

THE IDB IN BARBADOS

Country Strategy with Barbados

The country strategy for Barbados for the period 2009 to 2013 has been utilized to guide the Bank's work program with focus on the following areas: (1) coastal infrastructure and climate change adaptation; (2) water and sanitation; (3) energy; and (4) education. This focus reflects the country's vulnerability to the negative implications of climate change; the need to improve the fiscal accounts by increasing efficiency in the provision of public services; the risk associated with high reliance on imported oil for energy; and the drive for equitable growth.

US\$205 million in Sovereign Guaranteed (SG) loans have been approved under the current country strategy. A Country Strategy Update will be sent to the Board of Directors in 2012 which will seek to increase the Barbados' financing envelope, and to add fiscal policy management as a new strategy priority.

Lending and Disbursements

In 2012, the lending program for Barbados is expected to comprise a minimum of US\$70 million in SG loans. This support will encompass the first phase of a programmatic policy-based loan to support Government with reforms related to its public finances; one investment loan which will seek to reduce the energy consumption of the public; and one investment loan which will aim to improve secondary education and technical and vocational training.

In early 2012, the Bank's Structured and Corporate Finance Department expects to approve its first private sector investment loan in the country, the Four Seasons Barbados Hotel. This project will have important implications for the tourism and construction sectors of the country and is expected to also have a positive impact on the micro, small and medium sized businesses which add value to these larger sectors.

Technical Cooperation Grants

In addition to its loan portfolio, the IDB has an active grant portfolio in Barbados. There are currently 9 technical cooperation operations under execution which total US\$5.3 million. The TC portfolio includes operations in energy and education; two of the four priority areas under the Country Strategy as well as in the areas of public sector institutional assessment and expenditure review, and agriculture. The most significant sector in the technical cooperation portfolio in terms of both number of operations and volume of operations is the energy sector, which comprises four operations totaling US\$3.5 million. Barbados' Multilateral Investment Fund (MIF) portfolio which provides technical cooperation support to the micro, small and medium business sector consists of six operations which total an approved amount of of US\$2.2 million.