



## Approach Paper

# Barbados 2010-2013

Country Program Evaluation



Inter-American Development Bank  
August 2013



**This work is distributed under a Creative Commons license (CC BY-NC-ND 3.0).** You are free to copy, distribute and transmit this work to third-parties, under the following conditions:



**Attribution** - You must attribute the work in the manner specified by the author or licensor (but not in any way that suggests that they endorse you or your use of the work).



**Non-Commercial** - You may not use this work for commercial purposes.



**No Derivative Works** - You may not alter, transform, or build upon this work.

**Waiver** - Any of the above conditions can be waived if you get permission from the copyright holder.

© **Inter-American Development Bank, 2013**

Office of Evaluation and Oversight

1350 New York Avenue, N.W.

Washington, D.C. 20577

[www.iadb.org/evaluation](http://www.iadb.org/evaluation)

## TABLE OF CONTENTS

### ACRONYMS AND ABBREVIATIONS

### PREFACE

I.	INTRODUCTION .....	1
II.	CONTEXT OF THE COUNTRY PROGRAM 2010-2013 .....	2
	A. Overview .....	2
	B. Macroeconomic challenges .....	3
	C. Competitiveness issues .....	4
	D. Environmental issues .....	4
III.	STRATEGIC PLANNING, COUNTRY STRATEGY AND PREVIOUS CPE .....	5
	A. The country's strategic planning instruments .....	5
	B. The Bank's Country Strategy, 2010-2013 .....	6
	C. Bank's operational portfolio, 2010-2013 .....	6
	D. Other development partners .....	6
	E. The prior CPE 2005-2009 .....	7
IV.	EVALUATION QUESTIONS .....	7
	A. Relevance .....	7
	B. Implementation, effectiveness and efficiency .....	8
	C. Sustainability .....	8
V.	METHODOLOGY .....	8
VI.	ORGANIZATION AND TIMELINE .....	9

### [Tables](#)

### [Figures](#)

## **ACRONYMS AND ABBREVIATIONS**

CARICOM	Caribbean Community
CARTAC	Caribbean Regional Technical Assistance Centre
CBA	Country Office of Barbados
CDB	Caribbean Development Bank
CIDA	Canadian International Development Agency
CPE	Country Program Evaluation
CPD	Country Programming Document
CS	Country Strategy
CSEC	Caribbean Secondary Education Certification
CSME	CARICOM Single Market and Economy
DFID	UK Department for International Development
EC	European Commission
EIB	European Investment Bank
GoB	Government of Barbados
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MIF	Multilateral Investment Fund
MTDS	Medium Term Development Strategy
MTFS	Medium Term Fiscal Strategy
NSG	Non Sovereign-Guaranteed
NSP	National Strategic Plan
OVE	Office of Evaluation and Oversight
PPP	Purchasing Power Parity
S&P	Standard & Poor's
SG	Sovereign-Guaranteed
TC	Technical Cooperation
UNDP	United Nations Development Programme
USAID	US Agency for International Development
VAT	Value Added Tax

## PREFACE

The Board of Executive Directors recently requested that OVE review the content and process of Country Program Evaluations (CPEs) in order to make the CPEs as informative and useful as possible.

OVE welcomes comments from the Executive Board and other stakeholders to this pilot set of CPEs. OVE plans to use it as a foundation to formulate CPE guidelines in 2014.

In response to this request, OVE proposes to review the CPEs being presented in 2013, namely for Dominican Republic, Paraguay and Barbados. The relative emphasis of each of these proposed modifications, as well as its presentation in the document, will depend on the relevance of the issue for the country's context during the evaluation period.

Hence, OVE intends to strengthen the following five dimensions of the CPEs:

- *First*, OVE will ensure a closer link between the discussion of the country context and the evaluation of the country program relevance.
- *Second*, CPEs will cover the entire Bank program during the period under analysis, i.e. including public and private sector loans as well as activities not linked to loans (technical cooperation activities and analytic work) which have not been systematically covered by CPEs in the past.
- *Third*, the analysis of effectiveness will not only include the Bank's results in specific sectors but also other cross-cutting issues related to implementation and effectiveness. Depending on country circumstances, these may include topics such as: the adequacy and use of lending instruments and knowledge products; the Bank's support for the use of national systems (fiduciary, safeguards, monitoring and evaluation); the quality of the portfolio's monitoring and evaluation systems; and the overall performance of the country's portfolio.
- *Fourth*, instead of having a separate chapter on efficiency as in previous CPEs, the CPEs will analyze the factors that had an effect on the program implementation as part of its assessment of effectiveness.
- *Finally*, CPEs will take a more prospective approach and identify more specifically how lessons learned, both positive and negative, can contribute to the formulation of the subsequent country strategy and programming documents.

## I. INTRODUCTION

- 1.1 As part of its work plan, OVE is preparing the Country Program Evaluation (CPE) of Barbados covering the period 2010-2013. This approach paper presents the scope and content of the evaluation.
- 1.2 The CPE focuses on evaluating the results of the Bank's assistance to the country and, according to the Bank's Protocol for CPE (RE-348-3), the main goal of this evaluation is "to provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance".
- 1.3 In addition, Bank Management developed a new model for Country Strategies (CS) in 2009, in order to provide the Bank with an effective instrument to increase the country's focus and to ensure the flexibility granted by the realignment process. In this context, new guidelines were drafted to "reformulate country strategies, emphasizing the need for programming to be based on results and potential risks, adopting a programmatic and flexible approach that better respond to the country's priorities". In addition to these general principles, the most relevant results of this new approach were: (i) the disentanglement of CS, which should be done every four years, with the programming itself, which should be annual; (ii) the new emphasis given to sectorial notes; and (iii) the improvement of the results matrix with more specific indicators and targets.
- 1.4 This is the third independent evaluation of the Bank's Country Program with Barbados.<sup>1</sup> The first covered the period 1989-2004 (RE-313), marked by strengthening of Barbados' brand as a tourism destination. The subsequent CPE covered the period 2005-2009 (RE-369), a period of increasing demand for water and electricity. This CPE will cover the period 2010-2013, characterized by fiscal pressures and decreasing tourism receipts. During this period, the Bank reoriented its portfolio in Barbados to include a Programmatic PBL in the energy sector (44.3% of total amount approved between 2010-2013 and 28.5% of total disbursements over the same period). OVE will analyze the Bank's relevance, positioning and effectiveness in this context of Barbados's specific development challenges—such as economic and climate vulnerability arising from its small size, economic vocation, and location. Furthermore, previous CPEs identified significant delays in loan execution, which may seem paradoxical given the country's level of development and the Bank's continuous support in specific sectors. This is a key issue this CPE will analyze.

---

<sup>1</sup> Note that this CPE will be carried out after the recent change of government in February 2013. The result was a narrow victory for the incumbent Democratic Labour Party.

## II. CONTEXT OF THE COUNTRY PROGRAM 2010-2013

### A. Overview

- 2.1 **General characteristics.** Barbados is an Eastern Caribbean island developing state characterized by its small land and population size <sup>2</sup>, open economy, high GDP per capita income, narrow export base (mainly tourism) and high dependence on the import of goods, especially oil and foodstuffs, making it highly vulnerable to external shocks. Barbados is seemingly highly integrated at a regional level. It is the center for several regional integration initiatives including the CARICOM Single Market and Economy (CSME)<sup>3</sup>, CARTAC, and Caribbean headquarters for regional partners including the CDB, EU, CIDA, DFID, UNDP and USAID. The evaluation period (2010-2013) coincides with significant macroeconomic issues and fiscal constraints, as described in more detail below. During this period, the Bank remained the major multilateral partner engaged in the country.
- 2.2 **GDP per capita, poverty and inequality.** Barbados has a relatively high per capita GDP (PPP) for the Region, US\$24,989 in 2011—almost as high as The Bahamas (US\$30,415 in 2011, see Figure 1) and higher than any other IDB borrowing country. However, Barbados still counted 19.3% of its population living below the poverty line in 2010 as compared with 13.9% in 1997 (Figure 2).<sup>4</sup> In terms of inequality in consumption, as measured by the Gini coefficient, Barbados presents a moderate level for the Region (0.47 in 2010). Nevertheless, the level of inequality is worth noting given that in 1997 Barbados had one of the lowest levels in the Region (0.39).<sup>5</sup>
- 2.3 **Governance.** The country has achieved a very high human development status over the past years, ranking 38 out of 186 countries in the 2013 UNDP Human Development Index with a value equal to 0.825. Barbados has a tradition of effective governance, low corruption, and well-functioning public institutions that compare favorably with the rest of the Caribbean on many indicators (Figure 3). The Worldwide Governance indicators consistently ranked Barbados in the highest percentiles. In 2011, Barbados ranked in the 90<sup>th</sup> percentile or above in the control of corruption, government effectiveness, and political stability and absence of violence or terrorism. On the other hand, some institutional challenges remain: the regulatory framework needs to be strengthened and national systems do not consistently meet the Bank's standards (Figure 4).
- 2.4 **Education.** Despite significant achievements in universal access in primary and secondary education, the quality of the education provided remains a concern according

---

<sup>2</sup> It has a surface area of 432 square km<sup>2</sup> and *circa* 277,000 inhabitants in 2011. Women represented 50.4% of total population and 17% of total population was under 15 in 2011. Emigrants represented 10.3% of total population in 2010.

<sup>3</sup> Barbados was one of the six founding members of the CSME in 2006.

<sup>4</sup> 9.1% of the population was considered indigent poor in 2010.

<sup>5</sup> The lack of data between 1997 and 2010 makes comparisons of time trends challenging given that income can be very volatile in small countries. The increases in poverty and inequality could be due to the current economic slowdown or even a gradual result of the economic crisis of 2001. Real GDP declined by 2.6% in 2001 due to the effects of trade liberalization and uncertainty in the aftermath of the 9/11 terrorist attacks, which in turn reduced tourism and international business revenues.

to national data. Although the overall trend shows improvement, 50% of students completing secondary education in 2012 never sign up to take the Caribbean Secondary Education Certification (CSEC) examination, meaning that one out of two youngsters leave school without any formal qualification. Only 30% of students who take the CSEC exams achieve four or more passes, a yardstick used as the minimum requirement for government or formal sector jobs.<sup>6</sup>

## **B. Macroeconomic challenges**

- 2.5 **Growth and inflation.** Barbados's economic performance has been heavily constrained by the economic and financial crisis that ensued in 2008. After a moderate period of growth between 2003 and 2007 (an average real GDP growth rate of 2.95% *per annum*) pushed by tourism, financial services and other non-tradable sectors such as distribution and transports, the Barbadian economy plunged into recession in 2009 (real GDP declined by 4.12%) and into a phase of stagnant growth since then (0.27% *per annum* on average between 2010 and 2012; Figure 5). As a likely consequence of declining tourism receipts and construction activity, the IMF estimates that GDP growth is only expected to surpass the level of 1% by the end of 2014. Inflation has fluctuated between 3.6% and 9.4% mostly due to external factors such as the increases in the price of food and fuel although domestic factors like VAT alterations and increases in interest rates can lead to periodic spikes as well.<sup>7</sup>
- 2.6 **Fiscal deficit and balance of payments.** The overall fiscal deficit deteriorated to an estimated 7.3% of GDP in 2012/2013 compared to 3.4% in 2007-2008. Despite noted improvements in domestic revenue collection over the last decade thanks to the introduction of the VAT in 1997, government revenues-to-GDP markedly decreased in 2009/2010 as a result of the sluggish economic activity but has slightly recovered in 2012/2013 (31.2% to 32.4% of GDP, respectively). The Barbadian economy is characterized by twin structural deficits<sup>8</sup> with a primary deficit estimated at 3.2% of GDP on average from 2008 to 2010 and at 0.6% between 2011 and 2012, and a current account deficit projected at 7.6% of GDP on average between 2008 and 2012 (Figures 7 and 8).
- 2.7 **Debt levels.** The countercyclical measures adopted to minimize the impact of the crisis on vulnerable groups further burdened the country's debt level. Gross public sector debt increased to 95.1% of GDP in 2012, up from 62.4% in 2007.<sup>9</sup> Debt is mainly domestic (circa 68% in 2011) but external debt is in an increasing share, rising from 22.6% of GDP in 2008/2009 to 29% 2010/2011. The Bank is the largest multilateral lender with *circa* 4% of total debt in 2010, followed by the Caribbean Development Bank (2% in 2010). Barbados has reduced its exposure to bilateral debt to less than 1% of total debt in 2010.

---

<sup>6</sup> See BA-L1016 loan proposal.

<sup>7</sup> Figure 6 presents the inflation rates for the countries in the Region. Barbados' price level is similar to the Dominican Republic and less volatile than most of its neighbors.

<sup>8</sup> In the economic literature, a country with a persistent fiscal deficit that coexists with and reinforces a current account deficit is known as an economy with "twin deficits". It is denoted structural when the primary deficit is considered.

<sup>9</sup> The government was in the process of liquidating CLICO and resolving BAICO's collapse (two private insurance companies).



Moreover, government interest payments absorbed 23.1% of total revenues in 2012-2013 against 12.9% in 2007/2008. The S&P rating for Barbados is BB+ with a stable outlook as of June 2013.<sup>10</sup>

## **C. Competitiveness issues**

- 2.8 **Tourism.** Tourism is an important source of income for Barbados, accounting for 11.7% of GDP in 2012. Even though the government proactively made important investments to improve accommodation capacity, the number of visitors (both long stay and cruise ship arrivals) decreased drastically in the wake of the financial crisis (-11.4% between 2007 and 2012). The growing dissatisfaction with quality and the fierce competition from emerging tourist destinations (such as Cuba and Dominican Republic, which already account for 40-60% of the Caribbean market share) are challenging Barbados' attractiveness as a destination.<sup>11</sup>
- 2.9 **Financial services.** The focus on international financial and business services has allowed Barbados to diversify its economy and to improve its stock of foreign exchange. Still lagging behind other Caribbean countries as an offshore center, the sector accounted for more than 20% of GDP in 2012 (against 18.9% in 2007) recovering promptly from the fall in external demand of 2009. Barbados has a stable business environment, ranking 44th among 144 countries in 2013 in the World Economic Forum's Competitiveness Index. In addition, more than 3100 international business entities were registered in Barbados in 2010, and the country had established 18 double taxation treaties and ongoing negotiations will increase this number further.

## **D. Environmental issues**

- 2.10 **Water.** Barbados faces a number of environmental challenges related to its high level of development, large tourism sector, and land and resources constraints inherent to a small island ecosystem. While both urban and rural populations in Barbados have complete access to improved drinking water sources and sanitation facilities,<sup>12</sup> Barbados ranks as one of the 15 most water-scarce countries in the world.<sup>13</sup>
- 2.11 **Coastal resources and land use.** Tourism-related development concentrated along the southwest urban corridor and the Caribbean coast has resulted in buildings constructed in the active beach zone, significant loss and degradation of wetlands, coral reefs, coastal water quality, and public beach access for locals. In addition, the scarcity of land has resulted in the conversion of agricultural land to residential and commercial uses,

---

<sup>10</sup> S&P ratings as of May 2013 for countries in the Region are: B- for Belize; B+ for Dominican Republic; CCC+ for Jamaica; and, A for Trinidad and Tobago.

<sup>11</sup> Note that Barbados is still the most competitive destination in the Caribbean according to the World Economic Forum's 2013 Travel and Tourism Competitiveness Index, ranking Barbados in 27<sup>th</sup> out of 140 countries.

<sup>12</sup> Most of water consumption is from tourism, with a daily average water consumption of 179 gallons per tourist versus 63 gallons per resident.

<sup>13</sup> Owing to the island's geological structure and rainfall patterns, the availability of potable water from underground aquifers is greatly constrained (UNEP, 2010).

increasing the extent to which Barbadians may need to rely on food imports in the future if current land-use development trends continue.

- 2.12 **Electricity, fossil fuels and transport issues.** Barbadians enjoy universal access to electricity. In 2010, they had an electric installed capacity enough to satisfy the consumption needs of the country.<sup>14</sup> In addition, the overall energy intensity has been decreasing in recent years due to economic growth in less energy intensive sectors. However, population growth and increased reliance on fossil fuels has resulted in a greater energy import bill leaving Barbados's economy considerably vulnerable to oil price shocks. Traffic congestion is a growing concern for the island as well.
- 2.13 **Climate change.** The island is particularly vulnerable to the threats posed by climate change, including increased frequency or probability of being hit by hurricanes and incurring droughts due to changes in the patterns of dry and wet seasons. These could result in several adverse impacts on the island's natural resources and consequences for the tourist, fisheries, and other related industries due to coastal erosion, sedimentation, coral bleaching, and general degradation of the coastal ecosystem.

### III. STRATEGIC PLANNING, COUNTRY STRATEGY AND PREVIOUS CPE

#### E. The country's strategic planning instruments

- 3.1 The Government of Barbados (GoB) presented in 2005 its first *long-term* programming instrument, the **National Strategic Plan (NSP) 2006-2025**, which aims to transform Barbados into a "fully developed society that is prosperous, socially just and globally competitive". Six broad strategic goals were defined along with 45 objectives and related targets.<sup>15</sup>
- 3.2 In addition to the long-term programming instrument, in 2010, the GoB launched its *medium-term* strategic planning instrument to guide the country in its way out of the global recession – the **Medium Term Development Strategy (MTDS) 2010-2014**. The MTDS promotes the need for new sources of growth, while maintaining sustainable debt levels. It covers several sectors from energy and agriculture to tourism and trade, as well as social and environmental issues.<sup>16</sup> This strategic document was then accompanied by the **Medium Term Fiscal Strategy (MTFS) 2010-2014**, which addresses the fiscal

---

<sup>14</sup> Domestic consumption in 2012 corresponded to 32.9% of total energy consumption.

<sup>15</sup> The first goal contemplates a cultural transformation that seeks to reinforce the national identity. The second promotes better governance by reforming the public sector and empowering communities and civil society. The third goal involves the development of social capital by improving education and the public health care system, and by eradicating poverty. The fourth goal envisions the preservation of the environment and the strengthening of physical infrastructures in the water, energy and transportation. The fifth goal aims to enhance Barbados' competitiveness in the global economy and to ensure strong macroeconomic fundamentals. The sixth goal seeks to reinforce the country's image as a stable country but dynamic economy.

<sup>16</sup> The broad objectives are: (i) to sustain a GDP growth rate of 3% or above; (ii) to attract more FDI; (iii) to keep unemployment rates in single digits; (iv) to maintain the inflation rate low, the external current account sustainable, and the fixed exchange rate peg credible; (v) to reduce poverty; and (vi) to protect the environment and promote climate change adaptation.

issues and challenges confronting Barbados and lays the framework for sustainable public finances and growth. It was then revised in November 2011 to accommodate the greater than expected consequences of the global recession. The GoB downgraded its estimates regarding the fiscal balance and proposed a fiscal consolidation package of greater spending cuts in order to counteract weaker than projected fiscal revenues.

## **F. The Bank's Country Strategy, 2010-2013**

3.3 During the period 2010-2013, the Bank's Country Strategy with Barbados (CS) (GN-2539) has mainly focused on the third and fourth strategic goals of the NSP 2006-2025, namely environment, energy and education. It supports the achievement of the last two broad objectives set in the MTDS 2010-2014. The CS identified four main development goals to which it would contribute:

- i. Building resilience to coastal risks, natural disasters and climate change;
- ii. A more efficient water supply and resource management;
- iii. Reducing the oil import bill, promoting clean energy and more efficient use of energy; and
- iv. Improving quality and relevance of the education system.

## **G. Bank's operational portfolio, 2010-2013**

3.4 The portfolio is comprised mainly of traditional SG investment loans that were approved under the previous Country Programs (seven operations totaling more than US\$58 million), combined with 10 new operations approved under the current period of review, including one Programmatic PBL series in the energy sector (US\$45 and US\$70 million, phase 1 (2010) and 2 (2011) respectively) and one NSG private sector loan in the tourism sector (US\$55 million). A 2013 pipeline project attempts to address the sustainability of public finances, whose relevance will be examined during this CPE exercise. The total approvals for the evaluation period were US\$259 million (Table 1 and 2), compared with US\$129.4 for the 2005-2009 period. As of May 2013, only five loans were completed out of the 17 that were active during the period, while the other 12 have disbursed less than 30%. Loan disbursements totaled more than US\$144 million over the review period. In terms of active technical cooperation (TC) and multilateral investment fund projects (MIF), only 35% of the US\$15 million in TC funds and 88% of the US\$1.87 million in MIF funds approved were disbursed as of May, 2013.<sup>17</sup> As indicated in the last Country Programming Document (CPD), the slow execution of the loan portfolio should be addressed before any significant portfolio expansion.

## **D. Other development partners**

3.5 In terms of level of assistance, the IDB is the main development partner of Barbados. Other development partners include the Caribbean Development Bank (CDB), European Commission (EC) and European Investment Bank (EIB). The CDB disbursed roughly US\$2 million in 2012 in public sector reform, infrastructure, education and health. The EC funded Eur9.8 million during 2008-2013 focusing mostly on skills development and

---

<sup>17</sup> Non-reimbursable TCs and MIFs totaled US\$3 million and US\$1.9 million over the 2005-2009 period.

the EIB has traditionally financed infrastructure. The World Bank approved a US\$35 million loan in 2008 to support a regional HIV/AIDS program. Barbados has also benefited from the Caribbean Regional Program of the Canadian International Development Agency (CIDA), which disbursed *circa* US\$0.54 million in 2010/2011.

#### **E. The prior CPE 2005-2009**

- 3.6 The most recent CPE concluded that the Bank's program in Barbados was characterized by a low level of evaluability, protracted execution, and few results. While the country strategy was relevant to the objectives of Barbados' National Strategic Plan at the time that it was conceived, the Bank's Program lost momentum due to significant delays in project execution. This led to a relationship that was costly for both partners in terms of time, resources, and ultimately, a low-performing portfolio.

### **IV. EVALUATION QUESTIONS**

- 4.1 The CPE (RE-369) will analyze whether the program implemented was consistent with the country's development needs and programming instruments as well as with the objectives defined in the CS and with the previous CPE's recommendations. The CPE will also assess how the Bank's program has evolved within the current global economic turmoil and realigned with the emerging macroeconomic priorities. Following the protocol for CPE (RE-348-3), it will assess the extent to which the Bank's program with Barbados was relevant, efficient, effective, and sustainable.

#### **H. Relevance**

- 4.2 Relevance refers to *"the degree to which the design and objectives of the Bank strategy and program of assistance were consistent with the needs of the country and with the government's development plans and priorities"* (RE-348-3). The CPE will try to answer the following questions regarding this topic:
- i. How consistent was the Bank's program with Barbados' development challenges and priorities?
  - ii. How consistent was the Bank's executed program with the CS (GN-2539) and Country Programming Documents? Was progress made towards the strategic objectives stated in the Bank CS and CPD's?
  - iii. Given the development challenges in Barbados during the period of review, how did the Bank focus its assistance program? To what extent did the Bank respond to the weakened macroeconomic situation?
  - iv. Was the change in the mix of instruments used (increased PBLs and TCs) coherent and aligned with the needs, capacities and economic circumstances of Barbados?

## **I. Implementation, effectiveness and efficiency**

- 4.3 Effectiveness denotes the “*extent to which the assistance instruments achieved the intentions and objectives set*” (RE-348-3) in its Strategy and Country Program. The CPE will therefore attempt to answer the following questions:
- i. What have been the (intended) results of Bank’s operations and technical cooperation products?
  - ii. Which are the main (internal and external) determinants of success and failure in the preparation and execution of the program of assistance?
  - iii. Have the Bank’s operations and technical cooperation products had any externalities?
  - iv. What did the Bank do to counteract potential risks and ensure the effectiveness of the assistance’s program?
  - v. What did the Bank do to address bottlenecks identified in project preparation and execution identified in the previous CPE? What measures did it take to mitigate these and what were the results?
- 4.4 Efficiency refers to “*the extent to which the design and delivery of assistance were most cost effective*” (RE-348-3). The CPE will answer the following question on efficiency:
- i. What factors have determined the preparation, and execution times and costs of the Bank’s operations in Barbados?
  - ii. How long/high have these times and costs been relative to other Bank borrowing members?

## **J. Sustainability**

- 4.5 Sustainability is defined as the “*likelihood that actual and anticipated results will be resilient to risks beyond the program period*” (RE-348-3). The CPE will attempt to answer the following questions relative to this dimension:
- i. Are there enough elements and supporting evidence indicating that Bank-supported interventions are sustainable?
  - ii. Has the mix of instruments deployed in Barbados contributed to more sustainable institutional arrangements and policy reform?
  - iii. What are the positive and negative factors that contribute to the sustainability of the Bank-supported operations?
  - iv. How did the Bank support the Government or local organizations to establish lasting institutional arrangements and respective financial allocations after the conclusion of the program?

## **V. METHODOLOGY**

- 5.1 To answer the evaluation questions, OVE will conduct an extensive desk review of documentary evidence provided by the Bank, Government sources, and development partners. Specific information about the relevance of the Bank’s country program, policy

dialogue, and execution challenges will be garnered from interviews with Bank staff at Headquarters and in the Country Office, government officials, executing unit staff, civil society, and the donor community. In addition, OVE will conduct one mission (possibly two) to the country to analyze the operational portfolio, engage in site visits, collect relevant data, and validate results.

- 5.2 To assess the effectiveness of the Bank's Country Program and identify lessons learned, OVE will analyze the current (2010-2013) Country Strategy, Country Programming Documents, loan proposals, monitoring and completion reports, project evaluations, and other relevant material produced by the Bank and by the executing agencies.
- 5.3 To analyze the development context of the country as well as medium-term national priorities, the team will draw upon: (i) data from national and international databases; (ii) Barbados' Long-term Strategic Plan 2006-2025; (iii) the country's Medium-term Development Strategy and Fiscal Framework 2010-2014; (iv) sectorial plans and programs from the government; (v) Bank documents; and (vi) other relevant studies and reports from development partners, universities, civil society organizations and think tanks.

## **VI. ORGANIZATION AND TIMELINE**

- 6.1 The evaluation team is comprised of Leslie Stone (team leader), Michelle Fryer, Hector Valdes Conroy, Lynn Scholl and Ricardo Marto. Given the protocol for CPEs, the evaluation results should be available at the moment the new government is ready to take strategic decisions regarding the use of external assistance. Given the electoral calendar and the Bank's country strategy period, OVE will distribute the CPE report to the Board of Executive Directors in December 2013 for discussion in January 2014.
- 6.2 The expected timeline for the evaluation is as follows:
 

▪ Identification and projects evaluation mission (executed)	July 08-17, 2013
▪ First draft for OVE's internal review	October 2013
▪ Second draft for Government and Management's comments	November 2013
▪ Revised draft submitted to SEC for translation	December 2013
▪ Discussion of CPE at the Board of Executive Directors	January 2014

## Tables

**Table 1:** Bank's combined portfolio (active and/or completed) by sector, 2010-2013.

Combined portfolio					
Sector	Operation Type	Number of Operations	Number of Active Operations	Current Approved Amount (USD)	% Disbursed
Agriculture	Loan	2	1	20,505,084	6%
	Grant	1	1	20,000	54%
Education	Loan	1	1	20,000,000	0%
	Grant	2	1	1,005,000	43%
Energy	Loan	4	2	142,000,000	82%
	Grant	5	3	11,147,441	21%
Environment	Loan	1	1	30,000,000	10%
	Grant	1	0	403,600	100%
Other	Grant	5	1	1,364,429	89%
Private Sector	Loan	2	2	65,000,000	2%
	MIF	6	4	1,872,890	88%
Public Sector	Loan	5	3	28,136,972	60%
Management	Grant	5	2	986,266	43%
Urban Planning	Loan	1	1	30,000,000	8%
Water and Sanitation	Loan	1	1	50,000,000	4%
	Grant	2	1	414,209	98%
<i>Total</i>	Loan	17	12	385,642,055	37%
	Grant	21	9	15,340,945	34%
	MIF	6	4	1,872,890	88%

Source: IDB.

**Table 2:** Bank's portfolio (active and/or completed) by instrument and sector, 2010-2013.

Loan portfolio							
Sector	Operation Number	Operation Name	Approval Date	Operation Status	Current Approved Amount (USD)	% Disbursed	Extension (months)
Agriculture	BA-L1017	PEF: Agricultural Health and Food Safety Program Preparation	12/10/2008	Complete	505,084	100%	14
	BA-L1008	Agricultural Health and Food Control Programme	12/2/2009	Active	20,000,000	3%	35
Education	BA-L1016	Skills for the Future	6/21/2012	Active	20,000,000	0%	
Energy	BA-L1022	Support for Sustainable Energy Framework for Barbados (SEFB) I	9/15/2010	Complete	45,000,000	100%	-
	BA-L1020	Sustainable Energy Investment Program	12/10/2010	Active	10,000,000	21%	24
	BA-L1021	Support for Sustainable Energy Framework For Barbados (SEFB) II	11/2/2011	Complete	70,000,000	100%	10
	BA-L1025	Public Sector Smart Energy (PSSE) Program	6/25/2012	Active	17,000,000	0%	
Environment	BA-L1014	Coastal Risk Assessment and Management Program	12/8/2010	Active	30,000,000	10%	12
Private Sector	BA-L1007	Barbados Competitiveness Program	12/15/2009	Active	10,000,000	16%	35
	BA-L1027	Four Seasons Barbados	5/23/2012	Active	55,000,000	0%	
Public Sector Management	BA0055	Administration of Justice	8/1/2001	Complete	8,749,947	100%	-
	BA-L1003	Modernization of Customs, Excise and VAT Areas	11/9/2005	Complete	4,387,024	100%	-
	BA-L1006	Modernization of the Barbados National Standards System	12/19/2007	Active	5,000,000	20%	24
	BA-L1009	Modernization of the Barbados Statistical Service	7/28/2008	Active	5,000,000	31%	39
	BA-L1004	Modernization of the Barbados National Procurement System	12/15/2008	Active	5,000,000	24%	30
Urban Planning	BA-L1002	Housing and Neighborhood Upgrading Program - Phase I	1/16/2008	Active	30,000,000	8%	17
Water and Sanitation	BA-L1015	Water and Sanitation Systems Upgrade	12/2/2009	Active	50,000,000	4%	12

MIF portfolio							
Sector	Operation Number	Operation Name	Approval Year	Operation Status	Current Approved Amount (USD)	% Disbursed	Extension (months)
Private Sector	BA-M1001	Institutional Strengthening of the Savings and Loan Cooperatives Sector	12/14/2005	Complete	791,071	100%	24
	BA-M1002	Mentoring Model to Develop Young Entrepreneurs	11/15/2006	Complete	482,599	100%	10
	BA-M1006	Comprehensive Information Portal for Entrepreneurs & SMEs	12/16/2008	Active	149,220	87%	18
	BA-M1007	Supporting the private sector take advantage of regional and global integration	5/5/2009	Active	150,000	80%	24
	BA-M1004	Development of Tourism Micro Projects in Barbados (Joint Venture w/MOT & BSBA)	11/2/2009	Active	150,000	81%	18
	BA-M1008	Green Business Barbados	8/31/2012	Active	150,000	0%	



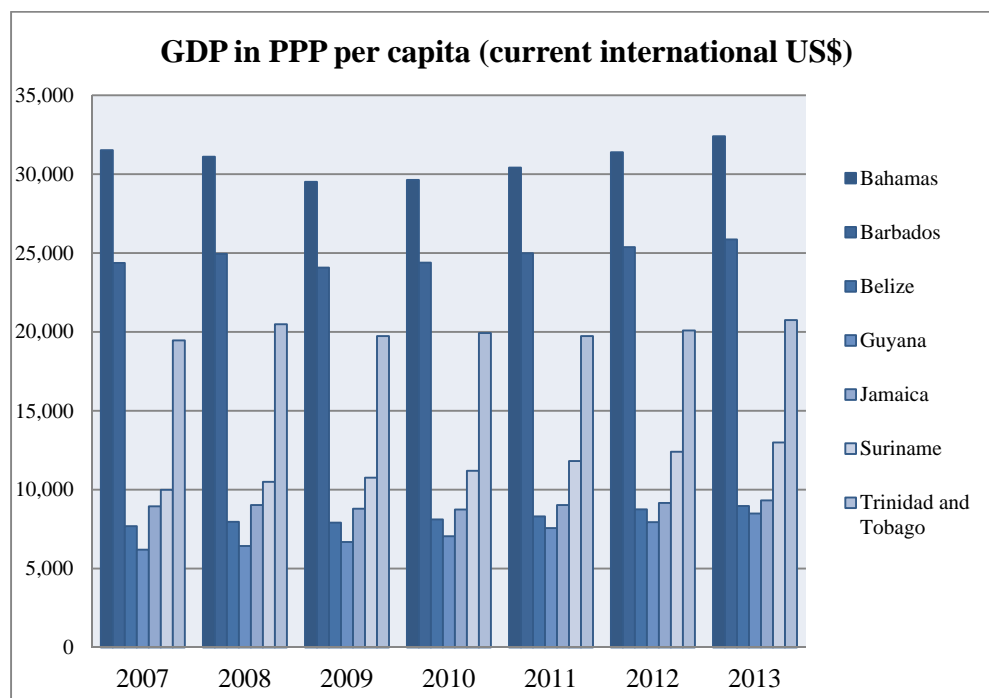
Grant portfolio							
Sector	Operation Number	Operation Name	Approval Year	Operation Status	Current Approved Amount (USD)	% Disbursed	Extension (months)
Agriculture	BA-T1027	Study Tour on the Agricultural Sector (Food Security) in Brazil	2/27/2013	Active	20,000	54%	
Education	BA-T1012	Education Sector Studies	12/7/2009	Complete	365,000	100%	14
	BA-T1018	Training for the Future	11/17/2011	Active	640,000	11%	
Energy	BA-T1007	Sustainable Energy Framework for Barbados	2/3/2009	Complete	998,441	100%	17
	BA-T1008	Support Studies for the Upgrade and Expansion of the Natural Gas Network	12/10/2009	Complete	485,000	100%	10
	BA-X1001	Support to the Sustainable Energy Framework for Barbados	3/10/2010	Active	1,000,000	10%	6
	BA-T1016	Support to the Preparation of Program BA-L1021	5/23/2011	Active	1,000,000	73%	12
	BA-X1003	Support for the Public Sector Smart Energy Program	6/25/2012	Active	7,664,000	0%	
	BA-T1014	Preparation of the Coastal Risk Assessment and Management Program	2/12/2010	Complete	403,600	100%	4
	TC9705049	Action Plan C and D Countries	1/1/1997	Complete	456,197	100%	120
Other	TC0203029	Strengthening of Airport Security	3/10/2006	Complete	450,737	100%	36
	BA-T1017	Action Plan for C and D Countries	6/1/2011	Complete	139,094	100%	12
	BA-T1022	Action Plan for C and D Countries	1/25/2012	Complete	163,543	100%	12
	BA-T1026	Action Plan for C and D Countries	1/7/2013	Active	154,858	1%	
	BA-T1013	Strengthening of the Service Delivery Capacity of the Ministry of Agriculture	12/9/2010	Active	350,000	0%	10
Public Sector Management	BA-T1015	Barbados Public Sector Institutional Assessment and Expenditure Review	12/10/2010	Complete	313,184	100%	12
	BA-T1020	Modernisation of the National Procurement System	3/6/2012	Complete	14,399	100%	
	BA-T1023	Study Tour to Jamaica for Officials from the Government of Barbados (GOB)	4/20/2012	Complete	8,684	100%	
	BA-T1021	Support for Fiscal Consolidation	6/29/2012	Active	300,000	28%	
	BA-T1010	Preparation for BA-L1015 - Water and Sanitation Upgrade Program	7/28/2009	Complete	399,209	100%	16
Water and Sanitation	BA-T1024	Barbados-Jamaica-Preparation of a Water Utility for Economic Regulation	9/20/2012	Active	15,000	56%	

Selected regional portfolio							
Sector	Operation Number	Operation Name	Approval Year	Operation Status	Current Approved Amount (USD)	% Disbursed	
Energy	RG-T2015	Caribbean Hotel Energy Efficiency and Renewable Energy Action - Advanced Program	9/28/2011	Active	2,000,000	14%	
Tourism	RG-T1205	Regional Disaster Risk Management for Sustainable Tourism in the Caribbean	1/2/2007	Complete	757,959	100%	
	RG-T1677	Monitoring & Evaluation Framework for Disaster Risk Management in Tourism Sector	12/11/2009	Active	750,000	37%	
	RG-T1818	Caribbean Regional Tourism Satellite Account (TSA) Implementation Initiative	3/4/2011	Active	400,000	46%	

Source: IDB.

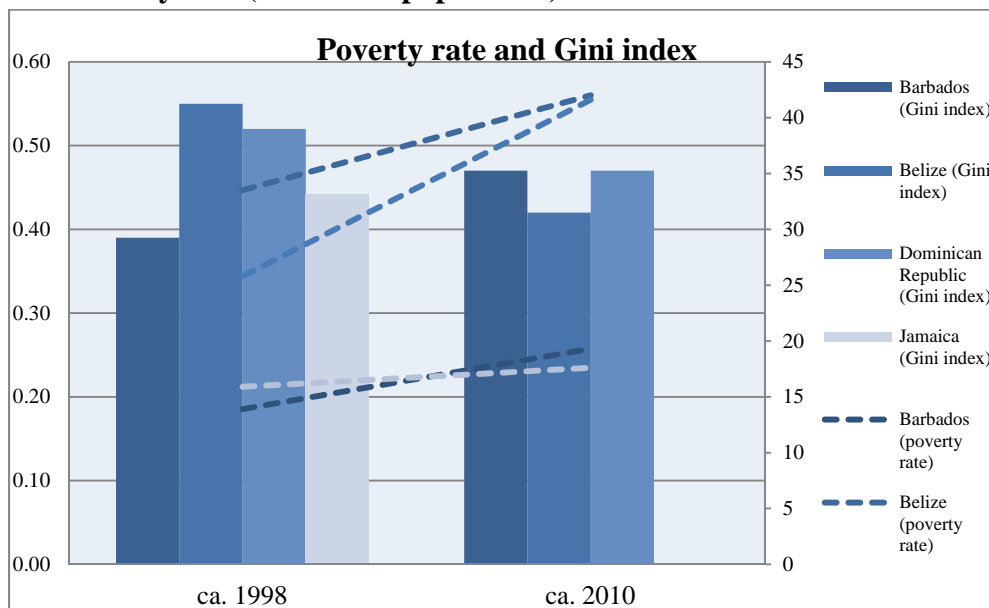
## Figures

**Figure 1: GDP in Purchasing Power Parity per capita (current international US\$) for selected economies**



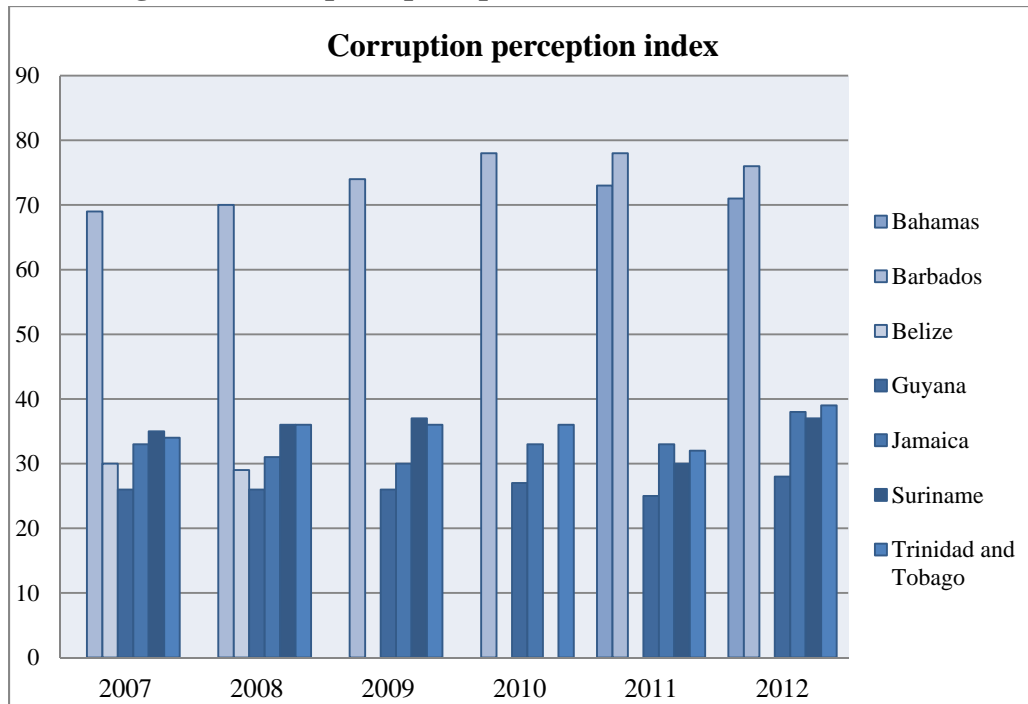
Source: IMF, World Economic Outlook 2013. Estimates for Bahamas since 2009; Barbados, Jamaica, and Trinidad and Tobago since 2011; Belize since 2013; Guyana since 2007; and Suriname since 2008.

**Figure 2: Poverty rate (% of total population) and Gini index for selected economies**



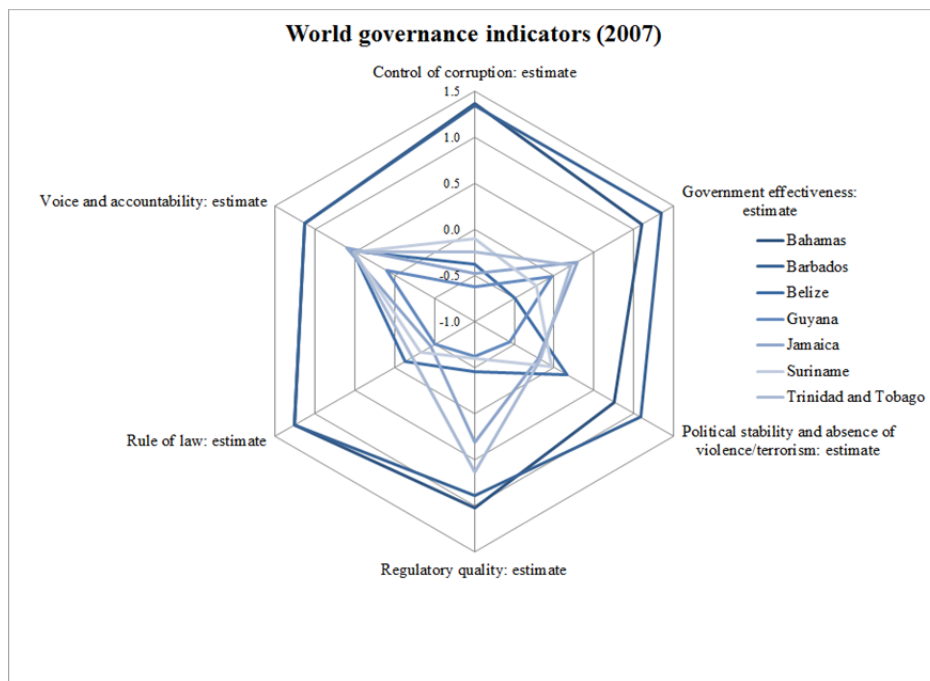
Source: For Barbados: Country Poverty Assessment; for the rest of the countries: World Bank, World Development Indicators. Dates corresponding to poverty rates (secondary axis) are the following: Barbados (1997, 2010); Belize (2002, 2010); Dominican Republic (1998, 2010); Jamaica (1998, 2010). Dates corresponding to Gini indices (primary axis) are the following: Barbados (1997, 2010); Belize (1998, 2010); Dominican Republic (2000, 2010); Jamaica (1999, NA).

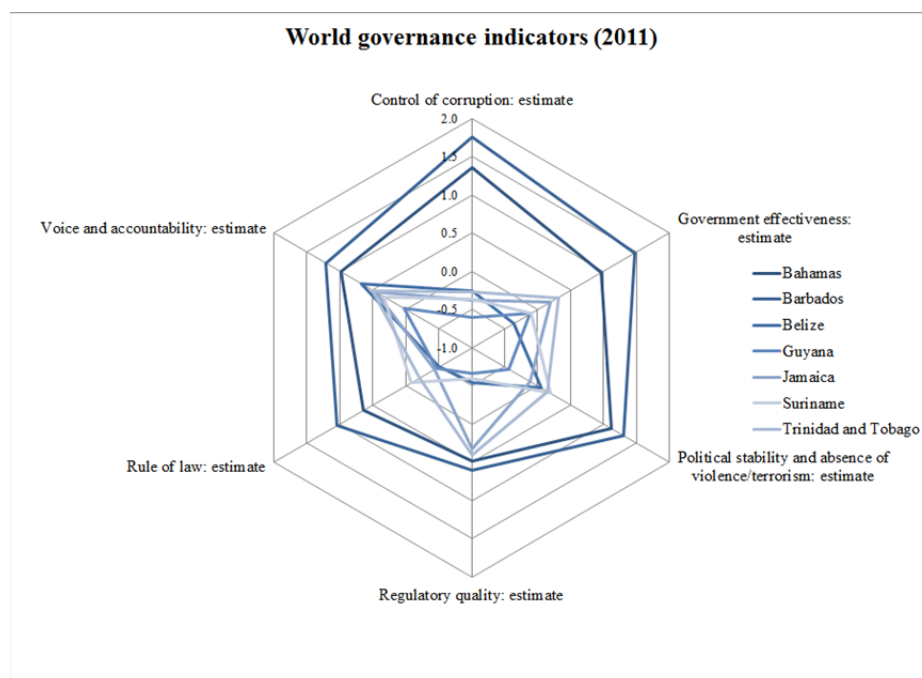
**Figure 3: Corruption perception index for selected economies**



Source: Transparency International. No data available for The Bahamas before 2011 and for Belize after 2008.

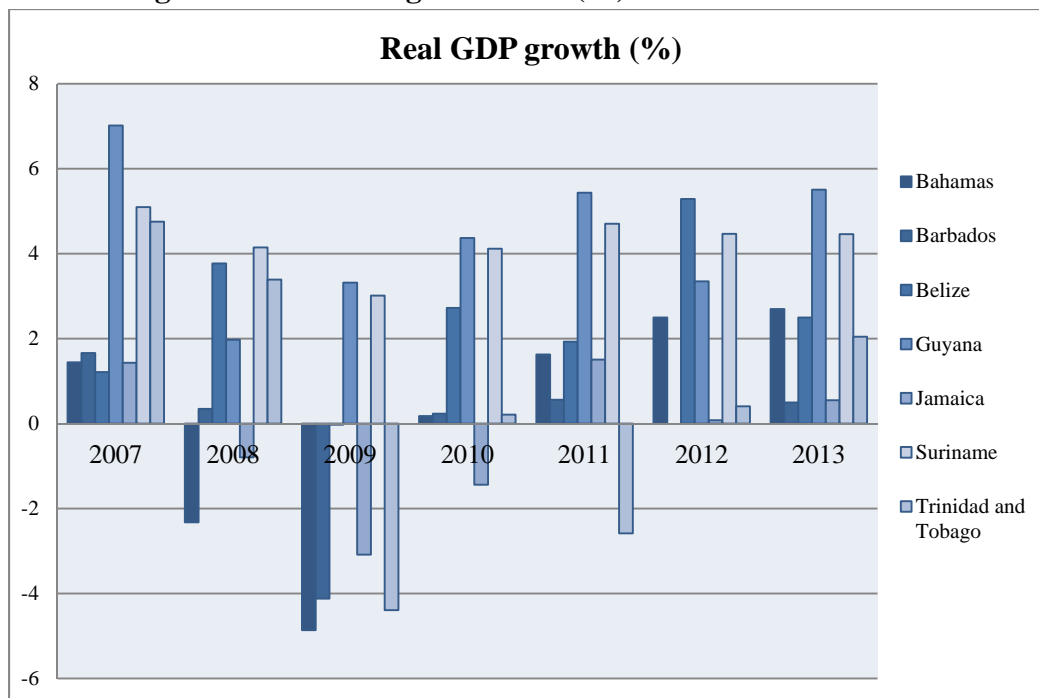
**Figure 4: World governance indicators 2007 and 2011 for selected economies**





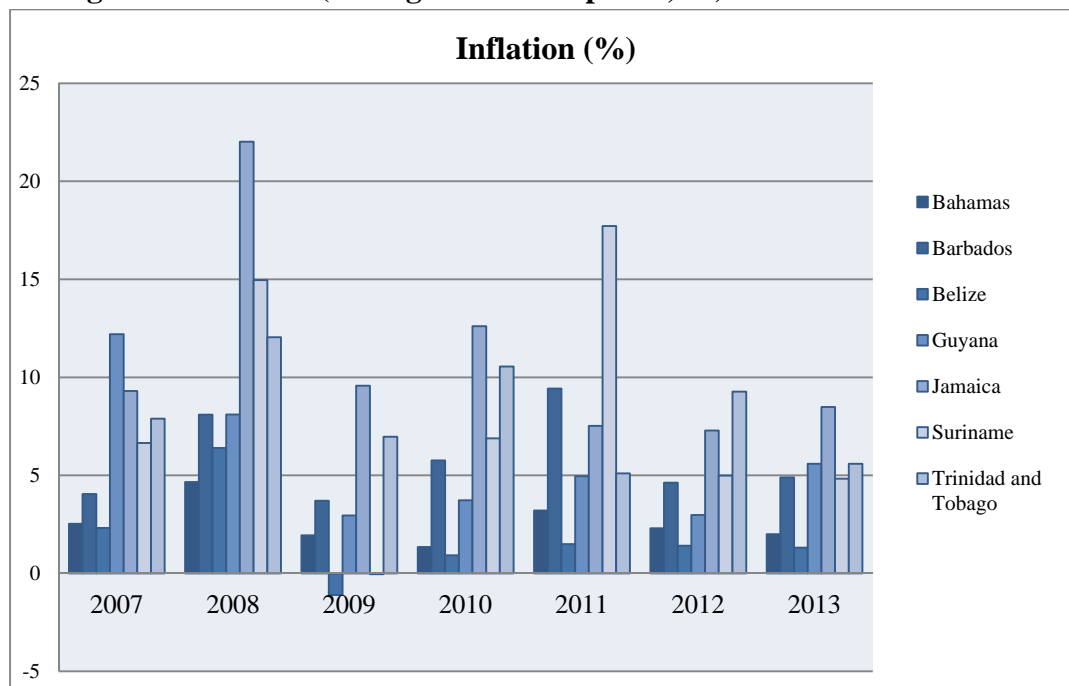
Source: World Bank, World Governance Indicators.

**Figure 5: Real GDP growth rate (%) for selected economies**



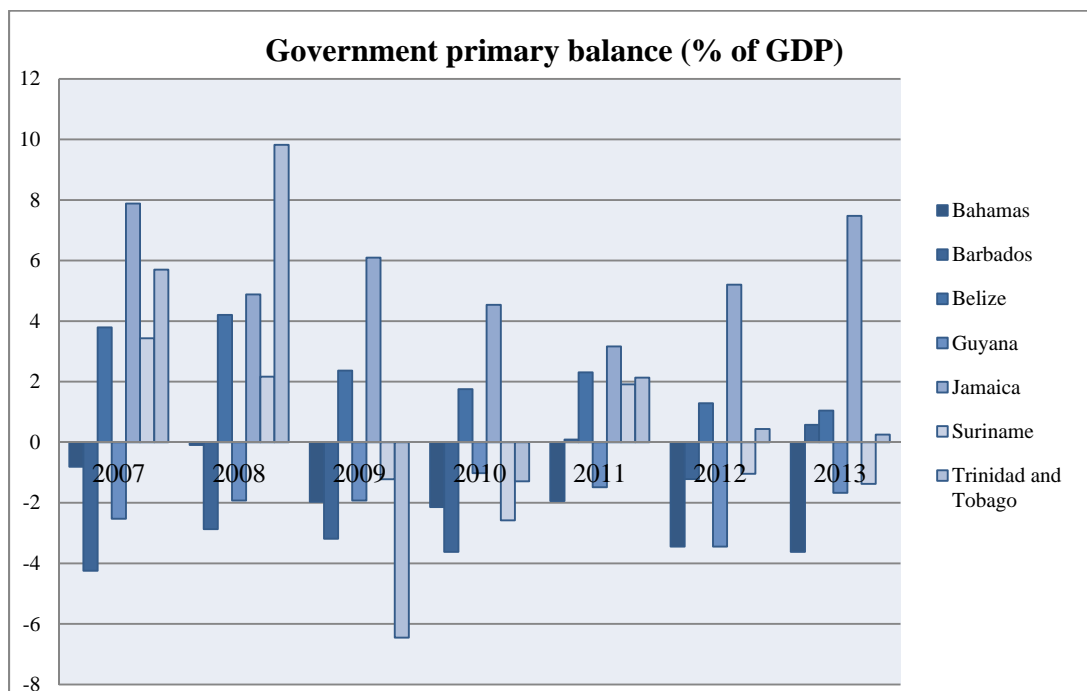
Source: IMF, World Economic Outlook 2013. Estimates for Bahamas, Belize, and Trinidad and Tobago since 2013; Barbados, Guyana, Jamaica and Suriname since 2012.

**Figure 6: Inflation (average consumer prices, %) for selected economies**



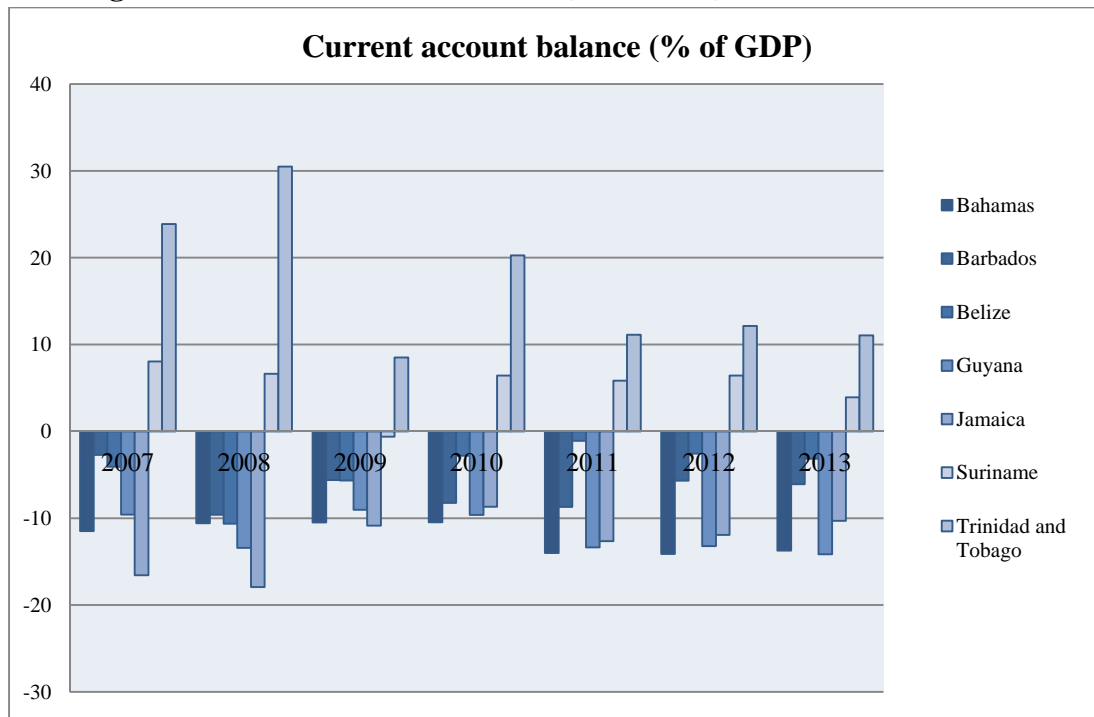
Source: IMF, World Economic Outlook 2013. Estimates for Bahamas, Belize, Suriname and Trinidad and Tobago since 2013; Barbados, Guyana, and Jamaica since 2012.

**Figure 7: Government primary balance (% of GDP) for selected economies**



Source: IMF, World Economic Outlook 2013. Estimates for Bahamas, Suriname, and Trinidad and Tobago since 2013; Barbados, Belize, Guyana and Jamaica since 2012.

**Figure 8: Current account balance (% of GDP) for selected economies**



Source: IMF, World Economic Outlook 2013. Estimates for Bahamas, Belize, and Trinidad and Tobago since 2013; Barbados, Guyana, Jamaica and Suriname since 2012.