

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	BARBADOS/CCB - Caribbean Group
▪ TC Name:	Mainstreaming Sustainability and Private Sector Investment into Barbados' Housing Drive
▪ TC Number:	BA-T1091
▪ Team Leader/Members:	Rajack, Robin Michael (CSD/HUD) Team Leader; Doherty Bigara Rodriguez, Jennifer (CSD/CCS); Taylor, Delicia (INO/SMC); Villota, Maria; Perez, Silvia, and Avila, Dianela (CSD/HUD); Centeno Lappas, Monica Clara Angelica (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	10 Feb 2023
▪ Beneficiary:	Government of Barbados
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$350,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/HUD - Housing & Urban Development
▪ Unit of Disbursement Responsibility:	CCB/CBA - Country Office Barbados
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; and Environmental sustainability

### II. Objective and Justification

- 2.1 The objective of the TC will support the Government of Barbados in systematically integrating sustainability considerations and private sector investment in the development and execution of its Short to Medium-term Housing Plan.
- 2.2 In January 2022, a new administration was elected on a platform that included an explicit commitment to a major housing drive that could increase the nation's housing stock by more than 10% in a 5-year period. Such a rapid expansion can have major implications for sustainability if mobility, built-area density, resilience, and green space considerations are not integral considerations. A major expansion drive also requires significant private sector investment, given the very high current gross public sector debt which stood at 126.6% of GDP in September 2022. A 2016 analysis of the spatial expansion of built development in the Greater Bridgetown Area (GBA) found that compared to an inefficient trend-scenario, a smart-growth scenario associated with better spatial planning, densification of existing built-up areas, and more strategic development control can cut total emissions of the GBA by 40% by 2050 and result in a threefold reduction per capita expenditure on infrastructure. With these goals in mind, the GOB is in the process of updating the Physical Development Plan (PDP). The proposed TC will deepen an ongoing IDB analysis of the residential absorptive capacity in the 8 Community Planning Areas (CPAs) identified in the PDP, reconcile it with housing market trends, and build capacity for an evidence-driven approach to expand housing production while promoting more sustainable land use outcomes. Doing so would contribute to meeting the Government's Nationally Determined Contributions

commitment under the UNFCCC and in would better reconcile its housing sector activity with its overarching Roofs to Reefs sustainability agenda that is being supported by a policy-based programmatic operation (BA-L1048 and BA-L1052).

### III. Description of Activities and Outputs

- 3.1 **Component 1: Development of a Short-Medium Term Plan for Sustainably Addressing Housing Deficits.** Activities include: (i) Systematic analysis of housing market supply and demand trends; (ii) mapping of proposed housing construction sites in relation to sensitive groundwater zones; coastal exposure, mobility/ accessibility, etc.; (iii) formulation of infill strategies for urban blocks with low built-up area density or dereliction; and (iv) designing and piloting low-cost, tactical urbanism experiments to test the effects of incentives on private sector interest and mobility behaviors.
- 3.2 **Component 2: Capacity Building and systems development for Monitoring and Maintaining Sustainability and Resilience in the built environment.** Activities include: (i) Development of a real estate development monitoring system and associated metrics; (ii) Capacity building and dissemination activities for routinely collecting and analyzing pertinent data.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
1: Development of a Short-Medium Term Plan for Sustainably Addressing Housing Deficits	US\$250,000.00	US\$0.00	US\$250,000.00
2: Capacity Building and systems development for Monitoring and Maintaining Sustainability and Resilience in the built environment.	US\$100,000.00	US\$0.00	US\$100,000.00
<b>Total</b>	<b>US\$350,000.00</b>	<b>US\$0.00</b>	<b>US\$350,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 At the request of the Government of Barbados, the IDB will execute this TC through the technical supervision of the Housing and Urban Development Division.
- 5.2 The IDB is very well suited to this role as the partner for the Sustainable Development Policy Based Loans and given the strong policy dialogue and relationships that it has in the housing sector of Barbados. A formal Letter of Request/ No Objection will be obtained from the Government before the execution of the TC begins.

### VI. Project Risks and Issues

- 6.1 The major risk to this TC is that the Government's implementation of its housing expansion drive runs ahead of the analyses and planning being financed by this TC. This is mitigated by conducting a first-phase analysis with an operational budget ahead of the TC; strong coordination with the line Ministry; and a practical and agile approach to TC implementation that will produce interim short-term outputs spatially applied to sites under active consideration of the Government.

### VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".