

## TECHNICAL COOPERATION DOCUMENT

### I. BASIC INFORMATION

<b>Country/Region:</b>	Barbados (Greater Bridgetown Area)
<b>TC Name:</b>	Implementation of the Emerging and Sustainable Cities Initiative (ESCI) in the city of Bridgetown
<b>TC Number:</b>	BA-T1030, BA-T1031
<b>Team Leader/Members:</b>	Team Leader: Huascar Eguino; Co-Team Leader: Gilberto Chona; Rebecca Sabo; Roland Krebs; Ivelisse Justiniano and Dianela Avila (IFD/FMM); Ellis J. Juan (VPS/VPS); Luis Lopez-Torres (INE/WSA); Betina Hennig (LEG/SGO), and Liza Lutz (LEG/SGO).
<b>Taxonomy:</b>	Client Support
<b>Beneficiary:</b>	The Government of Barbados (GoBA)
<b>Executing Agency:</b>	Inter-American Development Bank (IDB), through the Coordination Group of the Emerging and Sustainable Cities Initiative and Fiscal and Municipal Management Division (IFD/FMM)
<b>Donors Providing Funding:</b>	BA-T1030: Ordinary Capital (SCT): US\$100,000 BA-T1031: Multidonor (ESC) US\$900,000 No local counterpart funds will be provided --- <b>Total financing</b> <b>US\$1,000,000</b>
<b>Execution Period:</b>	36 months
<b>Disbursements Period:</b>	48 months
<b>Required start date:</b>	First Semester 2014
<b>Types of consultants:</b>	Individual Consultants and Firms
<b>Prepared by Unit:</b>	IFD/FMM
<b>UDR:</b>	Institutions for Development Sector (IFD)
<b>Included in Country Strategy:</b>	Yes
<b>Included in CPD:</b>	No
<b>Priority Sector GCI-9:</b>	(i) Infrastructure for competitiveness and social welfare, (ii) Institutions for growth and social welfare, and (iii) Protect the environment, respond to climate change, promote renewable energy, and secure food security.

### II. OBJECTIVE AND JUSTIFICATION

#### A. Objectives and Site Selection

- 2.1 The main objective of this Technical Cooperation (TC) is to apply the methodology of the Emerging and Sustainable Cities Initiative (ESCI) in the Greater Bridgetown Area (“Bridgetown”), Barbados under ESCI’s regular program. In accordance with GN-2652-5, the ESCI’s regular program is implemented in one city of each IDB borrowing member country. At the request of the beneficiary, Bridgetown was selected for ESCI’s 2014 regular program.
- 2.2 Partly due to Barbados population size (277,821 in 2010),<sup>1</sup> there is no elected municipal government in Bridgetown. Notwithstanding, the Greater Bridgetown Area (GBA) is the most dynamic urban area in Barbados. A population density of 660 persons per km<sup>2</sup> makes Barbados one of the most densely populated islands in the world. The GBA exceeds that population density and sits in an

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<sup>1</sup> Barbados Statistical Service. 2010 Population and Housing Census

environmentally sensitive inland and coastal territory, where most government and economic business is conducted, and where traffic congestion increasingly occurs. These conditions make Bridgetown particularly vulnerable to hurricanes, coastal inundation, and sea level rise. A natural disaster in Bridgetown could have a very large economic impact for the country. St. Michael Parish, which is contained wholly within the GBA, concentrates 32% of Barbados's entire population. The GBA also includes part of St. James Parish and part of Christ Church Parish (the second most populous parish in Barbados).

- 2.3 The operation will support a diagnostic assessment and the preparation of an action plan to improve the GBA's sustainability in the three pillars of ESCI (environmental, urban, fiscal, and governance). It will then support collaboration with the beneficiary on the prioritization of pre-investment studies consisting of more detailed diagnostics, economic and technical pre-feasibility studies, engineering designs (where applicable), and designs of projects that are included in the action plan. The operation also provides financing for the consulting contracts necessary to carry out the rapid and efficient administration of all steps leading to the action plan. This operation is the continuation of a multi-sectorial effort that seeks to improve the quality of life in emerging cities in Latin America and the Caribbean (LAC) in the long term.

## **B. Regional Context**

- 2.4 Rapid urban growth in LAC has presented a series of challenges that should be addressed through a holistic and multi-sectorial approach to ensure sustainability in the urban environment, especially in intermediate-sized emerging cities.<sup>2</sup> Since the 1980s, there has been a trend toward a reduction in the rate of growth of the largest cities and a sizeable increase in the rate of population and economic growth in intermediate cities, as has been observed in Argentina, Chile, Brazil, and Mexico.<sup>3</sup>
- 2.5 This growth in intermediate cities is taking place within the context of a series of urban challenges that threaten the sustainability of these cities and negatively affect the quality of life of their residents. These problems are varied and interrelated, which further complicates the measures that need to be implemented to resolve them.<sup>4</sup>

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<sup>2</sup> In the context of the ESCI, "intermediate-sized cities" refer to LAC cities ranging in population between 100,000 and 2.5 million.

<sup>3</sup> Cristini, M., R. Moya, G. Bermúdez, and C. Moskovits. 2008. "Calidad de vida en América Latina y el Caribe: los problemas metropolitanos de la urbanización." Buenos Aires: Fundación de *Investigaciones Económicas Latinoamericanas* (FIEL). In this same line of analysis, Pinto da Cunha observes a low fertility rate, reduction in the growth of large agglomerations, and a tendency toward the consolidation of intermediate cities. Pinto da Cunha, J. M. 2002. "Urbanización, redistribución espacial de la población y transformaciones socioeconómicas en América Latina." Serie Población y Desarrollo no. 30. Santiago, Chile: División de Población, Centro Latinoamericano y Caribeño de Demografía (CELADE), Economic Commission for Latin America and the Caribbean (ECLAC).

<sup>4</sup> For more information, please see document GN-2652.

## C. The ESCI

- 2.6 The ESCI's mandate is to apply the Emerging and Sustainable Cities methodology (identification, prioritization, and initial financing of the actions that will lead to sustainable development) in at least 26 emerging urban areas in the region, with one ESCI city per borrowing member country of the Bank. The ESCI specifically adds value to the cities in aspects such as: (i) mobilizing financial resources of potential partners; (ii) supporting the pre-investment and complementary funding; (iii) identifying action/project priorities for sustainability and quality-of-life improvement using integrated technical criteria; and (iv) deepening knowledge and understanding of the urban dynamics in the region.
- 2.7 Comprehensive support to the region's emerging cities is an important opportunity for the Bank to help them find a path to sustainability. One of the most important opportunities is to assist countries to fulfill goals related to the Ninth General Capital Increase (GCI-9). The ESCI will contribute directly to (i) infrastructure that promotes competitiveness and social well-being; (ii) institutions for growth and social well-being; and (iii) protection of the environment, responses to climate change, promotion of renewable energy, and food security. In this case, it will also contribute directly to supporting small island developing states.
- 2.8 The operation is also aligned with the country strategy for Barbados (GN-2539), as the topics assessed for potential inclusion as priority areas in the action plan may include those targeted in the country strategy: (i) building resilience to coastal risks, natural disasters and climate change; (ii) increasing efficiency in water supply and resource management; (iii) reducing oil import bill, promoting of clean energy and more efficient use of energy; and (iv) improving the quality and relevance of the education system.

## III. DESCRIPTION OF COMPONENTS AND BUDGET

### A. Components

- 3.1 **Component 1. Preparation, diagnostic assessment and analysis, prioritization, strategy selection, and preparation of action plan (US\$350,000).** This component includes the identification of critical action areas for the Greater Bridgetown Area using a multi-sectorial diagnostic assessment of the city's environmental, urban, and fiscal and governance dimensions. Bank specialists and consultants will analyze a set of indicators representing these dimensions, in conjunction with stakeholder interviews and other relevant documents such as development plans. Subsequently they will prioritize critical action areas with the greatest potential to improve the sustainability and quality of life in the city using environmental, economic, and public opinion criteria. This component also covers an urban footprint study; a vulnerability and hazard study in the context of climate change; and a greenhouse gas emissions inventory as inputs for this analysis. In consultation with the authorities and other relevant

stakeholders, an action plan will then be developed with concrete strategies to address the issues identified in the priority action areas. The assessment will identify which thematic areas of Bridgetown are weakest in terms of environmental, urban, and fiscal sustainability and thus are priorities for action. The action plan will integrate the design, execution, and potential financing sources of the identified strategies, and shall be agreed upon with the GoBA prior to the initiation of any pre-investment studies.

- 3.2 **Component 2. Pre-investment Studies for Prioritized Interventions (US\$550,000).** The operation will finance pre-investment studies essential to the sustainability of Bridgetown. The pre-investment studies will cover projects in one or more of the initiative's three pillars (environmental, urban, and fiscal). The number, depth, and areas of coverage of the studies will be determined by the action plan.
- 3.3 The financing for each intervention will be distributed according to the priorities, government capacities, and the technical analysis of the Bank's specialists. The public investment unit of the Ministry of Finance will also be included, due to its proven capacity to coordinate and supervise pre-investment studies. Synergies will be sought with other projects currently under execution, such as the MIF project BA-M1011 Support for the Revitalization of Bridgetown, which has as the main objective to revitalize the Bridgetown business district in order to induce local economy development.
- 3.4 **Component 3. Monitoring System (US\$100,000).** This component will finance the design and initial implementation of an external system to monitor the results of Bridgetown's action plan and the city's general progress. This system will be set up with local actors, such as civil society organizations, universities, media agencies, the private sector, etc. and will provide a platform for them to track the progress of the city through the monitoring of a series of indicators of their choosing. They may use indicators collected during the diagnostic assessment and update them over time with data provided by the government. The resources provided by this component will cover the design, establishment, and initial operation of the system, which will then be handed over to the local group identified to lead and maintain it.
- 3.5 In addition to the above-mentioned components, it is expected that the Bank's staff with specialized technical and first-hand knowledge of ESCI's methodology will travel to the city in order to implement the activities included in the components of this TC. This is considered essential not only for the proper implementation of the TC and the quality of the technical studies, but it will also contribute to address one of the main challenges identified for the implementation of the TC, which is ensuring an adequate cooperation and coordination between the Bank and local authorities.

## B. Budget

- 3.6 The budget for this technical cooperation will be US\$1,000,000, of which US\$100,000 will be financed by the Ordinary Capital SCT and US\$900,000 will be financed by the Multidonor Fund ESC. No local counterpart funds will be provided (see [Detailed Budget](#))

Components	BA-T1030 Ordinary Capital (SCT)	BA-T1031 Multi-donor (ESC)	Total
<b>Component 1.</b> Preparation, analysis and diagnostic assessment, prioritization, strategy selection, preparation of action plan, greenhouse gas emissions inventory, vulnerability and risk assessment in the context of climate change, and urban footprint growth study. (Consulting services/studies)		350,000	350,000
<b>Component 2.</b> Pre-investment studies for priority interventions to be determined by the action plan (Consulting services)		550,000	550,000
<b>Component 3.</b> Monitoring system (Consulting services and Workshops)	100,000		100,000
<b>Total</b>			<b>1,000,000</b>

## C. Results Matrix

Results Indicators	Baseline	2015 Goal	Verification Method
The city has adopted the ESCI Action Plan	0	1 Action Plan by the end of the II Semester	Source: The TC's monitoring and evaluation system
Product Indicators	Baseline	2015 Goal	Verification Method
<b>Component 1. Preparation, analysis and diagnostic assessment, prioritization, strategy selection, and preparation of action plan</b>			
The city has applied the methodological instruments and the sectors/action areas have been prioritized	0	Prioritization (II Q 2015)	Source: The TC's monitoring and evaluation system
The greenhouse gas emissions inventory, vulnerability and hazard assessment in the context of climate change, and urban growth study have been carried out and finalized	0	3 Studies (III Q 2015)	Source: The TC's monitoring and evaluation system
<b>Component 2: Pre-investment studies for priority interventions dependent on the results of the action plan</b>			
Number of pre-investment studies finalized	0	1 Project (II Q 2016)	Source: The TC's monitoring and evaluation system
<b>Component 3: Monitoring system</b>			
The ESCI Action Plan monitoring system has been established and implemented	0	1 System (III Q 2016)	Source: The TC's monitoring and evaluation system

#### **IV. EXECUTING AGENCY AND EXECUTION STRUCTURE**

##### **A. Executing Entity**

- 4.1 Upon request by the GoBA the Bank, through IFD/FMM, will be responsible for executing this TC. FMM has substantial experience in providing technical assistance to cities and technical knowledge, particularly in the areas of fiscal sustainability, institutional strengthening, housing, and urban planning. This will be done in close coordination with the Bank's ESCI Coordination Group. Bank execution will afford an optimum level of standardization in the methodological approach process and instruments applied in each one of the cities, as the main counterpart, as well as the operative coordination to ensure the TC's success. The GoBA steering committee for ESCI will participate in the application of the methodology and benefit from the final products. The Bank has specialized technical knowledge of ESCI's methodology, as well as experience providing technical assistance to cities.
- 4.2 **Procurement.** The procurement of individual consulting services will be carried out by the IDB in accordance with Human Resources (HRD) policies (AM-650). The procurement of firm consulting services will be carried out by the IDB in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9). The procurement of consulting services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policies (GN-2303-20) while IDB's new policies regarding the matter are not in force.

##### **B. Operative Structure**

- 4.3 The development of the activities related to Bridgetown will be led by the team leader with the support of other specialists from various areas of the Bank, in coordination with the specialists located in the Barbados country office. The project team will include at least one specialist representing each of the ESCI's three dimensions of sustainability. The ESCI Coordination Group will work with the Office of Outreach and Partnerships (ORP) in topics related to the ESCI's external partners to mobilize external resources for the project.
- 4.4 Bridgetown will benefit from the integrated diagnostics and action plan, including the identification of the principal problems and potential strategies to resolve them. This process will be executed under the leadership of the Bank's technical team.

#### **V. MAJOR ISSUES**

- 5.1 There are two fundamental risks that could impede achieving the results of this TC: (i) lack of coordination among different government entities during the implementation of the methodology in Bridgetown, especially given the

centralized nature of Barbados's administrative system; and (ii) lack of technical and institutional capacity in some critical ministries, agencies, and departments.

- 5.2 To mitigate the first risk, execution of this TC will be coordinated by the project team with both local (St. Michael, St. James, and Christ Church parish representatives), and national authorities (Ministry of Finance and Economic Affairs; Ministry of Social Care, constituency Empowerment and Community Development; and the Ministry of Housing, Lands, and Rural Development, among others). This coordination is expected to strengthen ESCI's operations in the city, providing an adequate framework for identification of priority interventions, the development of its activities and methodology. As to the second risk, the action plan will incorporate institutional strengthening methods to improve the capacity of the city of Bridgetown to execute and supervise projects like those to be implemented from the ESCI action plan.

## **VI. EXCEPTIONS TO THE BANK POLICY**

- 6.1 No exceptions to Bank policy have been identified.

## **VII. ENVIRONMENTAL AND SOCIAL STRATEGY**

- 7.1 The studies and projects will contribute to a positive social and environmental impact, promoting improvements in the urban environment and the quality of life of Bridgetown's residents. This TC has been rated as "C" based on the [Safeguard and Policy Filters](#).

### **ANNEXES:**

- Annex I: [Letter of Request](#)
- Annex II: [Terms of Reference](#)
- Annex III: [Procurement Plan](#)

**IMPLEMENTATION OF THE EMERGING AND SUSTAINABLE CITIES INITIATIVE  
(ESCI) IN THE CITY OF BRIDGETOWN**

**BA-T1030**

**US\$100,000 (SCT)**

**BA-T1031**

**US\$900,000 (ESC)**

**CERTIFICATION**

I hereby certify that this operation was approved for financing under the Emerging and Sustainable Cities Initiative (SCT) and the Multidonor Emerging and Sustainable Cities Initiative (ESC) through a communication dated March 27, 2014 and signed by Jane de Souza Silva (ORP/GCM). Also, I certify that resources from said funds are available for up to US\$1,000,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

07/21/2014

*Original signed*

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Sonia M. Rivera

Chief

Grants and Cofinancing Management Unit

ORP/GCM

\_\_\_\_\_  
Date

**APROBACIÓN**

Aprobado:

*Original signed*

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Ana Maria Rodriguez-Ortiz

Sector Manager

Institutions for Development Sector

IFD/IFD

07/21/2014

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Date