

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE Caribbean Institutional Development	2. PROJECT NUMBER 538-0016	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>538-84-08</u> <input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING A. Total \$ <u>4,300,000</u> B. U.S. \$ <u>1,837,000</u>	7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>1980</u> To (month/yr.) <u>May 1984</u> Date of Evaluation Review <u>September 1984</u>	
A. First PRO-AG or Equivalent FY <u>78</u>	B. Final Obligation Expected FY <u>83</u>	C. Final Input Delivery FY <u>83</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., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
Review status of project including sub-project pipeline to determine whether there is sufficient justification for extension of PACD to enable disbursement of remaining funds.	CDB A. Eustace RDO/C P. Medford	10/31/84

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)	A. <input checked="" 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 N/A	<input type="checkbox"/> Other (Specify)	<input 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 (Names and Titles)		12. Mission/AID/W Office Director Approval	
RDO/C: PMedford, GPS, AEustace, PSM/CDB Porr, DR BJensen, A/PRM DClarke, SPS/EVAL RCoulter, A/D/DIR		Signatures 	
		Typed Name William B. Wheeler	
		Date 10/30/84	

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PROJECT EVALUATION SUMMARY

PART II

13. SUMMARY

The Technical Assistance Fund (TAF) within the CDB was established with the assistance of \$1,837,000 under AID's Caribbean Institutional Development project. TAF resources amounting to \$4.3 million have been fully committed for 98 sub-projects to assist in alleviating the shortage of key management, administrative and technical personnel, particularly in the LDCs. Since 1983 more emphasis has been placed on reimburseable assistance instead of grants in view of the greater potential of the former for leveraging investment resources.

Over 80% of TAF resources have been channeled to LDC recipients thereby exceeding the targeted level of 70% to this group. The principal sectors benefiting were Agriculture (21%); Power, water and energy (21%); Transportation and Communication (17%) and Multi Sector activities (14%). There has been a satisfactory balance in the allocation of funds by country, project type and sector.

The evaluators have concluded that the objectives of the Fund have generally been achieved. Initiatives have, at a modest outlay, resulted in significant direct and indirect benefits to recipient countries in terms of employment and income. In addition a vital management base within the Caribbean Community has been promoted and enhanced.

In regard to the administration of the Fund significant improvements have been made since the first evaluation. However, the absence of formal procedures for monitoring sub-projects is noticeable. This has contributed to the slow rate of draw-down of funds by beneficiaries. In order to maintain momentum to the Fund, support is required for more effective planning and monitoring, policy and procedural enhancements and personnel strengthening.

14. EVALUATION METHODOLOGY

This evaluation examined the progress of fund implementation since commencement of the project and the impact of the resources in terms of their effectiveness, significance and efficiency. The evaluators firstly collected data on the TAF status through documentation review, interviews with selected officials and staff of TAU, identified a representative sample of projects for review and appropriate evaluation criteria. A broad range of performance criteria were developed which provided the necessary coverage for both the individual and collective evaluation of projects.

At the micro level, the individual projects in the sample were examined in detailed in accordance with the criteria established. Country visits were done and interviews held to determine socio-economic benefits and cost-effectiveness.

15. External Factors

Not pertinent at this time.

16. Project Inputs

Project inputs total \$1,837,000 from AID while other contributions provided \$2,463,000. The contribution from Mexico was made in 1982 and served in part as compensation for the reduced value through exchange rate adjustments of the U.K. and Canadian contributions.

17. Project Outputs

<u>Category</u>	<u>Planned</u>		<u>Actual</u>	
	Total	AID	Total	AID
1. General Development	1,287	594	1,341	594
Training	28		415	
Advisory Services	28		926	
2. Pre-Investment &				
Project Preparation	1,282	641	1,415	641
3. Project Implementation	822	411	1,059	411
4. Bank Development	450	191	408	191
5. Fund Administration	100	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,941	1,837	4,223	1,837

The Technical Assistance Fund (TAF) is recognized by users as an established institution which despite some operating problems such as response time, and adequate monitoring plays an essential economic development role in the region.

Through project management education provided by the CDB as part of its contribution to the TAF improved knowledge and understanding of the TAF and its resource use has occurred. Thus, current and potential recipients are better equipped to apply for and manage technical assistance projects.

18. Project Purpose

The purpose of the Caribbean Institutional Development project was to institutionalize the capabilities of the CDB to provide technical assistance to the English-speaking Caribbean and the regions servicing them.

Item 17 indicates the accomplishment in this respect. Furthermore the CDB has established a Unified Special Development Fund from which resources will be available for continued technical assistance.

19. Project Goal

The goal is to improve the income and welfare of the lower income groups of the English-speaking Caribbean.

The evaluation addressed this matter under the heading of project "significance" where some of the criteria established were: Economic development in terms of employment, health improvement and social betterment. Even though the impact on the target groups was not identified, specifically, it was generally accepted that viewed in the larger context, job creation would result as an indirect benefit particularly from pre-investment studies. For all those sub-projects which could contribute to health or social betterment the rating was 100%.

20. Beneficiaries

As a result of these initiatives, a variety of benefits, both direct and secondary, have been achieved. A number of capital projects have resulted from TAF projects and these, in turn, have had a positive economic impact in terms of employment within the respective communities and countries affected. In addition, the existence of new capital projects has resulted in secondary benefits within the community through additional employment and increased income to local economies.

A further indirect benefit has been the improved knowledge and understanding created as a result of the continuing focus on project management education. Now, both recurrent and potential recipients are better equipped to apply for and manage technical assistance projects. While it is difficult to measure these benefits precisely there is no doubt that the increased knowledge and experience pool provides a vital management base within the Caribbean community that did not exist previously. The experience gained through the expanded use of the TAF and the training programs, has established the necessary basis for the recent significant shift to support more pre-investment type projects, a move which takes a significant step on the road to operational maturity.

The beneficiaries are thus the communities at large.

21. Unplanned Effects

Not pertinent at this time.

22. Lessons learned

For more efficient management of the Fund resources there should be field officers working out of the TAU to facilitate early subproject implementation, ensure that contractor evaluations are performed and serve as information centers for the TAF.

Close monitoring of sub-project implementation is essential to ensure that problems are quickly addressed and targets kept in focus.

Decentralization of the approval process within a framework of essential controls is necessary to make the fund more responsive to the needs of its intended beneficiaries.

Touche Ross & Co.

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CARIBBEAN DEVELOPMENT BANK

TECHNICAL ASSISTANCE FUND

SECOND EVALUATION

AUGUST, 1984

August 14, 1984

Dr. J.B. Yankey,
Director,
Projects Department,
Caribbean Development Bank,
P.O. Box 408, Wildey,
St. Michael, Barbados.
West Indies

Dear Dr. Yankey:

We are pleased to submit our report covering the second evaluation of the Technical Assistance Fund of the Caribbean Development Bank.

The main data collection activity of the project involved the selection and review of a significant sample of projects in terms of type, size, sector and country. Sample size was 35 at a value of approximately \$2.1 million which compares with a total of 98 at a value of \$4.2 million committed to date.

Also, we reviewed the management and general administration of the Fund and interviews were conducted with a number of officials of the Bank and interested external parties.

Our evaluation of the projects and general Fund implementation, resulted in the identification of a number of issues. These have been addressed and appropriate conclusions and recommendations put forward.

The work of the project was much facilitated by the assistance and cooperation received from Project Services management and staff of the Technical Assistance Unit, in particular, Mr. Arnhim Eustace and Mrs. Claudia Johnson.

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Mr. J.B. Yankey

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August 14, 1984

A draft of this report has received client review and any factual errors corrected.

We thank you for this further opportunity of being of service to the Bank.

Yours very truly,

Touche Ross & Co

David Alderman/wm

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SUMMARY OF REPORT

This report covers the second evaluation of the Technical Assistance Fund (TAF) as required under USAID Project Paper 538-0016. Principal objectives were to evaluate of the progress of Fund implementation within the framework of the agreed financing plan; assess the effectiveness of the outputs achieved and the significance of these achievements to the economic development of borrowing members; and examine the efficiency of the overall delivery system.

The conduct of the evaluation methodology comprised three phases: the development of a detailed and current profile of the Fund and the identification of appropriate evaluation criteria; the review of a sample of 35 selected technical assistance projects involving a series of country visits and interview with beneficiaries, and the preparation of a draft and final report.

Since TAF start-up in December 1978, funds committed have amounted to \$4.223 million out of a total available of \$4.3 million. Over 80% of Fund resources were directed to lesser developed countries (LDC's), thus meeting the obligation to transfer not less than 70% of TA resources to LDC recipients. Non-reimbursable project funding has amounted to 66% of the total, 34% being in reimbursable debt instruments either in the form of contingent loans or loans. In 1983, there was a significant shift towards reimbursable instruments, reflecting the increasing activity in pre-investment type projects.

Four principal sectors - Agriculture, Forestry and Fishing; Power, Energy and Water; Transport and Communication; Multi-Sector and Other, account for 73% of total available resources. Thirty-nine percent of the total Fund has been disbursed to date.

Our major findings were as follows:

- . The TAF has satisfied well the structural criteria governing Fund use. As well, there has been a good balance of funds' allocation across country, type and sector.
- . With respect to the sample of projects reviewed, we found that on average these ranked well against our evaluation criteria in terms of effectiveness, significance and efficiency. In quantitative terms, our overall "score card" result was a rating of 78.8%. The majority of projects were viewed by recipients as achieving their targets and providing a high level of immediate or longer term benefits. The TAF is viewed generally by users as an established institution which, despite certain operating problems, plays an essential economic development role in the region. There is some lack, however, of information regarding the Fund's overall purposes and methods of operation.
- . The planning and forecasting of technical assistance requirements has continued to improve since the first evaluation, including the production of statistical reports on Fund operations. Prioritization and project ranking, however, require further development.
- . Technical Assistance Unit management and staff are a dedicated and competent group. Staff tend to be "desk bound" and additional "field" strength would be an advantage.
- . Increased emphasis should be placed on cash management, both disbursements and collections, in view of the shift to reimbursable instruments.
- . While most administrative mechanisms are necessary, there is room for some level of loan approval delegation, and a need for formal documentation of policies and procedures.

- . Project monitoring and control is an area which has not yet received sufficient attention. There is a need for improved management reporting, "hands-on" project management involving accountability for results, and post-completion audits.
- . TA applications tend not to focus on outputs or expected results and their measurement which again does not promote effective project monitoring.

In summary, significant and real benefits have resulted to date at a modest outlay of funds. The operations of the Fund have shown a gradual but increasing level of effectiveness and efficiency since start-up. The correct strategy for the future, in our opinion, is now to build on success, recognizing and correcting weaknesses as required.

Our specific recommendations are as follows:

- . Allocate TA resources, in the order of \$20 million, to cover the next five year period of TAF activity.
- . Continue to develop the overall long and short range planning (including project identification) process.
- . Increase the focus on the formal measurement of project output expectation and benefits.
- . Implement formal project monitoring procedures.
- . Ensure that project supervisors and others as required provide reports on individual project progress on a regular basis to the TAU.
- . Ensure that post-completion project audits are conducted as appropriate.

- . Appoint an additional TAU project officer to act as a "field" representative.
- . Enhance the general information program of the TAF.
- . Deregulate the approval process within a framework of essential controls.
- . Enhance the efficiency of the administrative process through the production and issuance of a TA Policy & Procedures Manual.

INTRODUCTION

BACKGROUND

The agreement establishing the Caribbean Development Bank (CDB) was signed on October 18, 1969 at Kingston, Jamaica. Article 2(d) of its charter calls for the provision of:

..."appropriate technical assistance to its regional members, particularly by undertaking or commissioning pre-investment surveys and by assisting in the identification and preparation of project proposals..."

Since commencement of its operations in 1970, the Bank has provided increasing amounts of technical assistance primarily to LDC's¹. These resources came originally from CDB's Special Fund Resources (SFR), supported by a number of donor governments and agencies.

By the mid-seventies it became clear, however, that in terms of development funding assistance, the absorptive capability of the LDC's and to a lesser extent the MDC's was limited, a problem which could seriously affect their future economic growth. The removal of this constraint to the effective use of external investment funds was deemed urgent but it could be achieved only

(1) **Lesser Developed Member Countries (LDC's)** - Antigua, Belize, Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent, British Virgin Islands, Cayman Islands, and Turks and Caicos Islands. **More Developed Member Countries (MDC's)** - Bahamas, Barbados, Jamaica, Trinidad and Tobago, and Guyana.

by the additional injection of (domestically scarce) skilled technical and managerial resources, applied in two fields of activity as follows:

- . **Project Related** - studies related to project identification, prefeasibility, feasibility, implementation and follow-up at the subsequent operational stage;
- . **Non-Project Related** - by way of institutional strengthening assistance, interim management and general advisory, training, educational, administrative and planning services.²

In addition to the evident scarcity of TA funds, there was the problem of the multiplicity of funds. CDB, had, in a number of instances, successfully persuaded donors to earmark for TA purposes portions of their contributions to the SFR and other funds. But frequently fund rules did not permit the unrestricted allocation and this led to further constraints on the way resources could be utilized and the purposes to which they could be put.

Following discussions with potential donors and the completion of United States Agency for International Development (USAID) project paper 538-0016 - which provided an in-depth review and analysis of current problems and set out detailed recommendations related to TAF implementation and operation - the Bank's board of directors approved, on August 25, 1978, the establish-

(2) Since its inception, CDB had supplied technical assistance largely by way of project preparation. It was estimated that in excess of 30% of project staff time was devoted to this activity.

ment of the TAF in the sum of \$3.94 million.³ The main objective of the fund, as stated in the initial Board submission, was to permit the more timely and effective use of the increased flow of resources to CDB borrowing member countries by assisting in alleviating the shortage of key management, administrative and technical personnel particularly in LDC's. (At least 70% of the total was expected to be directed towards LDC's.) It would also, secondarily, reduce the multiplicity of funds for TA purposes.

The TAF was designed to serve both project and non-project related activities in four areas:

- . **General development** - including specialist advisory services, interim management, and training;
- . **Project preparation** - pre-investment studies in defined economic sectors and on a regional basis;
- . **Project implementation** - various advisory service and staff including managers, engineers and other technical personnel; and
- . **Bank development** - upgrading and expansion of staff resources to serve in areas of defined developmental need and the financing of Project Officers at the national level to assist in coordinating CDB and other donor assisted projects.

TAF resources could be applied by way of formal loans, contingent loans, and on a non-reimbursable (grant) basis. Project assistance completion date was scheduled for four and one-half

(3) All amounts in this report, unless otherwise indicated, are expressed in U.S. dollars.

years from the date of signature of the project agreement. Initial donors were United States, Canada, United Kingdom, Trinidad and Tobago, Venezuela and CDB. It was agreed by all donors that the policies and procedures contained in project paper 538-0016 would generally govern the operations and administration of the fund.

The USAID project paper also contained a requirement for TAF reviews (Appendix A) under two categories - the first with a primary administrative and management focus and the second directed to the evaluation of progress made toward achieving fund objectives. As well, two sets of operational criteria were agreed to, one set for project related activities and the other for non-project related activities (Appendix B).

The first evaluation was undertaken in late 1980 and contained a number of recommendations for organizational and resource strengthening, and improvements to procedural and approval mechanisms. Specific proposals included the establishment of a Technical Assistance Unit (TAU) with an appropriate (increased) staffing level, the introduction of more formal planning and information reporting mechanisms, post completion audits and simplification of application and approvals' procedures. These recommendations were generally accepted but some were overtaken as a result of the subsequent comprehensive organization and management study of the Bank.

At the time of the first evaluation, which covered approximately the first two years of fund operation, 29 projects only had been approved with a value of funds committed and disbursed of \$687,000 and \$247,100 respectively. It was however noted that 70% of the funds committed were directed as required to LDC's or had a regional LDC focus. During the subsequent three year period, TAF activity increased dramatically. As at December 31,

1983, 98 projects⁴ had received approval with a committed value of \$4.22 million out of an available \$4.30 million.⁵ Furthermore, a pipeline of TA projects was developed for LDC's covering the 1984 to 1986 period. As well during this period, the TAU increased its staff resources and developed improved procedures and management reports.

OBJECTIVES

The objectives of the second evaluation of the TAF, based on the Terms of Reference (Appendix C), were as follows:

- (a) Examine and evaluate the progress of Fund implementation since December, 1978, particularly the nature and type of technical assistance provided within the framework of the agreed financing plan.
- (b) Examine and evaluate:
 - i) TAF's effectiveness: were the targets for outputs and purposes achieved and what were the reasons for success or failure;
 - ii) TAF's significance: did achievement of the targets contribute to economic development of borrowing members; and/or other high goals such as institutionalizing of the TAF delivery system;

-
- (4) Projects approved to December 31, 1983 totalled 104 of which 6 have been cancelled.
 - (5) During 1982, Mexico became an additional donor with a contribution of \$700,000, but exchange losses on the contributions of the United Kingdom and Canada, and an amount of \$100,000 appropriated for Fund administration lowered the original total.

- iii) TAF's efficiency: did the benefits justify the cost and are there more efficient ways of achieving the same targets.

STUDY METHODOLOGY

The work of the study comprised three main phases:

- . Fund Profile Development

This phase involved the collection of all relevant details of TAF status, documentation review, interviews with selected officials, examination of staffing and procedures, the selection of a representative sample of projects for review, and the identification of appropriate evaluation criteria. Formal data collection documentation also was prepared (Appendix D).

- . Evaluation

The second phase was concerned with a review and evaluation of individual TA projects. First, we selected a comprehensive sample of TA projects and prepared detailed project evaluation documentation. A series of visits to selected countries then took place involving detailed interviews and documentation reviews with a view to determining socio-economic benefits, and the cost-effectiveness and other outcomes of selected projects. Forty-six persons in total were interviewed and these are listed in Appendix E.

Because of the differentiated and intangible nature of TA projects and the environment in which they are conducted, "hard" performance measures can be used to a limited extent only. A broad range of performance criteria was therefore developed which provided the necessary coverage for both the individual and collective evaluation of projects.

• Reporting

This phase consisted of the preparation of a comprehensive draft report, client discussions and final report issuance.

REPORT STRUCTURE

With respect to report structure, the following section discusses the overall management and administration of the Fund's implementation. The findings of the individual projects surveyed then are presented in the section entitled Project Evaluation. The final two sections of the report present first, the issues and conclusions identified and second, the recommendations for their resolution.

TAF IMPLEMENTATION

OVERVIEW

The Technical Assistance Fund (TAF) became operational in December 1978. The original resources available to the Fund amounted to \$3.941 million and were contributed by the following donors: USAID Grant No. 538-0016, United Kingdom, Canada, Venezuela, Trinidad and Tobago and the CDB itself. In 1982, a contribution by Mexico increased total available resources to \$4.641 million. However, as noted, owing to currency fluctuations, the current value of these contributions, excluding any interest income, amounts to \$4.300 million. Table 1 summarizes the resources pledged by donors, the resources actually made available to date, and the resources that have been utilized to December 31, 1983.

The project grant agreement between CDB and USAID provided for the use of technical assistance over a broad range of sectoral activities and for management and administrative purposes. Specific exclusions included:

- . Capital intensive activities (over \$10,000 capital cost per job) in mining, industry and agriculture;
- . Infrastructure - telephone and telegraph systems;
- . Tourism - medium and large hotel accommodations (over 40 rooms), luxury entertainment facilities and tourism planning, marketing and promotion; and
- . Crop restriction - production and marketing of palm oil, sugar and citrus fruits.

TABLE 1
TECHNICAL ASSISTANCE FUND
SUMMARY OF RESOURCES PLEDGED, MADE AVAILABLE AND
UTILIZED AS AT DECEMBER 31, 1983
(\$000)

<u>DONOR</u>	<u>RESOURCES PLEDGED</u>	<u>RESOURCES MADE AVAILABLE</u>	<u>RESOURCES UTILIZED</u>
USAID	\$1837	\$ 764	\$ 655
United Kingdom	661	365	365
Canada	484	484	211
Venezuela	350	350	140
Trinidad & Tobago	100	100	54
CDB	168	44	44
Mexico	<u>700</u>	<u>280</u>	<u>21</u>
	<u>\$4300</u>	<u>\$2387</u>	<u>\$1490</u>

Interest Income of \$123,000 is excluded.

Source: Technical Assistance Fund, Report on Activities from December 31, 1978 to December 31, 1983 (Draft); Appendix 5, TAU/1984-03-19

While various modifications and refinements have been made to improve the Fund's effectiveness since its inception, a more recent alteration to the rules governing the TAF and aimed at strengthening its effectiveness requires that at least 60% of TAF resources be utilized for Pre-Investment, Project Preparation and Project Implementation activities, and that the minimum size of operations be \$5,000.

As at December 31, 1983, TAF commitments totalled \$4.223 million for 98 different projects. The distribution of these projects by category of assistance is presented in Table 2. Table 3 reflects the distribution of projects between the LDC's, MDC's and regional recipients. Table 4 indicates the distribution of the 98 projects approved by type and size.

In terms of focusing TAF resources towards LDC's, Table 3 shows that 77 projects or \$3.385 million representing approximately 80% of the Fund's resources were directed to these recipient countries, thus meeting the obligation to transfer not less than 70% of TA resources to LDC recipients. Moreover, as a result of recent modifications to the rules governing the use of TAF resources, whereby at least 60% be utilized for Pre-Investment, Project Preparation and Project Implementation, it is evident from Table 2 that the Fund already is very close to achieving this objective.

TAF resources can be applied on a non-reimbursable (grant) and reimbursable (contingent loan or loan) basis. Excluding \$1.120 million of regional assistance, all of which is provided on a non-reimbursable basis, the balance of funds (\$3.103 million) is distributed as follows: 55% non-reimbursable and 45% reimbursable. Consequently, in total, approximately 66% of the funds available have been provided on a non-reimbursable basis while 34% represent reimbursable debt instruments. During 1983, there was a significant shift towards reimbursable instruments.

TABLE 2
TECHNICAL ASSISTANCE FUND
ALLOCATION BY CATEGORY
AS AT DECEMBER 31, 1983
(\$000)

<u>CATEGORY</u>	<u>NUMBER OF PROJECTS</u>	<u>APPROVED AMOUNTS</u>	<u>PERCENTAGE IN \$ TERMS</u>
General Development	50	\$ 1341	32
. Training	28	\$415	
. Advisory Services	22	926	
Pre-Investment and Project Preparation	21	1415	33
Project Implementation	16	1059	25
Bank Development	<u>11</u>	<u>408</u>	<u>10</u>
	<u>98</u>	<u>\$ 4223</u>	<u>100</u>

Source: Technical Assistance Fund, Report on Activities from
December 31, 1978 to December 31, 1983 (Draft), pg. 2;
TAU/1984-03-19

TABLE 3
TECHNICAL ASSISTANCE FUND
DISTRIBUTION OF PROJECTS BY RECIPIENT
AS AT DECEMBER 31, 1983
(\$000)

<u>RECIPIENT GROUP</u>	<u>NUMBER OF PROJECTS</u>	<u>FUNDS APPROVED</u>	<u>PERCENTAGE (%)</u>
LDC's			
Individual	54	\$ 2905	69
Regional	<u>23</u>	<u>480</u>	<u>11</u>
	77	\$ 3385	80
MDC's			
Individual	5	198	5
GENERAL			
Regional	<u>16</u>	<u>640</u>	<u>15</u>
	<u>98</u>	<u>\$ 4223</u>	<u>100</u>

Source: Technical Assistance Fund, Report on Activities from December 31, 1978 to December 31, 1983 (Draft), Appendix 2; TAU/1984-03-19

TABLE 4
TECHNICAL ASSISTANCE FUND
DISTRIBUTION OF PROJECTS BY TYPE AND SIZE

<u>TYPE</u>	<u>OVER</u> <u>\$ 50,001</u>	<u>BETWEEN</u> <u>\$ 10,001 - \$ 50,000</u>	<u>UNDER</u> <u>\$ 10,000</u>	<u>TOTAL</u>
Grant	17	45	20	82
Contingent Loan	5	6	-	11
Loan	<u>3</u>	<u>2</u>	<u>-</u>	<u>5</u>
Total	<u><u>25</u></u>	<u><u>53</u></u>	<u><u>20</u></u>	<u><u>98</u></u>

Source: Technical Assistance Fund, Report on Activities from December 31, 1978 to December 31, 1983 (Draft), Appendix 1 pp 1-14; TAU/1984-03-19

Sectorally, the distribution of projects between principal sectors and their related sub-sectors is presented in Table 5. Four principal sectors: Agriculture, Forestry and Fishing; Power, Energy and Water; Transport and Communication; and, Multi-Sector and Other account for 73% of the total available resources. Each of these principal sectors represent the essential and critical infrastructure components within recipient countries.

ORGANIZATION AND STAFFING

A number of organization and staffing changes resulted from the first evaluation of the Fund and the 1983 CDB Organization and Management Study which proposed a rationalization and consolidation of operating activities. TA activities which previously reported directly to the Secretary, now are established formally as a Unit within the Project Services Division of the Projects Department. The TAU falls under the jurisdiction of the Senior Manager (Project Services) who reports directly to the Director, Projects Department. The TAU's resources comprise two project officers (PO's), a statistical clerk and a secretary. Figure 1 illustrates the organization structure of the TAU.

The TAU is responsible for the general administration of the CDB's technical assistance program involving the timely and effective delivery of TA resources to borrowing members. Originally, the scope of TAU responsibility in the areas of supervision and monitoring extended only to non-project related operations. This responsibility recently has been expanded to cover the processing of all claims for projects where technical assistance is involved. In addition, the TAU is responsible for the administrative processing of all technical assistance for

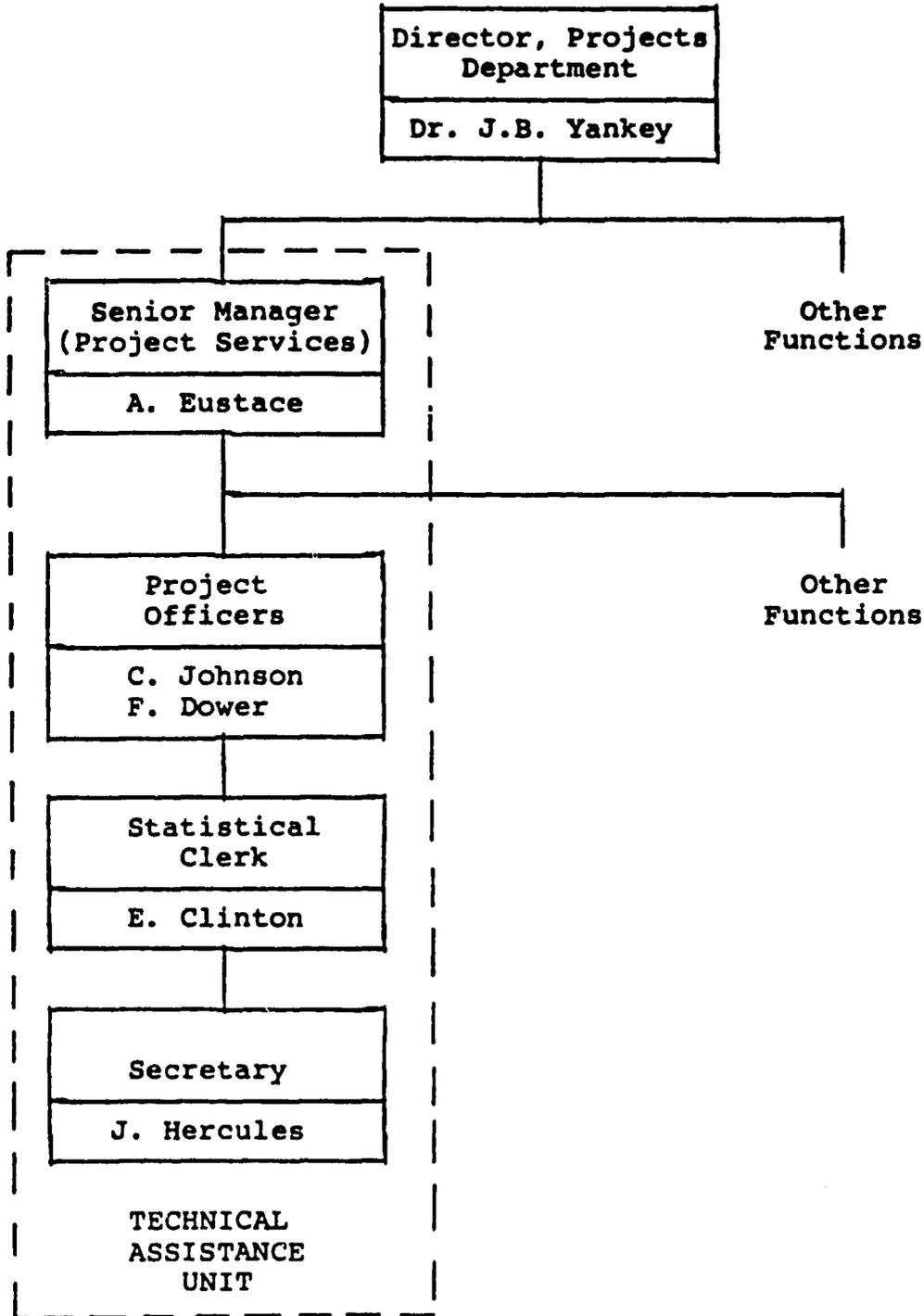
TABLE 5

**TECHNICAL ASSISTANCE FUND
SECTORAL AND SUB-SECTORAL CLASSIFICATION OF ACTIVITIES
AS AT DECEMBER 31, 1983
(\$00C)**

<u>Sector</u>	<u>Amounts Allocated</u>	<u>Percentage (%)</u>
Agriculture, Forestry and Fishing		
. Crop Farming	\$ 461	
. Fishing	316	
. Mixed Farming	88	
. Land Settlement and Rural Development	<u>15</u>	\$ 880 21
Financing and Distribution		
. Multi-Sector and Other	\$ 105	
. Agriculture, Forestry and Fishing	<u>5</u>	110 3
Manufacturing		
. Food, Beverages and Tobacco (excluding sugar)	\$ 144	
. Sugar	115	
. Textiles, Wearing Apparel and Leather Goods	<u>37</u>	296 7
Mining and Quarrying		
. Non-Metallic Minerals	<u>\$ 329</u>	329 8
Multi-Sector and Other		
. Multi-Sector	\$ 96	
. Urban Development	168	
. Other	<u>344</u>	608 14
Power, Energy and Water		
. Power and Energy -		
- Electric Power	\$ 432	
- Alternative Energy	138	
- Water Supply	<u>328</u>	898 21
Social and Personal Services		
. Housing	\$ 60	
. Education and Training	<u>290</u>	350 8
Tourism		
. Tourism Supporting Services	<u>\$ 45</u>	45 1
Transport and Commission		
. Transport -		
- Road Transport	\$ 142	
- Water Transport	486	
- Air Transport	<u>79</u>	<u>707</u> <u>17</u>
TOTAL	<u><u>\$ 4223</u></u>	<u><u>100</u></u>

Source: Technical Assistance Fund, Report on Activities from December 31, 1978 to December 31, 1983 (Draft), Appendix 3; TAU/1984-01-19

FIGURE 1
TECHNICAL ASSISTANCE FUND
ORGANIZATION OF TECHNICAL ASSISTANCE UNIT



operations funded by USAID in agribusiness and employment investment, and IDB with respect to technical assistance to regional institutions. The scope of the current portfolio is shown in Table 6.

TAU Resources

The Senior Manager (Project Services) is responsible for the management of the TAU, and the overall direction of the Technology and Energy Unit, the Project Administration Training Unit (PATU) and The Caribbean Basin Water Management Project. Also, this position acts in a contract administration capacity involving, for example, the maintenance of the Bank's register of consultants, and the selection of and negotiation with consultants for projects falling within the Project Department's jurisdiction. Currently, due to the recent reorganization, the percentage of the incumbent's total time devoted to technical assistance activities is estimated to be between 20% and 25%. This is expected to increase to, and level off at, approximately 30% in the near future.

The responsibilities of a PO extend over the normal phases of a TA project life cycle and as a consequence, incorporate a range of both technical and administrative duties. A PO is also required to maintain an extensive network of relationships both within the Bank and externally with donor agencies, recipients, applicants, officials of borrowing member countries and consultants. In addition, PO's are called upon from time to time to undertake special activities such as participation in Project Identification Missions to member borrowing countries.

Specific duties of a PO include:

- . ensuring compliance with donor conditions;

TABLE 6
TECHNICAL ASSISTANCE FUND
PORTFOLIO OF PROGRAMS ADMINISTERED BY
THE TECHNICAL ASSISTANCE UNIT
AS AT DECEMBER 31, 1983
(\$000)

<u>Fund</u>	<u>Amount Authorized</u>	<u>Amount Committed</u>	<u>Amount Disbursed</u>
CDB:			
Technical Assistance Fund	\$ 4,300	\$ 4,223	\$ 1,665
USAID:			
Agribusiness	450	193	186
Employment Investment I	1,676	1,629	1,366
Employment Investment II	1,400	1,316	674
IDB:			
Technical Assistance to Regional Institutions	<u>430</u>	<u>430</u>	<u>360</u>
TOTAL	<u>\$ 8,256</u>	<u>\$ 7,791</u>	<u>\$ 4,251</u>

Source: Technical Assistance Unit

- . maintaining a delivery system which will ensure the smooth and efficient flow of the Bank's technical assistance resources from donor to recipient;
- . maintaining accurate records of funds available;
- . ensuring there is an equitable distribution of technical assistance resources in accordance with the rules governing the administration of the Fund;
- . financial administration of IDB technical assistance to regional institutions;
- . promoting awareness of funding availability to potential users/borrowers and being responsive to the needs of applicants;
- . applying relevant and appropriate decision criteria to requests for funds;
- . authorizing claims subject to the application of adequate processing controls;
- . producing necessary management reports; and
- . assembling a technical assistance project pipeline based on country, regional and Bank projections.

The Statistical Clerk's (SC) main areas of responsibility are: the processing and audit of claims, maintenance of necessary records, and the preparation of necessary statistical and management reports. Additionally, the SC prepares memoranda

related to the use of technical assistance funds for training courses conducted by PATU.

With a substantial increase in the volume of activity over the past two years, the demands of a complex and rigorous administrative approval process, the need to satisfy and respond to differing terms and conditions imposed by donors and, not least, an increased awareness and, as a consequence, requests by potential recipients on the availability of technical assistance funds, the TAU has responded well to the challenge of delivering technical assistance. With 98% of the available resources of the Fund committed, as of December 31, 1983, it is clear that the Unit has achieved considerable progress towards satisfying its mandate.

Negotiations currently are underway to utilize the Unified Special Development Fund (USDF) for technical assistance purposes. As this new source of funding comes into place, there will be a need to reassess the roles of the project officers and review the need for both additional resources and streamlined approval and processing procedures.

As the volume of technical assistance funding reaches or exceeds the level that is projected, it will be essential to ensure that not only are sufficient resources in place within the TAU to handle effectively the applications, but also the administration and monitoring of a project through its life cycle in an efficient and timely manner.

OPERATIONS AND ADMINISTRATION

Since TAF inception, the basis for TAF administrative and operational practices has been the USAID project paper 538-0016. This paper served as a framework within which the Fund was to

function with the specific staffing, administrative processing and control procedures, and related Bank and user staff training left to the CDB. Over the past five years, several initiatives and refinements have been introduced to enhance the Fund's delivery mechanisms.

Fund Allocation

Initially, allocation of Fund resources was slow, but now, 98% of available funds have been committed. Disbursements to date amount to \$1.665 million or 39% of the total commitment. Table 7 presents the distribution of these commitments between grants, contingent loans and loans. The majority of projects are funded through grants with an average value of slightly less than \$35,000. This is not surprising, given the Fund's LDC focus and former emphasis on General Development through the provision of advisory services and training.

The remaining projects where funding has been on the basis of either a contingent loan or loan, also have played a significant development role. Of approximately \$1.41 million of TAF funds allocated to technical assistance studies, an amount of \$38.18 million in capital loans has been generated, the equivalent of 27 times the original technical assistance commitment to these projects.

The Fund is obligated to meet certain eligibility criteria and procurement conditions. From an operations perspective, it appears that these criteria and conditions have not significantly impeded the use of TAF resources.

Procedures and Documentation

Processing procedures were established in the early stages of the Fund's operations. These were designed to ensure that

TABLE 7
TECHNICAL ASSISTANCE FUND
DISTRIBUTION OF TAF RESOURCES
AS AT DECEMBER 31, 1983
(\$000)

	<u>NUMBER OF PROJECTS</u>	<u>FUNDS COMMITTED</u>	<u>% COMMITTED</u>	<u>AVERAGE VALUE/ PROJECT</u>
Grants	82	\$ 2,774	66	\$ 33.8
Contingent Loans	11	1,132	26	\$102.9
Loans	<u>5</u>	<u>317</u>	<u>8</u>	<u>\$ 63.4</u>
	<u>98</u>	<u>\$ 4,223</u>	<u>100</u>	<u>\$ 43.1</u>

Source: Technical Assistance Fund, Report on Activities from December 31, 1978 to December 31, 1983 (Draft), Appendix 1, pp 1-14; TAU/1984-03-19

technical assistance funds were utilized effectively and efficiently, donor requirements respected, responsibilities and controls identified clearly, and that processing practices were coordinated.

As well, administrative and financial control procedures must satisfy and integrate with other administrative requirements of CDB. Over the last two years, refinements and improvements have been made to the administration procedures to ensure consistency with CDB practices and to clarify the specific procedures relative to technical assistance projects. Common or standard forms have been introduced. The current administrative processing procedures for the Fund are summarized in Figure 2. Notwithstanding that the procedures themselves are defined and well-established, the actual administration and management of technical assistance projects is complex and requires considerable CDB staff involvement to meet each of the administrative, legal and financial control requirements. No formal documentation of TAF administrative mechanisms, for example, a policy and procedures manual has been undertaken.

Applications

TAU personnel are expected to respond to a variety of technical assistance requests. These requests take many forms: telephone enquiries from potential applicants, government project officers and project supervisors from the Bank's operational departments; informal and formal letter requests from various sources; and, general enquiries from trainees and others aware of the existence of technical assistance support. No standard application form exists.

**TECHNICAL ASSISTANCE FUND
ADMINISTRATIVE PROCESSING PROCEDURES FOR
TECHNICAL ASSISTANCE PROJECTS**

STEP	PROCESS	DESCRIPTION	INSTRUMENT	LINKAGE
15	Requisite Draft Agreement/ Letter to Beneficiary Prepared	Legal Department prepares Draft Grant Letter or Agreement or Draft Continment Loan or Loan Agreement) Grant Letter of Agreement,) Contingent Loan) or Loan Agreement	Legal, T.A.U., O.D.
16	Draft Agreement/Letter Negotiated with Beneficiary, Finalized	Legal Department finalizes Agreement with Beneficiary.		Legal, Beneficiary
17	Agreement Signed	Letter or Agreement Signed by Beneficiary and CDB		Beneficiary, Director Projects or Treasurer or Other Designated Authority
18	Project Supervisor Appointed	Project Execution begins. Opera- tional Division Appoints Project Supervisor to liaise with Beneficiary and Counterpart/ Technical Assistance Project Officer. Reporting Responsibilities established.		T.A.U., Legal, O.D. Finance, Beneficiary, Executing Agency
19	Certificate of Compliance with Conditions Precedent Issued	After frequently long, draw-out exchanges by telephone, telex and letter (involving extensions of date for Completion of Conditions Precedent to First Disbursement) Legal Department issues Certificate of Compliance to T.A.U. and Finance.	Certificate of Compliance	Legal, T.A.U. and Finance
20	Beneficiary Informed of Position by Letter	In cases involving formal Agreements, Legal Department Informs Beneficiary that Conditions Satisfied for First Disbursement.	Letter to Beneficiary	Legal, Beneficiary
21	Application for and Payment of Initial Disbursement	Beneficiary formally applies for Initial Disbursement. Project Supervisor recommends payment. T.A.U. Examines, vets, authorizes- claims and passes documentation to Finance for Payment.	Letter of Request Certified Voucher, Bills, Payment Request Form	Beneficiary, O.D. and T.A.U. or T.A.U., Finance
22	Progress Reports and Verification of Claims for Payment	Administration, Supervision Implementation and Disbursement proceed with requisite reporting and other monitoring functions - e.g. preparing case for and presenting Memoranda of Request for Extension.	Payment Request Forms, Progress Reports, Memo. of Request for Extension	T.A.U., Beneficiary, Executing Agency, O.D., Finance, Legal, Vice-President
23	Incorporation of Project into Regular Reports and other Statistical Data	Periodic and ad hoc Reports published by Technical Assistance Unit & Finance Department.	Internal and External Reports, Reports to Donors, Half-yearly Statistical Reports, Annual Report	T.A.U., O.D., Finance
24	Final Report Studied and Post - Evaluation	Final Report presented and Project Appraised (This Step Not Currently in Operation)	Final Report Evaluation Report	All Parties

Key to Structure of Main Participants in T.A. Administrative Process

- Unit = Technical Assistance Unit (T.A.U)
- Division = Project Services Division (P.S.D.) ie. T.A.U., T.E.U., P.A.T.U.,
- Other Divisions = Operational Divisions (O.D.) of Projects Department
ie., Agriculture, Infrastructure, Industry and D.F.C. Divisions.
- Department = Projects Department (P.D.)
- Other Departments = Finance, Economics and Programming, Legal and Bank Secretary's and
Personnel and Management Services Departments.

Source:

Technical Assistance Unit A.C.P. = Advisory Council to the President
1984-05-08

Best Available Document

Responding and providing feedback to the various enquiries requires a significant amount of TAU staff time and effort which, in many cases, may result in no further consideration of the request. In the light of these various types of enquiries, it may not be practical to develop a standard application form; however, it may be useful to record, formally, these numerous types of requests. An improved gauge of staff workload can then be established. Also, there will be improved awareness of the existing level of knowledge regarding the Fund and its use by outsiders, and a record of the sources and types of technical assistance being sought will be documented.

Project Files

With respect to project files, our review indicated that standard common documentation identifying project status was not evident from the files, making it sometimes difficult to obtain easily and quickly full details of a project's status. Frequently, in the past, it has been difficult to establish, with accuracy, the extent of disbursements against a given project. This has been less of a problem with those files maintained exclusively by the TAU. However, those involving project supervisors from operational departments tend to vary widely in their contents. Although information on disbursements is maintained elsewhere, by both the TAU and Finance, a review of individual project files did not provide an up-to-date summary of project status.

Similar deficiencies also were noted in the files with respect to the monitoring activities of project supervisors. While, in certain instances, there was evidence of a supervision summary report being prepared, in others, no evidence was available.

Moreover, in all cases, there was only vague or general information available on file with respect to the extent of monitoring being performed.

Approvals

All TA projects must be approved either by the President (under \$50,000) or the Board (over \$50,000). No delegation of approval authority is provided. Essentially, TAF and technical staff undertake the initial assessment of an application and, if not rejected at that stage, it is forwarded to the Loans Committee (LC) or Advisory Council to the President (ACP) for further consideration and a provisional decision on whether or not to proceed. If the project is not rejected, further information is collected and a project description and draft memorandum or Board paper is prepared for final review by the LC or ACP. Finally, if the LC or ACP do not reject the project, it is recommended to the President or Board for final approval or rejection.

The approval/rejection process, as currently defined, permits four opportunities for rejection but only one for approval. TAF staff, at the outset of reviewing the request for technical assistance, and the LC or ACP at the preliminary and final review stages have no approval authority, only the option to reject or to recommend a project to the next stage of review. Only the President or Board can approve, and, of course, reject proposals submitted. Thus, those most familiar with the details of a proposed project can, at various stages, reject, but not approve it.

Disbursements

In the case of disbursements (amounting to 39% of total committed funds), a number of situations were noted where

approvals of a project were made, the funds committed, but no disbursements had occurred for over a year. In some cases, more than two years had elapsed. We appreciate that the conditions precedent to the first disbursement must be satisfied and that the terms and conditions for disbursements must be flexible, but long delays in disbursements generally indicate problems and a lack of effective individual project monitoring.

A requirement, in fact, exists that if no disbursements have been made within one year of commitment, approval can be rescinded unless extensions are provided. Often, under these circumstances, an extension is provided rather than undertaking a serious examination of the continued viability of the project. Frequently, circumstances have changed, costs increased, people replaced and the original project and project parameters may no longer remain relevant. To attempt to carry out the project under the original set of assumptions becomes difficult.

It appears that because there is some expectation that the project can still be initiated despite any difficulties it may have experienced, an extension is granted rather than the project being cancelled, and the funds decommitted and utilized elsewhere. However, the Bank has taken the initiative to strengthen and tighten its procedures relative to extensions, and indications are that the appearance of an automatic extension are no longer valid.

Since the Fund has reached its capacity (over 98% committed), there appears to be a strong requirement that all projects, where the majority of committed funds have not been disbursed, be examined closely to determine the extent to which funds can be redirected to other more needy and urgent projects. This is particularly important at this stage in the Fund's life cycle where the availability of funds is low while the demand for funds continues to expand. We are encouraged by efforts already

implemented to ensure an improved disbursements ratio is achieved. Also, in this context, it should be recognized that CDB currently possesses one of the higher disbursement ratios of all development banks.

Reporting/Information

The availability and related reporting of TAF activity is considerably further developed than it was at the time of the first evaluation. Nonetheless, there appears to be an absence of regular monthly or quarterly reporting of the Fund's status. While the information provided in the annual and semi-annual report of the TAF is extensive, a more frequent reporting of Fund activities is required. This is particularly true if management is dedicated to raising its disbursement levels against approved projects, ensuring that available funds are utilized effectively and that up to date management information is available.

There also appears to be stronger linkages between the TAU and Finance than in the past. Interaction is more frequent largely because of the increased volume of projects since the previous evaluation. However, reporting gaps still remain. For example, in the case of projects funded on a loan or contingent loan basis, the TAU is not advised by Finance of the amounts, if any, that have been repaid and that are now available for other projects. Particularly, now it will be important to strengthen this coordination so that the available funds can be utilized as efficiently as possible.

A dimension of reporting that remains unclear relates to the reporting of CDB's counterpart contribution relative to Bank Development projects. The current practice of certain projects involves both technical assistance funds and a CDB counterpart contribution. Once approved, both components of the funding are entered as approved and, accordingly, are committed and not available for other projects.

The principal weakness with this practice is that the counterpart contribution provided by CDB normally is not costed or accounted for as a disbursement from the TAF. Consequently, the amount of funds shown as committed by the TAF is overstated to the extent of CDB counterpart contributions. Unless these counterpart contributions form part of the total Fund resources, these amounts should be excluded from the amount approved for the project.

Accordingly, the total value of commitments against the Fund will be reduced, leaving additional funds available for other TAF projects. We understand that the Bank has implemented this reporting change in the current calendar year and we fully concur with this action. It will be important now to examine all previously approved Bank Development projects to ensure that all CDB counterpart contributions are returned for other uses.

One area where improved reporting has resulted, relates to the development of a project "pipeline". This pipeline of potential projects has been expanded and refined considerably in the past couple of years, and is largely a function of the Bank-initiated Project Identification Missions in which the TAU staff have participated.

This pipeline of potential projects offers an excellent indication of the potential projects seeking technical assistance and demonstrates clearly how effective the Fund and Bank personnel have been in creating a much broader awareness among potential users of the existence and availability of technical assistance funding. The next challenge will be to use this data as the basis for forward planning and in support of initiatives to utilize technical assistance funds from the USDF.

Communications/Responsiveness/Coordination

Technical assistance funds are relatively small in relation to the Bank's overall resources, but they have played an increasingly important role over the past several years. First, through the TAF and similar funding, a considerably broader exposure of the Bank's operations has been achieved, particularly in the LDC's. The use of technical assistance funding has served to broaden and strengthen the knowledge and experience of recipients and as a consequence, the rate of development activities in developing countries. Through both managerial and technical training provided by the Bank through PATU and, more specifically, training supported by the TAF, recipient countries are more aware and better equipped to apply for and obtain technical assistance.

At the same time, this greater awareness has increased the competition for available funds which, in part, has heightened potential recipients' perceptions that unnecessary delays exist in the processing of applications. The ability of the TAU staff to respond quickly to all enquiries and requests often is seen negatively by recipients. However, these situations are more a function of recipient processing delays than of specific limitations within the TAU.

Technical assistance has been directed primarily to the public rather than the private sector. This is a function of two factors. First, in the LDC's, the private sector is less well developed and it is not the objective of the Fund to finance new entrepreneurial ventures and second, the public sector in these countries has taken the main initiatives for training and general economic development. The Bank has taken several initiatives to coordinate efforts in the LDC's by financially supporting and training Government Development Project Officers

in the LDC's to act as representatives or coordinators on the Bank's behalf to promote and encourage the use of CDB and other technical assistance resources.

Generally, these programs have been successful though the effectiveness of these general development project officers varies from country to country, but from time to time, local circumstances have resulted in their roles being constrained.

Follow-Up and Monitoring

During the early stages of the Fund when few projects were in existence, the extent of follow-up and project monitoring was relatively simple and straightforward. Presently, with virtually all currently available TA resources committed and several projects nearing completion or reaching maturity, the need for follow-up and regular monitoring has taken on increased importance. This management aspect of the Fund's activities has been achieved less successfully than the thrust to deliver TA funds.

In projects where technical assistance funding is part of a larger capital loan arrangement, a reasonable, though inconsistent level of monitoring by the respective project supervisors has occurred. Supervision reports, however, are prepared and CDB is made aware of major difficulties being experienced by the project. With respect to the other non-project technical assistance funding, little in the way of regular formal monitoring and follow-up was evident.

One difficulty with this apparent lack of monitoring and follow-up is that there are no summary evaluative reports prepared on the results achieved through various funding activities. This in turn, provides a very weak basis for entering into new technical assistance projects since there is no readily available

data base to indicate, for example, those areas which generate better value for money, what difficulties have been experienced in a particular area and require attention, and what areas of assistance may be most appropriately served.

One dimension which appears not to be fully resolved, is the requirement to evaluate formally each consultant upon the termination of the contract. While consultants' reports have, in certain projects, undergone serious scrutiny as evidenced by comments on the project files, no formal evaluation of the consultant is conducted and recorded on a permanent file. This deficiency is significant since, as at December 31, 1983, some 56 consultancies have been approved representing a value of \$2.644 million. The absence of any real post-completion evaluation appears not only to apply to specific consultants, but also, and just as significant, completion evaluations were not evident with respect to individual completed projects which, as at December 31, 1983, totalled 53.

PROJECT EVALUATION

INTRODUCTION**Sample Selection**

The sample of 35 projects was selected after thorough review of all projects, and is representative from the standpoints of country, size, sector, and the four main areas that Fund resources are allocated to, namely: General Development, Pre-Investment and Project Preparation, Project Implementation and Bank Development.

The projects selected represent approximately 36% of the 98 projects approved since Fund inception in 1978 and \$2.179 million or approximately 52% of the total funds committed to December 31, 1983.

The overall sample profile - by country, sector, type, and level of project completion is set out in Tables 8 through 11. Further analytical detail of the sample, in terms of both numbers and values, is contained in Tables 12 through 14. These tables indicate sample coverage by country and type, by type and sector, and by country and sector.

Country Visits

Following the sample selection process, an agenda for country visits was developed and finalized with key contacts in the selected countries. Contacts were informed of the nature and scope of the evaluation including the projects identified for examination. In a few cases, availability of file documents was a problem. Inevitably, a number of individuals who had been heavily involved in the project were no longer in the post, in the country or were unavailable at the time of our visit.

TABLE 8
TECHNICAL ASSISTANCE FUND
SAMPLE PROFILE - BY COUNTRY

COUNTRY	NO. OF PROJECTS	% OF SAMPLE
. Antigua	3	8.6
. Barbados	3	8.6
. Dominica	6	17.0
. St. Kitts/Nevis	5	14.3
. St. Lucia	2	5.7
. St. Vincent	8	22.9
. Regional LDC focus	8	22.9
TOTAL	35	100.0

TABLE 9
TECHNICAL ASSISTANCE FUND
SAMPLE PROFILE - BY SECTOR

SECTOR	NO. OF PROJECTS	% OF SAMPLE
. Agriculture, Forestry and Fishing	7	20.0
. Financing and Distribution	2	5.7
. Manufacturing	5	14.3
. Mining and Quarrying	1	2.9
. Multi-Sector and Other	3	8.6
. Power, Energy and Water	6	17.1
. Social and Personal Services	4	11.4
. Tourism	1	2.9
. Transport and Communication	6	17.1
TOTAL	35	100.0

TABLE 10
TECHNICAL ASSISTANCE FUND
SAMPLE PROFILE - BY TYPE

TYPE	NO. OF PROJECTS	% OF SAMPLE
. General Development	14	40.0
. Pre-Investment and Project Preparation	11	31.4
. Project Implementation	5	14.3
. Bank Development	5	14.3
TOTAL	35	100.0

TABLE 11
TECHNICAL ASSISTANCE FUND
SAMPLE PROFILE - BY LEVEL OF PROJECT COMPLETION

PROJECT STATUS	NO. OF PROJECTS	% OF SAMPLE
. Completed	15	42.9
. In Progress	11	31.4
. Cancelled	6	17.1
. Other*	3	8.6
TOTAL	35	100.0

*Funds committed but no action over prolonged period.

TABLE 12
TECHNICAL ASSISTANCE FUND
SAMPLE COVERAGE - COUNTRY/TYPE
(\$000)

COUNTRY TYPE	ANTIGUA		BARBADOS		DOMINICA		ST. KITTS/ NEVIS		ST. LUCIA		ST. VINCENT		REGIONAL LDC FOCUS		TOTAL	
	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE
General Development:																
. Training	1	\$ 1	1	\$ 9			1	\$ 85	1	\$ 18			2	\$104	6	\$ 217
. Advisory Services					1	\$ 86	2	74	1	120	3	\$173	1	60	8	513
Pre-Investment and Project Preparation	1	49	2	226	4	366					2	192	2	112	11	935
Project Implementation					1	135	2	28			2	136			5	299
Bank Development	1	25									1	26	3	164	5	215
TOTALS	3	\$75	3	\$235	6	\$587	5	\$187	2	\$138	8	517	8	\$440	35	\$2179

TABLE 13
TECHNICAL ASSISTANCE FUND
SAMPLE COVERAGE - TYPE/SECTOR
(\$000)

SECTOR \ TYPE	GENERAL DEVELOPMENT				PRE-INVESTMENT AND PROJECT PREPARATION	PROJECT IMPLEMENTATION	BANK DEVELOPMENT		TOTAL			
	TRAINING		ADVISORY SERVICES				NO.	VALUE	NO.	VALUE	NO.	VALUE
	NO.	VALUE	NO.	VALUE	NO.	VALUE						
Agriculture, Forestry and Fishing			3	\$160	2	\$ 39			2	\$ 26	7	\$ 225
Financing and Distribution			2	52							2	52
Manufacturing	1	\$ 9			1	49	3	94			5	152
Mining and Quarrying					1	164					1	164
Multi-Sector and Other								3	189		3	189
Power, Energy and Water	2	86	1	121	3	367					6	574
Social and Personal Services	1	7	1	60	2	226					4	293
Tourism					1	45					1	45
Transport and Communication	2	115	1	120	1	45	2	205			6	485
TOTALS	6	\$217	8	\$513	11	\$935	5	\$299	5	\$215	35	\$2,179

TABLE 14

TECHNICAL ASSISTANCE FUND
 SAMPLE COVERAGE - COUNTRY/SECTOR
 (\$'000)

SECTOR \ COUNTRY	ANTIGUA		BARBADOS		DOMINICA		ST. KITTS/ NEVIS		ST. LUCIA		ST. VINCENT		REGIONAL LDC FOCUS		TOTAL	
	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE
Agriculture, Forestry and Fishing					2	\$107	2	\$ 84			1	\$ 18	2	\$ 26	7	\$ 225
Financing and Distribution											2	52			2	52
Manufacturing	1	\$ 49	1	\$ 9			2	28			1	66			5	152
Mining and Quarrying											1	164			1	164
Multi-Sector and Other	1	25									1	26	1	138	3	189
Power, Energy and Water	1	1			2	300	1	85			1	121	1	67	6	574
Social and Personal Services			2	226									2	67	4	293
Tourism													1	45	1	45
Transport and Communication					2	180			2	\$138	1	70	1	97	6	485
TOTALS	3	\$ 75	3	\$235	6	\$587	5	\$187	2	\$138	8	\$517	8	\$440	35	\$2179

To the extent possible, we solicited the views of as many people as we could to obtain relevant data, a cross-check on input and a balanced view of the projects. Approximately 40 persons were interviewed in connection with the project evaluation activities. For example, in one training related project, we obtained first-hand insights into the benefits achieved by speaking to the trainee. In another case, the benefits of the Government Project Officer position were ascertained through discussions with "users" who recently had identified and prepared projects. Overall, the quantity and quality of information obtained was good, and it provided a solid data base for our evaluation.

EVALUATION CRITERIA

Evaluation criteria, against which we measured status, varied depending on the nature and circumstances surrounding the project. The minimum criteria for all projects covered the following three principal components:

. **Effectiveness:**

- Outputs versus planned targets;
- Usefulness to the community;
- Degree of development resulting from the project (including resulting new capital projects); and
- Contribution to national goals and objectives.

. **Significance:**

- Economic development in terms of employment;
- Infrastructure enhancement;

- Health improvement;
 - Social betterment;
 - Improved management/administration capability; and
 - Enhanced delivery mechanisms.
- . **Efficiency:**
- Use of labour (local versus external);
 - Cost management;
 - Information flows;
 - Technical and financial project planning;
 - Evaluation techniques; and
 - Management controls.

A detailed Project Questionnaire for use in the preparation of individual project profiles was developed incorporating these criteria. The questionnaire form is illustrated in Appendix D.

SUMMARY OF RESULTS

Data obtained during the country visits was reviewed for accuracy and completeness. As well, clarification was obtained through additional file review and discussion with TA personnel and others. Project data then was summarized and rated against the evaluation criteria.

Table 15 illustrates, in summary form, project survey results. The table indicates the "bottom line" of the projects in terms of whether project criteria were met or not met. The rating in the right hand column indicates the success rate by criterion of applicable projects only. Where the criterion was not applicable or information was not available or insufficient because of project status, the numbers were not used in the base calculation. The average rating, by principal component, is as follows:

. Effectiveness:	77.1%
. Significance:	89.3%
. Efficiency:	70.1%
<hr/>	
. Average:	78.8%

The above "score card" indicates an overall score of 78.8%. Projects in terms of their significance, receive the highest rating of 89.3%. The lowest rating is efficiency at 70.1%. These figures clearly illustrate that the TAF projects have resulted in significant overall benefits.

Project Effectiveness

Although there were a number of projects where the views of benefits were negative or highly divergent, the majority of projects were viewed by the recipients as achieving their targets and providing a high level of immediate or longer term benefits. Recipients generally could not identify any alternative means of achieving the project results.

Ascertaining attainment of project objectives and determining benefits derived is a complex task. In our discussions, we found that views varied widely depending on the interviewee. A consultant who had completed a public sector institutional strengthening project on time and on budget according to the work plan, considered the objectives to have been attained.

TABLE 15
TECHNICAL ASSISTANCE FUND
SUMMARY OF SAMPLE SURVEY RESULTS

CRITERION	CRITERION APPLICABLE		CRITERION NOT APPLICABLE	NO INFORMATION	RATING %
	MET	NOT MET			
EFFECTIVENESS:					
. Output versus planned targets	21	7	4	3	75.0
. Usefulness to the community	22	6	5	2	78.5
. Degree of future development	16	5	10	4	76.2
. Contribution of national goals and objectives	22	6	4	3	78.5
SIGNIFICANCE:					
. Economic development in terms of employment	15	2	15	3	88.2
. Infrastructure enhancement	20	3	9	3	87.0
. Health improvement	5	-	27	3	100.0
. Social betterment	13	-	19	3	100.0
. Improved management/administration capability	12	4	16	3	75.0
. Enhanced delivery mechanisms	12	2	18	3	85.7
EFFICIENCY:					
. Use of labour (local versus external)	9	3	19	4	75.0
. Cost management	21	5	6	3	80.0
. Information flows	16	11	5	3	59.3
. Technical and financial project planning	17	11	4	3	60.7
. Evaluation techniques	16	8	8	3	66.7
. Management controls	21	6	5	3	77.8
AVERAGE					78.8

The permanent official who ultimately was responsible for the implementation of various recommendations made by the consultant, was disappointed because of the financial and political implications of the consultant's report. The report was filed together with others in a politician's cabinet.

An operating manager viewed a feasibility study, not in terms of its long term benefit and significance, but rather in terms of the "practical" alternative use he could have put the money to: specifically the purchase of two water pumps which would resolve an immediate problem for 2,000 people. In his view, the objectives and benefits of the feasibility study were questionable.

A successfully completed project where no funds were disbursed (because of improper claim procedures), was viewed by the "beneficiary" as unsuccessful.

Project Significance

As Table 15 illustrates, TA funding has made a major contribution to the economic development of borrowing members. Significance in terms of job creation was viewed in the larger context by most recipients who clearly saw indirect benefits. The successful cases of enhancements to management and administrative capabilities were numerous. On the other hand, the level of meaningful counterpart deployment was disappointing. In a number of cases, particularly at senior levels, the counterpart person did not truly play the role intended by the project. In some cases, counterpart participation was either non-existent or a facade meant to satisfy the stipulations in the TAF agreement. Nonetheless, the TAF is viewed generally by users and others as an established institution which, despite certain operating problems, plays an essential economic development role in the region.

Project Efficiency

Applications for technical assistance appeared to be submitted by a relatively small number of people at the recipient level who understand CDB's requirements. In countries where the TAF has funded government project officers, these individuals usually play a key role in preparing projects. Although project preparation and approval is more timely than in the past, there is still considerable room for improvement. Time lags of six months are fairly common. Funding was generally found to be adequate, although, in a number of situations, changes in the scope of the project necessitated additional funding.

Project management and management controls at the local level, generally met the efficiency criterion although there were a few notable exceptions on projects which were components of larger projects. Communications problems between recipients and CDB were major reasons for delays in project execution. It appears that the high level of impersonal written communication lends itself to these problems. For example, in the case of a few "problem projects" of small size, the cost in time and effort involved in the level of documentation, mainly in the form of correspondence, clearly outweighed expected project benefits.

CASE STUDIES

To illustrate our findings, we have selected eight examples from our total sample and present these in highlight form below.

Case Example 1

Grant funding was provided to send an electrician to the Barbados Light and Power Company for two weeks of on-the-job training.

- . This is an example of a small project which has provided excellent benefits.
- . The project preparation and approval was fast and moved swiftly to the implementation stage.
- . The electrician returned to the Public Utility Authority trained in an important new function, and since then has trained others.
- . The trainee's motivation and productivity increased as a result of his exposure to the Barbados environment. According to his supervisor, "his improvement in productivity is contagious, and has increased the productivity of those working with him."

Case Example 2

This project was intended to finance, for a two year period, the services of a Project Officer who would coordinate CDB and other donor supported development projects.

- . Grant funding was approved in July 1980. There have been no disbursements to date.
- . The Project Officer, who was appointed to this post from within the public service, resigned in 1982.
- . The status of this project to this day is unclear. The Project Officer position has not been clearly defined nor integrated into the public service.
- . There do not appear to be any integrating links between the Project Officer, the Planning Unit, or other ministries

which would enable the Project Officer to carry out his duties effectively.

- . CDB has demonstrated a high degree of patience and flexibility in all dealings pertaining to this project. Benefits derived have been minimal.

Case Example 3

The grant provided was for the partial financing of the services of a General Manager for a factory for three years.

- . In April of 1979, CDB approved a loan for the establishment and operation of a small-scale enterprise. A condition of the loan was that a General Manager (GM) be in place not later than August 1979.
- . Since technical assistance was not available from other sources, CDB agreed to provide grant funding in December 1979 through the TAF.
- . One of the conditions of the agreement was that a counterpart should be appointed within six months of the recruitment of the GM.
- . The GM was hired in November 1980 - 11 months after the project was approved (15 months later than the August 1979 date originally stipulated by CDB).
- . The GM remained in his post to November 1983 as per the conditions of the contract.
- . This project moved very slowly from the approval to the implementation stage. The delay in appointing the GM

resulted in the Board of the corporation being highly involved in day-to-day operational matters.

- . When the GM finally took up his position, he found that funds were almost exhausted and that the project had incurred sizeable overruns.
- . Over the next three years, the GM succeeded in making the factory mechanically viable. This was a lengthy, difficult process because of inadequate funds. He devoted up to one-third of his time negotiating with government for additional funding items as basic as payroll costs.
- . This project, if viewed in isolation from the overall project, did provide considerable benefits including the appointment of an accountant and the design and implementation of a proper accounting system.
- . This project raises a number of questions:
 - Could the appointment of the GM have been expedited?
 - If not, why was the major project started without any of the "basics" - such as people and systems in place?
 - In the absence of a GM, who was monitoring the work of the consultants and contractors? Did CDB play a proper role?
 - Why was a counterpart to the GM not appointed as per the contract agreement?

More than four years have passed since the initial loan for the enterprise, and the factory continues to have problems.

The factory is faced with large increases in cost of operation. Equipment is antiquated and replacement parts are unavailable. The current GM estimates that capital equipment requirements are in the range of E.C. \$500,000 to \$1 million to bring the factory to a proper operational level. Management is not optimistic about the future of both the factory and industry if this equipment is not purchased.

Case Example 4

This grant was provided to a port authority for managerial, advisory, technical and training consulting services.

- . The need for this project was identified by CDB.
- . This project will be completed, as stipulated in the agreement, by May 1984. The work carried out by the consultants retained for this project has provided excellent benefits. Improvements in both the management and financial position of port operations have been made. The Port Manager estimates that over E.C. \$600,000 of savings have been realized through the consultants' recommendations and that the port is closer to achieving its objective of becoming a self-financing and viable operation.

Case Example 5

Contingent loan to undertake a study of the extra-regional markets for ornamental plants.

- . This project was approved five months after it was requested.
- . The recipient subsequently received grant funding from the European Development Fund to conduct the same study.

- . TA contingent loan was cancelled.
- . The market study funded by EDF revealed that a sizeable extra-regional market for ornamental plants existed.
- . EDF provided additional grant funding for a pilot production project. This project is currently underway.
- . The reasons given for the cancellation were that grant funding was obviously preferable to a contingent loan, and that dealing with CDB was "much too complicated".

Case Example 6

**Grant to pay portion of Accountant's salary for one year
(Government Funding Scheme).**

- . The Government Funding Scheme (GFS) was established in 1971 to provide to St. Lucia, on a self-financing basis, the plant and equipment needs of the Ministries of Communications and Works, Agriculture and Fisheries and Labour and Cooperatives. GFS was to finance the establishment of a central mechanical workshop providing central mechanical maintenance and repair - eliminating wasteful duplication among departments. Equipment and services were to be charged out at cost and funds used to maintain and replace equipment.
- . GFS, in 1979, had serious managerial and financial problems.
- . In 1979, GFS secured services of a US Peace Corp Volunteer/Accountant who made significant improvements in the accounting system and inventory system. After 2½ years with GFS, the Peace Corps was no longer prepared to make a further

extension to his tour of duty. GFS felt it critical to extend for one more year, the accountant's services to complete his work and also work with and train a local counterpart.

- . This project enabled accountant to stay on for one additional year.
- . The objectives of this project were achieved. According to the GM of the GFS, the benefits of this project were "tremendous". The problems that the accountant inherited were sizeable. The one year extension enabled management and the accountant to consolidate and finalize various improvements to financial systems and more importantly, allowed sufficient time for the accountant to work with and train his local replacement.
- . Since the departure of the Peace Corps volunteer, the local counterpart has been functioning effectively in the Accountant position, due mainly to this TAF grant.
- . This project is a good example of a well-conceived and implemented project. Although a small project in terms of dollars spent, the benefits to the recipient have been sizeable.
- . A number of things contributed to this success:
 - the early identification of the need;
 - the assistance provided by the Government Deputy Planning Officer in preparing the project; and
 - the timely manner in which CDB responded to the request.

- . The GM of this organization stated that it was his opinion that the majority of problems between CDB and recipients are caused by recipients who either through ignorance or laziness, refuse to conform to CDB guidelines and procedures, sometimes simply because they don't like paperwork. He considers these to be the "losers".

Case Example 7

This loan was intended to finance the cost of services of a Production Manager for one year.

- . The recipient was a shoe manufacturing company. Impetus for this project was provided by CDB which holds a substantial equity interest in the operation.
- . The manufacturer suffered from a lack of management depth. The Production Manager (PM) position was considered to be a key requirement.
- . Since its inception, the Company had relied on United Nations' (UNIDO) funded advisors for its production engineering services. Experience proved that the advisors' terms of reference and "general modus operandi" did not allow them to function as an integral part of the Company's organization.
- . Although contributing in an ad hoc fashion to the technical production requirements, the advisors did not provide the required management support and supervisory leadership required at the factory floor level.
- . The Company decided to recruit a permanent PM and advertised both locally and overseas.

- . The Company selected an individual from the U.K. who appeared to have the requisite experience and qualifications. The entire screening process of this candidate was carried out "on paper" via the mails.

- . Shortly after the PM assumed his duties, it quickly became apparent that he wasn't suited for the position. He wasn't a "hands-on" individual and appeared to suffer from culture shock. Two months after joining, he resigned.

- . The project was cancelled.

- . The GM of the Company has assumed responsibility for making the wrong decision, but he did point out that proper screening of candidates was financially prohibitive and the decision was a calculated risk.

- . The interesting aspect of this project is that faced with this problem, the GM focused his attention to the people working within his organization, and identified one individual who appeared to have potential for development in the Production Manager role.

- . The major benefit of this aborted project was the realization and acceptance by the GM that an investment over time in available human resources was preferable to the "hit and miss" approaches tried previously which provide "quick fixes", but do not address the longer term issues. The individual selected for development has been receiving on-the-job training and was the object of a highly successful training program provided by the TAF. The individual, although still a trainee in the PM role, is coming closer to realizing the original objective of this project. He is now playing a valuable role in the organization. The General Manager now has a new philosophy which focuses on

developing talent from within the organization. To that extent, this "unsuccessful" project has proved to be extremely valuable.

Case Example 8

Technical assistance to provide for the continuation of specialized advisory services to an amalgamated national sea and air ports authority for a period of two years.

- . This project has extended the Ports Advisor's tour of duty for an additional two years.
- . The advisor's achievements have been numerous, and include:
 - training of local staff in aspects of port operations;
 - improvements in management methodology; and
 - improvements in productivity and profitability of ports operation.
- . Although a counterpart GM is in place, he will soon be retiring. The Ports Authority has advertised widely for someone to be groomed for the GM job without success.
- . Both the GM and the Advisor expressed frustration about the scarcity of human resources to "build on". The compensation being offered, does not appear to attract good candidates. Internal staff who have been sent on training do not have the ability and/or motivation to complete the training.

ISSUES AND CONCLUSIONS

OVERVIEW

In assessing TAF progress and benefits, and areas for future improvement, it is critically important to recognize and understand the context and environment within which the Fund operates. It is an environment with diverse characteristics which influence project selection, execution, and the attainment and measurement of benefits. Each member recipient country has different socio-economic concerns, and the specifically directed sectoral focus of the Fund can make it extremely difficult to satisfy the frequently widely differing needs of recipient economies. Accordingly, there is a significant lack of homogeneity with respect to the overall TAF "market".

As well, TAF resources are scarce and only limited support can be given to recipients competing for funds. Resources are also relatively small, particularly in the context of other available funding sources. TAF resources are not integrated nor coordinated with other similar types of funding. This may create a level of possibly desirable competition, but it also poses difficulties for many potential recipients with respect to how to proceed, and may lead to inefficiencies.

There is then the obvious need for effective administration and control of the Fund. Management and staff resources are limited, and member jurisdictions are widely dispersed geographically. The TAU must at all times exhibit scrupulous fairness in dealing with the diverse and not infrequently complex needs of TA applicants. While the bureaucratic requirements, can appear frustrating and redundant, these are essential for the most part if any degree of control, efficiency and equity of Fund utilization is to be achieved.

As well, technical assistance is primarily a developmental or pre-investment activity. The measurement of outputs (in quantitative terms) is difficult and frequently at best only partially feasible. The rate-of-return criteria applied to capital projects rarely are of relevance. In theory, the cost of pre-investment technical assistance projects should be included as part of the initial cash outlays of the subsequent capital project and included in the rate of return calculation for such projects.

Operational Changes

Since the first evaluation of the TAF, a number of significant and positive changes to overall Fund operation have occurred. These include:

- . a substantial increase in Fund activity to the point where there is a virtually total commitment of available resources, as at December 31, 1983;
- . a shift to reimbursable from non-reimbursable projects;
- . additional staff resources to enhance the TAU's ability to administer the volume of approved projects;
- . the introduction of more effective and comprehensive procedures and management reporting; and
- . the implementation of improved planning and forecasting of technical assistance requirements.

In addition, a number of other enhancements to TAF activities have resulted from administrative improvements and the expanded Fund utilization. These include:

- . a greater awareness among potential recipients of TAF resources and the uses to which these can be applied;
- . improved communications between TAF staff and field personnel in recipient countries and improved information flows; and
- . an expanded and better use of CDB funds to train individuals in the project preparation and project management, which in turn has promoted a stronger knowledge base with respect to technical assistance applications and project execution.

These efforts have contributed to the accelerated utilization of TAF resources evident since the previous evaluation. Moreover, they are all consistent with the donors' intentions of ensuring that the TAF resources are utilized to the maximum extent possible, given the resources available.

BENEFITS ACHIEVED

As a result of these initiatives, a variety of benefits, both direct and secondary, have been achieved. A number of capital projects have resulted from TAF projects and these, in turn, have had a positive economic impact in terms of employment within the respective communities and countries affected. In addition, the existence of new capital projects has resulted in secondary benefits within the community through additional employment and increased income to local economies.

A further indirect benefit has been the improved knowledge and understanding created as a result of the continuing focus on project management education. Now, both current and potential recipients are better equipped to apply for and manage technical assistance projects. While it is difficult to measure these

benefits precisely there is no doubt that the increased knowledge and experience pool provides a vital management base within the Caribbean community that did not exist previously. The experience gained through the expanded use of the TAF and the training programs, has established the necessary basis for the recent significant shift to support more pre-investment type projects, a move which takes a significant step on the road to operational maturity.

The issues and problems which are addressed below are important and require resolution. But these should be seen against the backdrop of the very real achievements of the past six years. Perhaps, in this context, the key question is: what would the situation be today in the absence of the TAF? Manifestly, given the relatively small outlays, our examination of the Fund at both "macro" and "micro" levels reveals the presence of significant direct and indirect benefits including an upward trend in recipient knowledge and experience, which augers well for the future. It is not difficult to visualize the negative effects of an absence of TA funding.

A further question that legitimately can be posed is: could Fund resources have been utilized more efficiently and effectively? The short answer, with the advantage of hindsight, is "yes". But our evaluation of the Fund and individual projects suggests that dramatic improvements, given the start-up nature of the Fund, were neither necessary or possible. In this regard, we emphasize that "learning" time cannot be compressed to any extent; there has to be an initial "investment" period, which paves the way for more significant and discernible benefits. Of overriding importance is that the trend to operational improvements has been steady and continuous and pressure should be maintained to ensure that no fall off occurs in the future.

FUND RESOURCING

One of the key concerns facing the TAF is the issue of resources. Given the fact that financial resources available to the Fund are virtually depleted, there is a pressing need to address how and in what forms CDB can continue to be proactive in its efforts to undertake technical assistance activities.

It is only recently that significant TAF resources have been provided on a loan or contingent loan basis. As a result, replenishment of funds has not yet begun to have any significant impact. In fact, we are aware of only one project (1979-06-23) where the original TAF funding has been reimbursed fully. As well, the structure of loan reimbursement arrangements are such that normally repayments are not due for at least two years following the first disbursement. Obviously, if the thrust to reimbursable type loans is only recent and the projects, because of delays are not complete, the likelihood of any significant reimbursements in the near future is small.

There are only two sources of TA funds: loan repayments, and donors, individually or collectively, through mechanisms such as the USDF. As the nature of TAF activities changes, loan repayments should increase. However, many payments are likely to be made only over the long term and a number of loans are likely to be "forgiven" and written off. Self-replenishment of funds, while an increasing percentage of the total Fund, is unlikely to be a major financing source in the foreseeable future. This means that the majority of TA funding will continue to be externally sourced, and ideally channeled through a single mechanism. To the extent possible, the imposition of undue constraints or restrictions on Funds' use should be avoided.

We understand that the Bank currently is planning its TA funding strategy in view of the urgent need to put additional funds into

place. In this regard, based on the current review of TAF status and operations and recognizing the effects of inflation over the past six years, serious consideration should be given to establishing as soon as possible a five year TAF commitment at a level which adequately recognizes the contribution of technical assistance to the economic development of the LDC's and the current level of demands for funds.

FUND ALLOCATION AND UTILIZATION

Funds allocated to date have satisfactorily met the structural and sectoral, including eligibility, criteria. Nevertheless, allocation has taken place generally on a "first come, first served" basis. In future, as the project pipeline becomes full and requests for assistance increase, more consideration will have to be given to prioritization - the ranking of projects. Criteria will need to be developed to ensure objectivity.

This concept of prioritization should form part of an overall TAF long range plan showing expected fund receipts and outflows together with the analysis of recipients and benefits. Such a plan requires regular review and update. Properly structured, it can serve not only as an effective management information aid, but also as a means of indicating how well the Bank meets fairness and equity criteria in the use of funds.

Increased emphasis should also be placed on the utilization of funds - both outflows and inflows. Funds committed to a project should be disbursed according to schedule. Delays should be documented. Similarly, collection activities should be put into effect based on prior agreements and plans. Again, this situation suggests the introduction of strong planning mechanism, involving the establishing of specific goals and objectives. These measures will support more of a performance

orientation on the part of recipients and facilitate loan repayments.

FUND MANAGEMENT

Procedures

The CDB currently operates with an established set of procedures to administer TA activities. As in the case of similar situations, these processes tend to be relatively bureaucratic, and frequently are seen by potential recipients as constraints to efficient delivery. While there may be merit to these views in some instances, it is essential that a reasonable level of administrative and management control of the system be in place.

The question of where the right point of balance exists between control and autonomy, between procedural rigidity and flexibility, is difficult to resolve. In the case of processing procedures, there appears to be a strong case for the general continuation of current practices, with some relaxation for small, emergency situations.

The large number of diverse inputs and elements involved in TAF administration suggests that procedural documentation remains, as indicated in the first evaluation, a top priority. A manual, which contains both TAF policy statements and detailed processing procedures, would increase operating efficiency and act as an effective general communications aid. It would also promote both the improved coordination of documentation efforts involving the consistent and complete recording of project information by PO's and project supervisors, and the necessary strengthening of TAU and Finance information linkages.

Approvals

Approval levels are clearly an important issue. What is the trade-off, for example, between process speed-up and perhaps the higher risk of a wrong decision. Would more delegation increase management and staff motivation? There is no way of accurately forecasting the results of such changes; the only way is to implement and monitor results.

If the Fund is to be responsive to the needs of LDC's and others, particularly with respect to small non-reimbursable funding, consideration of a streamlined approval process possibly an imprest fund based on need, type of funding and dollar value could be introduced. Approvals could be granted by the department head or Loans Committee. On a quarterly basis, approvals could be accumulated and the President advised accordingly. A move of this nature would serve to increase senior managers' accountability for results. Not least, it would enhance the Fund's responsiveness to small funding requests, and contribute to positive perceptions of the Fund by recipients.

In our opinion the risk of delegating TAF approvals, at least on an experimental basis, would be minimal. Moreover, CDB management is clearly of equivalent capability to that of other organizations where approval delegation is routinely practiced. A controlled start in this direction could be made by setting aside a specific level of funding to cover "small" and routine projects - a larger version of a petty cash fund - to be replenished on an imprest basis.

Project Control

Our evaluation has indicated the existence of a number of weaknesses in the area of project control. Effective project control demands two interrelated actions: management attention

to project operations and a motivation to take corrective action as necessary, and a supporting administrative system which monitors and disseminates information in a timely and relevant manner so that management quality of the management decision making is enhanced.

The key to achieving project control objectives is the notion of accountability. This involves the assumption of responsibility by one person for execution of the project in accordance with plan, involving the conducting of tasks and activities within time and cost budgets and the achievement of output targets. Currently, it is difficult to pin-point precisely specific project accountabilities.

As noted in the preceding analysis, there is an absence of a disciplined and rigorous application of procedures which leads to an inconsistency in control and management not only of the individual projects, but also of the Fund's resources. There is, at best, only limited assurance that projects once approved and recorded as committed, receive formal management attention or on-going monitoring that is required. For example, in some cases, it would appear that inactivity on a project probably should have resulted in its cancellation, but the absence of any regular monitoring and related reporting resulted in these projects remaining inactive for extended periods. TAU staff cannot be assured, other than by informal means, of maintaining a continuing awareness of individual project status.

As a first step, attention should be given to improving management reports. For example, the introduction of a monthly status report to Bank management and prepared by the TAU should be considered. It need not be lengthy, possibly only a one or two page summary providing data on changes in disbursements against projects from month to month and other relevant but brief

comments on the status of projects. Once developed, it can be updated easily and quickly on a monthly basis.

While it is not our intention to suggest that an already heavy TAU workload should be increased, we believe a monthly status report outlining the projects approved, amounts disbursed and relevant comments regarding difficulties with the project or disbursements would be useful management information. This monthly management report, would serve as an overall management monitoring mechanism highlighting areas where decisions or actions should be taken. As well, project supervisors and others responsible, as the case may be, should be required to submit individual project reports monthly, again, not lengthy, on results achieved, problems encountered and future outlook.

A further important control area is that of post completion reviews. These should include the formal evaluation of consultants retained by CDB to undertake TAF projects or tasks. The importance of effective project control cannot be over-emphasized as the TAF moves into a more reimbursable basis under USDF.

Personnel

TAU resources and the Senior Manager (Project Services) have shown a high level of competence and dedication to the management and administration of TAF operations. The increase of TAU resources and the recent reorganization of the Unit within the Project Department have made also a strong positive contribution. However, the current day-to-day workload occupies personnel full time. This means that, to a large extent, staff are "desk bound". It became evident during our survey visits, that more face to face field contact would be beneficial which would promote a project performance orientation and operating efficiency, and, at the same time, play a useful general infor-

mation role. This activity cannot be conducted, however, by current resources, their time being fully dedicated to other necessary activities.

As well, the implementation of a project monitoring program, although not onerous, together with the expected growth in Fund activities, will place additional demands upon Fund management and administrative personnel.

PERFORMANCE STANDARDS

There has been no uniform approach adopted with respect to applications for technical assistance. This approach has merit in light of diversity of application sources and type of request. We would suggest, in the interests of continued flexibility, that current procedures in this respect be retained. An integral part of the request for assistance has been the justification component which, normally in narrative form, provides the TAU and other approval levels with information for go/no-go decisions to be made.

However, as the gradual maturation of fund operation proceeds, there is a requirement to concentrate on project output expectations and their measurement, that is, a stronger emphasis on a value-for-money approach involving the setting of planned targets and the subsequent measurement of performance against these targets to engender the most productive use of funds. As well, it is not necessary to establish performance standards to the point that information accumulation inhibits project progress. Rather, they should be seen as a normal part of project planning and be used to provide PO's and Bank management with a benchmark for the assessment of project progress and outcome.

Performance standards carry the most precision when expressed in financial terms or in some physical or time dimension; the relative use of these type of standards will naturally vary with the nature of the project. Performance standards should, accordingly, be selected for each project on the basis of relevance and practicality. Areas for performance standard application would include:

- . anticipated disbursement schedule;
- . forecast project "milestone" and completion dates;
- . structuring and scheduling of project monitoring report requirements;
- . anticipated problem areas;
- . expected socio-economic impacts - employment opportunities, improved services, infrastructure, etc.;
- . probability of capital project and resulting benefits;
- . actual costs compared to planned costs.

The establishment of performance standards will inevitably require regular and consistent monitoring during project execution and post-completion stages. Borrowing member countries also should be involved in the definition of performance standards. CDB should not be seen to be dictating exclusively output expectations and performance standards in view of local sensitivities. Nevertheless, the Bank should establish a framework of performance parameters that are to be satisfied across a range of different types of technical assistance projects.

Performance standards are best introduced on a gradual basis. On their own, they are perhaps a useful indicator and nothing more. At their most successful, they provide support to project supervisors and others who are motivated to plan and execute projects with efficiency and effectiveness.

SUMMARY

Our evaluation of the TAF, at the point where all initial funds have been virtually fully committed, indicate that operations have followed a consistent and positive evolutionary trend to the point where objectives generally have been achieved. There was a slow start to operations as essential learning activities took place, the Bank exhibiting a degree of caution and conservatism which, in retrospect, would seem to be the correct approach. Some potential recipients would have wished for faster action, for less administrative formality, but our review of the achievements to date and some of the problems encountered, suggests that the Bank did strike the right blend of control and action. TAU management and staff have shown a strong dedication to the aims and objectives of the TAF.

Overall, this first phase has resulted in significant, real benefits at a modest outlay. These benefits can be seen in better perspective if a comparison were to be made with the extreme alternative, that of no TAF. At the same time, weaknesses remain in the areas of monitoring and control, administration and project execution. However, there is no need nor place for the "quick fix".

The TAF operates in a tough and demanding environment containing competing influences and pressures for scarce funds. This situation is unlikely to ease as users' knowledge and experience of the Fund grows. Operating success can best be achieved by maintaining balance among countries, sectors, and type of tech-

nical assistance, and ensuring that with respect to management and administration, balance exists between delegation of authority and responsibility and flexibility of action on one hand, and administrative control on the other.

Currently, there is a momentum to the Fund, gradual but consistent. There is no question that major benefits will be derived - and clearly seen to be derived - as TA projects are undertaken which result in more tangible follow-ons, primarily capital projects. The proper strategy, in our opinion, is now to build on success, recognizing and correcting weaknesses as required. The second phase of TAF should be supported by more effective planning and monitoring, policy and procedural enhancements, personnel strengthening and not least, sufficient funding.

RECOMMENDATIONS

We have formulated our recommendations with the objectives of assisting TAF managers and users to utilize Fund resources effectively and efficiently, and promoting the positive perception of Fund users, current and potential, to the purposes and operations of the Fund. We have focused on promoting a "bias for action" and introducing more accountability for results. This means, in overall terms, emphasizing a performance orientation within an essential, but not inhibiting, control framework.

In addition, our recommendations should assist in operationalizing the suggestions made by the President in his address to the 13th Annual Meeting of the Board of Governors in May, 1983, in which he indicated the nature of the technical assistance programs to be pursued.

"If the use of technical assistance is to continue to provide benefits to LDC's and others, it must be adaptive and address new initiatives such as the following:

- . flexibility to process/approve different types of assistance such as training grants versus contingent loans for a feasibility study on large projects - it is necessary for these to meet similar processing and approval requirements;
- . improved and more frequent management reporting of fund status;
- . a clear set of criteria for evaluating effectiveness and economic benefit of funded projects; and

an effective monitoring and follow-up system."

Specific recommendations are as follows:

Fund Resourcing

- **Allocate TA resources, in the order of \$20 million, to cover the next five year period of TAF activity.** Given the growing demands for pre-investment funds and increasing Fund activity in general, we can envisage - recognizing the effects of inflation - that the TAF could operate successfully at a rate, in real terms, in excess of twice that of the initial funding period. Moreover, the various TA funds which had been previously available are now in all cases fully or nearly disbursed. The CDB is in the process of unifying all TA operations into a single Fund, which will finance all TA activities, including areas previously funded by non-TAF sources. Therefore, this Unified TAF will be expected to accommodate a much broader range of TA demands than was required by the "old" TAF. To the extent possible, the new TAF should be free of conditions and regulations regarding its utilization. There appears to be little danger, based on current control systems and TAU's strong orientation to satisfying equity and operating criteria, that Fund usage will be less than optimal.

Planning and Control

- **Continue to develop the overall long and short range planning (including project identification) process.** With the project pipeline in place, the next stage in the planning process should involve the determination of project priorities and timing. At the same time,

the dynamic nature of the plan should be recognized through regular reviews to assess current validity of the pipeline and its priorities and timing. It is axiomatic that effective planning is the key to effective management and project control. In addition to the basic requirement for a clear understanding of expected use of TA funds by location, type and sector and related timings, there is now the increasingly important element of cash flows. With the shift to a loan rather than grant emphasis, the ability to forecast loan repayments (and Fund replenishment) accurately, takes on increasing importance. Good forecasting also sets the framework for the subsequent cash collection activities.

- **Increase the focus on the formal measurement of project output expectation and benefits.** During both project identification and planning phases, more emphasis should be placed on targets and expected results. Standards of performance - quantitative (to the extent possible) and qualitative should be included in each request for technical assistance. In this regard, we do not anticipate significant change in modes of application which may be oral or written in various forms. TAU staff, however, should ensure that all communications are documented by "file memorandum" as required.

- **Implement formal project monitoring procedures.** These would involve the preparation of regular (monthly) management reports, indicating percentage physical completion, funds expended against targets, and explanations of delay situations. The most effective production approach would be to establish a minimum relevant data base for each project which would be

updated with any changes on a monthly basis. The result would be a concise, overview report to Bank management each month of TAF status.

- **Ensure that project supervisors and others as required provide reports on individual project progress on a regular basis to the TAU.** Each project will have different progress reporting requirements depending on size, type and time involved, and these should be established prior to project execution. It should be mandatory for responsible project personnel to meet these requirements including the preparation of a final report documenting results achieved and problems encountered.

- **Ensure that post-completion reviews are conducted as appropriate.** Such reviews serve two purposes: first, they provide a perspective on actual versus planned performance, and second, they are a means of avoiding the repetition of past problems. A sampling of completed projects conducted at regular intervals by the newly formed Post Implementation and Evaluation Unit would be the preferred course of action. Selection criteria would encompass size, type, country, funding, objectives and nature of primary and secondary benefits. Consultant evaluations would also form part of this activity.

Fund Personnel

- **Appoint an additional TAU project officer to act as a "field" representative.** Currently, much of the work of the TAU necessarily takes place at a communications disadvantage with recipients. Given the steady growth of technical assistance activities, we

feel that projects can be expedited, application quality improved, and misperceptions and misunderstandings minimized by the appointment of a TAU field PO, who would work extensively in recipient jurisdictions. In addition, we see the necessity of further staff growth at the PO level within the TAU in line with Fund activity growth.

Fund Information

- **Enhance the general information program of the TAF.** There is no doubt that, as a result of Bank training courses and increased use of Fund resources, there is a wide knowledge of TAF in general. A specific promotional orientation is not a requirement, but there is a need to correct current misperceptions and improve formal communication. The appointment of a Field PO will assist in this regard. As well, "CDB News" could act as a good communications vehicle with "profiles" on Fund activities and staff from time to time. A small, widely distributed brochure, describing the purposes of TAF, funding application and approval mechanisms, and scope of TA activities would also serve a useful informational purpose.

Administration

- **Deregulate the approval process within a framework of essential controls.** We believe that some relaxation of approval requirements is appropriate, at least to department head levels or Loans Committee. In conjunction with this change, there should be a "short form" application process instituted, utilizing a designated pool of funds (imprest basis), which will

enable quick processing in the case of specific project categories - mainly of small size and of a routine nature.

- Enhance the efficiency of the administrative process through the production and issuance of a TA Policy & Procedures Manual. The efficient processing of a growing volume of "transactions" depends on a wide group of persons in different positions and activities playing their designated role within the "system" in a coordinated and timely manner. Formal documentation of actions is mandatory. A manual provides both the rationale and necessary instructions for achieving these results. We understand that management has plans for a Bank-wide operating manual preparation. A useful "pilot project" could be the TAF, which could be conducted quickly and contain many, perhaps most, of the operating complexities likely to be encountered elsewhere. The manual, perhaps shortened form, would also serve to fill urgent information and support needs within the broad TA constituency. It would also act as a model for further manual preparation in the Bank. A framework for a Policies and Procedures Manual is presented in Figure 3.

FIGURE 3

**TECHNICAL ASSISTANCE FUND
A FRAMEWORK FOR A
POLICIES AND PROCEDURES MANUAL**

CHAPTER 1 - Technical Assistance Fund - Policies and Procedures

- . Organization and use
- . Distribution and amendment
- . Responsibility for maintenance

CHAPTER 2 - CDB and Technical Assistance Policies

- . Fund sources and uses
- . Fund restrictions and limitations
- . Types of technical assistance (reimbursable, non-reimbursable)
- . Use of consultants
- . Procurement
- . Disbursements
- . Approvals
- . Security
- . Reporting
- . Definitions

**CHAPTER 3 - Organization and Responsibilities for
Technical Assistance Delivery**

- . President
- . Board of Governors
- . Loans Committee
- . Advisory Council to the President
- . Technical Assistance Unit (Project Services Department)
- . Government Project Officers (field)
- . Operational divisions and Projects Department
- . Project Managers (technical assistance projects)
- . Finance Department
- . Legal and Secretary's Department
- . Executing agency/beneficiary

FIGURE 3

**TECHNICAL ASSISTANCE FUND
A FRAMEWORK FOR A
POLICIES AND PROCEDURES MANUAL**

CHAPTER 4 - Management of Technical Assistance

- . Technical assistance projects life cycle (identification, preparation, execution, post-completion)
- . Administrative procedures:
 - application requests/identification
 - project preparation
 - approval
 - disbursements
 - review/monitoring
 - reporting - type/frequency
- . Long-term planning/prioritization
- . Resourcing and supervision
- . Project management
- . Linkage with CDB practices/personnel

CHAPTER 5 - Documentation and Project File Requirements

- . Administrative forms
- . Processing frequency
- . Technical assistance project files/working papers
- . Report formats
- . Post-completion checklists

APPENDIX A
REQUIREMENT FOR REVIEW
EXTRACT FROM USAID PROJECT PAPER
538-0016

**REQUIREMENT FOR REVIEW - EXTRACT FROM USAID
PROJECT PAPER 538-0016**

The following is an extract from USAID project paper 538-0016, page 64:

4. Evaluation

The project will be evaluated by the Bank and USAID annually over the life of the project, starting one year after conditions precedent. The evaluation in the first two years will focus on the establishment of the Fund, staffing, procedures and the nature and type of technical assistance being provided. Particular attention will be given to changes in eligibility criteria and procedures. Criteria will be refined; bottlenecks in procedures identified and agreement reached on changes needed, etc. In addition, attention will be given to projects which might not be appropriate for AID funding. Problem areas will be identified and any operational changes agreed upon at that time. The evaluation in the third and fourth years will focus on the nature and type of technical assistance being provided and the results achieved in providing such technical assistance.

APPENDIX B
CRITERIA GOVERNING THE USE OF
TECHNICAL ASSISTANCE FUND RESOURCES

**CRITERIA GOVERNING THE USE OF THE
TECHNICAL ASSISTANCE FUND RESOURCES**

1. ADVISORY SERVICES AND TRAINING

- (a) The following general fields will be eligible for technical assistance under the Fund - Agriculture, including live-stock and fisheries, Marketing, Manufacturing, Tourism, Transportation, Infrastructure, Planning (including Statistics), Accounting, Public Financing and Budgeting, and possibly at a later date, the basic needs sectors such as Health and Education.
- (b) Technical assistance will be provided for general development, bank development and project implementation.
- (c) Eligible technical assistance will include:
 - (i) advisory services to fill either advisory or on-line staff requirements; and
 - (ii) job-related training including short-term academic seminars and courses, observational trips and long term academic training related to an institutional development program.
- (d) Technical assistance will be provided on a grant or cost reimbursable basis to public sector, national and regional institutions; in the case of project implementation, technical assistance shall be provided on a cost reimbursable basis where possible.
- (e) For private institutions, technical assistance will be provided on a cost reimbursable basis, except for specific project studies which will be contingently recoverable.
- (f) As a condition of the provision of technical assistance, all public sector recipients of advisory services shall agree to provide a minimum of 15% of the total technical assistance costs, including adequate counterpart personnel and office space.
- (g) Adequate provision (counterpart financing) must be made in advance for replacing on-line staff upon expiration of contract.

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- (h) To be eligible for Technical Assistance Fund financing, all advisory services require an adequate program description approved in advance, setting out the nature of the problem and a comprehensive scope of work and estimated duration and costs.
- (i) Training will be funded on the basis of an adequate program description approved in advance. For attendance at courses, seminars and for observational trips, the description should state the reason for the training, the program to be followed, timing, travel plans and budget. For the organizing of special courses, the description should outline the rationale for the training course, the training to be provided and an implementation plan and budget.
- (j) CDB will be required to contribute 25% of the cost of establishing special courses in cash or kind.
- (k) To be eligible for Technical Assistance funding, institutional development programs will require an adequate program description approved in advance, setting out the rationale for the program, a statement of the institutional deficiencies to be resolved, the advising and training services required, budget, time period and an implementation plan.
- (l) Any CDB staff assistance financed from the Technical Assistance Fund shall be restricted to professional staff. Staff currently financed from other sources and CDB administrative expenses are ineligible.
- (m) All positions for Bank staff to be filled by personnel contracted for periods in excess of six months and financed by the Technical Assistance Fund, shall be included in CDB's annual administrative budget.
- (n) For staff assistance, CDB shall contribute at least 25% of the total costs of each person for its staff in cash or kind.
- (o) An evaluation of each consultant is required at the termination of his services and shall be maintained on a permanent file.
- (p) Eligible expenses for technical advisory services include, but are not limited to - expert salaries and benefits, transportation, per diem travel including dependent travel and transportation for long-term personnel. Additionally,

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a limited amount of commodity support necessary to ensure effective utilization of technical assistance may be included, but shall not exceed 25% of the cost of the assistance.

- (q) Eligible expenses for training include, but are not limited to - consultant and lecturer salaries, fees and benefits, travel and per diem, seminar, administrative expense, materials, books, food and lodging.
- (r) Any other provision required by CDB and consistent with the purpose of the Fund and the above provisions.

2. PROJECT PREPARATION

- (a) Studies can be executed in those sectors in which CDB makes loans - agriculture, livestock, fisheries, marketing, manufacturing, mining, tourism, transportation, housing and infrastructure.
- (b) The following types of studies will be eligible for financing:
 - (i) general studies and assessments of economic sectors and geographic areas needed to establish the basis for or identify investment opportunities or specific projects;
 - (ii) pre-feasibility and feasibility studies of projects;
 - (iii) preliminary and final engineering design studies, including specification, construction plans and cost estimates;
 - (iv) institutional studies;
 - (v) surveys and assessments of the needs of potential project beneficiaries; and
 - (vi) post-implementation evaluation.
- (c) All general studies will be undertaken on a non-reimbursable basis, but not more than 20% of the project preparation resources will be utilized for such studies.

- (d) Studies may benefit national, public and private sector entities and regional institutions.
- (e) CDB shall use the resources of the Technical Assistance Fund to conduct only such project studies as it reasonably expects could lead to or serve as a basis for future CDB financing. Up to 20% of the project preparation resources may be used for promotional studies, i.e., studies for which there is no beneficiary yet identified.
- (f) Specific studies shall be undertaken only on a contingent recovery basis or a reimbursable basis. If a loan is made as a result of a study, the amount spent on this study will be immediately repayable out of the proceeds of the loans.
- (g) Studies will be funded on the basis of an adequate program description approved in advance, including rationale for the study, scope of work, timing and budget.

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APPENDIX C

STUDY TERMS OF REFERENCE

CARIBBEAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE FUND

SECOND EVALUATION - TERMS OF REFERENCE

Consultancy for an evaluation of progress towards achievement of the objectives of CDB's Technical Assistance Fund (TAF), particularly the nature and type of technical assistance being provided and the results achieved in providing such technical assistance.

INTRODUCTION

Almost five years have elapsed since CDB's Board approved the establishment of CDB's TAF to replace the sundry funds within CDB for making technical assistance available to its borrowing members. TAF became operational in December, 1978.

The initial resources of US \$3.94 million (mn) were contributed by the Governments of Canada, Trinidad & Tobago, the United Kingdom, the USA (US/AID Grant 538-0016), Venezuela and CDB itself. In 1982, TAF was increased to US \$4.64 mn., by a contribution of US \$700,000 from the Government of Mexico as part of its initial subscription of joining CDB.

In late 1980, TAF had the first of two evaluations agreed between CDB and the USA in the US/AID Grant Agreement. That evaluation focussed on the establishment of the Fund, staffing procedures and the nature and the type of assistance provided. Special attention was paid to changes in eligibility criteria and procedures to ensure effective and efficient delivery of technical assistance. While some of the recommendations of the First Evaluation Report have been implemented, others have been overtaken by the findings and recommendations in the Consultant's Final Report on the Organization and Management Study undertaken during 1982/83.

TERMS OF REFERENCE

This evaluation represents the second and final evaluation of the initial TAF as agreed between CDB and the USA. In performing the services detailed below, the Consultants will be guided by the USA Grant Agreement 538-0016, the US/AID Project Review Report, the First Evaluation Report, the CDB's Organization and Management Report and any other related documentation.

OBJECTIVES

The objectives of the second evaluation of the TA Fund as stated in the terms of reference, are as follows:

- (a) Examine and evaluate the progress of Fund implementation since December, 1978, particularly the nature and type of technical assistance provided within the framework of the agreed financing plan.
- (b) Examine and evaluate:
 - i) TAF's effectiveness: were the targets for outputs and purposes achieved and what were the reasons for success or failure;
 - ii) TAF's significance: did achievement of the targets contribute to economic development of borrowing members; and/or other high goals such as institutionalizing of the TAF delivery system;
 - iii) TAF's efficiency: did the benefits justify the cost and are there more efficient ways of achieving the same targets.

The methodology for undertaking the evaluation will include the selection and development of critical indicators and standards against which judgments are to be made. Such standards and indicators would be subject to CDB's and AID's approval.

DURATION

The Evaluation Study would require 60 man-days of consultancy over one calendar month.

REPORT

- (a) Draft final report (4 copies) within 14 days of completion of the Study.
- (b) Final report (6 copies) 30 days after completion of the Study.

APPENDIX D

PROJECT QUESTIONNAIRE

TECHNICAL ASSISTANCE FUND

PROJECT PROFILE

CASE NO: _____

COUNTRY: _____

EVALUATION TYPE: _____



PROJECT PROFILE INSTRUCTIONS

Page

PART 1 - One to be completed for each Project

**PART 2 - One to be completed for each Interviewee,
as appropriate**

PART 3 - One to be completed for each Project

* Additional sheets to be used as required,
with adequate cross referencing

* Quantified performance measurement to be used
to the practical extent possible, supplemented
by subjective narrative, etc.

PART 1 - PROJECT DESCRIPTION

RECIPIENT: _____

TYPE OF ORGANIZATION: _____

PROJECT TYPE:

- . General Development _____
- . Pre-Investment and Project Preparation _____
- . Project Implementation _____
- . Bank Development _____

SECTOR/SUB-SECTOR: _____

PROJECT OFFICER/CONTACT: _____

- . Position: _____
- . Telephone: _____
- . Address: _____

FUNDS COMMITTED (US\$): _____

FUNDS DISBURSED (US\$): _____

COUNTERPART RESOURCES (US\$): _____

PROJECT DESCRIPTION: _____

PROJECT APPROVAL DATE: _____

FUNDING SOURCES(s): _____

TYPE OF ASSISTANCE:

- . Grant _____
- . Loan _____
- . Contingent Loan _____

PROJECT STATUS:

- . Complete _____ Date: _____
- . In Progress _____
- . Other _____

PROJECT OBJECTIVES: _____

PROJECT JUSTIFICATION: _____

PROJECT SOURCE: _____

SPECIFIC PROJECT CRITERIA/CONDITIONS TO BE SATISFIED (AS PER AGREEMENT): _____

DISBURSMENT REQUIREMENTS/RESTRICTIONS: _____

PART 2 - PROJECT ANALYSIS

A. PROJECT EFFECTIVENESS:

1. WERE PROJECT OBJECTIVES SATISFIED? IF NOT' WHAT WERE PROBLEMS/CONSTRAINTS? _____

2. WHAT, IF ANY, DEVELOPMENTS EVOLVED FROM PROJECT?

3. WHAT GENERAL BENEFITS OR EFFECTS RESULTED FROM THE PROJECT? _____

4. WERE THERE ALTERNATIVE MEANS TO ACHIEVE THE PROJECT RESULTS? _____

5. HOW WERE PROJECT RESULTS MEASURED? _____

6. OTHER: _____

B. PROJECT SIGNIFICANCE:

1. WHAT, IF ANY, ECONOMIC BENEFITS/IMPROVEMENTS RESULTED FROM PROJECT (SOCIAL, EDUCATION, HEALTH, MANAGEMENT, ADMINISTRATIVE, ETC.)? _____

2. WAS THERE ANY EMPLOYMENT CREATION FROM PROJECT?
DIRECTLY: _____

INDIRECTLY: _____

3. WERE ANY ENHANCEMENTS/IMPROVEMENTS TO MANAGEMENT-ADMINISTRATIVE CAPABILITIES GAINED? _____

4. WHAT FURTHER DEVELOPMENTS RESULTED AT COMPLETION OF PROJECT (i.e., MAJOR LOAN)? _____

5. OTHER: _____

C. PROJECT EFFICIENCY:

1. HOW ADEQUATE WAS PREPARATION OF ASSISTANCE APPLICATION? _____

2. HOW ADEQUATE WAS FUNDING? _____

3. HOW TIMELY WAS PROJECT PREPARATION AND APPROVAL? _____

4. WHAT WERE ACTUAL VERSUS PLANNED COSTS?

ACTUAL: _____

PLANNED: _____

VARIANCE: _____

5. WHAT WAS THE NATURE AND EXTENT OF ASSISTANCE PROVIDED BY TAF PERSONNEL? _____

6. WHAT LEVEL OF MONITORING EXISTED DURING LIFE OF PROJECT? _____

7. WHAT ADMINISTRATIVE/TECHNICAL FACTORS AIDED/CONSTRAINED THE PROJECT? _____

8. WHAT MANAGEMENT CONTROLS EXISTED AND HOW USEFUL WERE THEY? _____

9. WHAT DELAYS OCCURRED IN PROJECT EXECUTION? _____

10. OTHER: _____

PART 3 - PROJECT SUMMARY AND OBSERVATIONS

CASE NO:	COUNTRY:	EVALUATION TYPE:
RECIPIENT:		
APPROVAL DATE:	FUNDS COMMITTED:	DISBURSED:
PROJECT DESCRIPTION:		
STATUS:	FOLLOW-UP REQUIRED:	
PROJECT SUMMARY/OBSERVATIONS:	RATING:	

APPENDIX E

LIST OF PERSONS INTERVIEWED

LIST OF PERSONS INTERVIEWED

CDB:

- Mr. A.U. Eustace - Senior Manager (Project Services Division)
- Mrs. C. Johnson - Project Officer (Technical Assistance)
- Mr. F. Dowers - Project Officer (Technical Assistance)
- Mr. C.A. Sorhaindo - Bank Secretary and Director, Personnel and Management Services Department
- Mr. M. St. Rose - Director, Economics and Programming Department
- Mr. M. Hooper - Loans Manager
- Dr. J.B. Yankey - Director, Projects Department
- Dr. J. Elwin - Senior Manager (Agriculture Division)
- Mr. S. Singh - Senior Manager (Industry and DFC's Division)
- Mr. E. Valmonte - Senior Manager (Infrastructure Division)
- Mr. C. Gough - Project Officer
- Mr. French - Project Officer

ST. VINCENT:

- Mr. R. Cato - Government of St. Vincent Planning Unit
- The Hon. V.I. Beache - Ministry of Trade and Agriculture, Government of St. Vincent
- Mr. J. Thompson - Chairman, St. Vincent Development Corporation
- Mr. C. Davy - Secretary, St. Vincent Development Corporation

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St. Vincent: (Cont'd)

- Mr. F. France - Manager, Central Water & Sewerage Authority, St. Vincent
- Mr. B. Fisher - Consultant to Port Authority
- Mr. Cox - Manager, St. Vincent Port Authority

ST. LUCIA:

- Mr. G.C. Girard - General Manager, St. Lucia Port Authority
- Mr. A. Severin - Planning Officer, Central Planning Unit, Government of St. Lucia
- Mr. J. Francis - Manager, Government Funding Scheme
- Mr. J. Lane - Ports Advisor, St. Lucia Port Authority

DOMINICA:

- Mr. A. Lazare - Financial Secretary
- Mr. E.C. Bully - Agriculture Development Advisor
- Mr. Doctrove - Permanent Secretary Commission and Works
- Mr. S. Govindaraj - Commonwealth Fund for Technical Cooperation (CFTC) - Assigned to Ministry Communications and Works
- Mr. O. Norris - Manager, Port Authority
- Mr. G.W. Lindo - (CFTC) Advisor to Central Water Authority
- Mr. A.K. Guru - (CFTC) Advisor to Central Water Authority
- Mr. T. Isidore - Manager, Central Water Authority
- Mr. S. De Haan - (UNDP) Advisor to Central Water Authority

ANTIGUA:

- Mr. Clarence Edwards - Permanent Secretary, Ministry of Economic Development
- Mr. Charlesworth Edwards - Project Implementation Officer
- Mr. M. Rogers - General Manager, Antigua Public Utilities Authority
- Mr. F. Henry - Director of Agriculture
- Mr. E. Benjamin - Permanent Secretary, Agriculture
- Mr. N. Abbott - General Manager (Acting), Antigua Sugar Factory
- Mr. R. Lake - Chairman, Antigua Sugar Industry Corporation

ST. KITTS-NEVIS:

- Mr. H. Heyliger - Director of Planning, Ministry of Planning
- Mr. A. Rollins - Manager/Water Engineer, Water Services Department
- Mr. R.R. Schofield - General Manager, Caribbean Shoe Manufacturers Limited
- Mr. T. O'Flaherty - Production Manager, Caribbean Shoe Manufacturers Limited

OTHER:

- Mr. J. Knockaert - Canadian High Commission
- Mr. I. Stickles - British High Commission
- Mr. B. Wheeler - USAID

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