

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BARBADOS

SUSTAINABLE DEVELOPMENT POLICY PROGRAM II

(BA-L1052)

LOAN PROPOSAL

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ABBREVIATIONS	
AMCECC	Adaptation Measures to Counteract the Effects of Climate Change
BAPE	Barbados Association of Professional Engineers
BWA	Barbados Water Authority
BERT	Barbados Economic Recovery and Transformation Program
CARICOM	Caribbean Community
CCA	Climate Change Adaptation
CCF	Contingent Credit Facility
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDM	Comprehensive Disaster Management
CDRMP	Comprehensive Disaster Risk Management Program
COP-21 PARIS	Conference of the Parties – 21 Paris Agreement
CRF	Corporate Results Framework
CWP	Country Work Programme
CZM	Coastal Zone Management
CZMU	Coastal Zone Management Unit
DRM	Disaster Risk Management
EFF	Extended Fund Facility
ELPA	Electric Light and Power Act
EMAC	Emergency Management Advisory Council
EPD	Environmental Protection Department
ESCI	Emerging and Sustainable Cities Initiative
ESMR	Environmental and Social Management Report
ESS	Environmental and Social Strategy
GBA	Greater Bridgetown Area
GDP	Gross Domestic Product
GHG	Greenhouses Gases
ICZM	Integrated Coastal Zone Management
ICZMP	Integrated Coastal Zone Management Plan
IDB	Inter-American Development Bank
IDBG	Inter-American Development Bank Group
iGOPP	Institute for Governance of Private and Public Organizations
IMF	International Monetary Fund
ISWMP	Integrated Solid Waste Management Programme
MDB	Multilateral Development Banks
MENB	Ministry of Environment and National Beautification
MFEI	Ministry of Finance, Economic Affairs, and Investment
MHLM	Ministry of Housing, Lands and Maintenance
MMABE	Ministry of Maritime Affairs and the Blue Economy
MTWWR	Ministry of Transport, Works, and Water Resources

ABBREVIATIONS	
NDC	Nationally Determined Contribution
NCRIPP	National Coastal Risk Information Planning Platform
NCST	National Council of Science and Technology
NEMS	National Emergency Management System
OAS	Organization of American States
OVE	Office of Evaluation and Oversight
P&D	Planning and Development
PBP	Policy Based Programmatic Loan
PCR	Project Completion Report
PDP	Physical Development Plan
PIU	Public Investment Unit
PMCU	Project Management Coordinating Unit
PMO	Prime Minister's Office
PPO	Principal Payment Option
PPP	Public-Private Partnership
PSSEP	Public Sector Smart Energy Program
POD	Proposal for Operation Development
R2RP	Roofs to Reefs Program
RDC	Rural Development Commission
RE	Renewable Energy
SBRC	Sustainable Barbados Recycling Centre
SDG	Sustainable Development Goals
SOE	State-Owned Enterprises
SM	Stormwater Management
SPF	Safeguard Policy Filter
SSA	Sanitation Services Authority
SW	Stormwater Management
SWM	Solid Waste Management
TCDPO	Town and Country Development Planning Office
UDC	Urban Development Commission
UNESCO	United Nations Educational, Scientific and Cultural Organization

PROJECT SUMMARY
BARBADOS
SUSTAINABLE DEVELOPMENT POLICY PROGRAM II
(BA-L1052)

Financial Terms and Conditions				
Borrower			Flexible Financing Facility ^(a)	
Government of Barbados			Amortization Period:	20 years
Executing Agency			Disbursement Period:	1 year
Ministry of Finance, Economic Affairs, and Investment (MFEI)			Grace Period:	5.5 years ^(b)
Source	Amount (US\$)	%	Interest rate:	LIBOR Based ^(c)
IDB (Ordinary Capital):	100,000,000	100	Credit Fee:	^(d)
			Inspection and supervision fee:	^(d)
Total:	100,000,000	100	Weighted Average Life (WAL):	12.75 years
			Currency of Approval:	Dollars of the United States of America
Project at a Glance				
<p>Project Objective/Description: The objective of the programmatic policy-based loan series aims to improve the country's governance for sustainability through the strengthening and modernization of the regulatory framework. The specific objectives of the second policy-based programmatic loan (PBP) are to advance the ongoing regulatory reform efforts to improve: (i) the efficiency and sustainability of spatial planning, development control, and water resource management; (ii) natural asset management; and (iii) disaster risk management and resilience.</p> <p>This operation is the second of three consecutives, independently financed but technically interrelated one-tranche programmatic policy-based loans, in accordance with the Policy-Based Loans: Guidelines for Preparation and Implementation (CS-3633-2).</p>				
<p>Special Contractual Condition prior to the single loan disbursement of the PBP: The single disbursement of loan resources will be subject to the Borrower's compliance with the policy conditions of the second operation summarized in the Policy Matrix (Annex II), and the Policy Letter, as well as the compliance with the conditions contained in the Loan Contract (¶3.2).</p>				
<p>Exceptions to Bank Policies: None.</p>				
Strategic Alignment				
Challenges ^(e) :		SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Cross-Cutting Issues ^(f) :	GE <input type="checkbox"/> and DI <input type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input type="checkbox"/>	IC <input checked="" type="checkbox"/>	

^(a) Under the Flexible Financing Facility (FN-655-1), the Borrower has the option to request modifications to the amortization schedule, as well as currency, interest rate, commodity conversions, and catastrophe protection conversions. In considering such requests, the Bank will take into account operational and risk management considerations.

^(b) Under the flexible repayment options of the Flexible Financing Facility (FFF), changes in the grace period are possible as long as the Original Weighted Average Life (WAL) and the last payment date, as documented in the loan agreement, are not exceeded.

^(c) Consistent with document FN-729 “(Strategy and operational Readiness for the Execution of the Libor Transition for the IDB Balance Sheet)” and document CF-257-1 “(Base Rate Replacement for Sovereign Guaranteed Libor Based Loans),” this Loan will be subject to the SOFR based interest rate either based upon notice to the Borrower by the Bank, or upon the request by the Borrower, in accordance with the provisions of the Loan Contract.

^(d) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors during its review of the Bank's lending charges, in accordance with the relevant policies.

^(e) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(f) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and justification

- 1.1 **Macroeconomic context.** Before the COVID-19 pandemic, Barbados faced severe macroeconomic challenges, which led to an ambitious fiscal reform program. Slowing economic growth, which declined from an average of 1.4% (2000–2009) to 0.0% (2010–2018), coupled with recurring fiscal deficits, resulted in a quick escalation of debt. By FY2017/18, the debt-to-GDP ratio reached 158.3% of Gross Domestic Product (GDP).^{1,2} In response, the Barbados Economic Recovery and Transformation Program (BERT) was launched by the Government in August 2018, which became the underlying framework for a four-year International Monetary Fund (IMF) Extended Fund Facility (EFF) program, signed in October 2018. Following the initial implementation of the reforms, including the completion of the debt exchange, the debt-to-GDP ratio declined to 124.8% in FY2019/20, and the fiscal balance improved from -2.6% in FY2017/18 to 5.7% in FY2019/20.
- 1.2 Being a tourism-dependent economy, the COVID-19 pandemic represented a severe economic shock, with real GDP falling 18.0% in 2020 and unemployment peaking at around 25%. Higher government expenditures coupled with lower revenues resulted in a debt-to-GDP ratio of 156.8% and a fiscal deficit of 1.8% in FY2020/21. Barbados has remained committed to the BERT and EFF³ program, but targets have been adjusted, reflecting worsening economic conditions.⁴ The Government is facing extreme financial circumstances while still pursuing comprehensive reform. This operation will thus contribute to these efforts, offering multiyear financing that supports a gradual regulatory reform process.
- 1.3 **The importance of sustainable development in Barbados.** Sustainability implies adequately considering medium-term and long-term economic and financial, environmental, social, and institutional impacts and feasibility when planning, designing, constructing, operating, and decommissioning systems and investments.⁵ In Barbados, sustainability is essential for three primary reasons: (i) most of the productive assets and attractive prospective development opportunities are coastal in location,⁶ requiring a careful approach to coastal zone land management and assessing and managing environmental risks; (ii) the island is a water-scarce territory with most of its potable water supply derived from groundwater, requiring strategic management of stormwater and groundwater contamination risks associated with human activity; and (iii) as with other Caribbean countries, the country is exposed to increasing natural hazard and climate change risks, requiring deliberate attention to resilience and disaster risk policies to safeguard lives, investments, and the economy (see Figure 1). The

¹ Macroeconomic data is obtained from International Monetary Fund (IMF) World Economic Outlook (WEO) April 2021.

² Fiscal year in Barbados runs from April 1 to March 31.

³ The Extended Fund Facility (EFF) program approved in October 2018 amounted to US\$290 million. After the approval of two augmentation requests, the program now amounts to US\$464 million, of which US\$415 million have been disbursed so far. IMF, 2021.

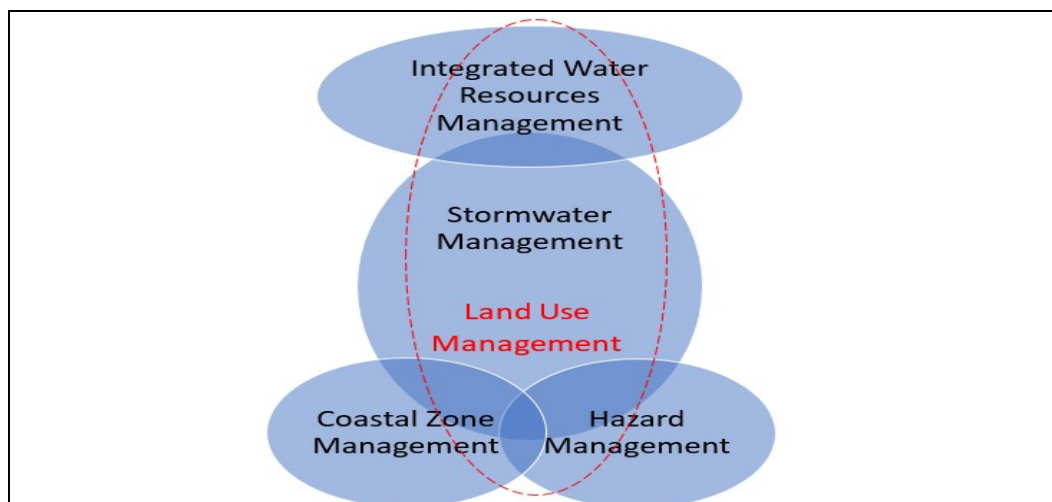
⁴ For example, quantitative targets for primary fiscal balance and fiscal balance have been revised downwards on several occasions, and certain structural benchmarks have been postponed.

⁵ Adapted from the definition of Sustainable Infrastructure in reference.

⁶ Specifically, the contribution of Travel and Tourism to Gross Domestic Product (GDP) was, 40.6% of GDP in 2017 when considering indirect effects.

IMF-EFF October 2018 report underscored that risk-based coastal planning, long-term shoreline planning, and beach enhancement, including promoting hazard-resilient coastal infrastructure, will be necessary.

Figure 1. Sustainable Development Intersections in Barbados

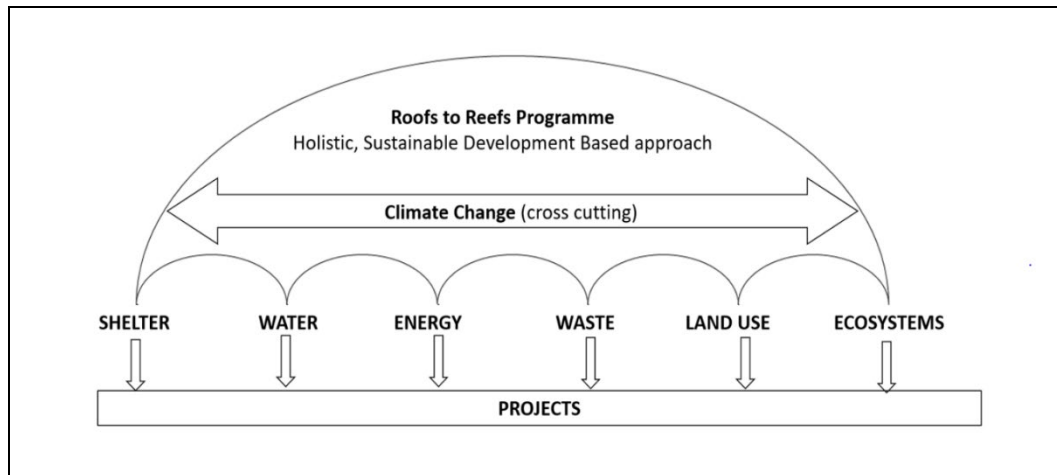


Source: Adaptation Measures to Counteract the Effects of Climate Change (AMCECC) with a Focus on Water Resource Management and Flood Resilience, Comprehensive Final Report (Baird Associates, 2017).

1. Program strategy

- 1.4 Transitioning the economy to a more sustainable path. As evidenced by emblematic investment programs on coastal zone management, solid waste management, and sustainable energy, Barbados has been actively pursuing the transition to a more sustainable economic path over the years. The current stage of transitioning to a more sustainable approach is being operationalized through the Government's flagship Roofs to Reefs Program (R2RP), a holistic, integrated, national initiative based on the principles of sustainable development and climate change resilience.
- 1.5 There are two main elements of the R2RP: (i) investments in increasing resilience and sustainability in the built environment and coastal zone, water resource management, and other natural capital systems, as well as measures to improve the country's ability to recover quickly post-disaster; and (ii) a shift to 100% renewable energy and carbon neutrality by 2030, an agenda that the Bank is actively supporting outside of this Policy-Based Program (PBP) operation.
- 1.6 The R2RP, whose Concept Note was formally approved by the Cabinet in December 2019 as part of the first PBP operation (4987/OC-BA), provides an overarching framework to address the country's most significant challenges in key sectors as a response to the impacts of climate change (see Figure 2). To create an enabling environment for accomplishing the R2RP, a range of regulatory provisions must be created or amended. This PBP operation focuses on the most critical parts of that reform agenda.

Figure 2. Overview of the R2RP



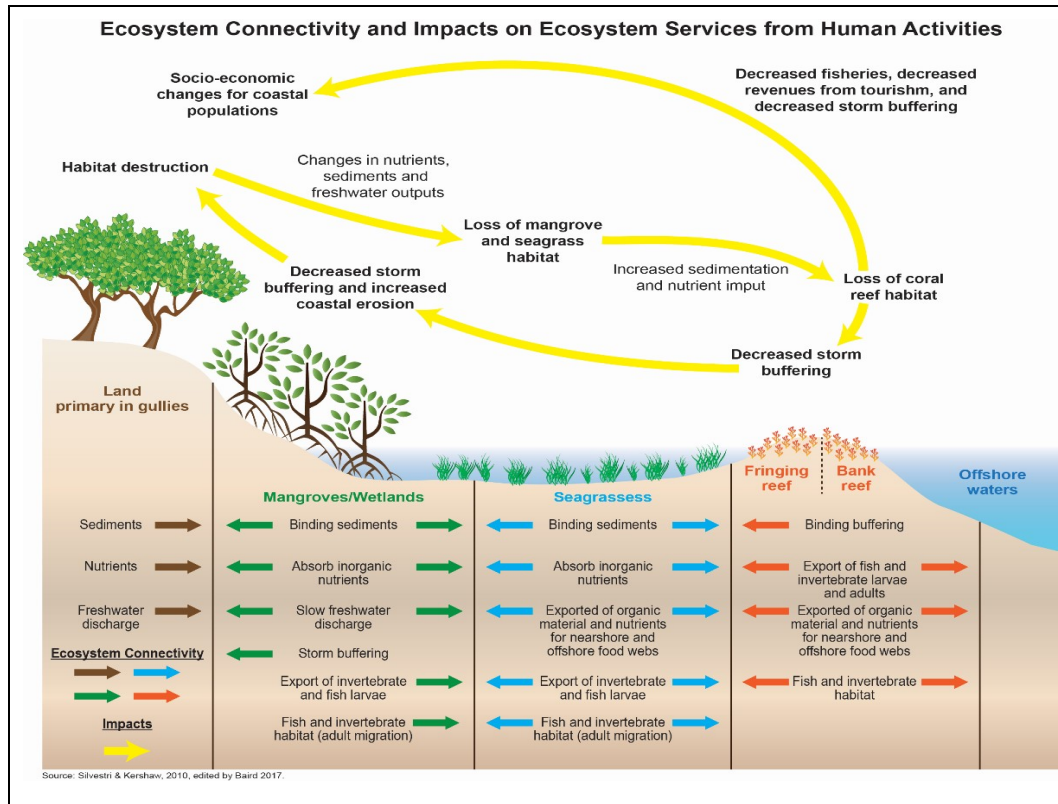
Source: Government of Barbados, 2020.

- 1.7 From a public policy perspective, the regulatory framework needs to be strengthened in three critical areas (outside of the energy sector) for the success of the R2RP: (i) spatial planning, development control, and water-resource management, with an emphasis on land use management, stormwater management, and groundwater zoning; (ii) natural asset management with an emphasis on the coastal zone and natural capital management, and solid waste management; and (iii) disaster risk management and resilience, with an emphasis on disaster risk management programming, disaster risk financing and financial protection, disaster risk identification and assessment, and adaptation and mitigation measures to address disaster risks associated with climate change.
- 1.8 These three areas (§1.7) are the focus of this operation, which is the second of three consecutives, independently financed but technically interrelated one-tranche programmatic policy-based loans. The first loan for US\$80 million, 4987/OC-BA, was approved by the Bank's Board in March 2020. After receiving a Disbursement Waiver on two of the original ten Policy Conditions, in April 2020 as the pandemic's economic effects began to be felt, that loan was fully disbursed in the same month. The request for the third loan is anticipated in 2022.
- 1.9 Outcomes in each of these three thematic areas are contingent upon progress and coherence of action in the other two. By some characterizations, all of Barbados, terrestrial space, a mere 166 square miles, is a coastal zone with very strong eco-system connectivity (see Figure 3). With a population density of 669 persons per square km, one of the highest in the world,⁷ human activity including built development, and agriculture have very direct impacts on the quality of ground water and the nearshore environment. The situation is compounded by stormwater pollution (exacerbated during a natural disaster) caused by the erosion of topsoil, inundation of sewage and septic systems, improper agricultural practices, and improper disposal of solid and liquid waste. This has adverse downstream impacts on potable water aquifers, as well as sensitive coastal and marine ecosystems, beaches, coral reefs, and mangroves. The concentration of physical assets and capital associated with high population density, and the high dependence of the

⁷ Barbados' population density ranks 16th highest out of 232 countries in the 2021 World Population [\(World Population Review\)](#).

economy on its natural assets, especially its beaches and reefs, create the perfect storm for major losses and disruptions from natural disasters. Addressing sustainability challenges in a meaningful way therefore requires coherence in the conceptual and regulatory frameworks that span spatial planning, water resource management, solid waste management, coastal zone management, blue economy planning and disaster risk management, hence the deliberate and integrated emphasis on these sectors in this programmatic operation.

Figure 3. Eco System Connectivity in Barbados



2. Sustainability in the context of spatial planning, development control, and water resource management

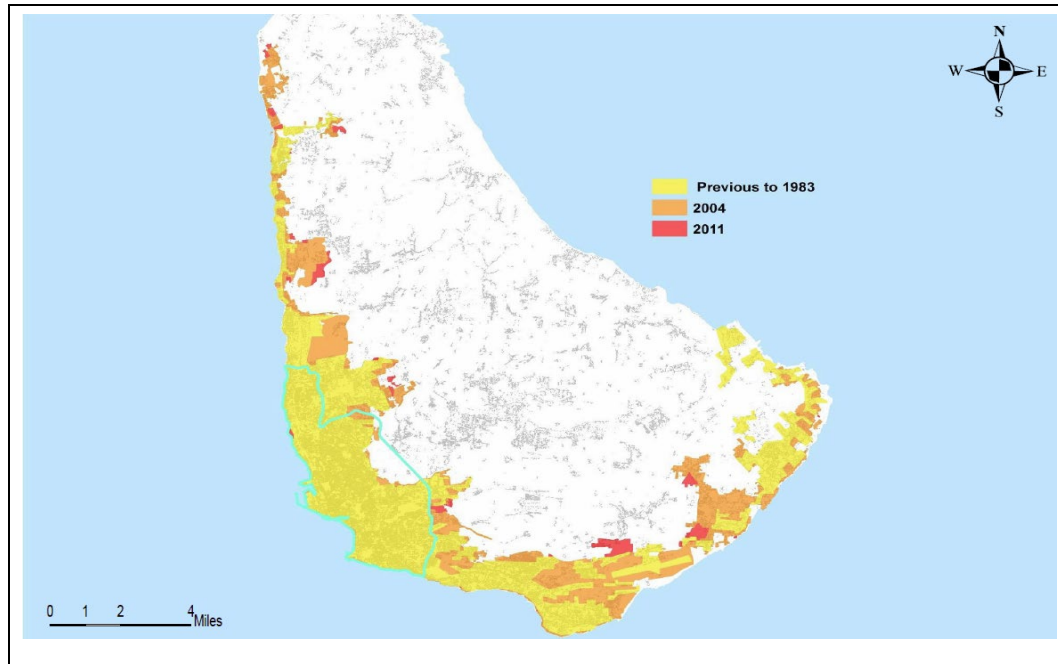
a) Land use management and development control

- 1.10 A dated regulatory framework for spatial planning and development control has hindered the efficiency and sustainability of built development⁸ and investments. Between 1983 and 2011, inefficient spatial expansion saw the density of Barbados' Urban Corridor decrease by 22%, with an increase of built development into highly sensitive groundwater zones, particularly on the west coast (see Figure 4). This trend is associated with a hollowing-out of the Greater Bridgetown Area (GBA)—11% of dwelling units in St. Michael (the parish which contains Bridgetown) were vacant in 2011, compared to 7% in 2000. In 2018, the per capita emissions balance in the GBA was 4.361 Metric Ton of CO₂e – relatively high by Latin America and

⁸ Commonly understood to include the construction of man-made features such as buildings, infrastructure, and public facilities that provide the setting for human activity.

the Caribbean standards.⁹ Under fiscal pressure, average infrastructure investment (gross fixed capital formation) declined from 18.4% of GDP (2005-2011) to 15.9% (2012-2018), contributing to an aging infrastructure stock that hampers economic growth.

Figure 4. Evolution of the built Footprint within the Urban Corridor (1983-2011)



Source: Emerging and Sustainable Cities Initiative: Urban Growth Study for the GBA.

- 1.11 Compared to a trend-scenario,¹⁰ 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, a significant saving that could contribute to fiscal balance targets under the EFF.
- 1.12 The regulatory framework, including the Town and Country Planning Act of 1965, was not perceived as facilitating investments that could bolster economic growth and sustainable development. This was partly evidenced by Barbados' ranking of 153rd out of 190 countries for Dealing with Construction Permitting, mainly because of the slowness of the approval process.¹¹ The 1965 Act is being replaced by the Planning and Development (Amendment) Act of 2020 as part of the reforms under the first PBP operation (4987/OC-BA).
- 1.13 This new legislation is pending proclamation following amendments approved by Parliament in June 2020. The proclamation, a Policy Matrix condition of the first operation, was the subject of a Disbursement Waiver granted in April 2020 and is now expected to be completed before the end of 2021 (¶1.66). The Act's proclamation is to be accompanied by the most critical Regulations, including the

⁹ Based on Barbados' Second National Communication of 2010, the primary source of Greenhouses Gases emissions is carbon dioxide, primarily from energy, including domestic transport (73.7%), waste (14.9%), and industrial processes (8.5%).

¹⁰ The trend scenario is based on continued physical expansion and decreases in population density according to historic rates.

¹¹ <https://www.doingbusiness.org/en/data/exploreconomies/barbados>

General Development Order and Environmental Impact Assessment Regulations being laid in Parliament subject to Negative Resolution. The Act aims to change the orientation of the Town and Country Development Planning Office (TCDPO) from primarily being a regulator of development to one that is more facilitative of sustainable growth and investment by changing the interface with prospective developers, the efficiency of the planning process, enhancing transparency, accountability, predictability, and public participation in development planning, and strengthening how development impacts, particularly environmental impacts, are considered.

- 1.14 Under the new legislation, decisions to deny or require conditions to a planning application must be given in short and specific time frames. In addition, the technology-based E-Planning System of the Town and Country Development Planning Office, introduced in February 2019 to facilitate more efficient consultation with regulatory stakeholders in the public sector, began accepting applications for planning permission and online payment in the second quarter of 2021 – a reform that forms part of the second operation in this PBP.
- 1.15 In addition, the Physical Development Plan (PDP) provides the policy framework to guide development. The current PDP (amended in 2003) is in the process of being updated. The updated PDP is intended to provide a vision for sustainable growth and development of the country by setting out policies to guide relationships among land uses, built form, mobility, community facilities, and physical infrastructure. It is also intended to be a framework in Barbados to facilitate and guide public and private investment up to 2035 and harmonize development planning with many new realities and international accords since 2003.
- 1.16 In the last two years, a new emphasis of the PDP update was on the urban revitalization of the GBA as a strategy to accommodate population growth and economic activity without the need for new land. The appetite for such revitalization appears to be there, with 56% of national respondents in a January 2020 public opinion survey indicating that they would consider Bridgetown as a place to live if there were more modern and affordable housing options. Likewise, almost half of respondents (48%) cited the night-time opening of shops, restaurants, bars, and clubs as an effective motivator for them to visit the city more often.¹²
- 1.17 The statutory process for Consultation on the PDP update was accomplished in 2017 and the current activity focuses on more targeted updates on topics such as affordable housing, reinvestment/urban regeneration areas, (discussed above) and territorial use for renewable energy. In December 2021, Cabinet is expected to approve the latest draft for a new round of consultations. This action, a Policy Matrix condition of the first operation, was also the subject of a Disbursement Waiver granted in April 2020, and is now expected to be completed before the end of 2021 (¶1.68). The consultation around these updates is to be conducted online and led by a group of experts. Following this, the changes from the 2003 version would be formalized, and an amended PDP would be approved. This approval, anticipated to occur in 2022, together with the enhanced recognition of the PDP in the new Planning and Development (Amendment) Act, would give the PDP much more weight in guiding Barbados' development towards a more sustainable path.

¹² IDB 2021 forthcoming: Bridgetown Regeneration – What the man in the street thinks.

- 1.18 **Urban mobility challenges.** Given the pattern of physical development that occurred in recent decades and as described above, the GBA has significant urban mobility challenges, as revealed by the Bank's Emerging and Sustainable Cities Initiative (ESCI) diagnostic studies. Road congestion is so severe that it has become a limitation on people's ability to conduct business and go about their daily lives. Greenhouses Gases (GHG) emissions from the transportation sector are the highest of any economic sector. In this regard, a Sustainable Urban Mobility Plan for the GBA and the Urban Corridor is needed. Such a Plan is currently under preparation and its finalization is part of the third phase of this PBP reform agenda. It aims to upgrade the public transport system (fleet renovation, payment systems, tracking systems, and demand management), introduce bicycle lanes, connected sidewalks and accessibility measures, and parking management policies. Effective April 2021, the Government's procurement policy is to prioritize the purchase of electric or hybrid vehicles, where possible.^{13, 14}
- 1.19 **Overall development impact.** The net effect of this reformed regulatory framework for land use planning and development control, comprising an updated law, revised PDP, and Sustainable Mobility Plan that is under development, is two-fold. Firstly, reducing uncertainty and transaction costs associated with an application for planning permission will likely encourage investment as prospective developers will: (i) know the development priorities of the Government; (ii) have a clear understanding of the types of development that are permitted in specific areas; (iii) receive interim-feedback on their proposals; (iv) have their applications determined in a predictable timeframe; and (v) be encouraged by the prospect of fair treatment based on increased transparency. Secondly, given the increased emphasis on the new and proposed regulatory instruments on mitigating potentially adverse environmental impacts, the sustainability of investment outcomes is likely to be enhanced. By restricting new development in environmentally sensitive zones and focusing on the revitalization of the GBA through the PDP and by applying impact assessment and empowerment of agencies with a robust environmental mandate under the new law, will likely incentivize more efficient use of land, diverting development pressure away from more environmentally sensitive areas. For ease of reference of understanding the sectoral reform logic in its entirety, please refer to Table 1.

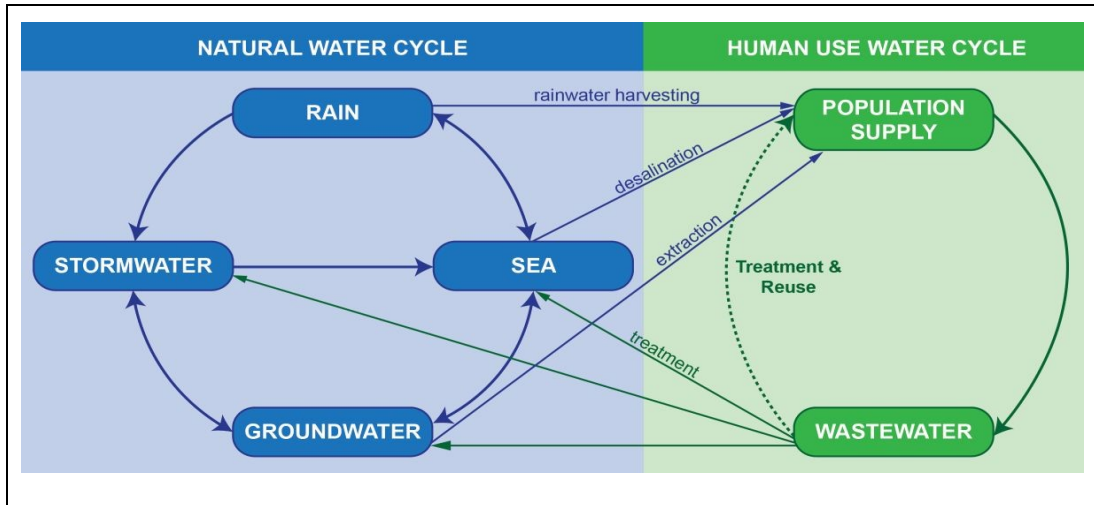
b) Stormwater management and groundwater zoning

- 1.20 Most of Barbados' potable water supply comes from ground water through wells, boreholes, and springs. Therefore, water quality is a critical consideration when addressing stormwater usage. The intrusion of flood waters in wastewater systems can overwhelm the systems and directly impact human health and the health of terrestrial and aquatic ecosystems. Another major concern is the presence of nutrients in surface water and groundwater throughout the island. Much of that groundwater makes its way to the nearshore environment. Consequently, coral reefs and other coastal aquatic life are under stress due to nutrient loading. A major contributor to nutrient loading is the discharge of residential and commercial sewage wastes directly into the ground (see Figure 5).

¹³ The government-owned transport fleet currently operates 35 EV buses, and the Barbados Transport Board's intention is to operate a fully electrified fleet by 2030.

¹⁴ See Government of Barbados, 2021. [Barbados 2021 Update of the First Nationally Determined Contribution](#)

Figure 5. Water Cycle: Natural versus Human Use



Source: AMCECC, Comprehensive Final Report. Baird Associates, 2017

- 1.21 These risks may become more severe in the future since Caribbean climate change models have projected that mean annual precipitation could decrease by a maximum of 39% and mean annual air temperature could increase between 1.4 to 3.2 degrees Celsius. A reduction in annual rainfall could lead to increased concentrations of potential contaminants in groundwater. At the same time, increased rainfall intensity may exacerbate flooding risks. Finally, sea-level rise will likely cause coastal erosion and flooding, impacting the beaches that protect Barbados' coastal regions, which are a vital asset to the economy. These factors emphasize the need for stronger regulation on stormwater management and groundwater zoning.
- 1.22 Following the approval of a Stormwater Management Plan based on integrated water resources management principles under the first PBP operation, several activities are currently underway at the national level to increase the sustainability of water resources through the recharge of aquifers. This includes the completion of two Check Dams for aquifer recharge in two watersheds. There is work underway on a Cabinet Paper focusing on opportunities for aquifer recharge and another Cabinet Paper on the cleaning of drainage wells to recharge aquifers. At the household level, guidelines and protocols for rainwater harvesting are being prepared by an inter-sectoral Committee.
- 1.23 Considerable progress has also been made on the Water Protection and Land Use Zoning. The regulatory framework for protecting groundwater through restricting development according to various zones is being updated to include protection of coastal waters, protection from chemical contamination, particularly nitrates ($\text{NO}_3\text{-N}$), and taking cognizance of the need to balance the needs for development and protection better. Following the passage in Parliament of the Water Protection and Land Use Zoning Green Paper under PBP I, public consultations have been concluded, leading to a Report making recommendations to amend the Barbados Water Authority Act to include enforcement powers related to ground water protection and to begin drafting of the corresponding Bill, the Water Order Bill. Finally, the zone boundaries and GIS demarcation have been completed and remitted to the Town and Country Development Planning Office.

- 1.24 The Government of Barbados has embarked on several measures to improve wastewater management and augment its water resources by reusing the reclaimed water from wastewater for groundwater recharge, irrigation, and other uses. These measures include the approval of the Water Reuse Policy in April 2019, on-going work on preparing and enacting a Water Reuse Act, the approval of upgrading of the two (2) existing sewage treatment plants to tertiary level, and construction of a reclaimed water distribution network. Concerning water reuse, the CPC is currently in the process of drafting the Bill. Other critical supporting activities are ongoing such as, the environmental impact assessment of treated wastewater effluent for aquifer recharge or farming and discussions on upgrading the South Coast Sewage Treatment Plant to tertiary level.

3. Sustainability in the context of natural capital management

a) Coastal zone and natural capital management

- 1.25 Environmental sustainability in Barbados is further compromised by regulatory gaps pertaining to the use of natural assets, especially in the coastal and marine environments. In the coastal and maritime space, a recent assessment¹⁵ finds inadequate regulatory risk screening of new investment proposals and deficient management of new threats: e.g., inundation by excessive Sargassum blooms.¹⁶ Barring more investment in coastal resilience, 18% of commercial and 4% of residential buildings, respectively as a percentage of GBA total building value, are vulnerable to inundation in a 1 in 100-year storm surge flood event.¹⁷ An improved regulatory framework could mainstream such investments that have been found to boost medium-term economic growth.¹⁸
- 1.26 Coastal Zone Management (CZM) continues to be a vital component of the sustainability agenda of Barbados, given the critical importance of coastal assets and services to the country's economic, social, and environmental foundation. Sustainability and growth of many facets of the blue economy, such as the fishing and sea-food industry, waterfront retail and service activities, yachting and watersports, and marine life and reef exploration, all stand to benefit from ongoing efforts to strengthen CZM regulation. Sustainability in the coastal zone is also advanced by a strong adaptation program to climate change that focuses on improving the resilience of water resources that implements measures to reduce the impacts or intensity of flooding on coastal areas. This enhances the quality of water entering the nearshore environment, reinforcing the dependence of outcomes in the CZM on the first part of this PBP reform agenda related to spatial planning, development control, and water resource management.
- 1.27 Modernization of the Integrated Coastal Zone Management (ICZM) Policy and Planning. Before the first PBP operation, ICZM Policy (1998) was not disaster and climate change risk informed. This situation changed in 2020 with the approval of

¹⁵ See Institute for Governance of Private and Public Organizations (iGOPP) 2020. [Report developed by the IDB](#) which measures whether a country has adequate legal, institutional, and budgetary conditions to implement a public DRM policy.

¹⁶ Sargassum is a brown, floating, marine macro-algae that forms dense floating masses in tropical Atlantic waters. Recent blooms are linked to increased ocean warming due to climate change and nutrient loading (eutrophication) of coastal waters.

¹⁷ Results from a query of the National Coastal Risk Information Planning Platform (2019), in communication provided by the Barbados Coastal Zone Management Unit (CZMU).

¹⁸ Corral L. and Schling M. (2017). The impact of shoreline stabilization on economic growth in small island developing states. *Journal of Environmental Economics and Management* 86 (2017) 210–228.

the "risk resilient" ICZM Policy (2020-2030) based on state-of-the-art coastal hydrodynamic modeling and supported by a foundation of more precise Lidar bathymetry that has subsequently been collected for all coasts. The Government has continued its trajectory to develop an updated ICZM Plan.

- 1.28 The updated ICZM Plan that forms part of this second operation in the PBP is expected to improve future national ICZM planning through local adaptation/customization of international ICZM knowledge gains and will include specific management guidance for emergent and escalating issues including but not restricted to: (i) deluges with Sargassum; (ii) coastal resources exploration and exploitation; (iii) coastal habitat/ecosystem restoration; (iv) conservation management; (v) beach management; (vi) construction and maintenance of coastal structures; (vii) Disaster Risk Management (DRM) and Climate Change Adaptation (CCA); (viii) public awareness; and (ix) research. The Order delineating the jurisdictional boundaries of the coastal zone, the new ICZM plan and the report on public consultations held to present the draft new ICZM plan to stakeholders was presented to the Minister of Maritime Affairs and the Blue Economy and the Plan is expected to be submitted to the Cabinet by the end of November 2021.
- 1.29 A series of virtual public consultations on the revised ICZM Plan concluded in July 2021. They were structured according to the five priority themes: (i) the vision and description of the characteristics of the coast, based on the last existing baseline and risk assessment studies undertaken by the CZMU; (ii) key issues and challenges to be faced and definition of policy goals for coastal management; (iii) national guidance on general themes relevant to supporting development decision-making within the defined Coastal Zone Management Area (CZMA); (iv) an action brief for each ICZM plan sub-area, tabulating issues, likely implementation pathways, and identifying lead and supporting agency timeframes; and (v) key requirements for implementation, approval processes as well as monitoring and evaluation procedures.
- 1.30 The ICZM reform efforts previously identified (¶1.26 through ¶1.30) are expected to be complemented by the development and approval of plans to incorporate the quantitative value of natural capital and the ecosystem services they provide into contemporary national public budgeting and accounting systems, along with an operational plan on how the Government intends to materialize its Blue Economy ambition. A range of valuation methodologies that could be pursued to value natural capital (referred to as the Roadmap for Valuation) was developed under the Government's IDB-financed Coastal Risk Management Program (BA-L1014, 2463/OC-BA), which concluded in 2020.
- 1.31 The Government has since developed a profile that characterizes the probability of beach loss, including a valuation of the cost of the losses. This profile is based on developing and applying a probabilistic risk assessment methodological model of beach erosion induced by episodic cyclonic hazard events and the chronic effects of prevailing oceanographic climate. Risk is expressed in direct and indirect economic losses due to expected repair costs, downtime, and income losses in tourism visitation and touristic usage in affected beach areas. It presents a national exposure model, including the geographic distribution of the most representative beach types and their economic valuation based on tourism revenue. It quantifies the probable economic impact of beach erosion on Barbados. A subsequent step that is needed is developing an Action Plan for simple, cost-effective coastal/marine resource valuation and approaches on how best such valuations

can be incorporated into national assets accounting, thereby influencing public and private policies and decision-making.

- 1.32 The Government has begun exploring the scope for private impact investing through innovative instruments. Notably, the Ministry of Maritime Affairs and the Blue Economy (MMABE) has been collaborating with The Nature Conservancy (TNC) to establish a conservation trust fund in Barbados as part of a maritime Debt for Nature Swap to draw the linkage between reducing a country's debt and protecting its environment. However, for these and other initiatives related to the *blue economy* to fully materialize, a strategic approach and capacity strengthening of the MMABE are required, including considering feasible prospective Public-Private Partnership (PPP) approaches.
- 1.33 In 2018, Barbados established the MMABE to stimulate economic growth through the sustainable use of ocean resources and a shift towards economic recovery, diversification, and transformation. With the support of the IDB, The Integrated Blue Economy Policy Framework and Strategic Action Plan was developed in the period since the first operation was approved. The Framework emanates from the Government of Barbados' commitment to the balanced prioritization of the interlinked economic, environmental, and social sustainability pillars, which underpin the Sustainable Development Goals (SDG) framework. It marks a significant shift from self-identifying as a member of the vulnerable Small Island Developing States grouping, constrained by limited terrestrial resources, to a resilient nation striving to be a Large Ocean State underwritten by a vast blue asset base. The Framework, which was the subject of public consultation in 2021, aims to create and implement a governance arrangement that enables inclusive and distributive economic growth within the limits of healthy and resilient marine ecosystems. It follows the fundamental assumption that environmental degradation must be decoupled from socio-economic development and implies that decision-making must be supported by science and have a robust evidence basis.

b) Solid Waste Management

- 1.34 Solid Waste Management is another critical area that impacts the sustainability of development patterns, particularly given that Barbados is merely 166.4 square miles. Improperly managed solid waste poses a threat to the environment, particularly groundwater resources and the coastal waters and beaches, underscoring the inter-relationship between solid waste management and the earlier discussed aspects of this PBP reform agenda related to water resource management and CZM.
- 1.35 Since the 1980s, Barbados has experienced significant improvements in waste management, particularly in the recovery of recyclables that came with the establishment of the PPP that constructed and is operating the Sustainable Barbados Recycling Centre (SBRC) in 2009. As a result of the operation of the SBRC, 70%¹⁹ of solid waste has been diverted from landfills, not counting the amount recovered by private sector recycling entities. Nevertheless, significant gaps still exist in the institutional, legal, and regulatory framework. These pertain to managing solid waste and the associated environmental threats, considerations for the circular economy, and source separation.

¹⁹ Personal communication with the Programme Coordinator, January 2020.

- 1.36 The proposed remedy includes a Solid Waste Management Act that would provide a comprehensive legislative framework for the ISWMP. The Act would be an upgrade to the existing Health Services Act (Cap. 44). It will include updated regulations for the operation of solid waste facilities, covering waste brokers, recyclers, transfer stations, materials recovery facilities, and registration of waste haulers. It will better define the roles of the SSA, EPD, and other agencies. The Act will address fines and custodial sentences for those who infringe its provisions through illegal dumping and littering. Among other measures, it will target the behavior of some haulers who skirt around existing legislation and dump their waste in abandoned quarries without incurring any penalties, as reported in the [2015 Waste Characterization Study](#).
- 1.37 Drafting Instructions for the new Solid Waste Management (SWM) Bill were prepared in 2015 and need updating. This is being addressed through two ongoing actions. The first is the preparation by the Ministry of the Environment and National Beautification of Guidelines and Protocols for the Operation of Solid Waste Management Facilities, an essential aspect of SWM. The second is a characterization of the solid waste management system of the country from a legal/regulatory and institutional framework perspective due to being completed in September 2021. The interim findings of these two assignments are to guide a third assignment to update the specific Drafting Instructions for the SWM Bill. The Bank is directly supporting the second and third assignments.

4. Sustainability in the context of disaster risk management and resilience

a) Disaster risk financing and financial protection

- 1.38 Fiscal shocks from losses and contingent liabilities associated with natural hazards and climate change could undermine the EFF reforms. These costs include providing emergency assistance to affected populations; support for repair or reconstruction of affected homes and institutional buildings, many of which were not built to withstand the current threats; early restoration of lifeline infrastructure; rehabilitation, replacement, and reconstruction of public assets; and the general loss of tax revenue. Through the National Coastal Risk Information Planning Platform (NCRIPP), probable losses from 100-year return period wind and coastal storm surge events are estimated at US\$0.5 billion and US\$325 million respectively for the residential housing sector alone. Regional projections also suggest that climate change is exacerbating this situation by increasing the frequency and severity of existing coastal hazards and generating new types of threats such as sea-level rise.²⁰ In this context, the national disaster fund, which was created in 2007 through the Catastrophe Fund Act, has had very limited reserves (public budget of US\$1.25 million per year) and public expenditures for DRM activities have consisted mainly of the DEM's annual estimated budget of US\$0.6 million.²¹
- 1.39 A 2018 Comprehensive Disaster Management (CDM) Audit²² found notable weaknesses in the area of recovery, including: (i) recovery planning, including

²⁰ Under a high carbon emissions scenario, the median 21st-century sea-level-rise projection ranges from 0.74-0.83 m across 12 tide gauges in the Caribbean Basin.

²¹ IDB (2019). Public Expenditure Review for Barbados: Climate Change and Disaster Risk Management Analysis.

²² The CDM Audit comprises a set of internationally accepted standards (or criteria) for each phase of the disaster cycle- mitigation, preparedness, response, and recovery.

establishing and strengthening ex-ante risk financing options; (ii) business continuity planning, particularly among micro, small, and medium enterprises; and (iii) mechanisms to support the psychological recovery of the population post-disaster.

- 1.40 Given the threat posed by natural disasters and climate change, the Government of Barbados has taken several measures to strengthen its financial resilience. The country has purchased insurance protection through the Caribbean Catastrophe Risk Insurance Facility (CCRIF) against hurricanes, excess rainfall, and earthquakes. Since 2010, the CCRIF has made eight (8) payouts to Barbados, totaling US\$21,774,135 million. Another significant measure is the introduction in 2019 of debt instruments with a disaster-linked clause, allowing for an automatic extension of debt service in the event of a disaster. The clause coverage extends to hurricanes, earthquakes, and rainfall. Its trigger is conditional upon material loss above a prearranged threshold by the Caribbean Catastrophe Risk Insurance Facility under the authorities' catastrophe insurance policy. It allows for capitalization of interest and postponement of scheduled amortization falling due for two years, following the incidence of a major natural hazard. This provision is accommodated in IDB sovereign-guarantee loan contracts with borrowing member countries with a Contingent Credit Facility (CCF) through the inclusion of a Principal Payment Option (PPO) provision in the General Conditions.
- 1.41 Bolstering financial protection and risk retention capacity through a contingent loan is another crucial step in improving the country's natural disaster risk financial management complementing its policy with the CCRIF. In this regard, a Contingent loan was approved by the Bank in December 2020 (BA-O0004). The operation, granted through the Contingent Credit Facility for Natural Disaster and Public Health Emergencies (CCF, Modality I) (GN-2999-9) for a total amount of US\$80 million, will provide stable, cost-effective, and quick access contingent financing to cover extraordinary public expenditures during emergencies caused by severe or catastrophic natural disasters.
- 1.42 **Financial Resilience and Stress-Testing of the Insurance Sector.** All institutions licensed by the Government, under Section 25 of the Financial Services Commission (FSC) Act 2010-21, are required to comply with the Commission's guidelines or risk revocation. In January 2021, the FSC issued a Guideline on Natural Disaster Stress Testing for Insurance Companies with Exposures in Barbados to 14 insurance companies operating in Barbados. Stress test results are expected to outline the baseline position of the respective insurance company followed by possible post shock results on the balance sheet and income statement. As of June 2021, no material complaints were recorded by the Government, with respect to objections or concerns in respect of their ability to comply with stress testing requirements as set out under the FSC guideline.

b) Disaster Risk Identification and Assessment

- 1.43 The 2018 CDM Audit mentioned above (¶1.39) found that Barbados' DRM capabilities in the areas of mitigation and recovery also urgently need strengthening. In addition to broader issues of policy, legislation, and regulations for reducing risk and building more resilient systems, the Audit emphasized the need for risk (hazard and vulnerability) identification and integration of this information into decision-making with an emphasis on the integration of

technology into DRM decision-making, mainly use of Geographic Information Systems.

- 1.44 Under the IDB-financed Coastal Risk Management Program (BA-L1014, 2463/OC-BA), the CZM Unit developed a web-based, digital risk information platform with data resolution and geo-referenced coverages that are national in spatial extent, which presents the added utility value of applied risk appraisal benefit for multiple sectors, beyond ICZM. This innovative, technological system, the NCRIPP, now affords key line agencies across Government access to a geo-referenced, query-able digital information system, where data coverages allow for both quantitative and qualitative natural hazard and climate change risk appraisal and analysis can be undertaken at sector/thematic level.
- 1.45 Since the Cabinet approval of use of the NCRIPP by the CZMU under the first operation, the CZMU has led an inter-disciplinary exercise to prepare a Strategic Plan for the integration of the NCRIPP within broader development planning and hazard management activities of the Government, not just in the coastal zone.

c) Adaptation and mitigation measures to address disaster risks associated with climate change



- 1.46 Barbados signed and ratified the Paris Agreement on April 22, 2016, which entered into force on November 4, 2016. Since then, Barbados' submitted its Updated Nationally Determined Contribution (NDC)²³ in July 2021 to the United Nations Framework Convention on Climate Change Secretariat. This commitment sets the basis for policies that will seek to ensure that Barbados is the first 100% green and fossil-fuel free island-state in the world, including an unconditional target of 35% reduction relative to business-as-usual emissions in 2030. The Integrated Resource and Resilience Plan (IRRP) will guide implementation of the BNEP in the electricity sector, including a number of scenarios for the transition used to develop the NDC.
- 1.47 The 2021 NDC update presents a further enhanced vision as it is based on the Roofs to Reefs Programme (R2RP), integrated public investment program founded on principles of sustainable development and climate change resilience. In this regard, the R2RP sets a holistic approach, that aims at improving the standard of living and quality of life of the most vulnerable segments of the population of Barbados, by improving social well-being of individuals and communities and significantly reducing the damage to property, loss of life, and the costs incurred after a severe weather event.
- 1.48 One element of the implementation of R2RP is a more resilient housing stock through roof fortification and retrofitting aimed to withstand up to Category 4 hurricanes. Installation of augmented disaster-resilient storage capacity for potable water at homes will further increase resilience. Specifically, drinking water shortages post-disaster can be mitigated by providing for improved rainwater harvesting. Under the R2RP, the Urban Development Commission (UDC) and the Rural Development Commission (RDC) will carry out retrofitting of vulnerable homes and replacing pit latrines. The UDC and RDC are expected to ensure that projects are executed following international and nationally recognized standards. To create the environment for consistent application, a policy, and protocols for retrofitting for resilience-building of low and middle-income structures

²³ [Barbados 2021. Update of the First Nationally Determined Contribution.](#)

are needed, as are guidelines for constructing climate-resilient housing for these population segments. This policy and guidelines now form part of the third phase of this PBP reform agenda. The retrofitting protocols need to be gender sensitive as the activities will occur in the confines of occupied homes, social environments where safety and privacy considerations must be prioritized, particularly for women and girls. This is particularly relevant since female-headed households are disproportionately represented among the vulnerable households to be targeted by policy and programming in this area. Diagnostic and consultative processes towards these ends are currently programmed with the support of an IDB-finance Technical Cooperation (ATN/OC-18433-BA).

- 1.49 **Progression of reforms.** Table 1 below summarizes the progression of reforms discussed in this Section. It includes references to measures that were part of the first PBP operation, and actions proposed for the second and third operations. It depicts a progressive deepening of the reform agenda with increasing specificity and scope to influence the behavior of agents whose actions produce the built and natural environment that is shared by all.

Table 1: Progression of Reforms		
PBP I →	PBP II →	PBP III
Consultative processes and launch of reforms	Consolidation of policies, plans, and regulations; Expansion of technological applications; Deepening of assessments	Parliamentary tabling of new laws or amendments; Establishment of protocols guidelines/models; Launch of supporting plans
Spatial Planning, Development Control, and Water Resource Management		
Proclamation of Planning and Development (P&D) Act (delayed)	Regulations for P&D Act; Expanded use of E-Planning System	
Consultation on PDP (delayed)	Technical Brief on revised PDP	Revised PDP Sustainable Urban Mobility Plan
Green Paper on water protection and zoning	Water Order Bill	Amendments to Water Authority Act; Water Order Act
Stormwater Management (SW) Plan updated	Guidelines and protocols for SW and rainwater harvesting	
	Water Reuse Bill	Water Reuse Act
Natural Capital Management		
ICZM Policy	ICZM Plan	ICZM Act
	Beach probable loss, valuation, and application	Action Plan for Natural Capital accounting
	Strategic Plan/Road Map for the Blue Economy	
Returnable Containers Act amendment	Guidelines and Protocols for Solid Waste Management Facilities	Solid Waste Management Act

Table 1: Progression of Reforms		
PBP I 	PBP II 	PBP III
Disaster Risk Management and Resilience		
CDM Work Program		Model for recovery; Protocols for private sector
	Contingent Credit Line	
NCRIPP for coastal zone	Strategic Plan for NCRIPP application island-wide	.
R2RP Concept	NDC update	Policy and gender-sensitive Protocols for resilience retrofitting of homes; Guidelines for climate-resilient construction

- 1.50 **Lessons learned.** The PBP II incorporates the lessons learned by the Bank in the design and implementation of programmatic operations to accompany policy reforms.²⁴ Some of these lessons are related to the importance of: (i) adequate sequencing of reforms and a gradual approach that combines regulatory progress with the technical capacity building reflected in part by not pairing policy development with legislation or implementation plans in the same phase of the reform series; (ii) ensuring the programmatic series is designed to minimize the risk that the reform will be unsustainable and ensuring alignment towards international commitments; and (iii) the Bank providing closer support to the Government during the implementation of institutional changes and policy measures through technical assistance.
- 1.51 As currently structured, the reforms are gradual, often progressing from policy to legislation or detailed Plan. A range of technical assistance complements the program for analytical, capacity building, and coordination assistance supporting the reform progression (§1.54). The risk of unsustainability is in part addressed by the reform commitment obligations of the Government under the IMF-EFF arrangement, including but not limited to recent borrowing that the country has undertaken to implement a public sector reform agenda. The Government is also making its financial commitments to advancing institutional actions aligned to and which will support the reforms in preparing its annual budgetary estimates.
- 1.52 However, the strongest indicator of the PBP sustainability is the prominent ownership of the reform agenda by the Government. The reforms are an integral part of the Government's development philosophy as encapsulated by the R2RP. They are fully aligned with the Government's commitment to the SDG, particularly as policy triggers are directly related to SDG targets.²⁵ They are also aligned to the country's NDC and ensure the mainstreaming of climate considerations in key sectors, such as waste, agriculture and land use, land-use change, and forestry. They are entirely consistent with the Barbados Sustainable Development Policy,

²⁴ Technical Note: Design and Use of Policy-based Loans at the IDB, IDB-OVE, 2015.

²⁵ This operation is part of the IDB's new SDG pilot. Strong alignment was found with SDGs 1, 6, 7, 8, 9, 11, 12, 13, 14 and 17 – for additional information see Optional Electronic Link ([OEL#3](#)).

and with new partnerships that the Government is forgoing in the areas such as Debt for Nature Swap, development of a Conservation Trust, and utilization of a Policy Based Guarantee instrument in the same sectoral areas.

- 1.53 The PBP design also benefits from analysis of the efficacy of the reforms and investments that it supports both in Barbados and in other countries. For example, ex-ante investment in disaster risk mitigation activities such as coastal protection and other civil protection works (including nature-based solutions) have been shown to generate benefits four to seven times greater than post-disaster expense. In urban planning reform, the emphasis on reducing transaction costs to boost investment is extensively covered in the literature on institutional economics. There is also increasing evidence that resilience investments yield a triple dividend of: (i) saving lives and avoiding losses when disaster strikes; (ii) stimulating economic activity as a result of reduced disaster risk; and (iii) generating other development co-benefits.²⁶ The design of the program also considers the lessons learned from recent [knowledge products](#) and key loans, specially PBLs, targeting the mainstreaming of climate change considerations in the policy making sphere, and enhancing the enabling environment for low carbon and resilient investments (CR-L1142, 4988/OC-CR; PE-L1261, 5203/OC-PE; and BH-L1050, 5091/OC-BH).
- 1.54 **Bank additionality.** The Bank has a deep engagement in support of the reform agenda supported by this PBP through a range of technical assistance and lending operations. The Contingent Credit Loan for Natural Disaster Emergencies (BA-O0004), discussed in ¶1.41 above, contributes to financial protection and as a condition of maintaining access to the resources of this loan, the Bank, reviews and monitors progress and achievement of the Government's annual Comprehensive Disaster Risk Management Program (CDRMP) milestones. Regarding technical cooperation operations, two became eligible in 2021 to directly support the PBP reform agenda in spatial planning, development control, and water resource management (ATN/OC-18433-BA) and Coastal Zone Management (ATN/JF-18339-BA). Other recent and ongoing technical cooperation operations of relevance include the Sustainable and Emerging Cities Initiative (ATN/OC-14528-BA; and ATN/OC-14529-BA), which diagnosed the unsustainability of built development trends and proposed corrective measures; the Index of Governance and Public Policy in Disaster Risk Management - iGOPP (ATN/MD-15712-RG), which identified the areas of DRM that require strengthening; an assessment of the sustainability of islands, including that of Barbados, under a platform of the blue economy, circular economy and climate resilience (ATN/MC-16236-RG); the design of a strategic roadmap for the Blue Economy in Barbados (ATN/CO-17589-BA); the preparation of the NDC update (ATN/MC-17416-RG) and quantification of the value of natural capital assets with a view to their prospective inclusion in national accounts (ATN/OC-17333-RG). Another study focuses on the macroeconomic impacts of disaster risk reduction investments (ATN/OC-17270-RG and ATN/MD-17269-RG). In addition, the Coastal Risk Assessment and Management Program Loan (BA-L1014, 2463/OC-BA), which closed in 2020, supported the ICZM reform agenda, and the Tourism Program (BA-L1033, 4342/OC-BA) is financing some investments in better urban management.

²⁶ Tanner, T., Surminski, S., Wilkinson, E., Reid, R., Rentschler, J., Rajput, S. (2015). The Triple Dividend of Resilience A Report developed by the Overseas Development Institute & World Bank.

- 1.55 Additionally, as explained in the Loan Proposal for the first operation in this PBP series, over the past decade, the IDB played a very active role in supporting Barbados's energy sector sustainability transformation through two PBL operations (2410/OC-BA; 2609/OC/BA), and four (4) investment loans: the Sustainable Energy Investment Program (Smart Fund I) (2485/OC-BA); the Public Sector Smart Energy Program (PSSEP) (2748/OC-BA); the Deployment of Cleaner Fuels and Renewable Energies in Barbados (3843/OC-BA); and most recently the Sustainable Energy Investment Program (Smart Fund II) (4865/OC-BA and GRT/ER-17578-BA), signed in February 2020, and now under execution.
- 1.56 **Strategic Alignment.** This operation is consistent with the Second Update of the Institutional Strategy – UIS (AB-3190-2). It is aligned with the development challenge of: (i) Social Inclusion and Equality by promoting reforms that will reduce the vulnerability of the poor to natural disaster and climate change losses (§1.38, §1.85); and (ii) Productivity and Innovation by strengthening the resilience of the assets that underly the country's finances, as well as by expanding the opportunities for their sustainable use in the context of the blue economy (§1.75, §1.77, §1.88). Additionally, the program is aligned with the cross-cutting theme of: (i) Climate Change and Environmental Sustainability through initiatives related to spatial planning and development control, disaster risk management, coastal zone management, water resource management, and retrofitting of homes to increase resilience; and (ii) Institutional Capacity and the Rule of Law by improving transparency and accountability in areas such as development planning, coastal zone management and disaster risk financing. The operations sustainability focus is also aligned with Vision 2025 as well as the IDB's sub-regional strategy initiative for the Caribbean - Build Forward.²⁷ According to the joint methodology of [Multilateral Development Banks \(MDB\) joint Report](#) approach on climate finance tracking, 85.7%²⁸ of total IDB funding for this operation results in climate change mitigation and adaptation activities. It contributes to the IDBG's climate finance goal of 30% of combined IDB and IDB Invest operational approvals by year-end 2020.
- 1.57 Additionally, this PBP is expected to contribute to the IDB Group Corporate Results Framework (CRF-2020-2023) (GN-2727-12) output indicators relating to new or upgraded access to drinking water and sanitation for households and is consistent with the 2016 Resolution Increasing Financing for Climate Change (AG-6/16 & CII/AG-2/16); the IDB Group Climate Change Action Plan 2021-2025 (GN-2848-9), the Climate Change Sector Framework Document (GN-2835-8) and the Disaster Risk Management Policy (GN-2354-5) by promoting resilience and sustainability to climate risks through the strengthening of disaster and climate change policies and the formalization of associated commitments through the incorporation of the NDC Update. It is also consistent with the Housing and Urban Development Sector Framework Document (GN-2732-11) objectives of promoting access to quality urban infrastructure and the mitigation and adaption to climate change in urban development. Finally, it is consistent with the Agriculture Sector Framework Document (GN-2709-10) and the Environment and Biodiversity Sector Framework

²⁷ Build Forward is a sub-regional strategy of Vision 2025 for the Caribbean. It is a delivery-oriented initiative aimed at helping Caribbean countries define Sustainable Development Pathways for their transformation in a smart and resilient manner.

²⁸ Based on a preliminary calculation by CCS.

(GN-2827-8) through its focus on enhancing and protecting the marine and land environment, and with the Water and Sanitation Sector Framework (GN-2781-8) by fostering sustainable water resource management.

- 1.58 In its third priority area, the operation is also aligned with the IDB Group's Country Strategy with Barbados 2019-2023 (GN-2953-1), promoting greater productivity and competitiveness, promoting investment, and contributing to a more robust private sector climate. Additionally, this operation is included in the Update of Annex III of the 2021 Operational Program Report (GN-3034-2).
- 1.59 The IDB is coordinating with the IMF, the Caribbean Development Bank (CDB), the Development Bank of Latin America (CAF), and the World Bank (WB) through quarterly coordination meetings. These take place primarily when the IMF carries out program monitoring visits in Barbados and have the objective of discussing work agendas, ensuring complementarity, and monitoring that financing needs are covered. During the implementation of the IMF program, the IMF has led the macroeconomic work, while the other institutions have mainly focused on sectoral issues and have also provided resources to support the IMF agenda. For example, the IDB approved the SDL "Macroeconomic Emergency Programme to Protect Economic and Social Progress" (BA-L1045, 4656/OC-BA) that shared the IMF matrix.
- 1.60 **Gender.** By virtue of its sectoral coverage and thematic focus on reduction in vulnerability, and the higher levels of representation of women among the vulnerable compared to men, this operation will significantly benefit women, and female-headed households. The proportion of Female Headed-Households in Barbados is one of the highest at 44% (35% in the Caribbean) (ACS, 2020)²⁹ and poverty tends to affect Female Headed-Households at 60%. The United Nations Office for Disaster Risk Reduction (UNDRR) states that Caribbean women are more likely to be impacted by disasters.³⁰ In terms of water resource management, women still occupy the majority of tasks relating to water by spending on average 12.6 hours/week on water-related domestic tasks. In comparison, males spend almost 5.6 hours/week (Suchorski, 2009).³¹ In terms of the economic impact of environmental degradation and disasters, women make up 63% of the post-harvest sector (FAO, 2020)³² and 65% of the accommodation and food service industry (UNCTAD, ILO, 2020),³³ so decline in associated industries on account of environmental factors such as coral degradation and ocean acidification disproportionately affects them.
- 1.61 These realities reinforce the value and development impact of the reforms embodied in this PBP as they address critical threats to vulnerable groups, in which women are in the majority. These findings, however, also highlight the importance of the Government's current approach of inclusive consultation processes in the development of these regulatory instruments. It is encouraging that a 2016 disaster-risk reduction case study for Barbados found that the vibrancy and proactivity of District Emergency Organizations, especially in the face of disaster risk reduction activities, early warning and preparedness are often driven by contingents of women within these structures, associated with the rise in elected

²⁹ Association of Caribbean States (ACS) Inequality and its impact on the resilience of societies.

³⁰ UNDRR "Caribbean needs to better warn and insulate women against disaster risk".

³¹ Suchorski (2009) Socio- Economic and Physical Development Influences on water in Barbados.

³² FAO (2020), Fishery and Aquaculture Country Profiles, Barbados.

³³ UNCTAD (2020) "COVID-19 puts women working in SIDS tourism industry at risk"

women leadership in several parishes.³⁴ However, more systematically, these findings reinforce the need to generate sex-disaggregated data particularly in areas such as: economic impact on blue economy, aftermath in climate disasters, water management, assets and land ownership, and tourism. Such data will also provide a stronger basis for assessing the country's performance against the SDGs. In this regard, the Government is currently developing a joint proposal with the Government of Montserrat to: (i) strengthen capacity for the formulation and implementation of rights-based population policies and programmes that integrate evidence on population dynamics, sexual and reproductive health and gender equality, and their links to sustainable development; and (ii) improve national population data systems to map and address inequalities are in place to advance the achievement of the SDGs.

B. Objective, components, and cost

- 1.62 The objective of the programmatic policy-based loan series aims to improve the country's governance for sustainability through the strengthening and modernization of the regulatory framework. The specific objectives of the second PBP are to advance the ongoing regulatory reform efforts to improve: (i) the efficiency and sustainability of spatial planning, development control, and water resource management; (ii) natural asset management; and (iii) disaster risk management and resilience.
- 1.63 The Policy Matrix (Annex II) shows the conditions to be met prior to the disbursement of this second operation. The conditions either have been fulfilled in 2021 or are on course for fulfillment before the end of 2021 as part of this programmatic series, in some instances with the support of the Bank's technical cooperation activities. Overall, the series maintained its focus thanks to the Government's commitment to creating and enabling the framework for implementing the Roofs to Reefs Program. The reforms, while keeping the same trajectory, progressed at a slower pace than initially anticipated, largely on account of the intervening period between the approval of the first PBP operation in March 2020 and the present being characterized by an unprecedented shock of the COVID-19 pandemic, compounded by the coincidence of two additional national disruptions in the forms of the debilitating ash fall from the eruption of La Soufrière in St. Vincent and a direct hit from hurricane Elsa, both rare catastrophic events. These circumstances have required the priority attention of the Parliament, Cabinet, and several line Ministries and Government Departments directly involved in implementing the reform agenda, such as the Ministry of Finance, Economic Affairs and Investment (MFEI), Ministry of Environment and National Beautification (MENB), and the Department of Emergency Management (DEM). Despite this situation, other reforms progressed faster than initially anticipated, and one new substantive reform was also accomplished.

1. Component 1. Macroeconomic Stability.

- 1.64 The objective of this component is to support the maintenance of a stable macroeconomic environment consistent with the program's objectives and in accordance with the provisions of the [Policy Letter](#) (¶4.1).

³⁴ University of the West Indies (2018). Case Study: Disaster Risk Reduction in Barbados: The Role of Parish Councils in Early Warning and Preparedness.

2. Component 2. Spatial Planning, Development Control, and Water Resource Management.

- 1.65 The objective of this component is to support the reform of the regulatory framework for spatial planning, development control, and water resource management. One condition is maintained for this second PBP operation, and five have been modified relative to the triggers established in the first PBP program. The following paragraphs describe these changes, demonstrating that they reflect a sustained commitment of the Government to the original trajectory of reform in this area.
- 1.66 Concerning Spatial Planning and Development Control, the Government has maintained its commitment to the Tabling in Parliament of the Planning and Development (P&D) Act Regulations, creating the conditions for the operationalization of the Act. In particular, the General Development Order is the primary set of Regulations and guides users of the legislation on practical matters such as applications processes, submission requirements, and what constitutes permitted development activities. Additionally, the Environmental Impact Assessment Regulations create the basis for accomplishing a critical goal of the P&D Act and the broader reform agenda associated with this PBP reform package, which is to reduce the harmful environmental impacts associated with development. Rather than proclaim the Act (a Policy Condition of the first PBP Operation that was the subject of a disbursement waiver) before the drafting of the Regulations was finalized, the Government has opted to delay the Act's proclamation until the key Regulations are developed so that the proclamation would coincide with the Act becoming operational. This preempts a scenario of the new law being announced but having no immediate impact because actors are not sufficiently guided on how to implement or abide by its provisions. Both actions, proclamation, and tabling of Regulations, are now expected to be completed before the end of 2021.
- 1.67 The Government has also maintained its commitment to begin accepting online applications for planning permission, but the condition is modified to reflect the enhanced ambition of receiving payments online. Both features became operational in March 2021. This effort demonstrates the Government's commitment to reducing transactions costs and thereby creating an environment that is more attractive for investment, consistent with the overall goal of the reform agenda. It also reflects an accommodation to the dynamics of the pandemic environment that has reduced the availability of face-to-face interactions. In the absence of these changes, development permitting efficiencies would likely have declined significantly in the current circumstances and short-term future.
- 1.68 The Government has likewise kept its focus on updating the PDP, a key complimentary instrument to the P&D Act and several other regulatory instruments that are part of the overall reform package. However, progress has been slower than anticipated. The original intention was to have the updated and approved PDP as part of the regulatory environment during this second PBP operation. The related condition from the first PBP operation, namely the approval by the Cabinet of the draft PDP update for public consultation, which had been the subject of a disbursement waiver in April 2021, is yet to be accomplished and is now projected to be completed before the end of 2021. This activity's delay is related to three factors: (i) the larger than anticipated scope of the revisions as dimensioned by a Gap Analysis prepared by the Prime Minister's Office in March 2020 and updated

in June 2020; (ii) the need to revise the Terms of Reference of consultants that were hired by the Government to support the revisions, due to the expanded scope; and (iii) the reliance on content that was being generated in parallel, including the NDC Update, the Integrated Resource & Resiliency Plan for Barbados (IIRP), and regulatory provisions on ground water zoning, all of which were affected by the restrictions associated with the ongoing pandemic. Consequently, the start of the latest round of consultations on the PDP is delayed likely until early 2022. The modified condition for the second PBP is now Cabinet Review of the Technical Brief on the revised Physical Development Plan. This Brief is expected to present an overview of the key areas of update of the PDP in relation to the Gap Analysis, and the rationale and implications of those proposed changes. It is expected to be reviewed by Cabinet in the last trimester of 2021. Even though this is slower progress than anticipated, the original reform's overall trajectory remains intact. As discussed below, the delay's impact is mitigated by more rapid progress on other, complimentary reforms in areas such as water protection and associated land use zoning.

- 1.69 For Water Resource Management, progress since the first PBP operation has kept pace with original expectations and, in two instances, have exceeded them. Firstly, the condition of Cabinet approval of drafting instructions for the Water Reuse Bill is enhanced as the Bill has already been drafted by the CPC and been reviewed by the line Ministry. The submission of the Water Reuse Bill to Cabinet, the revised condition, is on track for fulfillment in the last trimester of 2021. Secondly, the condition pertaining to Cabinet approval of guidelines and protocols for rainwater harvesting is also on track for completion in the last trimester of 2021. Still, the wording is modified to specify that these protocols apply at the household level. This is simply a higher level of precision in articulating the condition as originally intended, not a reduction in scope. Finally, the original condition of the approval of the White Paper on Water Protection and Land Use Zoning has been exceeded. Subsequent to Cabinet's approval of the Green Paper under the first operation, and Town Hall Consultations in February 2021, the CPC began drafting the corresponding Bill, now renamed, the Water Order Bill. Consequently, the condition is modified to now specify Cabinet approval of the Water Order Bill, a significant increase in accomplishment relative to the original trigger, and on course for completion by the last trimester of 2021.
- 1.70 In summary, this second PBP operation will deepen the reforms initiated under the first operation through: (i) tabling in Parliament of the Planning and Development Act Regulations; (ii) E-Planning System expanded to receive applications for Planning Permission and electronic payment; (iii) Cabinet Review of the Technical Brief on the revised PDP; (iv) Cabinet approval of the Water Order Bill; (v) Cabinet approval of guidelines and protocols for rainwater harvesting at the household level; and (vi) submission to Cabinet of the Water Reuse Bill.
- 1.71 The third PBP operation will consolidate the Government reform agenda by approving the updated PDP and Sustainable Urban Mobility Plan to guide planning approaches and lessen economic and well-being costs; and tabling in Parliament of amendments to the Barbados Water Authority Act and the Water Reuse Bill to address pertinent sustainability issues.

3. Component 3. Natural Asset Management.

- 1.72 The objective of this component is to support the development of the regulatory framework for natural asset management. Four conditions have been modified in this second PBP operation, and one has been eliminated relative to the triggers established in the first PBP program. The following paragraphs describe these changes, demonstrating that they reflect a sustained commitment of the Government to the original trajectory of reform in this area.
- 1.73 Firstly, the Government has sustained its commitment to the original condition of approval of the ICZMP. However, the wording is refined to specify that the approval authority is the Cabinet. Following the incorporation of material considerations from the public consultations, the ICZM Plan was tabled to the MMABE in October 2021 and will be subsequently approved by Cabinet under this second PBP operation. The change in the wording of the condition is simply a higher level of precision in the articulation of the condition, not a change in the approval authority compared to the original anticipation.
- 1.74 However, the original condition regarding the tabling in Parliament of the Coastal Zone Management Bill is eliminated. Further consolidation of the reform process, beyond the approval of the "risk resilient" ICZM policy (2020-2030) and the revised ICZM Plan and the drafting of the Bill has not yet progressed to the point where the Bill can be tabled in Parliament in 2021. It is partly due to the need to resolve interrelationships among the draft revised ICZM Bill, the draft Planning and Development (Amendment) Act, and the updated PDP,³⁵ which have taken longer than initially anticipated to develop, as discussed above. The main change in the proposed Bill from Cap. 394 is the inclusion of the disaster risk management and climate adaptation principles for a risk-based approach to coastal zone management. This change will ensure that there is synergy between the updated Integrated Coastal Zone Management Plan and the Bill. The Bill is now close to submission by the MMABE for the attention of Cabinet. Since noteworthy progress is now occurring on both the P&D Act Regulations and the PDP revisions, it is evident that the Government remains committed to having the ICZM Act proclaimed under the third PBP operation as initially projected. Therefore, fidelity to the original reform trajectory remains.
- 1.75 Regarding the condition related to the completion of peer review of the methodology and data used to estimate Natural Capital Value associated with beaches and reefs, the Government has maintained its commitment. However, a greater level of precision has been added to the wording. The Government has developed a profile that characterizes the probability of beach loss, including a valuation of the cost of the losses. This work serves as an essential technical milestone commitment and contribution to any future action plan on natural capital valuation. The associated condition is now modified as the Review by the Economic Affairs Division of this Report entitled the Public Investment Profile for Disaster Risk Reduction: Beach Erosion and Risk Mitigation model for Barbados. Although this work does not cover reefs, its completion and review represent a more substantial commitment than initially anticipated as a trigger for the second operation. It is because not only is a beach (natural) asset valuation methodology

³⁵ The CZM Unit's coastal planning appraisals under the ICZM Act currently inform final permitting decisions on coastal development applications. These applications are either conditionally allowed and/or not approved under the ultimate authority of the Planning and Development (Amendment) Act.

being reviewed (the original expectation), but so too is the risk of probable economic loss (model) findings associated with the application of that methodology. The revised condition also specifies the reviewing authority, making it more precise than the original wording.

- 1.76 A similar increase in precision has been applied to the condition related to Cabinet approval of a Strategic Operational Plan for MMABE. In this case, the specific name of the Plan, “the Action Plan/Road Map: Implementation of an Integrated Blue Economy Policy Framework and Strategic Action Plan for Barbados”, has been added, with no dilution of emphasis. This framework developed with the technical assistance of the Bank contributes to a policy regime aimed at economic diversification and resilience by primarily using its marine natural resource base, not just its coastal space, and driven by private investment. The Framework and Action Plan drafts were completed in May 2021, and it was approved by Cabinet in October 2021.
- 1.77 For the original condition of Cabinet approval of Drafting Instructions for Solid Waste Management Bill, the wording is modified to reflect slightly slower progress than initially anticipated on account of the major international and national events since the approval of the first PBP operation. Rather than Cabinet approving Drafting Instructions for the Bill, the condition now specifies Cabinet approval of Protocols for the Operation of Solid Waste Management Facilities. Since these protocols cover a critical area of Solid Waste Management in need of better regulation, their effect on the operations in this sector and mitigating the adverse environmental impacts associated with improper management of such facilities is likely to be significant. Together with concurrent efforts to update the Bill's drafting instructions, this effort demonstrates the Government's commitment to the original policy trajectory.
- 1.78 In summary, this second PBP operation will deepen the reforms initiated under the first operation through: (i) the approval of the updated Integrated Coastal Zone Management Plan; (ii) review and approval of a beach probable loss and valuation methodology entitled the Public Investment Profile for Disaster Risk Reduction: Beach Erosion and Risk Mitigation model for Barbados; (iii) Cabinet approval of the Guidelines and Protocols for the Operation of Solid Waste Management Facilities; and (v) Cabinet approval of the Implementation of an Integrated Blue Economy Policy Framework and Strategic Action Plan for Barbados.
- 1.79 The PBP III operation will consolidate these reforms through the approval of the Coastal Zone Management Act and an Action Plan for natural capital accounting and tabling in Parliament of a Solid Waste Management Bill.

4. Component 4. Disaster Risk Management and Resilience.

- 1.80 The objective of this component is to support governance reforms to enhance disaster management and resilience. In this second PBP operation, one condition has been maintained, two have been modified, two have been eliminated, and one has been added relative to the triggers established in the first PBP program. The following paragraphs describe these changes, demonstrating that they reflect a sustained commitment of the Government to the original trajectory of reform in this area.
- 1.81 Regarding the condition of cabinet approval of a financial protection mechanism for contingent liabilities from natural hazard-induced disaster shocks, the

Government has maintained its focus. However, the wording of the condition has been modified to bolster the commitment to include the approval of such a facility and the fulfillment of all prior conditions that make the facility fully eligible. These include the formulation and approval of operational procedures for the facility and administrative requirements related to matters such as the corresponding bank account and authorized signatories. The condition is now phrased as a financial protection instrument for natural hazard-induced disaster shocks approved and eligible for disbursement. A US\$80 million Contingent Credit Line was approved by the Bank in December 2020 and became effective at the end of June 2021. Alongside this reform, another original and complimentary condition, the development by the Financial Services Commission of a system of annual stress testing of insurance firms of their capacity to absorb natural and man-made disasters and development of the appropriate measures to address identified weaknesses, has been essentially fulfilled but eliminated from the Policy Matrix of the second PBP operation because this condition was already incorporated in the Policy Matrix of a Development Policy Loan of the World Bank that was approved in June 2021.

- 1.82 With respect to the condition of Cabinet approval of the application of the NCRIPP to determine hazard risk island-wide, the wording is modified. This reflects a significant and necessary intermediate step that has since been identified: the development and approval of the Strategic Implementation Plan for Integration of the NCRIPP within the Development Planning, Hazard Management and National Budgeting Processes of the Government. This Plan addresses issues such as systems compatibility and consultative and data sharing protocols. Without this material step, the institutions that would have been mandated to use the platform by Cabinet under the original phrasing of the condition would not have been able to operationalize that mandate due to the need for functional and consistent articulation between their existing systems and the new platform. In the modification of the wording of the condition, fidelity to the original policy intent is maintained. The Plan, prepared under the leadership of the CZMU, was approved by the Cabinet in the first trimester of 2021.
- 1.83 This second PBP operation had also included a prospective condition of Cabinet approval of a Policy on retrofitting low- and middle-income residential buildings to withstand extreme wind events. This condition is eliminated because of slower progress than initially anticipated, associated with the major international and national events since the approval of the first PBP operation. However, technical inputs for the formulation of this Policy are being developed through an ongoing Technical Cooperation (ATN/OC-18433-BA). The approval of this Policy and associated gender-sensitive Protocols for resilience retrofitting is now a prospective trigger for the third PBP operation. This progress, alongside the fact that the Ministry of Housing, Lands and Maintenance (MHLM), the RDC and the UDC have already begun to develop programs of resilience retrofitting and the NHC has started incorporating greater resilience in the designs of new public housing, is evidence that the Government remains committed to this aspect of the reform agenda. The MHLM's Strap-It Program aims to support homeowners with equipment and know-how to retrofit their roofs with hurricane straps, targeting 5000 households in Phase 1.
- 1.84 Finally, Barbados prepared its Update to the First NDC in the first half of 2021. It was formally submitted to the United Nations Framework Convention on Climate

Change Secretariat in July 2021. This action added as a condition of this second PBP operation publicly commits the country to an ambitious set of targets related to the mitigation and adaptation to climate change. It is an excellent complement to the original set of prospective reforms. It is a comprehensive commitment to a wide variety of cross-sectoral actions, fully consistent with the goal of enhanced sustainability at the heart of this operation.

- 1.85 In summary, this second PBP operation will deepen the reforms initiated under the first PBP operation by: (i) the a financial protection mechanism for natural hazard-induced disaster shocks approved and eligible for disbursement; (ii) development and approval of the Strategic Implementation Plan for Integration of the NCRIPP within the Development Planning, Hazard Management, and National Budgeting Processes of the Government; and (iii) the Submission of Barbados' Update to the NDC to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat.
- 1.86 The third PBP operation will consolidate these reforms by addressing a further DRM deficiency such as: (i) economic recovery and business continuity model; (ii) the publication of protocols for private sector roles in disaster situations; (iii) Cabinet approval of a Policy and gender-sensitive protocols for the retrofitting of low and middle-income residential buildings to withstand extreme wind events; and (iv) approval of guidelines for climate-resilient housing construction for low and middle-income households.

C. Key results indicators

- 1.87 The expected outcomes of the programmatic PBL operations are conceived as short, medium, and long-term changes, stemming from the strengthening and modernization of the regulatory framework to improve the country's governance for sustainability, as indicated in the Results Matrix (Annex III). As a consequence of the regulatory reforms, the efficiency and sustainability of spatial planning, development control, and water resource management is expected to improve, with a reduction in the average time to obtain the necessary licenses and permits for construction and an increase in the proportion of development applications in groundwater Zones C and D that incorporates some form of pretreatment of wastewater.
- 1.88 Upon completing the second PBP operation, these results will be buttressed by the Planning and Development Act Regulations, the enhanced functionality of the E-planning system, and Cabinet approval of guidelines and protocols for rainwater harvesting at the household level. The proposed reforms are also expected to improve natural asset management by increasing the use of a systematic, objective assessment of risk during the building development application process (based on the NCRIPP) and through less glass, plastic, and scrap metal received at the Sustainable Barbados Recycling Center, due to greater diversion at the source.
- 1.89 Also, during the second PBP operation, the improvement of these indicators will stem from the Cabinet approval of the ICZM Plan; the application of a Beach Erosion and Risk Mitigation model; Cabinet approval of the Action Plan/Road Map: Implementation of an Integrated Blue Economy Policy Framework and Strategic Action Plan; and Cabinet approval of the Guidelines and Protocols for the Operation of Solid Waste Management Facilities.

- 1.90 Finally, the approval and eligibility of a Contingent Credit Line for natural hazard-induced disaster shocks, alongside Cabinet approval of the Strategic Implementation Plan for Integration of the NCRIPP within the Development Planning, Hazard Management and National Budgeting Processes of the Government, and the commitments associated with Barbados' submission of its NDC update to the UNFCCC, all under the second operation, will contribute to enhanced policy coordination and articulation relating to disaster risk and resilience.
- 1.91 Beneficiaries. The program's expected beneficiary population is the entire population of Barbados of approximately 285,000 people under the PBL series. Some regulatory reforms and programming in CZM, disaster management, and resilience will have particular benefits to low- and middle-income households with higher vulnerability to climate effects.
- 1.92 Economic analysis. Based on the recommendations of the Office of Evaluation and Oversight (OVE) in its 2011 Evaluability Review of Bank Projects³⁶ and on the findings of the review of evaluation practices and standards for policy-based loans by the Evaluation Cooperation Group (comprising the independent evaluation offices of the multilateral development banks),³⁷ anticipated in paragraph 1.3 of document GN-2489-5 (Review of the Development Effectiveness Matrix for Sovereign Guaranteed and Non-sovereign Guaranteed Operations), indicating that it would not be necessary to include an analysis of efficiency in the use of financial resources.³⁸ Therefore, it was decided that economic evaluations would not be conducted for these loan operations that do not include economic analysis. Accordingly, the economic analysis will not be considered for this program's development effectiveness matrix evaluability score.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This operation is the second of three consecutives, independently financed but technically interrelated one-tranche programmatic policy-based loans, in accordance with the document Policy-based Loans: Guidelines for Preparation and Implementation (document CS-3633-2). In this mentioned document, according to paragraph 3.27 (b), the amount of the financing for this second PBP operation is US\$100 million from the Ordinary Capital (¶2.2).
- 2.2 This loan will contribute to partially cover the Government of Barbados public gross financing needs of US\$728 million (equivalent to approximately 14.8% of GDP). External gross financing needs compose 12.9% of GDP.³⁹ This operation will contribute to the external, official financing. This financing instrument with a

³⁶ Document RE-397-1: "Currently, Economic Analysis section is computed as the maximum between the cost-benefit analysis and the cost-effectiveness analysis. Yet neither a cost-benefit analysis nor a cost-effectiveness analysis is applicable to policy-based loans and programmatic policy-based loans."

³⁷ Good Practice Standards for the Evaluation of Public Sector Operations." Evaluation Cooperation Group, Working Group on Public Sector Evaluation, 2012 Revised Edition. Feb 2012.

³⁸ According to the Evaluation Cooperation Group, programmatic policy-based loans should be evaluated based on relevance, effectiveness, and sustainability. Efficiency is not included as a criterion, since the scope of the PBLs is linked to a country's financing gap, regardless of the benefits of the project.

³⁹ IDB calculations based on IMF WEO April 2021 and relate to Fiscal Year 2021/2022, which runs from April 1st, 2021, to March 31st, 2022.

programmatic option was chosen since it provides continuity for technical and policy dialogue. Therefore, as indicated in document CS-3633-2, this is a well-suited modality to respond to any events or new knowledge acquired during execution. Given the broad agenda of the Government's program to transition the economy to a more sustainable path, the PBP provides a basis for identifying and prioritizing regulatory reforms that help to create an enabling environment for the achievement of the desired developmental outcomes. In the absence of these regulatory reforms, the efficacy of an investment program could be undermined. Another advantage of the instrument is that it allows very close work with the Executing Agency between the successive operations in the series, permitting a policy adjustment if necessary.

B. Environmental and social safeguard risks

- 2.3 According to Directive B.13 of the Environmental and Safeguards Compliance Policy (OP-703), this Program does not require ex-ante impact classification. This operation supports the definition of policies, norms, management instruments and other institutional strengthening actions for which no significant direct effects on the environment and natural resources are expected.

C. Fiduciary risk

- 2.4 No fiduciary risks were identified. Funds for this operation will go directly into the country's single treasury account to cover the national government's financing needs, for which the executing agency has the necessary financial management instruments and control systems.

D. Other risks and key issues

- 2.5 Six risks were identified for this second PBP operation. One was classified as medium-low, four were medium-high, and one was high. The medium-low risk (Risk 5) relates to non-achievement of program development impact objectives, despite adequate resourcing (Risk 5). Risk 5 is expected to be mitigated as a result of: (i) the longstanding relationship that IDB sector team leads have with sectors and Government's sectoral technicians for which reforms are being targeted; and (ii) the opportunity afforded by the design of a series in three individual PBP operations, which facilitates adjusting the trajectory of the reform agenda based on improved understandings secured during the implementation of prior operations in the series.
- 2.6 Medium-high (Risks 1, 2, 3, and 4 respectively) primarily relate to: (Risk 1) inadequate client institutional coordination and untimely country responsiveness; (Risk 2) delayed fulfillment of the policy conditions hence disbursement; (Risk 3) volatility with internal and external macroeconomic factors; and (Risk 4) inadequate client allocation of human resources. Risks 1 is expected to be mitigated by the appointment of an experienced coordinating focal point by the executing agency, MFEI. Risk 4 is mitigated by: (i) the development and application of SMART monitoring, (ii) evaluation indicators and assessment of where implementation of the first PBP reforms were weak, making commensurate adjustments in the feasibility of continued reforms in the second and third PBP operations; and (iii) possible inclusion of governance reforms in the Public Sector Modernization Program. Risk 4 is also transferred to the MFEI. The current administration has made sustainability reforms a key pillar of its governance commitment with the public and elicits a solid motivation to produce tangible

results. Risk 2 is mitigated by regular technical support from IDB specialists and by the urgency of the Government's fiscal need for the disbursement to satisfy EFF benchmarks ahead of the close of the fiscal year.⁴⁰ The risk classified as highest (Risk 6) relates to delays potentially induced from the probable occurrence of weather-related hazards as well as an upsurge in COVID-19. In terms of risk management, Risks 3 and 6 are accepted, and should they materialize; they will be managed via resource reallocation/redirection and by extension of the program's duration.

- 2.7 **Key Issues.** In the current macro-economic situation, including the massive shock to the tourism industry that has been induced by COVID-19, slower than expected macroeconomic recovery could relegate the sustainability transformation agenda to the back burner in the face of more pressing pressures on public expenditure. While it is true that unexpected and substantial short-term public expenditure needs have arisen in recent times, this risk is mitigated by the fact that the society and Government have seen not only the pandemic but also the two additional national disruptions associated with La Soufriere and hurricane Elsa as a wake-up call on just how traumatic, sudden, and far-reaching the economic, social, and environmental impacts of these types of events can be. Consequently, the Government has doubled down on the reform agenda. It is determined that the recovery be characterized by infrastructure and systems that are more resilient to shocks, less prone to outright failure, and more agile in their ability to adapt to unexpected and mass-impact events.
- 2.8 In addition, regulatory reforms pursued under the PBP series will help to create an environment whereby sustainability is mainstreamed in both public and private sectors, ongoing pursuit of innovative financing mechanisms (e.g., PPP, debt for nature swap, economic diversification, blue economy thrust) to attract private and donor capital, and by the expected efficiency gains in public administration on account of technological investments. Given the longstanding and ongoing operational and policy engagement of the Bank in the sectors covered by this PBP, the Bank will engage the Government in meaningful dialogues to address these and other pertinent issues that may arise. Moreover, in the evolution of the PBP as well as in policy dialogues on infrastructure investments, the Bank will continue to use its Sustainable Infrastructure Framework to promote adequate attention to social, institutional, and economic/financial sustainability aspects, in addition to environmental sustainability and climate resilience.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The executing agency for this PBP will be the MFEI, which will be responsible for: (i) coordinating the entities involved in the PBP's execution and presenting to the Bank evidence of the fulfillment of the policy conditions of the policy matrix; (ii) promoting actions to achieve the policy objectives of the program; and

⁴⁰ The Project Team's assessment is that the correlation between fulfillment of the outstanding Policy Matrix Conditions (see [OEL#7](#) for the status of milestones related to pending policy conditions for the second operation) and the satisfaction of IMF Barbados Economic Recovery and Transformation Program (BERT) benchmarks assures a timely completion of the former, no later than the end of the fiscal year on March 31st, 2022, and therefore justifies proceeding with the operation at this time.

(iii) compiling, maintaining, and delivering to the Bank the necessary information, indicators, and parameters to monitor and evaluate program outcomes.

- 3.2 **Special Contractual Condition prior to the single loan disbursement of the PBP: The single disbursement of loan resources will be subject to the Borrower's compliance with the policy conditions of the second operation summarized in the Policy Matrix (Annex II) and the [Policy Letter](#), as well as the compliance with the conditions contained in the Loan Contract.**

B. Summary of arrangements for monitoring results

- 3.3 Program monitoring is defined as verification of the policy measures agreed to as conditions. See Required Electronic Link ([REL#2](#)) – Means of verification matrix. In addition, monitoring is provided for the outcomes of these reforms and policies at the program level through the indicators of the Results Matrix. Before processing the third operation, the Bank will issue a progress report reviewing the program's development, the progress made in the reforms, and the triggers. It will identify any changes and adjustments that may be required to meet program targets.
- 3.4 The project team will prepare a Project Completion Report (PCR) covering all programmatic phases at the end of the third operation, following Bank guidelines (OP-1242-5). That Report will evaluate the outcomes obtained.

IV. POLICY LETTER

- 4.1 The [Policy Letter](#) reiterates the Barbados government's commitment to the policy reform measures that Barbados has proposed to implement to meet the program objectives.

Development Effectiveness Matrix		
Summary		BA-L1052
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Countries with strengthened tax and expenditure policy and management (#) -Agencies with strengthened digital technology and managerial capacity (#) -Agencies with strengthened transparency and integrity practices (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2953-1	1.2 Strengthen the institutional framework by supporting public sector management and public financial management systems. 3.4 Promote private sector engagement that encourages greater productivity, as well has in resilient infrastructure investments.
Country Program Results Matrix	GN-3034-2	The intervention is included in the 2021 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		7.3
3.1 Program Diagnosis		1.9
3.2 Proposed Interventions or Solutions		1.6
3.3 Results Matrix Quality		3.8
4. Ex ante Economic Analysis		N/A
5. Monitoring and Evaluation		8.8
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		4.8
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		B.13
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	BA-T1076, ATN/OC-18433-BA

Evaluability Assessment Note: This is a programmatic policy-based loan series consisting of three technically related and financially/contractually independent operations whose objective is to improve the country's governance for sustainability through the strengthening and modernization of the regulatory framework. The specific objectives of the second policy-based programmatic loan (PBP) are to advance the ongoing regulatory reform efforts to improve: (i) the efficiency and sustainability of spatial planning, development control, and water resource management; (ii) natural asset management; and (iii) disaster risk management and resilience.

The diagnostic is adequate and highlights the importance of sustainable development for Barbados and its economy, focusing on needed reforms and tools to enhance spatial planning, development control and water resource management; natural capital management, in particular related to the coastal zone; and disaster risk management and resilience. Empirical evidence is not always provided or up to date, nor evidence on the effectiveness of the interventions being proposed to achieve the objectives. The result framework exhibits vertical logic and it's structured according to the specific objectives and their respective outcome indicators. In general, the indicators proposed are SMART, with baseline and goals and means of verification.

The monitoring plan meets the requirement for this type of operation. A before after comparison, without attribution, is the basis of the evaluation plan. Data sources and timelines to gather data on outcomes are not always specified.

POLICY MATRIX

Objective: The programmatic policy-based loan series aims to improve the country's governance for sustainability through the strengthening and modernization of the regulatory framework. The specific objectives of the second policy-based programmatic loan (PBP) are to advance the ongoing regulatory reform efforts to improve: (i) the efficiency and sustainability of spatial planning, development control, and water resource management; (ii) natural asset management; and (iii) disaster risk management and resilience.

Components Policy Objectives	Policy Conditions Programmatic I	Policy Conditions Programmatic II	State of Compliance with Policy Conditions Programmatic II ¹
Component 1. Macroeconomic stability			
Maintain a stable macroeconomic environment consistent with the program's objectives.	1.1. Maintenance of an appropriate Macroeconomic Policy Framework congruent with the Program's objectives and in accordance with the provisions of the Policy Letter.	1.1. Maintenance of an appropriate Macroeconomic Policy Framework congruent with the Program's objectives and in accordance with the provisions of the Policy Letter (1.64).	Fulfilled
Component 2. Spatial Planning, Development Control, and Water Resource Management			
Support the reform of the regulatory framework for spatial planning, development control, and water resource management.	2.1. Proclamation of the Planning and Development Act.	2.1.a. Tabling in Parliament of the Planning and Development Act Regulations (1.66).	Expected (IV trimester, 2021)
		2.1.b. E-Planning system expanded to receive applications for Planning Permission and electronic payment (1.67).	Fulfilled (II trimester, 2021)
	2.2. Cabinet approval of the Draft- revised Physical Development Plan for public consultation.	2.2. Cabinet Review of the Technical Brief on the Revised Physical Development Plan (1.68).	Expected (IV trimester, 2021)

¹ This information is merely indicative as of the date of this document. As set forth in document CS-3633-2 (Policy-based Loans: Guidelines for Preparation and Implementation), compliance with all the conditions specified for disbursement, including the maintenance of an appropriate macroeconomic policy framework, will be verified by the Bank at the time of the request for the corresponding disbursement made by the Borrower and duly reflected in the Disbursement Eligibility Memorandum.

Components Policy Objectives	Policy Conditions Programmatic I	Policy Conditions Programmatic II	State of Compliance with Policy Conditions Programmatic II ¹
	2.3. Tabling in Parliament of the Water Protection and Land Use Zoning Green Paper.	2.3. Cabinet approval of the Water Order Bill (1.69).	Expected (IV trimester, 2021)
	2.4. Cabinet approval of the Stormwater Management Plan Update.	2.4.a. Cabinet approval of guidelines and protocols for rainwater harvesting at the household level (1.69).	Expected (IV trimester, 2021)
		2.4.b. Submission to Cabinet of the Water Reuse Bill (1.69).	Expected (IV trimester, 2021)
Component 3. Natural Asset Management			
Support the development of the regulatory framework for natural asset management.	3.1. Cabinet approval of the Integrated Coastal Zone Management (ICZM): the Barbados Policy Framework (2020-2030).	3.1.a. Cabinet approval of the updated Integrated Coastal Zone Management Plan (1.73).	Expected (IV trimester, 2021)
		3.1.b. Completion and review by the Economic Affairs Division of the Public Investment Profile for Disaster Risk Reduction: Beach Erosion and Risk Mitigation model for Barbados (1.75).	Expected (IV trimester, 2021)
		3.1.c. Cabinet approval of the Action Plan/Road Map: Implementation of an Integrated Blue Economy Policy Framework and Strategic Action Plan for Barbados (1.76).	Fulfilled (IV trimester, 2021)

Components Policy Objectives	Policy Conditions Programmatic I	Policy Conditions Programmatic II	State of Compliance with Policy Conditions Programmatic II ¹
	3.2. Proclamation of the Returnable Containers (Amendment) Act, 2019-59.	3.2. Cabinet approval of the Guidelines and Protocols for the Operation of Solid Waste Management Facilities (1.77).	Expected (IV trimester, 2021)
Component 4. Disaster Risk Management and Resilience			
Support governance reforms to enhance disaster risk management and resilience.	4.1. Cabinet approval of the Barbados Comprehensive Disaster Management Country Work Program 2019-2023.		
		4.1. A financial protection instrument for natural hazard-induced disaster shocks approved and eligible for disbursement (1.81).	Fulfilled (II trimester, 2021)
	4.2. Cabinet approval of the National Coastal Risk Information Planning Platform (NCRIPP) for use by the Coastal Zone Management Unit (CZMU) for assessing coastal development applications.	4.2. Cabinet approval of the Strategic Implementation Plan for Integration of the NCRIPP within the Development Planning, Hazard Management and National Budgeting Processes of the Government (1.82).	Fulfilled (I trimester, 2021)
	4.3. Cabinet approval of the Roofs to Reefs (R2RP) Concept Note.	4.3. Submission of Barbados' Update to the Nationally Determined Contributions (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat (1.84).	Fulfilled (III trimester, 2021)

Results Matrix

Project Objective	The objective of the programmatic policy-based loan series aims to improve the country's governance for sustainability through the strengthening and modernization of the regulatory framework. The specific objectives of the second policy-based programmatic loan (PBP) are to advance the ongoing regulatory reform efforts to improve: (i) the efficiency and sustainability of spatial planning, development control, and water resource management; (ii) natural asset management; and (iii) disaster risk management and resilience.
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General Development Objective							
Indicators	Unit of measurement	Baseline value	Baseline year	Expected year for achievement	Target	Means of verification	Comments
Indicator #1 Nitrate concentrations in groundwater wells.	mg/l (milligrams per liter)	6.33	2019	2023	6.30	Barbados Water Authority.	The value represents the average of wells at Belle, Hampton, and West Coast.
Indicator # 2 Probable losses to commercial buildings in the Greater Bridgetown Area (GBA) as a share of the estimated capital value of all buildings in the GBA, on account of a 1/100-year storm surge.	Percentage	18	2016	2023	17.2	NCRIPP system and ground surveys of new commercial construction.	
Indicator # 3 Percent of planning permission applications that received a conditional refusal and were subsequently approved upon amendment.	Percentage	0	2019	2023	25	Town Country Development Planning Office.	

Specific Development Objectives

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	End of Project	Means of verification	Comments
Specific development objective (i). Improve the efficiency and sustainability of spatial planning, development control, and water resource management									
Indicator #1 Average time to obtain the necessary licenses and permits for construction, submit all required notifications, request, and receive all necessary inspections and obtain utility connections.	Days	377	2019	-	-	-	339	World Bank Doing Business Indicators.	
Indicator #2 Proportion of development applications in zones C and D (former zones 3 and 4) that incorporate some form of pretreatment of wastewater (such as a septic tank).	Percentage	0	2019	-	-	-	90	Town Country Planning.	This information is captured in the application for permission to develop land, question 11.2.
Specific development objective (ii). Improve natural asset management									
Indicator #1 Applications reviewed by the Coastal Zone Management Unit using a systematic, objective assessment of risk based on the national coastal risk information and planning platform (NCRIPP).	Percentage	0	2019	-	-	-	90	Coastal Zone Management Unit to provide information from NCRIPP.	

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	End of Project	Means of verification	Comments
Indicator #2 Net weight of glass, plastic and scrap metal received at the Sustainable Barbados Recycling Center.	Tons	322.56	2019	-	-	-	258	Product summary from the Sustainable Barbados Recycling Center for year ending.	This indicator measures a reduction in the amount of glass, plastic and scrap metal received at the Sustainable Barbados Recycling Center. The changes to the legislation will result in Brokers directly receiving more of this type of waste (as it will be sorted before getting to the recycling center) and thus the recycling center should receive less waste from these materials.
Specific development objective (iii). Improve disaster risk management and resilience									
Indicator #1 IGOPP Risk Reduction 1-A Central Policy Coordination and Articulation score.	Percentage	20	2019	-	-	-	60	IDB to conduct new iGOPP at the end of the program.	
Indicator #2 Volume of low and middle-income housing retrofitted or constructed by the Government of Barbados to support resilience.	Units	0	2018	-	-	-	500	UDC.	

Outputs for the Second Operation

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	End of Project	Means of verification	Comments
Component 2. Spatial Planning, Development Control, and Water Resource Management.									
Output #1 One set of Planning and Development Act Regulations tabled in Parliament.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados indicating that the Regulations have been tabled in Parliament and a copy of the Order Paper of the Parliament.	
Output #2 One E-Planning system expanded to receive applications for Planning Permission and electronic payment.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming expansion of the system capability and including the online links.	
Output #3 One Technical Brief on the Revised Physical Development Plan reviewed by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Cabinet Secretary confirming Cabinet review of the Technical Brief on the Revised Physical Development Plan and copy of the Cabinet Agenda.	
Output #4 One Water Order Bill approved by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming Cabinet approval and attaching a copy of the approved Water Order Bill.	

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	End of Project	Means of verification	Comments
Output #5 One set of Guidelines and Protocols for rainwater harvesting at the household level approved by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming Cabinet approval and attaching a copy of the approved Guidelines and Protocols for rainwater harvesting at the household level.	
Output #6 One Water Reuse Bill submitted to Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados indicating that the Regulations have been tabled in Parliament and a copy of the Order Paper of the Parliament.	
Component 3. Natural Asset Management									
Output #1 One updated Integrated Coastal Zone Management Plan (CZMP) approved by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming Cabinet approval and attaching a copy of the approved updated Integrated Coastal Zone Management Plan.	

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	End of Project	Means of verification	Comments
Output #2 One review by the Economic Affairs Division of the Public Investment Profile for Disaster Risk Reduction: Beach Erosion and Risk Mitigation model for Barbados completed.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming review of the Study and attaching a copy of the Evaluation Report of the Public Investment Profile for Disaster Risk Reduction: Beach Erosion and Risk Mitigation model for Barbados.	
Output #3 One Action Plan/Road Map: Implementation of an Integrated Blue Economy Policy Framework and Strategic Action Plan for Barbados approved by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming Cabinet approval and attaching a copy of the approved Action Plan/Road Map: Implementation of an Integrated Blue Economy Policy Framework and Strategic Action Plan for Barbados.	
Output #4 One set of Guidelines and Protocols for the Operation of Solid Waste Management Facilities approved by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming Cabinet approval and attaching a copy of the approved Guidelines and Protocols for the Operation of Solid Waste Management Facilities.	

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	End of Project	Means of verification	Comments
Component 4. Disaster Risk Management and Resilience									
Output # 1 One financial protection instrument for natural hazard-induced disaster shocks approved and eligible for disbursement.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming that the Contingent Loan for Natural Disaster Emergencies has been signed, and that all conditions of general eligibility have been met.	
Output # 2 One Strategic Implementation Plan for the Integration of the NCRIPP within the Development Planning, Hazard Management and National Budgeting Processes of the Government approved by Cabinet.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming Cabinet approval and attaching a copy of the approved. Strategic Implementation Plan for the Integration of the NCRIPP within the Development Planning, Hazard Management and National Budgeting Processes of the Government.	
Output #3 One Update to the Nationally Determined Contributions (NDC) submitted to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat.	Unit	0	2019	-	-	1	1	Letter from the Government of Barbados confirming formal submission and attaching a copy of the approved Barbados' Update to the Nationally Determined Contributions (NDC)	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Barbados. Loan ____/OC-BA to the Government of Barbados
Sustainable Development Policy Program II

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Government of Barbados, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Sustainable Development Policy Program II. Such financing will be for the amount of up to US\$100,000,000 from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2021)