

CARIBBEAN DEVELOPMENT BANK

NINETY-EIGHTH MEETING OF THE OVERSIGHT AND ASSURANCE COMMITTEE

TO BE HELD VIRTUALLY

JUNE 24, 2020

PAPER 98/2019-B2

BARBADOS COUNTRY STRATEGY PROGRAMME EVALUATION

Attached for consideration of the Oversight and Assurance Committee is the Country Strategy Programme Evaluation for Barbados.

Country Strategy and Programme Evaluation - Barbados



March 2020

Acknowledgements

I would like to acknowledge the valuable work of IOD PARC in executing this evaluation. Staff and associates included Matthew Crump (Director and Principal Consultant), Johanna Polvi (IOD PARC Associate), Henriette Kabell (Junior Consultant), and Nick York (Director and Principal Consultant - Team Leader for this evaluation), with expert advice and quality assurance from Ali Khadr and Julian Gayfer (IOD PARC Managing Director).

OIE particularly thanks the Government of Barbados, its project implementing agencies, as well as civil society organisations, for readily agreeing to meet with and respond to evaluators. Staff from CDB's Operations Department have also responded readily to the numerous queries of the evaluation team. Messrs Jason Cotton and Ian Durant agreed to review, and coordinate validation of, draft findings.

From OIE, Kaia Ambrose was fully engaged from evaluation design through data gathering and report review. Denise Padmore played a large role in gathering documents and data on the Barbados programme, and in arranging the interview programme for the inception visit and main mission.

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Executive Summary

This is the first country strategy evaluation of Barbados commissioned by the Office of Independent Evaluation. It covers two strategies: the 2010-13 Country Assistance Strategy (CAS) and the 2015-18 Country Strategy Paper (CSP). It also comments on the developments in the first year since the new government formed after May 2018, going slightly beyond the CSP period (by an additional 6 months) since these are highly relevant to the issues covered.

Context

Barbados is CDB's largest borrower and has relatively high levels of income, education and social stability. The context for the CDB program in Barbados over the last 10 years has nevertheless been very challenging, in two main areas. First, the economic trends were adverse for most of the period and a crisis was reached by 2018, which is now being addressed. Second, there was a major constraint in terms of absorptive capacity for taking forward investment projects – an implementation gap

The Barbados economy was hit by a difficult world economic situation after the 2008 financial crisis. It experienced deteriorating fiscal and external deficits, with long-term erosion of both competitiveness and income growth. This culminated in a crisis point when urgent reforms were required, some of which have now been undertaken with support from the IMF and International Financial Institutions (IFIs) including CDB.

Since 2018, there have been improvements, with a recent favourable report from the IMF noting the fiscal consolidation and recovery of foreign exchange reserves. When this Country Strategy and Programme Evaluation (CSPE) was carried out, Barbados had restructured its domestic debt and reduced its fiscal deficit. It remained in selective default (to external creditors)¹. Finding sources of renewed economic growth and a rebound in private sector investment were critical issues, not yet resolved.

MDB project implementation has moved very slowly, despite a broadly capable civil service. Design, approval and execution have been perennially difficult, and the country has been consistently unable to draw down allocated project funds on time. This has recently been compounded by fiscal constraints, with public spending restricted to critical areas only.

Other important contextual factors which affect how CDB responds in Barbados include:

- the threat posed by extreme weather events, which have not recently impacted Barbados but had massive effects on several countries in the region.
- the potential social effects of the economic crisis, in a country which has traditionally enjoyed high levels of social cohesion but is now facing difficult decisions on social welfare, taxation and spending.
- key issues related to gender, the role of women and men in society, hidden but serious challenges on gender-based violence, and rising levels of crime. If continued, the latter could impact on the all-important tourism sector.

¹ Subsequent to the period of this evaluation, the restructuring of external debt has been completed. On November 16 2019, S&P Global Ratings upgraded Barbados' long- and short-term local-currency sovereign issuer credit ratings to B-/B from SD/SD, or selective default, after the country's government completed its local currency debt exchange.

The CDB program in Barbados

The CAS (2010-13) and the CSP (2015-18) provided clear and useful analysis of the needs of the country but were not actually used as corporate tools – at least not directly or in any real sense of accountability – for driving decisions on how CDB engaged in practice. This situation is not specific to Barbados, and CDB has recognized that it needs to find a new way of developing and using CSPs. The latest thinking on country engagement strategies, including the example being piloted in St Lucia, is a promising way forward.

Meanwhile, the CDB portfolio in Barbados seems to have evolved in an incremental way, and (with the exception of the 2018 PBL) at a slow pace, responding to each need as identified by the government and project leads, on merit and as circumstances dictated.

There have been some positive developments since 2018. Once the conditions and need for economic reform were clarified, an important programmatic series of Policy Based Loans (PBLs) was instigated. The first loan, with related technical assistance, was used to address the fiscal situation. A second was being planned at the time of the evaluation², which among other things aims to address social issues that have up until now had a relatively lower profile than the excellent Barbados Country Gender Assessment (CGA) would have indicated they should have.

Relevance

The strategic relevance of the CDB strategies and program in Barbados has been high. All the pillars and themes identified in the strategies have proved to be of enduring relevance – in many ways they were prescient, and it would have been very valuable for the country had they been followed through more intensively. The operational relevance of the program has been more questionable, in two respects.

- First, CDB seems not to have given sufficient consideration to capacity for implementation and realistic timescales in design of projects, given the context in Barbados.
- Second, two of the main themes in the strategies – environment and support to competitiveness and private sector led growth – were not followed through in any convincing way.

Effectiveness

Despite the challenges, CDB has some strong comparative advantages and is reasonably well positioned in Barbados. Its detailed knowledge of the region and country context is valued by the government and partners. The most important contribution has been on economic reforms, dialogue and financial support – in that CDB stepped in quickly to provide a timely and much needed PBL in 2018 during the economic crisis. It operated effectively in this context, working closely with the IMF and the government, while also offering economic advice and policy dialogue behind the scenes.

It must also be acknowledged however, that for most of the 10 years considered in this evaluation, the measurable results achieved by CDB's program in Barbados are hard to identify. Of the 11 projects considered for this evaluation, only 4 proceeded to completion in that period, and just one has a project completion report with any documented results. The question of whether there was any sustainable impact is then hard to answer, since most of the projects have not yet been completed. CDB did not, for much of this period, find a way to support effective delivery of investment lending. In the view of some senior staff in CDB, this situation is now being addressed, but it is too early to assess the evidence for this in the present evaluation.

² Subsequent to the evaluation, the second policy-based loan in the programmatic series has now been approved.

Implementation gap

As already noted, the dominant theme in this evaluation has been the slow pace of implementation for projects in the public sector. This “implementation gap” was often ascribed by interviewees to the nature of bureaucratic procedures and decision-making. It is by no means a simple issue, and seems to be driven by a combination of factors, some external and some internal to CDB. External ones include:

- Capability within government and state-owned enterprises to deliver within agreed timescales.
- Highly centralized decision-making (many decisions having to go to Cabinet).
- Turnover of staff within key ministries and public sector agencies, and the effect of significant public sector downsizing (around 2,000 staff in the public service) as part of the BERT.
- A marked reluctance (now starting to change) to cancel projects that have stalled.

Factors where both the government agencies and CDB play a role:

- A need for more realistic timescales and designs.
- A need for a good mutual understanding of systems, procedures and requirements.
- Strategies for dealing with the changed fiscal and risk environment.

Factors internal to CDB include:

- How the country team works, its processes and systems.
- Incentives around project approval versus implementation and supervision.
- The extent of engagement by CDB project officers with external stakeholders during project preparation and with government and implementing partners during the project itself.

A good initiative has been the outreach and training to GOBD on procurement requirements. Tailored technical assistance, responding selectively to the GOBD’s own public sector reform agenda, would be a further promising avenue.

CDB support to the economy

During the larger part of the period covered by this evaluation (2010 to mid-2019), the traction that CDB was able to achieve on economic dialogue was quite limited. After the new administration came in with a strong mandate for a change of direction, CDB together with IMF, IDB and the World Bank (WBG) engaged quickly. There was good dialogue and cooperation between the IFIs and government. The first PBL in the programmatic series has played an important role in addressing fiscal challenges.

The next challenge will be following through on the fiscal consolidation with wider economic reform and restructuring. The capacity to achieve this is untested, and the use of social safety nets to protect vulnerable groups against the likely social impacts will be key to sustainability. As was noted by several key informants and in the IMF’s analysis, renewed growth will also be crucial. The resolution of debt issues and the fact that confidence in economic management is now improving should help to encourage foreign direct investment.

Social sector and gender

CDB has done thorough analysis of social and gender issues in Barbados, yet the degree of follow up on the gender priorities set out in the CSP or on the entry points set out in the Country Gender Assessment (CGA) has been somewhat limited.

The second PBL is a key step in this area, resulting from serious analytical work, but some key entry points on gender identified in the CGA are not so obviously being followed through. The CGA provides a thorough and sobering analysis on gender issues in Barbados, which are perhaps not widely enough understood.

While the CDB has been making steady progress on implementing gender mainstreaming at one level – within its projects – and raising awareness among project officers, at a more strategic level it is less clear what progress has yet been achieved.

CSP Management

The CSP provided a relevant and thorough analysis, and the issues identified in the CAS and the CSP have remained important and relevant. Had the CSP been more consistently followed through, some of the issues which have proved to be most challenging might have been addressed earlier.

A positive development is the “Country Engagement Strategy” approach, now being tried in St Lucia. This is characterized by a focus on fewer areas, which are clearly deliverable, within a shorter timescale, with much more sustained engagement with the government. This needs to be seen alongside a new approach to delivery and prioritization, driven by the government itself and aligned to the political cycle.

Climate resilience, renewable energy and energy efficiency

The climate change threat is seen by the government as a key priority. Climate resilience, renewable energy and energy efficiency provide an opportunity for investment-led growth and were correctly signalled as important in the CSP. Actual CDB involvement has been limited. The Bank plays a key role at the regional level but the division of labour which has emerged focuses its attention more on OECS countries while IDB is the main player in Barbados, with greater resources and a well-established presence. There is perhaps an opportunity for CDB to play a bigger role, but at present it is not well positioned in Barbados on these issues.

Results and sustainability

A key achievement of CDB, towards the end of the CSP period, has been support to the economic reforms over the past 18 months, provided jointly with the IMF and the IDB. Certain investment projects have progressed, and been highly relevant, but the slow pace of implementation has meant relatively few tangible or demonstrable results over the two CSP periods.³ A key contribution on sustainability is likely to have been CDB’s support to the economic reform process, helping to stabilize the imbalances in the economy and build a platform for further restructuring and reforms.

³ The second loan under the programmatic PBL series is potentially very important, and one of the key conditions for it to proceed has now been met with the recent agreement on restructuring of external debt.

Recommendations

Recommendation 1:

Continue to adopt a more realistic approach to project design – working with the government to achieve realistic implementation schedules including conditions for timely approval, disbursement and, ultimately, completion.

Recommendation 2:

Develop a strategic approach to supporting government on public sector reform to address the implementation gap.

The implementation challenges of operating in Barbados were the most consistent theme in key informant interviews and have been recognised for many years. While practical solutions are being found, there is more that CDB can do to address issues raised by key informants. These include the issue of incentives to get projects approved which later suffer delays due to factors which might have been foreseen based on prior experience. Recent work on improving mutual understanding in key areas such as procurement is very helpful. There is a recognition of challenges on the part of GOBD, and an apparent openness to further assistance in addressing them. As well, there may be an opportunity for CDB to engage in a wider strategic approach to public sector and institutional reform, potentially supported by TA lending.

Recommendation 3:

Reform and pilot approaches to the country strategy process, supported by changes to how the country team works together.

While the Barbados country strategies provided excellent analysis, there was limited follow through, including in addressing key gaps on the private sector, growth and public-sector reform. The need for a more engaged, operationally relevant approach to country strategies and to assessing and delivering country results has already been recognised in the Bank's ongoing work on business process reengineering and piloted in a draft St Lucia "Country Engagement Strategy". This portends a more streamlined approach to country strategies, focused on what can be delivered within the political cycle, with increased monitoring and assessment. Such an approach would add value, merit the amount of investment in the analysis, and be more operationally relevant.

Recommendation 4:

Advocate for greater efforts in climate resilience, adaptation, and DRM. This could involve use of existing Bank instruments; evolving new ones (such as a Catastrophic Deferred Drawdown Facility); blended instruments with relevant partners; and facilitated access to global funds (e.g. Climate Investment Funds, Green Climate Fund).

CDB has an established role in disaster management in the region, and to date the IDB has been prominent in renewable energy/energy efficiency in Barbados. There is however an opportunity to identify financing opportunities to address gaps in the related climate change adaptation and resilience areas. With that in mind, the CDB should continue to actively pursue its dialogue with the Government of Barbados and relevant partners (e.g. EIB, IDB, GCF), with a view to identifying and testing innovative financial solutions (e.g. blended finance) in this dynamic market.

The CDB could make particular efforts to facilitate access to relevant global funds (e.g. Climate Investment Funds, Green Climate Fund) with a view to identifying and promoting bankable adaptation and resilience projects. The CDB should also continue the efforts to mainstream climate change across its portfolio, including addressing the technical skills gap in this area, notably around climate vulnerability assessment and climate data more generally.

Recommendation 5:

Assign greater priority to growth and private sector development within the Barbados programme going forward.

Prioritisation of the growth and private sector pillar of the BERT, including specific reform initiatives in areas of identified need (e.g. bankruptcy code, access to credit, judicial system), with realistic, achievable and measurable targets will be important going forward.

Based on the CDB's comparative advantage, this could include long-term technical assistance to government and prioritisation of this pillar in the next PBL of the programmatic approach. Identifying and strengthening the most relevant partnerships (e.g. EU, IFC, WBG), especially for technical assistance and grant funding should also continue.

Recommendation 6:

Continue to develop and implement a more in-depth and concerted response on gender (as envisaged in the CGA) and more broadly in the social sector, including supporting the government in developing a systems level approach to social protection reform across various Ministries.

There is a need to develop a more convincing range of responses to the gender and social issues that are emerging in Barbados, in the context of the fallout from economic reforms, and following through on analysis already done. The specialist technical assistance provided by CDB as part of the recently approved PBL offers a key entry point and vehicle to deliver this, as a way of supporting gender responsive planning, programming and budgeting; and helping to support evidence-based social protection systems reform in the context of economic reforms.

Acronyms

BGDS	Barbados Growth and Development Strategy
BERT	Barbados Economic Recovery and Transition Plan
BWA	Barbados Water Authority
BMC	Borrowing Member Country
CAS	Country Assistance Strategy
CALC	Country Assessment of Living Conditions
CAF	Development Bank of Latin America
CDB	Caribbean Development Bank
CES	Country Engagement Strategy
CGA	Country Gender Assessment
CRA	Central Revenue Authority
CSP	Country Strategy Paper
CSPE	Country Strategy and Programme Evaluation
ECG	Evaluation Cooperation Group
EIB	European Investment Bank
EU	European Union
GDP	Gross Domestic Product
GEPOS	Gender Equality Policy and Operational Strategy
GOBD	Government of Barbados
GCF	Green Climate Fund
IDB	Inter-American Development Bank
IFI	International Financial Institution
IPB	Investment and Policy-Based
LIAT	LIAT (1974) Ltd. Caribbean Region Airline
IMF	International Monetary Fund
MDB	Multilateral Development Bank
PBL	Policy-Based Lending
PPP	Public Private Partnership
TA	Technical Assistance
OECS	Organisation of Eastern Caribbean States
OIE	Office of Independent Evaluation – Caribbean Development Bank
OVE	Office of Evaluation and Oversight – Interamerican Development Bank

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1 Introduction

1.1 Background

This Country Strategy and Programme Evaluation is the first that the Office for Independent Evaluation (OIE) has undertaken for Barbados. It was commissioned in order to:

- Assess and reflect (in a streamlined way) on the performance of the Bank's programme during the period of the last two country strategy papers.
- Provide critical thinking on what the changed operating environment in Barbados means for the next strategy, drawing on relevant experience from other MDBs.
- Enable CDB to consider their strategic choices at a critical point in Barbados's policy and economic situation, with a substantially changed operating environment, a different risk profile and a likely different type of engagement focused more on policy-based lending.
- Feed into an ongoing discussion within CDB on its approach to country strategies.

The primary intended audience for the evaluation's findings is those involved in designing the next CSP for Barbados and those involved in designing country strategies. More broadly, the evaluation is intended to be useful for the Board of Directors, CDB senior management, the Government of Barbados (GOBD), and other development partners.

1.2 Evaluation Methodology

The overall approach is a utilization-focused country evaluation following a mixed methods approach using the ECG Good Practice Standards for Country Evaluations as a reference standard, although the evaluation methodology is somewhat streamlined to fit with CDB's requirements. The approach here includes stakeholder mapping, document review, a selective portfolio review including data analysis of any project reviews and project data, and semi-structured interviews with key informants within CDB, Government of Barbados and among partners/stakeholder organizations. A highly detailed thematic analysis that might be a feature of country evaluations in a large MDB is not justified in this case.

Data were gathered through document review and analysis of CDB data relating to Barbados, an inception visit in June 2019 and a main mission in October 2019. Interviews were conducted with 46 key informants including a wide range of staff within CDB and external stakeholders. Three project site visits were carried out. The full list of interviewees is attached at Annex 3 and included a good balance of CDB staff, senior government officials and public-sector staff involved in the projects, and key informants from external stakeholders in Barbados.

The main evaluation tool is the evaluation matrix (see Annex 2) which is structured in the normal way around the standard evaluation criteria of relevance, effectiveness, efficiency and sustainability. The evaluation questions contained in the ToR (see Annex 1) were slightly revised during the inception phase, and further explanation is contained in the inception report.

1.3 Scope and limitations

Changes in scope relative to the Terms of Reference, and certain limitations of this evaluation are noted.

First, although this is an evaluation of the two country strategies, the focus of the analysis has of necessity been less on the CSPs themselves and more at the project and portfolio level.

This is because (as explained in more detail later in this report) the country strategies have not been used as the main vehicle for operational decisions on how CDB works in Barbados. This is not specific to Barbados. The experience with how CDB uses country strategy instruments in other countries has already been discussed separately in the OECS evaluation. They have not been the main driver of country work and a substantial rethink is underway to make them more streamlined and aligned with the political cycle and operational feasibility. This work is fairly advanced and a pilot of a new Country Engagement Strategy vehicle is underway in St Lucia.

Second, the evidence base and building blocks which would normally feed into a country strategy evaluation are quite weak in this case.

- While the CAS or the CSP had results monitoring frameworks at approval, they were not monitored in a way which tracked results or produced a dataset that can be used to assess them.
- There were very few project completion reports (and no project evaluations) to draw on, to provide evidence on the results achieved. Less than half of the projects considered as relevant for the evaluation were completed in the 10-year period. As Annex 5 shows, of the 16 projects that were ongoing between 2011 and the first half of 2019, 7 were completed. Two of these were older projects which predated the CAS and are out of scope, and one of them, the 2010 PBL, came right at the start of the strategy. One was a regional project. This left three projects, which were completed and directly relevant to the country strategy evaluation process. Of these, one had a project completion report at the time of the evaluation.
- The database of project supervision reports, and annual reports on the overall CDB portfolio were a main reference. However, these do not provide detailed evidence on outcomes and performance.
- On the other hand, a rich and relevant source of material was the country gender assessment (CGA) carried out in 2016. OIE's evaluations of the GEPOS, and of policy-based lending (PBL) were also highly relevant and included references to Barbados.
- Portfolio reviews for Barbados were carried out by Operations, including in 2018.

Third, the original time period for the evaluation was 2010-18 but it was agreed to extend the discussion to include the period up to the middle of 2019. This allowed consideration of the important events from when the new government came in, the Barbados Economic Recovery and Transition Plan (BERT) was instigated, and CDB stepped in to help provide support, as well as recent work on large projects and on redesigning the CSP instrument.

2 Country context

2.1 Economic and financial context

This section considers the economic and financial context during the period of the last two country strategies (2010–18) and the first half of 2019, and its relevance for how the CDB programme evolved.

As a small island state with a population of 285,719 people (2017) and a per capita Gross Domestic Product (GDP) of USD16,699, Barbados is classified by the World Bank as a high-income country.⁴ However, it has a fragile macro-economic environment, declining productivity and competitiveness and is economically reliant on two sectors: tourism and the international business and financial services sector. During the period covered by this evaluation there were important developments in the economic and financial situation, and a crisis point was reached in 2018. This resulted in the country seeking financial support from the IMF and other IFIs to bridge the gap while fiscal and external balances were being corrected. Barbados subsequently moved into selective default on its external loans and its credit rating declined⁵.

More positively, the new government has been successful in agreeing and driving reforms, reducing the fiscal deficit and building up foreign exchange reserves, supported by the IFIs. The improvements in the economic situation so far – at least in correcting the fiscal and external imbalances and meeting targets for structural reform – are noted favourably in the latest IMF staff reports, although a recovery in economic growth is still awaited. These various developments are discussed in more detail below.

Adverse trends in the Barbados economy have led to fiscal and external imbalances. A consistent theme during the two country strategy periods was a long-term and steady worsening in the macroeconomic situation, particularly the external debt and fiscal position, with a subsequent effect on Barbados's credit rating and ability to borrow in external financial markets. Going back to 2009, and following the world financial crisis, all countries in the region found their economies affected. In Barbados, GDP contracted by nearly 5%. While in some respects, the economy of Barbados stood up well initially to the crisis, things deteriorated subsequently and between 2012 and 2018 the debt-to-GDP ratio increased to peak at around 170%. This was not just a result of fiscal and financial policy. The longer-term trends in competitiveness and growth were also adverse. Barbados had been a powerhouse in the region together with Jamaica, but it has lost ground.

These changing circumstances have resulted in relatively weak economic growth, averaging 0.8% since 2013 coupled with a persistent current account deficit and (through 2017/18) a large fiscal deficit. It therefore faces a combination of long-standing challenges associated with being a small open economy as well as new challenges such as economic stagnation, weak competitiveness, fiscal instability, social inequities and climate change.⁶

⁴ Barbados Growth and Development Strategy 2013 - 2020

⁵ The restructuring of external debt has also subsequently been completed. On Nov 16 2019, S&P Global Ratings upgraded Barbados' long- and short-term local-currency sovereign issuer credit ratings to B-/B from SD/SD, or selective default, after the country's government completed its local-currency debt exchange.

⁶ Terms of Reference, Country Strategy Programme Evaluation Barbados, Caribbean Development Bank, 2018

Table 1: Key economic indicators over the period 2008-2018

	REAL GDP GROWTH (ANNUAL %)	CPI INFLATION (%)	General Govt Gross Debt (% OF GDP)	CURRENT ACCOUNT BALANCE (% OF GDP)	UNEMPLOYMENT (%)
2008	0.9	7.3	83.4	-9.6	8.1
2009	-4.9	4.4	100	-6	10
2010	-2.2	6.5	108.2	-4.6	10.3
2011	-0.8	9.6	112.6	-11.8	11.2
2012	-0.1	2.4	123.7	-8.5	11.5
2013	-1.4	1.2	135.2	-8.4	11.6
2014	-0.2	2.4	139.2	-9.2	12.3
2015	2.2	-2.5	146.7	-6.1	11.3
2016	2.3	3.8	149.1	-4.3	9.7
2017	-0.2	6.6	157.5	-3.8	9.9
2018	-0.5	0.0	124.5	-2.4	10.1

These elements contributed to a balance of payments crisis, combined with an institutionally weak public sector and a poor framework for business. Overall, the trend in macroeconomic outcomes has been sub-optimal, including high export concentration, poor export performance, low growth, protracted fiscal deficits and high indebtedness. Central government debt, which peaked at more than 150% of GDP in 2016/17, still stands at more than 120%. Barbados frequently scores well below the Latin America and the Caribbean regional average and single country benchmarks (e.g. Jamaica) on Doing Business Indicators, performing particularly poorly on obtaining credit, enforcing contracts and protecting minority investors.⁷ The Distance to the Frontier Score of 2017⁸ is a key indicator of the BERT Growth Pillar and CDB PBL.

Increasing pressure for macroeconomic reform. As competitiveness and growth faltered, and foreign exchange reserves declined, it became increasingly obvious that macroeconomic reform would be required. It was very important for the external creditor situation to be addressed because of implications for the credit rating. The reality was that the Barbados economy was facing a hard constraint on external debt and foreign exchange reserves were dwindling. Indeed, one of the dilemmas faced early in the current administration was the credit position, and despite support from the IFIs, the country had quickly moved into selective default.

New administration strongly committed to economic reforms. The new administration of Prime Minister Mia Mottley came into power in May 2018 with an overwhelming majority and clearly signalled that it would give high priority to addressing the economic situation. It announced the Barbados Economic Recovery and Transformation Plan (BERT) as its strategy for addressing the crisis, supported by the IFIs.

⁷ (Doing Business Indicators: Barbados 2020).

⁸ As of 2019, this is now renamed as the Ease of Doing Business Score, although the methodology remains the same.

By this time, the country was facing major financial imbalances and a decision was taken to move into selective default with external creditors.

In fact, economic reforms had also been on the policy agenda and had been talked about for several years prior to this, although it was from 2018 onwards that things moved forward rapidly. The IFIs had been ready to engage for some time and provided advice when requested. The government's clear appetite for reform provided the context in which they could engage closely on policies and offer policy-based lending support. There was rapid and close consultation between the government, the IMF, WBG, IDB and CDB.⁹

The economic position is now improving. As the latest IMF staff reports indicate, the economic situation has now progressed significantly, with improvements in foreign exchange reserves and the fiscal position, helped by the package of IFI support. At the time of this evaluation the government had completed the domestic debt restructuring and agreement was imminent on external debt restructuring¹⁰. The total debt-to-GDP ratio has declined from 158% to 125.7% of GDP. Barbados is on track in meeting the key quantitative and structural benchmarks so far, including on pension reform, central bank, and restructuring debt around the national insurance scheme.

Sustaining the reform process depends on a recovery in economic growth. Despite these positive developments, the situation remains delicate as economic growth is currently weak and the country – given its credit rating – is dependent on the financial resources of the IFIs. Sustaining the reform process will be demanding as the fiscal targets (initially 3% surplus, already achieved, moving to 6%) provide a ‘hard constraint’, made more demanding if the backdrop is a flat profile for GDP and tax revenues.

In the view of those interviewed¹¹ for this evaluation, some of the most difficult policy decisions are still to come. One of these decisions has since been dealt with, that is, the restructuring of external debt. Other challenges include tax and spending reforms including reduced flows to state-owned enterprises. A positive factor is the government's strong political mandate. An important implication, which affects the context for decisions on investment lending by the IFIs in areas such as infrastructure, is that the government's spending will have to focus on critical areas. Indeed, there is very limited room for capital spending: just 2-3 % of GDP. This has required the IFIs to be focused and to work with the government to get a very clear sense of what the priorities are.

Private sector-led growth is crucial. As noted, the sustainability of economic reforms depends on a return to economic growth. A key issue is how far the fiscal retrenchment potentially opens the way for increased private sector activity. The program agreed with the IMF includes measures aimed at addressing private sector development issues, including improving the environment for doing business and encouraging investment in sectors such as tourism. Upgrading the capital stock in the hotel sector and urgently improving the level of private sector investment are seen as critical, and in this context the improved, more stable macroeconomic and fiscal context over the last 18 months is an important development.¹²

⁹ This shared approach on stabilising the economy does not imply that CDB was in agreement with the government on all of the decisions taken, for example the policy decision of the incoming administration in 2018 to abolish tuition fees for undergraduates. This was probably not something that CDB economists would have seen as an urgent priority given the fiscal situation.

¹⁰ Agreement was reached shortly after the evaluation mission was completed.

¹¹ The full list of interviewees is attached at Annex 3.

¹² The IMF staff report in June 2019, the first review under the extended funding facility, made the following comment on the economic outlook at the time. “A small decline in output is projected for 2019, with the impact of fiscal consolidation expected to be offset by continued growth in tourism and increasing private sector confidence. Multipliers are small, with the economy heavily dependent on external demand for tourism services. Policy uncertainty has decreased significantly since mid-2018, and there are strong signals that new inflows from large international

Structural challenges remain in both the public and private sector. Commentators noted some important remaining challenges for Barbados, both in the public and private sector. The cost structure remains high and although Barbados has targeted the higher end of the market, it has steadily lost market share in the tourism sector. Traditionally it has had a reputation of offering relatively good facilities and a safe environment, but the problems with chronic underinvestment by the private and public sectors; environmental challenges such as the South Coast sewage – which are now being addressed, including with support from CDB – and a rise in crime rates – were noted. Barbados remains dependent fundamentally on two sectors; tourism and financial services, and it would be desirable to make progress on other high value-added areas such as renewable energy. On this front, the Barbados government has announced plans to move to 100% renewable energy by 2030, which requires investment in infrastructure and changes in the regulatory environment.

Public sector reform will also be important for Barbados. Economic commentators noted that this depends on aligning tax incentives, legal reforms, delivering much needed improvements in public sector infrastructure (transport, water, power) and speeding up the decision-making processes in government which impact on approval of private sector investment.

Implementation gap and bureaucracy in the public sector. Related to this are two key aspects – the absorptive capacity of the economy and addressing a large implementation gap in the public sector. The implementation gap, decision making in government and public sector reform were by far the most frequently raised issues by interviewees in this evaluation. This is consistent with the picture shown in the World Governance Institute’s measure of government effectiveness, which for Barbados was stable and averaging 88.75, but in the last six or seven years has declined quite sharply and by 2018 was at 68.75, a decline of 22.5%. This question of the effectiveness of the public sector is discussed in more detail later in this report, in relation to the slow progress of implementation on projects funded by investment lending from CDB. It appears not to be an issue of the overall level of skills in the public sector – this is a highly educated workforce – and more about specific areas such as project management/delivery skills, overload of key staff, decision-making processes and a need to change ways of working. The impact of downsizing in the public sector as part of the BERT economic reforms and restructuring has also been a factor.

As noted in relation to economic reforms, the new government has been clear about its priorities, has adopted a focused approach, and has some very skilled technical people. At the same time there seems to be some lack of clarity about how to move forward on the implementation aspects. It was noted that even relatively straightforward decisions have to go to senior levels in government (i.e. cabinet) for approval, and that a relatively small number of key decision makers – just a handful of Ministers, trusted advisers and senior officials – are heavily overloaded. These issues are considered in more detail in section 5.2 as they are highly relevant to the effectiveness of the CDB’s programme in Barbados.

2.2 Social context

Barbados is a high-income country with a high level of human development, being ranked 38 out of 187 countries on the Human Development Index (HDI) of the United Nations Development Programme. This reflects long life expectancy, high levels of school enrolment and length of education, all of which have improved over the long term (see table 2). Between 1990 and 2017, Barbados’ life expectancy at birth increased by 4.7 years; mean years of schooling increased by 2.5 years; and expected years of schooling increased by 2.5 years. Barbados’ GNI per capita increased by 16.4 percent between 1990 and 2017¹³.

investors may materialize. Over the medium term, growth is projected to return to close to its medium-term average of about 2 percent.

¹³ http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/BRB.pdf

Barbados also has a fairly good ranking with regard to gender equality – 61 out of 148 countries. However, the average gender inequality index (GII) for countries at the ‘very high human development’ level is 0.193 while Barbados’ figure was 0.343 in 2012.

In relative terms, however, the HDI index shows that the improvements in development in Barbados – albeit from a high starting point – are on average not keeping pace with those of other countries. The average increase in the HDI for Barbados over the long term (1990-2017) has been 0.41% per annum. This compares with 0.48% per annum for all very high human development countries, 0.7% per annum for small island developing states and 0.73% for all countries across the world. Barbados has therefore seen a decline in its HDI ranking from 38th in the world in 2013 to 59th by 2018.

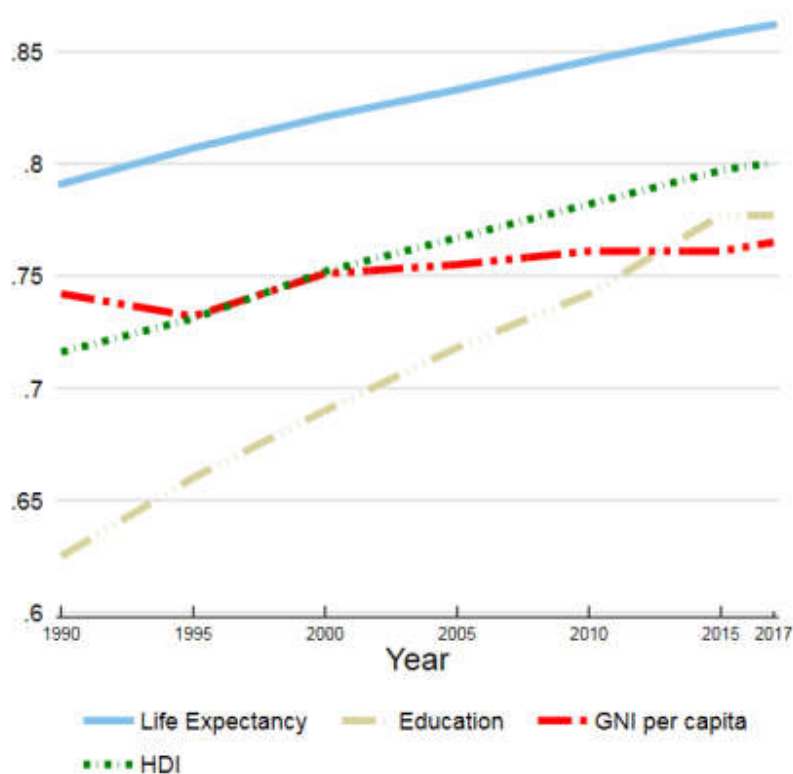
Social development in Barbados is highly sensitive to external shocks. The CSP 2015-2018 was drafted in the aftermath of the global financial crisis, in an environment of increasing unemployment, with hardship experienced particularly by female-headed households (CSP 2015-2018). The government implemented pilot Identification, Stabilisation, Enablement and Empowerment (ISEE) Bridge social protection programme, with support particularly from the IDB.

Table 2: Barbados' HDI trends based on consistent time series data and new goalposts¹⁴

	LIFE EXPECTANCY AT BIRTH	EXPECTED YEARS OF SCHOOLING	MEAN YEARS OF SCHOOLING	GNI PER CAPITA (2011 PPP\$)	HDI VALUE
1990	71.4	12.8	8.1	13,612	0.716
1995	72.5	13.5	8.6	12,686	0.731
2000	73.4	14.0	9.0	14,393	0.752
2005	74.2	14.8	9.2	14,783	0.767
2010	75.0	15.5	9.4	15,408	0.782
2015	75.8	15.3	10.5	15,413	0.797
2016	75.9	15.3	10.6	15,622	0.799
2017	76.1	15.3	10.6	15,843	0.800

¹⁴ ‘Goalposts’ in the HDI calculation methodology are the minimum and maximum values set in order to transform the indicators expressed in different units into indices between 0 and 1. These goalposts act as the “natural zeros” and “aspirational targets,” respectively, from which component indicators are standardized. For example, for GNI per capita ie. standard of living, the goalposts are \$100 and \$75,000. See HDR technical notes (2019), UNDP.

Figure 1: Trends in Barbados' HDI component indices 1990-2017



The status as a high HDI ranking may now be threatened by economic decline and the imminent fall-out from the on-going structural, macro-economic reforms, especially the spending cuts that will impact public sector employment and social services. The Barbados Economic Recovery and Transformation Plan (BERT) was designed together with social partners and is monitored by a committee with representation from non-state actors. Potential social backlash to the reforms, with a substantial impact on tourism, was considered one of the key risks of the PBL. The potential weakening of this social partnership that has been an integral part of social stability and good governance for more than two decades is a concern raised by interviewees.

Inequality and poverty have grown in recent years. The most recent estimate of Barbados' household poverty rate is 17.2%, compared to 15.1% in 2010 and a 24.6% regional average (IDB 2018). Likewise, the vulnerable population has grown from 10.4% to 11% in the same period, with particular parishes and female headed households being particularly susceptible to fall into poverty. Twenty one percent of women are considered poor compared to 14% of men (IDB 2018). Poverty is concentrated among households headed by women, which account for 47.5% of all households. The rate of poverty in female-headed households is 19.4%, compared with 11.5% in male-headed households and 15% in all households. Poor female-headed households also have the highest dependency ratio, with 74.8% non-earners per household compared with 68.6% in poor male-headed households and 49.9% in the total population (CGA Barbados 2016).

Barbados performs relatively well on the Gender Gap Index developed by the World Economic Forum which ranks Barbados at 29 out of 136 countries, with a score of 0.730 (0=inequality, 1=equality). While Barbados performs well on education and health indicators, remaining challenges relate to economic opportunity and highly unequal political participation. The measure shows near equality with respect to educational attainment and health and survival, with female achievement surpassing male achievement in education. In terms of economic opportunity, the attainment of women is assessed to be

80% that of men (0.791 in 2013), while in terms of political participation it is 15% that of men (0.150 in 2013). The assessment also shows that the positions of women and men have hardly changed since 2006.

While labour force participation is nearing parity, persistent differentials exist in salary levels and occupational segregation, stemming from deeply embedded gender roles and social norms. The 2017 Barbados Labour Force Survey estimated a labour force of 144,300 persons (15-64 years), with a total participation rate of 65.7%, and an unemployment rate of 10.4%, of which male and female unemployment were 10.3% and 10.6%, respectively. While the gender difference in unemployment is not substantial, there is still occupational segregation and women continue to balance their productive and reproductive roles, due to deeply embedded social norms and gender roles. According to the 2018 PBL document, “during times of fiscal tightening and economic reforms, the dual burden of reproductive and productive roles place women and girls at the epicentre of time and income poverty and vulnerability”. This may further exacerbate the already high levels of gender-based violence.

These persistent differentials also stem from deeply embedded gender roles and social norms. Barbados’ Gender Development Index is 1.006, which is considered gender parity (UNDP 2016)¹⁵. However, there is a range of social challenges including educational levels, women’s labour market participation, education, gender-based violence (GBV), occupational segregation, access to health services, gender and political representation. While teen motherhood, measured for women who had children at or below the age of 19, was strikingly high at 25% among women over 30, it is expected to decline with increasing levels of education and stands at 14 percent for women in their twenties.¹⁶

A reverse gender gap is clearly evident in education. While females are expected to have 16.7 years in school, it is only 13.9 years for males, and 21% of women are considered poor compared to 14% of men (IDB 2018). In addition, there is a layer of unspoken issues that potentially have a direct negative effect on the tourism sector. This includes crime among males and gender-based violence (GBV). There is a growing body of work and advocacy highlighting how stereotypical masculinity norms are harmful to men and boys¹⁷.

There may be a relationship between the reverse gender gap and the particularly high rate of violence, particularly domestic violence in the country. The crime rate, especially drug related, in Barbados is growing. In 2017, the country had 11 murders, 84 robberies and 29 shootings per every 100,000 people. Some interviewees also touched upon the structural roots of gender inequality, including culture and norms especially in relation to young men and lack of enrolment in higher level education, which links to the issue of drugs and crime.

2.3 Environmental context

Climate change is an existential threat to Barbados and the Caribbean region. While Barbados has been spared the more recent hurricanes, related economy and property damage and loss of life, the country is keenly aware of its vulnerability to an eventual high category hurricane. The direct risk is substantial for almost all Borrowing Member Countries (BMCs) every hurricane season, while those who are not directly affected can face indirect costs in helping to support and accommodate those affected. As one interviewee noted, “the Caribbean has crossed a tipping point (on climate change awareness) with the recent hurricane

¹⁵ The Gender Development Index measures gender gaps in human development achievements by accounting for disparities between women and men in three basic dimensions of human development; health, knowledge, and living standards, using the same component indicators as the HDI. An index value of 1.0 is considered gender parity (UNDP 2016).

¹⁶ <https://borgenproject.org/top-10-facts-about-living-conditions-in-barbados/>

¹⁷ See Barbados Country Gender Assessment (2016) and references therein.

events across the region, with Dominica losing 226% of GDP in 6 hours”. The regional response to the most recent hurricanes, notably hurricane Dorian that devastated the Bahamas, serves as an example of good practice on communication and coordination in the relief effort, with replicability for future events.

Climate change is therefore a major priority of the new government, with a stated commitment to achieve 100% carbon neutrality by 2030. The government signed and ratified the Paris Agreement (in 2016) and the Nationally Determined Contribution (NDC) is in place, though far exceeded by the commitment of the new government to 100% carbon neutrality. The government will also move away from fossil fuels, transitioning the grid to renewable PV, solar, and wind; as well as transportation to electric-charged by 2030. There is a keen interest to benefit from the Green Climate Fund (GCF), though the GCF pipeline is currently dominated by proposals from the Caribbean Community Climate Change Centre.

Climate resilience has been a major policy and planning priority of the government in recent years.¹⁸ The entire country has been mapped to inform the revision of the Barbados Growth and Development Strategy (2013-2020). The Roofs to Reefs policy of the new government aims to build resilience across infrastructure and the entire ecosystem. Among other initiatives, Barbados already has an integrated coastal zone management plan. According to an economist interviewed for this evaluation, “investing in resilience has a good rate of return”¹⁹. The Government commitment to climate change has been recognised by key funding partners such as the EU, IDB, and UN agencies.

The CDB is systematically implementing environmental impact assessments and categorizing projects based on its “Environmental and Social Review Procedures” (ESRP). Modelled on International Financial Corporation (IFC) standards, the ESRP includes eight environment and social performance standards that reflect the principles, core policies, standards and best practice approaches adopted and used in the treatment of sensitive environmental and social issues by the multilateral financial and development community.²⁰

¹⁸ <https://pmo.gov.bb/2018/09/13/opening-remarks-at-the-global-climate-action-summit/>
<https://pmo.gov.bb/2019/03/20/budget-speech/>

¹⁹ While this may be true, it depends on the agent’s vantage point and some consideration is required of moral hazard/market failure. For private agents, investments in retrofitting buildings to achieve resilience can be quite expensive and their willingness to invest may depend on how far they expect governments/donors to bail them out ex-post in case of a catastrophic event.

²⁰ CDB Environmental and Social Review Procedures, December 2014

3 CDB support to Barbados

3.1 Barbados Country Strategies

The evolution of CDB's country strategies during the period of this evaluation is summarized below.

3.1.1 Country Assistance Strategy (2010-13)

The 2010-13 Country Assistance Strategy was written at a time when the economic challenges, which later emerged for Barbados, were not yet fully apparent. The economic fundamentals were described as sound, although the analysis also notes that the fiscal deficit had increased to 8.9% of GDP as a result of the adverse effects of the global crisis, pushing up total central government debt to 94.6% of GDP.

The CAS sought to achieve four key outcomes:

- macroeconomic stability
- renewed and enhanced physical and environmental infrastructure
- a more competitive productive sector
- enhanced social development.

The CAS also stated that the Bank intended to encourage results-based management and to partner with the government in this regard. A results framework aimed at ensuring alignment between the country's development goals, the Bank's proposed interventions and the key challenges/constraints to achieving the outcomes. The results matrix for the CAS included outcome indicators (see text box).

To support macroeconomic stability, the Bank proposed two Policy-Based Loans (PBLs) to support fiscal and institutional reforms aimed at achieving fiscal and debt sustainability. In the event, one PBL was provided in October 2010.

Box 1: 2010-13 CAS Outcome indicators

Renewed and Enhanced Physical and Environmental Infrastructure

- Reduction in water losses.
- Increased volume of air cargo.
- Increased volume of cargo and passengers.
- Available road efficiency/improvement indicators or surveys showing improvement.
- Project completion reports

Increased competitiveness of the productive sectors

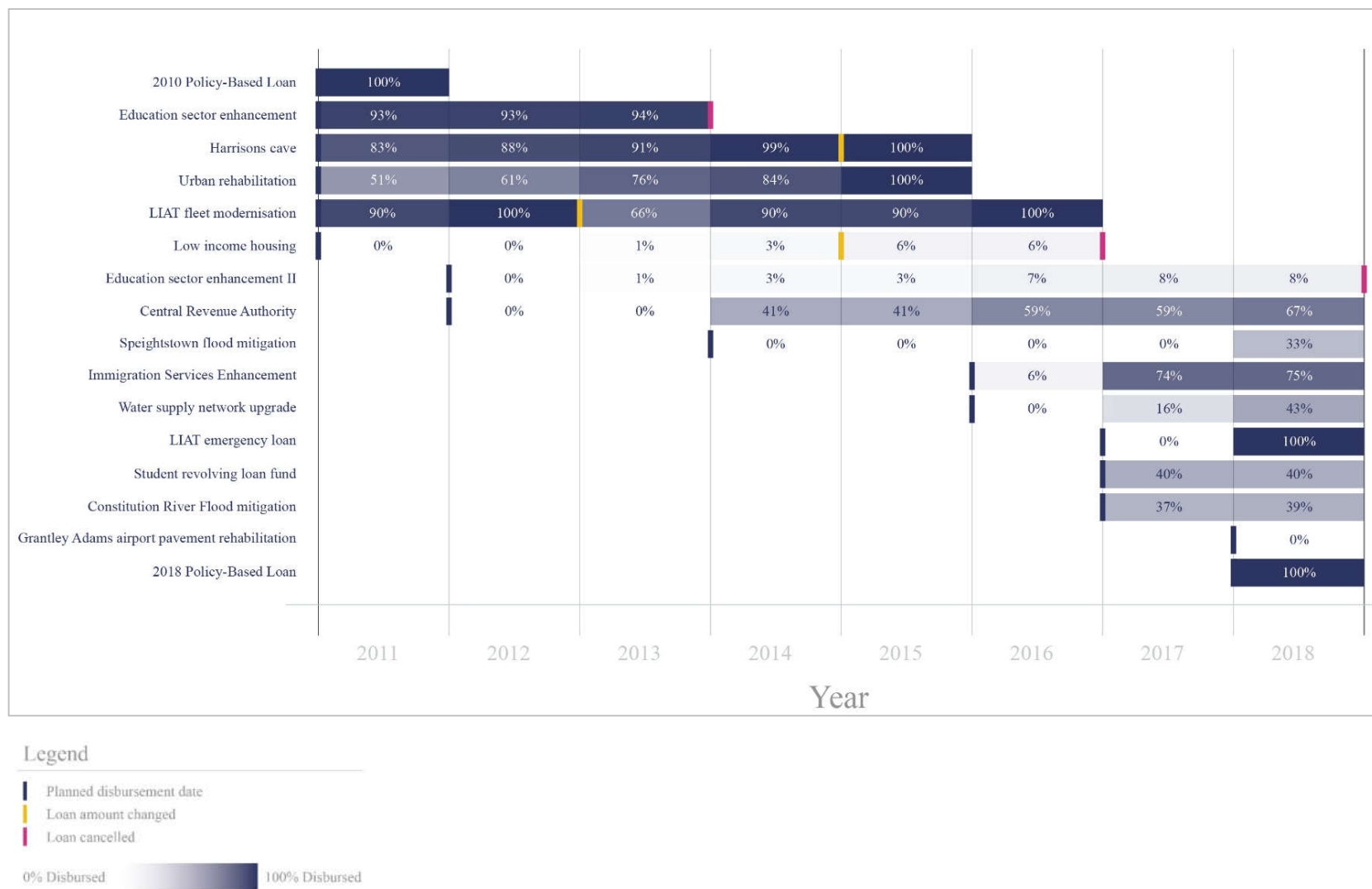
- Increased tourist arrivals; increased visitors to sites.
- Increased industrial production; increased exports.
- CDB loan disbursements.
- Increased sales of agricultural goods on the local market.
- Increased production of agricultural goods.
- Increased acreage under cultivation which utilises modern production technology
- Project completion reports

Enhanced Social Development and Social Equity

- Improved student outcomes.
 - Reduced number of persons on housing waiting list.
 - Country Assessment of Living Conditions
-

To support infrastructure renewal, the Bank proposed to support the Government through interventions on water infrastructure upgrade, road network improvement, and coastal zone protection. Subsequently, projects were taken forward – but not during the period of the CAS – on water supply upgrade (a \$35m loan approved in 2015 which is now 43% disbursed) and on flood mitigation (\$4.6m, approved in December 2013 which as of 2018 was 33% disbursed).

The competitiveness outcome was to be achieved through interventions in tourism and manufacturing. The \$26m Harrison's Cave project was completed in 2015. With regards to social development, the Bank proposed to assist in the areas of housing, education, social protection and social policy. The \$36m low-income housing loan was approved but then cancelled several years later, while the education enhancement II project was also scaled back from \$35m to \$3.6m. The Student Revolving Loan project is ongoing.

Figure 2: Disbursed by Project 2011-2018

3.1.2 Country Strategy Paper (2015-18)

The 2015-18 Country Strategy Paper covered similar themes to the preceding CAS. Its three pillars were macroeconomic governance and institutional development; competitiveness and productivity; and green, inclusive development. The programme of assistance focused on (i) strengthened fiscal sustainability and supporting institutions; (ii) enhanced enabling environment to strengthen competitiveness and productivity; (iii) strengthened resilience to climate change and improved disaster risk management; (iv) improved quality of climate-resilient infrastructure; (v) increased access to tertiary education opportunities; and (vi) enhanced social development. Mainstreaming gender equality and energy efficiency were also brought into the strategy at this time.

The CSP results matrix included the following outcome indicators:

Box 2: 2015-18 2015-18 CSP outcome indicators

Macro-economic stability

- Government current expenditure not exceeding 30% of GDP by 2020. Baseline (2014): 35%.

Increased competitiveness and productivity

- % of Project Supervision Reports with satisfactory performance increased from 57% in 2013 to > 75% by 2020.
- Number of days required to start a business. Less than 18 by 2020. Baseline 20
- Consolidated agriculture sector policy in place and complied with by end-2016.
- Conservation strategy for the management of all heritage sites completed and complied with by end-2018.

Educational improvement to support economic growth and development

- Number of student loans for tertiary studies doubled by end-2018, relative to baseline of 350 in 2013.
- Operational and governance reforms recommended from diagnostic review implemented by end-2018.
- No. of students achieving Caribbean/National Vocational Quality Level 1 & 2 certification increase to 415 by 2020.

By this time, the economic discussion in the strategy mentions that Barbados was being buffeted by the global crisis, and that macroeconomic fundamentals had become progressively weaker, with new challenges of acute economic stagnation, weak competitiveness and fiscal instability.

Following the election of the Mottley administration in 2018, the economic and political context for CDB's program in Barbados changed rapidly. Most importantly, the government introduced the new Barbados Economic Recovery and Transformation Plan (BERT) to drive economic reform. The IFIs moved rapidly and in a closely coordinated way to support the reforms through the use of IMF support and a package of policy-based lending. However, the CSP was not updated.

Within CDB, the process around the strategy following expiry of the CSP is summarised as follows.

- Initial discussions for a new CSP were put on hold following the selective default rating on Barbados' foreign currency instruments and the adverse implications for capital adequacy charges against CDB's Barbados loan portfolio. Discussions on a new country strategy were therefore suspended pending the completion of the debt restructuring exercise.

- As the credit rating recovers, so the enabling environment for CDB is expected to improve. This will open up the opportunity for CDB to deepen its engagement with GOBD through a new comprehensive multi-year programme of assistance.
- The present country strategy and programme evaluation will inform a new Barbados Country Strategy to be prepared in 2020.

In the interim, CDB's support to GOBD is being guided by BERT, and the PBL is aligned with CDB's Strategic Priorities.

3.1.3 Portfolio Overview

Barbados is consistently one of CDB's largest borrowers – indeed over the review period it has had the largest country portfolio in all but one year.

As of 31 December 2018, the Investment and Policy-Based (IPB) loan portfolio for Barbados was \$183.8m²¹, of which \$108.8m had been disbursed. This compares with a total for all CDB countries of \$1.27bn. That is, Barbados in 2018 accounted for around 14.4% of overall CDB lending, not including grants and other regional instruments.

During the period of this evaluation (2010-18), the size of the portfolio in Barbados varied considerably, peaking at \$198.8m in 2012 and then falling to \$68.4m in 2017, before showing a sharp increase with the recent large loan for the Grantley Adams pavement rehabilitation and policy-based loans (one each in 2018 and 2019). The PBLs are part of an intended series of four to support economic reforms, social protection and growth in line with the BERT.

The number of investment and policy-based loans in effect at any one time has varied between six and nine over the period, covering a range of sectors relevant to the pillars of the CAS and the CSP. Eleven of these have been considered during the evaluation, including:

- investment loans supporting capital projects in urban development and housing, tourism, education, transport, water and sanitation and the environment (i.e. flood mitigation). Of these, five have been completed.
- Policy-based loans in 2010 (\$25m) and 2018 (\$75m). The 2010 loan was accompanied by a Technical Assistance (TA) loan to support reform of the central revenue authority, which is now around 75% disbursed.

Investment loans that were **completed** (i.e. fully disbursed), during the period of the evaluation included:

- Urban rehabilitation (Church villages, \$25.5m reduced from \$30.3m after cancellations, completed in 2014)
- Tourism (Harrison's cave, \$26m, completed in 2015)
- Education (Education enhancement 1 \$30m, completed in 2013)
- Transport (LIAT regional airline, \$33m, completed in 2016)

Other investment lending projects implemented but not yet fully disbursed included:

- Water and sanitation (water supply upgrade \$35.6m, 43% disbursed)

²¹ Draft ARPP 2018

- Environment (Speightstown flood mitigation, \$4.6m, 33% disbursed)
- Environment (Constitution river phase III, \$6.8m 39% disbursed)

The two PBLs were successfully disbursed, although as the CAS notes, the first PBL in 2010 was due to have a second instalment which was not taken forward. The 2018 PBL of \$75m is the first of a programmatic series²². Their focus is on macroeconomic stability, business competitiveness, and the social sector.

A recent large project which has been approved and taken forward rapidly is in the transport sector, the Grantley Adams airport pavement rehabilitation.

As a general trend, the time period for projects supported by CDB in Barbados has been quite extended. There have been some cancellations and significant changes in scope.

- A loan of \$36m to support low income housing initiated in September 2010 was cancelled in 2016 after significant implementation challenges.²³
- The education enhancement II loan approved in 2011 was initially for \$35m but after considerable delay most of the loan was cancelled and the remaining \$3.6m loan is still not fully disbursed.
- The earlier education enhancement loan successfully completed in 2013 had originally been approved in Dec 1998.
- The \$30.3m urban rehabilitation project (Church villages) which was completed in 2014 was in many ways a success but it had originally been approved in 2000 and had already experienced delays of up to 8 years, with undisbursed funds of around \$5m being cancelled in the final year.

The net effect of these trends (see Table 3) is that for 7 of the 10 years considered by this evaluation, the net resource flows to Barbados from CDB were either negative or very small. More recently there have been substantial positive flows driven mainly by policy-based lending and large projects moving ahead.

Table 3: Annual Net Resource Flows to Barbados from CDB (USD millions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Disbursement	21.7	(2.2)	(6.7)	(2.6)	6.7	(9.0)	(16.4)	2.1	74.5	89.2
Disbursement	32.8	11.8	7.5	12.0	21.9	5.5	1.9	19.2	89.6	103.4
Amortization	11.1	14.0	14.2	14.7	15.2	14.5	18.3	17.1	15.1	14.2
Interest and charges	4.7	4.2	5.0	5.4	6.6	6.0	4.6	4.7	5.0	9.1
Net Resource Flow	17.0	(6.4)	(11.7)	(8.0)	0.1	(15.0)	(21.0)	(2.6)	69.5	80.1

²² The second loan in the series was disbursed in December 2019, and is therefore not covered by this evaluation although the design of it was one of the issues which came up in discussions on the social sector.

²³ “During the review period GOBD and CDB advanced efforts to reformulate the Project. However, ongoing difficulties to complete audited financials, GOBD’s inability to sign off on critical inputs in a timely manner and continued low disbursement rates have prompted CDB staff to recommend cancellation of the existing Loan, in accordance with the Operational Policies and Procedures Manual (OPPM 4/1/F8/BP). GOBD could request new financing in 2017 once designs have been completed and the outstanding financial statements are addressed.” AARP 2016

4 Assessment

This section considers and assesses the CDB country strategies and programme in Barbados against the key evaluation criteria of relevance, effectiveness, efficiency and sustainability.

4.1 Relevance

The analysis of country needs in both country strategies addressed highly relevant themes and priorities. With the benefit of hindsight, both focused squarely on the key issues which still matter most to Barbados, and in that sense the strategies have been shown to be highly relevant.

The Country Assistance Strategy 2010-13 focused on (i) macroeconomic stability; (ii) physical and environmental infrastructure; (iii) a more competitive productive sector; and (iv) enhanced social development. All four of these areas were well articulated in the CAS, backed up by sound analysis and evidence, and could easily be described as still critical for the country.

The themes picked up in the CSP 2015-18 are very similar and also highly relevant. Its three pillars were macroeconomic governance and institutional development; competitiveness and productivity; and green, inclusive development. They were intended to lead to a programme of assistance focused on (i) strengthened fiscal sustainability and supporting institutions; (ii) enhanced enabling environment to strengthen competitiveness and productivity; (iii) strengthened resilience to climate change and improved disaster risk management; (iv) improved quality of climate-resilient infrastructure; (v) increased access to tertiary education opportunities; and (vi) enhanced social development. Mainstreaming gender equality, and energy efficiency were also been brought into the strategy by this time.

The discussion of the economic situation in the CAS reads as understandably more optimistic than would be the case now, but it also flagged issues which have since turned out to be fundamentally important. While the macroeconomic fundamentals were generally sound, it noted the impact of the financial crisis on growth, and emerging challenges including around adverse trends in competitiveness, fiscal and debt sustainability and downgrading of Barbados's credit rating.

For example, the CAS states:

“... in 2009, as a result of the adverse effects of the global crisis...the fiscal deficit worsened, reaching 8.9% of GDP, pushing up the total debt stock of CG to 94.6% of GDP.... The current fiscal stance raises concerns of fiscal and debt sustainability over the medium term”.

By the time of the CSP, the economic discussion in the strategy mentions that Barbados was being buffeted by the global crisis and that macroeconomic fundamentals had become progressively weaker since 2009, with new challenges of acute economic stagnation; weak competitiveness; and fiscal instability.

The need for renewal in critical areas of infrastructure was a key focus of where CDB planned to provide support in the CAS, including areas such as water, road networks and coastal zones improvements. Water quality was seen as a critical issue. Related to this, the climate and environmental challenges are well articulated, including for example coastal zone protection needs.

As already noted, implementation challenges have proved to be a critical issue in Barbados. One of the main implementation risks noted in the CSP are institutional and human capacity constraints. Previously, the CAS had described these challenges as follows:

“These have included weak institutional capacity, inadequate coordination between planning and executing agencies, unplanned alterations in project scope, weak project management, land acquisition delays, significant cost overruns and institutional fragilities.”

On the same theme, the CAS noted that CDB intended to encourage GOBD’s plan to undertake a comprehensive review of the institutional structure and procedures for arriving at a Public Investment Program. It also highlighted the following areas as needing critical attention:

- enhancement of the project management capacity of GOBD through resourcing, training, encouragement of best practices and, where necessary, targeted TA interventions;
- strengthening of the project support services, particularly the legal services, through use of standardised approaches, models or forms (including contracts);
- more rigorous preparation for project implementation
- embedding of enhanced risk identification and risk mitigation mechanisms within all project proposals.

Another prescient theme contained in the CAS, as part of a discussion of the social sector, was linkage between the traditionally strong social solidarity in Barbados on the one hand, and the need to build buy-in for economic reform and fiscal adjustment on the other.

“to reduce any snags that could impede the implementation of the fiscal reforms in particular, CDB will work closely with Government to ensure that the conditionalities attached to the PBL are feasible, as well as politically and socially palatable.”

The investment lending projects were targeting the right areas. Many of the projects approved were also in these same high priority areas. For example, there is a clear logic to CDB’s intent to support upgrading of the water network, flood mitigation, tourism (e.g. Harrison’s Cave, Airport, LIAT) and the Central Revenue Authority. More recent projects such as the one for South Coast sewage are highly relevant to both the environment and improving the conditions for economic growth and private sector investment. As will be discussed later in this report, not all of these have been successfully delivered, which reduces the relevance of the program in practice – but the choice of focus areas was clearly well judged in principle.

The PBL was economically and financially relevant. One of the most relevant of all the interventions supported by CDB during this period has been the programmatic series of policy-based loans. This was the main way that CDB worked together with the IFIs in supporting the IMF package in 2018 to help stabilize the economy and support reforms, once the new government came in. This was a joint initiative by the IFIs, led by the IMF. The first of the programmatic series was both well timed and critical to the needs of the country. It was supported by relevant TA. The second of the series, planned at the time of the evaluation addresses important social needs.

Box 3: Policy Based Lending

While the government of Barbados had applied for an earlier PBL of USD50 m in 2010, a programmatic PBL was prepared in 2018 to support the IMF programme and BERT, with three main pillars: Pillar I (Fiscal Sustainability); Pillar II (Institutional Reforms for Growth); and Pillar III (Social Protection). The indicators and targets are aligned with the BERT.

The first PBL of the programmatic series, totalling USD75 m was approved in October 2018, with a focus on supporting expenditure management, revenue collection, debt management and overall fiscal consolidation; including through public financial management reform and social protection.

The financial injection of the PBL was critical for building up domestic reserves and providing the basis for improving the macro-economic fundamentals of the country. The government has made quick progress on fiscal reform, though some aspects remain pending (e.g. SOEs, external creditors). The CDB's particular added value is considered to be its support to social protection, including two related technical advisors. Other areas, such as growth and competitiveness (e.g. skills upgrading, harnessing technology) have not yet been included, but are expected in PBLs 2, 3 & 4.

Having noted these positive aspects, in several other areas the relevance of the Barbados programme has been much more mixed.

Relevance of project design was weak. To the extent that many of the projects approved were either not taken forward or have been slow to implement, there is a question about relevance of design. Why were projects approved, which could not be implemented, especially given the known constraints around capacity and implementation flagged in the CAS? Feedback from interviewees external to CDB suggests that with recent projects, this may have improved, but it was certainly a major issue for most of the period. A key issue flagged by government stakeholders is that CDB could have provided more intensive support during the design and approval stage, helping to bridge the gaps around implementation.²⁴

There were gaps in the programme as implemented.²⁵ Several issues put forward as priorities in the country strategy were not in the programme as delivered. These were:

- Doing business
- Renewable energy
- Climate resilience
- Ownership
- Public sector institutional reform

These areas are discussed further below.

²⁴ One key informant noted that CDB could provide more of a 'handholding' approach, which would recognise that the process of drafting and moving things forward tends to fall on a small number of key people in government, which slows things down at a critical stage simply due to lack of time/capacity. CDB counterparts could help bridge that gap by contributing more of their expertise in the drafting process, provided they have a good understanding of what the government lead is intending.

²⁵ This can either be seen as a gap in relevance ex post - or as a gap in effectiveness in as much as the program did not in fact deliver strong contributions in certain areas, which the CAS /CSP had identified as important.

4.1.1 Doing business

Although the CAS and CSP both recognise the importance of strengthening the business environment, and engaging with the private sector, this is not an area that has so far featured significantly in the CDB's work in Barbados. So far, the Bank is not well set up to engage with the private sector, although its importance as an area of work has been recognised at the most senior level.

At the same time it is important to consider how far CDB has or can build a comparative advantage and add value in this sector compared to other existing or potential players. This is not discussed in the CSP, which has only a very brief discussion on the donor landscape. At the moment, there is no obvious answer to this question. The CDB's own capacity to lead in this sector is untested and underdeveloped, yet it is not obvious that others are taking a strong lead either, although the WBG has provided some useful analysis recently in relation to Doing Business.

The IMF programme and the PBL recognise the importance of stimulating private sector investment as a part of the recovery efforts, especially related to the tourism sector, due to its importance to the economy. Capital investments in the hotel industry are considered essential. There is a need to address the business environment, whether macro-economic stability or transparency and predictability in corporate taxation. There are also broader environmental concerns around such major investments that need to be factored into decision-making.

Based on interviews, while private sector growth is one of the pillars of the PBL, it has received less attention than fiscal consolidation and the social safety net in the IMF programme. "This is a question of correct sequencing" according to one interview, with the expectation that private investment will require macro-economic and social stability.

There is also an apparent, less explicit division of labour between different MDBs and donors on promoting the growth agenda. With the IMF programme, the WBG has re-engaged with Barbados on business environment reform and competitiveness, including with the conduct of a recent, related workshop. According to one interviewee, reforms are now planned in customs, the corporate registry and the Barbados Revenue Authority, the latter in cooperation also with the Development Bank of Latin America (CAF). The IDB is also very involved in promoting investment through the automation of government procedures. Nevertheless, it should not be overlooked that customs reform efforts, such as the introduction of an electronic single window, have been tried and failed in the past; apparently due to lack of inter-agency cooperation.

The high-income status of Barbados means that, despite being the Bank's biggest borrower, it has limited access to concessional private sector support-related grant finance from the CDB which in other parts of the region are an important vehicle. Regional modalities include for example CDB technical cooperation, and programmes such as COMPETE, Creative Industries Innovation Fund (CIF) and CTCS, but these are not being extensively used in Barbados despite increasing demand. The PBL is the main CDB financial vehicle for supporting the growth agenda, and even here the attention in the first and second draft PBL to supporting private sector led growth is relatively limited with prior actions around customs reform, and some technical assistance.

4.1.2 Renewable energy

It is clear that the IDB is playing a key role in renewable energy in Barbados, so it may make sense for CDB to play less of a role or to build up its presence slowly. Nevertheless, the importance of renewables to the government suggests some presence is strategically important. One obvious way to build CDB energy sector

engagement is through the integration of renewable energy and energy efficiency solutions in all relevant projects.

The tight fiscal space is restricting investments in the diversification of energy generation to more sustainable solutions. Barbados has less access to concessional financing than other countries in the Eastern Caribbean, due both to its middle-income status, and constraints of the IMF programme. Furthermore, the renewables market is extremely competitive and dynamic. The CDB cannot compete with the more favourable interest rates of the IDB, which has been engaged in the energy sector of Barbados for over a decade. The Sustainable Energy Investment Program (Smart Fund II), a USD30 m loan will provide financial vehicles and technical assistance to install 11MW of distributed generation in public buildings, promote renewable solutions in the tourism sector and for SMEs and introduce efficient and smart technologies on energy efficiency.

Some of the more concessional CDB vehicles (e.g. 1% interest of SDF) in the Eastern Caribbean, even with support from technical assistance grants, are not competitive when compared with for example, zero-rated government subsidies. Therefore, the focus for now has been on mainstreaming the use of renewable energy and energy efficiency solutions across new CDB projects where relevant (e.g. solar lighting in airports).

4.1.3 Climate resilience

CDB has a strong presence across the region on climate resilience but does not appear to have yet linked this into the Barbados programme. This is out of step with what the government is signalling about its own priorities (e.g. the roofs to reefs programme). There is great potential in finding bankable solutions to climate change adaptation and resilience, as this segment is far less crowded than renewable energy and energy efficiency. Substantially more effort and concessional or grant resources are required to catalyse adaptation and resilience efforts through the market.

4.1.4 Building ownership

Another notable gap has been the approach to wider engagement with civil society in Barbados, including for example with the trade unions, which could have helped the Bank to understand the implementation issues that would arise. Despite being located in Barbados, CDB has adopted a relatively low profile in its approach to engagement with stakeholders outside government, with the exception of contact with the BERT monitoring committee in the context of the PBL.

4.1.5 Public sector institutional reform

The suggestion in the CAS that support to public sector reform should be a key priority was not something that was delivered in practice. There were elements of TA at project level, such as in the loan to the immigration authority but what has not happened so far is working with the government on a systematic and strategic approach to public sector reform underpinned by technical assistance. Arguably this would have been highly relevant and remains an urgent need, and it may be that there is an opportunity here for CDB to engage in a different way, building on its experience in other countries.

The question also has to be asked whether CDB has a strong comparative advantage in public sector reform. The feedback for this evaluation suggests that perhaps it does. In most areas, it has a good relationship with the government and its technical assistance and knowledge of the country are appreciated, which provides a reasonable platform to engage. Interviews with government officials also indicate that well-targeted technical assistance is valued, provided it starts from a good understanding of their priorities.

On the other hand, institutional reform is an issue which CDB has sought to build into its project work for some time, with quite mixed results, so it would need to find a more successful and strategic approach. There is also a challenge about costs and how the support would be financed – CDB loans to support TA would not be particularly competitive compared with other IFIs. Purely on this aspect, IDB might be a stronger partner, although lacking the detailed local knowledge that CDB has.

4.1.6 Narrow mix of instruments

In the first few years of the strategy, the range of instruments used was limited, although this changed from 2018 onwards. During the period of the CAS and most of the CSP, the main instrument used was investment lending, when policy reform and technical assistance would also have been appropriate. CDB was not however in a position, for good reasons, to be able to meet that need for most of the period.²⁶ Specifically, the option of providing technical assistance is constrained by the fact that Barbados is not eligible for grant support, although there has been creative use of resources at regional level and some important TA has in fact been provided. The appetite for TA lending needs to be further explored, as it is clear from interviews with senior government staff that high quality TA that is sufficiently adapted to the government's reform agenda is seen as useful and in short supply.

The 2010 PBL was an attempt to engage on economic reform but came at a time when the trends in the broader economic and political climate were not conducive to CDB being able to move further. There was then a period of several years when CDB was not able to use this instrument. Once the new administration came in with a strong mandate for economic reform, CDB moved quickly on PBL lending, and worked in a coordinated and effective way with the government, the IMF and IDB, providing policy support and ideas behind the scenes accompanied by technical assistance.

Although not used extensively so far, Public Private Partnerships (PPP) are another potentially relevant instrument. Interviewees had already picked up on this for the future and suggested it is an option on the Grantley Adams pavement rehabilitation project.

4.2 Effectiveness

Overall effectiveness of CDB programmes over the review period was mixed. The Bank has been a valued partner in Barbados but has faced a number of challenges. Through its investment lending it has supported some important results in selected projects (e.g. Constitution River phase 1 and 2, Immigration, Airport Repavement). It has played an important role with the current government on economic reforms, using the PBL instrument to provide much needed financial resources to cover the economic fiscal crisis/ foreign exchange reserves. CDB staff are seen as a reliable 'sounding board' by government advisers. The government has made quick progress on fiscal reform, though some aspects remain pending (e.g. SOEs, external creditors). The particular added value of the CDB in the reform area is considered to be its support to social protection, including technical assistance.

The main challenge around effectiveness – which came up consistently in interviews with CDB staff and external key informants – is slow implementation. This has severely limited the overall effectiveness of CDB's work in Barbados. The majority of projects have not delivered results yet, and some have been

²⁶ The reasons include (a) as a high-income country, Barbados is not eligible for grants for technical assistance from CDB, although creative ways were found to allow some support in relation to the PBL (b) the level of appetite, political will and ownership for the needed economic reforms was still developing and the conditionalities around PBL would most likely not have been met.

cancelled (which arguably is a good thing in these specific cases, freeing up space for better designed and more implementable projects).

The effectiveness of the CSP instrument – at least in the way that it has been deployed during this period – is clearly very limited. The positive aspects of the CSP are that it offered a clear and relevant analysis of the needs and priorities of Barbados, which was then followed through into clear recommendations on the overall shape of the program. It provided a platform for an initial discussion with the government (mainly) and other IFIs and identified the most relevant areas to engage on.

Set against this, there are some glaring gaps. There was no monitoring of results specifically around the CSP and the document was rarely referred to, nor was it visible to or used by the incoming government. It was also not updated as the situation evolved rapidly during 2018; though a new CSP is now planned for 2020. There is no obvious alignment between the way the CSP was written – which presumes that the country is a key unit and focus for engagement – and how the CDB operates in practice, which is much more around individual projects and thematic areas. While there is a country team in one sense, it is loosely constituted and relies on the natural tendency of the individuals involved to cooperate and share information. The country team approach is not backed up through reporting arrangements and structures, processes or requirements.

These are not new issues and there is an important point here about CDB's capacity for lesson learning. The 2014-18 CSP discusses quite clearly what had been achieved by the earlier CAS, and what lessons should be learned, but to what extent was this taken on board? The end of period review notes among other things that:

- The RMF was deficient
- The 7 projects approved were relevant and targeted important areas
- The Central Revenue Authority and Speightstown flood mitigation projects were particularly likely to make positive contributions, with other positive contributions from LIAT, (a regional project not specific to Barbados), and education and housing (in both these projects some or all of the loans were subsequently cancelled due to implementation challenges).
- The PBL helped to cushion the effects of the economic downturn, although in retrospect the reforms that the PBL supported did not go far enough to infuse expenditure discipline.
- Implementation of certain projects was slow, on education and housing. Two of the projects had implementation periods of over 10 years.

It then goes on to identify the following lessons:

- It is important that CDB's programme of assistance, while ensuring alignment and country ownership, be pragmatic so as to reduce the risk of it being exposed to the financial, political, administrative and institutional constraints of the country.
- It is also essential that the design of the Country Strategy have built-in flexibility to allow for changing socioeconomic circumstances.
- Without a strong RMF the performance of the Country Strategy and, by extension, CDB's development contribution cannot be properly assessed. A Results Framework must have a clear articulation of Strategy objectives and sector outcomes, a logical chain linking CDB's interventions to the Country Strategy objectives, and Specific, Measurable, Achievable, Realistic and Time-bound performance targets to be achieved in a clearly-defined time frame, whether within or outside of the strategy period.
- Capacity building needs of executing agencies should be continuously assessed in order to facilitate an efficient implementation of the Country Strategy and the delivery of its expected outcomes.

- Strong donor coordination is important to increase the likelihood of achieving meaningful development results

It is not difficult to agree with the assessment, nor indeed with the lessons. It is much less clear what happened to act on these clear and well-judged messages.

- The use of the RMF in the CSP implementation was deficient in much the same way as it had been during the CAS.
- The CSP was not subject to a mid-term review nor was it updated after the government changed.
- The capacity issues in Barbados continued to constrain performance, and the program was unable to adapt to ongoing issues around constraints in the country and changing socioeconomic circumstances – at least until quite recently.

Perhaps one area where a lesson was clearly learned was on the need for fiscal discipline and economic reforms. In one sense, CDB learned its lesson since it did not provide any further PBL until after the government changed and focused very directly on economic reform – but by this time an IMF led package of support was required and the country was in a full-blown economic crisis.

To develop a more effective approach in Barbados, CDB needs among other things to find ways to address two key issues – support to public sector reform; and a strategic approach to support on economic growth and the private sector. These are discussed in more detail in the next sections.

4.2.1 Engaging with the government on public sector reform.

An issue which came up consistently in this evaluation was the need to help the government deal effectively with the ‘softer’ aspects of public sector reform. The challenges around implementation highlighted in this report and elsewhere are not new, yet CDB seems so far to have been more inclined, pragmatically, to ‘work around’ the issues – seeking to find partners which are stronger on implementation.

This raises the question – and looking ahead to recommendations put forward later in this report - of whether there is a strategic opportunity for the government and CDB to work together here, to formalise the support that CDB can offer on policies, procurement, and preparing the ground for infrastructure projects, and if so what instruments would be most useful.

The PBL is one entry point, particularly given the positive experience of timely support on government economic reforms. There appears also to be a gap in terms of relevant technical assistance that if filled would help the government to showcase its positive intent to grasp the nettle of public sector reform.

This would be extremely challenging but is probably essential in the long term. It might include exploring options around a program of technical assistance lending, building on CDB’s comparative advantage as the IFI which knows the Barbados context in greatest depth. Given the need to find a package which is affordable to the government, this might need to be an approach which is done in partnership with IDB and others such as EIB to provide finance but leverages the expertise and local knowledge of CDB.

4.2.2 Providing effective support targeted directly at the private sector and accelerating economic growth.

Clearly, Barbados needs growth reforms to encourage increased private sector investment on the back of improvements in confidence following the debt restructuring and fiscal consolidation. The government is well aware of this and the IMF has built it into its ongoing programme. While the growth reform pillar is included also in the PBL, fiscal reform and social protection have been rightly prioritized. Despite being perceived as a valued partner on the financial aspects of economic reform, CDB may not have the right financial vehicle to participate in the private sector, although there is some progress on assessing potential PPP arrangements at least in the Airport and South Coast Sewage projects. Barbados is eligible for some of the regional grant/TA facilities but, so far, they have been under-subscribed.

Box 4: Airport Re-Pavement Project

The Airport Re-Pavement Project (Total Budget USD 57.6M) is under implementation, with expectation of successful conclusion, after initial procurement delays. The fiscal position of Barbados requires the careful prioritization of capital investments (only 2-3% of GDP). Due to the importance of tourism, this project was considered a critical investment. While the international procurement process took some time (6-9 months), there is confidence that the company will deliver the project at high quality (especially safety standards) and on time. One interviewee did suggest that the procurement could have been substantially expedited if government procurement rules had been employed, as the qualified providers were known and the works were urgent. The airport project was highlighted by interviewees as a positive example of mainstreaming and inclusion of social and gender issues.

Box 5: PPPs

All stakeholders consider PPPs an important model for the CDB to explore in Barbados, though there were differing views on the government's position in this regard. Besides the CDB Caribbean Regional PPP Facility, the model has not been extensively explored and implemented in Barbados. The government has committed to reviewing the related policy and regulatory framework. Technical assistance associated with the IMF programme and the PBL is also designated for this purpose. So far, with support from the International Finance Corporation (IFC), there has been some progress on assessing a PPP model for the airport, which remains fully government owned. There is also current consideration of a PPP arrangement for the South Coast Sewage project, for water distribution and the use of methane generated from treated sewage for energy, with a Canadian feasibility study.

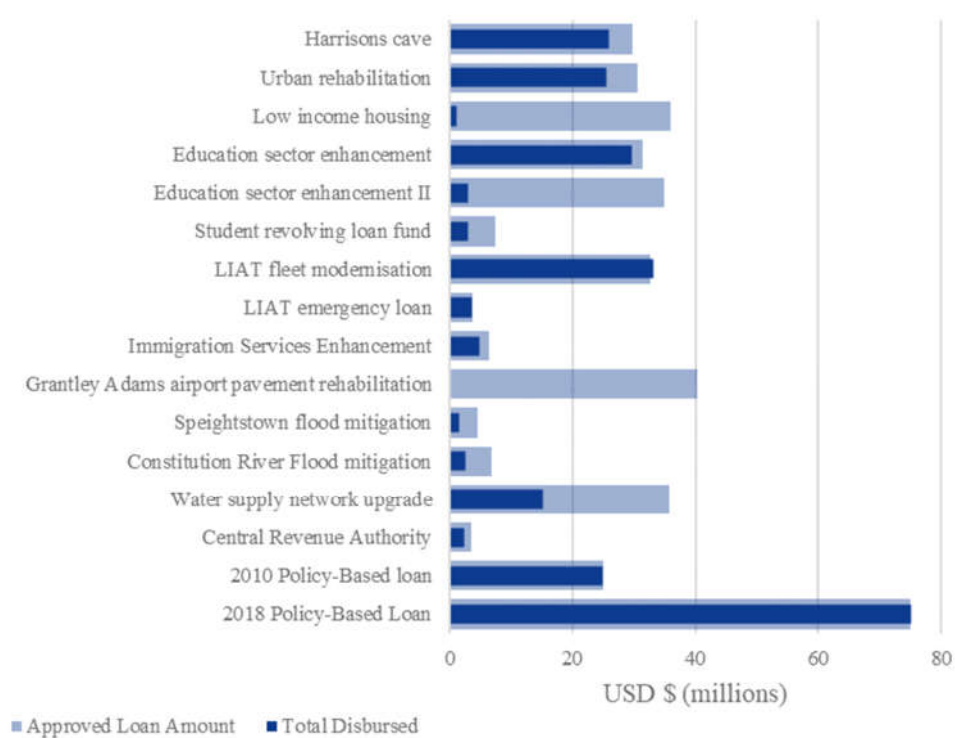
Renewable energy and climate resilience are two key areas where substantial investment and a role for the private sector are required and possible. As noted earlier, the CDB at regional level already has an established role in disaster management, with some post disaster financial products. There is great potential in finding bankable solutions to climate change adaptation and resilience. This segment is far less crowded than renewable energy and energy efficiency, and substantial effort and concessional or grant resources are required to catalyse adaptation and resilience efforts through the market. For example, the agricultural sector has been amenable to private sector finance for resilience efforts, through more sustainable irrigation solutions.

Box 6: LIAT

While the regional carrier, LIAT, with majority ownership by the governments of Barbados, Antigua & Barbuda and St. Vincent & the Grenadines, is critical for serving the tourism sector by connecting small islands with each other, it is heavily indebted to the CDB and a perennial loss-maker, fully reliant on its shareholder governments for regular injections of capital. The recent hurricane events exacerbated its financial position. Negotiating the most recent CDB loan was substantially delayed, causative factors being the ownership structure and the missing Barbados government guarantee (due to the country's fiscal position). Various governments have raised the need for restructuring and privatization of the airline, with substantial regional politicization of the issue apparent from newspaper coverage and interview data. With the financial restraints of the IMF program, Barbados considered selling its 49% stake to the government of Antigua and Barbuda but these plans were recently dropped, with the latter planning now to invest directly in the pan-Caribbean airline.

4.3 Efficiency

The evaluation has found significant challenges around efficiency, in particular slow implementation and disbursement. Figure 3 shows the disbursement rates for each of the projects during the period of the evaluation. As of 2018, around half of the projects were less than 50% disbursed and almost all the projects had been subject to significant delays, starting during the process of design but most apparent between Board approval and start-up and then subsequently during implementation. The exceptions include the LIAT support (which was in any case a regional intervention) and the 2018 PBL which was prepared and delivered quickly as required to support the urgent work on the economic crisis and the BERT. There is limited information to draw on regarding economic efficiency.

Figure 3: Total Disbursed 2011-2018 versus Original Loan Amount

Box 7: Constitution River Project

The Constitution River Project consists of an overall loan of USD6.9 m of which USD2.7 m has been disbursed. The project was approved in October 2015 and the loan agreement signed in March 2017. The tender process for Phase III was at an advanced stage in January 2019. The project is executed by the Barbados Tourism Investment Inc.

The project is expected to reduce flood risk in a key urban area and to contribute to climate change adaptation. A TA element is expected to improve overall sustainability and flood management efforts on the island. Due to its location in a low-income area, the project was also expected to have a positive poverty impact on surrounding communities. However, no health statistics have been collected (e.g. on water borne diseases).

The Constitution River Project (Phase I and Phase II) were completed after substantial delays in implementation. In many ways, the Constitution River project exhibited the typical pattern of implementation delays and resource constraints that can be traced back to the government, executing agency and CDB itself. According to the 2018 PSR, key concerns relate to the lack of project management resources. Based on interviews, the responsible officer at BTI is also responsible for another similar project, with no assigned support staff. Another interviewee remarked on the inability of the Barbados government to push the project along, though it was also noted that the project, unlike others, did not experience political interference and red tape. Inside the CDB, there is concern that some projects are not sufficiently mature prior to appraisal. Longer preparation time and strong government buy-in are required. A number of interviewees inside and outside the CDB also noted the limited supervision of the project, for example, with hardly any site visits over a four- year period. There are also concerns about the environmental sustainability of Phase I.

Box 8: Speightstown Flood Mitigation Project

The Speightstown flood mitigation project aims to reduce storm-water induced flood risk in Speightstown. Of the USD4.6 m loan, USD1.5 m has been disbursed. The loan was approved in December 2013 and the Loan Agreement signed in November 2014. The project has been plagued by implementation delays, with numerous requests for extension, mainly due to land acquisition issues. Some interviewees suggested that at times projects were insufficiently prepared by the CDB prior to appraisal and approval (e.g. managing critical land acquisition risk). The current Cabinet has signalled its willingness to proceed with compulsory acquisition.

4.4 Sustainability

The evidence base for assessing sustainability in this evaluation is extremely limited, confined mainly to the views expressed by key respondents in interviews rather than any analytical or evidence base from independent evaluations. There is almost no discussion of sustainability in available project completion reports and supervision reports.

In any case, given the long timescales for implementation of investment lending projects in Barbados, the inevitable conclusion in most cases of such analysis would have to have been that it is too early to say what results are achieved or sustainable.

Having noted these limitations, it is possible to point to selected areas where CDB may have made some important contributions in Barbados to sustainable results, and others where there were gaps:

- The success of the economy and addressing structural issues is crucial to the long-term prosperity of Barbados and 2018 was a particularly important year. The CDB's support to economic reforms and helping to stabilize the situation was therefore highly relevant to economic and financial sustainability over the long term. It was also greatly appreciated by the government, including how quickly CDB was able to engage and work with the IMF and others to help bridge the gap on building up foreign exchange reserves. So far, the signs are encouraging in that debt restructuring has moved ahead and fiscal consolidation is well underway.
- This process of structural reform clearly also depends on improving performance in key areas such as environment, tourism, transport, the social sector, education, and water and sanitation. The CDB has consistently sought to provide support in all these areas, and they were identified in the country strategies. For example, upgrading the water supply system and addressing the flood mitigation and sewage challenges that Barbados has been dealing with are vital for long-term sustained prosperity.
- The relatively low profile of CDB work on climate change, renewable energy and resilience in Barbados is a noticeable gap which suggests that environmental sustainability has not had sufficient strategic attention in how CDB has worked in this country, despite having a strong presence on these issues across the region.
- For one specific project (Harrison's Cave), the durability of the design and build, and the financial assumptions built into the project are both now turning out to have been rather optimistic, raising some challenges around sustainability of financing and a need to renew some of the infrastructure earlier than expected.

5 Main Findings

5.1 Support to economic reforms

Looking back over the 10 years covered by this evaluation, there are at least two key points where CDB engaged effectively and in a timely manner to support Barbados on economic reform. The PBL in 2010 made a contribution in buffering the immediate effects of the financial crisis but was unable to create the entry point for sustained economic reforms. The dialogue with the government that came into power in 2018 was an important and timely contribution. This came about through full use of the opportunity afforded by the country's need for financial support and the use of policy-based lending as an instrument. This was greatly appreciated by the government and involved good coordination with the IMF and the other IFIs.

The introduction of a programmatic PBL series also provides an excellent entry point on key issues, not just on meeting the immediate needs for stabilising the financial situation and fiscal reform but also on social protection/safety nets and – in the future – on supporting economic growth.

During the intervening period, from 2011 to 2018, CDB repeatedly sought to influence the government on economic reforms but the potential to convert this into actual lending was limited in practice by the conditions that prevailed. The CDB did appraise a PBL in 2015 in close consultation with GOBD. Although this PBL was not in the end presented to the CDB Board of Directors, the dialogue was meaningful and helped to eventually inform the PBL in 2018.

5.2 Implementation challenges

5.2.1 Implementation gap and delays in projects financed by CDB (and others)

The analysis of evidence shows a chronic slow pace of implementation for projects in the public sector. This appears to be driven by a combination of factors, external and internal to CDB. Projects with significant undisbursed balances and/or behind schedule and/or cancelled currently shows at 4 out of 8 as of 2018 and around 7 out of 16 looking at the whole evaluation period (see fig 3 for example). Tight fiscal space has led to severe delays rather than opportunities for acceleration of implementation and this remains a significant area of focus for CDB management.

Whilst a reassessment of demand following the change of government and the rapid shift towards fiscal consolidation was undertaken, evidence from key informant interviews with CDB staff, development partners and implementing/ executing agencies consistently note there is a need for systemic public-sector reform to bridge a recognised implementation gap in Barbados. Although Barbados country classification means that TA grants for public sector reform are not available, loan financed TA in this area would be valuable. There are elements of TA built in at project level, such as in the loan to the immigration authority, though wider opportunities in working with the government on a systematic and strategic approach to public sector reform underpinned by technical assistance are manifold. There is a need to develop the demand from the government for loan-financed TA to help drive capability.

Government representatives are equally aware that considerable public-sector reform is necessary to address perennial implementation delays; and the new administration is acutely aware of the need to address poorly

performing projects. This context nonetheless provides a challenging operating environment for CDB investment lending and has contributed to chronic delays at all stages in the project cycle. Other development partners operating in Barbados consistently cited this contextual reality. Nonetheless, a reluctance to cancel projects that are clearly stalled persists in Government, leading to ongoing disbursement delays. Figures on disbursement are shown in figure 3 and at Annex 4.

Against this backdrop, the evaluation notes that the design and implementation of CDB projects are not sufficiently reflective of these challenges, nor sufficiently benchmarked against historic evidence on implementation pace. A dynamic tension exists where ambitious CDB performance targets (approval; disbursement; and so on) meet historic implementation data and current implementation capacity.

Given the prioritisation to improve project implementation and the clarity expressed by the new administration, there is an opportunity for CDB to support the Government moving into CDB's new strategic cycle; building on its positioning around the PBLs and requiring an approach to engagement which differs from a traditional projects approach.

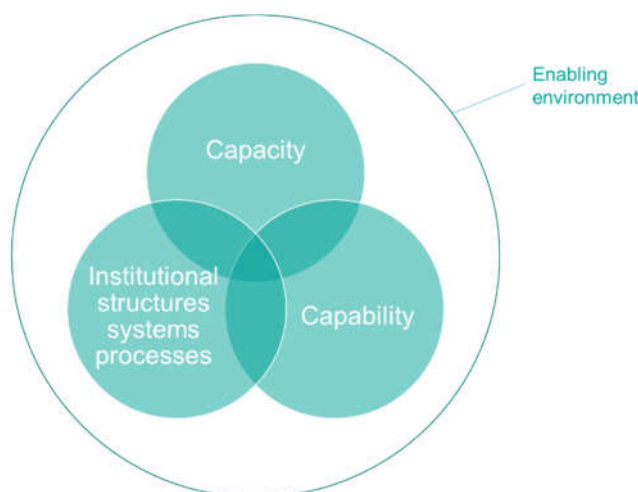
The external systemic factors identified by the evaluation can be categorised into three broad areas which interact (see Figure 4 below):

5.2.2 Factors external to CDB

Figure 4: Convergence of factors impeding implementation

Institutional structure, systems and processes

The hierarchical public sector environment of Barbados, with a traditionally centralized approach to approval



decision making and siloed working across ministries, are cited as key constraints and contributors to implementation delays. Under the previous administration all decisions went to cabinet; which was a necessary repercussion of the debt and cash flow situation. Whilst some historic bottlenecks have been addressed by the new administration, decision-making during implementation remains stubbornly slow.

The new administration has brought a clear impetus to accelerate and address challenges impeding implementation, nonetheless the process of escalation and decision-making remains time consuming and slows progress. This is often based on the lead-in and lag-times associated with the escalation processes and associated protocols – as opposed to delays in decision making per se. For example, contracts may have to be escalated to the Solicitor General's office, with considerable time added at each stage of escalation. Given

the total elapsed time, alternate solutions to initiative implementation are sometimes necessary; including non-legally binding MoUs.

The pace of decision-making will be influenced by changing membership of executing and implementing agencies resulting from the shift in administration and the procedural necessity for nominations onto Boards. As Boards take up their responsibilities, they are faced with a backlog of pending decisions and approvals; substantively pressurizing a system with identified capacity constraints.

Wider procedural and technological challenges in Government persist, including project management, monitoring systems and business processes. The evaluation notes PIU staff in Barbados are highly qualified, but procedural processes appear unchanged since independence. The CAS noted that CDB intended to encourage the government's plan to undertake a comprehensive review of the institutional structure and procedures for arriving at a Public Investment Program. This appears to remain highly relevant. For example, systems remain heavily paper-based and the use of facilitating technology is limited, though a digital dashboard has been introduced by IDB alongside a loan for digitisation. Likewise, support from IDB to upgrade the national public procurement frameworks is underway. This presents opportunities for digitisation of government systems/ workflows; recognising that a focus on digitisation and technology on its own would not solve the issue.

There is a need for a mutual understanding of systems, procedures and requirements to be established and maintained. The government's PIU, which coordinates engagement on projects, including those with CDB, has a dual process to manage, with both their own financial rules and those of IFIs (for example, procurement rules, tender committees, and so on). There is a need to coordinate those processes and develop a common understanding with CDB staff as misunderstanding can emerge creating frustrations and delays.

Portfolio reviews are now routinely carried out by the Planning and Priorities Committee, chaired by the PM (or AG), where projects are actively reviewed every 2 months. Examination is given to project status; including obstacles, such as legislation, land acquisition, getting people in place, and financials. This approach has brought transparency, with the aim of resolving issues collectively.

Government human capital constraints

The evaluation separates and treats issues of human capacity constraints as related to the size of workforce; whilst treating human capability issues as related to the knowledge, skills and ability (competencies) of the workforce.

Capacity

The Project Implementation Unit (PIU) is overstretched. A limited number of PIU staff are noted to hold responsibility for a high number of projects (as many as 40 per person by some estimates). These numbers appear overwhelming, with daily management challenges emerging across the portfolio, including recurring procurement and financial management ones.

Retrenchment has exacerbated capacity constraints. Government, state-owned enterprises and implementing agencies have experienced acute staffing constraints in key areas due to fiscal constraints, which have materially affected delivery within agreed timescales. For example, key individuals in implementing agencies, including BWA, with specific technical skills have been lost (e.g. social protection or procurement staff).

Innovative solutions to capacity constraints are being explored by the CDB. For example, a roster of procurement specialists who can be deployed at short notice demonstrates creativity and responsiveness to context.

Capability

Barbados has well-educated civil servants, with technical or sectoral expertise. However, these specialisations need to be combined with leadership, project management and delivery skills, which are often less well developed. PIU, executing agency and implementing agency staff confirmed that participation in CDB training on project cycle management added significant value and understanding, particularly as this gave fuller exposure to the specificities of CDB requirements. Similarly, IDB provides considerable support to strengthening of institutional capabilities, providing “one training after the other”, so it will be important for CDB not to duplicate effort in this space. Limited training has thus far been provided and demand remains high, particularly for the executing agencies.

Thematic expertise, in emerging areas such as in climate change resilience, adaptation and mitigation, is required. As CDB steps up to address the challenges of climate change, specific knowledge, skills and experience will be required to ensure the Bank is designing the most effective programming interventions.

Staff turnover/ rotation within government in key posts has resulted in the loss of institutional knowledge and memory. On the other hand, some staff also seem to have been in place for a long time.

CDB recognises the need to build institutional capability. However, partners are not always receptive to the suggestion that their capabilities need to be improved. CDB has endeavoured to include elements of capacity development within its programme design and this should be continued with perhaps even greater emphasis.

5.2.3 Factors internal to CDB

Institutional structure, systems and processes

CDB recognises that delays are not only due to external factors. A business process review is ongoing, with the ambition to standardise work processes and tools.

Poor credit rating²⁷ combined with implementation delays has meant that CDB has now had to look for ways to reduce its exposure by cancelling projects. There has been an effort to disburse or cancel certain loans that are not proceeding/ undisbursed (e.g. Immigration, Speightstown, Constitution River), though client reservations have been encountered.

The restructuring of the appraisal and supervision teams²⁸ in CDB’s Operations Department has created unintended consequences. Coordination within CDB, between divisions and from one project officer to another was seen by staff as a challenge, and often siloed, as officers focus on their individual projects. These difficulties emerged when staff supervising a project had not previously been involved in appraisal. A loss of continuity and ownership, combined with handover issues between the appraisal and supervision process, were cited as ongoing challenges.

Limited visibility of project coordination officers to government counterparts, and a relatively narrow approach to consultation beyond government. Feedback from those interviewed internal and external to CDB suggests that project officers are not always visible to government counterparts, and based on internal feedback, the primary reason for this is most likely workload or at least the range of projects which officers are covering.

²⁷ On Dec 12, 2019, and following announcement of resolution of the external credit default situation, Barbados’s credit rating was upgraded by S&P to BB- with stable outlook.

²⁸ Within Economic Infrastructure Division

Perhaps related to this, in Barbados the CDB has adopted a relatively narrow approach to consultation with stakeholders outside government, which can create challenges after approval and during the implementation phase. This missed an opportunity for identifying implementation challenges early in the design process. For example, a forum for consultation with trades unions and other associated bodies might have been useful for spotting issues that later delayed implementation.

There is a need for greater realism at appraisal and design stage. CDB staff noted that more realistic timescales and designs which take account of the realities of the processes involved – for example issues related to land acquisition or other politically sensitive legal issues – alongside government internal processes such as approval, consultation with unions need to be designed in. Recently, there has been a more deliberate effort to hold back on seeking approval until more of these elements are in place.

CDB is addressing implementation challenges more proactively. More positively, and learning from the above, evidence suggests that there is a growing willingness among CDB staff and some senior government counterparts to escalate issues faster, rather than letting projects stall.

Incentives and unintended consequences (design, approvals, supervision)

Unrealistic timescales for appraisal, driven partly by approval targets, have created concerns over quality at entry. Pressure on appraisal team staff was well noted during key informant interviews.

5.3 Support to social sector

As the CDB's analysis supporting the 2018 PBL notes, the essential economic reforms in Barbados are likely to pose risks for past social gains. Managing these effectively is a key priority, considering the magnitude of the structural reforms and inevitable impact across society. A number of social issues, perhaps less spoken about, such as growing crime and gender-based violence (GBV), also need attention, if they are not to risk undermining the reinvigoration of the economy, particularly the tourism sector. The sections below review the effectiveness of CDB support to key social sector themes, namely social protection, education and gender.

5.3.1 Social protection

The social pillar of the PBL is one of the mechanisms for buffering the risks around social consequences of economic reforms. The cornerstone of BERT is a front-loaded fiscal adjustment which focuses on reducing current expenditure, while bolstering social safety nets and social protection to reduce the adverse impact on the most vulnerable. The BERT includes measures geared towards:

- (a) strengthening SSNs; (b) investing in upskilling Barbadians; (c) fostering opportunities for worker enfranchisement and the development of Micro, Small and Medium-sized Enterprises (MSMEs); and (d) sharing the burden of fiscal consolidation by improving the progressivity of the taxation system across the society and its economic agents.

The pillar on social protection addresses the poor and vulnerable to help soften the negative impact of the fiscal adjustment. The focus will be on empowering displaced workers, including fostering of entrepreneurial activity. According to some interviewees, because of its understanding of Barbados and the region, the CDB has a certain comparative advantage in advising the government and providing support to mitigating the social consequences of the structural, macro-economic reform.

The CDB team working on the social sector has been successfully advocating for the inclusion and strengthening of the social pillar as part of the reform package. There were nonetheless different perspectives on how well the social issues have been represented in the first PBL document.

5.3.2 Education

Despite, or perhaps due to, the human development achievements of Barbados, the CDB has been less effective in its long-term support to key social sectors, such as housing and education. Key interventions in the education and housing sector lay dormant for years and were recently cancelled (See Box 9). While the Education Sector Enhancement project was introduced to assist the GOBD to improve the quality of education at the primary and secondary levels, it was cancelled due to substantial delays in the government completion of its counterpart contribution to the designs of the schools. Had the loan continued, the delays would have extended project life to a total of more than 10 years.

Box 9: The Education Sector Enhancement project

The Education Sector Enhancement project accords with GOBD's Human Resource Development Strategy 2012-2016 and the Caribbean Development Bank's (CDB) strategic objective of promoting broad-based economic growth and inclusive social development. The project was originally designed to improve the quality of basic education in a timely and substantive manner. It was cancelled due to continued administrative delay in engaging the consultants for preparation of the designs. Only approximately 9% of the approved loan amount of \$350,000.00 from CDB has to date been disbursed. With the cancellation of the infrastructure works component, a significant planned benefit will not be realised in relation to enhancing the learning environment to 21st Century standards. In addition, the implementation of the School Teacher Effectiveness Plans (STEPS) has taken place in the final year of the project, so that at least five cohorts of students have not benefitted from the improved teaching/learning approaches.

Box 10: Student Revolving Loan Fund project

The Student Revolving Loan Fund project is consistent with GOBD's Growth and Development Strategy 2013-2020. The project provided funding of tuition costs and other eligible cost for human resources and skills development for students attending UWI and other tertiary level institutions. The project has significant poverty reduction potential through skills acquisition and access to higher education. This can provide a platform for social mobility and improved quality of life, especially for students from low income households. It is expected that persons benefitting from the loans will find sustainable employment and that repayment of their loans will ensue.

Barbados has a well-educated young population, but there are concerns about absorption into the workforce to drive growth. With an unemployment rate over 10% and expected lay-offs from public institutions, there is a need to match productive sectors with relevant, young talent. Differential gender impacts can be expected, when enrolment at the university level is skewed towards women, and also women are leading business start-ups.

The main challenge is matching the educational offer to the needs of the private sector. Although enrollment in post-secondary education is high, it does not adequately provide applied skills; also, 66% of the employed workforce during 2017 Q2 were in the low and semi-skilled categories (IDB 2018). According to interviewees, the new government appears to prioritise law, education, business and finance management, as well as cultural studies (music, art) and has developed smaller programmes to support transition to work.

Interviewees suggest that the education priorities should shift to the new economy, particularly information technology and renewable energy. Due to the particular interest of the Prime Minister in digital transformation it would be expected that greater priority will be given to this subject matter, based on interviews. Other priorities include food security, agriculture, and global trade, according to interviewees. Apparently, none of these study areas are supported by the government's call for free university education. Without public financial aid for students, they will remain poorly subscribed.

5.3.3 Gender mainstreaming

Gender issues were well considered and clearly set out in the Barbados CSP; and subsequently in a high-quality gender analysis in the Barbados Country Gender Assessment (2016).

Specifically, the CSP 2015-2018 encouraged the conduct of gender analysis, increasing engagement and participation (with a view to gender) and conducting gender-related risk assessment. The CGA provides a well researched, clearly argued and evidenced, in-depth discussion of the gender issues in the country and identifies the following important and potentially useful entry points in Barbados:

- Support gender-responsive budgeting
- Promote and develop a flexible employment framework
- Increase childcare and care for other dependents
- Increase access to capital among women
- Reform and support poverty alleviation programmes
- Support entrepreneurship and business education in schools
- Support gender equality training and education
- Assist the Bureau of Gender Affairs in developing economic strategies for gender equality
- Promote the ongoing analysis and use of existing sex-disaggregated data
- Develop and use gender-disaggregated data on the environment
- Support Gender Impact Assessments of development projects by the CDB and partner agencies
- Support research on time use by women and men

This solid gender analysis has not to date translated into action. The main achievement from the recommendations in the CSP appears to have been the commissioning of the CGA, which was indeed an important step. However very few of the CGA recommendations on entry points listed above have actually been taken forward.

The reasons for this somewhat disappointing picture are not clear but may well reflect wider issues on how CDB approaches gender mainstreaming. The GEPOS evaluation identified a number of factors, both internal and external, which have affected the Bank's effectiveness in gender mainstreaming. These were confirmed by interviewees in the present study. There is a lack of internalization and genuine ownership when it comes to implementation of gender mainstreaming across interventions. While staff may have

participated in gender training, they are not held to account in the actual operationalization of mainstreaming, whether in assessments, project design, equitable representation or disaggregated data collection and analysis.

Internal factors include CDB capacity and the extent to which CDB staff are proactive in engaging in dialogue on gender inequalities in Barbados. Externally, it is not yet clear how strong the demand is from the Government of Barbados for greater support on gender issues from CDB. Interviews with key informants working on the Barbados programme showed a mixed level of understanding of gender issues, ranging from a high level of ownership and in-depth knowledge that would support behavioural change and sustained engagement, to a relatively shallow understanding in other cases. If a client does not have ownership of the gender component, they will not prioritise its integration.

In the view of social sector leads within CDB, a critical constraint is that Barbados is not a recipient of grant resources under the SDF, which would otherwise provide significant investments for the social development issues, including gender mainstreaming and citizen security. This is coupled with the limited fiscal capabilities and/or unwillingness of the BMCs, including Barbados, to take on loans to implement these social development investments. While this is noted, the picture observed by the evaluation team is that resource constraint is only one of the factors and that the issues identified by the GEPOS evaluation which include ownership and internalization of the issues are at least as important.

The gender mainstreaming approach on Barbados, as elsewhere within CDB, appears to be still quite driven by specialists, but it is moving towards ownership and becoming part of a deeper understanding among project leads. The Bank has improved capacities by bringing in social and gender specialists and advisors. Training sessions have been done with staff members, to improve the internal understanding of importance and relevance of gender initiatives. Sector-specific technical guidance notes (TGNs) have been developed for each project, to identify key issues which lead to, and reinforce gender inequality, and propose possible solutions for addressing them. Interviewees have shared different views on this; most staff members see it as a useful tool, while some see it as a tick box exercise.

The Gender ToolKit is suffering from a lack of clear understanding of how it contributes to the quality and success of a project. So far, it is also not incorporated into Supervision and Project Completion Reports. Its use through PRISM is constrained by general dissatisfaction with the system, based on interview data.

The technical guidance notes and sector-specific gender analysis have not resulted in many gender responsive interventions. One of the exceptions was the Airport project. A number of interviewees commended its social and gender policy and related efforts. Generally, gender mainstreaming has improved in more recently designed interventions.

In summary, while the Bank is making progress in some respects and the PBL provides an important next step, up to now gender mainstreaming remains weak across the Barbados portfolio (and during the period of this evaluation there have been no significant gender targeted interventions other than the Country Gender Assessment).

5.3.4 Climate and environment

Disaster risk management and climate change issues have figured in the Bank's work for over two decades. Among others, the 1998 "Natural Disaster Management Strategy and Operational Guidelines" followed by the "Disaster Management Strategy and Operational Guidelines" of 2008; and the Climate Resilience Strategies of 2012 and 2019 have guided Bank efforts. Climate change exacerbates vulnerability and touches all aspects of society, whether in coastal areas or agricultural regions. All infrastructure, such as schools, hospitals and roads are vulnerable. Most interviewees agreed that there is a growing awareness of the cross-cutting nature of climate change and its relevance for the CDB CSP and portfolio as a whole.

The Barbados CSP included sufficient reference to the environment and climate change issues. In individual projects, the attention to environmental sustainability is well noted. For example, the design of the urban rehabilitation project built in environmental considerations in an imaginative way, the support on flood mitigation has focused on sustainability, while other infrastructure projects have gone through the appropriate processes of considering environmental risks. However, the implementation issues described earlier have also adversely affected these important themes.

The main CDB focus has been on mainstreaming climate change across the portfolio. Most CDB interviewees felt that climate change was successfully integrated, particularly through climate vulnerability assessments. According to one interviewee, climate change needs to be built into the design of all projects and not just covered by the CRIF insurance. Obtaining and analyzing high quality climate data, including related forecast modelling is critical to this process.

A particular challenge of middle and high-income but nevertheless vulnerable islands, such as the Bahamas and Barbados is the lack of concessional resources.²⁹ There are very limited regional climate change resources in the form of grants that can be accessed by Barbados. One example however was the LiDAR project to map areas of vulnerable Caribbean coastline through Light Detection and Ranging equipment, implemented by Caribbean Community Climate Change Centre.

While climate awareness and the CDB commitment to it is in place, challenges remain in operationalizing this in actual CDB work. For example, there is a need for climate screening during appraisal, with related tools. Currently, a Climate Risk Vulnerability Assessment (CRVA) is required in some but not all cases, and the reason for selectivity is not clear. More skills are required in CDB for developing ToRs for climate change risk assessments. One of the main challenges relates to the use of more sophisticated climate forecasting data for policy and decision-making. This applies to both the CDB and the government.

The main challenges of the government are 1) the necessary fiscal space to support climate-related investments and 2) available human resources and skills. There simply are not enough people to carry out climate related work. There are particular concerns about the requisite technical skills to harness scientific knowledge for policy-making. Apparently, while data is available (e.g. from the Caribbean Institute for Meteorology), it is not necessarily accessed and used, due to lack of technical skills. There are concerns about the coordination between the Ministry of Environment and knowledge providing institutions.

CDB has updated the Energy Sector Policy and Strategy. A related unit was established, which reports directly to the Vice President of Operations. This suggests that energy and environmental issues are strategically important for the Bank and being taken seriously, yet the Bank does not at this point have a significant profile in Barbados in this sector.

CDB could still increase its innovation and knowledge offer in Barbados in the climate change space. Some progress is being made, for example, on new climate finance instruments, such as the resilience bond. Blended financial instruments are also highly relevant for infrastructure investments. There were calls among interviewees for the CDB to become a thought leader (e.g. through establishing an IdeasLab) on climate change resilience in particular. Working in successful partnerships, such as with the EIB, is a key to progress.

²⁹ IDB donation of USD 200,000, contingency loan of USD 100M (25 years, a 5.5-year grace period and an interest rate based on LIBOR.). <https://www.iadb.org/en/news/hurricane-dorian-idb-provides-100-million-emergency-funding-line-bahamas>

CDB 200,000 emergency relief grant to the Bahamas National Emergency Management Agency for Humanitarian Assistance and a 750,000 immediate response loan. EU EUR 500,000 for immediate relief efforts.

The division of labour and donor coordination on climate issues depends on the available financial instruments from different partners. CDB has a prominent role in climate finance across the Eastern Caribbean, but less so in Barbados, where IDB has the more competitive financial offer. The regional exchange of ideas, for example on smart energy, nevertheless contributes also to the work in Barbados. CDB has partnered with the EIB through a regional climate action line of credit that was signed in 2011 and extended in 2016 and 2017. Concessional lending, combined with technical assistance, has been very successful in introducing mitigation investments and actions across the region. A small part of this work extended also to Barbados (BWA solar panels).

5.3.5 Water and Sanitation

Water supply and sanitation have been a strategic focus over successive CSP periods. Barbados is one of the world's 15 most water-scarce countries, in which competing demands for freshwater resources are increasing as demand is outpacing supply (FAO 2015). Key challenges include: i) highly permeable limestone soils make ground water, the only significant source of potable water in Barbados, vulnerable to potential contamination from land-use activities; ii) increasing and competing demands from tourism, agriculture, and industrial activities, as well as residential use, place strain on the limited water resources³⁰; iii) challenges linked to environment sustainability, including water resource management and quality, inadequacy and reliability of fresh water supply and increased vulnerability to natural hazards and climate change. These challenges have long been recognized. For example, in 2004, Barbados formulated a Sustainable Development Policy and Action Plan (SDPAP), which addresses the key issues relating to fresh water resources.

The CDB's analysis over successive strategic periods identifies the management of water resources as being among the most critical development issues facing Barbados. In the 2015-18 CSP, it was noted that water supply infrastructure, alongside the road network, were essential for facilitating competitiveness and economic growth.

The last two CSP periods have specifically targeted universal access to safe drinking water and sanitation services; aligned with the Caribbean-specific Millennium Development Goals (MDGs). A key challenge is the aging water supply infrastructure, which suffers significant leakage. Along with other Development Partners including the IDB, CDB has supported the GoBD³¹ in maintaining sustainable access to clean water and adequate sanitation; renewal and upgrade of water infrastructure to reduce water losses; and related interventions to improve efficiency in the use of water form the basis for the portfolio in this sector. The 2018 ARPP notes a total of \$10.5 loan approvals for the water and sanitation sector.

³⁰ CSP 2010-2013

³¹ CSP 2010-2013; 2015-18

Box 11: Water supply network upgrade project

The expected outcomes of the project are i) enhanced safety and efficiency of the potable water supply system in Barbados; and ii) enhanced capacity in the areas of gender inclusion, climate change adaptation planning, and business planning. Of the USD6,800,000 loan, USD 2,700,000 has been disbursed. The Project comprises rehabilitation of water production facilities, refurbishment and replacement of storage reservoirs, the establishment of proactive non-revenue water management systems, replacement of leaking mains; conduct of a tariff review; the preparation of a water sector Climate Change Adaptation Masterplan (CCAM); and training of BWA operational staff. Four photovoltaic plants were also planned to reduce BWA's energy costs.

As with others, the project has experienced delays with disbursement and implementation. Interviewees note that the project was delayed by slow decision making for disbursement approval. This has been recently aggravated by turnover of Government staff within key ministries, as well as in the Board membership of BWA. As the Board takes up its responsibilities, there is a backlog of pending decisions and approvals; substantially pressurizing a system with identified capacity constraints.

Box 12: The South Coast Sewage project

The South Coast Sewage project is potentially an opportunity to explore the possibility of innovative use of the methane generated from the solid sludge in waste water for energy, currently being explored through a Canadian grant. There is also a potential PPP model on water distribution, with a role for CDB, to be explored. Countries like Jordan and Israel provide examples of regulatory frameworks, guidelines and models on innovation on treated wastewater. The government has a water use policy, but regulatory reform is required to create a market in treated wastewater.

5.4 Wider engagement

5.4.1 Donor coordination

Coordination in Barbados currently takes place largely in the framework of the IMF programme and the BERT. Due to the limited fiscal space available for capital spending (2% of GDP in 2019/20 rising to 3%), there is a clear need for prioritisation of projects and coordination of support. While the government at least initially preferred to meet with donors bilaterally, the IMF operated by calling donors to meet together. In practice, there is more informal, but very regular consultation “behind the scenes” between the IMF, CDB and IDB in particular, with information sharing also with other donors, such as the EU. According to one interviewee, this mitigates the risk of duplicating assistance requests. It also facilitates information sharing, as meetings with government often depend on personal relationships. The CDB was considered to be

particularly well placed due to the close relationship of various staff members with government ministers and staff. The resulting division of labour, particularly between the IDB and CDB was considered to be appropriate, with the best instruments used (e.g. IDB SDL, CDB PBL) and the umbrella of the BERT. On social protection, the CDB conducted bilateral consultations with all potential donors, in the preparation of the PBL and its associated technical assistance. Additional potential support would also fit under the BERT umbrella.

Besides these informal mechanisms, the only more formal mechanism is the Eastern Caribbean Donor Group (ECDG). It attempts to coordinate various humanitarian and development agencies (UNDP, DFATD, DFID, IDB, USAID/OFDA, CDB, WBG, Organisation of American States (OAS), Caribbean Disaster Emergency Response Agency, Regional Security System, FAO, International Telecommunications Union, PAHO, UNICEF, UNDP, World Food Programme, International Federation of the Red Cross, OXFAM, EU and UNRC). The group addresses six key thematic areas (poverty and social sector development, macroeconomic and public financial management, private sector development, governance, environment, energy and climate change as well as disaster management).³² With the UN as overall coordinator, the CDB co-chairs the Inclusive Equitable Caribbean group, with a particular focus on gender.

According to one interviewee, donor coordination at the regional level was sensible, as it was more efficient than a separate group for Barbados alone. The majority of other respondents nevertheless felt that strengthening of donor coordination specifically in Barbados would be welcome. Apparently, there used to be very formalised and frequent donor coordination in Guyana, which has never been experienced in Barbados. One influential respondent suggested a donor coordination forum, which was echoed by others, who considered at least more formal, annual meetings useful. There was little risk of these meetings absorbing too many resources, as for the moment, the majority of coordination was taking place bilaterally.

It is essential to guarantee overall ownership and obtain the buy-in of the government. The PIU at the Ministry of Finance is the main donor coordination arm. Overall direction is provided by the Cabinet, namely through medium term plans for each ministry, while more detailed coordination is between the technical staff of donors and the PIUs, whether centrally or in individual ministries. According to one interviewee, reliance on a single central PIU and single PIUs in sector ministries promotes ownership but contributed to slow execution.

5.4.2 Civil society

Broader donor engagement with civil society is limited in Barbados. For example, the EU receives very limited applications under its civil society grant scheme from Barbados. According to one interviewee, there was no participatory consultation during the CDB CSP preparation process. At least some degree of consultation appears to take place during the individual project design process by both the CDB and IDB.

The traditional tri-partite arrangement between government, trade unions and employers is more established. However, even here, CDB consultation of the trade unions appears to happen later in the design process and project cycle, limiting influence.

³² <https://competecaribbean.org/wp-content/uploads/2016/01/DMX-Barbados-Updated-2015.pdf>

6 Conclusions

The main conclusions from this first country strategy and programme evaluation for CDB in Barbados are:

1. As one of the CDB's largest BMCs, Barbados is very important for the Bank, and has had substantial development financing needs (in spite of its high development levels). In the aftermath of the global financial crisis, there was a very challenging economic and financial context, which prevailed for much of the 10 years covered by this evaluation.
2. CDB has a significant comparative advantage through its location in and knowledge of Barbados. It is well positioned and has a strong relationship with the government, which has appreciated its advice and support in various areas.
3. The portfolio was focused in relevant areas, but encountered major issues with the pace of implementation and disbursement, few of which were resolved during the period and all of which had been foreseen when the 2010-13 strategy was written. These relate to long-standing issues of absorption capacity in Barbados, as well as other factors internal to CDB.
4. There has been some recent progress on project design and implementation, ensuring that projects are more focused and realistic given the capability of the public sector and meeting the conditions for progressing at key stages. In addition to this approach, which is about finding pragmatic ways forward on implementation, a concerted strategic approach working with the government on public sector reform is required.
5. Since 2018 there has been significant progress in key areas, including on fiscal consolidation and debt restructuring. CDB has played a key support role together with the IMF and other IFIs, having struggled earlier to achieve traction on much-needed economic reforms.
6. There is continuing need for support around competitiveness and growth, encouraging investment by the private sector, and reform of public sector institutions. These are major challenges.
7. The country strategies (2010-14 and 2014-18) were well written and evidenced, and relevant to the needs of the country. It is paradoxical that neither of them was used for operational decision making, as they identified issues which turned out to be central to how the country needs evolved. This was a missed opportunity for lesson learning at strategic level and tracking progress in a systematic way.
8. Instead, the programme and portfolio in Barbados evolved and developed in a more bottom up way consistent with CDB's matrix management approach, which does not rely heavily on CSPs in their current form. This left some significant gaps (e.g. on private sector).
9. Overall effectiveness of the programme has been mixed. There have been useful results from the few projects that have reached completion, while the others have tried to address relevant issues. The first loan of the 2018 programmatic PBL was timely and fully disbursed at a critical moment. In most cases, however, there is very limited evidence of results achieved.
10. Efficiency is also limited, due to long delays in the programme and low levels of disbursement on around half the portfolio.
11. Sustainability is not well evidenced yet on projects, as they are not complete or not reviewed. However, an important contribution to sustainability was in helping to stabilize the situation and achieve financial sustainability in the macro economy when Barbados was faced with a critical shortage of foreign currency reserves.
12. Building on the GEPOS and a high-quality country gender assessment, the CDB in Barbados has adopted a systematic approach to gender and clearly has relevant expertise around social protection

and the social sector. There is an opportunity and a need to go deeper on gender issues, building on the clear and well-evidenced entry points suggested in the Barbados Country Gender Assessment – for example, to support a more balanced approach to labour market participation through policy reform and education in schools.

13. With projects only partially implemented or cancelled, the support to education and housing has been of limited effectiveness.
14. On climate resilience, while the CDB has a strong regional profile on disaster management and the IDB is very present in support to renewable energy in Barbados, the CDB could be even more active in promoting awareness around the need for climate resilience and adaptation in Barbados, facilitating access to related financing and identifying bankable adaptation projects together with the government and relevant partners.

7 Recommendations

Recommendation 1:

Continue to adopt a more realistic approach to project design – working with the government to achieve realistic implementation schedules including conditions for timely approval, disbursement and, ultimately, completion.

Recommendation 2:

Develop a strategic approach to supporting government on public sector reform to address the implementation gap.

The implementation challenges of operating in Barbados were the most consistent theme in key informant interviews and have been recognised for many years. While practical solutions are being found, there is more that CDB can do to address issues raised by key informants. These include the issue of incentives to get projects approved which later suffer delays due to factors which might have been foreseen based on prior experience. Recent work on improving mutual understanding in key areas such as procurement is very helpful. There is a recognition of challenges on the part of GOBD, and an apparent openness to further assistance in addressing them. As well, there may be an opportunity for CDB to engage in a wider strategic approach to public sector and institutional reform, potentially supported by TA lending

Recommendation 3:

Reform and pilot approaches to the country strategy process, supported by changes to how the country team works together.

While the Barbados country strategies provided excellent analysis, there was limited follow through, including in addressing key gaps on the private sector, growth and public-sector reform. The need for a more engaged, operationally relevant approach to country strategies and to assessing and delivering country results has already been recognised in the Bank's ongoing work on business process reengineering and piloted in a draft St Lucia "Country Engagement Strategy". This portends a more streamlined approach to country strategies, focused on what can be delivered within the political cycle, with increased monitoring and assessment. Such an approach would add value, merit the amount of investment in the analysis, and be more operationally relevant.

Recommendation 4:

Advocate for greater efforts in climate resilience, adaptation, and DRM. This could involve use of existing Bank instruments; evolving new ones (such as a Catastrophic Deferred Drawdown Facility); blended instruments with relevant partners; and facilitated access to global funds (e.g. Climate Investment Funds, Green Climate Fund).

CDB has an established role in disaster management in the region, and to date the IDB has been prominent in renewable energy/energy efficiency in Barbados. There is however an opportunity to identify financing opportunities to address gaps in the related climate change adaptation and resilience areas. With that in mind, the CDB should continue to actively pursue its dialogue with the Government of Barbados and relevant partners (e.g. EIB, IDB, GCF), with a view to identifying and testing innovative financial solutions (e.g. blended finance) in this dynamic market.

The CDB could make particular efforts to facilitate access to relevant global funds (e.g. Climate Investment Funds, Green Climate Fund) with a view to identifying and promoting bankable adaptation and resilience projects. The CDB should also continue the efforts to mainstream climate change across its portfolio, including addressing the technical skills gap in this area, notably around climate vulnerability assessment and climate data more generally.

Recommendation 5:

Assign greater priority to growth and private sector development within the Barbados programme going forward.

Prioritisation of the growth and private sector pillar of the BERT, including specific reform initiatives in areas of identified need (e.g. bankruptcy code, access to credit, judicial system), with realistic, achievable and measurable targets will be important going forward.

Based on the CDB's comparative advantage, this could include long-term technical assistance to government and prioritisation of this pillar in next PBL of the programmatic approach. Identifying and strengthening the most relevant partnerships (e.g. EU, IFC, WBG), especially for technical assistance and grant funding should also continue.

Recommendation 6:

Continue to develop and implement a more in-depth and concerted response on gender (as envisaged in the CGA) and more broadly in the social sector, including supporting the government in developing a systems level approach to social protection reform across various Ministries.

There is a need to develop a more convincing range of responses to the gender and social issues that are emerging in Barbados, in the context of the fallout from economic reforms, and following through on analysis already done. The specialist technical assistance provided by CDB as part of the recently approved PBL offers a key entry point and vehicle to deliver this, as a way of supporting gender responsive planning, programming and budgeting; and helping to support evidence-based social protection systems reform in the context of economic reforms.

Vol 2: Annexes

Annex 1: Terms of Reference

CARIBBEAN DEVELOPMENT BANK



TERMS OF REFERENCE

COUNTRY STRATEGY PROGRAMME EVALUATION

BARBADOS

OFFICE OF INDEPENDENT EVALUATION NOVEMBER 2018

CURRENCY EQUIVALENT

Dollars (\$) throughout refer to United States Dollars (USD) unless otherwise stated.

ABBREVIATIONS

%	-	per cent
BERT	-	Barbados Economic Recovery and Transformation
BGDS	-	Barbados Growth and Development Strategy
bn	-	billion
CAS	-	Country Assistance Strategy
CDB	-	Caribbean Development Bank
CGA	-	Country Gender Assessment
CSPE	-	Country Strategy Programme Evaluation
CSP	-	Country Strategy Paper
GDP	-	Gross Domestic Product
GOBD	-	Government of Barbados
IDB	-	Inter-American Development Bank
IMF	-	International Monetary Fund
LAC	-	Latin American and the Caribbean
mn	-	million
OIE	-	Office of Independent Evaluation
SOEs	-	State-owned Enterprises
TA	-	Technical Assistance
USD	-	United States dollars

I. INTRODUCTION

1.01 Country Strategy and Programme Evaluations (CSPEs) assess the Caribbean Development Bank's (CDB) overall support to a Borrowing Member, assessing the Bank's strategy, policy dialogue, completed and ongoing projects, and technical assistance (TA). It reflects on the Bank's performance over a given timeframe and provides lessons to inform changes in future strategy and operations.

1.02 There has not to date been a CSPE for Barbados. One at this time would provide a valuable baseline on the performance of Bank programming in Barbados, as a renewed Country Strategy is being contemplated. The intended audience for the evaluation's findings will be the Board of Directors, CDB management, the Government of Barbados (GOBD), and other development partners.

1.03 The CSPE will assess whether the programme implemented by the Bank was consistent with the country's development needs and stated priorities, as well as with the objectives of the Bank's 2010-13 and 2015-18 Country Strategy Papers (CSPs). It will examine the extent to which the programme made progress in achieving its outcome targets, factors that affected implementation efficiency, and sustainability of results achieved. The Barbados CSPE is part of the Office of Independent Evaluation's (OIE) five year work plan for evaluation activity, approved by the Oversight and Assurance Committee.

II. BACKGROUND

2.01 Barbados is a small, open, service-based, economy with a parliamentary government. With a per capita Gross Domestic Product (GDP) (Purchasing Power Parity) of USD16,699 in 2016, the World Bank classifies it as high-income, and it is ranked 54th of 188 countries in the 2015 United Nations Human Development Index. The country has attained near-universal school enrolment. Relative to the rest of Latin America and the Caribbean (LAC), poverty and income inequality in Barbados are moderate. Economic activity is focused largely on two sectors: tourism and the international business and financial services sector. Barbados is highly vulnerable to external shocks (economic and environmental), and the economy faces important economic challenges (a fragile macro-environment, vulnerability to natural and economic shocks, and declining productivity and competitiveness). Barbados is also highly dependent on fuel and food imports. The country has a persistent current account deficit, which puts pressure on its international reserves, especially given the country's fixed exchange rate. Long-standing challenges associated with being a small open economy are compounded by new ones such as economic stagnation, weak competitiveness, fiscal instability, social inequities and climate change. Against these are opportunities for the country to maximise its development potential in areas such as renewable energy.

2.02 In recent years, Barbados has experienced increasing but relatively weak economic growth. GDP in 2017 was up 1.6%, but has averaged around 0.8% annual increase since 2013. The underlying cause of slow growth in Barbados seems to be a low and decreasing total factor productivity and competitiveness. Barbados' total factor productivity has steadily declined relative to other Caribbean and Latin American countries and, along with lower capital accumulation, is the main reason for the country's low economic growth (IDB 2013). Barbados' position in the World Economic Forum's Global Competitiveness Index has deteriorated, from 42 in 2011-12 to 72 in 2016-17. Moreover, because Barbados has had a nominal fixed exchange rate since 1975, the country would appear to have lost competitiveness through real exchange rate appreciation over time.

2.03 Barbados' fragile macroeconomic framework is a binding constraint on economic growth. In recent years the Government has successfully reduced the overall fiscal deficit from 10.4% of GDP in 2013 to an estimated 4.4% of GDP in 2017. The Central Government debt-to-GDP ratio, including Barbados' National Insurance Scheme, was estimated at over 140% in 2017.

2.04 Currently, Barbados is in the throes of a balance of payments crisis, marked by a decline in foreign exchange reserves to 7.2 weeks of imports at the end of June 2018. This compares with the internationally

recognised threshold of 12 weeks. At the heart of this crisis are institutional weaknesses in public sector management and the framework for doing business that led to sub-optimal macroeconomic outcomes over time, including high export concentration, poor export performance, low growth, protracted high fiscal deficits and high indebtedness. In response to a worsening fiscal and external liquidity position, GOBD suspended debt service payments to external commercial creditors effective June 1, 2018, and announced a Public Debt Restructuring Plan. GOBD, in collaboration with the social partners, has developed the Barbados Economic Recovery and Transformation (BERT) Plan, which aims to restore macroeconomic stability and place the economy on a path of strong, sustainable and inclusive growth, while safeguarding the financial and social sector. BERT has been endorsed by the International Monetary Fund's (IMF) Executive Board on October 1, 2018, with the approval of a 48-month Extended Fund Facility, with access to Special Drawing Rights (\$208 mn³³ or about \$290 mn). This approval gives GOBD immediate access to \$49 mn.

2.05 BERT focuses heavily on fiscal consolidation. The expenditure reduction component is targeted at reducing interest payments accruing from the proposed debt restructuring and broad-based reforms of state-owned enterprises (SOEs). It is anticipated that transfers to SOEs will be reduced by 1.6% of Gross Domestic Product (GDP) within two fiscal years. Efforts have already been made to increase the tax base and make the revenue system more progressive. BERT also focuses on reforms that would improve competitiveness and generate sustainable, inclusive, export-led growth; and makes provisions for enhanced social protection systems to mitigate the imminent social fallout and engender greater social development. GOBD has set itself ambitious targets under BERT: a reduction in the debt-to-GDP ratio from 157% at the end of fiscal year (FY) 2017/18 to 100% by 2023 and 60% by 2033. Financing for BERT is expected to amount to \$1.1 billion (bn) over the next four years, financed partly by the international financial community, including IMF, IDB and CDB.

2.06 In 2013, Barbados was ranked 27 out of 136 countries with a score of 0.730 (World Economic Forum, 2013) in the Global Gender Gap Index. Poverty is concentrated among households headed by women, which account for 47.5% of all households. The rate of poverty in female-headed households is 19.4%, compared with 11.5% in male-headed households and 15% in all households. Poor female-headed households also have the highest dependency ratio, with 74.8% non-earners per household, as compared with 68.6% in poor male-headed households and 49.9% in the total population. The Country Gender Assessment (CGA, 2014) suggests that within the context of lower participation rates in the labour force and higher unemployment rates for women, especially in the tourism and services sectors where women predominate in the labour market, together with higher levels of dependency and poverty in female-headed households, the crisis is having a disproportionate adverse economic impact on women compared with men.

III. BARBADOS' DEVELOPMENT PRIORITIES

3.01 GOBD's priorities were included in the 2013-2020 Barbados Growth and Development Strategy (BGDS).³⁴ The BGDS set out four goals³⁵: (i) return to a sustainable growth rate of 3% while maintaining macroeconomic stability; (ii) facilitate broad-based adjustments and reforms in the economy; (iii) enhance social and human development; and (iv) enhance energy and environmental sustainability in the context of a green economy. On the basis of these goals, GOBD established 20 specific objectives to boost output in key sectors, such as tourism, energy, and infrastructure, and to improve private sector

³³ Equivalent to 220% of Barbados' quota of IMF resources.

³⁴ <https://barbadosunderground.files.wordpress.com/2013/07/draft-growth-and-development-strategydocument-for-20132020.pdf>

³⁵ The previous plan proposed the following key development priorities: improving macroeconomic management, particularly fiscal and debt consolidation; furthering industrial development through increased competitiveness, productivity and technological advancements; depending social progress; protecting the environment.

competitiveness. There was also a focus on reducing dependence on fossil fuels, ensuring environmental sustainability and combating climate change.

IV. THE BANK'S COUNTRY STRATEGY

4.01 CDB's engagement with Barbados spans more than four decades. CDB has approved a total of 527 million (mn) United States dollars in loans to Barbados, of which the cumulative disbursements were USD357 mn over the period 1970-2013, covering all sectors. Lessons from previous country strategies with Barbados suggest that the following are imperatives to maximising CDB's development impact: (i) a pragmatic approach to strategy design; (ii) active assessment of in-country capacity needs; and (iii) strong collaboration with other development partners.

4.02 **2010 – 13:** The Bank's 2010-13 Country Assistance Strategy (CAS) sought to achieve four critical outcomes: (i) macroeconomic stability; (ii) renewed and enhanced physical and environmental infrastructure; (iii) a more competitive productive sector; and (iv) enhanced social development. The Bank provided two Policy-Based Loans to support fiscal and institutional reforms aimed at achieving fiscal and debt sustainability. Interventions in water infrastructure upgrade, road network improvement and coastal zone protection were intended to contribute to infrastructure renewal. Support for Barbados' competitiveness was planned through interventions in the tourism, manufacturing and agricultural sectors. The Bank's social sector investments were aimed at housing, education, social protection and social policy.

4.03 **2015 – 18:** In line with CDB's strategic objectives of fostering inclusive social development and promoting broad-based economic growth and environmental sustainability, as well as responding to the current BGDS, the 2015-18 CSP rests on three pillars: **macroeconomic governance and institutional development; competitiveness and productivity;** and **green, inclusive development.** The programme of assistance was designed to achieve the following outcomes: (i) strengthened fiscal sustainability and supporting institutions; (ii) enhanced enabling environment to strengthen competitiveness and productivity; (iii) strengthened resilience to climate change and improved disaster risk management; (iv) improved quality of climate-resilient infrastructure; (v) increased access to tertiary education opportunities; and (vi) enhanced social development. **Gender equality**, as well as **energy efficiency** considerations were to be mainstreamed in CDB's interventions.

4.04 The 2015 – 18 Barbados CSP proposed to include gender analysis and sex-disaggregated data in planning, implementation, monitoring and evaluation at the sector, programme and project levels, with resources allocated for conducting gender analyses, as well as supervision and evaluation exercises. In addition to the systematic integration of gender analysis, attention would be given to the effective engagement of a critical mass of stakeholders of both sexes, as well as gender-related groups, in undertaking needs assessments; prioritisation processes; project management committees; implementation; and M&E of projects.

4.05 The 2015 - 18 CSP also mandated that renewable energy / energy efficiency considerations be mainstreamed in CDB's interventions, where appropriate.

4.06 There were planned assessments at mid-term in 2016, as well as an end-of-strategy review to assess overall performance and impact. These have not taken place.

V. THE BANK'S OPERATIONAL PORTFOLIO IN BARBADOS 2010 - 13 and 2015 -18

5.01 The Bank's 2010 - 13 CAS forecast lending of United States dollars (USD) 140 mn.

5.02 For the 2015 - 18 CSP the Bank has approved a total of USD54 mn through five new loan operations and a total of USD45 mn in six technical cooperation operations.

5.03 Table 1 lists Loans and Grants approved and/or under implementation since 2010. A number of loans and grants have not fully disbursed, and cancellations have more recently been undertaken.

5.04 The Gender Marker summary for Barbados 2015 - 18 CSP was scored at 3.5, or “Gender Mainstreamed” (meaning, the CSP had potential to contribute significantly to gender equality). The CSP drew from the 2014 CGA, as well as consulted relevant stakeholders. However, there is no evidence of gender equality results or indicators in the results framework for the CSP.

**TABLE 1: LOANS AND GRANTS APPROVED AND/OR UNDER IMPLEMENTATION
SINCE 2010 (USD)**

PRN No.	Operation Name	Approval Date	Current Approved Amount	Amount Disbursed	% disbursed	Current Operation Status	Docs Available
Loans 2015 – 18							
3888	Water Supply Network Upgrade	10/12/2015	35,667,000	15,057,451	45%	Under Implementation	PSR, AR
3850	Student Revolving Loan Fund	10/12/2015	7,750,000	3,000,000	40%	Under Implementation	AR
3887	Constitution River Flood Mitigation Project	15/10/2015	6,877,000	2,651,736	39%	Under Implementation	PSR, AR
4064	Emergency Support Loan - LIAT	14/12/2017	3,720,000	3,720,000	100%	Completed - 2018/02/10	AR
			54,014,000	24,429,187	37%		
Loans 2010 - 14							
3575	Policy-Based Loan	20/10/2010	25,000,000	25,000,000	100%	Completed - 2010/10/20	PCVR, PCR, AR, PSR
3555	TA - Water Supply Network Rehabilitation Upgrade Study	22/07/2010	1,062,000	832,661	78%	Completed - 2017/12/31	PSR, AR
3559	Low Income Housing Programme	09/12/2010	36,000,000	1,301,861	4%	Under Implementation	PSR, AR
3679	Education Sector Enhancement Project II	08/12/2011	35,000,000	2,934,837	8%	Under Implementation	PSR, AR
3694	TA - Establishing a Central Revenue Authority	07/03/2012	3,583,100	2,386,367	67%	Under Implementation	PSR, AR
3733	Fleet Modernisation Project	18/07/2013	33,200,000	33,200,000	100%	Completed - 2016/12/02	PSR, AR
3778	TA - Road and Bridge Improvement Study	17/10/2013	2,044,000		0%	No activity since approval	PSR, AR
3818	Speightstown Flood Mitigation	12/12/2013	4,615,000	1,500,000	33%	Under Implementation	PSR, AR

PRN No.	Operation Name	Approval Date	Current Approved Amount	Amount Disbursed	% disbursed	Current Operation Status	Docs Available
3891	Enhancement of Immigration Services	11/12/2014	6,474,000	4,845,387	75%	Under Implementation	PSR, AR
			146,978,100	72,001,113	52%		
Grants/CTCS/CSME/ 2015 - 18							
3887	Constitution River Flood Mitigation Project	15/10/2015	250,000		0%		
	Water Supply Network Upgrade	10/12/2015	216,000		0%		
	Enhancing the Export Capacity of Cultural Entrepreneurs	19/06/2015	128,074		0%		
	Enhancing Barbados' Agricultural Health and Food Safety System	11/08/2016	92,243	48,932	53%		
	National Workshops on Managing for Development Results Support	04/03/2016	13,390		0%		
3987	Design Study for Residential Energy Efficiency Programme	22/06/2017	100,000	95,695	96%		
	Enhancement of Food Safety and Quality Infrastructure in the Condiments Sub-sector	17/02/2016	162,120		0%		
	Train-the-Trainer Programme in Fashion Design and Business Management	02/08/2018	53,650		0%		
			1,015,477	144,627	19%		

VI. EVALUATION USE, SCOPE, APPROACH, QUESTIONS AND METHODOLOGY

6.01 This evaluation will be used to inform CDB's Board of Directors regarding the performance of Bank interventions in Barbados over the 2010-18 period, and to draw lessons that will inform preparation of the Bank's new Country Strategy.

6.02 The scope will be the two Country Strategies and all CDB operations in Barbados approved or under execution between January 2010 and December 2018, including loans, grants, technical assistance, policy dialogue and other non-lending activities.

6.03 The Consultant will be expected to design and implement a robust evaluation approach drawing from the Evaluation Cooperation Group good practice standard for CSPEs. A theory-based approach would be useful should the CSP not have explicitly identified its intended outcomes and the logic chains intended to achieve them. Theory development will have to be undertaken at the inception stage of the evaluation.

6.04 The evaluation questions will have primary application to the 2015 - 18 CSP results framework, but will also take into consideration the previous CSP results framework. The evaluation consultants may

reconstruct a Theory of Change as necessary, to help identify plausible causal relationships between inputs, activities and the expected outputs, outcomes and development impacts. In addition to an assessment of performance over the 2010 - 18 period, the evaluation will present the key issues and lessons for the future, and corresponding recommendations.

6.05 While detailed questions specific to the country situation will be determined in the inception phase, the following outline the starting point for assessment of relevance, effectiveness, efficiency and sustainability.

6.06 **Relevance.** Relevance measures the alignment of the Bank's programme with the country's development needs and with the Government's development strategies. For this dimension, the CSPE will seek to answer the following questions:

- a. To what extent were the Bank's CSPs for Barbados and operational programmes aligned with the country's development needs and strategies?
- b. To what extent were the CSPs aligned with CDB's own corporate strategies and priorities?
- c. Were the programme and individual operations designed in a manner consistent with the Government's institutional capacity for implementation?
- d. Did the indicative financial envelope disburse according to the CSP predictions?
- e. How did the Bank harmonise its support with that of other development partners?
- f. Have relevant gender patterns in the fields of intervention been adequately identified and accounted for in programme/project design and the results framework? Has there been appropriate gender targeting or mainstreaming in interventions?

6.07 **Effectiveness.** In assessing the effectiveness of the Bank's programme, the CSPE will seek to answer the following questions:

- a. Were the outcomes of the projects, programmes, and TA interventions, as defined in the original documents approved by CDB, achieved at the time of the evaluation, or (if outcome data are lacking) were outputs underway likely to achieve such outcomes?
- b. To what extent did the Bank's interventions make progress toward the strategic objectives set out in the CSP?
- c. Have the Bank's operations and technical cooperation products had results beyond those proposed?

6.08 **Efficiency** refers to the extent to which programme design, execution and implementation have been cost-effective. As part of the efficiency analysis, the CSPE will include a review of the factors affecting programme implementation. In this respect, the CSPE aims to answer the following questions:

- a. What were the principal factors affecting programme implementation and achievement of proposed outputs and outcomes (including operational design and portfolio management)?
- b. Have the times and costs associated with the preparation and execution of Bank projects improved from the first CSP period to the second CSP period?
- c. To what extent has the use of national country systems evolved and has this helped or hindered programme implementation?
- d. To what extent did the risks identified in the CSP adequately identify operational design elements?

6.09 **Sustainability.** Sustainability measures the likelihood that the programme's results will be maintained over time from a technical, financial, environmental, social, political and institutional perspective. For this dimension, the CSPE will seek to answer the following questions:

- a. To what extent did the programme support the strengthening of national systems?

- b. What is the likelihood that programme results will be sustainable? What are the critical risks and how will they be mitigated?

6.10 To answer the evaluation questions, the evaluation team will gather evidence from a variety of sources. Literature review will include publicly available documents of GOBD and other multilateral institutions, as well as relevant Bank documents related to its CSP and operational programme in Barbados (e.g., annual country programming documents, loan and grant documents, progress monitoring reports, and project completion reports). The desk review will also include analysis of data on portfolio implementation and results that are available from the Bank's information systems. Finally, the evaluation team will visit project sites and conduct interviews with relevant stakeholders.

6.11 A methodology that makes best use of existing but limited secondary data, but also devises efficient means of primary data collection to support findings and conclusions will need to be devised. It should be based on an adequately representative sample of the loan and grant portfolio to assess Bank performance over the period. Formal ratings of criteria and Bank performance will not be required in this evaluation. Rather, areas of strength and weakness, lessons, and opportunities for improvement will be identified.

6.12 A detailed evaluation design and plan will be prepared as part of the inception phase, after careful review of project and programme data.

VII. ASSIGNMENT TIMEFRAME AND DELIVERABLES

7.01 It is expected that the evaluation will commence in January 2019, and the submission of the final evaluation report to take place in early June 2019. The evaluation will include onsite work at CDB offices in Barbados, as well as interviews with key stakeholders in Barbados.

7.02 The proposed timeline and deliverables are summarised as follows:

Deliverable	Estimated dates
Contract Signature	December 30, 2018
Inception Report with evaluation design including method and work plan.	February 7, 2019
Findings and Conclusion Report	April 30, 2019
Draft Final Evaluation Report	May 15, 2019
Final Evaluation Report and Presentation	June 1, 2019

- (a) *Deliverable 1*: The Inception Report will be based on an initial review of documents, and discussions with Bank staff, and will include a full evaluation design including: overall approach; specific evaluation questions; methods; sampling, data collection and analysis plan; draft interview or survey instruments; measures to ensure ethical conduct and confidentiality; and calendar of activities. The Inception Report should include an evaluation matrix. Comments from OIE will be provided within two weeks of submission.

- (b) *Deliverable 2*: The Findings and Conclusions will contain the initial compiled, organised and analysed evidence from the document review, portfolio analysis, internal interviews and survey, and field visits. Comments to be provided by OIE (after consultation with Advisory Group) within two weeks of submission.
- (c) *Deliverable 3*: Draft Final Evaluation Report to include validated findings and conclusions, and will present lessons and recommendations, and a strategy for dissemination. Comments from OIE (in consultation with the Advisory Group) to be provided within two weeks of submission.
- (d) *Deliverable 4*: Final Evaluation Report including executive summary and PowerPoint presentation summarising highlights of the evaluation.

VIII. EVALUATION TEAM QUALIFICATIONS

8.01 The evaluation team should compromise individuals with the following expertise:

- (a) Experience in the design and conduct of country strategy and programme evaluations.
- (b) An appropriate mix of qualifications to address the thematic/sectoral areas present in the Barbados country portfolio.
- (c) Knowledge of development issues in the Caribbean, including: the context of poverty and vulnerability; macroeconomic and public sector management; institutional and policy development; gender equality; natural disaster management.
- (d) Experience working with multilateral banks and government clients.
- (e) Strong inter-cultural communication skills in English.
- (f) Ability to integrate qualitative and quantitative data. (g) Strong report writing and presentation skills.

IX. EXECUTION

9.01 The consultants will report to CDB's OIE which will provide overall direction and guidance, and approval of deliverables. OIE will convene an Advisory Committee to accompany this evaluation. The Economics and Projects Departments will each designate at least one representative to sit on the committee. It will review and provide feedback on evaluation issues and questions, design, implementation, draft findings, conclusions, and recommendations. OIE will retain responsibility for overall quality and integrity of the evaluation.

Annex 2: Revised evaluation matrix

Evaluation Questions		Anticipated methods/sources of data	Comments – changes following inception visit are shown in yellow
RELEVANCE			
Q1	To what extent were the Bank's CSPs for Barbados and operational programmes aligned with the country's development needs and strategies?	Systematic documentary review including contextual and political economy analysis for Barbados, scrutiny of GOBD strategic documents, semi-structured interviews especially with government/private sector/civil society, timeline construction especially of engagement with government processes.	Country's development needs are changing rapidly in some respects due to economic situation.
Q2	To what extent were the CSPs aligned with CDB's own corporate strategies and priorities?	Systematic documentary review focused on CDB corporate strategies and CSP documentation, interviews with CDB senior management.	Note that the period covers 2 separate CSPs and priorities were evolving.
Q3	Evolution and use of the CSP How were the Barbados CSPs developed and used in practice? How is the CSP updated as the context changes during the period? To what extent was the CSP a live document used by the Barbados team for performance assessment and as a reference when agreeing changes?	Interviews with CDB staff especially economists responsible for coordinating the CSP and those involved directly with Barbados country team. Cross refer to OECD evaluation. Speak to those involved in business process reviews including for CSPs.	New question added following inception visit. NB. The OECS evaluation has already indicated that CSPs are not used in this way, and this was confirmed during the inception visit. The question is included mainly for confirmation/triangulation in case other interviewees take a different view.
Q4	What were the mechanisms for results monitoring at country strategy level as compared with more routine project monitoring?	Portfolio reviews. Interviews with Barbados leads, economists, Director of Projects, Director EID.	New question added following inception visit. No mid-term review was carried out and the inception visit suggests the CSP is not used in this way. Were the portfolio reviews mainly strategic or operational?
Q5	Were the programme and individual operations designed in a manner consistent with the Government's institutional capacity for implementation?	Loan and grant documentation, semi-structured interviews with government leads, donors.	Data contained in ToR suggests low disbursement in some areas, possible capacity constraints? The key findings of the IDB country evaluation of Barbados suggest this could be an important issue affecting efficiency and speed of implementation and disbursement.
Q6	How far was the slow pace of implementation driven by issues to do with the external demand from government and relevance or other factors to do with CDB processes	Interviews with government stakeholders, project implementation leads. Cross-refer to IDB evaluation of Barbados where similar issues were identified.	New question added following inception visit, straddles both relevance (demand factors, following change of government) and effectiveness/efficiency

COUNTRY STRATEGY AND PROGRAMME EVALUATION - BARBADOS

Evaluation Questions		Anticipated methods/sources of data	Comments – changes following inception visit are shown in yellow
	and internal efficiency? What happened when the new government came in and signalled their new priorities?		
Q7	How did the Bank harmonise its support with that of other development partners?	Stakeholder mapping. Interviews with development partners, consider supplementing with electronic survey. Examine evaluations from partners, e.g. IDB Evidence of participation in any relevant donor coordination platforms or mechanisms.	Suggest a separate criterion of effective partnerships
Q8	Have relevant gender patterns in the fields of intervention been adequately identified and accounted for in programme/project design and the results framework?	Application of comprehensive gender marker. Project documentation and data showing whether gender disaggregation is applied and indicators are gender sensitive. Check what indicators were included. Interviews with programme leads and gender leads in CDB.	Suggest a criterion to cover cross-cutting themes and mainstreaming separately from relevance
Q9	Has there been appropriate gender targeting or mainstreaming in interventions?	As above, also checking for any gender tagging and needs assessment, and quality of discussion in CSP documentation.	
EFFECTIVENESS			
Q10	Were the outcomes of the projects, programmes, and TA interventions, as defined in the original documents approved by CDB, achieved at the time of the evaluation, or (if outcome data are lacking) were outputs underway likely to achieve such outcomes?	Project data from CDB systems including monitoring data on outputs and outcomes. Refer to theory of change (reconstructed if necessary) to look at links to outcomes. Impact evaluations if they exist, CSP. Interviews with programme leads and government counterparts, private sector and civil society key informants. Site visits.	
Q11	Pace of implementation. See above	Check the effectiveness of the 'designated account' mechanism or other instruments, if any, used to speed up disbursement.	This new question is also relevant to effectiveness, if slow pace of implementation was due to CDB's own processes
Q12	To what extent did the Bank's interventions make progress toward the strategic objectives set out in the CSP?	As above, but also including special focus on reconstructed theory of change. Use portfolio analysis and mapping from project to intended strategic and thematic outcomes to pull together at strategic level and consider against theory of change.	Following discussion during inception visit, reconstructed theory of change will not be required/used.
Q13	In what ways and how effectively has the CDB engaged with the	Analysis of BERT, interviews with Minister Caddle and senior government	New question added following inception visit

Evaluation Questions		Anticipated methods/sources of data	Comments – changes following inception visit are shown in yellow
	Government of Barbados in key areas including a) the dialogue on economic reform? b) Project design and implementation for investment loans What lessons can be drawn for how CDB should continue to engage to support the government?	officials, IMF, IDB, CDB Economics director and team. Interviews with Dale Foster (government coordinator for infrastructure projects) and project leads (e.g. Barbados water authority).	
Q14	Have the Bank's operations and technical cooperation products had results beyond those proposed?	As above, and semi-structured interviews (and impact evaluations if available).	No impact evaluations available.
	EFFICIENCY		
Q15	What were the principal factors affecting programme implementation and achievement of proposed outputs and outcomes (including operational design and portfolio management)?	Review of project management structures and processes (e.g. organogram, internal process manuals), site visits, interviews with programme leads and government counterparts. Theory of change analysis required to understand effect on outcomes.	This question as phrased is partly about implementation but is also relevant to effectiveness and impact. May need to be unpacked. See also question 3a
Q16	Country set up and ways of working – to what extent did those working on the Barbados programme regard themselves as tight-knit team with clear roles and responsibilities. What model is used and most appropriate for country level working in CDB	Interviews with Barbados country team members, senior staff in CDB. Focus group discussion with whole team planned for second week.	New question added
Q17	Did the indicative financial envelope disburse according to the CSP predictions?	Portfolio review, based on mini-database showing disbursement rates drawing on CDB financial and project data for individual projects and entire portfolio, interviews with financial leads and programme staff	Moved from 'relevance' to 'efficiency'. The inception visit made it quite clear that disbursement has proceeded much more slowly than intended. Need to explore the factors behind this for individual projects and identifying learning.
Q18	To what extent has the use of national country systems evolved and has this helped or hindered programme implementation?	Loan and grant documents, CSPs. Capacity assessment, with retrospective questions to establish the baseline on key dimensions. Interviews with government counterparts, documentation on engagement with key government processes.	Also relates to Q15 under sustainability as it links to capacity building.

COUNTRY STRATEGY AND PROGRAMME EVALUATION - BARBADOS

Evaluation Questions		Anticipated methods/sources of data	Comments – changes following inception visit are shown in yellow
	How far have the CDB procurement systems supported/hindered efficient and timely processes during project design, implementation and disbursement?	Project documentation including timelines, procurement manuals, any relevant evaluation of procurement systems, interviews with government counterparts, suppliers, project and HQ leads, electronic survey of stakeholders.	Additional question suggested by IOD PARC during original proposal, confirmed as relevant during inception visit and now included under 'Efficiency'
	SUSTAINABILITY		
Q19	To what extent did the programme support the strengthening of national systems?	Interviews with project leads within government and CDB	Any overlap between evaluation questions will be reconciled during the Inception Phase.
Q20	What is the likelihood that programme results will be sustainable? What are the critical risks and how will they be mitigated?	Interviews with CDB staff and government leads.	By agreement with IOE, theory of change analysis is no longer included in methods for this, as unlikely to be feasible in this context.
	CROSS CUTTING THEMES		
Q21	How effectively has environmental sustainability been pursued including whether the CSP priority around mainstreaming energy efficiency been achieved?	Interviews with CDB staff and government leads	New question added in driven by the pillars in the CSP and the inception visit.
Q22	How far has the CDB's interest in developing its work around the private sector yet impacted on the Barbados programme?	Interviews with CDB staff and stakeholders in private sector (e.g.	New question added in driven by the pillars in the CSP and the inception visit.

Annex 3: List of interviewees

Organisation	Name	Position and division
Barbados Tourism Investment Inc.	Stuart Layne	CEO
Barbados Tourism Investment Inc.	Damian DaSilva	[add title]
Barbados Workers Union	Senator Toni Moore	General Secretary of the Barbados Workers Union
Caribbean Development Bank	Kaia Ambrose	Office of Independent Evaluation
Caribbean Development Bank	William Ashby	Engineer, Operations Officer
Caribbean Development Bank	Daniel Best	Director, Projects
Caribbean Development Bank	Elizabeth Burges-Sims	Gender Specialist
Caribbean Development Bank	Martin Baptiste	Senior Operations Officer, Education
Caribbean Development Bank	Peter Blackman	Portfolio Manager
Caribbean Development Bank	Deirdre Clarendon	Division Chief, Social Sector Division
Caribbean Development Bank	Jason Cotton	Country Economist, Economics Department
Caribbean Development Bank	Ian Durant	Deputy Director, Economics Department
Caribbean Development Bank	Elbert Ellis	Social Analyst, Social Sector Division
Caribbean Development Bank	Doug Fraser	Head of Procurement
Caribbean Development Bank	Alana Goodman Smith	Legal Counsel
Caribbean Development Bank	Andy Gill	Engineer
Caribbean Development Bank	Anthony George	Social Analyst, Social Sector
Caribbean Development Bank	Sharon Griffith	Operations officer, Engineer
Caribbean Development Bank	Antonia Hart	Civil Engineer, Projects Officer
Caribbean Development Bank	Carl Howell	Deputy Director, Corporate Strategy
Caribbean Development Bank	Dorla Humes	Adviser to the President
Caribbean Development Bank	Lisa Harding	Operations Officer
Caribbean Development Bank	Ronald James	Country Economist, Economics Dept.
Caribbean Development Bank	Monica LaBennett	Vice President, Operations
Caribbean Development Bank	O'Reilly Lewis	Division Chief
Caribbean Development Bank	Glen McCarvell	Senior Operations Officer and Civil Engineer
Caribbean Development Bank	James Melanson	Head of Office of Independent Evaluation
Caribbean Development Bank	Rod Morgan	Consultant to CDB / eZSigma Group
Caribbean Development Bank	Darran Newman	Portfolio Manager, Basis Needs Trust Fund
Caribbean Development Bank	Paul Newton	[add title]
Caribbean Development Bank	Dionne O'Connor	Chief Results & Portfolio Analyst, Corporate Strategy Division
Caribbean Development Bank	Hopeton Peterson	Operations Officer, Environmental Specialist
Caribbean Development Bank	Justin Ram	Director of Economics
Caribbean Development Bank	Dwayne Squires	Operations officer, Engineer
Caribbean Development Bank	Cavon White	Economic Analyst, Infrastructure
Caribbean Development Bank	Joseph Williams	Head, Renewable Energy/Energy Efficiency Unit
Caribbean Development Bank	Maria Ziegler	Gender Specialist
Delegation of the EU to Barbados and E. Caribbean	Luis Maia	Head of Development Cooperation

COUNTRY STRATEGY AND PROGRAMME EVALUATION - BARBADOS

Organisation	Name	Position and division
Delegation of the EU to Barbados and E. Caribbean	Bogdan Stefanescu	First Secretary
Delegation of the EU to Barbados and E. Caribbean	Felipe de la Mota	Programme Manager, Economic Section
European Investment Bank	Flores Vermeulen	Local Representative for Southern and Eastern Caribbean
Harrison's Cave	Andrea Franklin	CEO at Caves of Barbados Ltd
IDB	Francisco Javier Urrea	Chief of Operations
IDB	Juan Carlos De La Hoz Vinas	Representative of the IDB Barbados Country Office
IDB	Laura Giles Alvarez	Country Economics Specialist
Ministry of Education	Francies Miller	Acting Director
Ministry of Education	Janet Phillips	Permanent Secretary
Ministry of Education	Suzanne Walker	Assistant Director
Ministry of Finance & Economic Affairs	Avinash Persaud	Adviser to Minister for Economic Affairs
Ministry of Finance and Economic Affairs	Ian Carrington	Director
Ministry of Finance and Economic Affairs	Nancy Headley	Permanent Secretary
IMF	Bert van Selm	Deputy Division Chief for the Caribbean
IMF	Chris Faircloth	Advisor of the Executive Director
UNICEF	Muriel Mafico	Deputy Representative, UNICEF South Africa
University of the West Indies	Professor Winston Moore	Department of Economics, University of West Indies
University of the West Indies	Simon Naitram	President of the Barbados Economics Society

Annex 4: Projects data

Sector	Project	Approval Date	Loan Amount (UDS \$ millions)	Data from APPR/PSRs	2011	2012	2013	2014	2015	2016	2017	2018
Tourism	Harrison's Cave	13/07/06	29.716	Composite Performance Score	5.2	5	4.8	4.8	4.8			
				Loan Amount	29.716	29.716	29.716	29.716	27.744			
				Disbursed	24.247	26.235	27.011	29.531	27.744			
				% Disbursed	82%	88%	91%	99%	100%			
Urban Development & Housing	Urban Rehabilitation	07/12/00	30.541	Loan Amount	30.541	30.541	30.541	30.541	25.456			
				Disbursed	15.621	18.532	22.957	25.451	25.456			
				% Disbursed	51%	61%	75%	83%	100%			
	Low income Housing	09/12/10	36.000	Composite Performance Score		6.3	5.4	4.7	4.2	2.9		
				Loan Amount	36.000	36.000	36.000	36.000	21.000	21.000		
				Disbursed	0	0	0.508	1.124	1.165	1.203		
				% Disbursed	0%	0%	1%	3%	6%	6%		

					2011	2012	2013	2014	2015	2016	2017	2018
Education	Education Sector Enhancement	01/12/98	31.500	Loan Amount	31.500	31.500	31.500					
				Disbursed	29.449	0	29.677					
				% Disbursed	93%	0%	94%					
	Education Sector Enhancement II	08/12/11	35.000	Composite Performance Score		6.4	6.2	5.8	5.5	4.9	4.5	4.5
				Loan Amount		35.000	35.000	35.000	35.000	35.000	3.600	3.600
				Disbursed		0	0.694	1.068	1.068	2.518	2.680	2.935
				% Disbursed		0%	2%	3%	3%	7%	74%	82%
	Student revolving loan fund	10/12/15	7.500	Composite Performance Score							5.8	4.1
				Loan Amount							7.500	7.500
				Disbursed							3.000	3.000
				% Disbursed							40%	40%
Transport & Communication	LIAT Fleet Modernisation	18/07/13	32.727	Composite Performance Score			5.5	4.9	4.8	4.5		
				Loan Amount	32.727	32.727	33.200	33.200	33.200	33.200		
				Disbursed	29.800	33.632	21.768	30.030	30.030	33.200		
				% Disbursed	91%	103%	66%	90%	90%	100%		
	LIAT emergency loan	14/12/17	3.720	Composite Performance Score							4.9	4.1
				Loan Amount							3720	3720
				Disbursed							0	3720
				% Disbursed							0%	100%
	Immigration Services Enhancement	11/12/14	6.474	Composite Performance Score					6.0	6.0	5.9	5.6
				Loan Amount					6.474	6.474	6.474	6.474
				Disbursed					0	0.405	4.781	4.845
				% Disbursed					0%	6%	74%	75%
	Grantley Adams airport pavement rehabilitation	25/10/18	40.389	Loan Amount								40.389
				Disbursed								0
				% Disbursed								0%

					2011	2012	2013	2014	2015	2016	2017	2018
Environment & Disaster Reduction	Speightstown flood mitigation	12/12/13	4.615	Composite Performance Score				6.2	6.2	5.8	5.8	5.8
				Loan Amount				4.615	4.615	4.615	4.615	4.615
				Disbursed				0	0	0	0	1.500
				% Disbursed				0%	0%	0%	0%	33%
	Constitution River Flood mitigation	15/10/15	6.800	Composite Performance Score						5.6	5.5	5.5
				Loan Amount							6.800	6.877
				Disbursed							2.524	2.652
				% Disbursed							37%	39%
Water & Sanitation	Water supply network upgrade	10/12/15	35.667	Composite Performance Score						6.2	6.2	6.2
				Loan Amount						35.667	35.667	35.667
				Disbursed						0	5.884	15.202
				% Disbursed						0%	16%	43%
Financial Businesses & other services	Central Revenue Authority	07/03/12	3.583	Loan Amount		3.583	3.583	3.583	3.583	3.583	3.583	3.583
				Disbursed		0	0	1.462	1.462	2.121	2.121	2.386
				% Disbursed		0%	0%	41%	41%	59%	59%	67%
Public Sector Management	Policy based loan 2010	20/10/10	25.000	Composite Performance Score	6.8							
				Loan Amount	25.000							
				Disbursed	25.000							
				% Disbursed	100%							
	Policy-Based Loan 2018	25/10/18	75.000	Loan Amount								75.000
				Disbursed								75.000
				% Disbursed								100%

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