OECS VOLUME 2

Cluster Country Program Evaluation on Small States

Regional Program Evaluation of the Organisation of Eastern Caribbean States: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

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WHAT WORKS

Regional Program Evaluation of the Organisation of Eastern Caribbean States: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

Cluster Country Program Evaluation on Small States

OECS Volume II: Appendixes

AN INDEPENDENT EVALUATION

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Abbreviations and Acronyms

AAA	analytic and advisory activities
AIDS	acquired immune deficiency syndrome
APL	adaptable program lending
AS	advisory services
BAICO	British American Insurance Company
BC	base case
CARICAD	Caribbean Center for Development Administration
CARTAC	Caribbean Regional Technical Assistance Center
CBI	Citizenship-by-Investment Program
CCRIF	Caribbean Catastrophic Risk Insurance Facility
CDB	Caribbean Development Bank
CLICO	Colonial Life Insurance Company
DeMPA	Debt Management Performance Assessment
DFID	U.K. Department for International Development
DPC	Development Policy Credit
DPL	development policy loan
DRM	disaster risk management
DVRP	Disaster Vulnerability Reduction Program
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
ECTEL	Eastern Caribbean Telecommunications Authority
EGRIP	Electronic Government for Regional Integration Project
ERL	emergency recovery loan
ESW	economic and sector work
FIAS	Facility for Investment Climate Advisory Services
GDP	gross domestic product
GEF	Global Environment Facility
GIS	Geographic Information System
GSPTAC	Growth and Social Protection Technical Assistance Credit
GTFP	Global Trade Finance Program
HIV	human immunodeficiency virus
HR	Human Resources
IBRD	International Bank for Reconstruction and Development
ICT	information and communications technology
IDA	International Development Association
IDF	Institutional Development Fund
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IMF	International Monetary Fund
IRC	Independent Regulatory Commission
LAC	Latin America and the Caribbean Region
M&E	monitoring and evaluation
MACC	Mainstreaming Adaptation to Climate Change
MAP	Multi-Country HIV/AIDS Prevention and Control Program
MECOVI	Mejoramiento de las Encuestas de Hogares y la Medición de Condiciones de Vida
MTDS	medium-term debt management strategy
NCDs	noncommunicable diseases

NLTA	nonlending technical assistance
NPM	New Public Management
NTRC	National Telecommunications Regulatory Commission
OECS	Organisation of Eastern Caribbean States
PCU	Project Coordination Unit
PDNA	Post Disaster Needs Assessment
PICs	Pacific Island countries
PPCR	Pilot Program for Climate Resilience
PPP	public-private partnership
PSMTAC	Public Sector Management Technical Assistance Credit
PSST	Public and Social Sector Transformation Project
RPE	regional program evaluation
RPS	regional partnership strategy
RPSPR	Regional Partnership Strategy Progress Report
SEED	Support for Education Empowerment and Development
SEMCAR	Supporting Economic Management in the Caribbean
SME	small and medium enterprise
UNCTAD	United Nations Conference on Trade and Development
VAT	value added tax
WASCO	Water and Sewerage Company of St. Lucia

All dollar amounts are U.S. dollars unless otherwise indicated.

Appendix A. Context of the OECS Countries

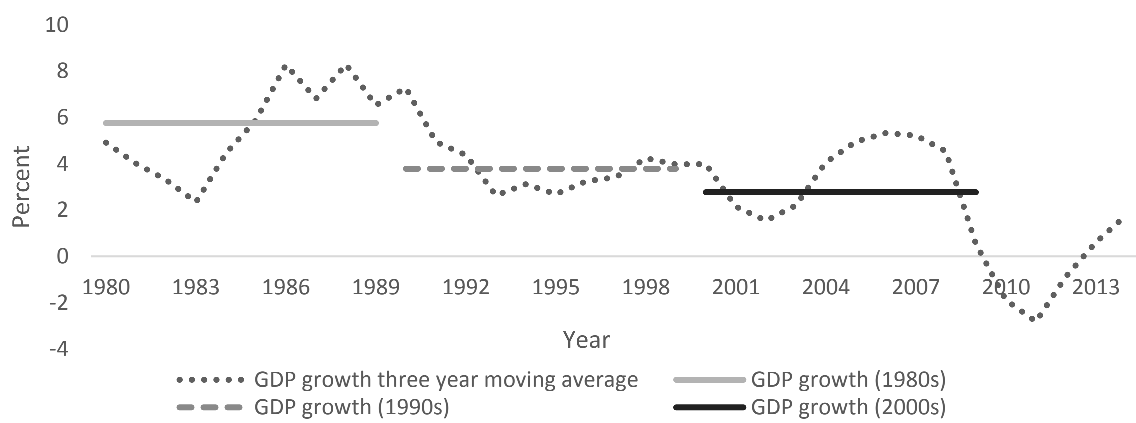
The Organisation of Eastern Caribbean States (OECS) is a subregional grouping in the Caribbean, established on June 18, 1981 by the Treaty of Basseterre. The ten-member grouping comprises six sovereign states and four overseas territories. Eight of the 10 members also share a common currency (the East Caribbean dollar), a common central bank (the Eastern Caribbean Central Bank, or ECCB), and consequently constitute the Eastern Caribbean Economic and Currency Union (ECCU).[1] A revised Treaty of Basseterre to establish the OECS Economic Union came into force on January 21, 2011. The revised treaty envisages the creation of a single economic and financial space within which goods, people, and capital move freely; monetary and fiscal policies are harmonized; and countries continue to adopt a common approach to trade, health, education, and the environment. Since 1976, the East Caribbean dollar has been pegged to the U.S. dollar at a rate of EC$2.70 to $1. This commitment to a fixed exchange rate has provided a strong anchor for macroeconomic stability, allowed for low rates of inflation, and facilitated the development of the financial system.

The six independent OECS countries are the quintessential small states. With a total landmass of about 2,364 square kilometers and a combined population of just over 600,000 people, the middle-income group of islands that comprise the OECS are small not only in geographic area, but also in population.[2] They are similar in culture, climate, topography, history, and language. The economies are also similar in their proximity to the United States (their largest trading partner) and natural endowments (sand, sea, and sun), making them prime tourist destinations.[3] In addition, the members share a number of important structural characteristics. First, owing to their small geographic and population size, they face challenges of diseconomies of small scale, especially in infrastructure, institutions, and markets. Second, their location makes them vulnerable to climate change phenomena, such as rising sea levels and temperatures as well as frequent natural disasters, especially hurricanes.[4] Third, while they enjoy the benefits of very open economies, they are simultaneously vulnerable to external events and shocks such as the removal of trade preferences and the still unfolding impact of the recent global financial crisis. Fourth, they have achieved middle-income status, but some continue to face the challenges of youth unemployment, crime, and public security as well as weak institutions and economic management that have contributed to their high public debt and difficult business environment.

Economic growth in the subregion was sluggish even before the 2008–09 global economic crisis, owing partly to a deterioration in external conditions. During the 1980s, real gross domestic product (GDP) in the OECS region grew at an annual average rate

of about 6 percent, largely from growth in tourism, expansion in agricultural production (mainly bananas and sugar), and increased public investment financed primarily by development assistance.[5] However, since 1990, annual economic growth in the OECS region has slowed drastically, averaging 3 percent in the decade after 1990 and 2 percent in the next decade (figure A.1). The slowdown in growth that began in the early 1990s was brought on by a combination of factors that included recessions in advanced economies, structural weaknesses of the OECS economies, and a number of negative external shocks (Schipke, Cebotari, and Thacker 2013). The negative external shocks to the OECS included natural disasters, the events of 9/11, the erosion of trade preferences, the slowdown in the global economy, and sharp oil price increases.

Figure A.1. OECS Growth Rates, 1980–2013



Source: World Development Indicators database.
Note: GDP = gross domestic product; OECS = Organisation of Eastern Caribbean States.

Partly from the loss of traditional agricultural trade preferences, tourism has increasingly become the dominant economic activity and is now the single largest invisible export for the OECS subregion. Following the implementation of the European Union's (EU's) single market in 1993, the EU's preferential regime for bananas underwent significant changes that resulted in the erosion of the preferences for the OECS economies and consequently a decline in banana exports (Schipke, Cebotari, and Thacker 2013). As a result, goods exports declined and the regional economy underwent a structural transformation from agriculture to services, especially tourism. Consequently, tourism became the primary driver of growth in the subregion and now contributes significantly to the accumulation of foreign reserves, job creation, personal income, and government revenue. On average, the industry represents more than 50 percent of export earnings, at least 30 percent of GDP, and 30 percent of total employment (table A.1). In terms of markets, the OECS countries have mostly relied on traditional tourist markets (Canada, the Caribbean, United Kingdom, and United States). While there has been a very marginal growth in the North American markets,

the flow of tourists from the United Kingdom and the Caribbean has been shrinking since 2012.

Table A.1. Travel and Tourism Sector Economic Contribution, 2014 (percent)

Country	Direct Contribution to GDP	Total Contribution to GDP	Direct Contribution to Employment	Total Contribution to Employment	Visitor Exports Contributions to Total Exports
Antigua and Barbuda	15.5	58.3	15.9	53.0	71.6
Dominica	8.5	26.4	7.7	24.0	48.0
Grenada	7.0	24.2	6.4	22.1	47.8
St. Kitts and Nevis	6.7	25.5	6.6	24.2	36.4
St. Lucia	13.8	39.5	20.4	44.1	59.2
St. Vincent and Grenadines	5.4	19.9	5.0	18.2	49.1
OECS average	9.5	32.3	10.3	30.9	52.0

Source: WTTC (2015).
Note: Direct contributions include spending in relation to travel and tourism by residents, businesses, and government, and visitor exports on tourism related commodities (accommodation, transportation, entertainment, and attractions) in relation to GDP. For employment, jobs provided in these industries (accommodation services, food and beverage services, and cultural, sports and recreational services. Indirect contribution includes capital investments in travel and tourism; government spending to support tourism; and supply chain effects.

Despite its significance to the region, the OECS share of global tourism, measured by both tourism receipts and number of visitor arrivals, has declined over the last decade, indicating a loss in external competitiveness. The OECS global share of tourist arrivals declined from 0.13 percent in 2000 to 0.09 percent in 2014. Within the Caribbean, the OECS share of tourist arrivals fell from 4.2 percent to 3.6 percent over the same period. As with tourist arrivals, the OECS performed below the Caribbean on tourism receipts. Between 2006 and 2012, the OECS's share of total Caribbean receipts declined from 5.2 to 4.8 percent (World Bank 2015).

The countries' relative openness to trade increases their vulnerability to external shocks. The subregion's high degree of trade openness and concentration of exports in a few goods and services has resulted in greater vulnerability to external shocks, notably in prices and trading partner country demand for exports, including tourism.[6] The openness of OECS countries is especially evident through the trade openness indicator, measured as exports and imports of goods and services as a percentage of output (trade/GDP) (table A.2). The OECS as a whole displayed an average openness indicator of 96 percent over the 2005–13 period. In comparison, the average trade openness

indicator for the Latin America and the Caribbean Region and emerging market and developing economies over the same period was 61 percent and 43 percent, respectively. In addition, taxes from international trade transactions account for more than half of government revenue in the region.[7] Given this degree of openness, any changes in trade performance have a direct impact on economic output.

Table A.2. Key OECS Trade Indicators

Indicator	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average 2005–13
Trade to GDP, % of GDP	103	100	99	102	90	95	94	91	91	96
Import to GDP, % of GDP	60	61	62	64	54	57	56	54	53	58
Balance on goods, % of GDP	-33	-36	-38	-39	-31	-32	-32	-31	-30	-33
Balance on services, % of GDP	17	13	12	12	12	13	14	14	14	13
Current account balance, % of GDP	-18	-24	-27	-29	-20	-20	-18	-17	-16	-21

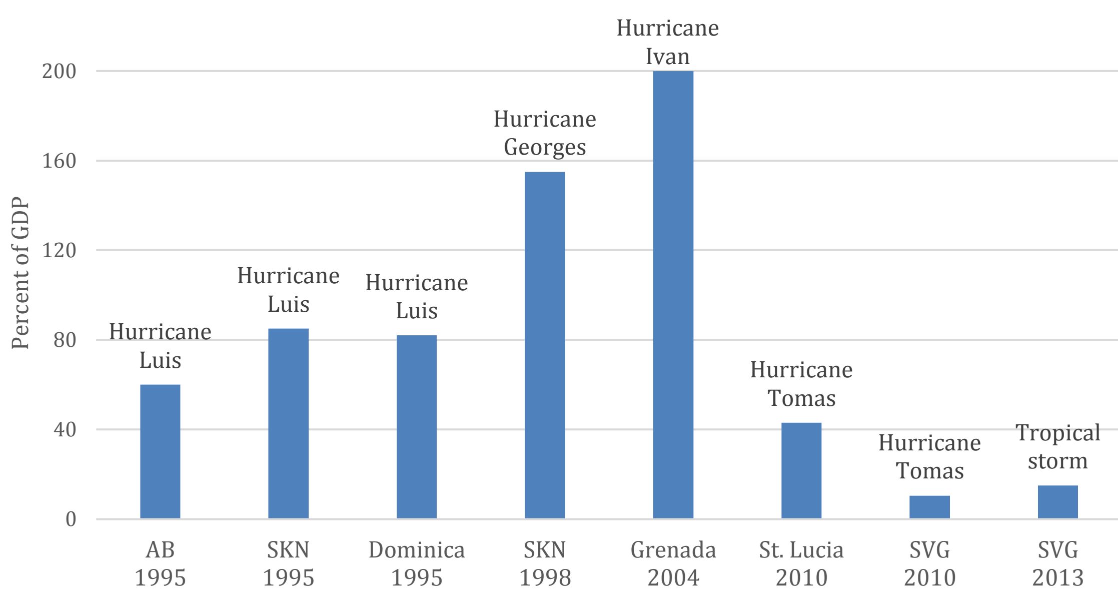
Source: IMF International Financial Statistics database, September 2015.

A narrow export base coupled with the fact that most investment and consumption goods are imported has meant that imports consistently exceed exports, resulting in a structural trade deficit, which averaged about 33 percent of GDP over the 2005–13 period. Surpluses on the services account, particularly tourism receipts, have been instrumental in containing the current account deficit which averaged 21 percent of GDP over the same period. Thus far, the OECS subregion has been able to finance the current account imbalance with substantial inflows of foreign direct investment and development aid.

Extensive emigration in recent decades has led to the rapid growth of private remittances, which now constitute an important source of financing. The OECS region has, over the past two decades, experienced a significant migration of skilled labor out of the region, and has in return benefited from large private remittances. The latter now constitute an important element of the safety net for the poor and unemployed. Remittance flows to the region have been one of the most important sources of financing, and since the 1990s, they have exceeded official development flows. Remittance amounts in the region range from about $21 million in Antigua and Barbuda (1.8 percent of GDP in 2013) to $52 million in St. Kitts and Nevis (6.7 percent of GDP in 2013) with a regional average of about 4 percent of GDP, in 2013.

The countries in the subregion are also highly vulnerable to climate-related shocks and have delicate natural environments. The small island states of the OECS lie directly in the path of Atlantic hurricanes, which have in recent years, increased in frequency and intensity.[8] The region is also at significant risk of other major climatic hazards, including storm surges, strong winds, heavy rains, drought, and volcanic eruptions. Existing threats to the region's ecosystems include overexploitation of their resource base, loss of natural habitats, changes in water quality and quantity, and climate change.[9] The catastrophic nature of the subregion's natural disasters has typically resulted in the diversion of already limited resources away from other development priorities, to the financing of post-disaster recovery efforts. Between 1993 and 2012, average OECS annual losses from natural disasters reached 4.3 percent of GDP. Individual instances of damage have far exceeded this average (World Bank 2014). For example, the damage caused by Hurricane Ivan to Grenada in 2004 amounted to an estimated $900 million in losses, more than twice the country's GDP, while Hurricane Georges caused damages amounting to 155 percent of St. Kitts and Nevis's 1998 GDP (figure A.2). Recent studies suggest that the average hurricane in the Caribbean reduces output by nearly 1 percent, and that in the ECCU, the debt to GDP ratio grows faster, by almost 5 percentage points the year a storm strikes, with a cumulative debt increase of 5 percent of GDP a few years later (IMF 2013).

Figure A.2. Select Damage from Natural Disasters



Source: IMF reports.
Note: AB = Antigua and Barbuda; GDP = gross domestic product; SKN = St. Kitts and Nevis; SVG = St. Vincent and the Grenadines.

Public finances in the subregion have been under strain, especially in the wake of the global economic crisis, and debt levels are high. The OECS countries have persistently large levels of debt and in 2014 ranked among the 35 most indebted nations in the world. The combined public debt of the six OECS economies has been greater than 50 percent of regional GDP since 1990, and averaged about 87 percent during the 2000–14 period (table A.3).[10] The rapid buildup of debt is attributable in great measure to a deterioration in fiscal balances owing mostly to a rise in expenditures rather than a fall in revenues. The rise in expenditures reflects policy slippages, exogenous shocks, and other factors such as bailouts (Schipke, Cebotari, and Thacker 2013). As at end-2014, more than half (53 percent) of the debt in the region was owed to external creditors. The reliance on external sources was high, particularly in Dominica (69 percent of total debt) and Grenada (66 percent of total debt). Of the external debt, about 40 percent is multilateral, with the majority held by the Caribbean Development Bank.

Table A.3. General Government Gross Debt, 1990–2014 (percent of GDP)

Country	1990–99 average	2000–04 average	2005–09 average	2010–14 average
Antigua and Barbuda	95.7	122.3	89.0	92.8
Dominica	55.1	89.3	71.6	72.0
Grenada	42.5	67.9	88.9	101.6
St. Kitts and Nevis	70.5	123.8	142.6	126.2
St. Lucia	28.0	51.0	57.4	72.2
St. Vincent and the Grenadines	52.7	57.6	61.1	71.5
OECS region	59.1	85.5	84.0	89.1

Source: IMF World Economic Outlook database October 2015.
Note: 1990–95 data are not available for St. Kitts and Nevis.

The erosion of competitiveness in OECS economies is a bottleneck to growth. Firms operating in the region experience cost disadvantages that are both structural and policy-driven. Labor costs in the subregion are high and have grown faster than productivity partly from a high degree of unionization. Electricity costs are among the highest in the world, reflecting sector inefficiencies, lack of investments, and monopoly powers of generators and distributors. The high cost of credit derives from several factors including deposit rates floors in selected countries, information asymmetries from the absence of credit bureaus, and lengthy credit recovery processes as the result of judicial procedures. There is also some evidence of overvaluation of the Eastern Caribbean dollar. Recent IMF computations suggest that the real effective exchange rate is overvalued by about 23 percent for the ECCU economies.

In general, the countries rank well on the Doing Business indicators, compared with small islands and other Caribbean countries, though they are well behind the

institutional structures present in advanced countries. In particular, the average rankings of OECS countries for getting electricity (but not the cost of its use), contract enforcement, ease of getting construction permits, and protection of investors bode well for a growth-supportive institutional framework. However, payment of taxes, access to credit, labor market rigidities, and property registration remain weak. Cooperation at the subregion level has already helped to reduce the fixed costs of some public and private services and there is potential in others, including transportation The very limited fiscal space for public investments means that private sector participation in the provision of reliable, affordable, and sustainable infrastructure services is essential and building an environment conducive to private investments in infrastructure is a priority.

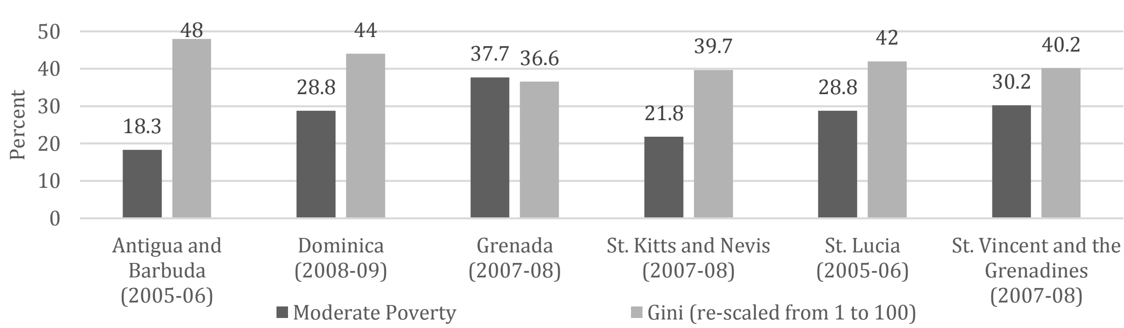
OECS members boast open democracies characterized by political stability with high participation in elections, but with costly civil services. The countries of the subregion are all stable, parliamentary democracies and are founded on constitutions which guarantee a wide set of fundamental rights and freedoms to the people that are enforceable through the high court. The electoral system in the states is a single member plurality system which has created a representative political order with politics in most islands being dominated by two parties. Public administrations are characterized by well-established organizational structures and institutional rules and regulations, respect for the rule of law, and a high degree of judicial independence. In general, the World Governance Indicators (2013) paint a favorable picture, placing the OECS countries within the 55–95th percentile worldwide.[11] As in other countries, the dominance of two parties has led to significant political polarization, especially in the run-up to elections, and contributed to political business cycles. Furthermore, the existing government systems are outdated and have resulted in civil services that are large, bureaucratic, and burdensome to their small economies. On average, the wage bill accounted for 44 percent of government expenditures in 2012, compared with 26 percent for Latin American countries and 26 percent for middle-income countries.[12] This ratio varies among the countries in the region with Dominica having the lowest ratio at 40 percent, while Grenada and St. Vincent and the Grenadines had the highest at 50 percent.

The OECS countries have made good progress on social indicators although some challenges remain in key areas. Overall, human development indicators for the subregion are favorable and the countries rank between 61 and 97 among the 187 states in the United Nations Development Programme's 2013 Human Development Index. Good progress has been achieved in most of the Millennium Development Goals including the reduction of extreme poverty and hunger, universal primary education, gender equality, and improved maternal health. Gross enrollment in primary education ranges between 85 and 118 percent and in secondary education between 88 and 105

percent. Infant mortality is low, ranging from 6 to 20 per 1,000 live births and average life expectancy is comparable to that of OECD countries.[13] Maternal mortality rates—which range from 23 to 45 per 100,000 live births in 2013—are also low in the OECS.[14] Progress in reducing hunger by half has been mixed. While hunger is very low in Dominica and St. Vincent and the Grenadines, hunger in Antigua and Barbuda and Grenada remains moderately high and has worsened over time; St. Kitts and Nevis and St. Lucia have made some progress in reducing hunger but remain relatively far from attaining their goals (World Bank 2014).

Despite their high per capita income status and a dearth of reliable time-series data, poverty rates in the OECS appear to be higher than the averages in both Latin America and the Caribbean Region and upper-middle-income countries (UMICs). Poverty rates in the region, which vary from 18 to 38 percent using each country's national poverty line (figure A.3), are higher than the averages for both the Region and UMICs (5.4 and 5.6 percent respectively in 2012). Conversely, inequality as measured by the Gini coefficient is low (ranging from 36.6 in 2008 in Grenada to 48 in 2006 in Antigua and Barbuda) compared to the Region average of 52.9 in 2009 (World Bank 2014). The poor in the OECS region are concentrated in rural areas, where a large part of the population lives, and poverty is particularly prevalent among female-headed households. Despite a lack of regular labor market surveys, unemployment—especially among the youth—is a major concern in the region. Available data from member states indicate that unemployment rates (as a percentage of the labor force) range from 6.3 percent in Antigua and Barbuda to 25 percent in Grenada (IMF 2013). Among the youth, unemployment rates range from 34 percent in St. Lucia to 42 percent in Grenada. The high numbers of out of work youth are of particular concern because of related increases in the prevalence of gang involvement, drug abuse, and crime. There is also evidence suggesting that youth unemployment is more prevalent among the female population of the OECS states.

Figure A.3. Poverty and Inequality in the OECS



Source: CDB poverty assessments.

Improvements in key social indicators notwithstanding, the social gains achieved risk being eroded by a number of factors. Firstly, the high and growing incidence of noncommunicable diseases (NCDs) if not addressed could reverse the gains in the health indicators. NCDs now account for about 70 percent of deaths in the OECS, a rate much higher than either the global average (50 percent) or the average for low- and middle-income countries in the Americas (60 percent). Furthermore, NCDs constitute a growing portion of health spending and impose a large economic burden at the societal, community, and household level.[15] Secondly, weaknesses in the educational system are having a stifling effect on competitiveness and growth, and contributing to rising unemployment among youth. Education system challenges are sourced in a number of factors, including inadequate attention to early childhood development, poor quality of education, limited access to tertiary education, and a lack of qualified teachers.[16] The average pass rates for standardized tests in core subjects such as English and mathematics are less than 50 percent, and many students lack basic skills in information and communication technology and other disciplines deemed critical for success in the work place. Evidence also points to a mismatch between the skills acquired in school and the critical skills demanded by the labor market. Relatedly, the lack of adequate skills is frequently cited as a top constraint to hiring by firms in the region.

Gender dynamics in the OECS states are more complex than those in many other regions or countries. Gender identities rooted in shared social norms and cultural values expose men and women to specific gendered concerns. Women in the region experience higher rates of unemployment, fewer job options, and lower wages than men. In some OECS states, poverty rates are higher among women, especially among female-headed households and women in rural areas.[17] In the OECS countries, women are also particularly vulnerable to domestic violence and increased health risks. According to a recent United Nations report (UN 2011), young women aged 15–24, constitute the most at-risk population and are three to six times more likely to contract the human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS). Lastly, women's involvement in political activities also lags behind that of men. In contrast, some gender inequalities appear to have tilted toward male marginalization, especially in terms of underachievement and school dropout rates. The ratio of female to male enrollment is near parity at the primary level in almost all countries but girls are slightly more likely than boys to be enrolled in secondary school. Available data also suggest that girls are much more likely to enroll at the tertiary level. In addition, men's involvement in violent activities and substance abuse continues to increase and exceeds that of women.

Developments during the Evaluation Period

Given the strong linkages of the region with the United States and Europe, the OECS states were severely impacted by the global financial crisis and experienced sharp declines in growth. Pre-existing weaknesses in the financial sector, debt management, public finances, and social protection programs exacerbated the fall-out from the crisis and severely constrained the countries' ability to respond. The primary channels of transmission for the crisis were through significant reductions in the levels of tourism, remittances, foreign direct investment, and exports. As a result, regional growth contracted from about 4.2 percent during 2006–08 to -2.7 percent over the following three years (table A.4). Per capita income declined on average by 4.5 percent from around $9,200 in 2008 to $8,800 in 2012. The largest fall in per capita income was felt in Antigua and Barbuda (17 percent compared to the pre-crisis level), which experienced a cumulative output contraction of 22 percent of GDP during 2009–11. Dominica, St. Lucia, and St. Vincent and the Grenadines were less affected by the crisis compared with neighboring countries (World Bank 2014).

Table A.4. OECS Macroeconomic Indicators, 2007–14

Indicator	2007	2008	2009	2010	2011	2012	2013	2014
GDP growth	4.6	2.4	-5.2	-2.9	0.1	0.2	0.9	1.7
Fiscal deficit (% of GDP)	3.5	3.0	6.7	3.7	4.3	3.6	2.9	1.6
Government expenditure (% of GDP)	28.7	29.1	32.7	30.7	30.9	29.1	29.5	29.1
Current account deficit (% of GDP)	27.3	28.4	19.5	19.6	18.1	16.7	16.1	13.5
Export of goods (% of GDP)	7.0	8.5	8.0	9.1	8.5	8.9	8.7	
Export of services (% of GDP)	30.0	29.0	27.9	28.4	29.2	28.6	28.7	
Imports of goods and services (% of GDP)	*62.3*	*64.3*	*54.3*	*57.0*	*56.0*	*54.3*	*53.4*	

Source: World Economic Outlook database October 2015, IFS September 2015, World Development Indicators database.

Positive growth, together with fiscal imbalances and already high-debt levels, prevailed pre-crisis. Confronted by a series of external economic shocks in the early 2000s, the OECS governments tried to offset the slowdown and sustain employment through expansionary fiscal policy, mainly through increased public spending financed by expensive commercial borrowing. As a result, the region's economic growth rebounded from an average of 1.3 percent during 2000–02, to about 5 percent over the 2003–07 period. However, the increased spending led to growing fiscal imbalances and an unsustainably large debt burden.[18] The OECS fiscal deficit, which stood at 6.6 percent of regional GDP in 2000, had grown to 10.5 percent in 2002. On average, the OECS fiscal deficit was about 6.5 percent of regional GDP over the 2000–07 period compared to about 3.7 percent during 2008–14. Consequently, the OECS public debt grew from about 70 percent of regional GDP in 2000, peaked at 95 percent in 2004, and was about 87

percent of GDP in 2014. As a result of both revenue-enhancing and expenditure-reducing measures, fiscal balances in the region have improved since the crisis. In Dominica and St. Kitts and Nevis for example, fiscal positions have improved because of the introduction of a Value-Added Tax (VAT) and strong receipts from the Citizenship-by-Investment (CBI) program, while in the other countries large expenditures have continued to put pressure on fiscal balances.

Current account deficits in member states have also been declining as a result of the global crisis. The OECS's average current account deficit has declined by more than 10 percentage points (from 28.4 percent of GDP in 2008 to 13.5 percent in 2014) because of lower imports and strong service receipts, mainly driven by the CBI program.[19] Financing of the current account deficit has relied heavily on government borrowing and on a number of nontraditional sources of financing, including the CBI programs, oil financing arrangements under Venezuela's Petrocaribe program, and nontraditional development partners. Uncertainty regarding the long-term sustainability of these arrangements and programs also increases the vulnerability of the OECS states. A disruption or modification of the terms of oil financing, for example, could affect the external accounts of OECS countries and generate fiscal pressures. In addition, while the CBI programs have been a significant source of funding for several OECS countries in recent years (providing revenues equal to 13 percent of GDP in St. Kitts and Nevis in 2013 and of nearly 4 percent in Dominica), their sustainability is uncertain, especially as such programs proliferate in the region (e.g., Antigua and Barbuda and Grenada restarted their programs in 2013 and 2014, respectively).

The global crisis also triggered distress in the financial sector and exposed critical gaps in the regulatory and supervisory structure of nonbank financial institutions. Financial soundness indicators deteriorated as nonperforming loans increased, putting pressure on profitability and capital levels. Further, the weakness of the real estate market made it difficult for banks to realize real estate collateral. In July 2011, the largest domestic bank in Antigua and Barbuda, which accounted for 3.2 percent of the total assets of the ECCU banking system was taken over by the Central Bank. The January 2009 failure of British American Insurance Company Limited (BAICO) and Colonial Life Insurance Company (CLICO)—two subsidiaries of CL Financial Group which offered high interest rates on fixed-term deposits backed by risky investments in the U.S. real estate sector—caused a major financial shock throughout the Caribbean. The failure led to costly government interventions with the highest gross exposure at 15 percent of 2009 GDP in the OECS region (Schipke, Cebotari, and Thacker 2013). The weak underwriting criteria and risk management policies in banks prior to the crisis in combination with the prevailing low growth environment have resulted in a deterioration of asset quality, a decline in profitability, and a contraction in credit to the private sector.[20]

Finally, in part as a result of the crisis, major advances have been made in the continued process of integration and cooperation among the OECS countries. The Eight-point stabilization and growth program, signed by the ECCU governments in 2009, served as the basis for a coordinated regional response to the global financial crisis. The primary pillars of the stabilization program were in the areas of financial programming, fiscal reforms, debt management, public sector investment programs, social and financial safety nets, and reforms of the banking and insurance sectors. To deepen the level of economic integration, a revised Treaty of Basseterre establishing the OECS Economic Union entered into force on January 21, 2011. The revised treaty paves the way for the creation of a single financial and economic space with a common external tariff and within which goods, people, and capital would move freely. Member states are expected to harmonize monetary and fiscal policies and to take a common approach to trade, health, education, and the environment as well as to the development of such critical sectors as agriculture, tourism, and energy.

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[1] Although the OECS also formally includes the British Virgin Islands and Martinique as associate members, those territories do not use the Eastern Caribbean dollar. Anguilla, in turn, is only an associate members of the OECS, but is a full member of the currency union. Montserrat is a full member of both the OECS and the currency union. The British Virgin

Islands use the US dollar as their currency while Martinique uses the Euro. For this report, unless otherwise specified, the OECS refers to the six sovereign member states of the OECS.

[2] Populations in the member states range from 56,000 in St. Kitts and Nevis to about 180,000 in St. Lucia.

3 Unlike in the other OECS islands, mainstream tourism in Dominica is not as developed due to the small number of white-sand beaches, high rainfall, and poor air connections. Instead, eco-tourism is being promoted.

[4] On average, there is a 14 percent probability that a Caribbean country will be hit by a tropical storm in any given year, and in most countries the probability exceeds 10 percent (IMF 2014).

[5] Tourism activity was boosted by large-scale investment in the supporting infrastructure (airports and hotels) funded primarily by concessional financing and foreign direct investment while preferential trading arrangements with the United Kingdom (and later the European Union) facilitated developments in the agricultural sector.

[6] Following the terrorist attacks in the US on September 11, 2001, the number of visitors to the six OECS states declined by 13 percent in 2002.

[7] Over the 2005–14 taxes on international trade transactions accounted for an average of 68 percent of government revenue.

[8] Recent natural disasters affecting the Eastern Caribbean include Hurricane George (1998), Hurricane Ivan (2004), Hurricane Emily (2005), Hurricane Felix (2007), Hurricane Dean (2007), and Hurricane Omar (2008), Hurricane Tomas (2010), low-level trough system (2013).

[9] The situation is further exacerbated by the fact that most of the buildings in the region were not built to appropriate seismic-resistant standards, so a large earthquake event could also have catastrophic consequences.

[10] In 2014, the average debt to GDP ratio for the sub-region stood at 87 percent of regional GDP and all the states have since 2010, exceeded the ECCU’s target debt-to-GDP ratio of 60 percent.

[11] The World Bank’s Worldwide Governance Indicators are annual composite constructs made up of individual indices (mostly based on perceptions or “expert opinions”) from various sources, including the World Economic Forum Global Competitiveness Survey, Political Risk Services International Country Risk Guide, and more specialized sources such as Transparency International. Aggregation helps reduce potential idiosyncratic errors associated with the individual indices, and the composite indices measure various dimensions of governance within known error margins. The composite indices track six dimensions of governance: “Voice and Accountability,” “Political Stability and Absence of Violence,” “Government Effectiveness,” “Regulatory Quality,” “Rule of Law,” and “Control of Corruption.”

[12] As discussed in greater detail in Chapter 3, the wage bills are also comparatively very high as a ratio of the OECS countries’ GDP.

[13] Though lower than the average for small states (20 deaths per 1,000 live births), the infant mortality rates in St. Vincent and the Grenadines and Dominica (17 and 20, respectively) are higher than the average for both the Latin America and the Caribbean Region (15) and upper-middle-income countries (15).

[14] It must be noted that data are available only for three states; Grenada, St. Lucia, and St. Vincent and the Grenadines.

[15] The costs of NCDs include direct costs of individual health spending as well as indirect loss of earnings, in addition to the economic burden to families, communities, and private and public healthcare systems. In St. Lucia for example, NCD patients spend 36 percent of their total household expenditure annually for care.

[16] According to a recent World Bank report on Education in the OECS countries, on average, 21 percent of Mathematics and English teachers are unqualified in the subject matter, and this rate is over 80 percent among Science teachers in OECS countries (Matthews 2013).

[17] The gender distribution of poverty in the sub-region varies across countries. Men and women are nearly equally represented among the poor in Dominica. In Grenada and St. Lucia, however, more males than females are poor (52.2 percent and 57.5 percent, respectively). The situation is reversed in Antigua and Barbuda and in St. Kitts and Nevis, where females make up 52.8 percent and 52.5 percent, respectively, of the poor.

[18] Central government primary deficits (excluding grants) in particular, were the main source of rising debt ratios in OECS countries, accounting for more than half of the total increase during the pre-crisis period.

[19] The CBI is a program established by some OECS governments to attract investors to make a substantial contribution to the development of the country in return for the opportunity to apply for citizenship and passport within the strict guidelines of the law. CBI programs are active in Antigua and Barbuda, Grenada, Dominica, and St. Kitts and Nevis.

[20] NPLs increased significantly following the 2008–09 crisis from 6 percent in 2007 to more than 11 percent of total loans at end-2010.

Appendix B. World Bank Group OECS Strategy and Operational Program FY06–14

Table B.1. Planned Bank Programs in World Bank Group Strategy Documents

Strategy Document	Pillars (Results Areas)	Country Policy Framework Backdrop	Projected Bank Financing	Bank AAA	Other Remarks
FY06–09 RPS (Sept. 2005)	Supporting Growth and Competitiveness (restore fiscal and debt sustainability, improve efficiency in public service delivery, foster use of ICT in developing growth poles, improve public utilities, strengthen management of natural environment); Reducing Vulnerability (improve social protection programs, reduce the incidence of human immunodeficiency virus and acquired immune deficiency syndrome, foster human capital development and increased, more equitable access to secondary education, strengthen disaster risk management, mitigate vulnerability to natural disasters)	OECS Development Charter	$51.3 million. Projects to cover catastrophic risk insurance, skills enhancement, public sector modernization, infrastructure and utilities, social protection, budget support. Separate GEF funding for climate change- and environment-related projects.	Air transport, skills and curriculum, social protection, poverty and social data, infrastructure, fiduciary assessment. Policy notes and capacity development initiatives in several areas. Caribbean-wide AAA: financial sector, pensions, health financing.	Projected Bank financing referred to base case (BC). High case involved roughly double the total, including lending to SKN and AB, absent in BC. LC involved $20 million less, with only catastrophic risk and skills enhancement focus retained.

FY06–09 RPSPR (June 2008)	As in RPS		$23.1 million (already realized) plus $12.6 million (projected over remaining RPS period).[a] Includes projects not originally specified in RPS, such as E-GRIP and additional financing for disaster management in St. Lucia.	AAA not originally in RPS covering noncommunicable diseases and nurse labor market.	BC acknowledged as relevant financing scenario.
FY10–14 RPS (May 2010)	Building Resilience (promoting fiscal and debt sustainability, protecting and improving human capital, and strengthening climate resilience); Enhancing Competitiveness and Stimulating Sustainable Medium-Term Growth (strengthening domestic financial sectors, improving access to quality services for a more competitive business environment)	OECS Development Strategy; ECCU Eight-Point Stabilization and Growth Program; national development strategy papers.	Up to $73 million IDA and up to $120 million IBRD ($20 million per country) financing. Projects to cover e-government services (SVG), regional energy regulation, social safety nets, financial sector, regional communications infrastructure, education, disaster vulnerability reduction, budget support (including programmatic DPLs). Separate GEF funding for climate change- and environment-related projects.	Fiscal and debt sustainability (including DeMPAs), financial (including insurance) sector, institutionalizing M&E public expenditure review, IDF grants to enhance public spending efficiency, renewable energy and island interconnection, investment climate, MDTF for public finance management (SEMCAR), agriculture risk management (GD), PPPs (IFC), and climate resilience and environment (GEF). Caribbean-wide AAA: debt restructuring framework, energy strategy.	Projected Bank financing was single-scenario (i.e., no high or low case). Partnerships were highlighted more than in the predecessor RPS and exemplified by SEMCAR, PPCR, and collaboration with UNICEF and UNIFEM on safety net diagnostics and reform.
FY10–14 RPSPR (April 2012)	As in RPS	Revised Treaty of Basseterre	$62.7 million (already realized, including unprogrammed post-hurricane Tomas recovery	Changes relative to RPS are mainly minor variations in timing.	Citing impact of the global crisis (including its impact on the financial sector) as

	establishing Economic Union.	operations in St. Lucia and St. Vincent and the Grenadines) plus at least $94.4 million[c] (projected over remaining RPS period), not including possible programmatic development policy lending in FY13–14. Remaining IDA country allocations estimated at $63.2 million. Disaster-response operations introduced, education and financial sector operations dropped.	Nevertheless, a few activities were dropped, such as public expenditure review, PPPs (IFC), and investment climate assessment. Some new activities were introduced, such as Caribbean Growth Forum and OECS Growth and Development Strategy.	more severe, and recovery slower, than previously expected, RPSPR stressed the need for flexibility and responsiveness to country demands. The RPSPR cited resource constraints as motivating selectivity, manifested notably in the dropping of certain nonlending tasks,[d] yet it added others.

a. Country allocations only; no projection for regional IDA funds allocation.

b. Indicative and subject to individual country allocations under IDA-16 as well as IBRD lending capacity; does not include regional IDA funds. Assumes same allocations under IDA-16 as under IDA-15.

c. However, this included a $20 million provision for the Antigua Public and Social Sector Transformation Project, which ultimately amounted to $10 million.

d. Internal resource constraints have affected planned analytic work and technical assistance more than lending" (World Bank 2012, 11).

Note: AAA = analytic and advisory activities; AB = Antigua and Barbuda; AIDS = acquired immune deficiency syndrome; DeMPAs =Debt Management Performance Assessment; DPL = development policy loan; ECCU = Eastern Caribbean Currency Union; EGRIP = Electronic Government for Regional Integration Project; GD = Grenada; GEF = Global Environment Facility; HIV = human immunodeficiency virus; IBRD = International Bank for Reconstruction and Development; ICT = information communications technology; IDA = International Development Association; IDF =Institutional Development Fund; IFC = International Finance Corporation; LC = St. Lucia; M&E = monitoring and evaluation; MDTF = Multi-Donor Trust Fund; OECS = Organisation of Eastern Caribbean States; PPCR = Pilot Program for Climate Resilience; PPP = public-private partnership; RPS = regional program strategy; RPSPR = Regional Partnership Strategy Progress Report; SEMCAR = Supporting Economic Management in the Caribbean; SKN = St. Kitts and Nevis; SVG = St. Vincent and the Grenadines; UNICEF = United Nations Children's Emergency Fund; UNIFEM = United Nations Development Fund for Women.

The FY06–09 Regional Partnership Strategy (RPS) foresaw World Bank Group-wide activity, including base-case International Development Association (IDA) financing of almost $13 million a year, reduced slightly in the RPS Progress Report (RPSPR). The RPS was based on indicative base case World Bank financing totaling $51.3 million on IDA terms to the four blend countries. This total included both the projected IDA country allocations and a $15.2 million IDA regional allocation. Base case lending was to be conditioned on criteria covering macroeconomic and portfolio performance as well as regional integration and collaboration for regional projects. Failing these, lending was to be scaled back to a low-case scenario. There was a provision in base case lending for budget support, and investment lending was to focus on skills enhancement, public sector management, and infrastructure. High-case lending—to be triggered by the fulfillment of more stringent macroeconomic performance criteria—would amount to roughly double the base case amount. The difference—possibly including additional budget support—was to be provided on International Bank for Reconstruction and Development (IBRD) terms, with Antigua and Barbuda and St. Kitts and Nevis in addition to the four blend countries as potential beneficiaries.

The Bank also planned to commit grant financing under trust funds for capacity-building activities. Planned analytic and advisory activities (AAA), many OECS- or Caribbean-wide, covered a variety of areas, and there was emphasis on dissemination of key AAA to build ownership for relevant reforms. As is standard, the RPS did not detail planned IFC activity, although both investment and advisory service operations were envisioned. IFC was to seek investment opportunities in areas that fostered growth diversification and regional integration, including the financial sector, infrastructure (favoring public-private partnerships, or PPPs), and services (notably information technology and tourism). However, the RPS recognized that given small-state-specific constraints (e.g., the need to attain critical mass), International Finance Corporation (IFC) investment funding mechanisms would likely need to be underpinned by partnerships with grant donors. Other activities would include technical assistance and advisory services related to small and medium enterprises (SMEs). The Multilateral Investment Guarantee Agency (MIGA) planned to conduct a benchmarking exercise of the OECS countries' competitiveness with foreign direct investment using Commonwealth Secretariat funding. It also foresaw the possibility of the Facility for Investment Climate Advisory Services (FIAS) replicating its 2004 review of Grenada's investment climate in other OECS countries. The RPSPR maintained the RPS pillars and planned areas of Bank Group intervention, but introduced some new project and AAA activities, and substantially modified the RPS results framework. The RPSPR also recognized the base case scenario as having been, and most likely remaining, the relevant one for Bank financing. Based on somewhat lower-than-

planned IDA availability, it reduced its projection of total Bank financing on IDA terms to the four blend countries.

The FY10–14 RPS planned for Bank and IFC activity, including IDA financing averaging almost $15 million per year. Rather than detail financing scenarios, the FY10–14 RPS projected Bank financing of up to $73 million on IDA terms to the four blend countries and up to $120 million (up to $20 million for each of the six countries) on IBRD terms. Under the influence of the global crisis, IDA/IBRD financing was envisioned to include both budget support (including possible programmatic development policy lending) and investment lending, with the latter covering multiple areas, including disaster vulnerability reduction, regional energy regulation, and social protection. In addition, the RPS envisioned some grant financing commitments under the Global Environment Facility (GEF) and under other trust funds (such as the Institutional Development Fund) for capacity-building initiatives. The RPS also set out an AAA program, including analytic work and various nonlending technical assistance (NLTA) initiatives. As in the FY06–09 RPS, IFC planned to focus on financial markets (including trade finance, SME financing, microfinance, and credit information); infrastructure; investment climate; and growth sectors, including sustainable tourism. Particular focus—for advisory services as well as for potential investments—was to be put on PPPs.[1] MIGA was not mentioned. While maintaining the RPS pillars and broad areas of intervention, the RPSPR introduced some changes in the work program—dropping a financial sector technical assistance project and an education sectorwide approach (SWAP)[2]—as well as in outcome indicators and targets in the RPS results matrix. It also dropped "how to" IFC advisory work on PPPs and planned investment climate assessment work in certain countries. No radical change in IDA/IBRD financing was made, although the constraint on the availability of IDA resources turned out to be less binding than anticipated in the RPS.

Detailed Portfolio Analysis

Delivery of World Bank financing over the evaluation period did not differ radically from plans, although IDA funding was larger than expected. During the FY06–09 RPS period, deliveries of Bank (i.e., IDA/IBRD) financing commitments amounted to some $41.5 million under 10 projects. The new financing commitments benefited the four blend countries, mainly Grenada and St. Lucia, and were entirely on IDA terms. The $10 million shortfall compared with the original (base-case) plans had already been largely anticipated in the FY06–09 RPSPR, and was attributable mainly to lower-than-expected availability of IDA resources following a reallocation to other Caribbean countries for natural disaster response. During the FY10–14 RPS period, new Bank financing commitments amounted to $198.9 million on IDA terms (to the four blend countries) and $18.5 million on IBRD terms (of which $10 million was to Antigua and

Barbuda) under 14 operations. Compared with plans (even as modified by the FY10–14 RPSPR), IDA commitments turned out significantly higher, as IDA allocations for the countries turned out to be larger than projected initially[3] and significant IDA regional resources (which the RPSPR had not attempted to project) were mobilized in favor of the OECS countries.[4] In contrast, the modest financing commitments on IBRD terms during FY10–14 remained well within the envelope specified in the RPS. Altogether, new Bank lending commitments over the evaluation period amounted to almost $259 million under 24 operations, all but $18.5 million of it on IDA terms. Beyond the individual country IDA allocations, IDA resources of $42.6 million were provided from the regional allocation.[5] In addition to IDA/IBRD financing, again mostly in line with plans, $67 million in GEF and trust fund grant financing was committed to the OECS countries (table B.1) under 25 projects.[6]

Table B.2. Financing Commitments to the OECS by Funding Source, FY06–14

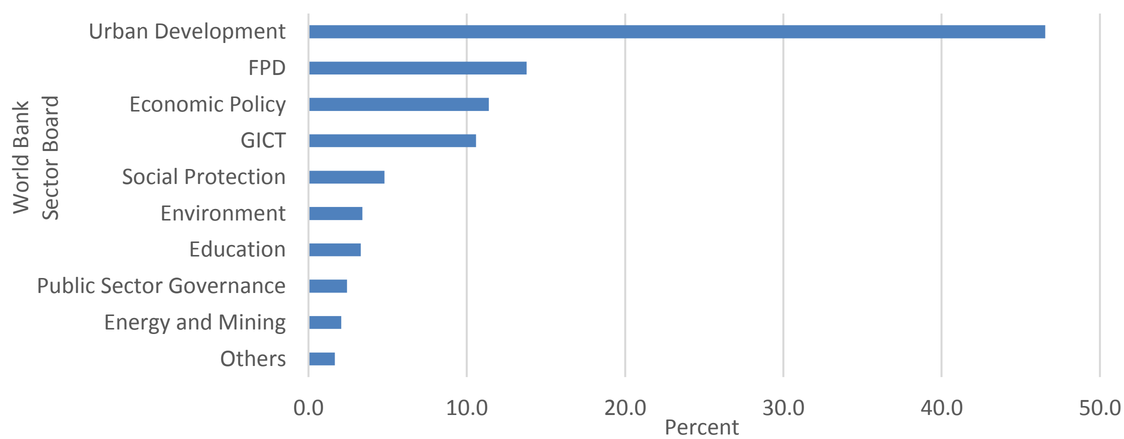
	Number of Commitments	Commitment Amount (US$, millions)	Commitment Amount as Percent of Total Commitments
IDA/IBRD financing for individual country operations	17	142.6	44
IDA financing for regional projects	7	116.2	36
IDA/IBRD financing total	**24**	**258.8**	**80**
Trust fund grants to regional projects	19	63.8	20
Trust fund grants to individual countries	6	2.8	1
Total	**49**	**325.5**	**100**

Source: World Bank Business Intelligence database.
Note: Regional projects include projects approved for only the OECS countries as well as those for all Caribbean countries.

The instruments under which Bank financing was committed were mainly investment projects concentrated in disaster risk management. Commitments of IDA/IBRD financing were made predominantly under investment operations. Grenada and St. Lucia—the largest overall recipients of Bank financing—were the only recipients of development policy operations, which accounted for only 14 percent of the value and 13 percent of the number of IDA/IBRD commitments. In general, the operations delivered largely reflected plans (as qualified in the RPSPRs). For instance, during FY10–14, although the RPSPR introduced some modifications relative to RPS plans (notably to accommodate post-Hurricane Tomas recovery operations in St. Lucia and St. Vincent and the Grenadines and to drop financial and education sector lending), the outturn of projects approved differed little from the modified plans.7 The sector composition of operations was concentrated in disaster risk reduction and management (including catastrophic insurance and post-disaster recovery and reconstruction), with commitments classified under the urban development sector board accounting for

almost half of total lending (figure B.1). Overall, five key areas that were broadly aligned with the CAS pillars—urban development (under which virtually all disaster risk management operations are classified), financial and private sector development, economic policy, global information-communications technology, and social protection—accounted for almost 90 percent of total Bank financing commitments during FY06–14.

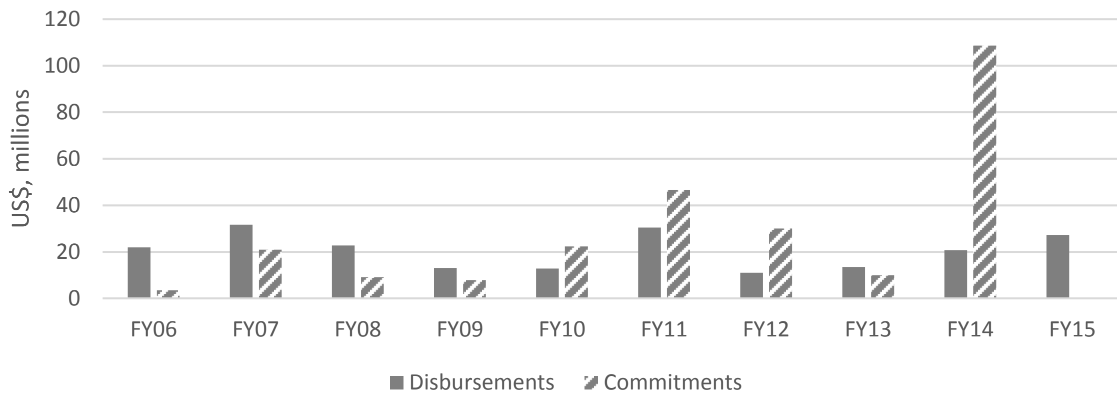
Figure B.1. World Bank Commitments by Sector Board, FY06–15



Source: World Bank Business Intelligence Database
Note: FPD = Financial and Private Sector Development; GICT = Global Information and Communication Technologies Department.

Although IDA/IBRD financing commitments were larger in the latter part of the evaluation period, the portfolio of Bank-financed operations underwent substantial consolidation. The Bank lending commitments during the evaluation period came on top of a significant inherited portfolio of 20 projects with an associated net commitment of about $128 million.[8] New IDA/IBRD financing commitments—especially commitment volumes—were tilted heavily toward the latter part of the evaluation period (figure B.2). In particular, commitment volumes increased sharply in FY14 owing to the approval of three new disaster vulnerability reduction operations for Dominica, St. Lucia, and St. Vincent and the Grenadines, which together amounted to $93.6 million in new financing commitments. Despite the increase in commitment volumes, however, the number of active IDA/IBRD-financed projects in the portfolio fell steadily after peaking in 2008 (figure B.2). Close to end-FY15, the active portfolio comprised only 9 operations for a total net commitment of about $184 million—compared with more than twice that number at the start of the evaluation period.

Figure B.2. World Bank Commitments and Disbursements to OECS, FY06–15



Source: World Bank Business Intelligence database.

Table B.3. IDA/IBRD-Funded Portfolio in the OECS, FY06–15

Characteristic	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Number of projects	17	21	25	19	19	18	15	14	11	9
Net commitment amount, US$, millions	106.4	129.5	160.4	115.5	129.7	126.1	113.9	119.8	199.9	183.9
Number of problem projects	3	0	2	3	3	0	4	0	3	4
Number of potential problem projects	0	1	0	1	0	0	1	2	0	0
Percent of potential problem projects	0	4.8	0	5.3	0	0	6.7	14.3	0	0
Number of projects at risk	3	1	2	4	3	0	5	2	3	4
Commitment at risk (US$, millions)	15.1	6.2	15.2	15.3	9.1	0	30.6	20.0	19.4	45.6
Percent of commitment at risk	14.2	4.8	9.5	13.2	7.0	0	26.9	16.7	9.7	24.8

Source: World Bank Business Intelligence data as of May 26, 2015.

Consolidation notwithstanding, portfolio riskiness increased after FY12, while disbursements showed no clear trend. During the period FY06–10, on average 14 percent of the number of projects and 10 percent of commitment volumes in the OECS were deemed to be at risk. Portfolio riskiness contrasted favorably with an average of 20 percent of the number of projects and 17 percent of commitment volumes at risk in the Bank's Latin America and the Caribbean Region, and a world average of 18 percent of

the number of projects and 15 percent of commitment volumes at risk over the same period. Exceptionally, in FY11, no Bank operations or commitments in the OECS were considered to be at risk (table B.3). However, since FY12, the riskiness of the OECS portfolio has increased to 30 percent of projects and 20 percent of commitments compared to 22 percent and 19 percent for the Region and 20 percent of both projects and commitments for the World Bank portfolio as a whole. The trend in disbursements over the evaluation period was somewhat unclear, although disbursements did show some signs of weakening, especially as a ratio of net commitment volumes (and especially following the record new commitment volumes in FY14). Disbursements declined from an average of $25.4 million during FY06–08 to an average of $18.8 million over FY09–11, remaining virtually flat at an average of $18.2 million thereafter (figure B.2).

The performance of projects exiting the OECS portfolio was somewhat better than the World Bank average, albeit with significant risks to development outcomes. Thirty-three operations exiting the portfolio during the evaluation period were subject to IEG assessments (table B.4).9 On average, outcome ratings, at about 79 percent moderately satisfactory or better, are on a par with those of the Region and are somewhat better than the average for the Bank as a whole (73 percent). Seven projects exiting the OECS portfolio were rated as moderately unsatisfactory or worse. Most of these operations encountered implementation delays, primarily as a result of project designs that made insufficient provision for weak client institutional capacity. In particular, issues hindering project implementation included complex institutional arrangements, overly sophisticated M&E plans, inadequate political economy analysis, weak ownership, and coordination problems linked to multiplicity of stakeholders. IEG reviews of closed projects also found a high risk to development outcome in two (8 percent), and significant risk to development outcome in seven (28 percent), of the 25 instances where risk was assessed. Commitments under these projects amounted to $48.5 million, or 26 percent of total commitments under all projects assessed for risk to development outcome. The elevated risks to development outcomes were attributable to factors such as lack of government consensus and public support for certain reforms, uncertainty regarding the sustainability of financing for infrastructure maintenance in contexts characterized by fiscal constraints and vulnerability to natural disasters, and unsustainability of institutional arrangements established during project implementation.

Table B.4. IEG Project Ratings by Exit Fiscal Year, FY06–14

IEG Outcome Rating	FY06	FY09	FY10	FY11	FY12	FY13	FY14	Total
Highly satisfactory	0	0	0	0	1	0	0	1
Satisfactory	4	1	0	1	1	0	1	8
Moderately satisfactory	2	3	2	3	5	0	2	17
Moderately unsatisfactory	0	2	0	2	0	1	0	5
Unsatisfactory	0	2	0	0	0	0	0	2
Total	**6**	**8**	**2**	**6**	**7**	**1**	**3**	**33**

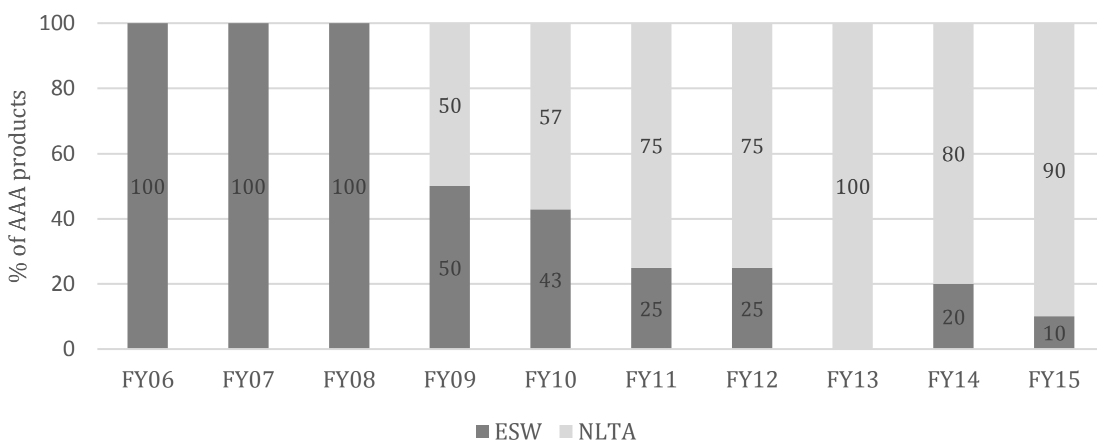
Source: World Bank Business Intelligence database.
Note: There were no IEG rated projects for exit fiscal years FY07–08 and FY15.

In terms of Bank AAA deliveries, NLTA dominated. The Bank delivered a total of 55 AAA products over the evaluation period, largely reflecting (RPSPR-adjusted) plans. Economic and sector work (ESW) accounted for 38 percent of the number of AAA tasks, which were dominated by NLTA (62 percent of AAA tasks). Out of a total of about $12 million in Bank (administrative) budget and trust fund resources allocated to AAA products over the evaluation period, 69 percent was allocated to NLTA tasks. The composition of AAA switched sharply toward NLTA during the latter part of the period (figure B.3). ESW deliveries included several reports, the majority of which had multi-OECS-country coverage involving a broad array of themes, including fiduciary management, tourism sector backward linkages, skills enhancement, private sector financing, and an accounting and audit ROSC.[10] A gender review was completed toward the end of the period and was attached to the FY15–19 RPS. Several ESW products with Caribbean-wide reach—again covering diverse themes, including pension reform, nurse migration, noncommunicable diseases, crime and violence, air transportation, and a regional energy strategy—and Bank Group institutional products such as Doing Business updates also had direct applicability to the OECS countries. In addition, shortly before the start of the evaluation period, in-depth core diagnostic ESW on the OECS countries—which was not emphasized during the evaluation period—had been completed on the growth agenda and fiscal (including public expenditure) issues. Bank NLTA deliveries benefiting the OECS had similarly broad thematic coverage. They were both inter-OECS—coverage included debt management, financial sector, education, safety nets, and statistics; and Caribbean-wide—coverage included public financial management, natural hazard risk management, human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), and youth at risk.[11]

IFC delivered few investments, concentrating its efforts in advisory services, while MIGA had virtually no activity. IFC made only two direct investments in OECS-based institutions over the evaluation period: a $20 million loan to the Bank of St. Lucia in FY08 and a $30 million loan to the American University of Antigua in FY10.[12] In addition, under an IFC trade line, $8.6 million in trade finance guarantees were

generated. Nevertheless, IFC invested at least $120 million in companies domiciled outside the OECS but with operations and investments in OECS countries.[13] IFC also delivered 14 advisory service (AS) operations during the evaluation period, concentrated in the areas of access to finance (including microfinance and credit information), PPP transactions advisory, and the business climate. AS operations in the area of access to finance included provision of technical assistance to the Bank of St. Lucia in designing and implementing a strategy for SME financing, while PPP-related AS operations typically involved providing support for structuring transactions. These transactions included divestment of the state insurance company of Antigua, development and operation of replacement hospital in Grenada, and a concession to introduce private sector participation in the operation of St. Lucia's Hewanorra International Airport. Finally, MIGA activity during the evaluation period was confined to the planned competitiveness benchmarking exercise.

Figure B.3. World Bank Analytic and Advisory Activities, FY06–15



Source: World Bank Business Intelligence database.
Note: AAA = analytic and advisory activities; ESW = economic and sector work; NLTA = nonlending technical assistance.

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1 The RPS indicated that Canada was providing support for IFC work on the investment climate and PPP advisory services.

[2] The RPSPR explains that the Bank was able to mobilize grant resources, including DFID support, to fund financial sector technical assistance, while the countries had made insufficient progress in mapping out a credible education strategy to warrant Bank preparation of a sectorwide approach in the sector.

[3] This also reflected a doubling of the minimum base IDA country allocation to SDR 3 million under IDA-16 (FY12–14), which benefited small states disproportionately.

[4] Almost $38 million in regional IDA resources were committed during the FY10–14 period.

[5] This figure breaks down into $4.8 million over FY06–09 and $37.8 million over FY10–14. To be eligible to draw on the regional IDA allocation, a project must fulfill certain criteria, including planning to involve three or more countries, all of which need to participate for project objectives to be achievable (see World Bank 2005, para. 132). In addition, regional IDA funding must leverage national allocations. Caribbean-wide operations that involved at least one OECS country are included in the figures cited.

[6] In addition to financing commitments of IDA/IBRD resources, financing commitments to clients made by the Bank also count projects financed by the GEF and other trust funds that are client-executed (the $67 million figure cited). In contrast, trust fund-financed initiatives that are Bank-executed—some of which can in practice closely resemble client-executed projects—are classified under Bank AAA (typically as nonlending technical assistance) rather than as financing commitments to clients.

[7] Differences relate mainly to the timing and amounts of certain operations. For instance, the FY10–14 RPSPR foresaw programmatic development policy lending beginning in FY13, whereas the first Grenada Resilience-Building DPL was approved in FY14. The Antigua Public and Social Sector Transformation Project was anticipated as an FY12 delivery of $20 million, but ultimately materialized as an FY13 delivery of $10 million.

[8] In addition, 5 projects (including three GEF projects) with associated trust fund grant financing commitments of $10.8 million were active at the start of the evaluation period.

[9] Two were Caribbean-wide GEF operations, and one (the Caribbean Catastrophe Risk Insurance Facility) was trust fund-financed and recipient-executed. The remainder, which included projects with a multi-Caribbean-country or multi-OECS-country reach and country-specific operations, were IDA/IBRD-financed. All IEG assessments took the form of ICR reviews, and in two cases a more detailed assessment (PPAR) was also done subsequently.

[10] Single-country ESW, which included a cocoa and nutmeg logistics chain analysis for Grenada and debt management assessments for Antigua and Barbuda, Grenada, and St. Kitts and Nevis was more limited.

[11] Single-country NLTA tasks (e.g., on geothermal development in Dominica) were limited.

[12] The dearth of IFC investment opportunities in the OECS region is often attributed to the small size of the countries (high transactions cost relative to the size of potential investments) and the absence of stronger regional integration.

[13] These included a $100 million equity investment in Sagicor Financial Corporation, the number one provider of individual and group life and health insurance in Barbados, Jamaica, and the Eastern Caribbean region, and a $20 million equity investment in a private equity firm with investments in the Caribbean.

Appendix C. World Bank Group Support for Strengthening Resilience

Pillar 1.1: Strengthening Fiscal and Debt Sustainability and Public Sector Performance

Table C.1. World Bank Group Strategic Objectives in Public Sector Management

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*[1]
Strengthened debt management (FY10–14)	Debt management strategy prepared in at least 3 countries by 2014. *(As of July 2015, all countries but SKN had MTDSs prepared.)*
Fiscally sustainable wage bill while ensuring key public services (FY10–14)	Public wage bill reduced in three OECS countries relative to 2008/9 baseline. *(Not achieved in any of the countries.)*
Improved government services through implementation of regionally integrated e-government services (FY10–14)	Increase in number of major new e-government services from zero in 2009 to four by 2014. *(Nine were in place by 2014.)*
Improved links between public spending and development objectives (FY10–14)	Regular reporting mechanism containing information on selected programs in at least three countries by 2014. *(Although no information is available on this, RPSCR reports partial achievement on the grounds that advances had been made in "a broad and shared public accountability reform program targeting harmonized processes in several aspects of PFM." In fact, it was based on an unsuccessful IDF grant to CARICAD.)*
Improve efficiency in the delivery of public services through: (i) improved human resource management in the civil service (GD, DM); (ii) conversion of public entities into Executive Agencies to improve service delivery and reduce costs to public users (GD); and (iii) greater regional coordination in key public services such as procurement and auditing (all countries) (FY06–09)	EA Act adopted and in force in GD. *(Not achieved—initiative was dropped.)* Reduction in corporate nonfilers in GD from 59% to 45% by 2009 as a result of corporate tax reform. *(Not achieved.)* Reduction in customs clearance time and use of paper-based customs declarations (DM). *(Not achieved.)* Establishment of self-financing semi- autonomous agency for registry (DM). *(Achieved with establishment of autonomous agency for registry and reduction in processing time for land titles.)* Trained cadre in financial management and procurement of at least five civil servants per country by mid- 2009. (Not achieved.)

Note: CARICAD = Caribbean Center for Development Administration; DM = Dominica; GD = Grenada; IDF = Institutional Development Fund; MTDS = medium-term debt management strategy; PFM = public financial management; OECS = Organisation of Eastern Caribbean States; RPSCR = Regional Partnership Strategy Completion Report; SKN = St. Kitts and Nevis.

Table C.2. World Bank Group Instruments of Support for Public Sector Management

Lending Operations	Analytical Work	Nonlending Technical Assistance
GD Public Sector Modernization TAC **(P082392; FY06; $3.5 million)**	DeMPA (Debt Management Performance Assessments) Performance **AB P117233 FY10** **GD P117232 FY04** **SKN P116386 FY10**	OECS Tax Transparency (P121535; FY11)
GD TAC **(P101322; FY08; $1.9 million)**	OECS Country Fiduciary Assessment (**FY08; P098953)**	OECS Support to OECS Dev. Strategy NLTA **(P127336; FY13).**
DM Growth and Social Protection TAC **(P194869; FY07; $1.4 million)**	C8 Project with LAC-Analyzing debt sustainability issues and policy options for Caribbean countries **(P123033; FY12)**	Fiscal and Debt Sustainability NLTA (FY12)
GD Economic and Social DPL **(P117000; FY10; $8 million)**	VC OECS Analysis of Fiscal Issues II **P085060 FY05**	ECCB Debt and Growth TA (FY12)
LC Economic and Social DPL **(P117016; FY10; $12 million)**	Framework Solution for Caribbean Debt Restructuring (FY11)	OECS MTDS TA support to ECCB (FY12)
AB Public and Social Sector Transformation **(P126791; FY13; $10 million)**	OECS Growth and Competitiveness (CEM) **(P083915 FY05)**	OECS Regional Statistical Work in OECS **P123161 FY11** **P128524 FY14**
OECS E-Government for Regional Integration (E-GRIP) **(P100635; FY08; $7.2 million)** **(SVG P117087; FY10; $2.3 million)**	Caribbean Growth, Trade, and Labor **(P083913; FY05)**	Strengthening PFM, Tax and Customs (Caribbean-wide) (CIDA-led SEMCAR initiative, implemented by Bank and IMF MDTF; FY11 or FY10?; P123665) -Global Programs and Partnerships
1st Programmatic Resilience Building DPC **(P147152; FY14; $15 million)**	Accelerating Trade and Integration in the Caribbean SCL Evolving Reg. Integrat. and Trade **(P106726; FY09)**	Caribbean Growth Forum AAA (P130208; FY15)
LC Enhancing Public Service Performance **(P116859; FY09; IDF; $0.4 million)**		
GD Strength. Personnel Expenditures Mgmt **(P117873; FY10; IDF; $0.4 million)**		
AB Enhancing Efficiency in Pers Exp.**(P120474; FY10; IDF; $0.3 million)**		
OECS Institutionalizing M&E in OECS / CARICOM **(P117829; FY10; IDF; $0.5 million)**		
GD TAC **(P101322; FY08; $1.9 million)**		

Lending Operations	Analytical Work	Nonlending Technical Assistance
St. Kitts and Nevis: Enhanced PS Governance and Eff. **(P129786; FY12; IDF; $0.4 million)**		
OECS Strengthening Insti Capacit TF91819 **(P104531; FY07; IDF; $0.4 million)**		
Caribbean Assistance to CARTAC (TF055793) **(P094137; FY05; IDF; $1 million)**		
Caribbean SEMCAR SmartStream Enterprise Agreement Negotiation **(P131197; FY12; IDF; $0.2 million)**		

Note: AAA = analytic and advisory activities; AB = Antigua and Barbuda; CARICOM = Caribbean Community; CARTAC = Caribbean Regional Technical Assistance Center; CEM = Country Economic Memorandum; CIDA = Canadian International Development Agency; DPC = Development Policy Credit; DPL = development policy loan; ECCB = Eastern Caribbean Central Bank; IDF = Institutional Development Fund; LAC = Latin America and the Caribbean Region; LC = St. Lucia; NLTA = nonlending technical assistance; SCL =single currency loan; SEMCAR = Supporting Economic Management in the Caribbean; TAC = Technical Assistance Credit; VC = St. Vincent and the Grenadines.

WORLD BANK GROUP SUPPORT AND OUTPUTS

The Bank used analytic and advisory activities (AAA) in its endeavor to help strengthen the countries' debt management capacity; lending had only a sparing role. Beginning in 2010, under Eastern Caribbean Central Bank (ECCB) coordination and often in collaboration with the IMF, the Bank helped provide training to country and ECCB officials in debt management, including use of a Debt Management Performance Assessment (DeMPA) tool,[2] debt sustainability analysis, and medium-term debt strategy (MTDS) preparation. It also provided follow-on analytic and advisory support, including preparation of three DeMPA reports—for Antigua and Barbuda (FY10), Grenada (FY10), and St. Kitts and Nevis (FY10)—and direct assistance in preparing MTDSs (table C.2). Support from Canada's Department of Foreign Affairs, Trade and Development (DFATD) helped fund the Bank's work. Separately, the Bank developed the Comprehensive Debt Framework, a general framework for approaching debt management in small states that clarifies the multiple policy levers affecting public debt and their interconnectedness.[3] Except for a prior action under the FY10 Grenada Economic and Social Development Policy Loan ($8 million) that consolidated debt management functions into a single unit,[4] Bank lending has contributed little to debt management.

Bank lending and trust fund grants sought to help strengthen agency performance and Human Resources (HR) management capacity in Grenada and Dominica. In Grenada, support for a New Public Management model of public service delivery in Grenada was initially provided by the FY06 Public Sector Management Technical Assistance Credit

(PSMTAC; $3 million), which—in its initial configuration—focused on strengthening service delivery in agencies newly designated as Executive Agencies. However, pursuit of the Executive Agency model ran into constitutional obstacles and was later dropped.[5] The PSMTAC also sought to introduce modern HR management principles into the public sector, but the focus on this dissipated as implementation was delayed and the project restructured. Sometime later, using an FY10 Institutional Development Fund (IDF) grant,[6] the Bank sought to help build government capacity to undertake functional reviews in five pilot ministries and develop associated action plans.[7] Despite implementation delays, the launch of the reviews featured as a prior action under the FY10 Economic and Social DPL (ESDPL), and four were eventually completed.[8] After a three-year hiatus, the FY14 First Programmatic Resilience-Building (DPC, $15 million) resumed Bank support for improved public sector management,[9] featuring the prior action of endorsement of a public sector modernization policy (which inter alia established procedures for strategic realignment of public employment, strengthening the management of selected agencies, and developing a results focus in planning and budgeting). In Dominica, the FY07 Growth and Social Protection Technical Assistance Credit (GSPTAC; $1.4 million) helped fund a human resources audit of ministries, departments, and agencies and a toolkit for preparing succession plans, as well as institutional strengthening of the government registry.

The Bank subsequently extended support for government HR management to St. Lucia, as well as to Antigua and Barbuda and to St. Kitts and Nevis. In St. Lucia, a similar sequencing of IDF grant-supported technical assistance and development policy lending sought to help strengthen public sector human resource management, although the grant's role in providing hands-on support for DPL-supported prior actions was less clear than in Grenada. The FY09 IDF grant helped prepare a new pay and classification plan, review the legal framework for human resource management, and map out a performance appraisal system. A year later, the single-tranche FY10 Economic and Social DPL ($12 million, of which $8 million IDA) supported inter alia three prior actions relating to public sector HR management: contain the wage bill by avoiding increases in funded government positions and stopping funding for vacant positions; consolidate the Ministry of Finance and the Ministry of Planning and National Development under a single permanent secretary; and undertake functional reviews in three ministries. In Antigua and Barbuda, an FY10 IDF grant supported a payroll audit, functional reviews in two ministries, and prerequisites for carrying out a pay and classification reform.[10] A follow-on project, the ongoing FY13 Public and Social Sector Transformation Project (PSST; $10 million), was designed to support—among several measures to strengthen public service management—the integration of a dual public service employment regime.[11] However, owing in part to a government change since the project's approval, implementation of the component has been seriously

delayed, and is unlikely to proceed in its current form. In St. Kitts and Nevis, an FY12 IDF grant was designed to support—among other initiatives—a payroll audit and functional reviews of government ministries, but implementation has seriously lagged.[12]

In both Grenada and St. Lucia, Bank lending supported the introduction of the value added tax (VAT) and associated strengthening of revenue administration. In Grenada, the one-off FY10 (ESDPL) featured the prior action of VAT enactment, which simplified indirect tax policy to four rates. In parallel, the Bank was helping to modernize Grenada's tax administration through the FY08 Technical Assistance Credit (TAC; $1.81 million with $0.65 million EU co-financing).[13] The project supported an organizational and management structure review of the Inland Revenue department to help strengthen tax administration and collection. Similarly, in St. Lucia, the FY10 ESDPL supported the submission of the VAT bill to Parliament as well as of set-up and operationalization of a VAT unit as prior actions. Despite repeated delays in processing the required legislation, St. Lucia eventually introduced the VAT in October 2012.

Bank lending also supported improvements in customs administration in several of the countries, notably upgrading of UNCTAD's ASYCUDA system.[14] The FY07 Dominica GSPTAC helped upgrade the ASYCUDA system to ASYCUDA World, leading to significant improvements in the processing of customs procedures. In Grenada, the FY08 TAC similarly helped replace an outdated ASYCUDA system with a web-based version of ASYCUDA World. Despite costing more than budgeted ($1.15 million compared to $0.85 million), the difference was covered through a restructuring that cut other project activities. In addition, the project helped introduce better risk management that reduced the need for inspections, and deliver training in classification and valuation to customs officers and auditors. In St. Lucia, the FY10 ESDPL featured commencing implementation of ASYCUDA World as a prior action, although full operationalization encountered significant delays owing to technical glitches. In all three countries, deployment of the new systems enabled more efficient (and eventually paperless) customs processing as well as data exchange between the customs administration and the trading community.

In addition, the Bank used regional instruments to support tax and customs policy and administration as well as public expenditure management. During FY05–09, the Bank channeled grant funding of $1 million through the Caribbean Regional Technical Assistance Center,[15] supporting consultancies and training in (among other areas) tax and customs policy and administration as well as public expenditure management that benefited the OECS and among other Caribbean countries. Since 2011, the Bank has administered a major partnership initiative to strengthen public financial management funded by the Canada, known as Supporting Economic Management in the Caribbean

or SEMCAR,[16] providing support to the OECS countries in the areas of inland revenue and customs administration, as well as in several aspects of public expenditure management, with a focus on IT systems and an underlying goal of cross-country harmonization of systems and realizing economies of scale. Earlier, in FY07, the Bank had used a regional IDF grant[17] to deliver regionally harmonized strengthening of institutional capacity for procurement and (external) audit. In some countries, lending also provided fragments of support for public expenditure management, notably the procurement and audit functions. In Dominica, the FY07 GSPTAC supported software installation for external audit and treasury management as well as the preparation of new procurement legislation (eventually approved in 2012). In Grenada, an early attempt at pooling procurement with St. Vincent and the Grenadines under the FY06 PSMTAC) was unsuccessful; much later, under the FY14 Development Policy Credit (DPC), a new procurement bill was submitted to Parliament, and approved in August 2014.[18]

In 2008, the Bank began supporting the development of e-government services in four OECS countries using a regional adaptable program lending (APL) framework. The E-Government Regional Integration Project (E-GRIP), implemented by the OECS Secretariat and funded by FY08 IDA credits to Dominica, Grenada, and St. Lucia (a total of $7.2 million) and a FY10 credit to St. Vincent and the Grenadines ($3.2 million).[19] Despite implementation delays, two restructurings, some shortcomings (notably in M&E under the project), and procurement-related issues (including limited responses and significantly costlier-than-estimated bids), the project helped deliver support for certain "quick-win" outputs (such as the government online portal in St. Lucia) and, perhaps most significantly, helped the countries make inroads in setting up new applications for electronic tax filing, a multi-purpose identification system, and a regional electronic procurement system for pharmaceuticals.[20] The project helped lay the foundations for the countries' development of e-government services in a regionally harmonized way, including the establishment of e-government-related legal infrastructure and an inter-operability framework.

Finally, the Bank used grant resources, and in some cases lending, to provide support aimed at strengthening strategic planning and M&E capacity, both regionally and in certain countries. At the regional level, a FY10 OECS-wide IDF grant[21] sought to help make performance information from priority public programs and projects available to decision-makers and to create capacity for its generation and use in member countries. However, grant implementation suffered significant staff turnover-related delays, ultimately resulting in cancelation of almost half the balance. In 2011, the Bank initiated nonlending technical assistance (NLTA) to the OECS Secretariat with funding from a Rapid Social Response MDTF grant to support preparation of a growth and development strategy for the OECS countries (including some of underlying sector

strategies).[22] In an endeavor to help increase the use of M&E in policy-making, it also supported the design and implementation of building blocks of an M&E system at the regional level. Despite some implementation delays, most outputs foreseen under the grant were eventually produced. At the country level, the Bank provided support to both Grenada and Antigua and Barbuda to strengthen cabinet-level policy-making capacity. In Grenada, the FY10 IDF grant helped establish an M&E unit at the Cabinet Office.[23] In Antigua and Barbuda, a component of the FY13 PSST project seeks to help develop cabinet office capacity for strategic planning and coordination as well as policy-making capacity within line ministries. However, start-up and implementation have been significantly delayed.[24]

Pillar 1.2: Strengthening Environmental and Disaster Risk Management and Climate Resilience

Table C.3. World Bank Group Strategic Objectives in DRM and Environment

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
Strengthened management of the natural environment: (i) stricter enforcement of environmental policies for land use, urban-rural zoning regulations, and landscaping; (ii) conservation and expansion of natural areas; and (iii) monitoring of the quality of coastal waters and beaches (FY06–09)	*(Enforcement of environmental policies for land use, zoning, regulations not monitored.)* Completed Environmental awareness study to from basis of public communications strategy. *(Achieved.)* Collection of baseline data for the establishment of a region-wide monitoring mechanism of critical ecosystems and water quality by 2009. *(System for monitoring endemic species and protected areas established in some but not all 6 target protected areas. Water quality monitoring not confirmed.)* Involvement of civil society and private sector in the participatory management of six Protected Areas by end-2007. *(Achieved in only 2 of 6 protected areas.)* At least 50% of OECS Protected Sites and Associated Livelihoods (OPAAL) sites adequately staffed by 2008. *(At least 50% achieved, but staffing inadequate in some parks.)*
Strengthened disaster risk mitigation through: (i) reduction of vulnerability and strengthening response to natural disasters; (ii) OECS countries participating in pooled financial mechanism for specified disaster events; and (iii) implementation of pooled financial mechanism for specified disaster events (e.g., hurricanes) (FY06–09)	Assessment of assets at risk, vulnerability and actual risks for all countries. *(Achieved.)* Design of appropriate risk mitigation mechanism. *(Achieved.)* Commitments by each country to implement the recommended catastrophe risk insurance scheme. *(Achieved.)*

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
	Commitments by each country to implement the recommended catastrophe risk insurance scheme. *(Achieved.)*
Improved understanding of the vulnerability of critical infrastructure (FY10–14)	At least two databases of public buildings are established by 2014. *(Achieved.)*
Reduction in number of communities at high risk of landslides in SLU (FY10–14)	Increase in number of communities benefiting from landslide prevention interventions from 0 in 2009 to at least 12 in 2012. *(Partly achieved; 9 communities covered, but pilot not scaled up.)*
Improved management of the priority terrestrial and marine protected areas (FY10–14)	M&E system established to monitor species and related ecosystems under the six OPAAL sites by 2012. *(Achieved.)*
Long-term financing mechanisms established for critical ecosystems by 2014 (FY10–14)	National legislation adopted in 4 countries by 2014 to establish country-level protected areas trust funds. *(Not achieved, national trust funds still not fully established.)*

Table C.4. World Bank Group Instruments of Support for DRM and Environment

Financing Operations	Analytical Work	Nonlending Technical Assistance
OECS Protected Areas and Associated Livelihoods (OPAAL) Project **(P073267; GEF Grant; FY04; $3.7 million)**		Caribbean Agricultural Risk Management NLTA P113634 FY09 P117601 FY13
Caribbean Mainstreaming Adaptation to Climate Change (MACC) **(P073389; GEF Grant; FY03; $5.0 million)**		Caribbean Early Recov and Damage Assessment (P124858 FY12)
Caribbean Implementation of Adaptation Measures **(P090731; GEF Grant; FY07;$2.1 million)**		IFC Private Sector Benchmarks in Environmental Standards
OECS Catastrophe Risk Insurance Project – all six OECS countries **(P094539; FY07; $14.2 million)**		
Caribbean Catastrophe Risk Insurance Project **(P108058; FY07; $45 million)**		
Disaster Management Projects **GD P069922; FY01; $10.1 million** **VC P069923; FY02; $5.9 million** **LC P086469; FY04; $7.5 million** **LC AF P111708; FY09; $3 million**		
Emergency Recovery Projects: **GD P077682; FY02; $3.8 million** **LC P077687; FY02; $6.3 million** **SKN P077684; FY02; $4.4 million** **SVG P076822; FY02; $3.2 million** **DM P077680; FY02; $3.2 million**		
GD Hurricane Ivan Emergency Recovery **(P092692; FY05; $10 million)**		

Financing Operations	Analytical Work	Nonlending Technical Assistance
Hurricane Tomas ERL **VC P124939; FY11; $5 million** **SLU P125205; FY11; $15 million**		
OECS Disaster Vulnerability Reduction Project (DVRP) **APL 1: GD and VC P117871; FY11; $20.9 million** **APL 2: LC P127226; FY14; $41 million** **APL 3: DM P129992; FY14; $17 million** **VC (AF): P146768; FY14; $35.6 million**		
VC Climate Change Enabling Activity **(P088793; FY05; RETF; $0.1 million)**		
GD Dry Forest Biodiversity Conservation **(P057021; FY01; GEF; $0.7 million)**		
OECS Sust Finan of East Cari Marine Resources **(P103470; FY12; GEF; $8.8 million)**		
Caribbean Monitoring Human Exposure to POPs **(P116430; FY09; $0.3 million)**		
Caribbean Emergency Legislation Project **(P104465; FY07; IDF; $0.4 million)**		

WORLD BANK GROUP SUPPORT AND OUTPUTS

Continuing its long-standing engagement in disaster risk management (DRM) with the OECS countries, Bank support during the evaluation period—which led to DRM accounting for the bulk of the portfolio—was concentrated in three countries. The Bank has been a leading player in DRM in the OECS, its engagement going back decades. Historically, the focus has been on reconstruction, but over time the Bank has shifted increasingly toward policy engagement on DRM: the focus shifted progressively toward more pre-emptive risk reduction, strengthening institutional capacity, and more comprehensive risk management strategies. During the evaluation period, the Bank engaged heavily in DRM in Grenada, St. Lucia, and St. Vincent and the Grenadines, but had little activity in the other countries.[25] Using primarily investment lending through the Emergency Recovery Loan (ERL) instrument, ERLs were prepared quickly in the wake of disasters, in effect using the window of opportunity created by these disasters as an entry point to help carry out risk reduction activities. Subsequently, the Bank built on its record of success in emergency response to fund a large-scale multi-country investment program project focused on vulnerability reduction using a horizontal APL, the Disaster Vulnerability Reduction Program (DVRP), which allowed for careful planning and design of risk reduction under regular (rather than emergency) circumstances (table C.4). In addition, the Bank provided investment lending and technical assistance support for the CCRIF, and engaged in substantial policy dialog,

including through a recent DPL in Grenada. The Bank has used its comparative advantage as a convening party to bring in technical partners, and to aggregate resources (including from climate finance) to offer larger projects. Successive Bank DRM projects have repeatedly been the largest donor project ever implemented in those countries.[26] In many of these interventions, the Global Fund for Disaster Reduction and Recovery has provided key support for technical assistance and analytic work; the IDA crisis response window has also been important in crowding in additional IDA resources beyond the country envelopes.

Bank ERLs delivered support for recovery and reconstruction in the wake of major hurricanes, but also supported measures to reduce exposure. The ERLs—delivered notably in response to Hurricane Ivan in 2005 (Grenada) and Hurricane Tomas in 2010 (St. Lucia and St. Vincent and the Grenadines)—funded a wide range of activities.[27] Many projects included retroactive financing of emergency operational costs or critical purchases, such as fuel. They financed reconstruction of damaged assets, particularly priority infrastructure such as roads and bridges. They also supported the reconstruction or retrofitting of public buildings, primarily hospitals/clinics, schools, and community facilities. They financed construction of physical risk reduction measures, mostly seawalls and river defenses. These works were designed to be of a higher structural standard than previous structures, and so more likely to resist future disasters. In addition, the ERLs sought to support improvements in managing spatial development and land use planning. They aimed to improve knowledge and understanding of vulnerability, and financed the production of inventories of public assets, disaster vulnerability maps, hydraulic and other spatial studies, capacity building for hydro-meteorological agencies, training in geographic information systems (GIS) and data management, and other activities. ERLs aside, the Bank also undertook post-disaster needs assessments (PDNAs) in the wake of disaster events, adding to the combination of the country's own simplified rapid assessment plus the more detailed UN assessment that typically follows.

The Bank also provided financing for DRM investments in the four blend countries through the DVRP,[28] and supported a landslide risk reduction pilot in St. Lucia. The DVRP aims to extend and expand the previous avenues of engagement, with financing of works for schools, hospitals, bridges, water supply, emergency shelters, flood control, slope stabilization, and others. But it also aims at building knowledge to serve a regional platform for hazard and risk evaluation and improved decision-making by gathering information on public infrastructure (airports, hospitals, transport and water grids, government buildings), watershed management, urban flood management, coastal protection, and landslide risk reduction. The project draws on resources from regular IDA allocations, the IDA Crisis Response Window (following severe flooding in St. Lucia and St. Vincent and the Grenadines in 2013), the Strategic Climate Fund, and

the Pilot Program for Climate Resilience. The idea of the horizontal APL is to achieve some benefits from regionalism, such as lower unit cost from economies of scale and joint processing and information-sharing, while keeping infrastructure investments within country-level projects. Some experts criticize the program design as being too focused on infrastructure as compared to institutional capacity-building. In St. Lucia, the Bank supported a community-based pilot aiming to sensitize communities to disaster risk and support small scale drainage and other works.

Successive Bank projects provided substantial support for disaster preparedness and emergency management capacity. Permanent national emergency management offices were established, whereas previously disasters had mostly been handled by temporary committees established in the wake of the disaster. The Bank financed construction of headquarters buildings for the offices, along with provision of training and equipment purchase. Subsequent projects further expanded capacity, supporting for example stockpiling of emergency equipment, training programs for staff, establishment of local community liaison officers, upgrades to telecommunications systems, and simulation exercises.

The Bank played a central role in the establishment of the CCRIF. The CCRIF is a facility—the result of a model partnership that the Bank helped convene—offering several Caribbean countries (beyond just the OECS) insurance against specified, objectively measurable, disaster events (box 3.1). The Bank's central role in setting up the mechanism—realized through a combination of AAA, lending, and convening work—included financing design work, key technical contributions such as supporting the analytic work needed to establish country risk profiles, financing initial premium payments for the four blend OECS countries, and acting as a financial intermediary between the facility and reinsurance markets through the Bank's Treasury. By pooling risks, the facility can offer insurance at a lower rate than would be available if each country tried to purchase insurance on its own, or if each country had to maintain its own reserves separately. It also enables insurance coverage to exist for some very small countries that may have otherwise been uninsurable. Cost savings come from economies of scope and scale; it was cheaper to undertake risk modeling for Caribbean countries in a coordinated fashion, it was more efficient to undertake a single client education program, and the transaction costs of operating the facility are lower than would exist for a set of separate insurance contracts (due in part to the small size of member countries). While Bank support for the CCRIF in relation to the OECS countries is now complete, there is ongoing work to expand CCRIF to Central America and the Dominican Republic.

Box C.1. The Caribbean Catastrophe Risk Insurance Facility: A successful Multi-Country Partnership

The CCRIF is an innovative instrument that solves a long-standing problem: private insurers have been unable to provide cost-effective insurance products for small states because the transaction costs of developing large-scale insurance products for small states are individually high, and developing a sophisticated actuarial risk appraisal requires substantial upfront investment. The CCRIF's risk pooling feature, and the Bank's upfront work to support risk modeling for the various countries as well as design of the financial setup, allowed these obstacles to be overcome. The CCRIF now has 16 member countries, and offers members—who pay risk-based insurance premiums to purchase desired levels of insurance coverage—three distinct insurance products: against a hurricane of specified wind speed, against an earthquake of a specified magnitude, and (most recently) against rainfall of specified severity. Each product is designed not to insure against losses from a disaster, but to provide rapid payouts in the wake of the event to help provide the liquidity needed to finance disaster response and early recovery phases—including fuel purchases, equipment hire, and overtime wages.

The CCRIF is the result of a partnership involving a number of donors. The facility was capitalized with a grant from Japan along with capital contributions from a multi-donor trust fund (which had contributions from Bermuda, Canada, the Caribbean Development Bank, European Union, France, Ireland, and United Kingdom in addition to the World Bank) as well as membership fees from the 16 member countries. Aside from the formation of the joint risk pool, development partner funds and expertise supported the necessary data collection and technical product development work. Bank contributions included a lending operation that was specific to the OECS countries (OECS Catastrophe Risk Insurance Project; P094539; $14.2 million) that financed the insurance premiums of the four blend countries for 2.5 years, as well as a Caribbean-wide lending operation (Caribbean Catastrophe Risk Insurance Project; P108058; $45 million) that established the CCRIF and supported its initial operations. After the initial donor support, all members except Haiti now fund their own premium payments, and the facility is a self-sustaining entity with strong support from member countries.

Source: IEG.

The Bank addressed climate change adaptation through its disaster risk reduction management portfolio, as well as directly through Caribbean-wide projects. Since the most significant impacts of climate change for the OECS countries are from more serious storm events, it is generally not meaningful to distinguish between climate change adaptation and disaster risk management. The adaptation deficit to current climate variability is large, and so Bank-supported DRM interventions have effectively been no-regrets adaptation measures that make sense regardless of future climate change. Nevertheless, the Bank could do more to consider resilience-building activities beyond those that focus on the current risk of natural disasters, especially in regard to land use planning in coastal areas that will be affected by sea level rise. The Bank also

supported a series of explicit climate change adaptation objectives through Global Environment Facility (GEF) projects in the wider Caribbean.[29] These projects included some activities in OECS countries, though they were not tightly tied to the regional strategy for the OECS or its specific objectives. The projects were the first series of projects explicitly focused on climate change adaptation by the Bank. Their design was experimental, before climate change was typically seen as a significant development priority, and when there was little prior experience to draw on. Key outputs produced under the projects included a series of sea level rise monitoring stations, which could generate useful data to feed into weather forecasting systems. The projects were assessed in detail in a separate Project Performance Assessment Report (IEG 2012).

Bank support for environmental management and biodiversity protection took the form entirely of GEF financing, with two principal projects. Despite the prominent positioning of the environment in country strategies and its links to the critical tourism sector, the OECS countries have elected not to use scarce IDA resources for environmental protection. Aside from a few small interventions,[30] two GEF projects accounted for the bulk of Bank support during the evaluation period. The first, approved in FY04 but implemented largely during the period, sought to strengthen national and regional management of protected areas.[31] The project was implemented through the OECS Secretariat, but tried to retain some local ownership by establishing protected area managers at the local level. The results of this project made clear that the main challenge to implementation of ecosystem protection was the lack of a sustained funding source. The second, approved in FY12,[32] aims to develop a self-sustaining regional trust fund that could then fund capital investments and projects, in turn leading to better monitoring and management of marine ecosystems. The GEF and co-financing contributions would capitalize the regional fund, which would transfer funds to newly-established national trust funds, which in turn would solicit and approve funding applications from biodiversity organizations—parks agencies, national trusts, and others—for activities including new studies, enforcement, equipment, mapping, invasive species combatting, training, and capital costs for equipment or facilities, but not staffing or regular operational costs. National trust funds would have their own board including civil society and private sector representatives, who collectively would form a majority. Government representation would be in a minority—an inclusive approach for which they deserve credit—and governments would be required to make matching contributions from new dedicated funding sources (to avoid depleting existing government biodiversity funding).

Pillar 1.3: Enhancing Human Capital and Social Resilience

Table C.5. World Bank Group Strategic Objectives under Human Capital and Social Resilience

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
Improve quality, coverage and sustainability of social protection programs through rationalized and better targeted social assistance programs (FY06–09)	Assessment of social assistance programs. *(Achieved with delays.)* Completed review of financial management reform options, benefit levels and options to extend coverage of social insurance schemes. *(Partially achieved; beneficiary identification system and a Management Information System for social assistance programs being piloted in Dominica.)*
Rationalized social safety net systems (FY10–14)	Countries using objective, transparent and documented targeting instruments in cash transfer programs increased from 0 (2010) to 3 (2014). *(Not achieved; work underway in DM, AB and GD but not implemented. RPS 2015–19 has same outcome indicator.)*
Foster higher levels of human capital development and increased and more equitable enrollment in secondary education through: better pipeline of skilled post-secondary workers in the labor force; strengthened equitable access to secondary education; improved management and efficiency of the education system (FY06–09)	Increase in secondary education enrollment by an average of 10% across all islands. *(Not achieved.)* Increase in completion rate in final year (Form 5) by average of 12% by 2008. *(Not achieved.)* Increase in nonsalary recurrent expenditure out of total recurrent expenditure of average of 2% by 2008. *(Not achieved.)* Pupil-teacher ratio increases by average of 2 students. *(Not achieved.)* More than 200 unemployed youth to begin training by February 2009 and have completed training by September 2009. *(Delayed, start brought forward to March 2010.)*
Better-skilled post-secondary workers in the labor force (FY10–14)	Cumulative number of youth enrolled in training programs at level I or higher. *(Achieved; in GD rose from 0 in 2009 to 912 (vs. target of 500) in 2013, in SLU rose from 0 in 2007 to 1005 (vs. target of 870) in 2013.)*
Increase in the proportion of qualified teachers at the primary and secondary levels (i.e., teachers with teacher training qualifications) in the six OECS countries (FY10–14)	Proportion of qualified teachers increased from 59% in 2009 to 65% in 2013, surpassing the target of 62% in 2014. *(Achieved.)*
Reduce the incidence of human immunodeficiency virus (HIV) transmission and acquired immune deficiency syndrome (AIDS) and mitigate their	Number of people receiving counseling and testing for HIV. *(Partially achieved; data presented only for GD.)*

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
impact by: (i) improving knowledge about HIV and AIDS; and (ii) increasing access to and use of prevention, treatment and care services (FY06–09)	Number of men, women and children with advanced HIV receiving antiretroviral therapy according to national guidelines. *(Partially achieved; data only for GD.)* % of young people aged 15–24 reporting the use of a condom the last time they had sex with a nonregular sexual partner. *(No data.)*
Improved knowledge and information on the OECS subregion's chronic noncommunicable diseases (NCDs)	Bank Policy Note on OECS Health disseminated in at least 3 countries. *(Achieved; dissemination in all six countries.)*

Table C.6. World Bank Group Instruments of Support for Enhancing Human Capital and Social Resilience

Lending Operations	Analytical Work	Nonlending Technical Assistance
DM Growth and Social Protection TAC (FY07)	Growing Burden of NCDs (P111797; FY11)	OECS Teacher Career Management (**FY10; P111783**)
HIV/AIDS projects **GD P076715; FY03; $6 million** **SKN P076798; FY03 $4.1 million** **SLU P076795; FY05; $6.4 million** **SVG P076799; FY05; $7 million** **Caribbean P080721; FY04; $9 million**	Skill Challenges in the Caribbean **(P095671: FY07)**	OECS Safety Nets NLTA **(FY12; P117501)**
OECS Education Development APL **GD P077759; FY03; $8 million** **GD (AF) P113342; FY09; $1.9 million** **SLU P077712 FY02; $12 million** **SVG P086664; FY04; $6.2 million** **SKN P075978; FY02; $5 million**	Caribbean: CARICOM: Managing Nurse Migration I and II **P104547; FY08** **P109685; FY11**	OECS Trust Fund for Statistical Capacity Building project (FY09)
OECS Skills for Inclusive Growth Project **SLU P097141; FY07; $3.5 million** **GD P095681; FY09; $3 million**	HIV in the Caribbean: A systematic review **(P111363; FY09)**	OECS Education NLTA **(FY12; P121221)**
GD Social Net Advancement SWAP **(P123128; FY12; $5 million)**	Caribbean Social Protection Strategy Review **(P085526; FY06)**	SSF Building Capacity through Knowledge Exchange on CCTs (DM, GD, SLU; FY12)
OECS Statistical Capacity for HD in OECS **(P122518; FY11; $0.4 million)**	Caribbean Pension Rfrm and Portab. Benefits **(P101126; FY08)**	TA to improve M&E in The Caribbean **(P111416; FY10)**
Caribbean Strengthening Labor Market **(P144470; FY13; $0.7 million)**	Caribbean Crime and Violence Study **(P094622; FY07)**	Caribb HIV/AIDS Civil Society, IEC and M&E **(P112144; FY11)**

Lending Operations	Analytical Work	Nonlending Technical Assistance
Caribbean CKLN - EU Support **(P108711; FY08; $2.4 million)**		OECS Regional Statistical Work in OECS **P123161 FY11** **P128524 FY14**
GD Economic and Social DPL **(P117000; FY10; $8 million)**		Caribbean 6R Youth At Risk Interventions Gender **(P121903; FY13)**
LC Economic and Social DPL **(P117016; FY10; $12 million)**		Caribbean TA AIDS Strategic Planning **(FY09; P112218)**
DM GSPTAC **(P094869; FY07; $1.4 million)**		Caribbean Human Development Support **(P133639; FY14)**
AB Public and Social Sector Transformation **(P126791; FY13; $10 million)**		Caribbean School Health **(P124693; FY12)**
OECS-IDF Grant for MECOVI **(P085931; FY02; $0.4 million)**		Caribbean Strength. Education Sctr Res.HIV/AIDS **(P111855; FY10)**
CARICOM-TFSCB Grant for MECOVI **(P085934; FY06; $0.2 million)**		
OECS TFSCB Grant for Statistics **(P117371; FY09; $0.3 million)**		
GD Small Farmer Vulnerability Reduction **(P124107; FY11; $1 million)**		
IFC Investment in Private Education in AB		

BANK SUPPORT AND OUTPUTS

Bank AAA supported assessments of social protection programs in all the countries, albeit relatively late in the evaluation period. With Bank support, Dominica had prepared an assessment in 2003 that identified key issues for reform. The Bank's 2005 Caribbean Social Protection Strategy Paper drew attention to the need to increase the efficiency of the OECS countries' social protection programs and their responsiveness to shocks. These early foundations notwithstanding, it was not until the second RPS period that Bank NLTA helped complete social safety net assessments in the remaining five countries.[33] Findings included poor targeting, inefficient administration, and pronounced fragmentation. Relevant Management Information Systems (MIS) and formal appeals systems were missing, and programs were not formally audited. These weaknesses made safety nets ineffective, with high administrative costs and low

coverage of the poor. The assessments recommended consolidating safety net programs and establishing beneficiary registries, clear targeting, and appeals mechanisms.

In Dominica, St. Lucia, and Grenada, Bank lending helped initiate social protection reforms. During 2007–10, the GSPTAC supported Dominica in developing a beneficiary identification system (BIS) and a proxy means test (PMT) for targeting cash transfers to low-income groups, based on 2007 poverty data. However, absent a socio-political and fiscal impact analysis of the reforms, use of the BIS and PMT was discontinued beyond a pilot phase once the project closed when the government realized that elderly people above the poverty line would be excluded from benefits—an exclusion deemed politically infeasible. In addition, the PMT criteria would have qualified a greater number of beneficiaries for cash benefits whereas financing was not assured, given that government spending on social welfare programs already amounted to about 6 percent of GDP in 2014.[34] In both St. Lucia and Grenada, the Bank-supported assessments laid the foundations for reform, with initial steps supported by Bank development policy lending.[35] St. Lucia developed a social protection policy and plans to revise the law on public assistance programs as a next step; in addition, a targeting instrument has been tested and is now being finalized.[36] In Grenada, the Bank's FY12 Safety Net Advancement Project (SNAP) is helping to develop and test a beneficiary MIS for the government's Support for Education Empowerment and Development (SEED) program, and a PMT to identify and target beneficiaries—in addition to funding SEED benefit payouts. Implementation of the SNAP, which is currently undergoing restructuring, has been slow.

The Bank also provided regional AAA on pensions, and limited labor-market-related support. FY08 Bank analytic work (World Bank 2010) raised concerns about the financial sustainability of public pension systems, pointing to the need for: (i) portability of social insurance to enhance inter-island labor mobility; (ii) adjusting contributions and benefits to ensure financial sustainability; and (iii) improving governance. Several OECS country officials indicated that the Bank's pension report has been useful in their work. On labor markets, the Bank has provided fairly limited support, the growing burden of unemployment notwithstanding. During 2009–12, technical assistance funded under the TFSCB sought to help build statistical and survey capacity, notably on labor surveys.[37] Thus far, only St. Lucia is producing a regular labor force survey and occupational wage survey. In 2013/4, a first labor force survey was conducted with ILO support in Dominica, Grenada, and in St. Kitts and Nevis, and will be implemented in other islands.[38] In Antigua and Barbuda, since 2013 the Bank's PSST project is helping to set up a temporary employment program.[39]

Building on regional AAA, Bank project support in St. Lucia and Grenada helped expand vocational training. A 2007 Caribbean-wide Bank report found that despite

having received up to 11 years of formal education, school leavers had no diploma and lacked the skills needed on the job market (Blom and Hobbs 2008). The Bank recommended scaling up youth training programs and increasing workforce job training, relying inter alia on regional training programs, transparent funding mechanisms, and increased labor union participation in training programs. Bank-supported projects in St. Lucia (implemented during 2007–13) and Grenada (implemented during 2009–13) followed, helping to establish vocational training systems in the two countries.[40] The projects helped set up a vocational education unit at the Ministry of Education in St. Lucia and a National Training Agency (NTA) in Grenada, both of which are fully functional and have been accredited by CARICOM's Caribbean Vocational Qualification.[41] In both countries, training agents assist graduates in job search, mentor them, and monitor performance; social workers and psychologists assist youth with social and life skills. Contacts with St. Lucia and Grenada notwithstanding, skills training systems have not yet been replicated in the other OECS countries for lack of the necessary resources.

Regarding secondary education, beginning in FY02 Bank project financing—structured as a horizontal APL—helped construct, rehabilitate, and equip secondary schools, as well as support teacher training, education policy, and curriculum reform. During 2003–11, in Grenada's low-income areas, the Bank helped rehabilitate the Grenada Boys and Westerhall secondary schools and funded school materials.[42] In line with a nationwide trend, the transition rate from primary to secondary schools in Grenada increased in schools in low-income areas from 51 percent in 2002 to 72 percent in 2010. In St. Kitts and Nevis, the Bank funded the construction and equipment of the 250-place Saddlers Secondary School in a low-income neighborhood.[43] The school enrolled 70 students in 2009. Over 2002–08, the Bank funded the construction and equipment of two secondary schools in St. Lucia (Gros Islet and Anse La Raye) with 2,345 places for students.[44] In St. Vincent and the Grenadines, over 2004–11, the Bank funded the construction of West St. George secondary school for 750 students as well as the rehabilitation of 4 schools (North Union, Adelphi, Petit Bordel, Campden Park).[45] The Bank projects also provided intensified support for teacher training, education policy, and curriculum reforms. In Grenada, teachers were trained in literacy, numeracy, and technical education. Teachers were also trained in St. Kitts and Nevis, and other schools equipped, broadband connections established, and principals trained in data collection. The Bank funded curriculum development, learning centers, and teacher training in St. Lucia and St. Vincent and the Grenadines from 2004–08.

Bank AAA and grant funding helped generate knowledge and supported education policy and strategy development. A 2007 Caribbean-wide report prepared by the Bank drew attention to the need to improve governance and accountability of secondary schools, as well as education quality through teacher training.[46] Bank policy dialogue

with the OECS countries did not, however, cover changes to education financing in order to enhance incentives and performance in the education system.[47] Through an IDF grant, the Bank supported the development of the OECS Education Strategy 2012–21, which was approved by the OECS governments in 2011 and aims to align national strategies and plans and harmonize the education systems across states.[48] In 2011, the Bank financed reports on curriculum development and on skills strategy options, in addition to updates of Teacher Training Manuals and costing of sector plans. In 2012, the Bank also funded capacity-building workshops for teachers on HIV prevention and health practices under a School Health NLTA program.[49] The Bank has also conducted country Education Management Information System (EMIS) assessments in the OECS using the SABER methodology and has helped train staff on analysis of education data for policy development.[50]

In support of HIV and AIDS prevention and treatment, the Bank implemented projects in several of the OECS countries under its Multi-Country HIV/AIDS Prevention and Control Program (MAP), a horizontal APL first approved in 2001. The Bank worked in parallel with other development partners (including the US government, GFATM, PAHO, and UNAIDS), implementing projects approved under the MAP prior to the start of the evaluation period. A regional project,[51] implemented over 2004–10, supported stakeholder workshops, training for health care professionals, PMTCT assessments in Grenada, St. Kitts and Nevis, and St. Lucia, studies and workshops on HIV and AIDS, development of strategic documents and regional collaboration, regional laboratory upgrading and development of national laboratory capacity, and establishment of a Health Economics Unit (HEU) at UWI.[52] While the support was generally effective and many of its outputs have since been sustained,[53] there was insufficient focus on developing and institutionalizing data collection and M&E. Beyond the regional dimension, country-specific HIV and AIDS operations were implemented in Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.[54] In St. Lucia, the project helped increase the frequency of condom use and the number of newly infected HIV patients declined over 2004–10. In St. Vincent and the Grenadines, the project helped reduce HIV and AIDS incidence and the number of new AIDS patients during 2004–11. In Grenada, waning government commitment meant that project implementation met with numerous problems and 57 percent of loan proceeds were canceled, although the project was able to help improve access to care for HIV-positive pregnant women as well as access to anti-retroviral therapy. Although many of the outputs under these projects have been sustained, the partnerships with civil society organizations initiated under several projects have not generally been continued. Beyond its project support, the Bank has since provided selective support for HIV- and AIDS-related initiatives, mainly in the form of regional NLTA tasks.

Subsequently, Bank AAA helped improve knowledge of other health-related issues, notably NCDs; IFC advisory work on a hospital public-private partnership (PPP) has not borne fruit. In response to concerns in the region about nurse staffing shortages and outmigration, FY08 Bank regional analytic work confirmed a nursing shortage (in some countries, 30 percent of nursing positions were vacant) and outmigration (about three times more Caribbean nurses working abroad than at home) in as well as low (50 percent) completion rates among nursing students (World Bank 2009). FY11 analytic work on NCDs in the OECS drew attention to NCDs' high contribution to life years lost (70 percent, above the 60 percent reported by MICs in Latin America), with behavioral risk factors such as high obesity rates contributing to the high NCD rates (World Bank 2012). Caribbean-wide NLTA later supported awareness-raising and prevention activities, including distribution of toolkits to national health ministries.[55] In Grenada, a PPP for a hospital under an IFC advisory service operation stalled due to government financial constraints; nevertheless, PPP legislation passed in 2015 has paved the way for future private-public investment in hospitals.[56]

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[1] The outturn is that indicated by the relevant RPSCR Completion Report, updated where necessary.

[2] The DeMPA provides a useful diagnostic tool to assess debt management capacity and performance using a standardized methodology that scores twelve distinct aspects of central government debt management and the underlying environment as well as closely related matters such as the issuance of government guarantees. In the St. Kitts and Nevis DeMPA report preparation, ECCB and government members formally participated in the Bank-led mission.

[3] In particular, the Comprehensive Debt Framework clarifies the links among the following in determining the evolution of public debt: (i) growth and the underlying business climate; (ii) the fiscal position; (iii) resilience to natural disasters; and (iv) active debt portfolio restructuring and management.

[4] Under the planned three-operation programmatic DPC series, the first $15 million operation of which was approved in FY14 (June 2014), a trigger for the planned second operation concerns cabinet approval of the MTDS. More generally, it can be argued that Bank budget support to St. Lucia (the FY10 Economic and Social DPL) and Grenada (the FY10 Economic and Social DPL and the FY14 Resilience-Building DPC) have assisted with debt management at the margin—in the sense that the counterfactual would likely have involved borrowing from higher-interest and/or lower-maturity sources.

[5] The focus of the project, which was restructured, was subsequently altered to support the strengthening of the Grenada Land Agency (GLA) and the Consumer Affairs and Intellectual Property Office (CAIPO). In this, it achieved at best only partial success, since the GLA and the consumer affairs functions of CAIPO are reportedly still not operational.

[6] The FY10 IDF grant was the Grenada Strengthening Personnel Expenditures Management (P117873; $0.35 million).

[7] For a discussion of the purpose and scope of functional reviews, see Manning and Parison (2004).

[8] An HR audit of the Education Ministry was reportedly initiated but never completed.

[9] The DPC, approved in June 2014, was intended to be the first in a programmatic series of three credits.

[10] Enhancing Efficiency in Personnel Expenditures (P120474; $0.31 million).

[11] In Antigua and Barbuda, as in several other OECS countries, the public employment regime has evolved into a dual system encompassing both centrally managed established government positions and more decentralized recruitment into nonestablished positions.

[12] Approval of the grant (Enhanced Public Sector Governance and Efficiency – P129786; $0.4 million) in March 2012 followed a request to the Bank by the Prime Minister for support in this area (with an immediate goal of meeting IMF program targets on the government wage bill).

[13] Although the TAC was approved in March 2008, it took almost a year to become effective.

[14] ASYCUDA is a computerized customs management system which covers most foreign trade procedures. The system handles manifests and customs declarations as well as accounting and transit procedures, and generates trade data.

[15] CARTAC, an IMF regional technical assistance center serving the Caribbean that was created in 1999 and became operational in 2001, has been funded jointly by a range of contributors, including Canada (which currently provides the largest share of the funding), U.K. Department for International Development, Australia, CDB, the EU, Inter-American Development Bank, Ireland, United Nations Development Programme, U.S. Agency for International Development, and the World Bank. Barbados, which hosts the center, and 19 other beneficiary countries have contributed to the center's expenses.

[16] Supporting Economic Management in the Caribbean (SEMCAR) and delivery of support is planned in two phases. Phase 1 (2011–14, now extended to 2016) focuses on identifying key

changes in policy and institutional arrangements that need to take place quickly in tax, customs, and PFM to ensure effective implementation of ICT systems. Its goal is to bring about increased ability of institutions and staff in the countries to manage processes and ICT systems in tax, customs, and public financial management (PFM), with increased access to regional training and ICT support for the relevant administrations. Phase 2 will focus on deepening the reform agendas and in-depth upgrading of processes and ICT systems, including an integrated solution for tax, customs, and PFM and establishing a fully operational ICT support center serving all beneficiary countries. In terms of the Bank program, SEMCAR takes the form of NLTA (P123665) funded by a Bank-administered trust fund (with a part administered by the IMF) benefiting 12 Caribbean countries, including the OECS. A related FY12 IDF grant (P131197; $0.2 million) supported negotiations toward multiple licenses for the SmartStream software for some of the beneficiary countries.

[17] OECS Strengthening Institutional Capacity for Project Implementation (P104531; about $0.4 million) was implemented through CARICAD, a Barbados-based nongovernmental institution.

[18] The new law fills a gap wherein an earlier procurement law, approved in 2007, had proved infeasible to implement owing to the outlays needed to set up and operate the institutional framework for which it provided. An indicative trigger for the second operation in the programmatic series features cabinet approval of regulations and the putting in place of an institutional setup to implement the new procurement law.

[19] The credits were provided in part from the envelope for regional projects from the Latin America and the Caribbean Region.

[20] The project also helped to set up other systems in the countries, such as a human resources reporting facility for the SmartStream (public financial management) application.

[21] Institutionalizing Performance, Monitoring and Evaluation in the OECS countries of the CARICOM Region (P117829; about $0.47 million) was approved in February 2010 and implemented through CARICAD.

[22] Support to the OECS Development Strategy (P127336; $0.5 million) took the form of NLTA in the Bank's program.

[23] Strengthening Personnel Expenditures Management (P117873; $0.35 million). About $106,000 of the grant was eventually canceled.

[24] Start-up delays can be at least partly attributed to the fact that the project was prepared, negotiated and approved with a predecessor (United Progressive Party) government that was defeated at the polls in 2014.

[25] The concentration of Bank support for DRM in these three countries owed in part to their recent experiences with severe storm events, in particular Grenada from Hurricane Ivan. The other three OECS countries had had less recent experience of disasters, and so have focused on other development priorities. Antigua and Barbuda and St. Kitts and Nevis, classified as high-income countries with IBRD only access, had been (and largely remain) reluctant to borrow from IBRD for large-scale infrastructure given their high debt levels and borrowing costs. Dominica has recently devoted a substantial portion of its IDA envelope to DRM.

[26] As indicated in Appendix B, of active OECS World Bank projects in 2015, the portfolio of roughly $83 million in lending is nearly two-thirds for DRM. Of course, this increase in support

risks coming up against constraints of the limited absorptive capacity of government ability to manage infrastructure spending, and the limited pool of regional expertise.

[27] The Bank has had Disaster Management Projects or Emergency Recovery projects in Grenada (FY01, FY05), St. Lucia (FY04, Additional Financing FY09, FY10), and St. Vincent and the Grenadines (FY02, FY09).

[28] The DVRP is a horizontal APL, with a first wave of projects (APL1) for St. Vincent and the Grenadines and Grenada in FY11 (P117871; $20.9 million). In FY14, a second wave was approved, for St. Lucia (APL2; P127226; $41 million) and Dominica (APL3; P129992; $17 million) as well as additional financing for St. Vincent and the Grenadines (P146768; $35.6 million).

[29] These were the Planning for Adaptation to Global Climate Change Project, approved in 1999, the FY03 Caribbean Mainstreaming Adaptation to Climate Change Project (P073389; $5 million GEF Grant), and the FY07 Caribbean Implementation of Adaptation Measures in Coastal Zones Project (P090731; $2.1 million GEF Grant).

[30] One was a project to deal with waste management from cruise ships, which had some successes; another was a project aiming to protect onshore dry forest ecosystem that led to some outreach and awareness-raising processes and habitat protection but failed to achieve planned scientific work and predator control.

[31] The regional OECS Protected Areas and Associated Livelihoods (OPAAL) Project (P073267; $3.7 million GEF Grant).

[32] The Sustainable Financing and Management of Eastern Caribbean Marine Resources Project (P103470; $8.8 million GEF Grant) was cofinanced by KfW (with nearly $20 million) and The Nature Conservancy (which also acted as project implementer), an international NGO.

[33] The FY12 task is entitled OECS Safety Net NLTA (P117501).

[34] This figure encompasses the nontargeted cash transfer, school feeding, and a universal cash transfer to all children transferring transfer to secondary school.

[35] The lending in question consists of the Economic and Social Development Policy Loans (to St. Lucia (P117016) and Grenada (P117000); both FY10).

[36] With UNICEF support, a consultant was hired to develop the beneficiary MIS.

[37] The FY09 TFSCB grant, Statistical Development for the OECS (P117371; $0.3 million) was managed by the Bank's MFM team.

[38] ILO has also supported first and second rounds of labor needs assessment surveys in St. Lucia and Grenada.

[39] As of end-2014, three subprojects had been approved, providing six months of environmental work for about 120 beneficiaries at the minimum wage. A one-stop employment center was set up at the labor department. It has an active Facebook page (https://www.facebook.com/pages/Labour-Department-AntiguaBarbuda/100591046706037) and registers unemployed individuals to match them with employers.

[40] The projects in question were the FY07 St. Lucia Skills for Inclusive Growth Project (P097141; $3.5 million) and the FY09 Grenada Skills for Inclusive Growth Project (P095681; $3 million).

[41] The approaches to training differed somewhat between the two countries: in St. Lucia, the National Skills Development Center (NSDC) offers training sessions, whereas in Grenada, the NTA organizes sessions through private training centers.

[42] FY03 Grenada Education Development Project (P077759; $8 million).

[43] FY02 St. Kitts and Nevis Education Development Project (P075978; $5 million).

[44] FY02 St. Lucia Education Development Project (P077712; $12 million).

[45] FY04 St. Vincent and the Grenadines Education Development Project (P086664; $6.2 million).

[46] The report ("School and Work: Does the Caribbean Education System adequately prepare youth for the global economy?") was prepared under the FY07 Skill Challenges in the Caribbean analytical work task (P095671).

[47] A 2010 report on tertiary education touched on financing—notably recommending increasing private funding, providing student loans, reforming governance, and improving quality assurance—but did not address financing of the main (primary and secondary) education system.

[48] The education strategy presents seven imperatives to achieve this goal: (i) improve the quality and accountability of leadership and management in schools and Ministries of Education; (ii) improve teacher quality, management, and motivation; (iii) improve the quality of teaching and learning at all levels, using learner-centered experiences; (iv) improve curriculum and strategies for assessment to meet the needs of all learners at all levels of education; (v) increase access to quality early childhood development; (vi) provide opportunities for all learners to progress to further education and training and to engage in productive employment; and (vii) increase access to and relevance of tertiary and continuing education and increase research and innovation.

[49] This refers to the Caribbean School Health Technical Assistance NLTA task (P124693; FY12).

[50] The assessments found the EMISs to be weak, as evidenced by an average score of 0.59 (out of a possible 1). The lowest scores were reported in Antigua and Barbuda and St. Vincent and the Grenadines.

[51] The FY04 Pan-Caribbean Partnership against HIV/AIDS (P080721; $9 million) was a (regional, not country-specific) part of the Caribbean Multi-Country HIV/AIDS Prevention and Control Horizontal APL (known as the MAP).

[52] For more information, go to https://sta.uwi.edu/fss/heu/.

[53] The OECS and other Caribbean governments maintained a regional approach, developing the Caribbean Regional Strategic Framework (CRSF) on HIV/AIDS for 2008–12 to coordinate local and international support to HIV/AIDS. With the support of several international donors, the HIV/AIDS epidemic was controlled and by 2009 the focus was expanded to strengthen the broader public health context. In 2009 public health was restructured in the region into the Caribbean Public Health Agency (CARPHA) managed under CARICOM.

[54] These were the Grenada HIV/AIDS Prevention and Control Project (P076715; FY03; $6 million); the St. Kitts and Nevis HIV/AIDS Prevention and Control Project (P076798; FY03; $4.1 million); the St. Lucia HIV/AIDS Prevention and Control Project (P076795; FY05; $6.4 million);

and the St. Vincent and the Grenadines HIV/AIDS Prevention and Control Project (P076799; FY05; $7 million).

[55] FY13 NLTA entitled Caribbean HD Support: Addressing Childhood Obesity in the Caribbean (P133639).

[56] Although it is thought to be challenging to attract private investment in health care in the OECS owing to the limited scale involved as well as constraints in financial and human capacity, experience suggests that it is not infeasible to implement hospital PPPs in small islands. This was done in the Turks and Caicos Islands without World Bank Group support. To ensure the financial sustainability of the hospital PPPs and provide access for the entire population, the Turks and Caicos Islands government established a social health insurance scheme funded by employee salary contributions and subsidized contributions from the government for the nonemployed population.

Appendix D. World Bank Group Support for Enhancing Competitiveness

Pillar 2.1: Strengthening the Domestic and Regional Financial Sector

Table D.1. World Bank Group Strategic Objectives in the Financial Sector

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
Medium-term financial sector resolution strategy (FY10–14)	Preparation by 2012 of a draft comprehensive strategy for restoring financial sector stability. *(Strategy prepared by 2012, but resolution of CLICO was still under discussion.)*
Improved financial sector regulatory and supervisory framework (FY10–14)	Draft of a new uniform insurance bill. *(Indicator added at the RPSPR stage, specifying "at least 4 countries have enacted a new insurance law by 2012." This was achieved in Grenada, but not in St. Lucia. The Bank did not have country-level assistance (through either lending or through NLTA) to support work on the law.)* Preparation by 2012 of an action plan to strengthen banking regulation and supervision. *(Strategy to strengthen banking regulation and supervision approved by countries in February 2014, which decided to begin implementation with independent diagnostics and legal reforms. Strategy was based on Bank-supported background work.)*

Table D.2. World Bank Group Instruments of Support for Strengthening the Financial Sector

Lending Operation	Analytic Work[a]	Nonlending Technical Assistance
GD Economic and Social DPL (P117000; FY10; $8 million)	OECS ROSC Accounting and Auditing **(P108433; FY08**)	Restoring Financial Stability in the OECS **(P126179;FY14)**
LC Economic and Social DPL (P117016; FY10; $12 million)	AB AML/CFT Assessment **(P088082; FY05)**	Caribbean Insurance Crisis: BAICO/CLICO and FIRST **(P121613; FY12)**
Caribbean Strengthening Country Sys for better Inv Res (P149007; FY14; IDF; $0.4 million)		SLU Two IFC AS activities in access to finance.
Caribbean Strengthening the capacity of CAROSAI (P115149; FY09;IDF; $0.4 million)		Caribbean ECCU: Harmonizing Insurance Regulation and Supervision **(P125676: FY12)**
OECS Strengthng. Institute Chartered Accnt (P119818; FY10; $0.5 million)		Remittances in the Caribbean NLTA **(P120152; FY11)**
OECS Strength.Accnt. Nonbanking Fin. Sect (P119913; FY10; IDF; $0.5 million)		Caribbean CFATF Strategic Implementation Planning **(P124353; FY11)**

IFC Investment - Bank St. Lucia (26786; FY08; $20 million)	CFATF Mutual Evaluators Training Spanish **(P122426; FY11)**
GTFP Bk St. Lucia (26434; FY08; 15.5 million)	IFC AS -Bank of St. Lucia 570348; FY12; $0.17 million 562708; FY10; $0.17 million
	IFC AS - Caribbean Regional Credit Bureau (568827; FY09; $2 million)
	IFC AS - Republic Bank Microfinance Feasibility Study (541603; FY08)

a. An FSAP for the OECS Currency Union (ECCU) was done in FY04.
b. This was completed under the FY06–09 regional strategy period, although the RPS did not have the financial sector as a results area (in any case, it only fits marginally under financial sector).

WORLD BANK GROUP SUPPORT AND OUTPUTS

Bank AAA, and to some extent financing, helped advance the resolution of the CLICO/BAICO debacle and safeguard OECS financial sector stability. Given the need to act regionally in order to mitigate risks of contagion and defend financial sector stability, the Bank provided technical advice to the ECCU Core Committee on Insurance regarding various aspects of the work for an orderly resolution of the BAICO/CLICO crisis.[1] It also produced analysis of the systemic risk of BAICO and CLICO in the Eastern Caribbean region and a special report on ECCU insurance sector rationalization. Both studies helped frame the new legislative and institutional arrangements for the insurance sector going forward. In parallel, at the individual country level, the two FY10 single-tranche Economic and Social DPLs to Grenada and St. Lucia supported measures aimed at resolving the BAICO/CLICO crisis as well as the enactment of new insurance legislation. In St. Lucia, for instance, a judicial manager was appointed to review BAICO within the national territory and recommend an orderly resolution to the company's insolvency; a new insurance bill requiring basic solvency margins was submitted to Parliament. In Grenada, the FY14 programmatic Resilience-Building DPC series supports further measures to strengthen financial sector stability.

Bank AAA and financing also addressed financial sector regulation and supervision; IFC supplemented investments with advisory service operations in an effort to expand SME financing. Through lending and AAA, as partly outlined in the preceding paragraph, the Bank sought to help strengthen and harmonize regulation and supervision of the insurance sector.[2] Subsequently, in collaboration with the IMF, CDB, and the United Kingdom (and with the Task Force on the ECCU Financial System as the main counterpart), Bank technical support included banking sector diagnostics. It helped undertake a preliminary assessment of 11 indigenous banks and implement proposed solutions to weaknesses identified, and most recently initiated a

comprehensive independent diagnostic of banking sector asset quality.[3] Regarding access to finance, following analytic work on private sector financing by the Bank,[4] beginning in FY08 IFC engaged with a large commercial bank in St. Lucia in support of creating an SME lending practice through an investment and two advisory projects.[5] It also supported this bank with its global trade finance program (GTFP).[6] Additional IFC AS operations looked into the feasibility of a microfinance program and setting up a regional (Caribbean) credit bureau.[7]

Pillar 2.2: Strengthening the Legal and Regulatory Framework, Sector Chains, and Value linkages for Private business

Table D.3. World Bank Group Strategic Objectives on the Business Environment

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
Strengthened regulatory framework to attract private investment (SLU; FY06–09)	Strengthened regulatory framework to attract private investment. *(Regulatory framework was updated but not implemented.)*
Simplified procedures for starting a business and trading across borders within the OECS by 2014 (IFC; FY10–14)	• Business entry regulations adopted in 4 countries by 2013. (Business entry regulations passed and issued in Dominica and Grenada.) • Reduction in the number of days to comply with business regulations for exports and imports. (4 out of 4 countries reduced the average number of days to comply with import regulations. 1 out of 4 countries reduced the average number of days to comply with export regulations.)
PPPs in relevant sectors to relieve government expenditures and improve service FY10–14)	Number of PPP projects undertaken in the region. *(Not achieved. 2 operations that were under preparation could not be completed.)* PPP roadmap prepared for each country with Bank Group support. *(Not achieved.)*

Table D.4. World Bank Group Instruments of Support for the Business Environment

Lending Operations	Analytical Work	Nonlending Technical Assistance
Caribbean Grant to Caribbean Business. Incubator Network **(P112712; FY09; $0.1 million)**	OECS Private Sector Financing (FY07)	IFC Advisory Services in partnership with CIDA centered on entry and logistics in Dominica, Grenada, St. Lucia, and St. Kitts and Nevis **(Elimination of Administrative Barriers in the OECS 543384; FY06)**
IFC Investment - American University of Antigua **(27533; FY10; $30 million)**	Caribbean Infrastructure PPP Roadmap – PPIAF	IFC AS- SLU Hewanorra International Airport PPP Transaction advisory **(599142; FY14; $1.7 million)**

DM Growth and Social Protection TAC **(P194869; FY07; $1.4 million)**	OECS Growth and Competitiveness (CEM) **(P083915; FY05)**	IFC AS-SLU Tourism Investment Generation Saint Lucia **(581548; FY12; $0.6 million)**
GD Economic and Social DPL **(P117000; FY10; $8 million)**	OECS Backward Tourism Linkages **(P106740; FY08)**	IFC AS - St. Lucia Water PPP Transaction advisory **(P23377; FY10; $0.7 million)**
LC Economic and Social DPL **(P117016; FY10; $12 million)**	GD Cocoa/Nutmeg Logistics Chain Analysis **(P145772; FY14)**	IFC AS - Antigua State Insurance Corporation PPP Transaction Advisory **(29150; FY13)**
GD 1st Programmatic Resilience Building DPC **(P147152; FY14; $15 million)**	Diagnostic of the Investment Environment in Grenada **(538775; FY06)**	IFC AS - Improving tourism linkages in OECS countries **(545644; FY08)**
GD TAC **(P101322; FY08; $1.9 million)**		IFC AS Trade Logistics in the Caribbean **(591347; FY13; $1.8 million)**
GD Public Sector Modernization TAC **(P082392; FY06; $3.5 million)**		IFC AS OECS Business Taxation Reform Project **(600212; FY14; $1.7 million)**
		IFC AS Investment Climate in the Caribbean **(567627; FY11; $1.7 million)**
		IFC Grenada Health PPP **(30574; FY12)**

WORLD BANK GROUP SUPPORT AND OUTPUTS

With variable efficacy, Bank Group analytic and advisory work helped identify reform opportunities and/or track implementation. Regarding sector linkages and value chains, a Bank report in FY08 examined ways to enhance tourism sector backward linkages. (World Bank 2008).[8] IFC also sought to help improve linkages between tourism and other sectors in the OECS countries, and later undertook an AS operation in support of generating tourism investment in St. Lucia.[9] In FY13, Bank analytic work specific to Grenada examined ways of improving logistics for cocoa and nutmeg, two of the country's most important exports (Fries, Weiss, and White 2013).[10] As discussed earlier, the Bank also prepared a diagnostic report in FY15 discussing key constraints to growth under the Caribbean Growth Forum initiative, and proffered the Comprehensive Debt Framework as an analytic tool tracing the linkages between growth and public finances in the OECS and other small states.

Concerning business environment reforms, a Bank Group report appeared to lay the groundwork for subsequent IFC advisory work aimed at improving individual indicators (World Bank 2007).[11] Through its Doing Business Reform advisory services, IFC pursued a number of advisory projects in the region (with a reach extending beyond the OECS in some cases), in part with support from Canada.[12] Beginning in

early 2009, it provided advice on business entry reforms in Dominica, Grenada, St. Lucia, and St. Kitts and Nevis intended to "simplify, streamline and automate regulations and procedures" for business start-up. It also supported trade-logistics streamlining in Dominica, Grenada, St. Lucia and St. Kitts and Nevis, assessing aspects that could be simplified and helping to develop solutions. IFC's Doing Business Reform Advisory also submitted reform memos to all of the OECS countries proposing "policy recommendations aimed at improving the environment for doing business in the short and medium term." In all of these efforts, IFC reported trying to encourage public-private dialogue on reforms (IFC 2010).

Selectively rather than systematically, Bank financing supported steps aimed at improving the business environment, including certain public services. In Grenada, the FY06 PSMP TAC's competiveness component helped refurbish small business training facilities and strengthen capacity to promote an improved business environment for micro and small businesses at the Grenada Industrial Development Corporation (GIDC). Similarly, the FY08 Grenada TAC supported a strengthening of investment promotion services and associated restructuring of GIDC. Under the FY14 Resilience-Building DPC, prior actions included the enactment of the Grenada Tourism Authority (GTA) Act, as well as steps to prepare for the commercialization of public estates in an effort to stimulate agribusiness sector development. In addition, as recounted in chapter 3 (sub-pillar 1.1), several Bank lending operations (including the 2010 Economic and Social DPLs in Grenada and St. Lucia) supported the deployment of upgraded ASYCUDA systems in customs in some of the OECS countries, and the E-GRIP sought to lay the groundwork for, and to operationalize, e-government services for the payment of taxes. Bank lending also supported other initiatives (e.g., to facilitate business registration). In St. Lucia, for instance, the FY10 Economic and Social DPL featured the launch of an online company registration portal among its prior actions.

IFC advisory services sought to help realize PPPs in specific areas, including water and sanitation (St. Lucia) and hospital management (Grenada). IFC carried out several AS projects aimed at bringing specific PPP projects to fruition during the latter part of the evaluation period. In St. Lucia, IFC—working in tandem with Bank lending support—conducted a transaction advisory for a PPP project in the water sector, seeking to help put in place a management contract with a private operator for WASCO, the public water and sanitation utility.[13] In fact, IFC's advice to put in place a management contract represented a scale-back compared with Bank advice in the early 2000s that St. Lucia should aim for a concession contract. The tendering process was carried out, and two bids were received from prospective operators. In FY14, IFC engaged in a second transaction advisory in St. Lucia for private sector participation in managing the country's Hewanorra International Airport, which handles long-haul flights (and thus most of its tourist traffic).[14] In Grenada, IFC advised on a PPP for health infrastructure

involving the design, financing, construction, operation, and maintenance of a replacement facility for St. George's General Hospital, with the goal of improving local health care as well as of fulfilling medical training and regional tertiary care needs and attracting medical tourism.[15] In Antigua and Barbuda, IFC served as transaction adviser for a planned partial privatization of the state-owned Antigua State Insurance Corporation (SIC).[16] The Bank has also provided support on PPPs, including developing a regional infrastructure roadmap and assisting with PPP frameworks in both Grenada and St. Lucia.

Pillar 2.3: Improving Infrastructure Delivery

Table D.5. World Bank Group Strategic Objectives in Improving Infrastructure Delivery

Objectives/Outcomes Sought	Associated Indicator(s) and *Outturn*
Increased access to ICT services for the general population (FY10–14)	Percentage of population with access to broadband Internet services. *(Access increased from baseline of 9% (2009) to 14 %(2013).)*
Draft treaty establishing ECERA prepared for 2 countries by 2014 (FY10–14)	Draft treaty establishing ECERA prepared for 2 countries by 2014. *(Not achieved.)*
Reduction of communication tariffs as a result of competitive network charges among operators on local and international routes, including broadband services (FY06–09)	Reduction of 40% in each country in a basket of equally weighted prices of leased lines (international leased lines, mobile retail tariffs and international rate per minute to US) in increments of 10% reduction each year from the original price index of 100. *(Mobile retail tariffs reduced by 63%, but no information on international leased lines or the international rate per minute to US.)*
Strengthened Telecommunications' subregional and national regulatory frameworks (FY06–09)	Strengthened Telecommunications' subregional and national regulatory frameworks *(Pro-competition legislation passed in all five participating countries (DM, GD, SLU, SKN, SVG). Regulations and guidelines for Universal Services were drafted and approved by March 31, 2008.)*
Improved operation and oversight of electricity and water companies (SLU; FY06–09)	- Goal of improved water company financial performance *(Not achieved.)* - The target of sale of <50% of WASCO shares to private sector *(Not achieved.)* - Increased access to water *(Over 90% of customers in the service area have 24/7 water service (compared to 30% in 2006).)* -Targeted operational improvement indicator in water - increase in extraction capacity of the Roseau dam from 6 up to 10 MGD *(Achieved.)*
Usage of broadband services triples to 7% by 2008.	Broadband service penetration. *(Service penetration increased in all OECS countries.)*

Table D.6. World Bank Group Instruments of Support for Improving Infrastructure Delivery

Lending Operation	Analytical Work	Nonlending Technical Assistance
Caribbean Communications Infrastructure Program **(P114963; FY12 IDA $25 million)**	Caribbean Air Transport ESW **(P095968; FY07)**	IFC AS - OECS Submarine Cable Project **(537643; FY08; $0.2 million)**

Lending Operation	Analytical Work	Nonlending Technical Assistance
OECS: Telecom Reform **(P035730; EXIT FY05 IBRD $6 million)**	Caribbean Regional Energy Strategy **(P112173; FY11)**	IFC AS – St. Lucia Water **(26377; FY08)**
SLU Water Supply Infrastr. Improvement **(P094416; FY05; EXIT FY09 IBRD $7.7 million)**		
SLU Water Infra Improv AF **(P105027; FY07 IDA $1.8 million)**		
OECS ECERA Project **(P101414; FY11 IDA $5.6 million)**		
SLU Water Sector Reform TAL **(P070244; FY01; EXIT FY09; $2.6 million)**		
OECS Telecommunications and ICT Development Project **(P088448 FY05 IDA/IBRD $2.7 million)**		
DM GSPTAC **(P094869; FY07; $1.4 million)**		

WORLD BANK GROUP SUPPORT AND OUTPUTS

In telecommunications/ICT, project financing sustained long-standing Bank support for regulatory framework development and sought to increase utilization of services. Prior to the evaluation period, Bank project engagement beginning in 1998 had supported the design of a new telecommunications regulatory system, which led to the creation of the Eastern Caribbean Telecommunications Authority (ECTEL) and of National Telecommunications Regulatory Commissions (NTRCs) in five countries.[17] The positive impact of these reforms on access to, as well as quality and affordability of, telecommunications services in the region was enormous. Follow-up support through the FY05 OECS Telecommunications and ICT Development (TICT) Project—implemented largely during the evaluation period—sought to consolidate the reforms and expand access and use of telecommunications and ICT services, notably through the creation of Universal Service Funds (USFs) to promote private ICT investment in under-served communities and public institutions.[18] TICT project efforts to expand the use of ICT services by government and the private sector[19] were pursued subsequently under the Caribbean Communications Infrastructure Program (CARCIP), which was structured as horizontal adaptable program lending.[20] The project, which remains under implementation, aims to fill broadband infrastructure gaps as well as to help develop the IT and IT-enabled service industries in three countries.[21] Significantly, CARCIP is piloting a new regional procurement model—for the connectivity infrastructure

investment, which accounts for over half the project budget—pooled across the three countries, managed by St. Lucia's PCU. With support from the U.K. Department for International Development (DFID), the Bank has begun working on an open data initiative with St. Lucia. IFC involvement in telecommunications during the evaluation period was limited to advisory services for a submarine cable project,[22] although an investment predated the period.[23]

In water and sanitation, Bank project financing supported water supply investments in St. Lucia and sought—together with IFC advisory work—to help improve WASCO's performance. During the evaluation period, the Bank implemented two projects, both approved prior to the start of the period.[24] The first, a technical assistance operation, followed years of fruitless efforts by the Government of St. Lucia and several development partners to improve WASCO's performance, and was designed to transform the water sector by focusing on strengthening the regulatory framework and, in parallel, introducing private sector management to improve WASCO's performance.[25] As indicated in the discussion of sub-pillar 2.2, IFC served as transaction adviser in the initiative to place WASCO under a management contract with a private operator in 2008. Implementation of the Bank's technical assistance project saw repeated delays, and its closing date was extended by three years; despite this, the Bank consistently elected to portray the project as making good progress.[26] Responding to an urgent need to help alleviate water shortages in the north of the island (the general area of Castries, the capital, and several tourist resorts) ahead of the Cricket World Cup in March 2007, the Bank approved a second project in FY05 to finance targeted water supply infrastructure. This second project purposely excluded any institutional objectives.

Regarding energy, a Bank project supported electricity regulation in Dominica, but the bulk of its project financing sought to help establish a regional (OECS-wide) energy regulator. In Dominica, continuing earlier Bank support for the electricity sector,[27] the FY07 GSPTAC supported the establishment of a national electricity regulator, the Independent Regulatory Commission (IRC), also providing initial support for the IRC's operation. In parallel, the Bank pursued a regional energy regulation model, which culminated in the FY11 approval of the First Phase (encompassing Grenada and St. Lucia) of the Eastern Caribbean Energy Regulatory Authority (ECERA) Program.[28] Since its approval, however, the ECERA project has encountered many problems. By the start of implementation, which was delayed for more than two years,[29] the two participating countries and other stakeholders had begun raising concerns on the pace of progress—notably in mobilizing commitments by the other OECS countries to ECERA—and the viability of a regional energy regulator serving only two countries. Impatient with the delays in creating ECERA, both countries took steps to create national authorities to regulate their energy sectors,[30] raising the additional complication of how these bodies'

roles are defined in relation to ECERA's. In response to the countries' concerns, the project gave top priority to the preparation of new Electricity Supply Acts for Grenada and St. Lucia and intensified efforts to encourage other countries to join ECERA.[31] Meanwhile, as planned, several studies went ahead under the project.[32] Nevertheless, scarcely a year after the project's formal launch, a decision was taken to restructure the project, with Grenada and St. Lucia favoring an "ECERA light" model of a virtual service agency with minimal staff to support the national regulators—a significant step back from the original model that would leave the regional body with no regulatory power and limited technical capacity.

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[1] The NLTA task (approved in FY10, completed in FY12) was entitled Caribbean Insurance Crisis: CLICO/BAICO (P121613) and delivered advice on: the sale of BAICO property portfolio; the establishment of a new company and the negotiations with a strategic investor; the development of an alternative strategy for BAICO; the establishment of a Health Insurance Support Fund; the recapitalization and sale of BAICO's traditional life portfolio, and on various resolution proposals put forward by CLICO judicial managers.

[2] The NLTA task (Caribbean ECCU: Harmonizing Insurance Regulation and Supervision; P125676), approved in FY11 and completed in FY13, was part of the Financial Sector Reform and Strengthening Initiative (FIRST). It helped lay additional groundwork for reforming the insurance regulatory framework in the OECS, notably by funding a stakeholder workshop as well as the preparation of a White Paper setting out key elements of a new regulatory framework, including a regional authority and a uniform law.

[3] Tasks involved include the Restoring Financial Stability in the OECS NLTA (P126179), approved in FY13 and completed in FY14, the Continued Resilience of the ECCU Financial System NLTA (P145745), approved in FY13 and still ongoing, and the Strengthening the Financial Sector in the Eastern Caribbean NLTA (P150897), approval of which is beyond the evaluation period).

[4] FY07 OECS Private Sector Financing: Bridging the Supply-Demand Gap (P101320).

[5] FY08 IFC investment in (loan to) the Bank of St. Lucia (26786; S20 million) and AS operations in FY10 (562708; $0.17 million) and FY12 (570348; $0.17 million).

[6] GTFP Bank of St. Lucia (26434; $15.5 million).

[7] The IFC AS operations were the FY08 Republic Bank Microfinance Feasibility Study (541603) and the Caribbean Regional Credit Bureau (568827; $ 2million).

[8] Interviews with public officials and private sector actors in Grenada and St. Lucia in the tourism sector showed little familiarity with the report.

[9] The AS operations in question were the FY08 Improving tourism linkages in the OECS Countries operation (545644), and the FY12 Tourism Investment Generation St. Lucia (581548) operation.

[10] The study complemented a JSDF-funded FY13 Grenada Small Farmer Vulnerability Reduction project.

[11] Among other findings, the report indicated that while the OECS countries had harmonized several areas of business regulations—such as business start-up, legal rights of borrowers and lenders, bankruptcy procedures and contract enforcement—differences arose in how harmonized legislation was implemented in each jurisdiction. For example, despite the similar companies act, starting a business in St. Vincent and the Grenadines took 12 days, compared to 57 days in Grenada.

[12] The IFC AS operations included Elimination of Administrative Barriers in the OECS (543384; FY08), Investment Climate in the Caribbean (567627; FY11), Trade Logistics in the Caribbean (591347; FY13), and OECS Business Taxation Reform Project (600212; FY14).

[13] The FY08 task was the St. Lucia Water PPP Transaction Advisory (23377; $0.7 million).

[14] St. Lucia Hewanorra International Airport PPP Transaction Advisory (599142; $1.7 million), FY14.

[15] Grenada Health PPP (30574), FY12.

[16] Antigua State Insurance Corporation PPP Transaction Advisory (29150), FY13.

[17] FY99 OECS Telecommunications Reform Project (P035730; $6 million). NTRCs were created in Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

[18] The FY05 OECS Telecommunications and ICT Development (TICT) Technical Assistance Project (P088448; $2.7 million) financed a review of the Telecommunications Act as well as the drafting of a new Electronic Communications Bill with expanded mandate for ECTEL and the NTRCs. With much of the fixed line communications network dominated by the incumbent Cables and Wireless, the project supported the development of a model for determining interconnection tariffs (leading to lower rates), the promulgation of revised Interconnection Regulations, and the application of alternative technologies for spectrum monitoring. The biggest component of the project, however, was to promote private ICT investment in under-served communities and public institutions through the creation of Universal Service Funds (USFs) to support Universal Service projects through a one-time subsidy.

[19] TICT project outputs in this regard included two digital classroom live portals, two community technology centers, and a robotics invention system as a tool for ICT education in five schools.

[20] FY12 First Phase of the Caribbean Communications Infrastructure Program (P114963; $25 million).

[21] Grenada, St. Lucia, and St. Vincent and the Grenadines.

[22] FY08 AS on OECS Submarine Cable Project (537643; $0.2 million).

[23] In 2003, IFC had made an investment ($4.8 million in equity and a $6.7 million loan) toward a €90.8 million project by Digicel for the roll out and expansion of its operation in the Eastern Caribbean. IFC's equity position was bought out when Digicel refinanced its project in 2005–06.

[24] The Water Sector Reform TA Project (P070244; $2.6 million) was approved in FY01 and the Water Supply Infrastructure Improvement Project (P094416; $7.7 million) in FY05; the latter received additional financing (P105027; $1.8 million) in FY07. Both projects closed in FY09.

[25] The CDB—which, unlike the Bank, continues to be involved in St. Lucia's water sector—provided parallel financing ($5.27 million) to strengthen WASCO's internal systems (e.g., staff skills) and fund urgently needed water and sanitation investments.

[26] Although the Bank fielded regular, well-staffed supervision missions and contributed strong technical support, despite the continuing lack of progress under the project, all but one Implementation Status Report during the original implementation period rated the achievement of both Project Development Outcome and Implementation Progress as satisfactory, and continued to rate both as such during half of the extension (MS for the other half), until the final unsatisfactory rating in the ICR.

[27] The FY04 Dominica Economic Recovery Support Operation supported a review and amendment of the legal and regulatory framework for electricity supply. In parallel, in 2003–04, the Public-Private Infrastructure Advisory Facility (PPIAF) provided two grants of $75,000 each to Dominica for technical assistance in designing and implementing a new regulatory framework for electricity generation, transmission, and distribution and in amending the Electricity Act to enable private licensees to generate and distribute electricity.

[28] The FY06–09 RPS had proposed an OECS Infrastructure and Utilities Reform Investment/TA program to provide regional benchmarking and regulatory assistance for the countries' electricity (and water) sectors. However, this operation never materialized; instead, the Bank began preparing a regional energy regulation project in FY07, targeting Board approval by FY09. The OECS ECERA project (P101414; $5.6 million) was eventually presented to the Board and approved in FY11. In parallel to the IDA funding, a grant of $1.5 million from the SIDS Dock facility, a sustainable energy initiative for Small Island Developing States, was mobilized to support the effective implementation of the project.

[29] In particular, the IDA credits had to be terminated and then reinstated for noncompliance of effectiveness conditions.

[30] Grenada passed the Public Utility Commission Bill in February 2015; St. Lucia passed the National Utilities Regulatory Commission Bill in November 2015.

[31] The Programmatic Resilience Building Development Policy Credit series for Grenada, of which the first loan was approved at end-FY14, specifies "cabinet approval of the policy for the amendment to the Electricity Supply Act" as a trigger for the second operation in the series.

[32] These studies address various issues, including the self-financing mechanism and power pricing strategy for ECERA, strategy and business models for energy efficiency investments in the OECS countries, grid-codes and policies to promote renewable energy, and model Power Purchasing Agreement and renewable energy experience stock-taking.

Appendix E. Reference Tables

Table E.1. OECS—List of World Bank Approved Projects, FY06–14

Project ID	Project Name	Agreement Type	Approval Fiscal Year	Project Status	Total Project Commitment (US$, millions)	IBRD Commitment Amount (US$, millions)	IDA Commitment Amount (US$, millions)	Trust Fund Commitment Amount (US$, millions)	Country	Global Practice	Lending Instrument Type	IEG Outcome Rating
P082392	GD Public Sector Modernization TAC	IDA	2006	Closed	3.5	0.0	3.5	0.0	Grenada	Governance	Investment	MU
P085934	CARICOM-TFSCB Grant for MECOVI - TF052903	RETF	2006	Closed	0.2	0.0	0.0	0.2	Caribbean	Poverty and Equity	Adjustment	
P090731	6R-GEF-Impl. of Adaptation Measures	GEF	2007	Closed	2.1	0.0	0.0	2.1	Caribbean	ENR	Investment	MS
P094539	OECS-Catastrophe Insurance	IDA	2007	Closed	14.2	0.0	14.2	0.0	OECS countries	SURR	Investment	MS
P094869	DM GSPTAC	IDA	2007	Closed	1.4	0.0	1.4	0.0	Dominica	Governance	Investment	MS
P097141	OECS (St. Lucia) Skills for Inclu. Growth	IDA	2007	Closed	3.5	0.0	3.5	0.0	St. Lucia	Education	Investment	MS
P105027	SL Water Infra Improv Add'l Finan	IDA	2007	Closed	1.8	0.0	1.8	0.0	St. Lucia	Water	Investment	
P104465	Caribbean Emergency Legislation Project	IDF	2007	Closed	0.4	0.0	0.0	0.4	Caribbean	SURR	#	
P104531	OECS Strengthening Insti Capacit TF91819	IDF	2007	Closed	0.4	0.0	0.0	0.4	OECS countries	Governance	#	
P108058	Caribbean Catastrophe Risk Insurance	RETF	2007	Closed	45.0	0.0	0.0	45.0	Caribbean	Finance and Markets	Investment	HS
P100635	OECS E-Gov for Regional Integration	IDA	2008	Closed	7.2	0.0	7.2	0.0	OECS Countries	Transport and ICT	Investment	
P101322	GD TAC	IDA	2008	Closed	1.9	0.0	1.9	0.0	Grenada	Governance	Investment	MS

APPENDIX E
REFERENCE TABLES

Project ID	Project Name	Agreement Type	Approval Fiscal Year	Project Status	Total Project Commitment (US$, millions)	IBRD Commitment Amount (US$, millions)	IDA Commitment Amount (US$, millions)	Trust Fund Commitment Amount (US$, millions)	Country	Global Practice	Lending Instrument Type	IEG Outcome Rating
P108711	CKLN - EU Support	RETF	2008	Closed	2.4	0.0	0.0	2.4	Caribbean	Transport and ICT	Investment	
P095681	OECS (Grenada) Skill for Inclusive Growth	IDA	2009	Closed	3.0	0.0	3.0	0.0	Grenada	Education	Investment	MS
P111708	LC (AF) Disaster Mgt Project II Add'l Fi	IDA	2009	Closed	3.0	0.0	3.0	0.0	St. Lucia	SURR	Investment	
P113342	GD -(AF) Education Dev -2nd APL	IDA	2009	Closed	1.9	0.0	1.9	0.0	Grenada	Education	Investment	
P115149	Strengthening the capacity of CAROSAI	IDF	2009	Closed	0.4	0.0	0.0	0.4	Caribbean	Governance	#	
P116859	LC Enhancing Public Service Performance	IDF	2009	Closed	0.4	0.0	0.0	0.4	St. Lucia	Governance	#	
P112172	Grant to Caribbean Bus. Incubatr Network	RETF	2009	Closed	0.1	0.0	0.0	0.1	Caribbean	Transport and ICT	Investment	
P117371	OECS TFSCB Grant for Statistics	RETF	2009	Closed	0.3	0.0	0.0	0.3	OECS countries	MFM	Investment	
P117000	GD Economic and Social DPL	IBRD	2010	Closed	8.0	4.5	3.5	0.0	Grenada	MFM	Adjustment	S
P117016	LC Economic and Social DPL	IBRD	2010	Closed	12.0	4.0	8.0	0.0	St. Lucia	MFM	Adjustment	MU
P117087	OECS EGRIP-SVG (APL 2)	IDA	2010	Closed	2.3	0.0	2.3	0.0	OECS countries	Transport and ICT	Investment	
P117829	Institutionalizing M&E in OECS / CARICOM	IDF	2010	Closed	0.5	0.0	0.0	0.5	OECS countries	Governance	#	
P117873	GD Strength. Personnel Expenditures Mgmt	IDF	2010	Closed	0.4	0.0	0.0	0.4	Grenada	Governance	#	

Project ID	Project Name	Agreement Type	Approval Fiscal Year	Project Status	Total Project Commitment (US$, millions)	IBRD Commitment Amount (US$, millions)	IDA Commitment Amount (US$, millions)	Trust Fund Commitment Amount (US$, millions)	Country	Global Practice	Lending Instrument Type	IEG Outcome Rating
P119818	6O Strengthng. Institute Chartered Accnt	IDF	2010	Closed	0.5	0.0	0.0	0.5	OECS countries	Governance	#	
P119913	6O Strength.Accnt. Nonbanking Fin. Sect	IDF	2010	Closed	0.5	0.0	0.0	0.5	OECS Countries	Governance	#	
P120474	AG Enhancing Efficiency in Pers Exp.	IDF	2010	Closed	0.3	0.0	0.0	0.3	Antigua and Barbuda	Governance	#	
P116430	Monitoring Human Exposure to POPs	RETF	2010	Closed	0.3	0.0	0.0	0.3	Caribbean	ENR	Investment	
P101414	6O-ECERA Eastern Carib. Engy Reg Auth.	IDA	2011	Active	5.6	0.0	5.6	0.0	OECS countries	Energy and Extractives	Investment	
P117871	Regional Disaster Vuln. Reduct. Projects	IDA	2011	Active	20.9	0.0	20.9	0.0	OECS countries	SURR	Investment	
P124939	SVG Hurricane Tomas Emergency Recov Loan	IDA	2011	Closed	5.0	0.0	5.0	0.0	St. Vincent and the Grenadines	SURR	Investment	S
P125205	SLU Hurricane Tomas ERL	IDA	2011	Closed	15.0	0.0	15.0	0.0	St. Lucia	SURR	Investment	
P122518	Statistical Capacity for HD in OECS	IDF	2011	Closed	0.4	0.0	0.0	0.4	OECS countries	Governance	#	
P124107	GD Small Farmer Vulnerability Reduction	RETF	2011	Closed	1.0	0.0	0.0	1.0	Grenada	Agriculture	Investment	
P103470	Sust Finan of East Cari Marine Resources	GEF	2012	Active	8.8	0.0	0.0	8.8	OECS countries	ENR	Investment	
P114963	6R (APL1A) Communic. Infrast. Prog.	IDA	2012	Active	25.0	0.0	25.0	0.0	Caribbean	Transport and ICT	Investment	
P123128	GD Safety Net Advancement	IDA	2012	Active	5.0	0.0	5.0	0.0	Grenada	SP	Investment	

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Project ID	Project Name	Agreement Type	Approval Fiscal Year	Project Status	Total Project Commitment (US$, millions)	IBRD Commitment Amount (US$, millions)	IDA Commitment Amount (US$, millions)	Trust Fund Commitment Amount (US$, millions)	Country	Global Practice	Lending Instrument Type	IEG Outcome Rating
P129786	St. Kitts and Nevis: Enhanced PS Governance and Eff.	IDF	2012	Active	0.4	0.0	0.0	0.4	St. Kitts and Nevis	Governance	#	
P131197	6R SmartStream Enterprise Agreement Neg.	RETF	2012	Closed	0.2	0.0	0.0	0.2	Caribbean	Governance	Investment	
P126791	AG – Pub and Soc Sctr Transformation	IBRD	2013	Active	10.0	10.0	0.0	0.0	Antigua and Barbuda	SP	Investment	
P144470	Strengthening Labor Market	IDF	2013	Active	0.7	0.0	0.0	0.7	Caribbean	SP	#	
P127226	6O-(APL2)LC Disaster Vuln. Reduct.	IDA	2014	Active	41.0	0.0	41.0	0.0	OECS Countries	SURR	Investment	
P129992	DM Disaster Vuln. Reduction (APL3)	IDA	2014	Active	17.0	0.0	17.0	0.0	Dominica	SURR	Investment	
P146768	St. Vincent and the Grenadines RDVRP (AF)	IDA	2014	Active	35.6	0.0	35.6	0.0	St. Vincent and the Grenadines	SURR	Investment	
P147152	1st Programmatic Resilience Building DPC	IDA	2014	Closed	15.0	0.0	15.0	0.0	Grenada	MFM	Adjustment	
P149007	Str. Country Sys for better Inv Res	IDF	2014	Active	0.4	0.0	0.0	0.4	Caribbean	Governance	#	
P150338	AG Roadmap to improve water and energy ser	IDF	2014	Active	0.3	0.0	0.0	0.3	Antigua and Barbuda	Water	#	
P150400	Procurement Capacity Building, Caribbean	IDF	2014	Active	0.3	0.0	0.0	0.3	Caribbean	Governance	#	
Total					325.5	18.5	240.4	66.6				

Source: World Bank database as of March 2015 (includes supplements).
Note: AF = additional financing; AG =Antigua and Barbuda; APL = adaptable program lending; CARICOM = Caribbean Community; CAROSAI =Caribbean Organization of Supreme Audit Institutions; CKLN = Caribbean Knowledge and Learning Network; DM = Dominica; DPC = Development Policy Credit; DPL = development policy loan; ECERA = Eastern Caribbean Energy Regulatory Authority; EGRIP = Electronic Government for Regional Integration Project; ENR = environment and natural resources; ERL = emergency recovery loan; EU = European Union; GD = Grenada; GEF = Global Environment Facility; GICT = Global Information and Communications Technology; GSPTAC = Growth and Social Protection Technical Assistance Credit; HS = highly satisfactory; IBRD = International Bank for Reconstruction and Development; ICT = information and communications technology; IDA = International Development Association; IDF = Institutional Development Fund; IEG = Independent Evaluation Group; LC =St. Lucia; M&E = monitoring and evaluation; MECOVI =

Mejoramiento de las Encuestas de Hogares y la Medición de Condiciones de Vida; MFM = macroeconomics and fiscal management; MS = moderately satisfactory; MU = moderately unsatisfactory; PS = ; RDVRP = Regional Disaster Vulnerability Reduction Project; RETF = recipient-executed trust fund; S = satisfactory; SP = social protection and labor; SURR = Social, Urban, Rural, and Resilience Global Practice; SLU = St. Lucia; SVG = St. Vincent and the Grenadines; TA = technical assistance; TAC = Technical Assistance Credit ; TF = trust fund; TFSCB = Trust Fund for Statistical Capacity Building.

Table E.2. IEG Project Ratings for OECS, Exit FY06–14

Exit Fiscal Year	Project ID	Project Name	Net Commitment Amount (US$, millions)	Approval Fiscal Year	Country	Agreement Type	IEG Outcome	IEG Risk to Development Objective Rating	IEG Sustainability[a]	IEG Institutional Development Impact
2006	P069922	GD Grenada Disaster Management	9.8	2001	Grenada	IBRD	MS	#	Likely	Modest
2006	P069923	VC Disaster Management	6.0	2002	St. Vincent and the Grenadines	IBRD	MS	#	Likely	Modest
2006	P076822	Emergency Recovery Project	2.9	2002	St. Vincent and the Grenadines	IBRD	S	#	Likely	Modest
2006	P077682	GD Emergency Recovery Project	3.8	2002	Grenada	IBRD	S	#	Likely	Substantial
2006	P077684	Emergency Recovery Project	3.9	2002	St. Kitts and Nevis	IBRD	S	#	Likely	Modest
2006	P077687	Emergency Recovery Project	6.5	2002	St. Lucia	IBRD	S	#	Likely	Modest
2009	P070244	LC Water Sector Reform Tech Assist	2.3	2002	St. Lucia	IBRD	U	High	#	#
2009	P073389	GEF MACC 6R Mainstreaming Adapt to Clima	0.0	2003	Caribbean	GEF	MU	Moderate	#	#
2009	P075978	6O-KN Education (APL01)	4.8	2002	St. Kitts and Nevis	IBRD	MS	Significant	#	#
2009	P076715	GD 2nd Phase APL HIV/AIDS Prev. and Control	2.6	2003	Grenada	IBRD	U	Significant	#	#
2009	P076798	KN: HIV/AIDS Prevention and Control Proj	3.4	2003	St. Kitts and Nevis	IBRD	MU	Moderate	#	#
2009	P077712	6O LC Education (APL01)	13.0	2002	St. Lucia	IBRD	MS	Significant	#	#
2009	P092692	GD (4APL) Hurricane Ivan Emerg. Rec.	9.8	2005	Grenada	IBRD	S	Moderate	#	#
2009	P094416	LC Water Supply Infrastr. Improvement	9.7	2005	St. Lucia	IBRD	MS	Significant	#	#

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Exit Fiscal Year	Project ID	Project Name	Net Commitment Amount (US$, millions)	Approval Fiscal Year	Country	Agreement Type	IEG Outcome	IEG Risk to Development Objective Rating	IEG Sustainability[a]	IEG Institutional Development Impact
2010	P076795	LC HIV/AIDS Prevention and Control	6.4	2005	St. Lucia	IBRD	MS	Negligible to Low	#	#
2010	P080721	6R HIV/AIDS Prevention and Control	8.8	2004	Caribbean	IDA	MS	Negligible to Low	#	#
2011	P076799	VC HIV/AIDS Prevention and Control	6.5	2005	St. Vincent and the Grenadines	IBRD	MU	Moderate	#	#
2011	P077759	GD Education Dev (2nd APL)	8.6	2003	Grenada	IBRD	MS	Moderate	#	#
2011	P094539	OECS-Catastrophe Insurance	14.2	2007	OECS Countries	IDA	MS	Moderate	#	#
2011	P094869	DM GSPTAC	1.5	2007	Dominica	IDA	MS	Moderate	#	#
2011	P117000	GD Economic and Social DPL	8.0	2010	Grenada	IBRD	S	Moderate	#	#
2011	P117016	LC Economic and Social DPL	12.0	2010	St. Lucia	IBRD	MU	Significant	#	#
2012	P073267	OECS Protected Areas and Associated Live	0.0	2004	OECS Countries	GEF	MS	Significant	#	#
2012	P086469	LC Disaster Management Project II	10.5	2004	St. Lucia	IBRD	S	Moderate	#	#
2012	P086664	6O: VC Education (APL3)	5.9	2004	St. Vincent and the Grenadines	IBRD	MS	Negligible to Low	#	#
2012	P088448	OECS-Telecomm and ICT Development Pro	2.7	2005	OECS Countries	IBRD	MS	Negligible to Low	#	#
2012	P090731	6R-GEF-Impl. of Adaptation Measures	0.0	2007	Caribbean	GEF	MS	Moderate	#	#
2012	P101322	GD TAC	1.7	2008	Grenada	IDA	MS	Negligible to Low	#	#
2012	P108058	Caribbean Catastrophe Risk Insurance	0.0	2007	Caribbean	RETF	HS	Moderate	#	#
2013	P082392	GD Public Sector Modernization TAC	3.0	2006	Grenada	IDA	MU	High	#	#
2014	P095681	OECS (Grenada) Skill for Inclusive Growth	3.1	2009	Grenada	IDA	MS	Significant	#	#

Exit Fiscal Year	Project ID	Project Name	Net Commitment Amount (US$, millions)	Approval Fiscal Year	Country	Agreement Type	IEG Outcome	IEG Risk to Development Objective Rating	IEG Sustainability[a]	IEG Institutional Development Impact
2014	P097141	OECS (St. Lucia) Skills for Inclu. Growth	3.7	2007	St. Lucia	IDA	MS	Moderate	#	#
2014	P124939	SVG Hurricane Tomas Emergency Recov Loan	4.7	2011	St. Vincent and the Grenadines	IDA	S	Significant	#	#
Total			**180.2**							

Source: World Bank Business Intelligence database as of February 2016.
Note: AIDS = acquired immune deficiency syndrome; FY = fiscal year; HIV = human immunodeficiency virus; HS = Highly Satisfactory; IEG = Independent Evaluation Group; KN =; MACC =; MS = moderately satisfactory; MU = moderately unsatisfactory; S = satisfactory; U = unsatisfactory; VC = St. Vincent and Grenadines.
a. Sustainability and institutional development impact were rated until FY06; risk to development objective is rated for projects from FY07 onward.

Table E.3 Bank Budget by Cost Structure Category, FY06–14 (US$, thousands and percent)

Global Practice	Total	Project Supervision	Lending	AAA	Country Program Support	Client Training
Agriculture	428			428		
Education	3,666	2,564	486	615		
Energy and Extractives	1,039	314	431	294		
Environment and Natural Resources	1,846	1,446	400			
Finance and Markets	2,950	122	0	2,725		103
GP	31				31	
Governance	4,658	3,227	1,096	334		
Health, Nutrition, and Population	2,766	2,201	4	529		32
LAC	14,897	3,228	560	438	10,672	
LEG	248		248			
Macroeconomics and Fiscal Management	5,057	143	958	3,921		35
Other	567	67		160	340	
Poverty and Equity	577		28	550		
Social Protection and Labor	1,606	461	614	532		
Social, Urban, Rural, and Resilience	4,368	2,681	1,330	330		27
Trade and Competitiveness	1,178			1,170		8
Transport and ICT	3,268	1,847	840	581		
Water	501	500	0			

Global Practice	Total	Project Supervision	Lending	AAA	Country Program Support	Client Training
Total	***49,649***	***18,802***	***6,995***	***12,605***	***11,042***	***206***
			Cost Structure (percent)			
Agriculture	100	0	0	100	0	0
Education	100	70	13	17	0	0
Energy and Extractives	100	30	42	28	0	0
Environment and Natural Resources	100	78	22	0	0	0
Finance and Markets	100	4	0	92	0	3
GP	100	0	0	0	100	0
Governance	100	69	24	7	0	0
Health, Nutrition, and Population	100	80	0	19	0	1
LCR	100	22	4	3	72	0
LEG	100	0	100	0	0	0
Macro Economics and Fiscal Management	100	3	19	78	0	1
Other	100	12	0	28	60	0
Poverty and Equity	100	0	5	95	0	0
Social Protection and Labor	100	29	38	33	0	0
Social, Urban, Rural, and Resilience Global Practice	100	61	30	8	0	1
Trade and Competitiveness	100	0	0	99	0	1
Transport and ICT	100	57	26	18	0	0
Water	100	100	0	0	0	0
Total	**100**	**38**	**14**	**25**	**22**	**0**

Source: World Bank Business Intelligence database as of February 2016.
Note: Table includes all costs for activities in the six independent members of the OECS as well as Caribbean wide activities; includes IDA/IBRD and TF related costs. GP = Global Practice; LAC = Latin America and the Caribbean Region; LEG = .

Table E.4. OECS—List of World Bank AAA, FY06–14

Project ID	**Project Name**	**Approval Fiscal Year**	**Delivered to Client** (FY)	**Project Status**	**Product Line**	**Global Practice**	**AAA Cost (Bank Budget) Delivered** (US$, thousands)	**AAA Cost (Trust Fund) Delivered** (US$, thousands)
P085526	6R Social Protection	2006	FY06	Closed	ESW	Social Protection and Labor	172.2	0.0
P094662	6R Crime and Violence	2007	FY07	Closed	ESW	Social, Urban, Rural, and Resilience	221.7	0.0

Project ID	Project Name	Approval Fiscal Year	Delivered to Client (FY)	Project Status	Product Line	Global Practice	AAA Cost (Bank Budget) Delivered (US$, thousands)	AAA Cost (Trust Fund) Delivered (US$, thousands)
P095568	6R Air Transport	2007	FY07	Closed	ESW	Transport and ICT	289.3	0.0
P095671	Skill Challenges in the Caribbean	2007	FY07	Closed	ESW	Education	163.6	0.0
P098953	OECS Fiduciary Policy Note (Joint)	2007	FY07	Closed	ESW	Governance	216.6	0.0
P101320	OECS Private Sector Financing	2007	FY07	Closed	ESW	Finance and Markets	146.3	0.0
P101126	Caribbean Pension Rfrm and Portab. Benefts	2008	FY08	Closed	ESW	Social Protection and Labor	150.6	0.0
P104547	CARICOM: Managing Nurse Migration	2008	FY08	Closed	ESW	Health, Nutrition, and Population	187.6	64.0
P106740	OECS Backward Tourism Linkages	2008	FY08	Closed	ESW	Finance and Markets	238.8	0.0
P108433	OECS ROSC AA	2008	FY08	Closed	ESW	Governance	117.3	0.0
P106726	6R SCL Evolving Reg. Integrat. and Tra	2009	FY09	Closed	ESW	Macroeconomics and Fiscal Management	428.5	0.0
P111363	Caribbean EPI Synthesis	2009	FY09	Closed	ESW	Health, Nutrition, and Population	1.9	75.0
P112218	Caribbean TA AIDS Strategic Planning	2009	FY09	Closed	TA nonlending	Health, Nutrition, and Population	0.0	186.5
P113634	6R-Agricultural Risk Mgmt. Strategy	2009	FY09	Closed	TA nonlending	Agriculture	79.5	69.5
P111416	TA to improve M&E in The Caribbean	2010	FY10	Closed	TA nonlending	Health, Nutrition, and Population	0.0	47.7
P111783	OECS Career Teacher Management	2010	FY10	Closed	TA nonlending	Education	177.5	6.4
P111855	6R Strength. Education Sctr Res.HIV/AIDS	2010	FY10	Closed	TA nonlending	Education	0.0	33.7
P112144	Caribb HIV/AIDS Civil Society, IEC and M&E	2010	FY10	Closed	TA nonlending	Health, Nutrition, and Population	0.0	113.3
P116386	DeMPA Assessment - St. Kitts and Nevis	2010	FY10	Closed	ESW	Macroeconomics and Fiscal Management	49.9	0.0
P117232	DeMPA Assessment - Grenada	2010	FY10	Closed	ESW	Macroeconomics and Fiscal Management	26.2	0.7
P117233	DeMPA Assessment - Antigua and Barbuda	2010	FY10	Closed	ESW	Macroeconomics and Fiscal Management	27.0	0.0
P109685	CARICOM Managing Nurse Migration II	2011	FY11	Closed	ESW	Health, Nutrition, and Population	74.1	51.1
P111797	JM - NCD Mgmt and OECS NCD Studies	2011	FY11	Closed	TA nonlending	Health, Nutrition, and Population	266.9	0.0

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Project ID	Project Name	Approval Fiscal Year	Delivered to Client (FY)	Project Status	Product Line	Global Practice	AAA Cost (Bank Budget) Delivered (US$, thousands)	AAA Cost (Trust Fund) Delivered (US$, thousands)
P112173	6R Regional Energy Strategy	2011	FY11	Closed	ESW	Energy and Extractives	244.5	279.9
P120152	Remittances in the Caribbean	2011	FY11	Closed	TA nonlending	Finance and Markets	174.0	0.0
P121535	OECS Tax Transparency	2011	FY11	Closed	TA nonlending	Finance and Markets	0.0	0.0
P122426	CFATF Mutual Evaluators Training Spanish	2011	FY11	Closed	TA nonlending	Finance and Markets	35.6	0.0
P123161	6O-Regional Statistical Work in OECS	2011	FY11	Closed	TA nonlending	Poverty and Equity	42.3	0.0
P124353	CFATF Strategic Implementation Planning	2011	FY11	Closed	TA nonlending	Finance and Markets	19.4	0.0
P117501	6O-OECS (C) Safety Net NLTA	2012	FY12	Closed	TA nonlending	Social Protection and Labor	261.9	0.0
P121221	OECS Education NLTA	2012	FY12	Closed	TA nonlending	Education	228.3	5.1
P121613	Caribbean Insurance Crisis Resolution	2012	FY12	Closed	TA nonlending	Finance and Markets	97.1	0.0
P123033	C8 Project with LAC	2012	FY12	Closed	ESW	Macro Economics and Fiscal Management	71.0	0.0
P123107	DR-HT Quisqueya growth and poverty	2012	FY12	Closed	ESW	Macro Economics and Fiscal Management	200.0	32.9
P124693	Caribbean School Health	2012	FY12	Closed	TA nonlending	Education	0.0	137.7
P124858	6R Early Recov and Damage Assessment	2012	FY12	Closed	TA nonlending	Social, Urban, Rural and Resilience Global Practice	14.3	99.9
P125676	ECCU # 9062 Harmon. Ins. Reg and Spn	2012	FY12	Closed	TA nonlending	Finance and Markets	0.0	108.0
P117601	6R-Market-based Ag. Risk Mgmt.	2013	FY13	Closed	TA nonlending	Agriculture	329.2	120.1
P121903	6R Youth At Risk Interventions Gender	2013	FY13	Closed	TA nonlending	Poverty and Equity	145.6	325.2
P127336	6O Support to OECS Dev. Strategy	2013	FY13	Closed	TA nonlending	Macro Economics and Fiscal Management	136.6	475.1
P126179	Restoring Financial Stability in OECS	2014	FY14	Closed	TA nonlending	Finance and Markets	1,302.7	0.0
P128524	6O Regional Statistical Work in OECS	2014	FY14	Closed	TA nonlending	Poverty and Equity	361.7	44.4
P130526	ICT Policy Notes for Jamaica and Suriname	2014	FY14	Closed	TA nonlending	Transport and ICT	41.7	0.0
P133639	Caribbean Human Development Support	2014	FY14	Closed	TA nonlending	Education	46.0	0.0
P145772	GD Cocoa and Nutmeg Logistics Chain Analysis	2014	FY14	Closed	ESW	Agriculture	18.8	0.0

Project ID	Project Name	Approval Fiscal Year	Delivered to Client (FY)	Project Status	Product Line	Global Practice	AAA Cost (Bank Budget) Delivered (US$, thousands)	AAA Cost (Trust Fund) Delivered (US$, thousands)
Total							**6,806.3**	**2,276.3**

Source: World Bank Business Intelligence database as of Feb, 2016.
Note: CFATF = Caribbean Financial Action Task Force; DeMPA = Debt Management Performance Assessment; DR =; EPI =; ESW = economic and sector work; HT =; IEC =; JM =Jamaica; NCD = Non Communicable Diseases; NLTA =; ROSC =; TA = technical assistance.

Table E.5. Total Net Disbursements of Official Development Assistance and Official Aid, 2006–2014 (US$, millions)

Donor	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006–14 Total	% of total
United States	23,532.1	21,787.0	26,437.0	28,831.4	29,656.4	30,966.4	30,652.4	31,266.7	33,095.6	256,224.9	16.7
United Kingdom	12,459.0	9,848.5	11,499.9	11,282.7	13,053.0	13,832.4	13,891.5	17,871.4	19,305.7	123,044.0	8.0
Germany	10,434.8	12,290.6	13,980.9	12,079.3	12,985.3	14,092.9	12,939.5	14,228.3	16,566.2	119,597.8	7.8
France	10,600.6	9,883.5	10,907.6	12,601.6	12,915.1	12,997.2	12,028.3	11,338.7	10,620.4	103,893.0	6.8
Japan	11,135.8	7,697.2	9,600.8	9,466.6	11,057.8	11,086.2	10,604.5	11,581.6	9,266.3	91,496.7	6.0
Netherlands	5,451.7	6,224.3	6,992.6	6,426.1	6,357.3	6,343.9	5,522.9	5,435.5	5,573.0	54,327.3	3.5
Sweden	3,955.0	4,338.9	4,731.7	4,548.3	4,533.5	5,603.1	5,239.8	5,827.3	6,232.7	45,010.3	2.9
Canada	3,683.1	4,079.6	4,794.7	4,000.1	5,214.1	5,458.5	5,649.5	4,947.2	4,240.0	42,067.0	2.7
Norway	2,945.2	3,734.8	4,005.8	4,081.2	4,371.6	4,755.6	4,753.0	5,581.4	5,085.9	39,314.5	2.6
Spain	3,813.7	5,139.8	6,866.8	6,584.2	5,949.5	4,173.1	2,037.4	2,348.1	1,876.8	38,789.3	2.5
Australia	2,122.3	2,665.0	2,955.9	2,767.6	3,826.1	4,983.4	5,402.7	4,845.5	4,382.4	33,951.0	2.2
Italy	3,641.1	3,970.6	4,860.7	3,297.5	2,996.4	4,325.7	2,737.1	3,430.1	4,009.2	33,268.3	2.2
Denmark	2,236.1	2,562.2	2,803.3	2,809.9	2,871.0	2,931.1	2,692.6	2,927.5	3,003.3	24,836.9	1.6
Switzerland	1,646.5	1,684.9	2,037.6	2,310.1	2,300.0	3,050.9	3,052.2	3,200.1	3,521.9	22,804.1	1.5
Belgium	1,976.9	1,950.7	2,385.6	2,609.6	3,003.9	2,807.4	2,314.9	2,299.6	2,448.0	21,796.7	1.4
Austria	1,498.5	1,808.5	1,713.5	1,141.8	1,208.4	1,111.4	1,105.8	1,171.5	1,234.5	11,993.7	0.8
Finland	834.5	981.4	1,165.7	1,290.3	1,333.0	1,406.0	1,319.7	1,435.4	1,634.6	11,400.5	0.7
Korea, Rep.	455.3	696.1	802.3	816.0	1,173.8	1,324.5	1,597.5	1,755.4	1,856.7	10,477.6	0.7
Ireland	1,021.7	1,192.2	1,327.8	1,005.9	895.2	913.5	808.4	845.9	815.8	8,826.3	0.6
Portugal	396.4	470.5	620.2	512.7	648.9	707.8	580.8	488.3	430.2	4,855.8	0.3
Greece	424.1	500.8	703.2	607.3	507.7	424.8	327.4	239.1	247.4	3,981.8	0.3
Poland	299.7	362.9	372.5	374.9	378.5	417.5	421.1	487.1	451.9	3,566.1	0.2
Luxembourg	290.7	375.6	414.9	414.7	402.7	409.2	399.0	429.3	423.2	3,559.5	0.2

Donor	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006–14 Total	% of total
New Zealand	258.7	319.8	348.0	309.3	342.2	424.1	449.1	457.3	506.2	3,414.7	0.2
Czech Republic	160.9	178.9	249.2	214.7	227.6	250.4	219.6	210.9	212.2	1,924.3	0.1
Slovak Republic	55.1	67.2	91.9	75.4	73.7	86.0	79.7	86.0	83.2	698.3	0.0
Slovenia	44.0	54.1	67.6	71.2	58.6	62.8	58.4	61.6	61.5	539.9	0.0
Iceland	41.5	48.3	48.4	34.4	28.8	25.6	26.1	34.9	37.3	325.3	0.0
DAC Countries, Total	**105,414.9**	**104,913.8**	**122,786.1**	**120,564.6**	**128,370.0**	**134,971.4**	**126,910.8**	**134,831.5**	**137,222.2**	**1,115,985.3**	72.9
EU Institutions	10,245.1	11,634.2	13,197.0	13,581.2	12,746.7	17,390.6	17,479.1	15,881.9	16,451.1	128,606.9	8.4
International Development Association	6,292.0	7,463.1	6,689.2	9,006.0	7,778.7	6,995.3	6,840.2	8,172.2	10,262.1	69,498.7	4.5
Global Fund	1,251.8	1,626.6	2,167.6	2,333.1	3,003.5	2,611.6	3,307.2	3,946.2	2,847.2	23,094.7	1.5
African Development Fund	1,997.3	1,248.1	1,625.0	2,582.3	1,702.3	2,146.7	1,788.0	2,180.4	1,904.4	17,174.4	1.1
ADB Special Funds	1,019.9	1,182.0	1,653.6	1,943.1	1,023.1	862.8	716.2	1,004.5	1,477.3	10,882.5	0.7
UNICEF	736.4	981.1	984.1	1,086.2	1,045.8	1,089.3	1,140.0	1,229.9	1,295.3	9,588.0	0.6
IDB Special Fund	216.1	256.7	309.8	379.8	1,286.8	1,497.2	1,412.9	1,929.8	1,719.5	9,008.4	0.6
Global Alliance for Vaccines and Immunization		935.9	718.9	469.5	771.5	819.4	1,068.3	1,544.1	1,414.7	7,742.3	0.5
IMF Concessional Trust Funds	387.5	-71.7	307.1	1,825.1	1,229.9	772.4	769.3	620.3	179.9	6,019.7	0.4
Global Environment Facility	557.4	1,062.1	813.7	711.1	529.6	470.7	537.1	573.1	604.9	5,859.7	0.4
UNRWA	371.8	388.4	473.2	472.8	545.0	607.9	667.3	538.6	680.1	4,745.3	0.3
UNDP	436.5	439.3	495.5	630.5	602.1	489.6	483.4	465.3	459.1	4,501.2	0.3
UNHCR	184.1	257.3	277.7	300.8	392.6	441.3	423.8	417.4	480.1	3,175.1	0.2
IFAD	226.3	322.0	347.2	229.7	283.9	382.1	448.6	433.2	320.4	2,993.4	0.2
WFP	473.5	232.8	316.3	290.4	243.5	336.9	354.4	363.7	308.6	2,920.0	0.2
Arab Fund for Economic and Social Development			611.2	266.8	477.7	301.2	303.1	386.5	358.1	2,704.7	0.2
UNFPA	212.3	216.4	273.3	346.5	313.7	313.8	332.4	353.7	339.1	2,701.3	0.2
World Health Organization				436.8	366.2	452.3	397.0	473.7	471.0	2,597.0	0.2
UNAIDS	180.7	193.1	209.0	243.0	245.8	265.5	242.0	246.4	238.7	2,064.1	0.1

Donor	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006–14 Total	% of total
Islamic Development Bank	229.5	150.2	156.0	441.8	279.8	242.4	104.0	80.1	69.9	1,753.7	0.1
OPEC Fund for International Development	146.9	205.3	195.2	168.8	160.0	139.7	137.9	213.0	249.2	1,615.9	0.1
UNTA	370.7	461.7	645.3							1,477.6	0.1
African Development Bank	182.7	176.3	177.2	167.2	127.5	125.2	114.4	143.2	137.4	1,351.1	0.1
OSCE					149.7	150.8	134.8	134.2	130.5	700.1	0.0
Arab Bank for Economic Development in Africa	71.6	105.8	102.6	87.6	75.9	46.8	71.3	81.3	55.8	698.7	0.0
International Atomic Energy Agency	73.5	72.5	75.7	64.9	87.9	70.2	68.9	79.0	74.1	666.7	0.0
Climate Investment Funds								151.1	350.2	501.2	0.0
Caribbean Development Bank	31.8	40.9	64.1	67.8	55.2	38.7	42.1	64.9	86.8	492.2	0.0
Nordic Development Fund	68.0	67.7	90.7	63.7	49.7	52.0	37.7	28.4	26.3	484.1	0.0
Food and Agriculture Organization								451.8		451.8	0.0
Council of Europe Development Bank					15.6	131.5	92.5	117.4	68.8	425.8	0.0
Montreal Protocol	81.1	94.4	75.5	29.4	20.5	8.0	4.9	37.2	44.8	395.8	0.0
United Nations Peacebuilding Fund		9.6	33.5	42.6	50.9	61.9	60.3	42.7	64.4	365.9	0.0
Adaptation Fund					21.5	47.1	23.8	6.8	13.2	112.5	0.0
UNECE			10.8	12.9	11.9	12.5	12.3	14.3	14.0	88.6	0.0
Global Green Growth Institute								15.7	15.5	31.3	0.0
European Bank for Reconstruction and Development	11.1	8.0	7.1							26.1	0.0
Total, Multilateral Agencies	**26,055.3**	**29,759.6**	**33,102.8**	**38,281.4**	**35,694.4**	**39,373.3**	**39,615.2**	**42,421.9**	**43,212.5**	**327,516.3**	21.4
Saudi Arabia	2,024.9	1,550.7	4,978.8	3,133.7	3,479.6	5,094.9	1,298.9	5,683.3	13,634.0	40,878.8	2.7

Donor	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006–14 Total	% of total
United Arab Emirates	782.7	2,425.6	1,265.8	945.5	418.8	717.8	764.2	5,407.5	5,048.2	17,776.0	1.2
Turkey	714.3	602.3	780.4	707.2	967.4	1,273.0	2,533.3	3,307.7	3,591.1	14,476.7	0.9
Chinese Taipei	513.0	514.0	435.2	411.4	380.9	381.2	304.5	271.8	274.0	3,485.9	0.2
Russian Federation					472.4	479.0	465.0	713.7	875.9	3,005.9	0.2
Kuwait [KFAED]	157.9	110.1	283.2	221.1	232.3	175.2	179.7	231.0	276.8	1,867.4	0.1
Israel	89.8	110.9	137.8	123.9	144.8	206.2	181.2	201.9	199.6	1,396.2	0.1
Hungary	149.5	103.5	106.9	116.9	114.3	139.7	118.4	128.2	144.0	1,121.5	0.1
Romania			122.9	152.5	114.3	163.8	142.4	133.9	213.8	1,043.6	0.1
Thailand	73.7	66.9	177.0	38.5	4.5	22.8	11.5	36.4	69.0	500.3	0.0
Lithuania	25.0	47.6	47.8	36.2	36.7	51.7	51.9	50.4	45.6	393.0	0.0
Cyprus	26.0	34.9	37.4	45.5	51.2	37.6	25.1	20.4		278.1	0.0
Bulgaria					40.5	48.4	40.0	49.7	48.7	227.1	0.0
Liechtenstein		18.0	23.7	26.2	26.6	31.5	28.6	28.3	27.3	210.2	0.0
Estonia	14.0	16.1	22.0	18.4	18.8	24.2	23.2	30.8	37.5	205.2	0.0
Latvia	11.8	15.8	21.8	21.0	15.6	19.1	21.1	23.7	25.4	175.4	0.0
Malta				13.7	13.8	20.0	18.3	18.3	20.4	104.4	0.0
Croatia							21.4	45.1		66.4	0.0
Kazakhstan								8.5	33.4	41.9	0.0
Total, Non-DAC Countries, Total	**4,582.8**	**5,616.3**	**8,440.8**	**6,011.9**	**6,532.6**	**8,886.0**	**6,228.6**	**16,390.3**	**24,564.5**	**87,253.8**	5.7
Overall total	**136,053.0**	**140,289.7**	**164,329.7**	**164,857.8**	**170,597.1**	**183,230.8**	**172,754.5**	**193,643.7**	**204,999.2**	**1,530,755.4**	100.0

Source: Organisation for Economic Co-operation and Development; data extracted in February 2016. Stat. data are for the six independent members of the OECS.
Note: ADB = Asian Development Bank; IDB = Inter-American Development Bank; IMF = International Monetary Fund; DAC = Development Assistance Committee IFAD = International Fund for Agriculture Development; OPEC = Organization of the Petroleum Exporting Countries; OSCE = Organization for Security and Co-operation in Europe; UNAIDS = Joint United Nations Programme on HIV/AIDS; UNDP = United Nations Development Programme; UNECE = United Nations Economic Commission for Europe; UNFPA = United Nations Population Fund; UNHRC = United Nations Human Rights Commission; UNICEF = United Nations Children's Emergency Fund; UNRWA = United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNTA = United Nations Technical Assistance; WFP = World Food Programme.

Appendix F. Guide to Country Program Evaluation Methodology

This methodological note describes the key elements of country program evaluation (CPE) methodology of the Independent Evaluation Group (IEG).

***CPEs rate the outcomes of World Bank Group assistance programs, not the country's overall development progress**.*

A World Bank Group assistance program needs to be assessed on how well it met its particular objectives, which are typically a subset of the country's development objectives. If a Bank Group assistance program is large in relation to the country's total development effort, the program outcome should be similar to the country's overall development progress. However, most Bank Group assistance programs provide only a fraction of the total resources devoted to a country's development by development partners, stakeholders, and the government itself. In CPEs, the IEG rates only the outcome of the Bank Group's program, not the country's overall development outcome, although the latter is clearly relevant for judging the program's outcome.

The experience gained in CPEs confirms that Bank Group program outcomes sometimes diverge significantly from the country's overall development progress. CPEs have identified Bank Group assistance programs which had:

- Satisfactory outcomes matched by good country development;
- Unsatisfactory outcomes in countries which achieved good overall development results, notwithstanding the weak Bank Group program; and
- Satisfactory outcomes in countries which did not achieve satisfactory overall results during the period of program implementation.

Assessments of assistance program outcome and Bank Group performance are not the same.

By the same token, an unsatisfactory Bank Group assistance program outcome does not always mean that Bank Group performance was also unsatisfactory, and vice versa. This becomes clearer in considering that the Bank Group's contribution to the outcome of its assistance program is only part of the story. The assistance program's outcome is determined by the joint impact of four agents: (i) the country; (ii) the Bank Group; (iii) partners and other stakeholders; and (iv) exogenous forces (e.g., events of nature, international economic shocks). Under the right circumstances, a negative contribution

from any one agent might overwhelm the positive contributions from the other three and lead to an unsatisfactory outcome.

IEG measures Bank Group performance primarily on the basis of contributory actions the Bank Group directly controlled. Judgments regarding Bank Group performance typically consider the relevance and implementation of the strategy, the design and supervision of the Bank Group's lending and financial support interventions, the scope, quality and follow-up of diagnostic work and other analytic and advisory activities (AAA), the consistency of the Bank Group's lending and financial support with its nonlending work and with its safeguard policies, and the Bank Group's partnership activities.

Rating Assistance Program Outcome

In rating the outcome (expected development impact) of an assistance program, IEG gauges the extent to which major strategic objectives were relevant and achieved, without any shortcomings. In other words, did the Bank Group do the right thing, and did it do it right. Programs typically express their goals in terms of higher-order objectives, such as poverty reduction. The country assistance strategy (CAS) may also establish intermediate goals, such as improved targeting of social services or promotion of integrated rural development, and specify how they are expected to contribute toward achieving the higher-order objective. IEG's task is then to validate whether the intermediate objectives were the right ones and whether they produced satisfactory net benefits, as well as whether the results chain specified in the CAS was valid. Where causal linkages were not fully specified in the CAS, it is the evaluator's task to reconstruct this causal chain from the available evidence and assess relevance, efficacy, and outcome with reference to the intermediate and higher-order objectives.

For each of the main objectives, the CPE evaluates the relevance of the objective; the relevance of the Bank Group's strategy toward meeting the objective, including the balance between lending and nonlending instruments; the efficacy with which the strategy was implemented; and the results achieved. This is done in two steps. The first is a top-down review of whether the Bank Group's program achieved a particular Bank Group objective or planned outcome and had a substantive impact on the country's development. The second step is a bottom-up review of the Bank Group's products and services (lending, AAA, and aid coordination) used to achieve the objective. Together these two steps test the consistency of findings from the products and services and the development impact dimensions. Subsequently, an assessment is made of the relative contribution to the results achieved by the Bank Group, other development partners, the government and exogenous factors.

Evaluators also assess the degree of country ownership of international development priorities, such as the Millennium Development Goals, and Bank Group corporate advocacy priorities, such as safeguards. Ideally, any differences on dealing with these issues would be identified and resolved by the CAS, enabling the evaluator to focus on whether the trade-offs adopted were appropriate. However, in other instances, the strategy may be found to have glossed over certain conflicts, or avoided addressing key country development constraints. In either case, the consequences could include a diminution of program relevance, a loss of country ownership, or unwelcome side-effects, such as safeguard violations, all of which must be taken into account in judging program outcome.

Ratings Scale

IEG utilizes six rating categories for outcome, ranging from highly satisfactory to highly unsatisfactory:

Highly satisfactory:	The assistance program achieved at least acceptable progress toward all major relevant objectives, and had best practice development impact on one or more of them. No major shortcomings were identified.
Satisfactory:	The assistance program achieved acceptable progress toward all major relevant objectives. No best practice achievements or major shortcomings were identified.
Moderately satisfactory:	The assistance program achieved acceptable progress toward most of its major relevant objectives. No major shortcomings were identified.
Moderately unsatisfactory:	The assistance program did not make acceptable progress toward most of its major relevant objectives, or made acceptable progress on all of them, but either (i) did not take into adequate account a key development constraint or (ii) produced a major shortcoming, such as a safeguard violation.
Unsatisfactory:	The assistance program did not make acceptable progress toward most of its major relevant objectives, and either (i) did not take into adequate account a key development

	constraint or (ii) produced a major shortcoming, such as a safeguard violation.
Highly unsatisfactory:	The assistance program did not make acceptable progress toward any of its major relevant objectives and did not take into adequate account a key development constraint, while also producing at least one major shortcoming, such as a safeguard violation.

The institutional development impact can be rated at the project level as high, substantial, modest, or negligible. This measures the extent to which the program bolstered the country's ability to make more efficient, equitable and sustainable use of its human, financial, and natural resources. Examples of areas included in judging the institutional development impact of the program are:

- The soundness of economic management;
- The structure of the public sector, and in particular, the civil service;
- The institutional soundness of the financial sector;
- The soundness of legal, regulatory, and judicial systems;
- The extent of monitoring and evaluation systems
- The effectiveness of aid coordination;
- The degree of financial accountability;
- The extent of building capacity in nongovernmental organizations;
- The level of social and environmental capital.

IEG is, however, increasingly factoring institutional development impact ratings into program outcome ratings, rather than rating them separately.

Sustainability can be rated at the project level as highly likely, likely, unlikely, highly unlikely, or, if available information is insufficient, nonevaluable. Sustainability measures the resilience to risk of the development benefits of the country program over time, taking into account eight factors:

- Technical resilience;
- Financial resilience (including policies on cost recovery);
- Economic resilience;
- Social support (including conditions subject to safeguard policies);
- Environmental resilience;
- Ownership by governments and other key stakeholders;
- Institutional support (including a supportive legal/regulatory framework, and organizational and management effectiveness);

- Resilience to exogenous effects, such as international economic shocks or changes in the political and security environments.

At the program level, IEG is increasingly factoring sustainability into program outcome ratings, rather than rating them separately.

Risk to development outcome. According to the 2006 harmonized guidelines, sustainability has been replaced with a "risk to development outcome," defined as the risk, at the time of evaluation, that development outcomes (or expected outcomes) of a project or program will not be maintained (or realized). The risk to development outcome can be rated at the project level as high, significant, moderate, negligible to low, and nonevaluable.