

## TERMS OF REFERENCE

### EXAMINATION OF IMPLEMENTATION CONDITIONS AND DEVELOPMENT OF SOLUTIONS IN CDB'S BORROWING MEMBER COUNTRIES

#### BACKGROUND

1.1 Successful implementation of projects and programmes is a significant and necessary condition for the realisation of real and sustained positive changes in lives of people in the Caribbean Development Bank's (CDB's) Borrowing Member Countries (BMCs). However, the longstanding implementation deficit is a growing concern. The perennial implementation deficits observed across the region must be understood within the context of legacy issues (patterns of relationships and authority, lack of effective accountability mechanisms, limited resources, etc.). These larger and more deep-seated challenges have been exacerbated by COVID-19, climate crises, and geopolitical tensions, while commodity price instability creates additional pressures and risks.

#### Conceptions of Implementation

1.2 Particularly over the past decades when the implementation deficits became more systemic, the Bank gained some insights into the factors affecting implementation and the implications of these for achieving results. The Bank conceptualises implementation as collective, organised activities carried out by the government, non-governmental organisations and private sector actors which fulfil the requirements as set out under a project design and formal policy statement for attaining established goals. The Bank's implementation approach largely focuses on the approach to delivery through some form of implementing unit or line agency or team, and the centrality of project cycle management (PCM) and close engagement with partners in pursuit of shared goals. It is generally perceived that weak PCM can have a negative impact on implementation quality and pace, while more disciplined approaches to PCM can lead to successful delivery. However, whether the approach to implementation is poor or disciplined depends to some degree on *inter alia*, the behavioural norms/culture of the executing agency, the public sector, the various stakeholders including development partners. While the common understanding is that project implementation begins with project start-up and peaks during supervision, the project cycle could be better defined as beginning from the project approval stage through to project completion and beyond when client satisfaction and lesson learning should be in focus. Implementation performance should be viewed as extending beyond a project completion when such performance is mainly assessed in ex post evaluations when conducted. By limiting the view of implementation to only start-up following approval through to supervision, critical stages of the project cycle process such as the overriding significance of implementation-readiness of initiatives from the early conceptualisation and planning stages, tend to be overlooked. In addition, there is a predominant focus on having a volume of disbursements and implementation results after approval<sup>1</sup>. The general expectations are that implementation should be evidenced by a volume of disbursements once the project is approved.

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<sup>1</sup> An IDB study in 2021 revealed that Projects that are expected to have longer execution times disburse at slower speeds within 24 months after approval, and that "Overall, country factors seem to play a more relevant role than sectorial factors in explaining the probability that a project will disburse funds quickly". [Why do some Development Projects Disburse Funds Faster than Others | Publications \(iadb.org\)](#)

### The nature of Implementation Challenges

1.3 The Bank recognises that the implementation deficit is a very huge and multi-faceted phenomenon, spread across all stakeholders. Implementing bodies, mostly government-led, have scarce financial resources, and human capacity constraints. There are many instances of major challenges with contractor/consultant performance, and procurement issues, which are key to implementation. Insufficiently robust accountability systems for delivery and results, at the executing agency level, point to an inadequate culture of results-based execution. As reported in the Development Effectiveness Reviews, in 2021 the Bank's portfolio performance rating for highly satisfactory to satisfactory implementation was 42%, down from 50% in 2020<sup>2</sup>. While these are standard metrics for MDBs and are useful for understanding portfolio trends and performance, norms and nuances add to the complexities of unraveling implementation behaviour and challenges. Solutions are not simple.

1.4 During the implementation of the Bank's Public Policy Analysis and Management (PPAM) and PCM programme in its 19 BMCs (2015-2018), a number of civil servants at all levels expressed concern and frustration at the lack of communication, both internally and externally, and the lack of capacity for analysing and sharing information. The lack of communication seems to occur between Ministries, with staff in many countries complaining of siloed working. Participants in the programme reported significant lack of resources: financial, human and physical. Expert capacity is stretched. There was evidence suggesting that the "lack of effective planning and prioritisation was also at the heart of the implementation deficit" seen in every country in the region. In every country, permanent secretaries and senior leaders struggled to give a "clear, coherent and collectively agreed account of challenges to be addressed and why these are of national importance." The "struggle to get the right people with the right skills in the right place at the right time" was also widely expressed, suggesting in some cases that there are outdated civil service rules and HR policies, and overlooking of meritocracy. Instances were cited where some Ministers were perceived to be operating beyond or outside their elected mandate. The wider development community and not just CDB can identify with these experiences and challenges.

1.5 As a partner in the project implementation process, it is necessary to evaluate CDB's role as it pertains to the persistent deficits. One of the commonly held perceptions is that CDB's size is not commensurate with the volume of its portfolio and the resources that are required to implement initiatives. The Bank has 196 staff, 48% of which are in the Operations area and directly responsible for project appraisal and supervision. As at December 31, 2021, there were 86 Projects or investment loans/grants under implementation, with a value of 1,665.0 million. The disbursement ratio in 2021 was 13% (14% and 19% in 2020 and 2019, respectively)<sup>3</sup>. Furthermore, the Bank also has its own challenges relating to moving projects forward, a sentiment expressed in the perception survey report (June 2021)<sup>4</sup>

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<sup>2</sup> In its 2021 Development Effectiveness Report (May 2022), the Asia Development Bank (ADB) reported that their share of ongoing sovereign operations showing satisfactory (on track) implementation progress rose from 64% in 2020 to 67% in 2021. They attribute this to scaled up ADB resident missions and national consultants. In 2017, IFAD reported that 577 projects in 111 countries took more than 17 months from approval to first disbursement, and disbursements were slow during project implementation.

<sup>3</sup> Disbursements for the year expressed as a percentage of the undisbursed balance at the beginning of the year, for projects under implementation, plus the undisbursed balances of new projects that entered the portfolio during the year under review, net of cancellations.

<sup>4</sup> Based on the CDB Perception Survey, in terms of organisational efficiency, approval and internal review process was rated the lowest, followed by disbursement of loan and grant funds. It is acknowledged that by themselves these are not all-encompassing measures of implementation performance.

## Responding to Implementation Challenges

1.6 Traditionally, the Bank and other partners support institutional reforms to strengthen implementation structures and delivery mechanisms, leadership and system improvements across sectors such as water and transportation, and a range of other initiatives. This is often done through policy-based loans and technical assistance, which can help to strengthen the institutions of governance. Establishing or bolstering project implementation units has been the main response<sup>5</sup>. Many project assessments seek to alleviate specific constraints in implementation by identifying important, yet oftentimes too isolated, remedial actions. They do not examine and interrogate a wider spectrum of factors at play, several of which are structural, and therefore, inadequately capture the implications of the wider inherent features underpinning the domain of implementation. The value of a more all-encompassing approach to assessing implementation is that it enables a much better understanding of the different factors at play, the context surrounding them and the key actors, and it informs not just a plan of action for separate and isolated areas, but a solutions-based road map for sustainable change and results.

1.7 The Bank's Strategic Plan Update (SPU) 2022-24 states that it will *explore the feasibility of a joint operation to identify and remove obstacles to implementation*<sup>6</sup>. With growing concerns about the quality and pace of implementation, in early 2022 the Operations area of the Bank undertook diagnostic sessions, to consider the varying contexts and nuances in the implementation arena across BMCs and in the Bank. The groups analysed the common issues, their frequency and intensity, and importantly, the peculiar circumstances within BMCs and in CDB. The need for customised approaches/solutions was evident. However, before a more comprehensive set of measurable solution-focused interventions to address the implementation deficit can be identified, it was agreed that this problem-solving exercise should be expanded to generate wider viewpoints from BMC stakeholders and other development partners. This is seen as important to have more robust analysis, well-informed solutions and actions taking account of lessons of experience, and greater ownership of their execution.

1.8 Towards this end, the Bank is currently planning a consultancy to help achieve marked improvements in the implementation of projects/programmes, and to expand CDBs' and BMCs' ability to absorb more. This comprehensive examination will create a balance between a behavioural science focus and traditional institutional and systems-oriented analysis.

## **OBJECTIVE**

2.1 The main objective of this assignment is to identify the conditions and factors that lead to and perpetuate delayed vs satisfactory project implementation, using evidence-based techniques, and craft-shared solutions, from the perspectives of both BMCs and CDB. Specifically, the assignment seeks to:

- (a) gain a more concrete shared knowledge of the instances, determinants, and consequences of implementation challenges/deficiencies and satisfactory implementation; and
- (b) collaboratively devise solutions-based roadmaps that consider different and tailored short- and long-term approaches, that directly address these challenges/deficiencies. Depending on the outputs, the Bank will decide on the next steps to develop a comprehensive detailed Strategic Action Plan through another consultancy.

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<sup>5</sup> In the CDB Perception Survey (2021), implementation support tailor-made to the specific country was rated as effective by 4 in 10 stakeholders.

<sup>6</sup> The SPU also states that CDB's support to strengthen countries' implementation capacity will rest on three interconnected pillars, namely governance, digitalisation, and partnerships.

2.2 All 19 BMCs will be included in the consultations and assessment. The assignment should emphasise maximising innovative solutions and collaboration where possible, and help to nurture and arrive at shared positions and directions across all stakeholders.

### **SCOPE OF SERVICES**

The team of consultants will execute the services in three phases as follows:

#### **Planning and Preparation**

2.3 During this phase, the consultants will review selected project/programme reports and evaluations that provide insights on implementation performance (including the outputs of the Bank's diagnostic sessions held in 2022) and hold initial meetings with stakeholders in BMCs and CDB on the subject. Specifically, the consultants will:

- (a) Review CDB's Development Effectiveness Review and other reports, evaluations of Special Development Fund, country project reviews and assessments, supervision and completion reports and programme and sector evaluations), including reports of other organisations (e.g. OECS Commission, CARICOM, Caribbean Regional Technical Assistance Centre [CARTAC]) to gain a general appreciation for the implementation situation;
- (b) Examine the Resident Implementation Officers (RIOs) programme and use of frameworks of experts (e.g., a pool of procurement experts) – lessons, varying levels of success and challenges;
- (c) Meet with stakeholders to gain an understanding of implementation practices and the implementation climate; and
- (d) Prepare a Plan that outlines the approach and methodology, implementation period and measurable milestones and targets for the assignment.

#### **Diagnostic phase**

2.4 This phase will commence once the Bank accepts the Plan stated at 2.2.1 (d) to be satisfactory. During this phase, the consultants will engage stakeholders within all 19 BMCs using a clustered and sequential approach. Based on the Bank's guidance and earlier diagnostic exercises, an initial seven BMCs should be targeted, followed by another six, and ending with the final six. As the work progresses from one cluster to another, the understanding of the problem<sup>7</sup> and the frame for problem-solving should be honed. A cluster of development partners with ongoing activities in the BMCs should also be engaged, to gather their experiences and multiple viewpoints, and nurture participation in a process of driving positive results. The diagnostic phase should focus on closely examining the underlying causal factors and nuances associated with implementation in the BMCs and engagement with CDB. Specifically, the consultants will:

- (a) Deploy systematic problem-solutions analysis. Consideration should be given to what is working well, explicit and underlying problems, key risks and assumptions, the need to adjust responses/solutions and promote continuous improvement.

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<sup>7</sup> This is a level of understanding that should be aided by explaining behaviour, relations and systems and revealing the meanings behind them; it is understanding why implementation actors hold or do not hold certain shared understandings and why they do or do not execute certain actions.

- (b) Identify country-specific nuances (behaviours and cultures) that affect implementation at the country level;
- (c) Identify strengths and weaknesses, what needs to be done, who the relevant stakeholders are and what they need to do, and how;
- (d) Use a mix of appropriate techniques, build rapport and gain the views of diverse groups of stakeholders in the BMCs (e.g., officers in line ministries/municipalities, persons sitting on technical and steering committees, community members, consultants located in project implementation units will all have particular experiences and perspectives). This should include using a gender-sensitive approach. It should also include, but not be limited to, one-to-one and group interviews, focus groups and mini-surveys; and
- (e) Create safe spaces for persons who operate at different levels (e.g. there are those who are on the frontline, directly responsible for implementing activities as part of project management team/s and others who are more involved in senior level decision-making.
- (f) Scrutinise:
  - (i) leadership and management behaviours and capabilities of both BMCs (such as fulfillment of responsibilities, considering cultural factors, norms and how they can be changed, prioritisation, etc.);
  - (ii) communication between stakeholders during the implementation process, and relations and behaviours grounded in norms;
  - (iii) general factors surrounding the main delivery chains (steps and links between them, the passing of requests, approvals, flow of information, etc.); the application of project cycle management principles and tools; and
  - (iv) factors surrounding procurement, assignment of staff, land acquisition, issuance of permits, signing of legal agreements, issuance of legal opinions, and implementation.
- (g) Arrange analysed information in a structured format as a detailed diagnostic report covering all 19 BMCs and CDB's and donors' contexts, and facilitating feedback discussions between the Bank and country stakeholders who participated in the phase.

### Solutions mapping phase

2.5 During this phase, based on the extensive consultations with stakeholders and outputs of the previous phases, the consultants will propose different and tailored approaches as a solutions-based roadmap, recognising that at this stage these would not comprise a Strategic Action Plan. A focused set of directions for consensus building, cultivating new norms and inculcating codes of conduct, should also be incorporated. Specifically, the consultants will:

- (a) Convene and facilitate brainstorming sessions on requirements and solutions with mixed groups of CDB and country stakeholders, and also individual groups (participants will be

selected based on their involvement in the diagnostic phase; total numbers are to be agreed with CDB); and

- (b) Propose a high-level roadmap of preferred solutions (short and long-term wins) with metrics, clearly stating why certain actions are feasible and are within the control of the key stakeholders and the Bank, how these can be executed, and the potential roles and contributions of other development partners.

## **REPORTING REQUIREMENTS AND DELIVERABLES**

3.1 The team of consultants will deliver the assignment under the guidance of the Office of the Director of Projects, and work closely on a regular basis with the staff of the Operations area. The consultants will undertake the tasks through a combination of working from CDB's Headquarters for periods to be agreed with the Office of the Director of Projects, as well as virtually. The consultants will visit some BMCs (to be agreed with the Bank).

3.2 The consultants will submit the following at each phase:

- (a) Planning and Preparation Phase  
Detailed Report on consultations, document review in keeping with the activities as set out in 2.2.1 of the TOR, and an Implementation Plan that outlines approach and methodology, implementation period and measurable milestones and targets.
- (b) Diagnostic Phase  
Detailed Analysis Report that outlines the evaluation and feedback in relation to the activities as set out in 2.2.2 of the TOR. Presentations are to be made to BMC stakeholders, and Bank's senior management and Operations teams.
- (c) Strategic Action Phase  
Feedback and outputs from this phase in relation to 2.2.3 of the TOR will be incorporated into a Strategic Action Plan as a final product.

## **DURATION**

4.1 The assignment is to be completed over a period of approximately nine months, from November 2022 to June 2023.

## **QUALIFICATIONS AND EXPERIENCE**

5.1 The team of consultants should have the following:

- (a) Evidence of working on analytical, creative problem-solving initiatives with public sector and development partners.
- (b) At least eight years of project management in the Region, and knowledge of the public sector.
- (c) Higher degrees in Behavioural Science (Sociology, Psychology), Business or Change Management, Project Management or Innovation. Alternatively, a higher degree with specialist training in project management and managing change would also be desirable.