

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BARBADOS

INSTITUTIONAL DEVELOPMENT SECTOR FACILITY

MODERNIZATION OF THE BARBADOS STATISTICAL SERVICE

(BA-L1009)

LOAN PROPOSAL

The project team consists of Joel Korn, team leader (ICF/ICS); Rafael de la Cruz, (ICF/FMM); Jose Antonio Mejia-Guerra (RES); Sharon Miller, Leslie Gittens, (CCB/CBA); Arnaldo Posadas, (ICF/ICS); Desmond Thomas (CCB); Diego Buchara (LEG); Hernán Aspiazu (Consultant); and Valeria Wedolowski (ICF/ICS).

CONTENT

PROJECT SUMMARY	1
I. FRAME OF REFERENCE	1
A. Economic and policy challenges	1
B. Information and statistical issues.....	1
C. The country's sector strategy.....	5
D. The Bank's sector strategy	5
E. Coordination with other Donors.....	6
II. THE PROGRAM	6
A. Objectives and description	6
B. Cost and financing.....	9
III. PROJECT EXECUTION	10
A. The Borrower and executing agency	10
B. Organization for program execution and administration.....	11
1. Structure	11
2. Financial administration.....	13
C. Execution mechanisms	14
D. Procurement of goods and services	14
E. Execution period and disbursement schedule.....	17
F. Special disbursement and retroactive financing.....	17
G. Monitoring and evaluation	17
H. External auditing	18
IV. VIABILITY AND RISKS	19
A. Institutional and financial viability.....	19
B. Environmental impact	19
C. Benefit and beneficiaries	20
D. Risks	20

ANNEX I – LOGICAL FRAMEWORK

Electronic Links and References	
Basic Socioeconomic Data	Basic Socioeconomic Data
Status of Loan in Execution & Loans Approved	Status of Loan in Execution & Loans Approved
Tentative Lending Program	Tentative Lending Program
Information available in the files of RE3/SC3	Information available in the files of RE3/SC3
Tentative Procurement Plan	Tentative Procurement Plan
Project implementation structure chart	Project implementation structure chart
Monitoring table for the policy on eligibility of expenditures	Monitoring table for the policy on eligibility of expenditures
Detailed Budget	Detailed Budget
Project Operating Regulations	Project Operating Regulations

ACRONYMS AND ABBREVIATIONS

AOP	Annual Operating Plan
BOP	Balance-of-payments
BSS	Barbados Statistical Service
CARICOM	The Caribbean Community and Common Market
CARTAC	Caribbean Regional Technical Assistance Center
COFAP	The CARICOM Council of Ministers of Finance and Planning
CS	Country Strategy
CSO	Chief Supply Officer
ECLAC	Economic Commission for Latin America and the Caribbean
GDP	Gross Domestic Product
GOB	Government of Barbados
ICB	International Competitive Bidding
LCB	Limited Competitive Bidding
MCS	Ministry of Civil Service
MDGS	Millennium Development Goals
MOF	Ministry of Finance, Economic Affairs and Energy
MECOVI	Program for the Improvement of Surveys and the measurement of Living Conditions in Latin America and the Caribbean
NCB	National Competitive Bidding
OAG	Office of the Accountant General
OC	Ordinary Capital
PC	Program Coordinator
PCU	Program Coordinating Unit
POM	Program Operating Manual
PP	Procurement Plan
PTI	Poverty-Targeted Investment
RFP	Request for Proposals
SAO	Senior Accountant Officer
SBD	Standard Bidding Documents
SSC	Statistics Steering Committee
SSS	Smart Stream System
TOR	Terms of Reference
WTO	World Trade Organization

PROJECT SUMMARY
BARBADOS
INSTITUTIONAL DEVELOPMENT SECTOR FACILITY
Modernization of the Barbados Statistical Service
(BA-L1009)

Borrower:	Government of Barbados (GOB)	
Executing agency:	The Ministry of Finance, Economic Affairs and Energy (MOF) through the Barbados Statistical Service (BSS);	
Bank's financing amount and source:	IDB financing: (OC)	US\$5.00 million
	Local counterpart:	<u>US\$1.25 million</u>
	Total:	US\$6.25 million
Financial terms and conditions:	Amortization period:	20 years
	Grace period:	4 years
	Disbursement period:	4 years
	Single currency facility:	US Dollar
	Interest Rate:	LIBOR-based option
	Credit Fee:	*
Objectives:	Inspection and Supervision:	*
	The general objective of the program is to strengthen the BSS ability to provide relevant, timely and quality economic and social statistics, and to establish its leadership in this area within the public sector.	
Components:	The project includes six components: (i) strengthening of the legal framework to enable the BSS to perform its duties more effectively; (ii) establishment of a statistics network including governmental agencies which produce relevant public data; (iii) improvement of managerial and administrative procedures of the BSS; (iv) development and improvement of priority statistical products; (v) improvement of the human capacity of the BSS; and (vi) enhancement of the technical infrastructure of the BSS and its capacity for disseminating its products and for facilitating public access to information.	

* The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for ordinary capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six month period, the amount that would result from applying 1% to the loan amount, divided by the number of six-month periods included in the original disbursement period.

Special contractual conditions:	<p>Ref.: ¶3.10; ¶3.11; ¶3.16; ¶3.18</p> <p>Prior to first disbursement: (i) The Statistical Steering Committee (SSC) has been established; (ii) the Project Coordinating Unit (PCU) has been established and its staff appointed, including: the Project Coordinator (PC), the senior accountant, the project officer and one clerk/typist. In addition to the above-mentioned appointments, the schedule for contracting of the procurement specialist has been presented to the Bank; (iii) the Annual Operating Plan (AOP) for the first year of Project execution has been presented for the Bank's non-objection; and (iv) the Project Operating Manual (POM) has entered into effect.</p> <p>Special disbursement: Once the Loan Contract has entered into effect and the general conditions prior to first disbursement of the Loan Contract have been met, the Bank may disburse to the Borrower up to the amount of US\$200,000 from the Bank's financing to hire the staff for the Executing Unit and the training advisor and to provide for required office supplies and equipment.</p>
Relationship to Bank country and sector strategy:	<p>The focus of the Country Strategy (CS) is on addressing institutional and capacity weaknesses that inhibit the efficient and competitive functioning of the public and private sectors. Consequently, it proposes a program that concentrates on small operations and facilities aimed at addressing such weaknesses through targeted interventions in areas such as customs and tax administration, standards, procurement and the strengthening of statistical services.</p>
Coordination with other multilateral development institutions:	<p>Ref.: ¶1.21</p> <p>The program takes into account the work done by the CARICOM through Caribbean Regional Technical Assistance Center (CARTAC)², and the Bank is requesting from this agency support for the project in terms of quality review of terms of reference (TOR) and bidding documents in the procurement process. No other donor is currently involved in this field.</p>
Environmental/ social classification:	<p>Ref.: ¶4.5; 4.6</p> <p>Given the nature of the program, involving institutional reforms, the activities to be financed will not have negative environmental or social effects. The project will improve availability of gender and environmental related statistics.</p>

² Caribbean Regional Technical Assistance Center (CARTAC) is a regional resource, based in Barbados, which provides technical assistance and training in core areas of economic and financial management at the request of its participating countries. The CARICOM Council of Ministers of Finance and Planning (COFAP) took the decision to establish the Center in September 1999. The Center became operational in November 2001.

The project will assist the BSS in the collection of environmental data through the modular household survey, including: (i) water supply; (ii) sewerage availability; and (iii) garbage collection availability. Improvements in gender statistic include population data collection and projections at a district level also through the modular household survey.

Potential benefits: The main benefit of this program will be to strengthen the availability of timely and accurate statistical products and services in the country. The public and private sectors as well as the civil society will be beneficiaries of the project.

Potential risks: Risks include: (i) Government capacity for ensuring sustainable reforms may waive over time; (ii) weak inter-agency cooperation could obstruct modernization of the statistical system; (iii) lack of approval of a new legal framework could weaken the ability of BSS to enforce some internal and external activities needed for enhancing the timeliness and quality of statistics; and (iv) delayed project execution due to slow procurement and decision-making processes.

Poverty-targeting and social sector classification: This operation does not qualify as a social equity-enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704). Furthermore, this operation does not qualify as a poverty-targeted investment (PTI), although the project can result in improving information on poverty and indirectly assist in improving social program targeting.

Procurement plan and timeframe, threshold amounts for ICB: **Goods.** The procurement of goods and related services different from consulting services will be carried out pursuant to the provisions set forth in Document GN-2349-7 "Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank". International Competitive Bidding (ICB) will be compulsory for procurement of goods for more than US\$150,000. National Competitive Bidding (NCB) may be used for goods whose cost is equal or more than US\$50,000 but less than US\$150,000. The shopping procedure will be used for the acquisition of goods whose cost is less than US\$50,000.

Consultants. The selection and contracting of consulting services will be carried out pursuant to the provisions set forth in Document GN-2350-7 "Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank". The Executing Agency will be able to use the methods of selection set forth in Section II and in paragraphs 3.2 to 3.8 of Section III of Document GN-2350-7. For purposes of paragraph 2.7 of Document GN-2350-7, the short list of consultants for contracts estimated to be below the equivalent of two hundred thousand

dollars (US\$200,000) can be composed in its entirety by national consultants.

Based on the result of the institutional analysis, which included a capacity assessment to administer procurement, all contracts will be subject to the Bank's prior review.

Key performance indicators and monitoring benchmarks:

The following key indicators will be used to measure the achievement of the program outputs and outcomes. See the Logical Framework for more details on baselines, success indicators, and means of verification (Annex I).

a. Outcomes: Improved availability of relevant, timely and quality statistical data offered by the BSS to the public sector, the business community and the general public.

b. Outputs: Modernization of the BSS including: (i) improved legal framework; (ii) creation of a statistics network; (iii) improvement of statistical administration through institutional reengineering; (iv) enhancement of statistical products offered by BSS; (v) development of human capacity for producing statistics; and (vi) upgrading of the technical infrastructure and better public outreach.

Reporting arrangements jointly with Bank and executing agency:

The system for monitoring and evaluation will include: (i) the examination of the technical and financial reports; (ii) annual program review meetings; and (iii) independent midterm and final evaluations.

I. FRAME OF REFERENCE

A. Economic and policy challenges

- 1.1 Barbados, an island of 431 square kilometres with a population of 274,000, ranks high among Latin America and the Caribbean countries on social and economic indicators. Its Human Development Index is the highest (31st) of all countries in the region and per capita GDP, at US\$12,523, is more than double the average. Less than 13% of the population lives under the poverty line. The service sector (particularly tourism and financial services) accounts for almost 75% of GDP.
- 1.2 Barbados's recent economic performance has been highly encouraging. Since an externally-induced recession in 2001-02, production has made a solid recovery, and over the last four years average annual GDP growth has been estimated at 4.3%. Nonetheless, this positive performance masks some underlying vulnerabilities. It has been driven to significant extent by expansionary fiscal policies (initially aimed at reactivating the economy), while the traded sectors (particularly tourism) have languished. Public expenditure has been very high, averaging almost 46% of GDP over the last five fiscal years, while the fiscal deficit has averaged 3.5% of GDP. The predominantly domestic public debt has risen to almost 90% of GDP. International reserves (as a proportion of imports) have declined steadily, reducing the buffer available for adjustment in the event of an external shock.
- 1.3 Given this context, the Barbadian authorities have recognized the need to place the public accounts upon a sounder footing through the achievement of fiscal savings in a variety of areas. The high level of spending, likewise, underlines the need to ensure maximum efficiency in public service delivery. The need for accurate and timely economic as well as social statistics will be more critical as efforts to boost productivity and business activity are increased through policy reforms and targeted projects. Good quality and timely statistics are critical as well for strengthening governmental policy design and decision-making.

B. Information and statistical issues

- 1.4 The Barbados Statistical Service (BSS) was established in June 1956 and reports to the Ministry of Finance, Economic Affairs and Energy (MOF). The law that regulates the statistical system in Barbados was approved in 1958 and revised later in 1984. An Act focusing on vital statistics registration (births, deaths, marriages, divorces, adoptions, etc.) was enacted in 1981. No further regulations have been approved since. The law empowers the BSS to conduct any census in the country; to collect, compile and publish statistics in a wide array of topics and to coordinate the statistical activities of other government agencies.
- 1.5 International and local demand for social statistics and living conditions data has increased significantly and come to the forefront of the agenda in Barbados. The

year 1995, was to mark a turnaround in Barbados' development mandate as it signed and ratified the Copenhagen Declaration and Program of Action at the World Summit for Social Development. This heralded a period with a renewed focus on social development but more importantly an emphasis on planned social development. The GOB embarked on a poverty reduction strategy, undertaking a Poverty and Income Distribution Study in 1996 to determine the geographical distribution of poverty and the areas experiencing the highest levels of deprivation.

- 1.6 By virtue of signing the Millennium Development Goals (MDGs) Declaration, the country has received a renewed social development direction, which requires informed policymaking, planned decision making and critical and continuous measurement of the achievement of these goals, in addition to its other social development objectives.
- 1.7 Likewise, competitiveness challenges require from the Government as well as from the business community strategic decisions regarding public and private investments which, in turn, demand as a key input good quality and timely economic information.
- 1.8 Although the country has developed over time the capacity to collect, process and disseminate relevant statistics, there is a general view among major public and private stakeholders that some key information does not exist or is not available on a timely basis.
- 1.9 Regarding social statistics there is a need to improve data collection and/or processing related to the following fields: (i) population and demographic indicators, particularly parochial estimates and migration; (ii) education, including progression, repetition and dropout rates, as well as literacy; (iii) health and vital indicators; (iv) informal sector and poverty; (v) law and order indicators, particularly crime; (vi) housing; and (vii) environment, especially urban and rural indicators which affects health conditions. Main issues related to social statistics include: (i) lack of certain surveys conducted on a regular basis, (ii) difficulty for the BSS to collect information from the various agencies involved in data production; (iii) lack of clear priorities in certain agencies for collecting relevant data.
- 1.10 Economic statistical data identified in need for improvement include: (i) the system of national accounts; and (ii) information of economic activity, with particular attention to trade, tourism satellite accounts, agriculture, and the international business sector. Other products currently compiled that should be reviewed for ensuring consistency and/or timely availability include GDP and labor statistics. Optional products to be developed might include the government sector accounts and a producer price index. Technical and administrative tools that need to be improved in order to enhance economic statistics comprise: (i) registry of businesses; (ii) constant price series; and (iii) design of questionnaires.

- 1.11 Main issues regarding the production and dissemination of statistics in Barbados include: (i) weak legal framework; (ii) insufficient coordination among governmental agencies which produce statistical data; (iii) inadequate timeliness and quality of data, particularly in the social field, but also in the economic area; (iv) insufficient experienced staff; (v) outdated technical infrastructure; and (vi) difficulties for the public, businesses and government to access relevant statistical information.
- 1.12 *The legal framework.* The effective collection of statistics requires the existence of legislation to authorize the process and to define the procedures, confidentiality protection and penalties governing the collection, analysis and dissemination of information. The existence of an adequate legal framework is therefore an important condition for the management of a sound statistical system. In Barbados' case, the Statistics Act focuses on regulating the activities of the BSS, it establishes its responsibilities and functions, and does so in a manner that leaves the BSS as the single entity responsible for all data collection in the country—although in fact many other agencies also collect and disseminate data. The Act does not include, but doesn't forbid either, the creation of a statistical system comprising all agencies involved in the collection and processing of statistical information; and does not provide enough leverage for the BSS to enforce compliance of public and private agents to cooperate in the collection of information. In terms of hiring or firing personnel, the authority of the BSS Director is limited, which may result in weak internal accountability. The Act is also very general and leaves room for interpretation. These limitations have been interpreted to the extreme that all data from surveys and census has to be processed at the BSS and cannot be shared even within the government.
- 1.13 *Inter-agency coordination.* Currently there are no legal or *de facto* mechanisms for inter-agency cooperation regarding the collection and sharing of data. In Barbados, as in other countries, a number of sector ministries (Education, Health, Social Transformation, Labor, Finance, etc.) produce many of the country's official information –such as statistics on education, health, social protection programs, birth and death registration, budget, trade and immigration. There is a casual or lack of active cooperation from some line ministries in providing the BSS with operational statistics in a timely manner. Most information is provided to the BSS on a demand and case-by-case basis. Furthermore, each agency has its own standards, methodologies, definitions and procedures, which are not necessarily consistent with each other. This situation generates deficient data collection, processing and dissemination.
- 1.14 *Management structure and procedures.* Over the years, the BSS has consistently shown great attention to maintaining a high standard of professionalism. Nevertheless, the relatively low priority given historically to statistics in the country has contributed to a certain neglect of the BSS. The BSS is headed by a Director, assisted by a Deputy Director, four statistical divisions and an information technology division (IT). There is no formal structure for the support functions related to personnel, administration, procurement and financial

administration. A senior clerk and two assistants perform basic activities related to personnel (keeping attendance, vacations and sick leave records) and accounting. There is no internal audit unit or performance indicators for assessing personnel. Furthermore, the BSS has little authority over contracting personnel, done by the Ministry of Civil Service (MCS) and approved by the MOF.³ Its records storage system is manual and needs improvement.

- 1.15 *Data timeliness, quality and availability.* Due to the lack of effective inter-agency coordination, some organizational and administrative weaknesses of the BSS and of sectoral agencies, many statistics are made available with a considerable delay from the time the basic information is gathered. The processing of data is slow, which diminishes the usefulness of information. This is a crucial problem for both social and economic data. Some statistics are based on partial or inaccurate information due to difficulties collecting raw data which may limit the quality of certain statistics.⁴ Finally, some statistics are not produced as a result of institutional resources focused on other products and for lack of seed investment.
- 1.16 *Staff.* The competencies and experience of the BSS staff needs to be strengthened in order to collect, process, and make available relevant statistical information in a sufficient quantity and quality. Salary is a factor that weakens the BSS ability to retain some key qualified personnel, but even as important, or more, is the lack of good opportunities for career advancement through training opportunities.
- 1.17 *Technical infrastructure.* There is a need to upgrade the computer equipment and software for the technical staff with the responsibility of producing the statistical information. The present equipment is several years old. Furthermore, there is the need for the BSS to have an appropriate system for data backup and storage. In addition, the BSS does not have the equipment necessary to use digital maps that would allow the institution to improve the use of its data for social programs targeting and economic or infrastructure data identification.
- 1.18 *Public access to statistics.* Available statistical information is difficult to access for a variety of reasons already mentioned, including that under some interpretations of the law data protection provisions prevent wider sharing of information and that insufficient quality and timeliness of statistics is a disincentive for its use by most clients. But there are also technical reasons. Most data is presented in publications to which few people have access. The BSS has for some time been disseminating information via e-mail and, more recently, from the Service's Website. There is a need for expanding and enhancing electronic means available for dissemination of information.

³ General services positions, where statistical clerks (27% of the BSS staff) are included, the candidates are assigned to BSS, with terms of reference developed by the MCS without the intervention of BSS. This poses a problem for BSS with the statistical clerks who are involved in the processing of basic statistical work and who generally arrive to the BSS without the required qualifications.

⁴ One example of this problem that is particularly acute is morbidity indexes due to a lack of cooperation from private doctors.

C. The country's sector strategy

- 1.19 Barbados has set a high priority of making the transition to a more competitive economy. The main issues driving medium-term priorities are: (i) the need to raise competitiveness in order to reverse the BoP deterioration and associated international reserve loss; (ii) the extensive changes in the international economic environment which Barbados faces following the World Trade Organization (WTO) changes and other impending changes in trade relations; and (iii) the need to achieve full readiness to implement the CARICOM Single Market & Economy.
- 1.20 On the basis of these considerations, the Government is proposing measures to strengthen service orientation and productivity; foster the growth of tourism, international business and financial services; reduce taxes and modernize tax administration; and strengthen export promotion. In the social sector, the Government is committed to continued support for the traditional priorities of education and health, while paying increased attention to youth programs and assistance in the integration of persons with disabilities. There is also a significant environmental dimension among Government priorities. Along with these priorities, the Government recognizes the need for strengthening of its statistical services and other public institutions as critical to achievement of its goals.

D. The Bank's sector strategy

- 1.21 The overall goal of Bank support in Barbados for 2005-2008 (GN-2395) is to strengthen its competitiveness as a basis for sustained growth and improved well-being of the population. The specific objective of the Country Strategy (CS) is to raise the capacity of Barbados and its business community to compete in a changing international economic environment. Consequently, the CS supports economic and social conditions and institutional and policy frameworks that are conducive to increased productivity and performance by Barbadian firms and the economy as a whole.
- 1.22 The focus of the CS is on addressing institutional and capacity weaknesses that inhibit the efficient and competitive functioning of the public and private sectors. Consequently, it proposes a program that concentrates on small operations and facilities aimed at addressing such weaknesses through targeted interventions in areas such customs and tax administration, standards, procurement, and the strengthening of statistical services.
- 1.23 The Bank has a long commitment for supporting the generation of high quality data that is the foundation for the design and evaluation of policies and programs that promote growth and poverty reduction. The Bank's experience in the strengthening of data producers and the promotion of the use of statistical information for policy design and decision-making illustrates that a key ingredient for success is to focus on both the demand and the supply of data. Another crucial element is country ownership and understanding that a low intensity and long term involvement is key for sustainability. In recent years the Bank has provided

funding to finance census related activities in Bolivia, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Paraguay and Suriname, and some of these operations have included resources to strengthen the statistical offices and their main data users. The Bank has also supported projects to strengthen the statistical system in Guyana and the Dominican Republic. Since 1996, the Bank, in coordination with the World Bank and the Economic Commission for Latin America and the Caribbean (ECLAC), has supported the improvement of household surveys through the MECOVI program.

E. Coordination with other Donors

- 1.24 During project preparation, the project team met with CARTAC officials to get information on previous technical assistance offered by this institution to the BSS. The Bank has taken into account these precedents in the design of the program. No other donor is currently in the field.

II. THE PROGRAM

A. Objectives and description

- 2.1 The general objective of the program is to strengthen the BSS ability to provide relevant, timely and quality economic and social statistics and to establish its leadership in this area within the public sector.
- 2.2 The specific objectives of the program are: (i) Propose a strengthened legal framework which will enable the BSS to perform its duties more effectively; (ii) establish an statistics network including governmental agencies which produce relevant public data; (iii) improve managerial, statistical and administrative procedures of the BSS in close cooperation with the MOF; (iv) develop priority statistical products; (v) improve the human capacity of the BSS; and (vi) enhance the technical infrastructure of the BSS and its capacity for disseminating its products and for facilitating public access to statistical information.
- 2.3 The project will comprise six components, which tackle comprehensively the various issues identified.
- 2.4 **Component 1: Legal framework.** The project will support the BSS in producing a proposal for a new legal framework. A new Statistics Act or, alternatively, executive regulations for the law would enhance the ability of the BSS to provide timely and useful information. The new law or new regulations should, among other topics: (i) strengthen the technical and administrative autonomy of the BSS; (ii) broaden the institutional setting to include not only the BSS but all other statistics producing units within other agencies and ministries while asserting BSS central role as the leader of a wider statistical system; (iii) enhance internal and external accountability of the BSS and of the statistical units in other governmental agencies; and (iv) update penalties to better allow for compliance

by both those agencies responsible for collecting information and those agents or agencies that are expected to provide information; (v) clarify the scope of data protection⁵; and (vi) designate the BSS responsible for making information more accessible to users. Enacting a new law or regulating the current one would be useful to strengthening the legal framework, but it is not a prior condition for advancing this or any of the other components of this operation.

- 2.5 The project will provide technical assistance through consultancy services for: (i) reviewing and complementing the legal analysis completed during project design, the results of which are presented in section 1 of this document; (ii) defining options for legal reform; and (iii) engaging with relevant stakeholders in order to build consensus on needed legal enhancements.
- 2.6 **Component 2: Statistics network.** The program will provide assistance to create a network of agencies involved in statistics production, in order to improve the effective cooperation of the various governmental agencies that produce raw and elaborated data relevant to the responsibilities of the BSS. Coordination among producers of statistics should lead to a national statistics program, with priorities set for various products, with standardized concepts and definitions being used across the public sector and full utilization of the national expertise in sampling questionnaires. This would imply support for all ministries involved in the form of training for staff and new information technology, complemented with clear and formal communication channels between the ministries and the BSS.
- 2.7 This component will support the BSS through consultancy services for: (i) creating a Statistics Steering Committee (SSC), led by the BSS, including representation of all fourteen ministries and the Central Bank, which will assure an effective inter-agency coordination in order to provide timely and accurate data to the BSS as well as to enhance the provision of services from the BSS to other agencies (the SSC will also have participation of representatives of civil society); (ii) setting up of the administrative and operational procedures of the SSC; and (iii) standardizing the procedures, definitions, and working methodologies involving all ministries and agencies participating in the SSC.
- 2.8 It is expected that a Statistical Council will be institutionalized by law once a new Statistics Act is enacted or a law regulation adopted. The Statistical Council would eventually substitute the SSC.
- 2.9 **Component 3: Institutional reengineering.** This component will provide assistance to the BSS for deepening the institutional assessment made during project preparation of the current managerial, administrative, and technical structure, policies and procedures of the BSS in order to confirm and/or identify

⁵ The scope of data protection should include raw data, particularly all personal data or commercial data which disclosure could expose private information of persons or businesses. Aggregated information should be made available for public use.

bottlenecks and inefficiencies⁶. Based on this diagnostic the program will provide options for streamlining and improving BSS managerial and administrative performance. After a reform course is established, the program will support its actual implementation with the goal of enhancing internal and external effectiveness, efficiency and accountability, while emphasizing BSS technical autonomy.

- 2.10 The assessment, options for reform, and actual institutional reengineering will be supported through consultancy services, and will tackle: (i) the governance and managerial structure; and (ii) administrative procedures, including at a minimum human resources, administration and records management, financial administration and procurement.
- 2.11 **Component 4: Enhancement of statistical products offered by the BSS.** This component will support the improvement of technical capacity at BSS to collect, process and disseminate data. The focus of this component will be to enhance the data collection instruments that BSS already has in place and to develop new ones to enable the institution to respond to increasing demand from public and private clients. The improvements to existing instruments will center on data quality issues such as non-response rates, timeliness of results data access dissemination policies. The design of new instruments will focus on responding to the needs of data users. Although the BSS is the focal point of the project, other relevant agencies will also benefit from technical assistance provided by this component, to strengthen their capacity to collect, process and share statistical information (i.e. ministries of health, education, etc.). Special attention will be paid to ensure that BSS applies state of the art methodologies, conforms to international standards, and works within the CARICOM statistical framework.
- 2.12 This component will assist the BSS through consultancy services to improve key social and economic data. With regards to social information, the activities will center on the following areas: (i) revision of the Quarterly Labour Force Survey, including a design for transforming it into a modular household survey which would provide periodic data on a range of household social and economic conditions; (ii) collection of data to produce indicators on education and health to monitor the MDGs; (iii) production of environmentally relevant data at the household level; (iv) compilation of demographic indicators, including population projections and territorially disaggregated estimates; and, (v) preparations for the 2010 population census. In the area of economic statistics the support will focus on: (i) implementation of the 1993 System of National Accounts and quarterly national accounts estimates; (ii) improvement of the Establishment Survey; (iii) data compilation process for the Index of Retail Prices; (iv) compilation of the Producer Price Index; and (v) Household Budget Survey—possibly to be included as a module in a periodic household survey.

⁶ The institutional assessment was conducted in the phase of project design, which was instrumental for developing terms of reference (TOR) for implementation of this component. The assessment has been made available to the BSS.

- 2.13 **Component 5: Human capacity.** The program will support the preparation of a strategy and implementation of a human resources management transformation, and corresponding regulatory reforms, if needed. The project will also provide training to BSS and other agency staff in order to support the institutional reengineering and the enhancement of statistical products.
- 2.14 This component will support consultancy services for: (i) designing and implementing a human resources management system in the BSS, including updating of policies, procedures and an electronic human resources information system; (ii) on-the-job technical development for a number of employees especially in the areas of collection, processing and dissemination of statistical products and new software in the BSS and in other relevant agencies; and (iii) specialized training comprising academic scholarships to provide Masters degrees or a similar academic training to a number of statisticians.⁷
- 2.15 **Component 6: Technical infrastructure and public outreach.** The project will support the upgrading of BSS's information technology and will facilitate the access of the public to its various statistical products. Relevant agencies will also have access to technology improvement regarding statistical collection, processing and sharing.
- 2.16 This component comprises two sub-components: (i) hardware and software upgrading, including an intranet as well as networking with public agencies that provide information to the BSS; and (ii) a webpage where BSS products are available to the general public.
- 2.17 **Sequencing of the components.** Project implementation should start with the creation of the SSC and the contracting of consultancy services. Component 1 may start with the assessment of the current legal framework and the proposal for reform. The other components can and should be implemented parallel to Component 1, as the changes in the legal framework are not a prior condition for any of the components of the project.⁸

B. Cost and financing

- 2.18 The Bank will finance US\$5 million and the Government counterpart will be US\$1.25 million. See details in table II.I.

⁷ Estimated number of employees to be trained on the job: 60; estimated number of statisticians to be trained at Masters Degree level: 8. See more details in section III.D - procurement of goods and services.

⁸ More details are provided in section III.D.

Table II.1 Budget
Modernization of the Barbados Statistical Service (BA-L1009)
(US dollars)

	Total			
	IDB	Local	\$	%
SUPERVISION AND ADMINISTRATION	300,000	200,000	500,000	8.0
Project Coordinating Unit	300,000	200,000	500,000	8.0
DIRECT COSTS COMPONENTS	4,300,000	850,000	5,150,000	82.4
1. Legal framework	50,000	10,000	60,000	1.0
2. Statistics Network	50,000	150,000	200,000	3.2
3. Institutional Reengineering	900,000	150,000	1,050,000	16.8
4. Enhancement of Statistical Products	1,200,000	240,000	1,440,000	23.0
5. Human Capacity	1,100,000	50,000	1,150,000	18.4
6. Technical Infrastructure and Public Outreach	1,000,000	250,000	1,250,000	20.0
CONCURRENT COSTS	70,000	20,000	90,000	1.6
Evaluation	0	20,000	20,000	0.3
External Auditing	70,000	0	70,000	1.3
CONTINGENCIES	330,000	180,000	510,000	8.2
TOTAL	5,000,000	1,250,000	6,250,000	100.0
PERCENT	80	20	100	

III. PROJECT EXECUTION

A. The Borrower and executing agency

- 3.1 The Borrower will be the Government of Barbados. The executing agency will be the MOF through of the Barbados Statistical Service.
- 3.2 The BSS is organized basically in three levels: (i) the Director at the strategic level; (ii) the Deputy Director as the operating supervisor; and (iii) four statistical Divisions and an Information Technology Division (IT) as the Core Function. It does not have dedicated units to carry out the administrative support functions. Instead some basic activities for personnel, procurement and accounting are performed by a senior clerk and two assistants using entirely manual systems and with weak internal controls.
- 3.3 BSS has 67 permanent employees. Its budget is a chapter under the overall budget of the MOF. BSS actual expenditures for the Fiscal Year ending 31 March 2006 was the equivalent of US\$1.72 million, of which US\$1.66 million (96.7%) was for current expenditures and US\$0.60 million (3.3%) for capital expenditures. Salaries and wages represented 89% of the total of current expenditures.
- 3.4 The institutional analysis conducted as part of project preparation recommends strengthening: (i) the BSS Director's management authority, particularly in the area of personnel, so as to make it compatible with the responsibilities to be assigned to the Director in the Statistics Act and in related regulations; and (ii) the

administrative support functions related to personnel, general management, procurement, and accounting. The implementation of the first recommendation and of the one related to BSS general management and personnel administration (training in planning, improvement of the records storage systems, inventory skills, preparation of profiles and position descriptions, and establishment of a performance evaluation system) will be financed by Component 4 of the Program. The strengthening of the procurement and the accounting areas has taken already place in the context of organizing the structure for project execution as discussed in the following sections.

B. Organization for program execution and administration

1. Structure

- 3.5 In organizing the structure for program execution the following factors were considered: (i) BSS administrative support functions, especially accounting and procurement, have limitations and consequently they have to be strengthened not only to facilitate program execution, but also to improve support for the agency's regular operations; (ii) in a small organization such a BSS it will not be cost effective to have separate support offices (Procurement and Accounting) for the IDB Program and for BSS regular program. Thus, for cost and development reasons, the strengthening of the administrative support functions must be approached as a development activity for the agency as a whole; (iii) the program represents the largest capital investment project in BSS since its inception - the managerial effort that this effort requires justifies a full time Coordinator reporting to the BSS Director; and (iv) the participation of several agencies calls for interagency coordinating mechanisms.
- 3.6 In line with the above rationale, the structure for execution comprises: (i) a Program Coordinator (PC), reporting to the Director of BSS; (ii) a Senior Accountant Officer (SAO) reporting to the PC; (iii) a project officer; (iv) one clerk/typist; and (v) a Procurement Specialist, contracted to conduct the procurement procedures. It is expected that the SAO will evolve over time into an officer of the regular BSS structure.
- 3.7 The Program Coordinator position will be appointed by the BSS Director with the approval of the Minister of MOF. At the present time the position has already been assigned on a full time basis to the current BSS Deputy Director⁹, and a senior accountant from the GOB Civil Service will be appointed to BSS. Because there are no procurement officers in the Barbados Civil Service, it is necessary to contract one through the program. Due to the limited number of procurement processes in the program, the period of contracting for this specialist will be done on the basis of procurement tasks to be performed, taking into account the timing of the activities in the program's procurement plan; as well as the fact that this officer is to provide training on procurement to BSS staff, and to support technical

⁹ The government will appoint a new Deputy Director to replace of the current one.

staff with contract administration activities. The program contains resources for the contracting of the procurement specialist, as needed. The resources will be controlled by the PC as the person responsible for procurement in the program. The procurement specialist will be located in the Project Implementation Unit (PIU) of the MOF. He/she should be contracted to carry out the specific procurement of the three project packages and will be needed for a total (probably non-consecutive) estimated period of one year. He/she might work for other IDB projects and eventually be also paid by other projects after the BA-L1009 financing is finished. The procurement specialist will report to the head of the PIU and to the Project Coordinator in matters related to project procurement and procurement training activities. The decision to hire a procurement specialist for a limited period of time is based on: (i) the project will need very few procurement processes; and (ii) the BSS does not expect to develop a full-time procurement office.

- 3.8 Finally, a Statistic Steering Committee led by the BSS Director will form part of the structure.
- 3.9 **Statistics Steering Committee (SSC):** Comprising representatives of the Central Bank the fourteen ministries, and civil society (i.e.: business community, professional associations, civil groups, etc.), led by the BSS Director and with the Program's Coordinator acting as the Secretary, the SSC will have the following strategic and overall monitoring functions: (i) review of legal and institutional recommendations contained in studies developed in the program for approval by the Minister; (ii) review of changes in program objectives, strategies or components, for approval by the Minister prior their submission to the Bank; (iii) global monitoring through the review and approval of the program's annual report; and (iv) approval of the Annual Operating Plan (AOP). Exceptional variances from plans or objectives in annual reports, or in AOPs will be communicated to the Minister. The SSC will also resolve any coordinating or work problems that could not be resolved at the PCU level.
- 3.10 SSC public sector members will be appointed by the Cabinet under recommendation of the Permanent Secretary of MOF, in consultation with the ministries involved and the Central Bank, preferably being the managers of statistics, planning, research or similar units in the various agencies. Civil society representatives will be invited to join the SSC by the Permanent Secretary of MOF. SSC members will be responsible for ensuring the implementation of technical assistance activities financed by the program within their agencies. The SSC members can delegate these activities to their agencies' personnel as needed. SSC members will ensure a working relationship of their staff with the project coordinator.¹⁰ **The establishment of the SSC will be a condition prior to first disbursement.**

¹⁰ The institutional analysis conducted during Project preparation brought to light that activities such as: support in the preparation of TORS or specifications, follow up of implementation activities will in fact be delegated.

- 3.11 **Program Coordinating Unit (PCU):** Under the responsibility of the project coordinator, the PCU will carry out the following functions: (i) prepare the Program's Procurement Plan (PP) and the AOP, monitor their execution and analyze variances of actual results to plans; (ii) prepare the program's budget and ensure its timely funding from the Bank and the Government; (iii) procurement functions, including the preparation of bidding packages or documentation for procurement, the receipt of offers for goods and services, and participation in the selection of procurement proposals; (iv) carry out the timely payments on behalf of the program; (v) carry out the accounting for the program; (vi) prepare technical and financial reports required in the program; (vii) monitor compliance with contractual clauses; (viii) implement operational and financial internal controls for the program, including the setting up and maintenance of accounting and information systems for the program; (ix) periodically review the program's Operating Manual to maintain it up to date; and (x) serve as a liaison for the program with the Bank and other agencies. **The following actions by GOB should be conditions prior to first disbursement: the establishment of the PCU and its staff appointed, including: the PC; the senior accountant; one project officer and one clerk/typist; and the definition of the schedule for contracting of the procurement specialist in accordance with the procurement tasks reflected in the PP.**

2. Financial administration

- 3.12 IDB project budgetary commitments for goods and services and the payments against those commitments are made in Barbados through the Smart Stream System, (SSS) managed by the Office of the Accountant General (OAG). The SSS is available online in all public agencies. For the program, the OAG has agreed to put online the SSS and to train the accounting personnel in the BSS. The installation of this system, added to the appointment of the senior accountant, will strengthen the accounting functions in the BSS.
- 3.13 With the above arrangements, financial administration for the program will follow the government procedures in place for all projects financed by the Bank. These procedures and controls are adequate. The Bank loan resources will be deposited in the Central Bank in an account specifically opened for the project. Budgetary obligations for goods and services procured and payments for program expenses will be processed on line through the SSS. Actual payments will be made from the Consolidated Fund also managed and controlled by the OAG. Periodically, the PCU will process the request for replenishment of funds to the IDB via the Ministry of Finance and the OAG, and the Consolidated Fund will be reimbursed out of the Central Bank program account for the expenditures made on behalf of the program. Under this process, the OAG is actually performing the treasury and budget control functions for the program. The accountant in the PCU will do budgeting for the program. The annual budget will be reviewed first by the BSS Director and then by MOF, and processed through the regular channels at the Ministry of Finance.

- 3.14 The PCU will present semiannual reports on the status of this fund within 60 days after the end of the period.

C. Execution mechanisms

- 3.15 The following instruments will guide and facilitate program execution: the Annual Operating Plan, the Procurement Plan, and the Program's Operating Manual (POM).
- 3.16 The AOP will contain targets for planned activities, together with their budget, their source of financing and the assignment of responsibility for their execution. BSS, with the support of the PCU, will present to the Bank a preliminary AOP by mid January each year, and a final AOP once the budget has been approved, but not later than the end of April of each year¹¹. An AOP for the first year together with the TORS for the contracting activities of the first 18 months is available. **The presentation of the final version of the AOP for the first year of Project execution for Bank's non-objection will be condition prior to first disbursement.**
- 3.17 An integral part of the executing mechanisms will be a Procurement Plan establishing: (i) the chronogram for the procurement of goods and services; and (ii) the proposed method for the procurement of those goods and services. The Procurement Plan covering an initial period of 18 months has been reviewed by the project team. The PCU will update the Procurement Plan on an annual basis or as needed always covering the next 18 month period of project implementation. Any revisions proposed to the Procurement Plan will be forwarded by the BSS to the Bank for approval.
- 3.18 Detailed program execution procedures are reflected in the Operating Manual to be used by all program participants. Evaluation of compliance with this manual will be part of the work of the external auditor and the need for its updating will be evaluated during the annual program monitoring sessions. The project team has produced a first version of the Manual. **The Operating Manual must enter into effect as a condition prior to first disbursement.**

D. Procurement of goods and services

- 3.19 The PCU, through the Procurement Specialist, will carry out the Program's procurement bidding processes and supervision pursuant to the Bank's policies and procedures. Resources of the Program will be used for the hiring of consulting services needed for project implementation. In order to strengthen the evaluation process the Government may seek the assistance and support of CARTAC for the identification of consultants to support specific needs during project execution. Goods and related services will be acquired from private suppliers. Studies, technical assistance services and training will be contracted

¹¹ The Barbados fiscal year runs from 1 April to 31 March. The AOPs for the program will correspond to the fiscal years.

from recognized high quality international or national statistical agencies, independent consulting firms and/or educational establishments like universities. The BSS Evaluation Committee comprises the Director of the BSS, a senior statistician, and the project coordinator.

- 3.20 **Procurement packages.** In order to facilitate the execution of the program and to ensure consistency of the interventions, the six components will be regrouped into three main procurement packages.
- 3.21 *Procurement package No. 1* will include components 1 (Legal framework); 2 (Statistics Network); 3 (Institutional reengineering); 4 (Enhancement of statistical products); 5i (Creation of a human resources management system); 5ii (On-the-job training)¹²; and 6ii (Webpage where BSS products are made available to the general public). This package will be contracted to an internationally recognized statistical department, which will assist the BSS in its overall modernization effort.
- 3.22 *Procurement package No. 2* will comprise component 5iii (Academic scholarships to provide Masters degrees or a similar academic training to a number of statisticians). This package will finance approximately eight professionals who will apply to internationally recognized academic institutions with proven experience in the statistics field. The Operating Manual provides criteria for the selection of candidates to be awarded the scholarships – which include to be accepted by the university and to make a commitment to work for the BSS for a number of years after obtaining the academic degree, among others - and for the eligibility of universities – which include academic program appropriateness, cost, and likelihood of candidates to be accepted, among others. A consultant hired by the project will advise the BSS on potential candidates, the scope and quality of programs available, and a list of eligible universities.
- 3.23 *Procurement package No. 3* will comprise component 6i (Hardware and software upgrading, including an intranet as well as networking with public agencies that provide information and raw data to the BSS). This package will be contracted after the activities to be performed under package No. 1 define a suitable set of programs and corresponding hardware to support the strengthening and development of statistics produced by the BSS. This package will be contracted through a bidding process preferably to a single provider.
- 3.24 The Bank has prepared and shared with the government draft terms of reference (TOR) for packages 1 and 2, as a guidance for project procurement and implementation.

¹² On the job training may include courses, workshops, coaching and other knowledge transmission modalities for a range of professional, technical and administrative employees focused, among others, on: (i) development of the new statistical products to be supported by the program; (ii) strengthening of collection and processing of current statistical products; (iii) use and maintenance of new software and hardware; (iv) development and maintenance of the BSS Webpage.

- 3.25 **Goods.** Procurement of goods will be carried out in accordance with Bank policy established in document GN-2349-7 “Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank”. International Competitive Bidding (ICB) will be compulsory for procurement for more than US\$150,000. National Competitive Bidding (NCB) may be used for values from US\$50,000 to less than US\$150,000, and shopping will apply for amounts less than US\$50,000. Procurement of Goods will be carried out in accordance with the Procurement Plan previously approved by the Bank. Goods requiring ICB will be contracted using Standard Bidding Documents (SBD) issued by the Bank. Procurement subject to NCB will be executed using national bidding documents satisfactory to the Bank.
- 3.26 **Consultants.** Selection and contracting of consultants will be carried out following the policy set out in document GN-2350-7 “Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank”. For the selection and contracting of consulting services with a value equal to or greater than US\$200,000, the short list will include international consulting firms. A short list may consist only of national consultants: (i) if the assignment is less than US\$200,000 and a sufficient number of firms or consultants are available to make up a short list. However, if foreign firms express interest, they shall be considered; and (ii) when competition including foreign consultants is prima facie not justified or foreign consultants have not expressed interest. Consulting services will be contracted in accordance with the Procurement Plan agreed between the Bank and the Government. Consulting firms for the project will be selected using standard Request for Proposals (RFP) issued by the Bank, or an RFP satisfactory to the Bank in cases where the standard RFP is no applicable.
- 3.27 Based on the result of the institutional analysis, which included a capacity assessment to administer procurement, all contracts will be subject to the Bank’s prior review.
- 3.28 Notwithstanding the agreement with the Government regarding the application of the policies described above, procurement in Barbados at the present time must also follow the country regulations contained in the Financial Administration and Audit Act, 1971. In line with these regulations, the Solicitor General must approve the format of any contract over the equivalent of US\$10,000; and for contracts over the equivalent of US\$50,000, a Tenders Committee¹³ must approve all tender notices and review the evaluation of tenders done by the BSS Evaluation Committee. These regulations could represent a source of delay for

¹³ The Tenders Committee consists of the Chief Supply Officer (CSO), the Solicitor General and five government members appointed by the Minister of Finance. The CSO is the head of the Central Purchasing Department, an agency created to centralize purchases of government supplies, with a history of operating deficiencies.

project execution that cannot be avoided without a comprehensive change in the procedures of the procurement system.¹⁴

E. Execution period and disbursement schedule

- 3.29 The disbursement period will be 48 months. Table III.1 below shows the estimated execution schedule by year.

**Table III.1 Execution Schedule
(In US\$ thousand)**

	Year 1	Year 2	Year 3	Total	%
IDB	500	2500	2000	5000	80
GOB	125	600	525	1250	20
Total	625	3100	2525	6250	100
Percents	10	50	40	100	

F. Special disbursement and retroactive financing

- 3.30 Once the loan contract is in effect and the general conditions prior to first disbursement have been met, the Bank may disburse to the Borrower, against financing resources up to US\$200,000 to contract the Executing Unit staff, the training advisor, and to provide for required office supplies and equipment.
- 3.31 Retroactive financing against the loan resources will be possible up to the equivalent of US\$500,000 for expenses incurred by the BSS for the adoption of the Smart Stream System and other expenses related to project implementation. These expenses will be approved provided that: (i) they were incurred after December 1, 2006; (ii) any activities involved are consistent with the components of the project; and (iii) the procurement of these activities comply with requirements substantially analogous to those established in the loan contract.

G. Monitoring and evaluation

- 3.32 The system for monitoring and evaluation will include: (i) the examination of the technical and financial reports; (ii) annual program review meetings; and (iii) independent midterm and final evaluations.
- 3.33 The BSS, with the support of the PCU, will submit to the Bank: (i) semiannual progress reports - the progress report due at the end of April will evaluate the results of operations in comparison with the plans reflected on the AOP for the year ending; and (ii) annually, at the end of April, the AOP for the following fiscal year. The Bank will examine these documents and will give its non-objection to them.
- 3.34 Annual program review meetings will be held before mid-May to correspond with the period of final budget approval¹⁵ and also with the presentation of the AOP for the coming year. These meetings will emphasize: (i) the review of operations in comparison to the plans in the ending year AOP, the determination of problems and

¹⁴ The Bank is completing the processing of a program to support the Government of Barbados with the review, reorganization and strengthening of the procedures, laws and institutional organization for public procurement (BA-L1004).

¹⁵ The budget is approved by Parliament the second part of March.

possible solutions and, in light of the review, the assessment of the soundness of the plans contained in the coming year AOP; (ii) the review of the annual progress toward the objectives and indicators contained in the logical framework. The base line for these indicators is available and the PCU will be responsible for gathering information to measure their progress; and (iii) to review the applicability of the Operation Manual and identification of any need for updating it.

- 3.35 **Independent midterm and final evaluation.** At the end of 18 months from the date of the loan contract, or after commitment of 50% of the project resources, whichever comes first, the BSS, through the PCU, will contract an independent consultant to conduct a midterm evaluation of the project. The consultant to be contracted under TOR prepared by the PCU with the Bank's non-objection will assess, among other topics: (i) the level of progress toward meeting the project's objectives stated in the Logical Framework; (ii) the level of acceptance and implementation of products and systems already developed by the project; and (iii) the degree of effectiveness of the internal and Bank's monitoring and supervision system. This evaluation will serve as an input to adjust ongoing execution procedures.
- 3.36 When 90% of the Program resources have been committed, the BSS, through the PCU, will contract an independent consultant to carry out a final program evaluation. The consultant to be contracted under TORS submitted to the Bank for non-objection will assess the following: (i) degree of attainment of program objectives and reasons for variances; (ii) the organization established for project execution; (iii) implementation and acceptance of systems developed through the Program; (iv) sustainability of activities funded under the Program; and (v) lessons learned that could be applied to future public sector reform projects. The result of this final evaluation will be used as an input in the preparation of the project completion report.

H. External auditing

- 3.37 The Office of the Auditor General is in charge of conducting audits of the accounts of the public sector agencies. There has not been an audit of BSS accounts and operations for several years. For the program, a firm of certified public accountants acceptable to the Bank will carry out the external auditing. The firm will be contracted in accordance with the policy contained in document GN-2350-4, Section 3.20 "Auditors" and will conduct its work in accordance with Bank requirements (AF-100, AF-300 and AF-400). The cost will be financed from program loan resources. The audited financial statements will be submitted to the Bank within 120 days from the closing date of the fiscal year with the last statement to be presented within 120 days of the date of the last disbursement.

IV. VIABILITY AND RISKS

A. Institutional and financial viability

- 4.1 The program's institutional viability is a function of three factors: (i) the capacity of the structure organized to carry out the project activities; (ii) the degree of coordination among the different beneficiary agencies; and (iii) the continuation of the political support for the Program. The summary analysis presented below on these three factors supports the conclusion that the program is institutionally and financially viable.
- 4.2 During project preparation the areas requiring capacity support were identified and institutional strengthening has been included accordingly. Thus, a full time project coordinator position has been created reporting to the highest level in the BSS structure. The accounting system is being modernized and staffed. Furthermore, a procurement professional(s) will be contracted with a view to: (i) increase the capacity for procurement directly through his/her work, as well as through the training he/she will provide to other BSS staff; and (ii) to support the technical staff with contract administration thereby increasing the capacity for quality control. Moreover, training in planning methodologies is included in the program as part of overall management strengthening; reorganization of the records storage system is being contemplated to facilitate information and auditing.
- 4.3 Coordination and communication between the BSS and the participating agencies will be ensured through the Statistics Steering Committee. In addition, the rules and procedures in the program will be known to all participants through the distribution of the program manual among all participating agencies.
- 4.4 Because good quality and timely statistics are critical for strengthening government policy design and decision-making, the program has political support at the highest levels of Government, with the MOF taking leadership of this project. Such support will make possible the timely contribution of the local counterpart (US\$1.25 million), which represents a modest yearly contribution of 0.03% of the Government budget (fiscal year 2006-2007).

B. Environmental impact

- 4.5 Given the nature of the program, involving institutional reforms, the activities to be financed will not have negative environmental or social effects. The project will support the improvement and availability of gender and environmental related statistics.
- 4.6 The project will assist the BSS in the collection of environmental data through the modular household survey, including: (i) water supply; (ii) sewerage availability; and (iii) garbage collection availability. Improvements in gender statistics include

population data collection and projections at a district level also through the modular household survey.

C. Benefit and beneficiaries

- 4.7 The main benefit of this program will be to strengthen the availability of timely and accurate statistical products and services in the country. The public and private sector as well as the civil society will be beneficiaries of the project.

D. Risks

- 4.8 **Government capacity for ensuring sustainable reforms.** The experience in Barbados shows that institutional reforms of the public sector may be slowed down or abandoned over time for procedural, political or technical circumstances. The firm willingness of the MOF and the BSS to engage in reforms proposed in this project and thorough training closely tied to reform efforts should increase the feasibility and sustainability of the new institutional setting and provide viability and sustainability to the project outputs and outcomes.
- 4.9 **Inter-agency cooperation.** Limited cooperation and coordination of the various agencies involved in the production of statistics and data with the BSS could prevent the project from fulfilling its main purpose. The Government is aware of this issue and has declared its willingness to support the creation of a SSC and to provide the regulatory and political framework to ensure its effectiveness.
- 4.10 **Possible consequences of legal options on project components.** Regardless of whether the final course of action were to approve a new Act or to amend the current one, a new legal, stable framework would strengthen the ability of the BSS to collect, process and disseminate statistics in the country. A second-best arrangement would be to enact an executive regulation of the current Act, which may have the same effect as that of a new law. Eventually, however, an executive regulation could be changed by another executive order, so the sustainability of BSS leadership regarding the statistical network of public agencies involved in data production could be compromised over time.
- 4.11 In both cases, there is a need for the Government and the project to provide incentives to the agencies involved in the statistical network to commit themselves to their role as providers, as well as clients of the BSS. Those incentives include participation in the process of project design, which was initiated during project preparation, and will be strengthened through the participation of SSC agency members in project execution as beneficiaries. Each agency will likely have also an incentive for cooperation as all SSC members will have “voice” in country-wide and cross-sector development of statistical products.
- 4.12 In the absence of any legal or regulatory change, the Government can create a working group of all agencies involved in the collection of statistics, under the leadership of the BSS, but the sustainability of this structure would be quite uncertain. If this is the case, the objective of component two of the project—

statistic network—would be difficult to achieve, and could compromise the degree of improvement of certain statistical products in which raw data is collected by agencies other than the BSS.

- 4.13 **Delays in project execution.** Slow procurement procedures in the country may delay program activities, as well as decision-making. The follow-up functions of the PCU with the support of the procurement specialist along with political support may speed up the process of authorizations and thus mitigate this risk.

BARBADOS STATISTICAL SERVICE
(BA-L1009)

LOGICAL FRAMEWORK

Goal/Long-Term Objective	Monitoring Indicators	Means of verification	Assumptions
Improved evidence-based policy-making and management for the social and economic development of Barbados.	Key public and private sector policy and operational decisions are supported by reliable and relevant statistical data.	Cabinet records. Central Bank Statistics. BSS Publications/ Database/records.	For achieving Goal: High standards of public sector governance, including increased use of local and international data available for public management. Inflow of investment funds. Successful, tourism, trade promotion and export marketing programs. Widespread use of statistical data among all sectors in Barbados.
Project Purpose/Outcome	Monitoring Indicators	Means of verification	Assumptions
Improved availability of relevant, timely and quality statistical data offered by the BSS to the public sector, the business community and the general public.	Two years after project completion: 1. Legal framework strengthened either by the enactment of a new Statistical Act, or by new regulations. Main reforms expected include: stronger mandate for the BSS to lead the production of statistics in the country, including: (i) the creation of a statistical council comprising relevant ministries, (ii) capacity of the BSS to enforce compliance of public and private agents with its responsibilities regarding provision and processing of statistical information; and (iii) accurate definition of statistical secret. Baseline: Legal framework doesn't include policy reforms expected as a result of the project. The Statistics Act has no regulations. 2. Increased availability of statistical products offered by the BSS, including a regular household survey	Country legal records Project records BSS records Millennium Development Goals Report	For achieving Purpose: Governmental long-term support to the BSS. Effective leadership of the BSS. Effective maintenance of the statistical system. Widespread Internet connectivity among network partners. Rapid response rate by BSS staff. Full support and commitment among stakeholders in the provision of data and use of the data products.

	<p>with relevant modules and statistics on all Millennium Development Goals.</p> <p>Baseline: no multipurpose household survey, no MDG data reported.</p> <p>3. The BSS is able to produce statistics within 3 months of the submission of raw data by network partners or after its collection by the BSS.</p> <p>Baseline: two-plus years.</p> <p>4. The BSS is able to offer statistical products to the public and update its on-line database within 15 days after its production.</p> <p>Baseline: few outdated publications; no on-line database.</p> <p>5. All Government agencies and the public have on-line access to the public database on the BSS Website.</p> <p>Baseline: No on-line offer of information on statistical products available.</p> <p>6. System down-time on the BSS network is less than 5%.</p> <p>Baseline: No BSS electronic system.</p> <p>7. On average, 50% of network partners access the BSS website at least monthly.</p> <p>Baseline: No access due to inexistence of any on-line offer of information on statistical products.</p>		
Project Outputs	Monitoring Indicators	Means of Verification	Assumptions
Modernization of the Barbados Statistical Service including: (i) improved legal framework; (ii) creation of a statistics network; (iii) improvement of statistical administration through institutional reengineering;	<p>1. By month 24 of project implementation it is expected that a draft legal law and/or regulations are defined and presented for approval to the Cabinet.</p> <p>2. Appointed and effective functioning of a statistical network (Statistical Council) by the end of project implementation, which will facilitate cooperation among ministries, collection and processing of statistics in the country. The Statistics Steering</p>	<p>Cabinet records showing discussion and approval of the draft law or regulation.</p> <p>Official Cabinet documentation on the creation of the Statistical Council.</p>	<p><u>For implementing Project:</u></p> <p>Appointment of Project Coordinating Unit before start of project implementation.</p> <p>Cabinet approves establishment of Statistical Steering Committee.</p>

<p>(iv) enhancement of statistical products offered by BSS; (v) development of human capacity for producing statistics; and (vi) upgrading of the technical infrastructure and better public outreach.</p>	<p>Committee (SSC) that will be created as an interinstitutional coordination body for the project is expected to be the founding effort of the future Statistical Council.</p> <p>3. Improved managerial and administrative procedures established in the BSS and in statistical units in relevant ministries by the end of the project focusing on: (i) BSS governance and managerial structure; and (ii) administrative procedures, including at least human resources, administration and records management, financial administration and procurement. Progress on these topics will be measured against the managerial and administrative indicators identified in the institutional analysis conducted during project preparation.</p> <p>4a. Statistical methodologies, definitions and procedures standardized in all relevant Government agencies by the end of the project.</p> <p>4b. BSS database is fully populated by month 18 of project implementation. (It is already being populated with data published by BSS).</p> <p>5a. Eight scholarships are awarded for post-graduate studies in statistics by month 42 after the beginning of project implementation. It is expected that at least two scholarships be awarded by the end of month 12, and two more by the end of month 24 of project implementation.</p> <p>5b. Sixty statisticians and statistical personnel in BSS and relevant agencies are trained-on-the-job by the end of the project, in advanced statistical skills, especially in areas related to: (i) a modular household survey which would provide periodic data on a range of household social and economic conditions; (ii) indicators on education and health to monitor the Millennium Development Goals; (iii) environmentally relevant data at the household level;</p>	<p>Project records/reports/inspection.</p> <p>BSS records/reports.</p> <p>Certification of Masters Degrees awarded to all participants.</p> <p>BSS webpage duly populated, active and available to the public.</p>	<p>Continuous political and technical support for the project.</p> <p>Timely decision-making and prompt action by relevant network partners.</p> <p>Awardees are released for uninterrupted study during the study period.</p> <p>Staff is released from duties as required for the training.</p> <p>Equipment acquired will be “cutting-edge”, at the time of acquisition.</p> <p>Network partners provide the required data inputs.</p> <p>Good communications and collaboration among stakeholders.</p>
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	<p>(iv) demographic indicators, including population projections and territorially disaggregated estimates;</p> <p>(v) preparations for the 2010 population census;</p> <p>(vi) implementation of the 1993 system of national accounts and quarterly national accounts estimates;</p> <p>(vii) establishment survey; (viii) index of retail prices; (ix) Producer Price Index; (x) household budget survey –possibly part of the general household survey; and (xi) development and maintenance of BSS Webpage.</p> <p>6a. Estimated 75 computers with cutting-edge software installed at the BSS and associated public agencies by the end of project implementation. All the hardware and half of critical software should be operational at month 24 of project implementation.</p> <p>6b. BSS Webpage and Intranet system are established by month 24 of project implementation.</p> <p>6c. By month 36 of project implementation, the BSS database contains a comprehensive set of social as well as economic data.</p>		
Inputs		For acquiring Inputs:	
<p><u>All components:</u> The project will finance: (i) consultants (ii) training, and (iii) technology platforms.</p>		See tables II-I and III-I.	<p>Approval of BSS project by MOF and Cabinet.</p> <p>Conditions precedent to first disbursement, procurement, and other Loan contract requirements are met in a timely manner.</p> <p>Budgetary support in Government.</p>

**MODERNIZATION OF THE BARBADOS STATISTICAL SERVICE
(BA-L1009)**

PROJECT PROCUREMENT PLAN

General information

Country: Barbados

Borrower: Government of Barbados

Executing agency: Ministry of Finance, Economic Affairs and Energy through the Barbados Statistical Service (BSS)

Project name: Modernization of the Barbados Statistical Service

Project and loan contract numbers: BA-L1009 and N/A

Brief description of the project's objectives and components: To strengthen BSS capacity to provide accurate and timely economic and social statistics and to establish this agency leadership in the sector, by: (i) providing options for the reform and updating of the legal framework; (ii) developing an institutional mechanisms for the interagency cooperation and the standardization procedures and definitions; (iii) institutional strengthening of the BSS and of the statistical area in other public agencies; (iv) support in the preparation of human resources strategic development, including training in vital areas; and (v) upgrading of BSS information technology and strengthening of public access to its statistical products.

Estimated date of project approval by the President¹: 07/15/08

Estimated date of signature of the loan contract: 07/30/08

Estimated date of the final disbursement: 7/30/12

A. Introduction

Procurements for the proposed project will be carried out in accordance with the *Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank* (GN-2349-7, of July 2006), and the *Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank* (GN-2350-7, of July 2006), and with the provisions established in the loan contract and this procurement plan.

B. Procurement plan

The procurement plan for the Modernization of the Barbados Statistical Service covering the first 18 months of project execution² has been agreed between the Bank and the Ministry of Finance, Economic Affairs and Energy. The plan, which is summarized in Appendix 1, indicates the procedure to be used for the procurement of goods, the

¹ As this document was developed during the project preparation, the initial dates for approval of the operation, contract signing, and final disbursement are estimates, and will be updated when the definitive dates become available.

² The first 18 months of project execution are counted from the date of publication of the general procurement notice, or the first specific procurement notice published following approval of the loan, whichever is earlier.

contracting of services, and the method of selecting consultants, for each contract or group of contracts. It also indicates cases requiring prequalification; the estimated cost of each contract or group of contracts; the requirement for prior or post review by the Bank; and estimated dates for the publication of specific procurement notices and completion of the contracts included in this project. The procurement plan will be updated annually or whenever necessary or as required by the Bank. The detailed procurement plan is available at:

Project Coordinating Unit, Modernization of the BSS Program

Barbados Statistical Service

3rd Floor, National Insurance Building

Bridgetown, Barbados

West Indies.

E mail: barstats@caribsurf.com

The procurement plan is also available at the Bank's website: [Information on project procurement](#)

C. Project procurement

Procurement has been designed to include three bidding packages:

1. A first package will be for the consulting services of a renowned statistical public agency in an English-speaking country. This consulting agency will support a sector and institutional reengineering.
2. A second package is for consulting services from a highly respected university in the statistics field in an English speaking country. The selected university will provide professional training in Statistical Sciences at the Master's degree level.
3. A third package will be for equipment, software and hardware to support the institutional strengthening activities.

In this context, a general description of the procurement for the proposed project is presented below.

Goods procurement: The goods to be procured for this project include: (i) office equipment; (ii) personal computers and servers; and (iii) software. Except for a limited number of equipment for the PCU, these goods will be acquired to support the institutional strengthening component and as such the detailed list will be prepared by the statistical public agency consultant as a part of its strengthening mandate.

Project goods requiring ICB will be procured using the SBD issued by the Bank. Procurement subject to NCB will be undertaken using national bidding documents agreed upon with the Bank.

Procurement of non-consulting services: The Program includes professional training in Statistical Sciences at the Master's level for a limited number of GOB candidates. As

pointed out the training will be provided by a respected university in the field located in an English-speaking country. A highly qualified training advisor is being financed by the Program to develop the necessary curriculum and educational requirements for the statistical sector in Barbados and to help with the identification of qualified universities offering that curriculum. It is expected that the qualifying universities will be limited in number given the specialized nature and level of instruction sought, and thus limited international bidding will be the preferred procurement method to be used. In addition, the training advisor will support BSS with: (i) the preparation of criteria for selecting a university; (ii) the preparation of the technical aspects of the bidding documents; (iii) the response to requests for clarifications; (iv) the support to the BSS Evaluation Committee; (v) the negotiation with the university offering the best terms; and (vi) the drafting of the contract.

Procurement of consulting services: Consulting services under the program will include:

- (a) *The training advisor* to support BSS in the process of identifying and contracting a University to conduct the training program in Statistical Sciences at the Master's level for program candidates.
- (b) *The Statistical Public Agency* charged with the sector and institutional strengthening component of the program will supply consulting services in the following areas:
 - (i) Legal and sector analysis to restructure the legal framework and the governance system, as well as to improve coordination and standardization of statistical data among public agencies and to provide access to statistical data by the public.
 - (ii) Institutional and financial resource analysis to revise BSS organizational structure, to strengthen technical and administrative procedures, including BSS records storage systems, and to set up the basis for the assignment to BSS of resources commensurate with the new mandates.
 - (iii) Human resources analysis to reorganize the BSS personnel management system, including capacity assessment and review of post descriptions and profiles, as well as strengthening of the personnel management functions (recruiting, training, appraisal, compensation, etc.)
 - (iv) Planning expertise to set up and train BSS staff on the use of a basic planning system to facilitate the preparation of strategic plans as well the annual operating plans for the program, to set up indicators and to evaluate variances between goals and actual results.
 - (v) On-the-job training expertise to set up and conduct a training program at the technical support level on statistical subjects and on the use of new equipment and software acquired through the Program.
- (c) *An individual consultant in procurement:* The Program Coordinating Unit requires support from an individual consultant to provide support with

procurement activities including contract administration, and to train BSS staff on basic training functions. The consultant will work periodically in line with the requirements in this procurement plan and in the annual plan of operations.

The consulting statistical public agency to be contracted for the project will be selected using the standard request for proposals (RFP) issued by the Bank or an RFP satisfactory to the Bank in the case that the standard RFP is not applicable. The training advisor and the consultant on procurement will be selected bearing in mind the provisions established in chapter V of the policy in document GN-2350-7.

The statistical public agency consultant will be permitted to associate with a local firm of lawyers, if such association is advisable in the conduit of the legal assessment.

Operating expenses: The following operating expenses will be financed by the Bank throughout program execution: (i) salary costs and benefits for the head of the Program Coordinating Unit; (ii) professional fees for the procurement consultant; and (iii) office equipment for the Program Coordinating Unit.

Project operating expenses to be financed by the Bank may be contracted using the executing agency's procedures that have been previously reviewed by the Bank and classified as satisfactory.

Others: Does not apply.

Advance contracting and retroactive financing: Once the loan contract is in effect and the general conditions precedent to first disbursement have been met, the Bank may disburse to the Borrower, against financing resources up to US\$ 200,000 to contract the Program Coordinating Unit staff and consultant, the training advisor to the BSS, and to provide the Program Coordinating Unit with the required equipment. Furthermore, all procurement described in the procurement plan, for which the policies contained in the documents GN-2349-7 and GN-2350-7 have been followed, may receive Bank financing retroactively from the date of approval of the operations by the Board of Executive Directors, once the loan proceeds become eligible.

D. Bank review of procurement decisions

All contracts will be subject to prior review by the Bank in accordance with Appendix 1 of the policies for the procurement of works and goods and the selection of consultants.

E. Domestic preference

It is not foreseen the granting of margins of preference for goods manufactured locally for the procurement of goods in the program.

Appendix 1

Procurement plan (18 Months)

Country: Barbados

Executing agency: Ministry of Finance, Economic Affairs and Energy through the Barbados Statistical Service (BSS)

Project: Modernization of the Barbados Statistical Service

Project and loan contract numbers:³ BA-L1009 and N/A

Brief description of the project's objectives and components: To strengthen BSS capacity to provide accurate and timely economic and social statistics and to establish this agency leadership in the sector, by: (i) providing options for the reform and updating of the legal framework; (ii) developing an institutional mechanisms for the interagency cooperation and the standardization procedures and definitions; (iii) institutional strengthening of the BSS and of the statistical area in other public agencies; (iv) support in the preparation of human resources strategic development, including training in vital areas; and (v) upgrading of BSS information technology and strengthening of public access to its statistical products.

Estimated date of project approval by the President⁴: 7/15/08

Estimated date of signature of the loan contract: 7/30/08

Estimated date of the final disbursement: 7/30/12

Address of the executing agency office responsible for the procurement plan:

Project Coordinating Unit, Modernization of the BSS Program

Barbados Statistical Service

3rd Floor, National Insurance Building

Bridgetown, Barbados

West Indies.

E mail: barstats@caribsurf.com

³ The loan contract number will be entered as soon as one has been assigned.

⁴ As this document was developed during the project preparation, the initial dates for approval of the operation, contract signing, and final disbursement are estimates, and will be updated when the definitive dates become available.

Ref. No.	Description of the contract and estimated cost of procurement (US\$000)	Procurement method ⁵	Review (prior or post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates ⁶		Status (pending, in process, awarded, cancelled)	Comments
				IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
1.	1. <u>Goods</u> o Equipment and software Office equipment, hardware and software to support strengthening component and for PCU Estimated cost (US\$1,250)	ICB	Prior	80%	20%	No	3Q1Y	2Q2Y	Pending	
2.	2. <u>Non-consulting services</u> o Statistical Training at the master's level Scholarships for Master's Degree. Estimated cost (US\$800)	CQS	Prior	100%	0%	No	2Q1Y	4Q3Y	Pending	

⁵ **ICB**: International competitive bidding; **LIB**: limited international bidding; **NCB**: national competitive bidding; **PC**: price comparison; **DC**: direct contracting; **FA**: force account; **PSA**: Procurement through specialized agencies; **PAs**: Procurement agents; **IA**: Inspection agents; **PLFI**: Procurement in loans to financial intermediaries; **BOO/BOT/BOOT**: Build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP**: Performance-based procurement; **PLGB**: Procurement under loans guaranteed by the Bank; **PCP**: Community participation procurement; **QCBS**: Quality- and cost-based selection **QBS**: Quality-based selection **FBS**: Selection under a fixed budget; **LCS**: Least-cost selection; **CQS**: Selection based on the consultants' qualifications; **SSS**: Single-source selection.

⁶ **Q**: Calendar Quarter; **Y**: Year of execution. For instance, 3Q1Y stands for the third quarter of the first year of execution.

Appendix 2

Capacity of the executing agency and supervision of procurement by the Bank

The Barbados Statistical Service (BSS) will be responsible for carrying out project procurement through the Program Coordinating Unit (PCU). As pointed out in the Country Procurement Assessment Report for Barbados, the weaknesses in the procurement systems are generalized in the Barbados public service. Having assessed the executing agency's capacity to carry out the procurement actions, the Bank rated the overall risk to the project associated with the administration of procurement as high.

Deficiencies identified and corrective actions agreed upon are summarized below:

Deficiencies	Corrective actions	Completion date	Comments
Implementation of procurement plan: (i) To carry out the procurement plan the PCU requires one part-time procurement specialist. Currently it does not have this type of personnel. (ii) This is the first Bank operation at BSS. The Agency has limited knowledge of the Bank's procurement policies and procedures	(i) The program will finance the services of one procurement consultant for the PCU. (iia) The Country Office has planned a seminar to provide training in procurement for BSS staff. (iib) Quarterly field procurement review visits are also planned by the Country Office.	(i) The procurement consultant will be contracted in accordance with level of procurement shown on procurement plan; (iia) Seminar in procurement training to be scheduled; (iib) Visits by the Country Office procurement specialist to begin shortly after project approval.	The Country Office will assess the risk status of the PCU at the end of the first year of execution and decide upon actions as necessary. A BSS procurement capacity assessment will be a part of the mid term evaluation.
(iii) BSS records storage system needs to be strengthened and a Program procurement data file needs to be established.	(iiia) The strengthening of the BSS records storage system and implementation of reliable program files is part of the BSS institutional strengthening . (iiib) The Country Office will examine the functioning of the records storage system during its biannual inspection visits to the PCU. (iiic) The external auditor will examine the functioning records storage system as part of the review of internal controls.	(iiia) Implementation of records storage system completed within six months of approval. (iiib) Evaluation of PCU records storage system and practices by the Country Office to be a part of inspection reports. (iiic) External Auditor to emit an opinion on the functioning of the records storage system as part of the Internal Control Report attached to the Financial Statements Audit Report.	Mid term review will assess the needs for adjustments/improvements in the records storage system.

Frequency of procurement supervision

In addition to prior reviews, the Bank will conduct post reviews of the BSS procurement capacity and procedures every six months for the duration of the project. This system of review is consistent with the assessment made of the PCU capacity. This system may be adjusted in the process of updating and revising the procurement plan, depending on the performance of the PCU and the progress made in adopting the corrective measures described.