Eventually, the GOB intends to turn over the market's commercial operations to a fishing cooperative.

B. Project Implementation

The GOB expects to secure a loan from the EEC by December of 1979 for financing the major portion of the foreign exchange costs under the project. However, considering the urgency of the project, the GOB has already contracted local consultants to prepare the final designs and bidding documents. Consultancy fees are expected to reach \$160,000 by March of next year. Contracts for the reclamation of land and construction of the terminal, ancillary buildings and related infrastructure are expected to be signed by May of 1980. Refrigeration and other equipment, including two refrigerated trucks, will be ordered next year under competitive procurement procedures.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
EDF	1.15	-	1.15
GOB/CDF	.15	.50	<u>.65</u>
Total Project Cost			1.80

COUNTRY: Barbados
PROJECT: First Education
FUNDING CATEGORY: EH
PRIME DONOR: IBRD
LOAN AGREEMENT DATE: 12/78
ORIGINAL COMPLETION DATE: 12/82
CDF DISBURSEMENTS:
FIRST TRANCHE (7/78 - 9/79): None (actual)
SECOND TRANCHE (10/79 - 9/80): \$619,222 (anticipated)

A. Project Description

The project provides for constructing, furnishing and equipping ten (10) new primary schools; the expansion and related furnishing and equipment needs of six (6) secondary schools; the furnishing and equipping of an additional secondary school; the expansion and equipping of both the Erdiston Teacher Training College and the Barbados Institute of Management and Productivity (BIMAP), and technical assistance in the areas of architecture and engineering, for training BIMAP staff, and for school management consultancy at Erdiston and the UWI.

B. Project Implementation

Site acquisition and design standardization problems have been overcome and construction on two schools has begun. Construction on 5, 3, and 2 more is expected to begin in the 1st, 2nd and 3rd quarters of 1981, respectively.

A construction boom on the island is limiting the number of bids received and spot cement shortages caused delays from time to time. One other problem is the need for an additional engineer to handle the output of the projects' three architects. The December 1982 completion date is thus viewed as possible but not likely. An engineer is being sought, and this bottleneck is expected to be removed in the near future.

It appears likely that increasing input costs will drive up the local cost portion of the project. Disbursement procedures between the project and the MOF are being streamlined to speed up the process.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IBRD	9.0	-	9.0
GOB/CDF		5.5	<u>5.5</u>
Total Project Cost			<u>14.5</u>

II. FINANCIAL STATUS:	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
1. PRIME DONOR CONTRIBUTION	4.330	2.270	6.6
2. OTHER DONOR CONTRIBUTION			
3. HOST COUNTRY CONTRIBUTION	0.075	3.925	4.0
4. CDF CONTRIBUTION			<u>10.6 Mil</u>

A. SUB-OBLIGATIONS DISBURSEMENTS

B. COMMENTS:

III. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

IV. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

V. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

Excellent design and construction concepts - making maximum use of passive energy for cooling; want to do more in this area, including use of windpower for night security lighting. Completed cost per square foot estimated at U.S.\$27 - 30 or B\$400,000 under estimates.

Overall construction delay now 6 - 8 weeks with estimated completion for 8/81. Longer delay early in construction phase due to concrete shortage and skilled labor problems has partially been overcome. Quality of construction appears good; supervision is on the job and effective. The status of other elements of the project will have to be reviewed in meetings with Borrower.

IV. FINANCIAL STATUS:

1. PRIME DONOR CONTRIBUTION \$3.44 M
2. OTHER DONOR CONTRIBUTION
3. HOST COUNTRY CONTRIBUTION
4. CDF CONTRIBUTION \$1.66 M
- A. SUB-OBLIGATIONS DISBURSEMENTS (THROUGH
- B. COMMENTS:

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

Team visited Six Roads Industrial Park, Newton, and Pines Sites. At Six Roads 6 buildings were complete, one was under construction, with foundation done and work on walls 10% finished. One more building was to be built. Power was not provided to one building yet but was promised within the next month. All tenants complained of a lack of ventilation.

Firms included clothing, peanut butter, office furniture, soft drink, rattan furniture, watch assembly and electronic testing companies.

Employment generated: office equipment = 13 now, 18 later;
peanut butter: 20 when in operation; clothing 40 now, 65 later. One building was subject to flooding in the parking lot from time to time. The Pines sites, with space for 13 woodshops, had only two occupied, due to common services concept (e.g. lavatories) only construction substantially complete.

OFFICIALS PARTICIPATING IN SITE VISIT: Eden Lodge Primary School

	<u>Name</u>	<u>Title</u>
USAID:	T. Brown	CRDO/Bolivia
	T. CWagner	CP/IDI
CDB:	Neville Grainger	Project Manager
HOST COUNTRY:		
CONTRACTOR:		
OTHER:	Mr. Phillip Ward	On Site Manager

IV. FINANCIAL STATUS:

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
1. PRIME DONOR CONTRIBUTION	9.0	-	9.0
2. OTHER DONOR CONTRIBUTION			
3. HOST COUNTRY CONTRIBUTION	-	5,5	5,5
			<hr/>
4. CDF CONTRIBUTION			14,5 mil.
A. SUB-OBLIGATIONS	DISBURSEMENTS		
B. COMMENTS:			

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION: Two work stoppages at the Eden Lodge Primary School site.

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

Overall project implementation is on schedule, however, it is anticipated that the rate of implementation may slow down due to spt shortages of construction materials, to a lack of skilled laborers and to an overload on construction industry capacity. In response to the last invitation for bids, the project office received only two formal offers.

Three of the ten new primary schools are under construction at this time. The completion date for the Eden Lodge Primary School will be delayed by two months due to work stoppages; the revised completion date is January 1981. In addition the Erdiston Teacher Training College will be completed one month ahead of schedule, in November 1980. All construction at this college is scheduled for completion in 1981.

COUNTRY: Guyana
PROJECT: Tapakuma Irrigation
FUNDING CATEGORY: FN
PRIME DONOR: IBRD
LOAN AGREEMENT DATE: 12/79
REVISED COMPLETION DATE: 6/83
CDF DISBURSEMENTS:
FIRST TRANCHE (7/78 - 9/79): \$1,963,197 (actual)
SECOND TRANCHE (10/79 - 2/80): \$1,525,000 (actual)

A. Project Description

The project is part of a program to improve the quality and increase the production of rice in the Tapakuma area. It includes provision for civil works for irrigation and drainage systems, on-farm development (e.g. clearing and leveling of farm lands), extension services, research and seed production, facilities for housing office staff, workshops, purchase of vehicles and equipment, and consulting and engineering services.

The main beneficiaries are expected to be low income farmers by way of increases in their rice production. The increased crop intensity resulting from the project would cause a decline in seasonal under-employment of the rural poor. The newly developed rice lands available for settlement would enable the Government to accommodate an additional 500 to 600 low income farm families.

B. Project Implementation

The revised estimate of total project cost is US\$45.7 million, up 146% over the appraisal estimate of US\$18.5 million. This has been caused by price increases aggravated by resource shortages and contractual problems.

Reid and Mallik, the British contractors for the first segment of the project, have been granted an extension to May 1981. It appears doubtful that they will meet this date, and litigation seems likely. They say they are pulling out of the project on that date whether or not their work is finished. This has been their first major overseas contract, and they are experiencing cash flow problems and have asked for the suspension of repayment of their mobilization advance. The 4%/month target for construction work has not been met, with progress occurring at a rate of 2%.

The scope of this contract has been narrowed; secondary works have been eliminated or shifted into the category of local costs. This is partially due to cost increases and also to shortages of skilled and unskilled labor. Work on the contract is now about 70% complete. Discussions between Reid & Mallik, Government of Guyana and the British High Commissioner have been held, but this problem remains unresolved.

The second contract has been let to Taylor & Woodrow, a more experienced firm, and is in the early stages. Excavation is beginning in the primary conservancy area. The Chief Hydraulic Officer has been "reasonably pleased" with Taylor & Woodrow's work. In this contract too, the secondary works have been eliminated, but estimates (made by the engineers) of secondary benefit shortfalls are about 15%.

Problems are expected in the area of skilled personnel, especially as the MMA project gears up. Many of the workers live near Berbice, and MMA is closer than Tapakuma. Nevertheless, the resident engineers see no special reasons why Contract 2 should not proceed on schedule, being completed some time in 1983.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IBRD	12.9	-	12.9
GOG/CDF	-	18.8	18.8
U.K. (overseas Dev. Ministry)	6.0	-	6.0
OPEC	4.0	-	4.0
CDB	4.0	-	4.0
Total Project Cost			<u>45.7</u>

COUNTRY:	Guyana
PROJECT:	Second Education
FUNDING CATEGORY:	EH
PRIME DONOR:	IBRD
LOAN AGREEMENT DATE:	5/75
ORIGINAL COMPLETION DATE:	6/79
ESTIMATED COMPLETION DATE:	6/82
CDF DISBURSEMENTS:	
FIRST TRANCHE (7/79 - 9/79):	\$149,344
SECOND TRANCHE (10/79 - 9/80):	\$500,000

A. Project Description

The project provides for secondary, vocational and agricultural training facilities as well as technical assistance for introducing educational reforms and curricula development. It is expected to create about 4,500 additional student places and represents a second phase of a national program to improve the quality, efficiency and relevancy of the public secondary education system to meet Guyana's economic and social needs. The expansion and changes in secondary education financed by the project will improve employment opportunities for Guyana's poor youth. Moreover, the expansion of the Guyana School of Agriculture and the establishment of an agricultural extension in-service training and communications center are expected to impact favourably on the rural poor farming class in the medium- to long term.

B. Project Implementation

Delays in this project have occurred due to a lack of availability of steel and cement, changes in the structural design of several schools, and the weather. All the previously constructed schools, both new (3) and extensions (7), are now under construction and are 45 to 50% complete. Contracts for 10 more are now being negotiated. The concept of a rural training center is being rethought due to cost escalations, as is the Animal Health Training Center. Current construction is being slowed by shortages of certain lengths of heavy boards. Those schools under construction are proceeding aggressively. The contractors and project manager feel that shortages of local cost funds are now the greatest potential barrier to timely completion of the project.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IBRD	9.4	2.6	12.0
GOG/CDF	-	6.9	<u>6.9</u>
Total Project Cost			<u>18.9</u>

Country:	Guyana	
Project:	Mahaica - Mahaicony - Abary Water Control (MMA)	
Funding Category:	FN	
Prime Donor:	IDB	
Loan Agreement Date:	2/78	
Original Completion Date:	3/82	
CDF Disbursements:		
First Tranche (7/78 - 9/79)	\$797,155	(Actual)
Second Tranche (10/79 - 9/80)	\$2,975,000	(Actual)

A. Project Description

The purpose of this project is to provide flood control, irrigation and drainage works for the agricultural development of some 115,000 acres of land in the Mahaica-Mahaicony-Abary region in eastern Guyana, with a view to improving Guyana's national food supply to meet local demand and to increase exports to the Caribbean region. The project consists of the construction of conservancy dams, a main canal, distributory and regulatory systems, access roads and the leveling of land to ensure better utilization of the area. In addition it provides for the acquisition of machinery as well as the hiring of consultancy services for the construction and supervision aspects of the Project.

It is estimated that over 90 percent of the beneficiaries will be small farmers who have less than 25 acres and the remainder will be members of cooperatives. Earnings on a typical five-member family rice/soy bean farm of 20 acres in the project area range between \$240 and \$265 per capita. Furthermore, the project will create some 1,600 additional jobs in an area with an estimated unemployment level of 27 percent.

B. Project Implementation

The MMA project has been divided into three phases, each involving the control of one of the three rivers. Phase I Stage 1 involved the control of the Abary River. The primary conservancy work was 53 percent complete in June 1980 and is projected to be complete in 1983; with adequate local financing the secondary irrigation works can be finished by 1984 or early 1985.*

Initial construction delays have occurred due to spot cement shortages, poor workmanship, and shortages of skilled and professional labor. These have been overcome for now, one sub-contractor has been fired, and Phase I is on schedule.

*Flood control is expected to be effective by the end of this year.

The second stage of the Abary River part of the project is in the site mobilization stage and is proceeding at unusual speed. Houses, storage facilities, and workshops are being built and surveys carried out. Supplies and equipment are entering the country smoothly and without delay. Environmental impact surveys are being conducted, a Project Data Base for the Abary River phase has been constructed and a revised analysis of the benefits from paddy production as a result of the project has been completed. The contractors have an extremely positive attitude and are accomplishing more work than most observers thought possible. The national shortages of skilled and professional labor, however, may be expected to plague the project during its timespan.

C. Project Financing

(millions of dollars)

	<u>FX</u>	<u>LC</u>	<u>Total</u>
IDB	49.5	-	49.5
GOG/CDF	0.47	22.63	<u>23.1</u>
Total Project Cost			72.6 ^{1/}

^{1/} The GOG and IDB recently revised project cost estimates upward by \$10 million to approximately \$82 million. The IDB is expected to finance the additional costs.

REPORT OF SITE VISIT

COUNTRY: Guyana DATE: 10/1/80
COUNTRY SUBPROJECT: Mahaica/Mahaicony/Abary
DATE OF APPROVAL: RELATED PROJECT TITLE: CDF 1/1
ORIGINAL COMPLETION DATE: August 19, 1983 PROJECT NO: 538-0023
ESTIMATED COMPLETION DATE: August 19, 1983 538-0040
FUNDING CATEGORY F & N
PRIME DONOR IDB

OFFICIALS PARTICIPATING IN SITE VISIT:

	<u>NAME</u>	<u>TITLE</u>
USAID	Stephen C. Ryner	CRDO
CDB	Maurice Hooper	Project Manager
HOST COUNTRY	Bernard W. Carter	General Manager
OTHER	A.E.T. Dharry	Project Manager (Engineering)
	Terrence Glavin	IDB Representative
	Luis Peralta	IDB

1. SUBSTANTIVE ELEMENTS OF CONTRACT:

- A. CONTRACTOR(S) Ballast Nedam/Lareco (construction)
Sir William Haldrow & Partners (engineering)
- B. KEY CLAUSES IN CONTRACT construction: piecework bonuses for heavy equipment operators.
- C. ENGINEERING OR CONSTRUCTION
- D. PROCUREMENT PLANS/SCHEDULES
- E. LOGISTICAL SUPPORT
- F. OTHER

II. FREQUENCY OF BORROWER REPORTING TO PRIME DONOR - Quarterly.

III. FREQUENCY OF PRIME DONOR SUPERVISORY VISITS - Weekly

IV. FINANCIAL STATUS:

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IDB	49.5	-	49,5
GOG/CDF	.47	22.63	23.1
Total Project Cost			72,6 ^{1/}

^{1/} - The GOG and IDB have revised project cost estimates upwards by \$10 million to approximately \$82 million. The IDB is expected to finance the additional costs.

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

The IDB is extremely pleased with progress on this project. The contractors seem to have impressed everyone with their aggressive, "can do" attitude.

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

As with all projects in Guyana, MMA will certainly be plagued by a lack of skilled workers, especially heavy equipment operators. There will almost certainly be materials shortages from time to time, although this contractor seems to have the spare parts and equipment situation better controlled than is usually the case. The weather is another factor affecting project implementation that is outside the control of project management.

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

The evaluation team inspected the primary conservancy area of the Abary River and the mobilization site for the secondary works. The team toured the Abary River, observing the system of dams, canals, sluices, regulators, and supporting works that comprise the primary conservancy portion of the project. As costs have risen, secondary works have been eliminated from the first stage of the project and are now just being begun as the second stage. The farmers in the area are expected to do some of this work themselves, with the availability of local cost funding determining how much of it can be done by the MMA Project. The team gathered extensive documentation on the project, including material on the engineering program, semester reports, IDB revised analysis of the projects impact on paddy production.

Work on the first stage of the project is approximately 75% complete, five sluices are installed and operational, the Abary was to be redirected the week after the visit, and flooding was to begin over the next two months. Environmental impact studies were underway to analyze the project's impact on flora and fauna of the area.

The second stage of the project is in the site mobilization phase. The contractors are organizing the site, bringing in equipment at an extremely rapid rate, and simultaneously building a number of structures and early secondary conservancy works. Since the contractors hope to

be awarded the contracts for the second major phase of the project, control of the Mahaicony River, their preparations are taking this possibility into account. As an innovative measure, they are paying their equipment operators piecework bonuses, resulting in 12 and 14 hour days on the part of some employees. There seems to be little doubt that, barring major interferences over which the contractor could have no control, all deadlines for Abary River work will be met or exceeded.

PROPOSED ITINERARY OF CDB VISIT TO

CONSERVANCY DAM SITE

MAIN CONTRACTORS/MMA-ADA HEADQUARTERS SITE

OCTOBER 1, 1980

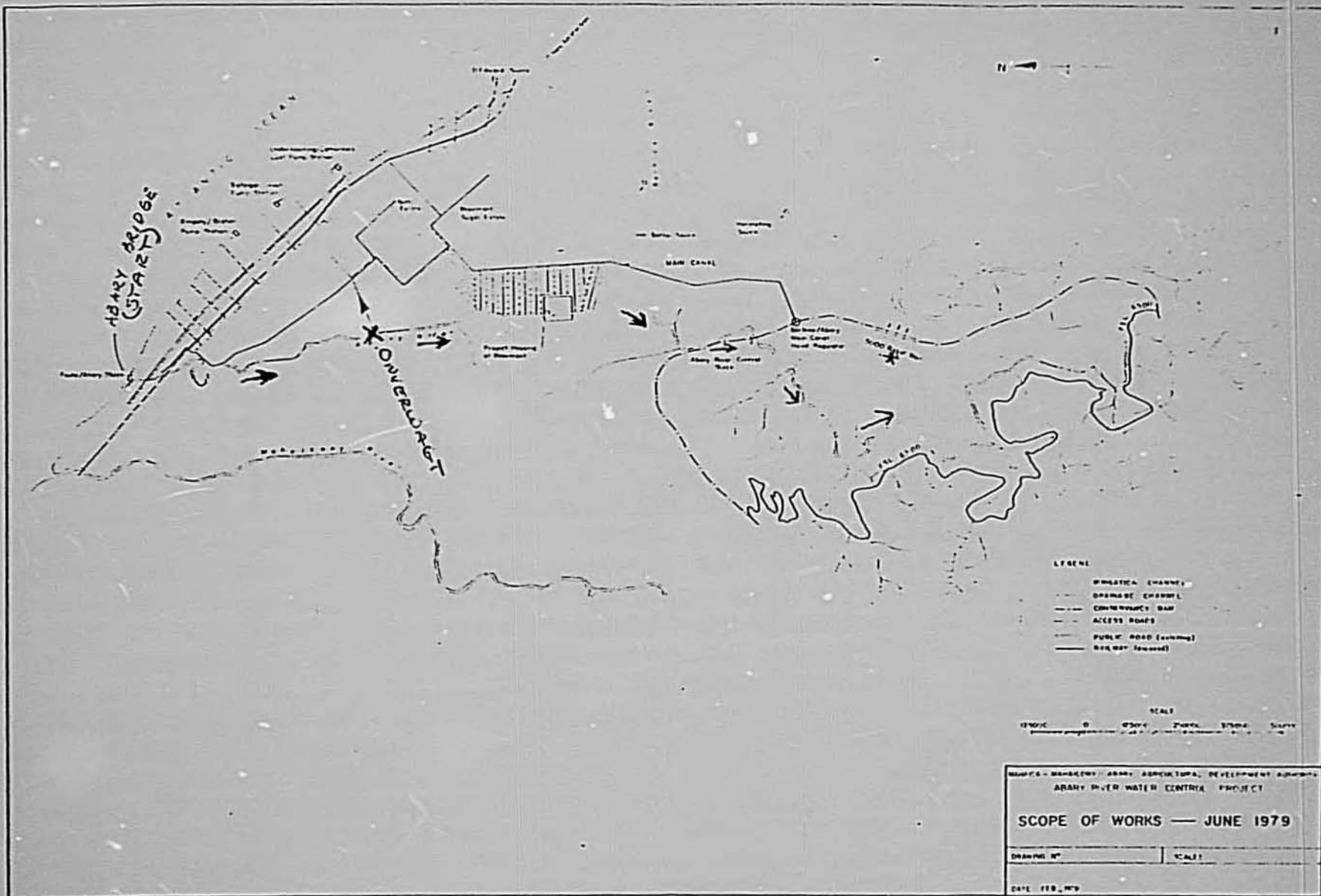
0630 hrs : Leave Pegasus by Land Rover
0645 " : Arrive Triumph, E.C.D., and collect
Cds. Dharry, Ice Box, Foodstuff, etc.
0730 " : Arrive Abary Bridge
0745 " : Depart Abary Bridge for Copeman Site via
"Brink"

COFFEE AND SANDWICHES IN BCAT

0910 " : Arrive Copeman Site:-
(1) Damming of the Abary River
(2) 7-Door Sluice
1000 " : Depart Copeman Site for Right Bank
(1) Dam Heightening
(2) Spillweir Site
(3) Dageraad
1100 " : Depart Dageraad for Left Bank Dam Site
via Borrow Trench and Wiruni
1230 " : Depart Left Bank for "Brink"
1245 " : Arrive "Brink"

H O T L U N C H

1345 " : Depart "Brink" for Onverwagt
1430 " : Arrive Onverwagt/Abary River and depart
Land Rover for Frontland Site
1545 " : Depart Onverwagt for Georgetown
1700 " : Arrive Pegasus, Georgetown



REPORT OF SITE VISIT

COUNTRY: Guyana DATE: 9/29/80
COUNTRY SUBPROJECT: Second Education RELATED PROJECT TITLE: CDF I/II
DATE OF APPROVAL: 5/75 PROJECT NO.: 538-0023 538-0040
APPROVED AMOUNT: \$18.9 Million
ORIGINAL COMPLETION DATE: 6/79
ESTIMATED COMPLETION DATE: 6/82
FUNDING CATEGORY: EH
PRIME DONOR: IBRD

OFFICIALS PARTICIPATING IN SITE VISIT: North Georgetown Secondary Extension

	<u>NAME</u>	<u>TITLE</u>
USAID:	Stephen C. Ryner	CRDO
	Mark Waldman	CPDO
	Joe Charette	CRDO/Guyana
CDB:	Maurice Hooper	Project Manager
HOST COUNTRY:	J.A. Orderson	Project Manager
	C.A. Wilson	Project Site Manager

I. SUBSTANTIVE ELEMENTS OF CONTRACT:

- A. CONTRACTOR(S)
- B. KEY CLAUSES IN CONTRACT
- C. ENGINEERING OR CONSTRUCTION
- D. PROCUREMENT PLANS/SCHEDULES
- E. LOGISTICAL SUPPORT
- F. OTHER

II. FREQUENCY OF BORROWER REPORTING TO PRIME DONOR

III. FREQUENCY OF PRIME DONOR SUPERVISORY VISITS

OFFICIALS PARTICIPATING IN SITE VISIT: Community High School

	<u>NAME</u>	<u>TITLE</u>
USAID	Stephen C. Ryner	CRDO
	Mark Waldman	CPDO
	Joe Charette	CRDO/Guyana
CDB	Morris Hooper	Project Manager
HOST COUNTRY	J.A. Orderson	Project Manager
	Frank Bowlin	Project Site Manager

IV. FINANCIAL STATUS:

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
1. PRIME DONOR CONTRIBUTION	9.4	2.6	12.0
2. OTHER DONOR CONTRIBUTION			
3. HOST COUNTRY CONTRIBUTION		6.9	6.9
4. CDF CONTRIBUTION			
			<u>\$18.9 Million</u>

A. SUB-OBLIGATIONS CDF DISBURSEMENTS (THROUGH 9/80) \$.65M

B. COMMENTS:

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

VII. SUMMARY OF DISCUSSIONS:

Initial problems in design and material availability seem to be overcome; bids are now under negotiation for ten more schools. One probable problem is cost escalations due to material price increases. Local contractors are doing the work; bids are let on a school by school basis and one contractor may build one or more of them. Most schools are 45-50% complete. The Project Manager visits each site at least once a month and usually twice. His main problem was accounting in that the MOF was not advising him how much of his vouchers was being approved.

VIII. SUMMARY OF SUBPROJECT PROGRESS

The work on both subprojects visited was of good quality. The first site, a secondary school extension of concrete construction, was projected for completion in November of this year. The structure was substantially complete and the interior was being prepared for the installation of equipment for a laboratory and home economics classroom. One block of the extension was 3280 square feet, in two stories, and the other was a single story 1640 square feet space. The evaluation team estimated the cost per square foot at about US\$40.

The second subproject visited was a community high school of wood frame construction. There were four two story buildings with about 105,000 square feet of space. Cost per square foot was estimated by the evaluation team at about US\$8.60. A temporary shortage of 30 foot lengths of 2 x 12 boards was slowing construction, but the site manager felt that local cost funds was the major potential barrier to smooth progress and completion in February of 1981. The school will service 640-680 students. One other problem was that the workers, many of whom live in the countryside, sometimes go home on Saturdays to be with their families and work on their land, and then do not return to the site until Tuesday.

Laborers on the site earned from G\$11-12, 60/day and carpenters from G\$16-25 per day. Because the site had its own woodshop set up, the carpenters were able to fabricate their own materials as needed rather than send for them, and this, it was felt, had speeded construction. At the same time, however, the project manager suggested that as more schools are begun, more structural elements will be standardized and prefabricated, thus achieving economies in cost and time.

REPORT OF SITE VISIT

COUNTRY: Guyana DATE: 10/01/80
COUNTRY SUBPROJECT: Tapakumá Irrigation RELATED PROJECT TITLE: CDF-I/II
DATE OF APPROVAL: 12/79 PROJECT NO.: 538-0040
APPROVED AMOUNT \$40.4 million
ORIGINAL COMPLETION DATE: 6/82
ESTIMATED COMPLETION DATE: 6/83
FUNDING CATEGORY: F&N
PRIME DONOR: IBRD

OFFICIALS PARTICIPATING IN SITE VISIT:

USAID:	Joe Charette Mark Waldman	CRDO/Guyana IDI/CPDO
CDB:		
HOST COUNTRY:	Keith Soidon	Project Manager
CONTRACTOR:	C. G. Swayne Mr. Chegion G. C. Youlder James Butchey Vibert Forsythe	Chief, Resident Engineer Resident Engineer Contracts Engineer Project Engineer Agricultural Engineer

OTHER:

I. SUBSTANTIVE ELEMENTS OF CONTRACT:

- A. CONTRACTOR (S) Reed and Mallik & Sir William Halcrow & Partners
- B. KEY CLAUSES IN CONTRACT Performance
- C. ENGINEERING OR CONSTRUCTION Construction (R&M), engineering (H)
- D. PROCUREMENT PLANS/SCHEDULES Extension to May 1981
- E. LOGISTICAL SUPPORT
- F. OTHER

II. FREQUENCY OF BORROWER

III. FREQUENCY OF PRIME DONOR SUPERVISORY VISITS.

IV. FINANCIAL STATUS:

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
IBRD	12.9	-	12.9
UK	6.0	-	6.0
OPEC	4.0	-	4.0
GOG/CDF	-	18.8	18.8
CDB	4.00	-	4.0
			<hr/>
	Total Project Cost		45.7 Million

DISBURSEMENTS (THROUGH 9/10/80) CDF II \$1.525 M

V. RELATIONS WITH CONTRACTOR, PRIME DONOR, CDB, AID:

Relations between Reid and Mallik, contractors for construction on the first contract of the project, and the rest of the project, are strained. Reid and Mallik are experiencing cash flow problems on this, their first overseas contract, and have requested a suspension of repayment of their mobilization advance. They have been granted an extension of their contract until May of 1981, and at this time it appears doubtful that they will be able to meet that deadline. They say they will stop work then whether done or not; GOG says it will hold their performance bond and equipment. Additional stress is due to the fact that the second contract was granted to a different firm, Taylor and Woodrow. Litigation is expected, despite meetings with the contractor, the project team, and the British High Commissioner.

Taylor and Woodrow are proceeding smoothly with the second phase of the project, and the engineering consultants feel their capabilities are much greater than those of Reid and Mallik. The Project Manager was very cooperative with AID and CDB officials.

VI. OTHER VARIABLES AFFECTING PROJECT IMPLEMENTATION:

The contracts engineer on the site felt that, once the large MMA project geared up, the resulting competition for skilled workers would slow the project to some extent. Additional problems could be caused by adverse weather conditions, spot shortages of cement, steel, or stone, congestion at ship offloading facilities, or changes in GOG attitudes towards imported equipment and spare parts.

VII. SUMMARY OF DISCUSSIONS AND SUBPROJECT PROGRESS:

The evaluation team visited the following subproject sites (numbers refer to attached map):

Contract 1:

1. Tapakuma Central Workshop, the central repair facility for the project, now under construction.
2. A check dam that is typical of a number of small constructs used to keep the higher area away from the coast adequately furnished with water

3. A regulator to control water flow, under construction.
4. A completed regulator.
5. A land clearing operation, using tractors.
6. A state-owned farm on which the project is doing some drainage.
7. An interceptor drain, for flood control.
8. The Westbury Sea Sluice and Pump Station.

The Team gathered Quarterly Financial Reviews, Monthly Progress Reports, financial projections and estimates of project impact on local rice production. Work on Contract I seems to be moving, albeit somewhat slowly. There was not a representative of Reid and Mallik available, but the Halcrow engineers felt that the work could possibly be completed by the May 1981 date. Many of the smaller constructions, such as check dams and bridges and roads, are being shifted to local cost funding, and CDF assistance will prove particularly useful in this area.

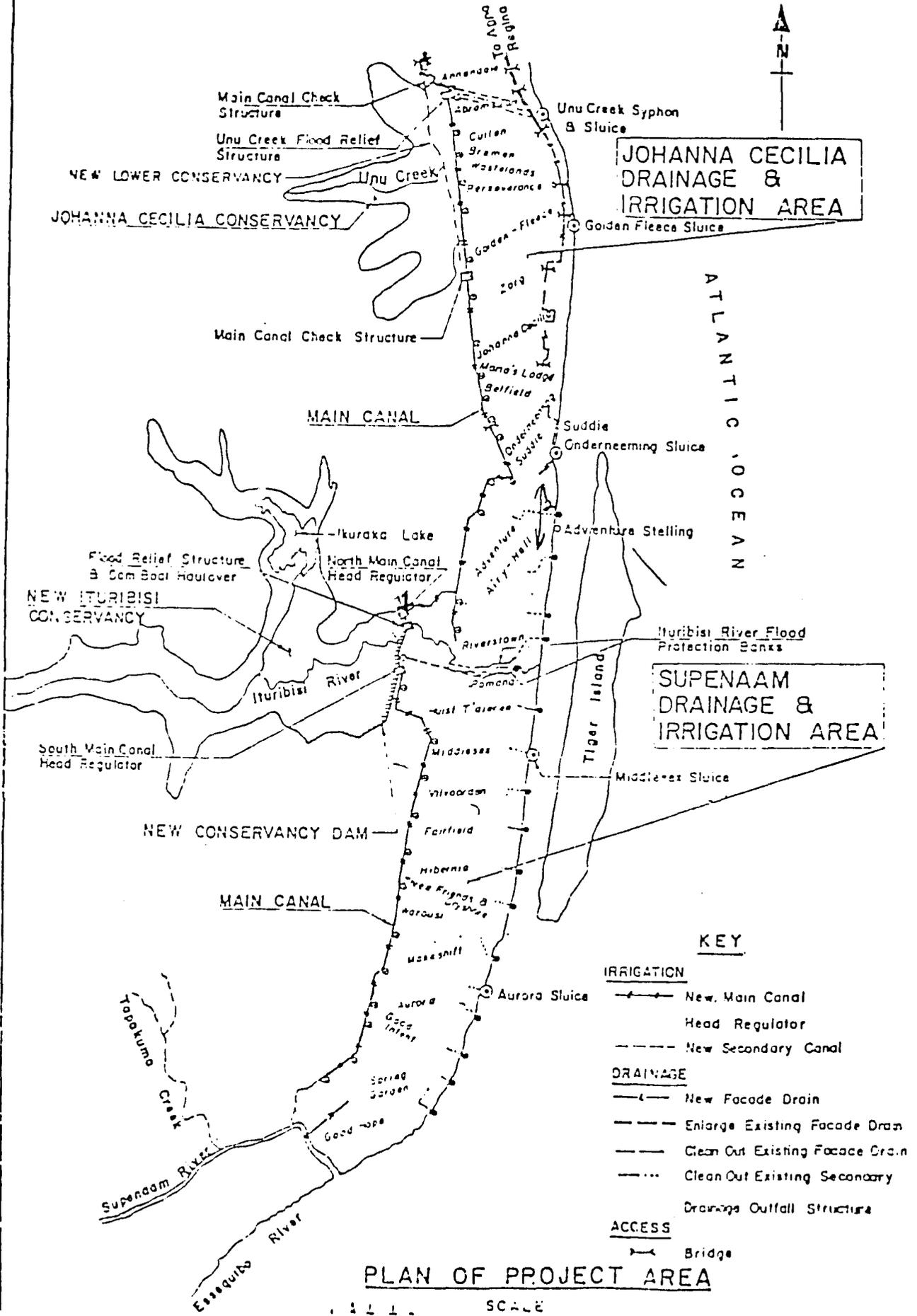
The team drove through inhabited areas served by both Contract I, substantially complete, and Contract II, just beginning. There were observable differences in the standards of living in the two areas. The Contract I area had more cars, tractors and other equipment, the houses were better constructed, more recently refurbished and painted, and the surrounding plots better cared for. It was impossible to determine whether this was due to more income from rice production or simply from secondary multiplier efforts of construction spending.

In the Contract II area the team visited the main conservancy site, where a dam and main canal are beginning construction, and drove along the coast road to view the inhabited areas as mentioned above, and inspect the sluices there. Discussions were held with consulting engineers concerning the subtraction from the contract of secondary irrigation works. The engineer felt that a service short-fall of about 15% was all that would result because many of the secondary canals already exist and would only need some cleaning and dragging and the secondary system, while not optimal in terms of depth, etc., would still get water to the land.

One secondary benefit flowing from the project is that local residents are taking felled trees and selling them for firewood and other purposes in addition to making various uses of them.

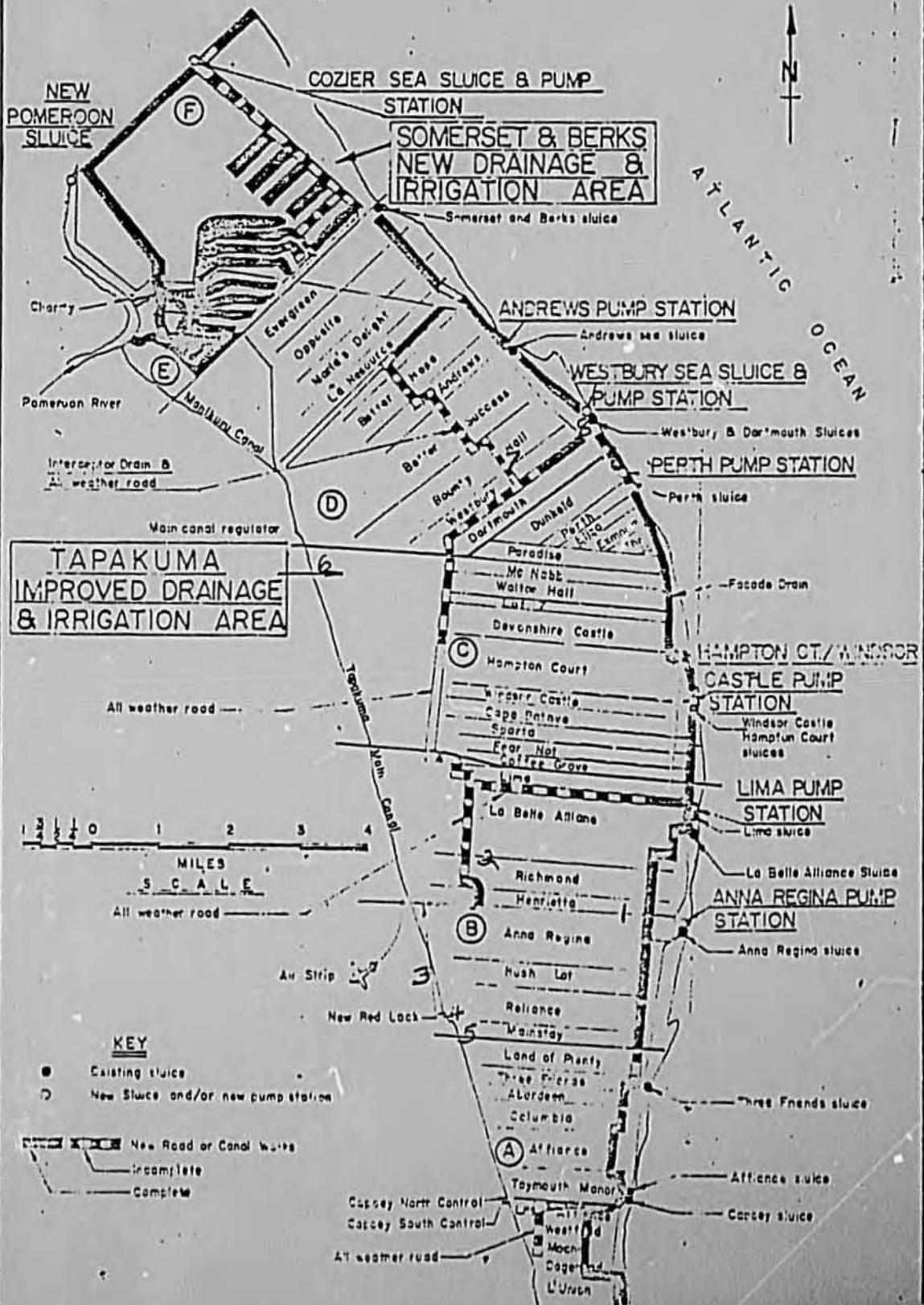
TAPAKUMA IRRIGATION PROJECT

2.1 CONTRACT No2 AREA



TAPAKUMA IRRIGATION PROJECT

CONTRACT N° 1 AREA



TRIP REPORT

NAME : Mark S. Waldman and Stephen C. Ryner
POSITION : CPDO and CRDO
PLACE VISITED : Guyana
DATE VISITED : September 27 - October 1, 1980
PERSONS SEEN : See attached itinerary
OFFICIAL ACTIVITIES : Meetings with USAID/Guyana, GOG
Ministries, prime donor representatives,
site visits^{1/}
TO : Mr. William B. Wheeler, Director RDO/C
Mr. Dwight B. Johnson, Assistant Director
Dr. Donor Lion, Director USAID Georgetown

Stephen C. Ryner, CRDO, Mark S. Waldman, CPDC, and Maurice Hooper, CDB Project Manager for CDF-II, travelled to Georgetown in order to perform a special evaluation of CDF-II project activities. The purpose of this special evaluation was to determine the status of subproject implementation, financial disbursements and commitments for FY80, and to ascertain the financial projections for works during FY81. AID funds are made available to Guyana in CDF-I & II through the CDB. Guyana has drawn down all of allotted funds under CDF-I and II. (\$10.5 million). The project officers contacted were competent and knowledgeable concerning project activities. As stated by several "without CDF money our project wouldn't be moving".

Projects eligible for funding in Guyana include:

<u>COUNTRY/PROJECT</u>	<u>CATEGORY</u>	<u>PRIME DONOR</u>
<u>Guyana</u>		
1. West Demarara Road*	F&N	IDA
2. Tapakuma Irrigation	F&N	IBRD
3. Mahaica/Mahaicony/Abary Project	F&N	IDB
4. Second Education	EDN	IBRD

*project financed under CDF-I only

^{1/} On Sunday September 28, 1980 Ryner and Waldman also met briefly with Dr. Kurligh King, Secretary General, and Mr. Byron Blake, Chief Industry Division of CARICOM to obtain concurrence of Export Incentives Limited Scope Grant Agreement. After review of the Scope of Work Dr. King signed the Grant Agreement.

The evaluation team began its mission with discussions with Dr. Donor Lion, Director, and Mr. Joseph Charette, CRDO, of USAID/Guyana. Throughout the visit, Mr. Morris Hooper, CDB Project Manager for CDF-II, was of the greatest possible assistance. Without his knowledge and counsel the success of the trip would not have been possible.

I. The team met, on Monday morning, with Mr. Ivan Hamilton of the Ministry of Finance. (The team, unless otherwise specified, included Ryner, Waldman, Hooper and Charette.) The purpose of the visit to Guyana was explained and his assistance in the preparation of a list of potential projects for a third project was requested. He noted that the computerization of MOF facilities has helped keep Guyana's submission of vouchers under the CDF program timely. He also noted the CDB's pressure on them for adequate documentation.

II. The next meeting was with the Ministry of Agriculture, to discuss the Tapakuma Irrigation Project. Present with the evaluation team were Mr. H.G. Charles, Chief Hydraulic Officer, Mr. B.B. Senasi, Project Financial Officer, and Mr. Keith Gordon, the resident Tapakuma Project Manager. The discussion covered the CDF program generally, the outlook for CDF-III, and then focussed on the implementation under CDF-II. The Ministry is having problems with the contractors for the first portion of the project, and litigation is likely. The second major contract has been let to another firm. A positive resolution of the problem is expected, but the work on the final portion of the first contract could conceivably be slowed. Charles noted that local engineers, agriculturalists, and managerial personnel are in very short supply. What professionals there are are not anxious to work in the "interior". The exodus of trained personnel that they are experiencing is from the very top levels, and lower levels aren't often ready to carry the load. Salaries and conditions of service, he noted, are not very good. He has observed a three year cycle, after which the young professional has enough experience to go out and get a much better job. Contract 1 is 70% complete, and he is "reasonably pleased" with the progress made on Contract 2. He felt that about 5000 farm families were being helped by the project, about 30,000 people. He suggested that the differences in lifestyle between areas served and not yet served by the project would be noticeable during our site visit and this, he said, provided evidence of the positive value of the project.

He suggested that the project was not only increasing yield per acre but was allowing two crops per year. The project will, he stated, double national rice production when complete. He also plans to push secondary crops such as casava and vegetable cultivation on lands served by the project. When asked about migration to the Tapakuma area he and Gordon agreed that this is not the case, that rice cultivation is mechanized to the point that family labor is usually sufficient, but that a problem may exist in the future because, as rice cultivation becomes more profitable, farmers will educate their children, who may not then wish to return to the farm.

Charles felt that marketing, overall, is the largest problem facing Guyanese agriculture, with the availability of spare parts for equipment also critical. The government is moving towards standardizing on Massey-Ferguson

equipment, he noted. (See CDF-III paper for description of Tapakuma site visit.) The team discussed with him the AID/CDB need for project information. In response he recommended additional copies of the Quarterly Reports which he submits to the prime donors.

III. The team met with Mr. Ordensen, of the Ministry of Education, Project Manager for the Second Education Project. He summarized construction to date: seven school extensions and three new schools were begun in 1979 and are now under construction. They are now negotiating the contracts for 10 other schools. They are, he said, "rethinking" the idea of a rural training center. This is partially due to cost escalations, which exceeded 10% over the last year alone. There have been construction details due to spot shortages of steel and cement, structural changes because of these shortages, and the weather. He felt that the schools now under construction would be finished in 1981, and the others in 1982.

Each school extension will hold 160-250 students, and each new community high school will seat about 640 students. About 1100 workers are now involved in the project; no school is yet done. He felt that construction was proceeding "aggressively", however, and said that he visits each site at least once and usually twice a month. He described a problem with MOF, which he said was not telling him what part of his vouchers were being paid and which not. (To date, no voucher submitted to the CDB from Guyana has not been paid in full).

The team visited two construction sites. Details can be found in the site report.

IV. The team met with Mr. Terrence Glavin, the IDB Representative in Guyana. After a discussion of the CDF program, he suggested that GOG would probably put forward their Food Crop Project for CDF-III. (No mention was made by the Planning Secretariat). He is extremely positive about MMA, and described the speed of construction and positive attitude of the contractor in glowing terms. MMA was the largest IDB loan to date (\$49.5m). His feeling was that Read and Mallik, contractors on the Tapakuma Project, would probably go into litigation. He has heard that they are losing hundreds of thousands of dollars a day and lack experience.

He felt that the GOG tender board and the whole system was producing problems. The supply, resources, and red tape constraints are together pushing contractors to include large risk and contingency factors in their bids. The limited completion caused by lack of contractors wanting to do business in Guyana is not helping. He does see the situation improving to some extent and does not feel that contracts have to be any more difficult in Guyana than in any Third World country considering its stage of development.

The team discussed with him the AID/CDB need for better documentation from prime donors. It was stressed that we do not want to get in the middle between the GOG and the prime donors, but that we could really make use of the appraisal reports, semester status and financial reports, and other documents generated by the GOG and the donors. He suggested all reports were available from the GOG but if necessary and requested he could supply additional copies.

In discussing the MMA project, he said the IRR had dropped because the secondary and tertiary works had been dropped from the contract. Thus many of the benefits

move outside the area of calculation, which focuses on the primary conservancy work. Future calculations, he implied, would see a higher IRR. He hopes to see a Dutch bilateral agreement, a mix of a grant and soft commercial credit, to assist future funding of this project. GOG has made a tentative request to the Dutch. The eventual impact of MMA will be on 125,000-120,000 acres of the "best riceland in the hemisphere". If the Dutch aid falls out, he is going to IDB with a request for more support for the secondary and tertiary works. For more detail see the MMA site visit report.

V. The team met with Mr. Carl B. Greenidge, Chief Planning Officer, and Ms. Jennifer Jarvis, Economist/Planning Officer of the GOG State Planning Secretariat. After a discussion of the purpose of the visit they offered their estimates of the 1981 needs of the MMA Project, which are US\$18.3 million, local costs of 5.49 million and foreign of 12.8 million making up this total. He suggested that at a minimum US\$.85 million could be assigned to that project. In 1981 for the Second Education Project, he projected a total cost of US\$3.4 million divided into \$.85 million local costs and \$2.55 million foreign, and a CDF allocation of \$.85 million. For Tapakuma he projected total costs of US\$7.23 million, of which \$1.02 million would be local and \$6.21 million foreign. He suggested \$.43 million in CDF funds for that project. It was explained to him that the CDB lent a global sum, and the speed of implementation and processing of vouchers then determined the actual breakdown between the projects.

He brought forward some new projects, the first being Black Bush, projected at US\$7.23 million in 1981, with \$1.70 million in local costs, of which CDF might pay \$.43 million. IDA, IDB, IFAD, and AID have all contributed to Black Bush, and the team told him that CDF could not be used to finance a project already AID-supported. He then mentioned Upper Demerara, a \$8.51 million project in 1981, with \$1.36 million in local costs and a potential \$.43 million CDF allocation. It is now projected at \$34.51 million total, with support from IBRD, IDB, EDF, and EIB. GOG has approached the IDB for support for their Energy Unit (part of the Planning Secretariat) and Greenidge felt that \$.21 million of CDF funds could go to that project. He also mentioned the Georgetown Sewage and Water Project, which CIDA may fund. US\$1.02 million will be spent in 1981, all locally. He had not come up with a figure for potential CDF funding. Current estimates are \$31.5 million for the whole project.

Greenidge noted the need to speed up the time required for disbursement under CDF and also that they sometimes have difficulty using the figures on local/foreign breakdown given them by the MOF. He asked, and was assured, that the vouchers accumulated since July 1980 for eligible projects would be eligible for funding under CDF III.

VI. The team met with Mr. Bernard Carter, General Manager, Mr. A.H. Amir, Principal Planning Officer, Mr. A.H. Dharry, Project Manager Engineer, and Mr. Q.M. D'Abreu, Project Manager Finance, all of the MMA project. Mr. Carter summarized progress on the project and projected the rate of progress for 1981. Although much of the secondary work is being shifted out of the international contracts, he felt that it was better to spend the money locally. These works, if adequate funding is available, should be complete in late 1984 or early 1985. The primary conservancy work should be finished (Abary River phase) in 1983. Much of the work is being performed on lands that used to be sugar estates, so some irrigation works are already in existence and only need reworking. The second stage of the first phase will cover some 10,500 acres of unencumbered (state-owned) land which will be put towards rice cultivation. The first part of the first phase will cover some 56,000 acres and 2000 farm households. The

state lands, he said, would be leased for periods of from one to twenty-five years.

He felt that the type of funding the project receives will help determine the sort of progress made. More local cost funding means more secondary works and local spending, and less funding of this sort implies a greater emphasis on international contracts and less secondary work.

In August of 1980 there were 268 workers on the site and 452 total employees. The average wage, he said, was G\$25/day including fringe benefits. He described a piecework system that provides incentive bonuses for doing more work, especially for heavy equipment operators, and felt it was very successful.

One impact of the project is to increase slightly the average size of farm. As rice cultivation grows more profitable the small farmer can afford more land and utilize machinery to a greater extent. Thus, thirty acres is a marginal plot in the area and about fifty are required to yield a good margin. Fifty new farms have been created on state-owned land in the area. The entire project will involve 146,000 acres of land. Complete flood control has been achieved in the Abari region. Other benefits of the project include increased cattle production, milk production, and planting of vegetables.

Carter felt that the construction of a road as a part of the early works lowered the IRR for the first part of the project. He predicted that the IRR will increase dramatically as the secondary works are added to the project. Additionally, these secondary works are labor intensive and will require the use of 35 excavators for the next five years, providing employment and income to quite a few small contractors, thus supporting the private sector. Next year's employment is expected to go over 1100.

From an initial yield of 8-10 bags of rice per acre, he noted that 25 bags per acre for two crops, instead of one, is projected with some farmers getting 40 bags per acre. Additionally, losses due to flooding will be eliminated.

He noted the problem of the outflow of professional people, especially at the supervisory level. The contractors are having to import more of these people from Holland. Many skilled locals are leaving to work in Surinam. Joseph Charette noted that AID/Guyana has a project providing funds for training and that local ministries are not making enough use of it. (USAID Georgetown will follow-up) Carter said that the project should have 14 engineers but now only has one plus three technicians who function as engineers. He is looking ahead to a longer term problem; when the project is complete, will there be a core of engineering officers to run it? The finance section, he said, is weak but building up, and the agricultural section is also improving.

The finance officer mentioned that the State Planning Commission does not give permission to release funds very quickly, so MMA is always in a crisis with their cash flow problem. They are always in a credit draft situation, which the local banks seem willing to tolerate unless it gets to be much worse. Also, it was noted, the project has a cash flow problem because the Government has one. Without our money, the project team suggested, the project would not be moving forward. The team discussed the spare parts problem, mentioning the possibility of a revolving fund of foreign exchange for these imported items, but this is not now government policy and there seems little possibility for change.

VII. The team conducted a debriefing with Dr. Lion before leaving Guyana, which included agreement on future project monitoring activities.

The sites visited were Tapakuma, MMA, and Second Education. Comprehensive site reports, as noted are included in the CDF III Project Paper. Throughout the evaluation USAID/Guyana was extremely cooperative, especially Mr. Joseph Charette, who accompanied the team on its visits and was instrumental in working out a system of collaborative monitoring for the CDF III project. Maurice Hooper, CDF Project Manager for the CDB, played a critical role in the success of the evaluation.

The team was very impressed, throughout the visit to Guyana, with the high quality of professionals at the GOG project management level. In all cases the team was given whatever information and material it required to perform its mission. It should be remembered, however, that Ministry and top level project managerial personnel, however, at their own admission, must often spread their efforts over enough different projects so as to be seriously overextended. The shortage of second level staff makes the problem that much more severe.

LIST OF CONTACTS

Joseph Charette	CRDO/Guyana
Ivan Hamilton	GOG Ministry of Finance
H.G. Charles	MOA Chief Hydraulic Officer
B.B. Senasi	MOA Project Financial Officer
Keith Cordan	Resident Tapakuma Project Manager
Mr. Ordensen	MOA Project Manager Second Education
Terrence Glavin	IDB Representative
Luis Peralta	IDB Engineer
Carl B. Greenidge	Chief Planning Officer, State Planning Secretariat
Jennifer Jarvis	Economist Planning Officer, State Planning Secretariat
Bernard Carter	MOA General Manager MMA
A.H. Amir	MOA MMA Project Manager Engineer
Q.M. D'Abreu	MOA MMA Project Manager Finance

CDF II FINANCIAL STATUS

PROJECTIONS U.S. ESTIMATED ACCRUALS TO PACD

(In U.S. \$ '000)

	1979 Oct-Dec	1980 Jan-Mar	1980 Apr-Jun	1980 Jul-Sept	1980 Oct-Dec	Total	Disbursements 9/80	Estimated Accrued to 9/30/80	Estimated Accrued to 12/31/80	Total Disbursed plus Estimated Accrued Col. 8 + Col. 10	Total Estimated Minus Total Accrued Col. 8 - Col. 9
BARBADOS											
Samuel Jackman Prescod Polytechnic	168	252	330	330	420	1,500	196	169	225	421	1079
Bridgetown Sewerage	310	470	620	620	780	2,800	894	163	220	1,114	1686
First Education	-	250	400	600	650	1,900	147	555	740	887	1013
Industrial Estates	77	93	140	45	70	425	-	80	106	106	319
Oiscina Fisheries	-	40	-	204	177	421	-	-	-	-	421
Total	555	1,105	1,490	1,799	2,097	7,046	1,237	968	1,291	2,528	4518
GUAYANA											
M-M-A Roads	460	700	960	950	1,150	4,220	2,975	2231	2,975	2,975	-
Tapecuma Irrigation	600	750	750	750	750	3,600	1,525	1144	1,525	1,525	-
Second Education	-	-	400	500	800	1,700	500	375	500	500	-
Total	1,060	1,450	2,110	2,200	2,700	9,520	5,000	3750	5,000	5,000	-
JAMAICA											
1st Rural Development	300	900	800	850	1,750	4,600	1,003	750	1,000	2,003	2594
Second Population	-	870	1,260	1,260	1,510	4,900	148	375	500	648	4900
Sites & Services	150	570	360	360	360	1,800	621	750	1,000 ^{L2}	1,621	179
Fourth Highway	-	150	220	300	300	970	-	375	500	500	470
Self-supporting Farmers Development	100	150	215	235	250	950	760	750	1,000	1,760	(810)
Secondary Main & Parish Council Roads	220	330	400	400	550	1,900	46	113	150	196	1704
Montego Bay - Falmouth Water Supply	290	440	580	580	752	2,642	-	450	600	600	2042
Mandeville Water Supply	60	92	120	120	163	555	-	450	600	500	(45)
Parish Retail Markets	-	100	100	100	100	400	-	75	100	100	300
Small -Scale Enterprise Development	-	-	800	-	900	1,700	-	-	-	-	1700
Total	1,120	3,602	4,855	4,205	6,635	20,417	2,578^{L1}	4,088	5,450	8,028	12392
Grand Total	2,735	6,157	8,455	8,204	11,432	36,983					

^{L1} Includes claim in process of approx. \$1.0 million

^{L2} This estimate is based on experience under CDF 1; until IBRD defines its percentage contribution to the project following a discussion on re-design, no firm estimate is possible. This figure could be substantially lower.

Local Currency Projections
for Projects Included Under
CDF III for CY 1981

(In U.S. \$ 000)

<u>Projects</u>	<u>Jan - mar</u> <u>1981</u>	<u>Apr - Jun</u> <u>1981</u>	<u>Jul - Sept</u> <u>1981</u>	<u>Oct - Dec</u> <u>1981</u>	<u>Total</u>
<u>JAMAICA</u>					
First Rural Development	727	1,308	2,254	2,983	7,272
Second Population Sites and Services					
Fourth Highway					
Self-supporting Farmer Development	780	855	715	665	3,015
Secondary Main & Parish Roads					
Montego Bay/Falmouth Water	715	650	-	-	1,385
Mandeville Water	665	670	675	770	2,480
Parish Retail Markets					
<u>BARBADOS</u>					
Second Education	678	1,318	1,052	-	3,078
Bridgetown Sanitary & Sewerage					
Samuel Jackman Prescod Polytechnic	193	210	212	-	615
Oistins Fisheries	250	285	100	-	635
<u>GUYANA</u>					
M-M-A		4,000		4,000	8,000
Second Education	NA	NA	NA	NA	12,055
Tapacuan Irrigation	2,400	3,400	3,400	NA	9,200