**Means of Verification Matrix**

| **Objectives** | **Conditions for the Single Tranche Program** | **Means of Verification** | **Responsible** |
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| **Component I. Macroeconomic Stability** | | | |
| Preserve a stable macroeconomic stability context. | I.a: The Government of Barbados complies with the Policy Letter and maintains a macroeconomic framework consistent with the objectives of the programme | IMF EFF programme | MOFEI |
| **Component II. Revenue Policy and Administration** | | | |
| Reduce distortions in the tax system.  Improve tax collection efficiency | 1. The Government of Barbados:   (i) repeals the National Social Responsibility Levy (Act 2017-15);  (ii) enacts an Airport Service Charge;  (iii) deliver the budgetary proposals FY2018-2019 including the following revenue raising measures: 1) the establishment of a new Personal Income Tax band of 40%; 2) increases the Corporate Income Tax (CIT) rate from 25% to 30%; 3) introduction of a new Room Rate and Product Development levies; 4) introduction of a new Fuel Tax;and  (iv) launched the request for technical and financial proposals consultancy services for Provision and Implementation of a method for collecting VAT and other eligible taxes levied by the Government of Barbados on e-commerce. | II.a  (i). Publication in the Official Gazette on June 28, 2018 of the National Social Responsibility Levy (Repeal) Act 2018.  (ii). Publication in the Official Gazette on August 16, 2018 of the Airport Service Charge (Amendment) Act, 2018 introducing the new airport service charge.  (iii). Letter from the Director of Finance and Economic Affairs of the Government of Barbados dated October 24th, 2018 indicating that the Ministry of Finance, Economic Affairs and Investment delivered the budgetary proposals 2018 including the introduction of the following revenue raising measures: 1) a new Income Tax band of 40%; 2) Increase in Corporation Tax Rate from 25% to 30%; 3) Room Rate and Product Development Levies; 4) A Fuel Tax.  (iv). Letter invitation of the Barbados Revenue Authority requesting for technical and financial proposals-Consultancy for the Provision and Implementation of a Method of Collecting VAT and other eligible taxes levied by the government of Barbados on e-commerce. | MOFEI. |
| II.b: The Government of Barbados presents an action plan to update all the LTU taxpayer accounts ensuring they reflect accurate balances and the number of audits to be carried out for the FY2018/2019. | II.b. Barbados Revenue Authority (BRA) Large Taxpayers Unit Action Plan submitted to the Bank. | MOFEI |
| **Component III. Public Expenditure Control and Public Financial Management** | | | |
| Control public expenditure and debt.  Strengthen of the budget formulation process  Improve efficiency and transparency of the Barbados’ SOEs. | 1. Government of Barbados launched an exchange offer for debt restructuring of the stock of central government domestic debt held by private creditors and eligible for debt restructuring consistent with the Bank and IMF’s programmes.   III.b: Government of Barbados introduces a new Garbage and Sewage Contribution (GSC) to be levied through Barbados Water Authority bills in FY2018/19. | III.a. Offer letter (Government Information Service website) that shows the launch of the exchange offer for debt restructuring of the stock of central government domestic debt.  <http://gisbarbados.gov.bb/blog/bbd-debt-exchange-offer-summary/>  III.b. Publication in the Official Gazette on July 31, 2018 of the Barbados Water Authority Act 2018-18 that introduces a new garbage and sewage contribution to be levied through Barbados Water Authority bills. | MOFEI. |
| III.c: MoFEI submits to the Bank, the draft of the revised Financial Management and Audit (FMA) Act proposal to establish a permanent binding budget calendar, envisaging budget approval prior to the fiscal year. | III.c Draft Amendment of the Financial Management and Audit (FMA). Act draft proposal that includes the proposition for a permanent binding budget, envisaging budget approval prior to the fiscal year | MOFEI. |
| III.d: Within the revised FMA to be submitted by the MoFEI to Parliament, the Government of Barbados includes a section on State Owned Enterprises granting more autonomy to the MoFEI to oversee SOEs. The revised FMA includes the approval process of all borrowings and assumptions of other liabilities undertaken by SOEs. The new FMA Act will also establish: (i) clear definitions for the classification of public entities, and their related roles and responsibilities; (ii) tighter and more precise reporting requirements for SOEs; and (iii) sanctions for non-compliance. | III.d. Draft Amendment to the FMA Act proposal that includes a section on the SOEs. The Draft Amendment of the FMA shall include: more autonomy for the MoFEI in the oversight of SOE, clear definitions for the classification of public entities, and their related roles and responsibilities; tighter and more precise reporting requirements for SOEs and sanctions for non-compliance | MOFEI |
| **Component IV. Protection of Social Spending** | | | |
| Ensure functioning of essential services in health, nutrition, education and early childhood.  Ensure that the existing beneficiaries of the current safety net programmes are protected during the economic downturn. | 1. The Government of Barbados commits to a floor for spending on: 2. Child Care Board spending on protection of vulnerable children; 3. Youth Entrepreneurship Scheme assisting jobless youth to start own businesses; 4. Strengthening Human and Social Development in Barbados targeting the unemployed and vulnerable families and youth; 5. Alternative Care for the Elderly programme targeting the elderly transferred to private care; 6. Provision of medication to HIV patients | IV.a. Submission of the signed EFF Technical Memorandum of Understanding agreed between Barbados and the International Monetary Fund that shows the Government commitment to a floor for spending on:   1. Child Care Board spending on protection of vulnerable children; 2. Youth Entrepreneurship Scheme assisting jobless youth to start own businesses; 3. Strengthening Human and Social Development in Barbados targeting the unemployed and vulnerable families and youth; 4. Alternative Care for the Elderly programme targeting the elderly transferred to private care; 5. Provision of medication to HIV patients | MOFEI |
| IV.b: The Government of Barbados commits to a floor for Welfare Department spending including cash transfers and assistance for house rents, utilities, food, and education to the poor and vulnerable population; | IV.b. Submission of the signed EFF Technical Memorandum of Understanding agreed between International Monetary Fund and Barbados that shows the Government of Barbados commitment to a floor for Welfare Department spending including cash transfers and assistance for house rents, utilities, food, and education to the poor and vulnerable population. | MOFEI |