

COMMUNITY DEVELOPMENT FUND

(TT-0011)

EXECUTIVE SUMMARY

BORROWER: The Government of Trinidad and Tobago

EXECUTING AGENCY: Ministry of Planning and Development

AMOUNT AND SOURCE:

IDB:	US\$28.0 million (OC)
Local counterpart funding:	US\$12.0 million
Total:	US\$40.0 million

FINANCIAL TERMS AND CONDITIONS:

Amortization period:	25 years
Disbursement period:	4 years
Interest rate:	variable
Inspection and supervision:	1%
Credit fee:	0.75%

OBJECTIVES: The program seeks to assist the GOTT in its efforts to deliver social services efficiently to the poor and vulnerable population of T&T during a time of economic adjustment and public sector reform. Specifically, it would assist the GOTT to: (a) establish an efficient, complementary mechanism for delivering basic social services and infrastructure to the poor using the initiatives of NGOs, community organizations and other agencies; (b) strengthen the institutional capacity of NGOs and community based organizations; and (c) increase beneficiary participation in poverty alleviation efforts.

DESCRIPTION: The program will, first, expand and strengthen four existing social sub-programs which have been pre-selected, capitalizing on their experience to date and their potential for growth; second, it will provide resources to identify, assess and finance other initiatives that meet program criteria, strengthening the institutional capacity of the NGOs and community groups that sponsor them. The program's investment component will finance community infrastructure and social assistance programs that meet the following criteria: (a) at least 80 percent of the beneficiaries fall within the low income population category; (b) are community driven, meaning that the community is a major stakeholder in the decision making processes to design and implement and/or operate the project; and (c) NGOs and/or CBOs are involved in project design, implementation, and/or

maintenance. Its technical assistance component will finance the institutional strengthening of the CDF itself, of the executing agencies of the sub-programs, and of the NGOs that participate in the program.

**ENVIRONMENTAL
CLASSIFICATION:**

The Environmental Management Committee, at its meeting of June 23, 1994, classified this as a Category III operation.

BENEFICIARIES:

The program qualifies as poverty targeted investment (PTI) as established in the document "Implementing the Eight Replenishment Poverty Targeting Mandate".

RISKS:

The following risks have been identified: (a) delay in the institutional consolidation of CDF. The program's coordination depends on the adequate functioning of a unit that does not yet exist, so that delays in the contracting of appropriate staff and consulting services could adversely affect the execution of the program. Prompt utilization of technical assistance resources provided for CDF strengthening and strong leadership to be offered by its steering committee will be critical in mitigating this risk; (b) limited demand for CDF resources for new sub-programs sponsored by NGOs. Although there are a significant number of NGOs and community associations in the country, the CDF financing mechanism and program criteria will be new to them. Both program promotion by the CDF and the use of technical assistance resources to work with and strengthen new sub-program proposals will help to reduce this risk; and (c) different demand levels than anticipated for projects and activities in any of the four initial sub-programs. Shortcomings in the execution of sub-programs or fluctuating demand from low-income households or communities may affect projected disbursement levels for any of the sub-programs. The provision for annual programming exercises, however, will facilitate necessary adjustments, so that program resources could shift among the existing sub-programs and between them and new programs proposed by other executing agencies.

**THE BANK'S
COUNTRY AND
SECTOR STRATEGY:**

The Bank's lending strategy for the country, as shown in its operational program, is strongly supportive of the government's efforts to achieve a more stable macroeconomic framework, create the conditions for private sector-led growth, and reform the public sector, as well as to improve the coverage and quality of social services. With respect to medium and long term objectives, priority Bank assistance is

being directed towards the health sector, human resource development and social service delivery reform. Bank support is also directed to short-term transitional needs associated with the process of adjustment. CDF is an integral part of efforts to mitigate the situation of the poor and vulnerable, providing a bridge of support while longer-term reforms are implemented.

**SPECIAL
CONTRACTUAL
CONDITIONS:**

(a) As conditions precedent to the first disbursement of the financing, the borrower shall present evidence to the Bank's satisfaction that: (i) the Community Development Fund (CDF) has been established within the Ministry of Planning and Development (see paragraph 3.1); (ii) a special Community Development Fund account has been established in the Central Bank, into which the borrower will transfer the proceeds of the loan and the local counterpart contribution, and guidelines for the use of the account have been developed (see paragraph 3.2); (iii) the steering committee has been established and its members appointed (see paragraph 3.6); (iv) the CDF secretariat's professional staff has been contracted, with prior Bank concurrence on the individuals selected (see paragraph 3.7); and (v) an agreement has been signed with each of the four organizations involved (NCSH, SHARE, SERVOL and CCC) establishing: (1) the transfer of the resources of the financing and local counterpart; and (2) that each organization shall undertake the execution of the respective sub-program in the terms agreed upon with the Bank (see paragraph 3.10).

(b) The borrower, through the executing agency, shall present to the Bank semi-annual progress reports, which shall include, at a minimum, the following data: (i) works or activities financed; (ii) beneficiaries served; (iii) performance of the executing agencies for the four initial sub-programs and new sub-programs; (iv) procedures followed for utilization of the loan resources, and (v) reports and recommendations offered by consultants involved in the institutional strengthening of the CDF and the NGOs, and progress in the implementation of consultants recommendations. These reports shall also include the performance indicators agreed upon with the Bank (see paragraph 3.39).

(c) The borrower, through the executing agency, will carry out a programming exercise with the Bank annually, within 30 days of the delivery of the second semi-annual progress report for each calendar

year. This exercise, to be undertaken in conjunction with the participating agencies, will review goals set for the preceding year and the extent to which they were reached. It will also permit the executing agency and the Bank to set appropriate goals for the following year (see paragraph 3.40).

(d) When 50 percent of program resources has been committed, or 30 percent has been disbursed, the borrower through the executing agency will carry out in conjunction with the Bank a mid-term evaluation of the operation to assess whether the program is meeting its objectives. The evaluation will analyze impact indicators agreed upon with the Bank for each sub-program, and will focus particularly on: (i) the number, type, and performance of NGOs involved, and the levels of community participation generated by the program; (ii) the sub-programs' impact on beneficiaries, and especially on women and youth; and (iii) the satisfactory implementation of the environmental quality control procedures. If any significant shortcomings are found, the Bank will not authorize the commitment of any additional resources for the financing until the executing agency has taken the measures necessary to correct them (see paragraph 3.41).

(e) The borrower, through the executing agency, shall present to the Bank within six months after the first disbursement of the loan, the procedures for environmental quality control of program components with potentially negative impact (see paragraph 4.18).

PROCUREMENT:

The awarding of contracts exceeding US\$250,000 for goods and US\$1 million for civil works will require international public bidding (see paragraph 3.45).

NOTE:

The proposed loan contract for this operation is available for the reference of the Executive Directors in the form negotiated with the Borrower.

I. GENERAL FRAMEWORK

A. Background

- 1.1 The proposed project is an outcome of the ongoing dialogue between the Government of Trinidad and Tobago (GOTT) and the Bank regarding social sector strategies that respond to rising levels of unemployment and poverty, yet remain within a framework of fiscal discipline.
- 1.2 In 1993, the Bank sponsored a study on social policy in Trinidad and Tobago (T&T). Its final report, "Building National Consensus on Social Policy", also known as the McIntyre Report, examined the social and economic situation in the country, and identified key areas for medium and long term policy reforms. The report also highlighted the urgent need for immediate action at grassroots levels to address ongoing social dislocation and unemployment, and to increase community participation in decision making and management of development processes. In its "Medium Term Policy Framework: 1994-96", which was rolled over to 1995-1997, the GOTT laid out its own perspectives on needed social policy changes, including the decentralization of social services, the restructuring of the public sector and the need to promote systematically the involvement of community organizations in decision-making and management. It also endorsed the McIntyre Report's plan for tangible social action now, announcing its intention to establish a Community Development Fund (CDF).
- 1.3 The design of the proposed program follows recommendations outlined in the McIntyre Report and reflects the GOTT's determination to address the critical needs of its vulnerable population while effecting longer-term changes. The CDF is established as a mechanism to finance, but not execute, multiple community-driven projects to benefit low-income groups. To achieve maximum immediate impact, the CDF will finance and strengthen four existing social programs which involve the participation of community based organization (CBOs) and non-governmental organizations (NGOs), at the same time that it will promote and eventually finance new social projects in which NGOs or CBOs are major stakeholders. Importantly, it includes technical assistance to develop the capacity of participating NGOs/CBOs to design, execute, and/or monitor projects.

B. Macroeconomic and social context

1. Economic recession and adjustment

- 1.4 Following the collapse of oil prices in 1982, T&T's economy performed poorly: real GDP fell by around one-third between 1982 and 1993. Adjustment measures were adopted slowly at first, but with increasing urgency and conviction after 1987. In addition, the government implemented structural reforms through trade and

exchange regime liberalization, divestment of state-owned enterprises and improvements in the legal and regulatory framework. In April, 1993, the Government abolished the exchange rate regime and floated the T&T dollar.

- 1.5 These policies have controlled inflation, reduced the incentive framework, and strengthened the net reserves position of the country. Prudent fiscal management and tight monetary policies were combined to eliminate fiscal and balance of payments deficits. After a seven-year period of continuous decline, the economy registered growth of 1.5 percent and 2.7 percent in 1990 and 1991, respectively. Although the growth process faltered slightly in 1992 and 1993 when GDP fell by 1.7 percent in both years, there was a resurgence of economic activity in 1994 with preliminary official estimates placing GDP growth at about 4.6 percent. This performance was spurred by increased output of 10.5 percent in the capital-intensive hydrocarbon sector and buttressed by approximately 2 percent growth in non-oil activity, with the result that unemployment declined by more than a full percentage point. Notwithstanding these advances, unemployment is still too high.
- 1.6 Unemployment in the first quarter of 1994 amounted to around 100,000 persons, almost 20 percent of the labor force. The high unemployment rate is due to structural factors (even at the peak of the oil boom in 1980-82, unemployment was 10 percent), slow or negative GDP growth, and layoffs in both the public and private sectors, throughout the period of economic contraction. Work-force reductions in the public sector, caused by fiscal constraints and efficiency improvements, have been concentrated in the utilities and state-owned enterprises. Private sector layoffs have been caused by weak domestic demand and the effects of greater external competition due to trade liberalization. Many uncompetitive firms which were producing for the domestic market behind tariff barriers have shrunk or closed, while the principal sectors to take advantage of the newly liberalized environment have been the capital-intensive hydrocarbon industries although substantial progress has been made by pockets of the manufacturing sector. Hence, any sustainable reduction of unemployment in the medium and long term will depend on the growth of more labor-intensive industries and sectors, particularly those that are export oriented.

2. Social conditions and expenditures

- 1.7 Social indicators for T&T still compare favorably to other countries in the region despite the negative growth rates of the past ten years. Life expectancy is estimated at 72 years, the crude death rate has remained at 7 per thousand for the past decade, and infant mortality has declined from 22 per thousand live births in 1980 to 19 in 1992. Primary and secondary school enrollment rates are high, although the quality of education is considered relatively low.

- 1.8 Nevertheless, the social consequences of economic contraction and subsequent adjustment measures have been significant. Due to reductions in government spending, the coverage and quality of publicly provided social services have declined. While the share of social sector spending of total government expenditure has remained approximately 25 percent, real per capita expenditures have dropped significantly. Health expenditures decreased by 60 percent between 1982 and 1992, while education sector expenditures fell 80 percent in the same period. 1/ The sharp decline in resources for the education sector has particularly affected the construction and maintenance of physical infrastructure, resulting in overcrowded classrooms and a shortage of school places.
- 1.9 The government has sought to maintain the relative share of expenditures on the social safety net to about 10 percent of GDP; however, real benefits have declined markedly as the number of claimants has risen with the increases in poverty, unemployment, crime, domestic violence, single-headed households, homelessness, and substance abuse, all associated with the economic recession. Moreover, the effectiveness and sustainability of safety net programs have been limited by substantial duplication of effort, top-down design, targeting deficiencies and costly delivery systems.

3. Poverty

- 1.10 Poverty in T&T is both an urban and a rural problem, and has increased in recent years: the poverty rate was estimated at 21 percent in 1994, an increase from estimates made in 1988 which placed it at roughly 18.5 percent. 2/ Moreover, increases in the poverty rate has been accompanied by a deterioration in the distribution of income and expenditure between households. 3/
- 1.11 Poverty is particularly acute among female-headed households, which represent 22.5 percent of all households. Twenty-nine percent of such households fall under the poverty line, compared with their male counterparts, of whom 21 percent are poor. Indications are that the number of very poor female-headed households is increasing. Women have also been harder hit by retrenchment than men, since they tend to be concentrated in lower-skill jobs, in the public sector and in retail and trade, areas particularly affected by the recession. An increasing number of women have been turning to the informal sector to ride out the crisis.

1/ Calculated on the basis of constant 1982 TT dollars.

2/ See Kar Theodore, An Overview of Social Sector Conditions in Trinidad and Tobago, Inter-American Development Bank, July, 1993 and the World Bank T&T Poverty and Unemployment Report, 1995.

3/ Ibid. Using the GINI coefficient as an indicator, the estimate of income inequality for 1992 was 0.592, while it was 0.468 in 1988.

- 1.12 Young people have also been adversely affected by the economic situation, with unemployment rates for age groups 15-19 and 20-24 at 43 percent and 31 percent, respectively. These high unemployment rates have contributed to a rise in crime, drug use and violence in urban areas.

4. Social sector institutions

- 1.13 Three main government agencies share responsibilities for social assistance: the Ministry of Social Development (MSD); the Ministry of Community Development, Culture and Women's Affairs (MCD); and the Ministry of Sports and Youth Affairs. Overlapping activities and weak coordination among the ministries result in substantial fragmentation and duplication of efforts. Moreover, many social programs have not been targeted specifically to those most in need of services.
- 1.14 The social ministries work closely with a number of NGOs, which in recent years have had a growing role in basic social service provision. NGOs in T&T include CBOs, women's groups, service organizations, trade unions and churches. At present, there are 37 NGOs affiliated with the MSD and two national NGOs with large local memberships affiliated with the MCD. In addition, there are a number of NGOs which do not receive direct government assistance and are involved in a variety of activities such as micro-enterprise development, skills training, and advocacy work, whose funding comes from members, fund raising activities and the donor community.
- 1.15 The GOTT has made an effort to promote the involvement of NGOs and CBOs in the poverty reduction process, creating units within the ministries, such as Social Help And Rehabilitation Efforts (SHARE) in the MSD and the National Commission for Self Help (NCSH) in the MCD, to work specifically with these institutions. Through government grants, the ministry units have financed the NGOs' role in the delivery of social services such as feeding programs, counselling, drug rehabilitation, adult literacy, care for the aged, and skills training of youth. In effect, many NGOs work primarily as channels for the delivery of centrally designed and funded government services.
- 1.16 In spite of their growing role in the social sectors, non-profit organizations in T&T tend to be institutionally weak, with deficient management and administrative structures. With few exceptions, they lack economies of scale, have limited coverage and spotty monitoring and evaluation procedures, and have little experience in the design and implementation of projects.

C. The Government's social strategy

- 1.17 The chief elements of the government's social strategy include two long term efforts: (a) a continued emphasis on sound economic management to lay the foundations for sustained economic growth;

and (b) the reform of the public sector, and particularly of the health, education, and social assistance sectors. However, the GOTT recognizes that while these longer term economic and social reform initiatives obtain concrete results, there is an immediate need to address unemployment, respond to basic needs and reduce poverty. Therefore, a third element of its strategy is to attract and channel additional resources to benefit low-income groups, and to do so in ways that are community-based and that rely on beneficiary initiatives and participation. It is in that context that it is establishing the CDF and that it requested the support of the Bank to finance the present operation.

D. The Bank's country strategy and program rationale

- 1.18 The Bank's lending strategy for the country, as shown in its operational program, is strongly supportive of the government's efforts to achieve a more stable macroeconomic framework, create the conditions for private sector-led growth, and reform the public sector, as well as to improve the coverage and quality of social services. With respect to medium and long term objectives, priority Bank assistance is being directed towards the health sector (Health Sector Program, TT-0024); human resource development (Vocational/Technical Education and Training, TT-0034); and social service delivery reform (Social Service Support Program, TT-0019), which would seek to improve inter-ministerial coordination and reduce duplication and increase efficiency of social programs.
- 1.19 Bank support is also directed to short-term transitional needs associated with the process of adjustment, through the food security and retraining activities of the Investment Sector Reform Program (ISRP) (759/OC-TT) now under execution, and through a component, targeted to small rural producers, of the Agriculture Sector Reform Program (TT-0032). In addition, a number of MIF operations that focus on social sector needs are under review; one, a youth training project proposed by Service Volunteered For All (SERVOL), has been approved recently.
- 1.20 CDF is an integral part of efforts to mitigate the situation of the poor and vulnerable, providing a bridge of support while longer-term reforms are implemented. It will both channel important resources quickly to disadvantaged groups through existing programs that are community oriented and involve NGOs, and develop an agile, efficient mechanism to respond to community demand for small infrastructure works and a variety of social assistance services. At the same time, it will contribute to the efforts of the GOTT and the proposed social service reform program (TT-0019) by strengthening the institutional capacity of NGOs, and promoting their role in poverty reduction initiatives.

II. THE COMMUNITY DEVELOPMENT FUND PROGRAM

A. Objectives

- 2.1 The program seeks to assist the GOTT in its efforts to deliver social services efficiently to the poor and vulnerable population of T&T during a time of economic adjustment and public sector reform. More specifically, the program would assist the GOTT to: (a) establish an efficient, complementary mechanism for delivering basic social services and infrastructure to the poor using NGOs, community organizations and other agencies; (b) strengthen the institutional capacity of NGOs and grassroots organizations; and (c) increase beneficiary participation in poverty alleviation efforts.

B. Program strategy

- 2.2 To be responsive to the urgent needs of the low-income population, the CDF will develop two lines of action. First, it will expand and strengthen existing social programs which have been pre-selected, capitalizing on their experience to date and their potential for growth. Second, it will provide resources to identify, assess and finance other projects that meet program criteria, strengthening the institutional capacity of the NGOs and community groups involved.
- 2.3 Thus, CDF will begin by financing four sub-programs that have been identified and evaluated, and that will be described below: one which focuses on the construction or rehabilitation of small community infrastructure and three others that are social assistance projects. Financing these four sub-programs will ensure that significant amounts of urgently-needed social services and infrastructure reach disadvantaged groups quickly.
- 2.4 At the same time, throughout the period of execution but especially during the program's first year, technical assistance resources will be used to: (a) promote the demand for CDF financing of additional eligible sub-programs; (b) assess the capacity of NGOs to execute these proposed activities; (c) assist them as necessary with the design and execution of their sub-programs; and (d) address other institutional strengthening needs. These efforts will not only assure a more diverse pipeline of sub-programs for CDF (see paragraphs 2.13 and 2.18 below), but will support GOTT's efforts to strengthen NGOs and increase the participation of beneficiaries in the delivery of social services.

C. Program description

- 2.5 The program has two components, an investment component which will finance community infrastructure and social assistance projects, and a technical assistance component, which will finance the institutional strengthening of the CDF itself and of participating agencies and NGOs.

1. Investment component

- 2.6 CDF will finance community infrastructure or social assistance projects that meet the following criteria: (a) at least 80 percent of the beneficiaries fall within the low income population category; (b) projects are community driven, meaning that the community is a major stakeholder in the design and/or execution of the project; and (c) capable NGOs and/or CBOs are involved in project design, implementation and/or maintenance.

a. Community infrastructure projects

- 2.7 The community infrastructure projects will involve the rehabilitation, expansion or construction of: access roads and drainage, water or energy distribution lines, street lighting, schools, community centers, retaining walls, spaces for welfare institutions and vulnerable groups, community playgrounds and green areas. These projects will be financed primarily through the NCSH (see paragraphs 3.11 to 3.20 for analysis of NCSH). 4/
- 2.8 The infrastructure projects will be small, with an average cost of about US\$15,000 and will be located in poor neighborhoods. The community identifies the project, requests financing from the NCSH and participates in the construction of the works. Water and electricity lines are extensions of existing distribution systems in the area; their plans are approved and construction supervised by the corresponding utility company, which operates and maintains them. Buildings (schools, community centers, spaces for welfare institutions) are very simple facilities, with almost no finishing. Access roads involve either the treatment (paving or concrete blocks) of existing ones or the rehabilitation, maintenance or resurfacing of others. Green areas refer to the development or upgrading of areas that exist within the community, where the terrain may be leveled, playgrounds built, and trees planted.
- 2.9 CDF resources will be used to finance the NCSH projects and to strengthen, as necessary, community processes and NGO activity in the preparation, monitoring and maintenance of projects.

4/ Additional infrastructure projects, sponsored by other agencies, may be identified and approved for financing during program execution.

b. Social assistance service projects

- 2.10 The SHARE program provides free meals to the poor and displaced members of society until they can feed themselves. SHARE also refers its beneficiaries to employment or rehabilitation agencies. The feeding program is carried out through a network of NGOs and with significant community support, and consists of providing hampers, in the form of shopping bags, to the adult poor. Each hamper is designed to feed every adult in a household one meal a day for 21 days. Typical hamper contents are lentils, peas, rice, flour, sugar, spaghetti, vegetable oil, and cans of fish. CDF funding will allow increases in the number of monthly beneficiaries from 6,000 to 8,000.
- 2.11 The Early Childhood Care and Education (ECCE) program is presently run by SERVOL with the support of parents and the community, and serves children between the ages of 0 and 5. Children with working parents can be taken care of in community centers where they will receive pre-school education. Each community forms a Village Board of Education, which provides and maintains the facilities, monitors teachers, and pays their insurance. SERVOL pays teachers' salaries with subsidies received from the Ministry of Education. Centers are open during the school year and are staffed primarily with teachers trained in SERVOL's three-year certified course. However, their salaries are lower than those being paid to other teachers with equivalent qualifications in the private pre-schools. CDF will finance a 40 percent increase in teachers' salaries, as well as their continued training, affecting 140 centers with about 4,500 children.
- 2.12 The Civilian Conservation Corps (CCC) program is targeted to youths between the ages of 18 and 25 and has the following objectives: (a) creation of temporary employment; (b) training and motivation; and (c) environmental protection. These goals are achieved through the training and employment of 2,400 youths, for a three month period, three times a year. After an initial 4-week training, the beneficiaries carry out environmental projects such as: reforestation, control of flood and other natural disasters, development and maintenance of national parks and beaches, and agricultural projects. Participants are employed on a five-day work week basis and receive daily pay of about US\$5 ⁵/₁₀. At the end of the training period, the beneficiaries are better qualified to find future jobs, for instance as wardens working in conservation of national parks. CDF will finance the trainees' stipends, training materials and supplies, and some vehicles and telecommunications equipment.

5/ The minimum wage for unskilled labor in T&T is US\$9.50 per day.

2.13 During project preparation, several additional projects in different stages of development were identified for possible CDF funding. Although an initial review indicated that most would comply with CDF's basic eligibility criteria, further development of project designs was required. There is a network of NGOs that may present interesting proposals. An example is the Foundation for the Enhancement and Enrichment of Life (FEEL) (an association of NGOs with a current membership of 95 members) comprised of 37 sub-projects, each sponsored by a different NGO, oriented to the training of youths and creation of employment in disadvantaged areas. It is anticipated that this kind of community-driven sub-program will complement the CDF pipeline. Technical assistance resources will be used to complete this proposal and promote other eligible initiatives.

2.14 The table below summarizes the four sub-programs' level of execution to date and projected goals for the first year of the CDF program:

EXECUTION BY PROGRAM (in US\$ thousands)				
Program	1992	1993	1994	Goal First Year
NCSH (*)	1,675	3,272	3,234	3,800
-NCSH contribution	742	1,206	1,104	1,900
-Other (communities, etc.)	932	2,066	2,130	1,900
SHARE	813	696	1,168	1,818
CCC (**)	-	697	1,707	3,778
ECCE	498	360	530	944
TOTAL	2,986	5,025	6,639	10,340
* 1994 estimated based on results of first six months.				
** Program started mid-1993.				

2. Technical assistance for institutional strengthening

2.15 The technical assistance component will have three sub-components: (a) institutional strengthening of the CDF; (b) institutional strengthening of the NCSH; and (c) technical assistance and training of NGOs. An estimated budget for the technical assistance may be found in technical files of the project.

2.16 The institutional strengthening of CDF will consist of: (a) developing a management information system; (b) refining its operational guidelines; (c) setting reporting and auditing systems; (d) developing monitoring and evaluation processes which will include a system for continuous monitoring and annual evaluations of executing agencies; and (e) preparing procedures for environmental control of program components with potentially

negative environmental impact. The Terms of Reference (TORs) for this sub-component can be found in Annex II-1.

- 2.17 The program will increase the delivery capacity of NCSH by providing better working facilities, procedures, financial management and information systems needed to achieve the production levels projected under CDF. The TORs may be found in the technical files of the project.
- 2.18 CDF will finance technical assistance and training for NGOs and CBOs who wish to sponsor projects for CDF financing. During the first year of execution, consultants contracted by the CDF will develop a mechanism that will offer needed support to NGOs that solicit CDF funds. The consultants would propose a range of needs-based technical assistance and training interventions in the areas of: (a) project design, monitoring, evaluation and maintenance; (b) financial management and administration; and (c) management information systems. The strengthening will allow for a larger number of community organizations to compete for CDF funds and participate effectively in the program. More detailed information of this sub-component and the necessary TORs are included in Annex II-2.

D. Cost and financing schedule

1. Cost of the program

- 2.19 Total cost of the program is estimated at US\$40 million. Details are available in the technical files of the project and a summary of the total cost estimate is shown below:

COST TABLE (US\$ thousands)				
CATEGORIES	TOTAL BY FUND			%/Total
	OC	LOCAL	TOTAL	
1. ADMINISTRATION	1,305	145	1,450	3.6
1.1 CDF Administration	1,305	145	1,450	3.6
2. DIRECT COSTS	20,175	11,619	31,794	79.5
2.1 Project financing	20,175	11,619	31,794	79.5
3. CONCURRENT EXPENSES	2,000	-	2,000	5.0
3.1. Technical Assistance	2,000	-	2,000	5.0
SUB TOTAL	23,480	11,764	35,244	88.1
4. UNASSIGNED EXPENSES	587	21	608	1.5
4.1 Contingencies	420	12	432	1.1
4.2 Cost Escalation	167	9	176	0.4
5. FINANCIAL EXPENSES	3,933	215	4,148	10.4
5.1 Interest	3,653	-	3,653	9.1
5.2 Credit Commission	-	215	215	0.5
5.3 F.I.V.	280	-	280	0.7
TOTAL	28,000	12,000	40,000	100.0
% Fund/Project	70.0	30.0	100.0	

2. Description of cost categories

a. CDF administration (US\$1,450,000)

2.20 Estimates of CDF operative expenses are based on the premise that the program will be implemented by the executing agencies. Thus, the CDF structure is relatively small, but with sufficient resources to fulfill its responsibilities.

b. Project financing (US\$31,794,000)

2.21 The total cost for this category was based on: (a) the estimated costs of the four sub-programs already selected for CDF financing; and (b) an estimate of the potential demand of eligible new sub-programs during the execution period. However, each year, actual disbursements for each sub-program would be reviewed and new goals for the following year would be set. The bases for cost estimates are as follows:

(i) NCSH project financing (US\$8,250,000)

2.22 The total cost for financing of projects by NCSH was based on an existing "financing request inventory" and on historical figures

for each type of project to be financed. NCSH has financed the equivalent of US\$1.2 million per year and will have no difficulty in reaching the first year target of US\$1.9 million once the institutional strengthening foreseen in the program is completed. Figures for year two through four include a modest growth of 5 percent per year. The communities are expected to contribute with as much as 30 percent of total project costs, as they have done in the past. However, because this contribution consists primarily of unskilled labor, which is difficult to measure, it was not taken into consideration for total project costs; thus, individual project cost is the NCSH contribution.

(ii) SHARE program (US\$7,839,000)

- 2.23 The estimate for this program is based on an expansion of the number of persons receiving food. Currently, 6,300 individual food portions are being distributed and the program expects to expand it to 8,000 units. Food will be distributed on a daily basis at an expected cost of US\$0.61 per meal. Also, the estimate includes an allowance for transportation costs for volunteers that currently are paying this from their own pocket. Projections for year two on include an increase of 5 percent in the number of meals to be distributed.

(iii) CCC program (US\$8,635,000)

- 2.24 This program's cost is based on an estimated expansion of its coverage during the first two years of program execution. From 1,300 individuals per cycle it is being increased to 2,400. The items in the budget include a daily stipend of approximately US\$5 per participant, salaries for civil supervisory staff to be hired for the expansion, materials, tools and equipment for the training. One-time fixed investments are included such as telecommunication equipment and vehicles to facilitate the supervision. It is anticipated that this program will decline as other measures to address the issue of youth unemployment take hold.

(iv) ECCE program (US\$4,070,000)

- 2.25 This category comprises the operating budget for the ECCE program of SERVOL. Figures are based on the estimate for 1995 and include an increase in salaries for teachers (to bring them in line with salaries paid in private pre-schools), administration, development and training and an allocation for travelling.

(v) Other NGO projects (US\$3,000,000)

- 2.26 Due to the existing demand for social services in T&T, and as a result of the program's technical assistance component, it is anticipated that over the program's life there will be a rising demand for sub-programs presented to CDF by CBOs and NGOs, which satisfy the eligibility criteria of the program. The estimate for this category is based on potential sub-programs that have been

identified but not developed, and a preliminary assessment of the number of CBOs and NGOs that may present eligible proposals during the period of execution.

c. Technical assistance (US\$2,000,000)

- 2.27 This category contains all actions that will be taken to strengthen the executing agency, other participating agencies, NGOs and CBOs. Costs include consulting services, data processing equipment, office adaptation, and training.

d. Unassigned expenses (US\$608,000)

- 2.28 This category includes contingencies and cost escalation figured only for CDF administration and the technical assistance. Other categories have built-in contingencies and escalation costs.

e. Financial expenses (US\$4,148,000)

- 2.29 Financial expenses represent interest, credit commission and an allowance for credit administration, and were estimated based on current Bank policy.

3. Financing plan

- 2.30 IDB will finance the sum of US\$28 million, which represents 70 percent of the total cost. The GOTT will contribute, as local counterpart, US\$12 million (a disbursement chart by program category and source of funds may be found in the technical files of the project).

4. Bank financing

- 2.31 Bank financing will come from resources of the Ordinary Capital and will be under the following terms:

Source:	Ordinary Capital
Amount:	US\$28 million
Amortization period:	25 years
Grace period:	4 years
Interest rate:	Variable
Credit Commission:	0.75 percent per annum on undisbursed portion
Inspection and Supervision:	1 percent of loan amount

III. INSTITUTIONAL FRAMEWORK AND PROGRAM EXECUTION

A. Institutional framework

1. Borrower and executing agency

- 3.1 The borrower is the Government of Trinidad and Tobago. The executing agency will be the Ministry of Planning through a Community Development Fund (CDF), a semi-autonomous unit to be established as a condition precedent to the first disbursement (see Executive Summary).
- 3.2 Bank resources and counterpart funds will be transferred to CDF as the program is executed (a diagram of flow of resources in the program may be found in the technical files of the project). The opening of a special account in the Central Bank to receive program resources, as well as the adoption of guidelines for the use of this account, are conditions precedent to the first disbursement of the loan (see Executive Summary).

2. Other participating agencies

- 3.3 CDF will not execute projects directly, but will channel resources to sub-programs that meet its criteria. CDF will finance, on a grant basis, small infrastructure and social assistance projects. As explained in chapter II, four agencies have been identified for financing at the outset: the NCSH for small infrastructure projects; SHARE for a food distribution program, SERVOL for the Early Childhood Care and Education program, and CCC for a hands-on employment training program. Other organizations, either NGOs or CBOs, whose eligible sub-programs are appraised and approved for funding during the course of program implementation, will also participate as executing agencies.

B. Program execution

- 3.4 The program's investment component will consist initially of the four mentioned sub-programs, which will be executed according to their respective operational procedures, to be described below. As the technical assistance component yields its results, both developing CDF's capacity to promote and respond to new requests and strengthening potential NGO sponsors, additional eligible sub-programs will be identified, appraised and financed.
- 3.5 The four initial sub-programs will be evaluated by CDF on an annual basis to ensure that they are carried out in accordance with overall program guidelines and with the technical, financial and socio-economic criteria stipulated in their respective financing agreements with CDF. Similar financing agreements between CDF, and NGOs, which incorporate the respective operational manuals, would guide the operation of all new sub-programs.

1. CDF

- 3.6 CDF will operate under the Ministry of Planning. It will be headed by a seven-member steering committee; four of the committee's members will be selected from the public sector, and three from the private sector. The four government representatives will include the Minister of Planning (or his designated delegate), who will be the chairperson, and one representative each from the Ministries of Finance, Community Development and Social Development, in order to ensure coordination among the relevant government agencies. Of the private sector members, two will be selected on the basis of relevant experience in community work, and the third one for his or her expertise in finance or business. The steering committee will be responsible for defining and overseeing CDF policies, reviewing and approving the annual budget and action plans, and approving new sub-programs for CDF financing. As a condition prior to first disbursement of the loan, the borrower should present to the Bank evidence that the steering committee has been established and its members appointed (see Executive Summary).
- 3.7 The steering committee will delegate program administration to a secretariat, which will have a small and efficient staff and contract external assistance as necessary for specialized tasks. The secretariat will consist of an executive director, appointed by the steering committee, one program officer, one finance and accounting officer, one monitoring and evaluation specialist, and one assistant (see chart in technical files of the project). To attract and retain qualified personnel, they will be paid salaries that are comparable to those in the private sector. Professional staff positions are to be financed with loan resources; the Bank's concurrence will be necessary in the selection of professionals to fill those positions. Evidence that the secretariat's professional staff has been contracted shall be presented to the Bank as a condition precedent to the first disbursement (see Executive Summary).
- 3.8 With the resources of the technical assistance component, CDF will shape and consolidate its organizational and management structure during the first year of program execution. It is expected that by the end the first six months, approximately, CDF's structure and operational systems will be able to appraise and select new sub-programs for financing and develop and begin to implement NGO strengthening efforts.
- 3.9 CDF will share the task of program execution with the participating agencies. However, it will be responsible for: (a) overall program coordination; (b) administration and control of the resources and oversight of procurement procedures; (c) new sub-program appraisal and approval; (d) institutional strengthening of the participating executing agencies; (e) monitoring and evaluation of program execution; and (f) reporting to the GOTT and the Bank. The steering committee will direct, supervise and control CDF operations, and ensure their financial audit.

- 3.10 Prior to the first disbursement of the loan, CDF should present to the Bank for its approval the financing agreements signed with each of the four agencies (NCSH, SHARE, SERVOL and CCC) involved in the execution of the respective sub-programs (see Executive Summary).

2. NCSH

a. Organizational structure

- 3.11 The NCSH was founded in 1987 through Cabinet Minute No. 424, with the basic objective of institutionalizing the concept and philosophy of self-help. Originally established in the Ministry of Industry, Enterprise and Tourism, it was later moved to the Ministry of Economy. In 1990, it was placed in the Ministry of Community Development, Culture and Women's Affairs, where it remains today.
- 3.12 NCSH is a facilitator for and a manager of self-help infrastructure projects, synthesizing the efforts of a variety of NGOs and CBOs, working in coordination with the public utilities, Water and Sewerage Authority (WASA) and Trinidad and Tobago Electric Company (T&TEC), as well as the line ministries and regional government offices.
- 3.13 NCSH has an operating board of four members, which has overall responsibility for operations. It has delegated to a project review committee, which meets as often as is necessary, the review and approval of projects. The board then meets once a month to formally ratify the work of the committee. Day to day operations are carried out by a staff of thirteen. The administrative structure is lean and efficient, and includes a chief executive officer, a project manager and a project accountant. The project manager, who oversees project development and coordination, supervises three project officers and one assistant project officer. Accounting and fund disbursement is managed by the project accountant with an assistant accountant. Promotional activities are carried out by a public relations officer.

b. Institutional capacity

- 3.14 A thorough evaluation of NCSH operations resulted in the identification of institutional strengths and weaknesses. On the positive side, it was found that staff members are technically qualified and highly motivated. Response to financing requests has been growing: from an initial ratio 6/ of 21.5 percent to 53.7 percent in 1993, and 47.2 percent for the first half of 1994. A total of 882 projects have been financed from 1992 to mid-1994. NCSH financing for these projects amounted to US\$3.6 million, while total project

6/ Ratio is figured dividing number of projects financed by the number of requests received.

costs for the period reached US\$6.6 million. This reflects a well-established and fluid relationship with CBOs that request and participate in the projects and with public sector agencies such as WASA and T&TEC with whom it must coordinate. Analysis of financial statements indicate that a high percentage of allocated budget are executed and that there is a history of low operating expenses as a percentage of total budget.

- 3.15 On the negative side, the lack of formal management procedures was identified as a potential problem, specifically deficiencies in the data collection system hamper the development of precise economic and technical criteria for project selection. Also noted were the difficulties caused by the slow disbursement of government funds, which constitute the bulk of NCSH resources. This problem will be eliminated with the more expeditious disbursement mechanism built into the CDF program.
- 3.16 The proposed program's technical assistance component contains specific actions to address NCSH's need to update its management and information systems.

c. Sub-program execution

- 3.17 On the basis of its financing request inventory (now at approximately 320 projects), NCSH will present quarterly plans to CDF for financing. After revision of the quarterly plan, and verification that it fulfills the requirements established in the financing agreement between the two agencies, CDF will advance the funds. The next quarterly plan must be accompanied by a statement of expenses of the previous advance.
- 3.18 Project requests are made by the communities to NCSH, and are internally appraised by NCSH on the basis of the eligibility criteria and economic, technical, social and environmental considerations found in its guidelines. These guidelines are included in the financing agreement between CDF and NCSH, and may be summarized as follows: (a) at least 80 percent of beneficiaries must fall within the low-income population category (beneficiary targeting procedures were reviewed and found acceptable; however, their use will be monitored closely); (b) the project corresponds to the project types listed as eligible for financing; (c) total project cost does not exceed US\$200,000, with at least 30 percent beneficiary contribution; and (d) if required, concurrence and guarantee of operation financing by the relevant ministry/local authority has been obtained.
- 3.19 Each calendar year, CDF will contract a qualified team of local specialists to carry out an evaluation of a random, representative sample of not less than five percent of completed projects. The results of the evaluation, as well as the steps taken to implement its recommendations, will be included in NCSH's annual report to CDF and the Bank.

- 3.20 In addition, there will be an annual review of NCSH's activities at the end of each calendar year with the participation of NCSH, the CDF steering committee and the Bank. The starting point of the review will be a report prepared by NCSH that will include, but will not be limited to, the following: (a) the number, type and cost of projects executed during the preceding year; (b) number, description (gender, income level, etc.) and location of project beneficiaries; (c) community participation; (d) organizational developments and changes; (e) ratio of recurrent expenditures to development program funding; (f) technical assistance received and implemented; and (g) any proposed changes in project management procedures or criteria.

3. SHARE

a. Organization

- 3.21 SHARE is a government agency that operates as a semi-autonomous unit of the MSD. It is directed by a National Management Committee, which is appointed by the National Cabinet and is accountable to the Minister of Social Development. The committee has six members, primarily from the business community, who receive a token stipend for their services and meet every month.
- 3.22 SHARE began to function on December 1, 1993, although a feeding program in some form has existed since 1989. From 1989 through 1990, the program involved 16 NGOs distributing meals to 2,400 persons, and was implemented through the Division of Research, Planning and Implementation. In 1990 this effort was enlarged into a program called Each Community Helping Out (ECHO) which functioned until 1992 and at one point distributed 8,000 meals through 150 NGOs. ECHO was disbanded in 1992, owing to organizational difficulties. During most of 1993, an interim program was carried out by the MSD with the original 16 NGOs to feed 2,300 persons. In 1993, the Auditor General audited ECHO; its recommendations regarding its operation, accountability and monitoring systems were the basis for the new agency, SHARE. SHARE has been partially funded with resources from IDB's financial sector reform loan 759/OC, approved in June, 1993. This loan required that the GOTT allocate US\$2 million to this project for 1993-1994, all of which has been utilized.

b. Institutional capacity

- 3.23 The SHARE program is carried out by a secretariat, which is headed by a national director. The secretariat's offices are in the MSD. There are five regional coordinators, a secretarial assistant and a computer data processor, all paid by the MSD on the basis of annual contracts. SHARE also relies on the work of volunteers from approximately 64 NGOs. The evaluation of SHARE's operation indicates that their overall performance has been good; however, present staff is overworked and a redesign of work procedures is needed. To expand coverage as planned, SHARE will receive program resources

to make possible the addition of three regional coordinators, one secretary, and one administrative assistant, and the provision of data processing equipment for effective monitoring.

c. Sub-program execution

- 3.24 According to the first-year plan, CDF will disburse an advance equivalent to the needs of one quarter. Before the next quarter is disbursed, a detailed statement of expenses for the previous quarter must be presented. To carry out project activities, SHARE will use its existing procedures, to be included in the Financing Agreement with CDF, which may be summarized as follows: the NGOs that work with SHARE identify and screen beneficiaries; each month, SHARE disburses needed funds; the NGOs purchase, package and distribute the food.

4. SERVOL

a. Organization

- 3.25 SERVOL is an NGO which has been working in deprived areas of T&T since its founding in 1972. It has developed an effective system of pre-school education and programs to assist adolescent drop-outs with attitudinal development and skills. Since 1988, when SERVOL entered into a sub-contracting arrangement with the GOTT through the Ministry of Education, SERVOL has been managing all public pre-schools.
- 3.26 SERVOL is incorporated as a "private company under guarantee", and is a registered charity under the laws of T&T. It is managed by a Board of Directors comprised of five persons. The board appoints an executive director and a deputy executive director. The NGO manages different activities, one of which is a Ministry of Education/SERVOL program, which includes ECCE. This program operates in thirteen regions of the country and is managed by a team of six administrative support staff, four teacher trainers, thirteen field supervisors and 284 teachers.

b. Institutional capacity

- 3.27 By 1993 there were 154 SERVOL centers operating throughout the country. In these centers, parents and the community were involved in the ECCE program for 4,500 children between 0 and 5 years of age, as described earlier in paragraph 2.10. Due to budgetary constraints of the Ministry of Education the salaries paid to SERVOL teachers have been lower than those being paid in the private pre-schools in T&T. Because of the difference in salaries, the ECCE has had problems in attracting, and retaining, trained teachers. The proposed program will help to correct this problem.
- 3.28 From 1990 to 1994, SERVOL has received funding from two main sources, the GOTT and the Van Leer Foundation, whose funding ceased at the end of 1993. During this period, SERVOL's budget grew from

US\$364,000 in 1990 to US\$531,000 for 1994. Although the CDF program implies a large budget increase for SERVOL, approximately 75 percent, most of this increment will be used to raise the level of teachers' salaries, an item that represents close to 77 percent of the sub-program's total budget.

c. Sub-program execution

- 3.29 According to the first year plan, CDF will disburse an advance equivalent to the needs of one quarter. Before the next quarter is disbursed, a detailed statement of expense for the previous quarter must be presented. SERVOL will use its existing procedures, to be included in its financing agreement with CDF, to execute the activities of the sub-program.

5. CCC

a. Organization

- 3.30 CCC is a government program that works under the authority of the Ministry of National Security. It was established in February of 1993 with Cabinet Minute No. 287 with the purpose of addressing critical issues related to unemployed young persons. To accomplish its objectives (see paragraph 2.12), CCC coordinates its activities with other government agencies and especially with the Ministry of Agriculture, since most of its activities are related to natural resource conservation. CCC is currently managed by a program director, who is assisted by a program administrator in charge of execution of program activities through five regional units. The regional units are staffed with 70 persons who are members of the Defense Force. Policy direction is provided by a steering committee whose members are the directors of participating agencies, and it is monitored by a multi-disciplinary technical working committee made up of representatives of the national sectors which the program affects.

b. Institutional capacity

- 3.31 The evaluation of the first year of CCC indicates that its performance has been adequate and outputs are in line with its objectives. ^{1/} However, to facilitate the proposed expansion, a number of administrative changes will be required. A new region will be created and an additional 95 civilians will be hired to function as supervisory staff in the various regional units. New data processing and telecommunications equipment will be acquired,

^{1/} In the first year of operation (6/93-7/94), with an expenditure of US\$2 million, CCC trained 5,385 youths and completed the reforestation of close to 200 acres, and established 136 km of nature trails and five recreational parks. The youths also participated in 28 other projects, including nature conservation, beach beautification and historical site restoration.

as well as vehicles for transportation of supervisory staff, training materials and equipment.

c. Sub-program execution

- 3.32 CDF will finance three CCC cycles per year of 2,400 youths in each. According to the initial plan, CDF will disburse an advance equivalent to the needs of one cycle. Before initiation of the next cycle to be financed with CDF funds, a detailed statement of expenses for the previous cycle must be presented. CCC will use its existing procedures, which will form part of the financing agreement with CDF, to execute the activities of the sub-program.

6. Other executing agencies

- 3.33 As the CDF administrative and management structure is strengthened and its capacity to respond to new project proposals develops, new executing agencies will be incorporated into the program. Processes for promoting, appraising, monitoring and evaluating new projects will be developed with technical assistance resources, and are expected to be in place six months following the start of program execution. Each new sub-program will be guided by an individual financing agreement, to include operating procedures, between the executing agency and CDF.

C. Technical assistance

- 3.34 Each of the three sets of activities of the program's technical assistance component, to be implemented separately, will begin as soon as program funds are available.
- 3.35 The institutional strengthening of CDF will be undertaken by a consulting firm which will be selected and contracted according to normal Bank procedures. The work will last three months and will be done in Port of Spain in collaboration with CDF staff. The TORs for this consultancy may be found in the technical files of the project.
- 3.36 The institutional strengthening of NCSH will entail the use of program resources to provide better working facilities and modern office equipment. NCSH will also receive two short-term consultancies, for a total of three months, to help improve monitoring and information systems, further develop project economic and technical criteria, and financial and accounting procedures. The TORs for these consultants can be found in the technical files of the project.
- 3.37 The institutional strengthening for NGOs will take place in two stages. First, a short term consultant will be hired to work with CDF staff to: (a) identify potential demand for technical assistance and training services for NGOs that participate, or could participate, in CDF; (b) design and develop broad outline of possible technical assistance and training activities; (c) identify

a local agency to develop and offer these services in response to NGO demand, under CDF's supervision; and (d) prepare TORs for an international consultant to assist the local agency in program definition and implementation during the first two years (see Annex II-2). Second, the local agency is hired and services to NGOs will begin. If an appropriate agency is not identified, CDF may choose to direct this component with the use of consultants.

D. Monitoring and evaluating the program

1. Start-up

- 3.38 Within three months from the date the loan is eligible for disbursement, the Bank will carry out a technical mission to work with the CDF Secretariat in reviewing the necessary administrative and management systems that need to be in place for an effective program launch. The mission will also assess the progress of the consultancies contracted to strengthen CDF and to develop NGO technical assistance activities.

2. Reports

- 3.39 CDF will be responsible for preparing periodic progress reports analyzing quantitative and qualitative aspects of the program, including: (a) works or activities financed; (b) beneficiaries served; (c) efficiency of the executing agencies for the four initial sub-programs and new sub-programs; (d) procedures followed in each sub-program; and (e) reports and recommendations offered by consultants involved in the institutional strengthening of the CDF and the NGOs, and progress in the implementation of consultant recommendation. Reports will be summarized semi-annually and presented to the Bank for review and comment, and will include performance indicators agreed upon with the Bank (see Annex III-1).

3. Annual programming exercise

- 3.40 Each year, after the presentation of the second semi-annual report mentioned above, the CDF and the Bank, will compare goals programmed and attained, review the targeting and efficiency of the program, and identify the deficit or surplus of resources allocated - from loan resources and counterpart funds - as compared to those programmed in each sub-program. On the basis of this exercise, CDF and the Bank will set appropriate goals for the following year. Special attention will be given to assuring the GOTT's budget allocation.

4. Mid-term evaluation

- 3.41 When 50 percent of the program resources has been committed, or 30 percent have been disbursed, CDF and the Bank will conduct a mid-term evaluation of the operation to gauge whether the program is meeting its objectives. The evaluation will analyze the impact indicators and programming goals for each sub-program, and will

focus particularly on: (a) the number, type and performance of NGOs involved, and the levels of community participation generated by the program; (b) the sub-programs' impact on low-income beneficiaries, and especially on women and youth; and (c) satisfactory implementation of the environmental quality control procedures. If any significant shortcomings are found, the Bank will not authorize the commitment of any additional resources for the financing until CDF has taken the measures necessary to correct them.

E. Other aspects of program execution

1. Disbursements and implementation schedule

- 3.42 The proposed program would be disbursed over a period of four years and committed in three and a half years. The disbursement schedule estimated is as follows:

Table III-1 Disbursement Schedule						
Source	Year 1	Year 2	Year 3	Year 4	Total	%
IDB	6,648	6,798	6,931	7,632	28,000	70.0
GOTT	3,483	3,175	2,840	2,502	12,000	30.0
Total	10,131	9,973	9,771	10,125	40,000	100.0
%/year	25.3	24.9	24.4	25.3	100.0	

- 3.43 The disbursement schedule has been estimated on the basis of the three ongoing social assistance programs, the project inventory of NCSH and the estimated capacity of NCSH and other NGOs to execute financing requests from year two on. It is expected that with the implementation of the technical assistance component, CDF, participating agencies and NGOs will have the necessary institutional capacity to meet the projected disbursement schedule.

2. Advance of funds

- 3.44 A revolving fund will be established with resources from the Bank's loan to pay projected expenditures. An advance of 10 percent of the financing is recommended.

3. Procurement procedures

- 3.45 In the acquisition of equipment, vehicles and other goods, and in the award of contracts for the execution of works with resources of the loan, the Bank's procedures, as established in Annex B of the Loan Contract, will be followed. Although no contracts exceeding the limits of US\$1 million for civil works or US\$250,000 for the acquisition of goods or materials are anticipated, such bidding

would require international public bidding. Biddings for lesser amounts will follow the national legislation, which requires public bidding for contracts above US\$100,000 and allows for private competition for amounts below this level. National legislation also allows the participation of bidders from the Bank's member countries when using loan resources. The executing agency shall include in the financial agreements to be entered with each participating agency, the obligation of the latter to comply with the requirements set forth in this paragraph.

4. Maintenance

- 3.46 The financing agreement with each participating agency will establish that: (a) maintenance and upkeep of works, equipment and installations, following generally accepted technical guidelines, will be the responsibility of each CBO and/or the respective public entity; (b) the Bank will be allowed to visit and inspect all projects and programs, and, if unacceptable levels of maintenance and upkeep are found, it will be the obligation of the organization involved to take all necessary steps to correct it.

5. External audit

- 3.47 Beginning with the first year of the program and during the period of its execution, audited financial statements will be presented annually to the Bank. The audits should be performed by a firm of independent auditors acceptable to the Bank.

IV. FEASIBILITY AND RISKS

A. Socioeconomic considerations

1. Economic analysis

- 4.1 In the case of NCSH a sample of 101 projects was analyzed, out of a total of 882 NCSH projects approved during 1992-94. The sample included a cross-section of project types and twenty-three of them were visited. ^{8/} Detailed results of this analysis can be found in the operation's technical files. Because of the heterogeneity of projects financed to date by NCSH, and deficiencies in the existing management information system, the cost-efficiency parameters for each type of project will be developed by NCSH with the help of consultants financed with program resources (see TORs in Annex II-1).
- 4.2 Cost efficiency of public investment is high for infrastructure projects in the NCSH program, due to significant cost savings stemming from beneficiary contributions, strong project supervision, and the acquisition of materials at prices below retail. As a result, the costs of NCSH investments were lower than those of private contractors or the Ministry of Works. During 1992-1994, the average NCSH contribution per project ranged from 56 percent for roads, drains, bridges and walls, to 24 percent for educational projects. For all projects during the same period, NCSH covered 38 percent of project costs, while communities contributed 62 percent.
- 4.3 The cost per meal delivered in the SHARE program is approximately US\$0.61. Considering that the alternative to food hampers would be a financial transfer to beneficiaries to allow the direct purchase of food, the program represents important cost savings, as the cost of the food items would be 50 percent higher if purchased retail.
- 4.4 SERVOL's ECCE program will cost approximately US\$23.60 per child/month, and CCC's costs will be of approximately US\$66 per trainee/month (excluding trainees stipends). These costs are favorably to the national average of US\$91.58 per student/month for the 204,100 school-age population of T&T.

2. Analysis of beneficiaries

- 4.5 Since CDF supports targeted preschool, nutrition, community infrastructure and emergency employment programs, it automatically qualifies as "poverty targeted investment" (PTI) as established in the document "Implementing the Eight Replenishment Poverty Targeting Mandate".

^{8/} For infrastructure projects, cost-efficiency analysis was carried out of executed projects. For social programs, cost-effectiveness analysis was utilized.

- 4.6 Analysis of a sample of completed NCSH projects in Trinidad indicated that 88 percent project beneficiaries were poor or very poor; 89 percent of the projects had high community priority; and 78 percent had elicited high community participation. In the Tobago projects, however, only 40 percent of beneficiaries were poor or very poor; 40 percent were ranked as having high community priority; and only 20 percent of them had high community participation. Projects in Tobago are more supply-driven and many of them had been executed using public agencies. The agreement to be signed between CDF and NCSH would ensure that in the future the criteria for beneficiaries and community participation used in Trinidad would be equally applicable to projects in Tobago. No geographical bias was detected in the approved projects to date (882): no region has more than 5 percent of the total number of projects, except Laventille West (9.8 percent), which is the most densely populated region with the greatest concentration of poor households.
- 4.7 The SHARE feeding program allocates its resources equitably, according to population distribution. Beneficiaries clearly fall in the low-income category and include significant numbers of the elderly poor, the homeless and single-headed households. SHARE's feeding program ranks high as community priority. Demand is much greater than the NGOs can meet, despite careful monitoring of beneficiaries. No discernible ethnic or religious biases were found.
- 4.8 SERVOL's ECCE program is successfully reaching its target population. Nearly all the children come from very poor households, 68 percent of which are headed by single parents. Community participation is high, as the SERVOL methodology demands it.
- 4.9 CCC beneficiaries represent one of the groups most affected by increases in unemployment and poverty. The program has non-quantifiable social benefits, in terms of raising the self-esteem of participating youth and orienting them toward responsible, productive activities.

3. Women's participation

- 4.10 In NCSH projects, women were the community organizers in at least 50 percent of cases surveyed; in addition, they were often involved in the physical labor necessary to carry out infrastructure works. Women, however, are under-represented at the management level: not one field officer is female. Women and children are important beneficiaries of these projects. For example, water piped to a household saves several hours of labor a day for the women and children who were carrying it by bucket. Equally, electricity frees up women's labor for more productive work. Improved schools assist students and staff, who are primarily women.
- 4.11 SHARE specifically targets socially vulnerable populations, such as the elderly and single-headed households, of which women represent more than 50 percent. SHARE, in turn, relies on the participation

of women volunteers, who carry out initial interviews and the needs assessment of potential beneficiaries, buy and repackage food, and contribute their time, vehicles, and gas to pick up checks in Port of Spain and deliver the food.

- 4.12 More than 90 percent of SERVOL's staff working for the early childhood program are women. The participating children come from poor households, most of them headed by single women; 52 percent of the children are girls and 48 percent are boys.
- 4.13 Twenty-eight percent of CCC's beneficiaries are women. Thus, it is the only instance among the pre-selected programs where the majority of beneficiaries are not women. Again, most of the personnel involved in the program at all levels are male.
- 4.14 CDF will minimize any existing gender discrimination in the staff of the agencies involved, by including in the financing agreements to be signed with them a provision stating that: "proactive measures should be taken to balance the gender participation in the professional staff of the agency". This obligation will be monitored through program reports and evaluations.

4. Religious and/or ethnic equity

- 4.15 The analyses showed that projects were not biased by religion or ethnicity. However, the following statement will be included in the financing agreements with the executing agencies: projects that exclude beneficiaries on the basis of religious belief or ethnicity will not be eligible for CDF funding.

B. Technical considerations

- 4.16 A technical analysis was performed for the NCSH infrastructure projects, using the same sample previously described. It was concluded that the projects have been well dimensioned and designed. Utility bodies (WASA and T&TEC), as a policy, do the feasibility studies, designs and supervise construction, for their corresponding projects. Experienced community managers normally coordinate the operations. Schedules have been kept during construction. Quality of completed works was acceptable.
- 4.17 The installations built were operating regularly and, where necessary, appropriate staff had been assigned by the respective ministry. For community centers, either the ministries or NGOs provided the necessary operation and maintenance. Utility projects were transferred to the appropriate agency which maintains them and charges services through fees. The guidelines for infrastructure projects include as an eligibility criterion, that an institutional agreement with the relevant ministry, local authority, public utility or other responsible agency, be signed for project operation and maintenance.

C. Environmental impact

- 4.18 The Environment Committee, in its meeting of June 23, 1994, classified this operation as category III and requested that CDF present to the Bank, within six months from the first disbursement of the loan, the procedures for environmental quality control of program components with potentially negative effects.
- 4.19 The overall environmental impact of CDF will be positive. The NCSH projects consist mainly of refurbishing existing structures that reverse present current conditions which are often a source of local environmental hazards. The small average size of the projects further reduces the potential for harmful environmental impacts. The project types with strongest positive environmental impacts are: retaining walls to resist erosion, residential drainage for runoff and waste water, and potable water for improved hygiene. These judgements were endorsed by the analysis of a sample of NCSH projects. The study did identify some few small negative impacts during construction such as: accumulation of water behind walls not completely backfilled and uncleared drains, creating a possible source of water borne diseases. These may be mitigated with the adoption of preventive procedures in the technical guidelines for infrastructure projects. This activity will be carried out by a consultant during the start-up phase.
- 4.20 The CCC projects will also improve environmental conditions. Among the ones with a higher positive impact are reforestation, beach cleaning and flood or other natural disasters control. The other two programs analyzed, SHARE and SERVOL, will only improve the well being of their respective target groups, with no negative impact in the environment.

D. Institutional and financial considerations

1. Institutional viability

- 4.21 The institutional viability of the program is determined on the basis of: (a) the GOTT's support of CDF, as indicated by the emphasis given to it in the "Medium Term Policy Framework: 1994-1996" and its commitment to create an appropriate semi-autonomous unit in the Ministry of Planning to direct the program; (b) the proven experience of the four primary executing agencies (NCSH, SHARE, CCC, SERVOL) which will participate in the program; and (c) the program's technical assistance component, which will finance specific actions to enhance the institutional capabilities of the CDF itself and of executing agencies, current and potential.
- 4.22 The participation of the civil society in the steering committee of the CDF, and in the Boards and management of NCSH, SHARE and SERVOL, allows a higher level of inter-ministerial coordination, operational efficiency and management transparency. In addition, the analysis of indicative samples of NCSH projects and of SHARE and SERVOL operations show that community members play a decisive

part in the formulation, presentation and execution of projects and activities to be financed by CDF.

2. Financial viability

- 4.23 The financial viability has been established by focusing on two issues: the capacity of the GOTT to contribute the counterpart funds, and the impact of incremental recurrent expenses on the government's budget.

a. Local counterpart

- 4.24 The GOTT's capacity to contribute the counterpart has been ascertained. The program requires that the GOTT commit a total of US\$12.0 million over a period of four years. The disbursement schedule requires a maximum yearly contribution of US\$3.5 million, which is a manageable sum when compared to 1995 government budget of approximately US\$1.8 billion. In addition, the priority which the government has assigned to social expenditures assures that the contractual commitment to allocate local counterpart will be honored.

b. Incremental recurrent expenditures

- 4.25 The issue of incremental recurrent expenses in the program was analyzed for both types of projects to be financed, social welfare and infrastructure projects. First, the social assistance programs, SHARE and CCC, are temporary and flexible; their intensity and coverage can be adjusted at any time and are expected to decline as a result of longer-term social reforms and/or the results of economic growth. The SERVOL program will have, at the end of the CDF, a recurrent cost of approximately US\$500,000 per year, a manageable figure that represents less than 0.3 percent of the Ministry's annual budget. Moreover, if necessary, parents' contribution can be adjusted to cover a greater portion of recurrent expenses. Thus, no significant increase of recurrent expenditures is expected after project conclusion.
- 4.26 Regarding the infrastructure projects, the evaluation of NCSH's executed projects show that there would be no substantial increase in recurrent expenses. In the case of civil works, their maintenance to date has been the task of the sponsoring community; this will continue to be the case with projects to be financed by the program. The responsibility for operation and maintenance of utility projects, on the other hand, are transferred to the appropriate utility companies and costs are recovered through user charges. For schools and other buildings, NCSH experience indicates that operation and maintenance is shared between the communities and the respective ministries; to date, the cost of public participation has been easily absorbed by the respective recurrent budgets.

E. Benefits

- 4.27 The proposed operation will: (a) deliver urgently needed social services to vulnerable groups in T&T; (b) contribute to the GOTT's efforts to involve community-based organizations and other NGOs as effective actors in poverty alleviation and social service delivery in general; and (c) strengthen the program development and management capabilities of NGOs in T&T. By its nature and design, over 80 percent of its beneficiaries will be in the low-income category.

F. Risks

- 4.28 The following risks have been identified:

- a. Delay in the institutional consolidation of CDF. The program's coordination depends on the adequate functioning of a unit that does not yet exist, so that delays in the contracting of appropriate staff and consulting services could adversely affect the execution of the program. Prompt utilization of technical assistance resources provided for CDF strengthening and strong leadership offered by the steering committee will be critical in mitigating this risk.
- b. Limited demand for CDF resources for new sub-programs sponsored by NGOs. Although there are a significant number of NGOs and community associations in the country, the CDF financing mechanism and program criteria will be new to them. Both program promotion by the CDF and the use of technical assistance resources to work with and strengthen new sub-program proposals should reduce this risk.
- c. Different demand levels than anticipated for projects and activities in any of the four initial sub-programs. Shortcomings in the execution of sub-programs or fluctuating demand from low-income households or communities may affect projected disbursement levels for any of the sub-programs. The provision for annual evaluations and programming exercises, however, will facilitate necessary adjustments, so that program resources could shift among the existing sub-programs and between them and new programs proposed by other executing agencies.

INSTITUTIONAL DEVELOPMENT

TERMS OF REFERENCE

These terms of reference describe the work to be done by a group of consultants, as part of the technical assistance component, to define, develop and consolidate the management capacity of the CDF.

I. RESPONSIBILITIES

1.1 The consultants, in close collaboration with CDF staff will:

- a. Be responsible for the definition, standardization and implementation of CDF management procedures, management information system, financial and accounting systems, and monitoring and evaluation procedures. They will also train CDF staff on the operation of all these systems.
- b. Review existing criteria and procedures for program management, including promotion, development, appraisal, supervision, contracting and monitoring. Recommend how to improve them and record them in simple operational manuals for the CDF. Program cycle to be studied includes the one of the CDF only, not the one of the executing agencies.
- c. Design and implement CDF's information system, including the determination of data collection needs, periodic reports, project appraisal and selection mechanisms and data base. They will prepare MIS's unit work program, establish annual performance targets and estimate operating needs, including acquisition of equipment, materials and technical services.
- d. Review existing accounting and financial procedures, make recommendations for improvement, develop a computerized system for them and ensure their consistency and compliance with Bank policies.
- e. Develop criteria for sub-program evaluation, appraisal and selection by CDF. Record them in an operational manual.
- f. Design CDF's monitoring and evaluation processes. They should include an ongoing system for monitoring the executing agencies, and refining criteria and terms of references for evaluations to be conducted at the end of the first stage and at mid-term.
- g. Develop job descriptions for CDF's staff.

- h. Design and conduct a participatory process, that includes CDF's steering committee and secretariat, to discuss the results and recommendations of this consultancy, obtain their feedback and design an action plan for its implementation.
- i. Propose the environmental impact analysis for the civil works to be financed by the CDF; review the existing legislation for environmental quality control; analyze existing guidelines of the different agencies involved with the infrastructure projects and, if necessary, incorporate into these guidelines measures to mitigate potentially negative environmental impact; assist CDF to develop and implement environmental norms for infrastructure projects; and elaborate a plan for CDF to divulge environmental guidelines among technicians, beneficiaries, communities, NGOs and other agencies involved with infrastructure projects.

II. DURATION AND QUALIFICATIONS

- 2.1 The consultancy will total 34 person-weeks. It will be done in a three month period, during which some consultants will stay for the whole period and others will assist for shorter periods. It will take place in T&T.
- 2.2 All consultants will have at least ten years of international experience in their respective fields, master's degrees, and be totally fluent in English. The following person-weeks are estimated by area of specialization: (a) social project management specialist, 10 person-weeks; (b) information systems specialist, 4 person-weeks; (c) financial and accounting systems specialist, 4 person-weeks; (d) monitoring and evaluation specialist, 3 person-weeks; (e) environmental specialist, 10 person-weeks; and (f) team leader, responsible for overall coordination, contacts and reporting to GOTT, CDF and the Bank. The team leader will be one of the consultants above, but will add three additional weeks to his/her time for this activities.

A. Reports

- 2.3 Consultants will present to the CDF and the Bank the following reports: (a) one week after the work starts, an initial assessment and timetable; (b) at the end of the tenth week an initial draft report which includes all sections mentioned in 1.1 above; and after week twelve, having received the comments of GOTT, CDF and the Bank, the final version of the report.

B. Budget

- 2.4 The cost has been estimated at about US\$150,000.

INSTITUTIONAL STRENGTHENING FOR NGOS

PROJECT DESCRIPTION

I. BACKGROUND

- 1.1 The Community Development Fund (CDF) is an integral part of the GOTT social support framework. With its grassroots orientation and community-driven premise, the CDF both complements and supplements other short-term social service programs. It provides a bridge of support while longer-term reforms are implemented.
- 1.2 An important element of the CDF is the participation of NGOs as designers and implementors of community-driven projects, which will be financed by the Fund. However, as a recent report by UN/ECLAC states, a main challenge of NGOs in T&T is "increasing their institutional strength in several areas of activity, including management."
- 1.3 The NGO institutional strengthening component of the CDF will provide technical and managerial support to NGOs as well help to deepen the dialogue between GOTT and NGOs on their expanding partnership.

II. PROJECT OBJECTIVES

- 2.1 The objective of the project is to make available to NGOs specific, needs-based skills that will strengthen their operational capacity and enable them to participate in the CDF program as project sponsors and executors. In addition, the project will assist in promoting the nascent dialogue between government and NGOs on the future role for private-sector organizations in social service delivery.
- 2.2 Participating NGOs will include existing organizations that present eligible project ideas for CDF financing, both institutionally mature organizations with track records with donors, and newer organizations which have not had the same funding opportunities.
- 2.3 Not only will the project provide for more effective, efficient, and equitable participation of NGOs in the CDF, but it will also be a model for developing NGO capacity in other Bank-related projects. For example, NGOs play an important part in the reforms proposed by the Bank's Agriculture Sector Reform Program (TT-0032) and Health Sector Reform Program (TT-0024) and the Support for Social Services (TT-0019).

III. PROJECT RESULTS

- 3.1 A group of NGOs, strengthened in service delivery and organizational development and prepared to carry out their activities with CDF funding. This will include greater effectiveness in such areas as community needs-analysis, project identification and

preparation, effective service delivery, management, financial accountability, monitoring and evaluation, fund raising, and/or staff development.

- 3.2 Better dialogue between GOTT and the different actors of civil society and among the NGOs themselves.
- 3.3 A network of NGOs, linked through a newsletter and meetings and identified in a CDF data base, through which information and resources can be disseminated.

IV. PROJECT DESCRIPTION

- 4.1 To achieve the expected results, the program will be: (a) demand-driven (the technical assistance will be provided to the individual NGOs that approach CDF for financing, whose potential projects meet general CDF program criteria); (b) flexible (the technical assistance will respond to the specific needs of the recipient NGO); (c) operationally-oriented (activities should be practical and related to the improvement of the NGOs capacity of community oriented social service delivery); and (d) grounded in the reality of T&T, to which other experiences and techniques may be adapted.

- 1. Preliminary step: To prepare the final design of the component, the CDF will contract international consulting services. The terms of reference for this consultancy are attached.

- 2. Activities of the component's executing agency

- a. Assess potential NGOs participants in T&T and analyze their needs for technical assistance.
- b. Provide the identified technical assistance to selected NGOs through the mechanisms required by the specific individual needs. Areas to be covered will include, but no be limited to:
 - (i) Assistance in project preparation for request of funding by CDF;
 - (ii) The evaluation of operations and improvement of operating procedures, especially their project cycle;
 - (iii) Review and improvement of: (1) accounting procedures and systems; (2) management information systems; (3) promotional activities; (4) personnel management; and (5) training for the implementation/use of new systems and/or procedures;
- c. Promote a policy dialogue between Government and NGOs about their evolving partnership through seminars, symposia, and other mechanisms;

- d. In coordination with the management information system of the CDF, develop a data base of NGOs in T&T. This will not only identify potential participants for the CDF but will also provide a coherent reference for NGOs, for GOTT, and other donors. The information will be published as a national directory and disseminated to selected institutions;
- e. Publish and disseminate a newsletter containing such information as technical assistance advice and potential funding sources;
- f. Assist in the development of regional and national linkages among T&T NGOs and between T&T and Caribbean and international groups.

2. Institutional arrangements

- a. The executing agency will be a national private-sector organization with experience in developing NGO networks and providing institutional development assistance, to be selected by CDF.
- b. The CDF will sign an agreement with the executing agency for the implementation of the program. CDF will advance funds in a quarterly basis to the executing agency, after reviewing the work program presented to it. At presentation of the next quarterly plan, a statement of expenses of the previous advance must be presented.
- c. An consultant with extensive international experience in NGO institutional strengthening, would assist the national executing agency as necessary with such design issues and activities as methodology transfer and training tools. The international consultant would be selected and contracted by the CDF, following consultation with the executing agency, and work with the national agency for a period of approximately two years.
- d. The project will begin with CDF and have a duration of four years.

3. Budget

- 4.2 An initial total cost estimate for the four year period is US\$1.4 million. CDF will transfer the funds to the executing agency on a grant basis.

TERMS OF REFERENCE
PREPARATION OF NGO INSTITUTIONAL STRENGTHENING COMPONENT

A. Responsibilities

1. The consultant will provide analysis and recommendations on the preparation of the NGO Institutional Strengthening component of the Community Development Fund (CDF). The consultant will report directly to the CDF. Attached is a description which summarizes this component.
2. The consultant will further define the design and implementation mechanism of the component and present to the CDF: (a) a recommendation for the appropriate executing agency for this component, defining its linkages with the CDF; (b) a final description and scope of the component, with an outline of its main activities; (c) operational mechanisms; (d) financial and administrative procedures; (e) estimated budget; (f) recommendations for the monitoring and evaluation systems; and (g) recommendations for a management information system to be linked to the CDF.
3. The specific tasks of the consultants will include:
 - a. Based on existing information and interviews, as well demonstrated interest of NGOs in CDF funding, analyze the likely NGO audience in terms of current levels of institutional development and their institutional strengthening needs.
 - b. Identify an appropriate private sector executing agency and describe its institutional capacity as providers of the institutional strengthening program to NGOs and determine their institutional strengthening needs to be able to implement the program, if any. Should the conclusion be that an appropriate institution does not exist, recommend how the CDF could directly oversee this component with its staff and consulting services.
 - c. Recommend criteria for the selection of NGO participants.
 - d. Develop a logframe of goals, objectives, and activities for the institutional strengthening component of the CDF.
 - e. Design the scope of services to be offered in response to NGO demand, as well as the mechanism for the delivery of such services; the financial and administrative procedures; a detailed budget; recommendations for the monitoring and evaluation systems; and a management information base which is linked with the CDF.

f. Write the terms of reference for the consultants that will assist the executing agency, provide regional and international expertise and contacts and help them in the implementation of the first two years' activities.

g. Include the above in a final report to the CDF.

B. Duration

The consultancy will total 8 person/weeks, including analysis, project preparation, and writing.

C. Qualifications and experience

The consultant will have at least ten years of international consulting experience in institutional development and management programs, with a strong background in non-governmental organizations and institutional analysis.

D. Language

English

E. Reports

At the end of the first week the consultant will present to CDF a work program. Every four weeks, the consultant will present progress reports. A final report, with summary design of the component, and including the items detailed in point (3), should be presented within two weeks of end of consultancy.

INDICATORS OF THE IMPACT OF THE CDF PROGRAM

PARAMETER	SOURCE OF INFORMATION	PURPOSE
A. IMPACT ON BENEFICIARIES		
1. Projects by types and services provided by sub-program in: community infrastructure; social assistance; youth skills training; and others.	CDF's database and information system	To measure improvements brought by the program service delivery.
2. Situation of target population with and without the program: employment level; income level; access to services; and community participation in development efforts.	Evaluation of beneficiaries on basis of database of subprograms and CDF.	To measure the impact of the program on the quality of life of the beneficiaries.
3. Impact of projects financed on women: quantification of services that benefit women's employment; number of women executing projects; and number of women leaders of beneficiary communities.	CDF database and information system.	To measure and promote participation in the program by women.
B. INSTITUTIONAL IMPACTS		
1. Number of NGOs and community-based organizations in the program.	CDF database and information system.	To measure the participation of those entities in the provision of social services.
2. Number of NGOs and CBOs strengthened by the technical assistance component.		
3. Number of new sub-programs presented to CDF for funding, by NGOs and CBOs.		
4. Frequency and quality of inter-ministerial coordination in program; frequency and effectiveness of communication and cooperation between NGOs and government ministries.	CDF reports and mid-term evaluation.	To measure program impact on public sector behavior and relationship with NGOs.
C. EFFICIENCY AND ROLE OF EXECUTING AGENCIES ^{1/}		
1. Allocation and targeting of program resources through the sub-programs: amount and % by poverty category; amount and % by type of project; amount and % by type of beneficiary; and amount and % of surplus funds committed versus funds pre-allocated by sub-program.	CDF and NCSH database and information system.	To measure consistency with which program resources are targeted through the projects financed.
2. NCSH projects: number of projects and amounts; approved per month; number of projects completed per month and time behind schedule (average % delay); and number of projects completed and increase in their costs (% of average increase).	NCSH database and information system.	To measure capability of NCSH to process projects and have them executed efficiently.
3. NCSH costs versus amount in projects: NCSH operating cost versus amount of funds disbursed in projects.	NCSH database and information system.	To measure cost-efficiency of NCSH in financing projects.
^{1/} Impact indicators for new sub-programs to be developed by CDF.		

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APENDICE

PROPOSED RESOLUTION

TRINIDAD AND TOBAGO. LOAN /OC-TT TO THE REPUBLIC OF
TRINIDAD AND TOBAGO
(Community Development Fund Program)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Trinidad and Tobago, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Community Development Fund Program. Such financing will be for the amount of up to US\$28,000,000, or its equivalent in other currencies, except that of the Republic of Trinidad and Tobago, which are part of the Ordinary Capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" of the Executive Summary of the Loan Proposal.