

Project Assistance Completion Report

Project Title: Basic Needs Trust Fund (BNTF) Project  
Project Number: 538-0103  
Funding Period: 06/28/84 - 06/28/94  
LOP Funding: ESF Grant \$12,700,000 increased to  
ESF Grant 14,700,000  
DA Grant \$5,000,000  
Implementing Agency: Caribbean Development Bank  
PACD: Original 09/30/87; Revised 06/28/94

1. Project Purpose

To expand and conserve, using labor-intensive methodologies, the social and economic infrastructure in eleven Eastern Caribbean countries: Anguilla, Antigua, Belize, Dominica, Grenada, Montserrat, St. Kitts/Nevis, St. Lucia, St. Vincent and the Grenadines, the British Virgin Islands and the Turks and Caicos. Priority sub-projects include such areas as education, health, water supply, drainage and footpaths, roads and day care centers.

2. Background

Developmental Problem

The original Basic Human Needs (BHN) project (538-0030) was developed in the late 1970's to address under and unemployment and the critical need for social and economic infrastructure. The earlier project sought to (a) preserve and improve the physical infrastructure required to support long-term growth; and (b) create employment opportunities for a growing labor force.

The situation at the time BNTF was designed was of growing unemployment. Despite the actions USAID, other donors and individual governments had taken and planned to expand employment by stimulating broad based private sector investment, the full impact of many of these efforts to increase labor absorption was not expected before the late 1980's. In the meantime, many Caribbean Governments continued to face severe financial problems which constrained their ability to deal effectively with their serious under and unemployment problems. As such, the problem of providing adequate employment opportunities posed a real challenge to the new democratically elected governments of the Eastern Caribbean LDCs and Belize.

A wide assortment of USAID and other donor projects implemented in the late 1970s were undertaken in part as a means of avoiding growing levels of unemployment.

The predecessor BHN project, as one example, had proved to be a highly visible and effective mechanism for achieving significant employment impact under widely divergent local conditions, yet through a regional framework. The financing made available through the BHN project was successful in permitting the countries to avoid the suspension of many important social and economic development projects which also impacted on employment. In view of the above this project was designed to continue along similar lines. The BNTF project was successful in achieving its targets. It was especially very popular with the various governments in the Caribbean, for it addressed their social infrastructure requirements and the employment problem in these countries.

### 3. Project Funding

The BNTF Project was authorized on June 26, 1984 and amended on June 28, 1984. The Grant Agreement was signed on June 28, 1984 with \$12,700,00 in USAID funds (ESF) and \$3,500,000 in CDB funds. The PACD was set for September 30, 1987 and extended to September 30, 1988 by Implementation Letter No. 32 dated December 22, 1986. By Amendment No. 1 dated September 30, 1988, USAID funds were raised to \$15,700,000 (ESF \$12,700,000, DA \$3,000,000) and CDB funds were raised to \$6,500,000. By Amendment No. 2 dated August 31, 1990, USAID funds were again raised to \$17,700,000 (ESF \$12,700,000, DA \$5,000,000) and CDB funds were raised to \$8,500,000. By Amendment No. 3 dated September 17, 1992, USAID funds were raised for the final time to \$19,700,000 (ESF \$14,700,000, DA \$5,000,000) and CDB funds remained at \$8,500,000.

At the end of the project expenditures amounted to:  
USAID grant funds \$19,700,000 and CDB funds \$8,440,788.76.

### 4. Outputs

#### Planned Outputs

1. New or Rehabilitated Sub-Projects:- 270
2. Person Weeks of Employment:- 140,000
3. Maintenance Plans Developed for:- 11 Countries
4. Maintenance Plans Implemented in:- 11 Countries
5. Maintenance Video, TV Spots and Radio Spots shown regularly local on TV

### Achieved Outputs

1. New or Rehabilitated Sub-Projects:- 266
2. Person Weeks of Employment:- 110,000
3. Maintenance Plans Developed for:- 5 Countries
4. Maintenance Plans Implemented in:- 3 Countries
5. Maintenance Video, TV Spots and Radio Spots shown regularly on local TV:- Carried out in some countries

The project received praise from politicians and decision makers as well as from parents and others in the community for its effectiveness in improving the environmental conditions at schools and health clinics and for increasing the level of services. CDB's enthusiasm for the project resulted in its funding a follow-on project which will provide \$15 million for Guyana, Belize and some OECS Group III countries. The beneficiary governments are to contribute in local funds the equivalent of another \$6.25 million for this four year program.

## 5. Lessons Learned

### Lesson No. 1 - Discussion

A considerable amount of infrastructure was developed under this project. All concerned were aware that maintenance had to be carried out. However very few investigations were carried out to determine whether this very necessary maintenance would be systematically done. It was generally assumed that the Governments and people from individual communities would carry out maintenance. An evaluation carried out in 1991 found that this was not the case. The CDB tried to remedy this situation but had little success.

**Lesson No. 1 - Investigate and put in place fully trained maintenance personnel and maintenance procedures including budgetary requirements before implementation of infrastructure projects or very early in the program.**

RDO/C has always been concerned about the lack of maintenance in its infrastructure program but did not have the resolve to insist from the recipients, proof of capability of a viable maintenance program. This has been due to the great pressure to sign an agreement once funds have been authorized. Also it was assumed that an organization as prestigious as the CDB would be able to do what others had been unable to do.

Lesson No. 2 - Discussion

During implementation of the project RDO/C realised that its in house knowledge of the implementation of the project was somewhat limited. Sporadic attempts were made to rectify this. However due to the ever present problem of travel funds and the CDB's assurance that there were no serious problems in the project, RDO/C officers did not travel to the various sites to verify for themselves the quality of progress. Also during the very few times when RDO/C officers travelled to the project sites, the CDB insisted that the CDB officer responsible for the particular project be present at the site. This was done to counter any adverse criticism. In fact it appeared at times that the CDB and some of the country managers were very sensitive to any criticism. In addition to this the CDB's reports did not sufficiently explain what was going on in the project as a whole. The only time this attitude was challenged by RDO/C it was found that there were problems that had a need to be addressed.

Lesson No. 2 - Take care not to be bulldozed by the implementing organization nor by the attitude that the implementing managers know it all.

Generally RDO/C engineers did not have this problem on any other project. The reason being that the "rules of the game " especially reporting were set right at the beginning of a project. However when they realised what was taking place the project was near its end. The CDB too realised these problems and at a lessons learned session, at which RDO/C was present, addressed the issues involved.

*BL*  
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