

TECHNICAL COOPERATION PROFILE

MARCH 4, 2008

I. BASIC PROJECT DATA

Country/Region:	Regional									
Project Name:	Strengthening Management by Results in the OECS Countries									
Project Number:	RG-T1488									
Team Leader/Members:	Leader: Stefano Tinari (ICF/ICS); other members: Laurence Telson (ICS/CBA), Marco Varea (ICF/ICF), Rosina de Souza (LEG/SGO), and Marina Massini (ICF/ICS).									
Date of Request:	November 28, 2007									
Beneficiaries:	IDB, CDB and member countries of the Organization of East Caribbean States (OECS)									
Executing Agency:	Caribbean Development Bank (CDB)									
Amount and Source of Funding:	<table><tbody><tr><td>IDB: PRODEV C</td><td>US\$</td><td>250.000</td></tr><tr><td>Cofinancing CDB:</td><td>US\$</td><td>250.000</td></tr><tr><td>Total:</td><td>US\$</td><td>500.000</td></tr></tbody></table>	IDB: PRODEV C	US\$	250.000	Cofinancing CDB:	US\$	250.000	Total:	US\$	500.000
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Cofinancing CDB:	US\$	250.000								
Total:	US\$	500.000								
Technical and Basic Responsibility:	ICF/ICS									
Included in Board approved Technical Cooperation Program:	No									
Tentative Dates:	Approval: April, 2008									

II. BACKGROUND AND PROBLEM STATEMENT

A. PRODEV

- 2.1 To support the introduction and the promotion of development effectiveness initiatives of the eligible countries, the Bank approved a Program to Implement the External Pillar of the Medium-term Action Plan for Development Effectiveness (PRODEV), which provides resources to finance activities with non-reimbursable technical cooperation funds.
- 2.2 The IDB Board is in the process of extending full access to PRODEV resources to CDB member countries belonging to the Organization of Eastern Caribbean States (OECS). To this end, in July 2007, the OECS countries participated in the 2nd Regional PRODEV workshop, which was co-sponsored by the Caribbean Development Bank (CDB). This workshop introduced OECS participants to the

PRODEV objectives and concepts, and allowed them to benefit from the experiences of other Caribbean IDB member countries

- 2.3 OECS are currently entitled to receive funds from the C account of PRODEV, disbursed through the Caribbean Development Bank. This program will make these resources available to the Countries, to promote principles of good management, share good practices, develop training opportunities and prepare publications and other learning or consulting materials related to the adoption of management by results principles. These activities will help the Countries prepare to benefit from the core activities of PRODEV, namely, preparation of diagnostics, corresponding action plans and related individual projects, once declared eligible to receive full PRODEV resources.

B. OECS Countries

- 2.4 The economies of the countries belonging to the Organization of Eastern Caribbean States OECS, which include Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St Lucia and St. Vincent and the Grenadines, have improved in the recent years, reaching average growth rates of 5% in 2006. The growth rates have been fuelled in large part by tourism, foreign direct investment and improved domestic demand.

C. Financial Management

- 2.5 The level of economic growth achieved has generated an increase in tax revenue, and consequently of resources available for public investment or debt management, creating the need for an efficient analysis process of management and allocation of resources based on performance and productivity.
- 2.6 The annual process of preparing and presenting the budget in the region is usually well publicized, and includes a benchmarking exercise. However, performance tracking during the rest of the year is generally poor, in terms of physical achievements or financial outturn, and in matching achievements against original targets.

D. Bank's Strategy

- 2.7 The Bank assists OECS member countries through the Caribbean Development Bank. The proposed Technical Cooperation (TC), will fund the preliminary activities to enhance the support provided both by the Bank and the CDB to OECS member countries as well as to promote their improvement of management systems for planning, financial management, procurement and fiscal and fiduciary oversight, and a more effective and efficient use of public resources. These objectives are consistent with the Bank's policy establishing PRODEV and its Regional Training activities (GN-2346-5).

III. PROGRAM OBJECTIVE AND DESCRIPTION

A. Program Goal and Purpose

- 3.1 The main objective of the TC is to generate critical capacity building activities within CDB and government officials of OECS countries directed to a better understanding of management by results concepts within the public sector, in view of the preparation of a diagnosis and a medium term action plan in each country, to improve the performance, management, monitoring and evaluation capacity of the public sector.

B. Activities

- 3.2 The program will consist of three separate phases:
- a. Preparation and execution of a workshop for relevant IDB and CDB personnel with focus on development effectiveness and management by results. The workshop will permit a review of the methodology currently used by PRODEV to perform diagnosis of public sector financial performance and management through the application of a toolkit, facilitating familiarization for CDB and IDB Country Offices personnel in the field of management by results. In addition, during the workshop an assessment will be performed of the OECS countries' situation and needs, taking advantage of existing work done by the CDB and others in relevant areas.
 - b. Design and execution of a training workshop for national government officials of the OECS countries, to introduce the concept of management by results and the principles of development effectiveness, that would facilitate preparation of country diagnosis and action plans related to public sector management.
 - c. Elaboration of a work program, consistent with the results of the toolkit application, in preparation of a medium term action plan in each country, to improve the performance, management, monitoring and evaluation capacity of the public sector.

IV. BUDGET

- 4.1 The contribution of the Bank to the execution of this technical cooperation will be of US\$250,000, chargeable to the C account of PRODEV on a non-reimbursable basis. The Caribbean Development Bank will provide a matching contribution of US\$250,000. The total cost of the project is estimated at US\$500,000.

(US\$)	IDB/PRODEV	CDB	TOTAL
1. Workshop for IDB and CDB personnel on development effectiveness and management by results.	50,000	10,000	60,000
2. Design and execution of a training workshop for national government officials of the targeted countries.	80,000	80,000	160,000
3. Application of the toolkit to the countries to determine a work program and action plan.	120,000	160,000	280,000
TOTAL	250,000	250,000	500,000

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

A. Responsibility

- 5.1 The Caribbean Development Bank (CDB), will be the executing agency of the program under the modalities of the cooperation agreement stipulated between the IDB and CDB. The administrative responsibility for the execution of this Technical Cooperation will be assumed by the Projects Department of CDB. IDB and CDB teams will jointly monitor the implementation of the program. PRODEV's team will follow-up on the execution of the TC with appropriate mechanisms to ensure consistency with the standards of PRODEV methodology. CDB will report periodically to IDB during the execution of the action plan phases.

VI. MAJOR ISSUES

- 6.1 No major issues were identified.

VII. ACTION PLAN

A. Execution and Disbursement Schedule

- 7.1 Approval, of the TC is expected by April 2008. The first workshop for IDB and CDB personnel will take place in June 2008. The TC will be executed in 24 months from the date of approval, and disbursement will be completed in 30 months.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 Given the focus of this Program upon institutional strengthening activities, no social or environmental issues are foreseen. According to the Environment and Safeguards Compliance Guidelines, the operation has been classified as "C".
- 8.2 The CDB's environmental policy and regulations are similar to those of the IDB, requiring a classification of the potential environmental impact to determine the level of environmental impact analysis and the consequential identification and design of mitigation measures required for supported operations. Significant environmental and social risks are not expected in the Program, and, as indicated above, the CDB has adequate procedures to deal with them should they arise.

IX. APPROVAL

Approved by:

(Original Signed)
Dora Currea
General Manager, CCB/CCB

03/03/2008
Date

Approved by:

(Original Signed)
Mario Marcel
Manager, ICF/ICF

02/29/2008
Date

Concur:

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02/28/2008
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02/29/2008
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