



20

22

SDF

ANNUAL REPORT





# Currency Equivalent

[Dollars (\$) throughout refer to United States dollars unless otherwise stated]

## Abbreviations

<b>ASPIRE</b>	Awakening Special Potential by Investing in Restoration and Empowerment	<b>EHRD</b>	Education and Human Resource Development
<b>AYBF</b>	Anguilla Youth Business Foundation	<b>GDP</b>	Gross Domestic Product
<b>BAP</b>	Business Adaptation Programme	<b>GE</b>	Gender Equality
<b>BMC(s)</b>	Borrowing Member Country (Countries)	<b>HCO</b>	Haiti Country Office
<b>BNTF</b>	Basic Needs Trust Fund	<b>HDI</b>	Human Development Index
<b>BYBT</b>	Barbados Youth Business Trust	<b>IHDI</b>	Inequality-adjusted Human Development Index
<b>CARICHAM</b>	Caribbean Chambers of Commerce	<b>MN</b>	million
<b>CARICOM</b>	Caribbean Community	<b>MPI</b>	Multi-Dimensional Poverty Index
<b>CBARD</b>	Community-Based Agriculture and Rural Development	<b>MSME(s)</b>	Micro, Small and Medium Enterprise(s)
<b>CC</b>	Climate Change	<b>NDM</b>	Natural Disaster Management
<b>CCIC</b>	Caribbean Climate Innovation Centre	<b>NFT(s)</b>	Non-Fungible Token(s)
<b>CCRIF</b>	Caribbean Catastrophe Risk Insurance Fund	<b>OECS</b>	Organisation of Eastern Caribbean States
<b>CDB</b>	Caribbean Development Bank	<b>PBA</b>	Performance-Based Allocation
<b>CES(s)</b>	Country Engagement Strategy (Strategies)	<b>PC(s)</b>	Participating Country (Countries)
<b>CIIF</b>	Cultural and Creative Industries Innovation Fund	<b>PCR(s)</b>	Project Completion Report(s)
<b>COVID-19</b>	Coronavirus Disease (2019)	<b>QEPE</b>	Quality Enhancement in Public Education
<b>CPF(s)</b>	Country Policy Framework(s)	<b>RCI</b>	Regional Cooperation and Integration
<b>CSEC</b>	Caribbean Secondary Education Certificate	<b>RE</b>	Renewable Energy
<b>CTCS</b>	Caribbean Technological Consultancy Services	<b>RMF</b>	Results Monitoring Framework
<b>DER</b>	Development Effectiveness Review	<b>SDF</b>	Special Development Fund
<b>DFI(s)</b>	Development Finance Institution(s)	<b>SDG(s)</b>	Sustainable Development Goal(s)
<b>DRF</b>	Disaster Risk Financing	<b>TA</b>	Technical Assistance
<b>DRM</b>	Disaster Risk Management	<b>TDD</b>	Terminal Disbursement Date
<b>DRR</b>	Disaster Risk Reduction	<b>TVET</b>	Technical and Vocational Education and Training
<b>DSSI</b>	Debt Service Support Initiative	<b>UN</b>	United Nations
<b>EE</b>	Energy Efficiency	<b>UNDP</b>	United Nations Development Programme

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# Executive Summary

1. In 2022, the Special Development Fund (SDF/the Fund) continued to demonstrate its relevance as a critical source of concessional financing in the Caribbean Region, funding operations that were responsive to the needs of small, vulnerable economies, while maintaining a focus on debt sustainability. Development needs had been identified through the Caribbean Development Bank's (CDB/the Bank) close engagement with its stakeholders, generating strong buy-in from Borrowing Member Countries (BMCs) and Contributors alike to the SDF Tenth Cycle (SDF 10) strategic operational themes. This level of buy-in was reflected in the operational performance and results, which were generally favourable despite a still-challenging implementation context at the tail-end of the pandemic.
2. During 2022, SDF was able to advance the development agenda of the Region in very tangible ways, e.g., by supporting transformational projects in a number of BMCs. Under the theme of social resilience, the effort of the Fund included helping farmers in Belize to improve resilience by engaging in sustainable production techniques and enhancing their access to high-value markets. They also included support to nearly 800 students in Belize benefiting from tertiary education, and training for 3,000 educators in the CDB/Caribbean Community (CARICOM)/Organisation of Eastern Caribbean States (OECS) Learning Recovery and Enhancement Programme (Let's REAP). Under the theme of building economic resilience for inclusive growth, loan approvals focused on providing support to help micro, small and medium-sized enterprises (MSMEs) in Saint Lucia manage the fall-out from the impact of the Coronavirus Disease 2019 (COVID-19) and in building efficient and resilient road infrastructure in Dominica. Building economic resilience was also an area of great activity for grants which supported the work of the Caribbean Technological Consultancy Services (CTCS) programme. Similarly, under the theme of environmental resilience, the Bank continued to support Haiti's disaster risk management (DRM) efforts by facilitating its annual payment to the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and by approving assistance for the development of regional integrated resource and resilience plans for the energy sector.
3. Operational Performance – Although fair, the operational outturn was generally less than expected, and relative to the indicative allocations, the mid-term commitment levels were below-target, reflecting residual pandemic-related bottlenecks in the project pipeline as well as debt sustainability considerations. While disbursements in 2022 were lower than the exceptional levels seen in 2020 and 2021 at the height of the pandemic, they remained on par with the annual average of the previous SDF cycle. Both commitments and disbursements aligned with SDF Tenth Cycle (SDF 10) strategic operational themes.
4. Results Outturn – Progress on achieving 2024 targets outlined in the Results Monitoring Framework (RMF) was fair, and it was assessed at three levels:
  - **Level 1** – *Progress on the Sustainable Development Goals (SDGs) and Regional Development Outcomes.* Progress was mixed. Notably, the Region saw some reversal of previous gains in the areas of poverty and inequality, with some indicators deteriorating due to socioeconomic dislocation and disruption from the pandemic. Nevertheless, Social Protection and Income Growth indicators provided some encouragement that the Region is building resilience to better withstand future shocks.
  - **Level 2** – *CDB's Contributions to Results.* The Bank was on track to achieve its targets in several areas (e.g., water, education, economic infrastructure) and exceeded targets in some areas (agriculture and community development), although it did not meet expectations in DRM and climate change (CC) Resilience, Citizen Security and Governance and Accountability.
  - **Level 3** – *CDB Operational Effectiveness.* There was room for improvement around strengthening operational processes and practices as well as for enhancing quality of operations and development outcomes, with several indicators showing deterioration. However, CDB's performance on resourcing and utilisation was

positive, with disbursement indicators exceeding targets. The Bank also continues to perform well on selectivity and focus as it relates to gender, climate vulnerability and risk assessments.

5. Financial Outturn – Overall, the financial performance in 2022 was favourable. For instance, loan income increased in line with loan growth, which in turn reflected disbursements; increased disbursements also contributed to a reduction in undisbursed balances; and there was a moderate increase in investment income, given higher global interest rates. During the year, the Bank sought to protect the SDF from unrealised movements that could adversely impact commitment authority by removing these elements from the income position. Going forward, the Fund remains adequately resourced ahead of the anticipated ramping-up of utilisation rates that typically occurs in the latter half of each cycle, and which is expected to be more intense than usual, given the dampening impact of the pandemic in the first half.
  6. Learning Focus – After four decades of the SDF, there have been many lessons learnt. During the pandemic, some of these lessons were reinforced (e.g., the need to improve agricultural sector output to enhance food security) or had certain aspects highlighted (e.g. the need for digitalisation to ensure business and administrative continuity). Some examples of these lessons being applied include:
    - *Focus on community engagement as well as responsiveness and adaptability of project design and implementation to address urgent socioeconomic challenges, e.g.:*
      - o decentralisation of project activities and administration due to natural hazards, political instability, violence and other challenges in Haiti; and
      - o enhanced community engagement built into the Basic Needs Trust Fund (BNTF) sub-projects.
- *Focus on developing strategic partnerships, e.g.:*
    - o Donor coordination and joint initiatives with development partners in Haiti, Belize, and Dominica;
    - o CTCS partnerships with MSME development institutions that provide counterpart funding; and
    - o BNTF joint initiatives with development partners.
  - *Focus on capacity-building to improve BMCs and CDB implementation and consequently accelerate pipeline development and resource utilisation rates:*
    - o BMCs - regional Procurement Capacity Enhancement Project, country-specific Technical Assistance (TA).
7. Looking ahead, there are areas in which the Bank can improve its operations, e.g., stepped-up engagement with BMCs to ensure that the institution is being responsive to client needs in tracking and reporting at all levels of the RMF, particularly at Level 3, and advancing the roll-out of the OP365 platform and a new Pipeline Management Framework (PMF). These and other measures highlighted in the mid-term review and upcoming multi-cycle evaluation of SDF cycles 8 and 9 should provide additional insights on how the SDF can advance its value proposition to benefit the Region.





# Summary Data Sheet (2018-2022)

Item	2018	2019	2020	2021	2022
<b>1. Resources</b>					
No. of Contributors at Year-End	28.0	28.0	28.0	28.0	28.0
Historical Value of resources pledged [\$ million (mn)]	1,412.8	1,412.8	1,419.3	1,607.5	1,607.5
Amount of Resources made available (\$ mn)	1,249.1	1,288.6	1,325.3	1,360.2	1,401.3
Accumulated Net Income (including currency adjustments)	46.9	55.5	64.6	56.6	34.7
Amount of Resources not yet made available (\$ mn)	71.4	34.1	2.2	34.4	18.3
Contributed Resources and Reserves (\$ mn)	1367.4	1378.1	1,392.2	1451.2	1,454.4
Amount of Resources approved but not yet effective (\$ mn)	41.7	29.0	29.0	45.8	42.8
Size of Fund (\$ mn)	1,421.8	1,407.1	1,421.1	1,497.0	1,497.1
of which allocation for grant programmes - Haiti, Technical Assistance (TA) and Basic Needs Trust Fund (BNTF) (\$ mn)	515.1	544.9	574.6	607.6	640.6
Operating lending limit (\$ mn)	906.7	862.3	846.5	889.4	856.5
Loan commitments (Signed agreements less repayments) (\$ mn)	779.5	738.7	803.6	799.5	786.6
Commitments as % of operating lending limit	86.0	85.7	94.9	89.9	91.8
<b>2. Loans and Grants</b>					
Value of loan approvals during year (\$ mn)	21.6	10.5	172.7	9.5	18.0
No. of loans approved during year incl. TA Loans	6	2	17	3	5
Average size of Special Development Fund (Unified) [SDF (U)] Loans (\$ mn)	3.6	5.3	10.2	3.2	3.6
Cumulative loan approvals at year-end (\$ mn)	1,313.2	1,323.7	1,496.4	1,505.9	1,523.9
Value of loan cancellations during year (\$ mn)	0.4	34.9	2.0	8.9	1.2
Cumulative loan cancellations (\$ mn)	81.4	116.3	118.3	127.2	128.4
Cumulative net loan approvals at year-end (\$ mn)	1,231.8	1,207.4	1,378.1	1,378.7	1,395.5
Grant approvals for the year (\$ mn)	11.9	7.7	22.5	51.2	7.6
Value of Grant cancellations during year (\$ mn)	0.9	0.4	0.1	0.1	0.6
Cumulative net grant approvals at year-end (\$ mn)	504.0	511.3	533.6	584.7	591.7
Total net cumulative approvals (\$ mn)	1,735.8	1,718.6	1,911.7	1,963.4	1,987.1



Item	2018	2019	2020	2021	2022
<b>3. Resource Flows (\$ mn)</b>					
Disbursements on loans during year	21.8	32.2	87.3	59.3	47.9
Disbursements on grants during year (including BNTF)	20.1	27.9	27.4	36.2	21.8
Debt service from borrowers	47.2	48.9	50.1	51.3	53.5
(of which repayments)	29.6	30.0	31.6	34.3	35.9
Net transfers during year	(5.3)	11.2	64.6	44.2	16.2
Cumulative net transfers	573.2	584.4	649.0	693.2	709.5
<b>4. Financial Summary</b>					
Administrative expenses (\$ mn)	16.2	15.4	15.9	15.7	17.0
Net income (\$ mn)	0.1	8.5	8.5	0.1	0.8
Gross Loans Outstanding (\$ mn)	535.2	537.4	593.2	618.3	630.4
Administrative expenses/Average loans outstanding (%)	3.0	2.9	2.8	2.6	2.7
Interest earned on average loans outstanding (%)	3.3	3.5	3.3	2.8	2.8









# 1. Introduction

- 1.01** Midway through its tenth four-year cycle, CDB's SDF has provided nearly \$2 billion in cumulative development financing to the Caribbean. This support has helped regional economies to make great strides in their development over the years. However, due to their small size and other structural factors, they are still extremely vulnerable to external forces, while inequalities and pockets of poverty persist. With its core poverty-reduction mandate, the SDF therefore remains highly relevant as a source of financing for programmes aimed at addressing the Region's key developmental challenges.
- 1.02** The SDF Annual Report is an important tool for systematically monitoring and evaluating implementation of SDF-funded programmes. It allows CDB and its stakeholders to:
- (a) ensure consistency with the operational strategy, results framework and financial plans set during programming; and
  - (b) identify key performance trends, lessons learnt and changes in the environment, which would inform the outlook for the remainder of the cycle and beyond.
- 1.03** Indeed, at every stage of the cycle—programming, implementation, monitoring and evaluation— understanding the strategic environment is crucial.
- 1.04** The programming environment for the SDF 10 was largely shaped by the COVID-19 pandemic. For instance, the resulting socioeconomic downturn threatened to set the development agenda in the Region further back, after the Great Recession a decade earlier had begun to erode previous developmental gains. Meanwhile, the recurring impact of natural hazards remained an inescapable reality, costly in terms of both lives and livelihoods, and increasingly devastating due to CC. Most regional economies were therefore already highly indebted before the pandemic response placed even more strain on their finances.
- 1.05** Given this context, the Contributors approved additional resources and more concessional financing terms for SDF 10, as well as other enhancements relative to SDF 9, with a focus on building resilience. For example, SDF 10 sought to address key factors underlying the Region's vulnerability to pandemics and natural disasters through digital transformation and climate-smart initiatives (For more details, see Box 1.1: Key Elements of the SDF 10 Operational Strategy).
- 1.06** Implementation of SDF 10 got off to a relatively slow start in 2021, due mainly to ongoing public health restrictions to curb the pandemic. In 2022, the implementation environment improved somewhat, as most economies achieved threshold levels of COVID-19 vaccine availability and/or uptake, facilitating the easing of restrictions and the resumption of economic activity. However, the Ukraine war and other factors led to global supply chain disruptions, causing project delays and putting significant upward pressure on prices. The resulting imported inflation had significant socioeconomic repercussions across the Region, including adverse effects on the cost of living as well as energy and food security, while also driving up project costs. In addition, the impacts of natural hazards in Belize, Dominica and Saint Lucia, along with political instability, social unrest, gang violence and a cholera outbreak in Haiti, weakened project appraisal and implementation capacity in the affected countries.
- 1.07** Overall commitments were slightly down in 2022 relative to those in the previous year. Loan commitments increased against the backdrop of the ongoing economic recovery. However, non-BNTF grant commitments fell, reflecting general and country specific factors affecting project appraisal. (BNTF commitments, which make up a significant share of the total SDF grant allocation, are fully committed in the first year of each cycle, in this case 2021.) Overall, it must be noted that mid-term commitment levels were well below target, relative to indicative allocations, partly because of project appraisal issues and, to a lesser extent, because debt sustainability considerations dampened demand for new loans.





# BOX 1.1 | KEY ELEMENTS OF THE SDF 10 OPERATIONAL STRATEGY

## CONTEXT



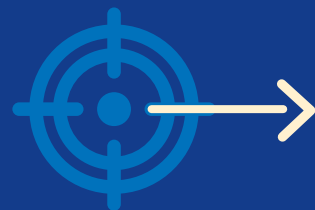
### Social & Economic Developments

- COVID-19 Pandemic
- Protectionism & Populism
- Socioeconomic shocks

### International Development Agenda

- Sustainable Development Goals (SDGs) ✓
- Addis Ababa Action Agenda on Financing for Development (FfD) ✓
- UN Conference of Parties (Paris) Agreement on Climate Change (CC) ✓
- Sendai Framework for Disaster Risk Reduction (DRR) ✓
- SAMOA Pathways ✓

## OBJECTIVE



**Reducing Poverty through Sustainable Growth and Development**



## GUIDING PRINCIPLES



### Inclusivity & Equity

The key principle underpinning SDF 10 operational themes. Resources must be available to all on an equitable and non-discriminatory basis.



### Selectivity & Focus

Focusing on areas of comparative advantage is critical, given limited resources and existence of other development partners.



### Partnership & Cooperation

Partnering with other stakeholders and adopting regional solutions reduces risk of duplication and enhances development effectiveness.

## STRATEGIC FRAMEWORK

### 3 CORE THEMES



#### Building Social Resilience

- social infrastructure
- education & training
- youth development
- agriculture & rural development
- water & sanitation

#### Building Economic Resilience

- economic infrastructure
- private sector development
- Blue Economy initiatives

#### Building Environmental Resilience

- environmental management
- climate adaptation & mitigation
- disaster risk management
- promoting sustainable energy (renewables/energy efficiency)

### 4 CROSS-CUTTING THEMES

Good Governance | Gender Equality | Digitalisation | Regional Cooperation & Integration

### 3 SDF-FUNDED SUPPORT PROGRAMMES

BNTF

Haiti

CTCS

### Monitoring & Evaluation

Assessing Development Effectiveness and reporting on Results through fund, programme, country strategy and other reviews e.g., SDF Annual Report, Mid-Term Review.



- 1.08 Indeed, several BMCs went into 2022 with significant debt overhang, as urgent financing needs at the height of the pandemic had led to exceptional loan disbursement amounts in 2020 and 2021. While disbursements in 2022 were considerably lower as a result, they remained on par with the annual average of the previous SDF cycle.
- 1.09 Both commitments and disbursements were aligned with SDF 10 themes, indicating continued strategic relevance. Therefore, fair performances on these two measures, together with satisfactory progress on the achievement of development targets and generally sound financial results, all point to the continued overall development effectiveness of the SDF as at the mid-point of its tenth cycle.
- 1.10 The remaining sections of this report will elaborate on these highlights under the following headings:
- (a) Operational Performance, which will review trends in: (i) approvals/commitments; (ii) disbursements in relation to SDF 10 strategic operational themes; as well as (iii) highlights of the BNTF, CTCS and Haiti programmes that are exclusively SDF-funded;
  - (b) Results Progress, which will review: (i) progress towards the SDGs and regional development outcomes; (ii) CDB's contribution to results; and (iii) CDB's operational effectiveness; and
  - (c) Financial Performance, which will review the SDF's financial results in 2022 and forecasts for 2023–25.
- 1.11 Where applicable to the analysis, given the cyclical nature of the SDF, the outturn in the year under review will be contextualised in terms of mid-cycle progress relative to the same point in the previous cycle and the total indicative allocation for the current cycle.
- 1.12 To conclude, the report will summarise the 2022 outturn and discuss the outlook for SDF 10 performance in 2023–24 based on the performance trends and financial projections, as well as lessons learnt and current expectations regarding the future implementation environment.













## 2. Operational Performance

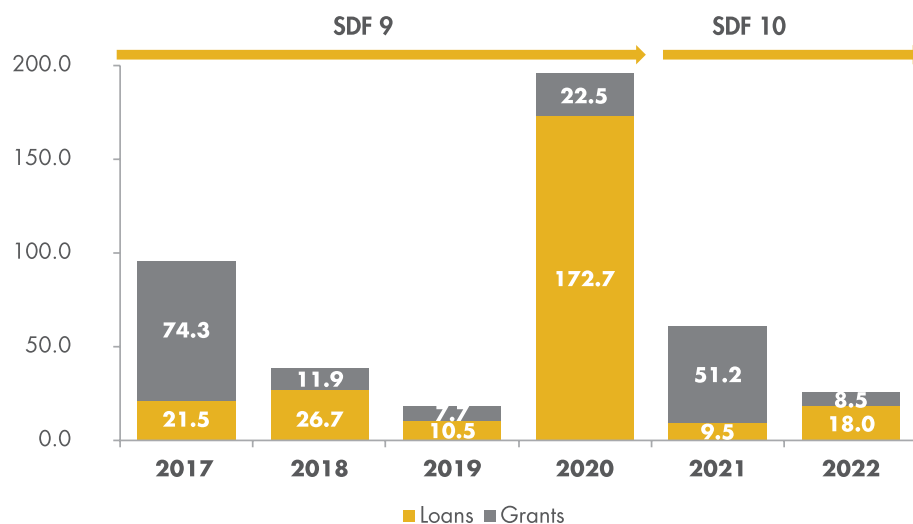
### Overall Loan and Grant Operations

#### Approvals/Commitments

2.01 Cumulative loan and grant commitments as at the end of 2022, midway into the SDF 10 cycle, were 35% lower than those at the midpoint of the previous cycle (see Figure 2.1). They were also lower as a proportion of the total indicative allocation for the cycle (22.7% versus 36.5% for SDF 9). In 2021, this low level of approvals was attributed mainly to structural factors such as the time required to programme against new set-asides and themes, as well as pandemic mitigation measures such as stay-at-home orders and national lockdowns, which hindered project appraisal activities. While these issues spilled over to some extent into 2022, performance was also impacted by debt sustainability considerations, which dampened the appetite of major beneficiaries for new borrowing.



**Figure 2.1: SDF Commitments 2017–2022 (\$'mn)**



2.02 Nevertheless, loan commitments amounted to \$18 million (mn) in 2022, nearly doubling the 2021 level, in line with the resumption of project activities and economic activity in general. This was also consistent with the trend observed in previous cycles of loan commitments starting off slowly in the first year and gradually gaining momentum.

2.03 Grant commitments in 2022 reflected the approval of 36 grants totalling \$8.5 mn. While this was \$2.7 mn lower than the total recorded in 2021 — even after discounting the \$40 mn BNTF set-aside — it was again consistent with cyclical trends. This also represented a significantly improved performance compared with the 30% drop in non-BNTF grant commitments observed between the first and second years of the SDF 9 cycle, especially given all the factors adversely affecting the project pipeline during the review period. See Table 2.1.



**Table 2.1: Annual Commitments**

Item	SDF 10			
	2021	2022	% of Allocation	Indicative Allocation
<b>Loan Commitments</b>	<b>9.5</b>	<b>18.0</b>	<b>10.9</b>	<b>251.0</b>
<b>Grant Commitments:</b>				
Haiti	7.5	3.0	23.4	45.0
BNTF	40.0	0.0	100.0	40.0
Capacity building	1.2	2.6	31.9	12.0
Environmental Resilience	0.3	0.9	6.6	18.0
Private Sector Development	2.0	1.0	20.0	15.0
Gender	0.1	1.0	54.8	2.0
<b>Total Grant Commitments</b>	<b>51.2</b>	<b>8.5</b>	<b>45.2</b>	<b>132.0</b>
<b>Total Commitments</b>	<b>60.7</b>	<b>26.4</b>	<b>22.7</b>	<b>383.0</b>

## SDF 10 Thematic Highlights

2.04 Overall, both loan and grant commitments were closely aligned with SDF 10 strategic operational themes, with the share of commitments under each theme being broadly proportional to its share of the indicative allocation. Table 2.2 below provides a further breakdown of loan and grant commitments performance in relation to indicative allocation by strategic operational theme.



**Table 2.2: Commitments and Indicative Allocation by SDF 10 Strategic Operational Theme (\$'mn)**

Item	Loans		Grants		Cumulative Commitments	Indicative Allocation	% of Indicative Allocation
	2021	2022	2021	2022			
Building Social Resilience	2.0	8.8	40.6	1.0	52.4	211.00	55.1
Building Economic Resilience	0.0	9.2	1.8	2.1	13.1	70.0	18.3
Building Environmental Resilience	7.5	0.0	7.4	3.9	18.8	80.0	20.9
Cross-cutting Areas:							
<i>Gender Equality</i>	-	-	0.1	1.0	1.1	2.0	0.5
<i>Good Governance</i>	-	-	1.2	0.5	1.7	20.0	5.2
<b>Total</b>	<b>9.5</b>	<b>18.0</b>	<b>51.2</b>	<b>8.5</b>	<b>87.1</b>	<b>100.0</b>	<b>100.0</b>

## Building Social Resilience and Leaving No one Behind

- 2.05** The Bank approved approximately \$9.8 mn under the theme Building Social Resilience and Leaving No one Behind. Signature projects under this theme included a loan to Belize (SDF component \$5 mn) that responds to challenges confronting smallholder farmers/rural poor. In conjunction with the International Fund for Agricultural Development and the Green Climate Fund, the intervention will provide TA, training and rural infrastructure upgrades to increase the ability of smallholder farmers to engage in sustainable production and enhance their access to high-value markets. It will also promote farmers' adoption of new technologies and practices to build resilience to climate change.
- 2.06** Still in Belize, the Bank also appraised a loan through Development Finance Corporation (of which \$2.5mn was from SDF) to finance sub-loans under the Student Loan Scheme to approximately 786 eligible persons, including the financially disadvantaged, for pursuing tertiary level training programmes in areas of national priority. Major grants under this rubric focused on SDG 4, ensuring inclusive and equitable quality education and promoting lifelong learning for all. At the regional level, the Bank's assistance included support for the training of the first cohort of 3,000 principals and teachers across BMCs in the CDB/CARICOM/OECS Let's REAP programme, capacity building in educational planning and preparation, a review of the Bank's Education and Training Policy and Strategy, preparation of the gender-responsive Caribbean New School Model; and the Basic Education Quality Management Conceptual Framework.

## Building Economic Resilience for Inclusive Growth

- 2.07** Building economic resilience is fundamental if the Region is to limit losses arising from a shock and over the medium term to recover from that setback. Under this theme, the Bank approved \$11.3 mn in resources, with a major intervention being support to Saint Lucia for MSMEs to help them emerge from the severe impact of the pandemic (\$3.7 mn). In 2021 for instance, two separate surveys conducted by the Ministry of Commerce, Manufacturing, Business Development, Cooperatives and Consumer Affairs and the Organisation of American States indicated that almost 50% of the businesses assessed had temporarily reduced staff.

The proposal seeks to provide grant and loan financing to qualifying MSMEs, as well as TA to enhance the operational capacity of MSMEs.

- 2.08** The Bank supported the Rehabilitation of the Loubiere to Bagatelle Road in Dominica (of which \$5.5mn came from the SDF). Informed by a feasibility study and in partnership with the United Kingdom Caribbean Infrastructure Partnership Fund, the loan sought to address infrastructural damage occasioned by the passage of Tropical Storm Erika in 2015. The expected outcomes of the Project are: (a) increased efficiency, resilience and safety along the road; (b) enhanced decision-making capacity for planning, management and maintenance of the road sector; and (c) improved operational capacity of the cooperatives in facilitating development opportunities to advance sustainable livelihoods in the project area. Notably, many of the regional grants approved in 2022 were earmarked for private-sector development, with CTCS being a principal avenue for this assistance.

## Building Environmental Resilience

- 2.09** Building Environmental Resilience is vital to the outcomes of the SDF. Under this rubric, the Bank continued to support Haiti's premium payment to CCRIF for \$3 mn. Amongst the BMCs, Haiti is one of the most vulnerable to natural hazards. According to Germanwatch's annual Global Climate Risk Index, which analyses and ranks the extent to which countries have been affected by climate-related extreme weather events, Haiti was ranked third in the world for being most vulnerable in 2021. Enrolment in the CCRIF is an important part of Haiti's DRM programme, and is also consistent with the Bank's proactive stance towards DRM. Another noteworthy grant under this theme included capacity support for the development of energy sector integrated resource and resilience plans (\$0.75 mn), which—given the ambitious targets set by BMCs for transitioning their energy sectors and the short-time horizon for achieving them—require that there is clarity on the part of the countries, potential investors and financiers on the priority and sequencing of projects to allow for timely supportive actions.
- 2.10** There were also commitments under the crosscutting themes of Good Governance and Gender Equality, each amounting to \$0.5 mn, with the former including an Assessment of the Optimal Future State of the Caribbean

Community Statistical System and a regional Procurement Capacity Enhancement Project, while the latter mainly consisted of support for Country Gender Assessments and a pilot for strengthening gender-responsive planning and reporting on gender statistics. Box 2.1 on the following page details some of CDB's major GE initiatives.

**Building Environmental Resilience is vital to the outcomes of the SDF. Under this rubric, the Bank continued to support Haiti's premium payment to CCRIF for \$3 mn. Amongst the BMCs, Haiti is one of the most vulnerable to natural hazards.**





## BOX 2.1 | GE IN FOCUS

Consistent with the 2019 Gender Equality Policy and Operational Strategy (GEPOS), the Bank not only focused on advancing work on the externally focused objective of Enhancing GE in BMCs but also on the internal pillar of Enhancing GE in CDB.



### Externally, the Bank focused on strengthening the evidence base to enhance decision-making in Gender

A regional project to conduct **Country Gender Assessments** for Jamaica, Belize, Trinidad and Tobago and Saint Lucia.

Analysis of country gender profiles, identifying gender-related barriers to – and priority interventions for – poverty reduction and economic growth;

Assessments of the institutional framework and implementation capacity of key national institutions for gender mainstreaming initiatives, including the service delivery capacity of key ministries and gender machineries. This assistance is expected to identify opportunities for governments and CDB to assist in addressing these limitations, provide data for the design and monitoring and evaluation of GE strategies, and for broader dissemination.

A collaboration with UN WOMEN to finance the **Gender Lens Investing for Caribbean Resilience** Side Event at COP27.

Examination of how multilateral organisations and governments can better engage the private sector through bold, creative gender-smart finance and its positive impact on the sustainable development of small island developing states. The presentation included case studies on the impact of such investments on reducing existing disparities and gender gaps.



### Internally, the Bank reinvigorated its Gender Community of Practice (GECOP)

The GEPOS identified the importance of an internal framework to promote gender equality and meet the associated targets within the Bank's operations. The GECOP is a critical structure of the Bank's internal GE framework. The GECOP promotes gender mainstreaming and equality by facilitating knowledge-sharing and developing capacity and skills to influence behavioural change and strengthen coordination among Departments/Units. The GECOP is comprised primarily of Gender Focal Points (GFP) within Departments/Units across the Bank and the Gender and Development Specialists located in the Social Sector Division.



## Disbursements

2.11 As shown in Table 2.3, loan and grant disbursement levels in 2022 were on par with the annual average of the previous SDF cycle, following exceptional outturns in 2020 and 2021, when the Bank had deployed the Debt Service Support Initiative (DSSI), a fast-disbursing loan product, to meet the need of the regional economies for rapid-response liquidity support at the height of the pandemic. With the return to baseline in 2022, disbursements in SDF 10

followed a similar pattern to the ninth cycle of a relatively moderate second year following a strong outturn in the first.

2.12 Table 2.4 breaks down loan and grant disbursements for 2021 and 2022 by strategic operational theme, drilling down on the theme of *Building Economic Resilience* to identify sub-themes of financial/liquidity support, infrastructure development and institutional strengthening.

**Table 2.3: Annual SDF Disbursements 2018-2022 (\$'mn)**

Item	SDF 9						SDF 10			
	2017	2018	2019	2020	Total	Annual Average	2021	2022	Total	Annual Average
Loans	30.0	21.8	32.2	87.3	171.3	42.8	59.3	47.9	107.2	53.6
Grants	30.9	20.1	27.9	27.4	106.2	26.6	36.2	21.8	58.0	29.0
TA	5.6	10.5	10.3	6.9	33.3	8.3	6.9	5.9	12.8	6.4
Haiti	8.6	4.2	8.0	7.9	28.6	7.2	16.6	8.7	25.3	12.7
BNTF	16.7	5.4	9.6	12.6	44.3	11.1	12.7	7.2	19.9	9.9
<b>Total</b>	<b>60.9</b>	<b>41.8</b>	<b>60.1</b>	<b>114.7</b>	<b>277.5</b>	<b>69.4</b>	<b>94.8</b>	<b>69.6</b>	<b>164.4</b>	<b>82.2</b>

**Table 2.4: Disbursements (2021–22) by Strategic Operational Theme (\$'mn)**

Item	Loans			Grants			Total		
	2021	2022	Total	2021	2022	Total	2021	2022	Total
Building Economic Resilience	36.4	16.6	52.9	11.0	3.1	14.1	47.4	19.6	67.0
- Financial/liquidity support	31.0	1.5	32.5	-	0.6	0.6	31.0	2.1	33.1
- Infrastructure development	5.3	15.1	20.4	10.2	1.2	11.4	15.5	16.2	31.8
- Institutional strengthening	-	-	-	0.8	1.3	2.2	0.8	1.3	2.2
Building Social Resilience	18.7	18.6	37.3	23.6	10.5	34.1	41.6	29.1	70.7
Building Environmental Resilience	4.3	12.7	17.0	0.7	7.9	8.6	5.0	20.6	25.6
Crosscutting Areas	-	-	-	0.8	0.3	1.2	0.8	0.3	1.2
<b>Total</b>	<b>59.3</b>	<b>47.9</b>	<b>107.2</b>	<b>36.2</b>	<b>21.7</b>	<b>57.9</b>	<b>94.8</b>	<b>69.6</b>	<b>164.4</b>



- 2.13 While the DSSI accounted for a significant proportion of loan disbursements in 2021, there was only one such loan disbursed in 2022, i.e., \$1.5 mn for COVID-19 Emergency Response Support to Saint Lucia. Consequently, whereas over half of the loan disbursements in 2021 were under the theme of *Building Economic Resilience*, the proportion of the loan disbursements under this theme was only a third of the total in 2022. The other loan disbursements under this theme supported infrastructural development, e.g., the St. Vincent and the Grenadines Port Modernisation Project (\$7.7 mn), the Philip Goldson Highway and Remate Bypass Upgrading Project in Belize (\$3.2 mn), and the Integrated Solid Waste Management Project in Grenada (\$2.3 mn).
- 2.14 In 2022, loan disbursement totals under the theme *Building Social Resilience* were similar to the level recorded in 2021. While most of the disbursements were for education and training, e.g., the Guyana Skills Development and Employability Project (\$6 mn) and the Saint Lucia Education Quality Improvement Project (\$2 mn), other significant disbursements included the Belize Social Investment Fund III (\$2 mn) and the Saint Lucia Settlement Upgrading Project (\$1 mn).
- 2.15 Notably, Natural Disaster Management (NDM) loans represented 14% of loan disbursements and accounted for 10 of the 40 loans disbursing during the year. Additionally, with just under 10% of loan disbursements going towards a \$4.6 mn disbursement on the Guyana Sea and River Defence Resilience loan, nearly a quarter of total loan disbursements came under the theme of *Building Environmental Resilience*.



- 2.16 With respect to grant disbursements, having represented more than two-thirds of the total in 2021, Building Social Resilience was just under half of the 2022 total at \$10.5 mn, of which the BNTF (\$7.2 mn) and Haiti (\$1.3 mn) programmes accounted for the lion's share. Building Environmental Resilience had the second-largest share (around one-third) of grant disbursements in 2022, which mainly reflected the payment of Haiti's CCRIF policy premium for 2021–22 (\$6.9 mn). The share of total grant disbursements for Building Economic Resilience (14%) was more than halved, relative to that in 2021 (30%), when the sub-total for Infrastructure Development had been boosted by disbursement of \$8.9 mn for the Quality Enhancement in Public Education (QEPE) Project in Haiti.
- 2.17 Overall, disbursement patterns show that SDF 10 implementation was in line with its strategic focus. Furthermore, the fact that disbursement levels remained relatively stable over the review period, despite a challenging implementation environment, augurs well for the achievement of development results and the overall development effectiveness of SDF 10.

**The Haiti Country Office played a major role in the supervision of projects in education and training, agriculture and rural development, sustainable energy, public sector capacity improvement, MSME development, and DRM & Climate Resilience.**

## Programme Highlights

### Haiti Programme

- 2.18 In 2022, the Haiti Country Office (HCO), established in 2018, continued to contribute meaningfully to the transformation and sustainability of the country's economy and to advance its integration into CARICOM.

### Projects Under Supervision/Implementation

- 2.19 Throughout the year, the HCO played a major role in the supervision of interventions in key sectors as follows:
- (a) Education & Training: (i) QEPE; and (ii) Technical and Vocational Education and Training (TVET) II;
  - (b) Agriculture & Rural Development: Community-Based Agriculture and Rural Development (CBARD) I & CBARD II;
  - (c) Sustainable Energy: Training in Geospatial Mapping;
  - (d) Public Sector Capacity Improvement: (i) Institutional Strengthening of the Ecole Nationale d'Administration Financière; and (ii) Sanitation and Governance Training Programme;
  - (e) MSME Development: (i) Cultural and Creative Industries Innovation Fund (CIIF), Haiti; and (ii) Pilot Youth Entrepreneurship Education and Training Programme; and
  - (f) DRM & Climate Resilience: (i) Building Capacity for DRM and Climate Resilience Project; and (ii) ongoing support to Haiti for its CCRIF premium payments.

### Education and Training

- 2.20 QEPE, in conjunction with the World Bank, supports the implementation of key elements of the government's mandate for education by increasing access to quality education.

- 2.21 Although the ongoing socio-political unrest and security challenges in Haiti constrained implementation, key activities were executed to support learning continuity in basic education for severely disadvantaged beneficiaries in public and non-public schools. Overall, 41 primary schools with 16,705 students—48% of whom were girls—benefitted from tuition waivers, school nutrition/health support and literacy enhancement across the Centre Department. The provision of the school canteen was sustained in 22 public schools reaching 6,340 students, 47% of whom were girls, while textbooks and schools kits were distributed to 7,598 students. The thrust to improve literacy outcomes was supported by the distribution of Creole reading textbooks to 3,690 learners, with gender parity. The provision of the school grant to ensure participation of students in non-public schools was given for 7,689 learners in 19 schools.
- 2.22 Support for secondary education was extended to the West, Centre and Grand-Anse Departments, with 2,533 disadvantaged students—40% of whom were girls—receiving tuition subsidy across 80 schools. The school canteen/nutrition programme supported 1,142 secondary students to enhance the enabling environment for male and female learners at risk.
- 2.23 The expanded programme in basic education reflects the increased responsiveness of the CDB programme to address urgent social and economic challenges, such as the targeting of schools in the Grand Anse Department that were severely impacted by the 2021 earthquake, as well as the strategic goal of sustaining educational opportunities for a full course of basic education. Support for increased inclusive access to high-quality and gender-responsive learning opportunities remain a top priority for the government of Haiti.
- 2.24 For the Enhancement of TVET II Project, support was provided to develop a National Qualification Framework for the education and training system, as well as to review and elaborate the equipment/tools list for key selected TVET skill areas for Haiti—metal construction, carpentry-cabinetmaking, auto-mechanics, leather works, and computer-aided design. These will inform the procurement of equipment for four TVET centres in 2023. The designs for the reconstruction of the Haiti Maritime Institute were completed, and plans have been developed

to support the training of over 500 women and girls in demand driven TVET programmes in the centres across Haiti in 2023.

## Agriculture and Rural Development

- 2.25 The CBARD project was approved in 2016, with implementation commencing in 2017 and an original terminal disbursement date (TDD) of July 26, 2021. The project targets communities located in the north-west of Haiti. Delays—caused by political instability in the country—necessitated no-cost extensions of the TDD to January 2023 and, due to a worsening of the situation in 2022, to a further extension to July 2023.
- 2.26 As of the end of December 2022, CBARD had achieved several of, and in some instances, exceeded the targets set at appraisal. For instance, seven of the eight planned sub-projects have been completed, with farmers now producing three crops per year, compared to the baseline of two crops per year. Furthermore, over 95% of planned targets related to the rehabilitation/expansion of irrigation systems, flood control and watershed protected works have been met. In line with the implementation methodology and sustainability objectives, the process of handing over responsibility for the operation and maintenance of irrigation systems to locally constituted water management committees is ongoing. There has also been significant delivery of farmer capacity-building actions, with training focused on climate-smart approaches to the production of vegetable crops, water management and nutrition.

**The provision of the school canteen was sustained in 22 public schools reaching 6,340 students, 47% of whom were girls, while textbooks and schools kits were distributed to 7,598 students.**







- 2.27 CBARD II is off to a slightly delayed but impressive start. The project focuses on communities in the North-East Department of Haiti, with implementation commencing in 2022 and the official launch ceremony in May of that year. As of the end of December 2022, the prioritisation of sub-projects and conduct of feasibility and design studies for infrastructural works were advanced, with works slated to commence in 2023.
- 2.28 Despite a slowdown of activities in 2022, the Bank rates the implementation performance of both interventions as highly satisfactory. The interventions under CBARD are already yielding tangible benefits, with significant increases in crop production and productivity being reported. Pregnant and nursing mothers in the target communities are also direct beneficiaries—positively impacting overall health and nutrition. Both projects were specifically designed with a focus on decentralised decision-making. Project implementation is as a result relatively insulated from events that have severely compromised Port-Au-Prince-based administrative operations by the Haitian government.

### MSME Development

- 2.29 CIIF is a \$2.6 mn multi-donor facility established in 2017 to support the Region's cultural and creative industries in their bid to become more globally competitive. A separate programme for Haiti was established in response to Haiti's special circumstances and the enormous potential of its cultural and creative industries. The separate allocation of \$290,000 approved for Haiti and administered by CIIF gave priority to business accelerators in the visual arts, festivals and fashion sub-sectors in partnership with sector experts. Furthermore, emphasis was placed on incorporating vulnerable youth and women. The main objective of this pilot programme was to strengthen Haiti's cultural and creative industries through skills enhancement to improve the competitiveness of the sector, and the implementation arrangements included support from HCO and a local consultant. Through the implementation of three accelerator partnerships, 90 beneficiaries were able to benefit directly (See photo on the following page for an example of one such partnership).



## Visual Arts Accelerator Closing Exhibition and Award Ceremony



L-R Mr. Daniel Altine, CDB and Mr Maksuens Denis, Fondation AfricAmerica (Visual Arts Accelerator Partner); Women's Prize winners 1st - 3rd place.



- CDB represented in-person by Mr. Daniel Altine of Haiti Country Office
- CIIF represented virtually via remarks by Consulting Project Coordinator and attendance by Project Consultant

CIIF - Visual Arts Accelerator, Haiti

### Donor Coordination and Strategic Partnerships

2.29 The HCO also continued to discharge other core elements of its mandate, which include:

- facilitating CDB's participation in policy formulation and donor coordination; and
- building strategic partnerships with key local stakeholders, including national authorities, non-government organisations, civil society and the private sector, as well as development partners and the international community.

2.31 Notably, at the request of the Ministry of Economy and Finance, CDB partnered with the Inter-American Development Bank and the World Bank to sponsor, organise and participate in an international high-level Conference on Disaster Risk Financing (DRF). It was recognised that a DRF strategy would have to be established, which could utilise pre-arranged financial mechanisms to provide adequate financial resources to enable rapid intervention and facilitate timely economic recovery. The overall objective of the DRF conference was to ensure the participation and commitment of risk insurance partners for the financing of Haiti's reconstruction and recovery after future catastrophic events in a coordinated and structured manner. This conference was successfully staged in April 2022, and laid the groundwork for ongoing consultation and collaboration between civil society, the private sector, development partners and the government on the provision of much-needed DRF for Haiti.



## BNTF Programme

2.32 Now in its tenth cycle, BNTF seeks to reduce the incidence of poverty in low-income vulnerable communities by a deeper focus on three priority areas: (i) education and human resource development (EHRD), including livelihoods enhancement with assets transfer; (ii) water and sanitation improvement; and (iii) basic community access and drainage improvement including environmental mitigation measures. The participating countries (PCs) are Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Lucia, St. Vincent and the Grenadines and Suriname.

### BNTF 9 Disbursements and Project Implementation

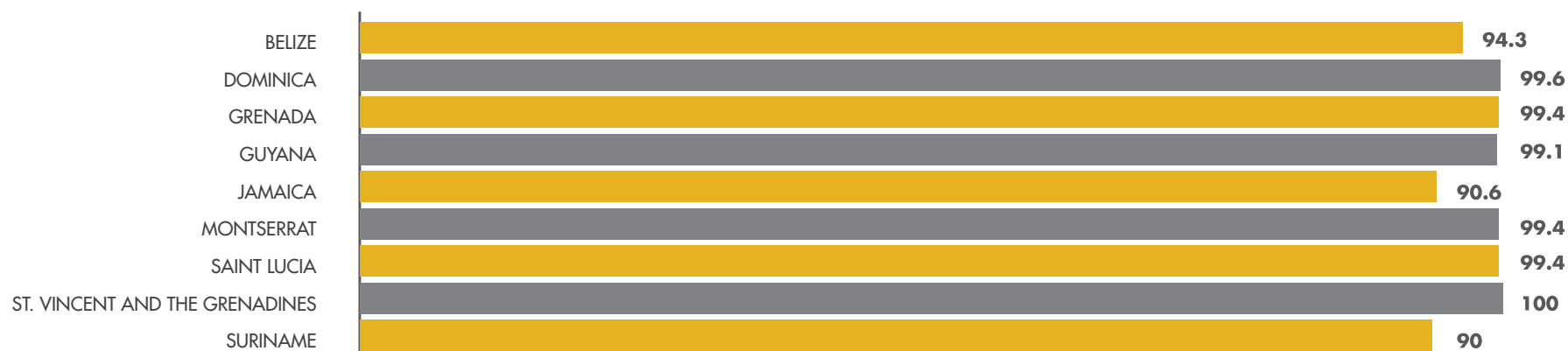
2.33 In 2022, BNTF effectively transitioned as the PCs wrapped up the implementation of BNTF 9 projects prior to giving their complete attention to BNTF 10 implementation. Disbursements of \$3.2 mn under BNTF 9 represented the remaining balances to be disbursed in an environment where the effects of the COVID-19 pandemic had eased, providing the opportunity to ramp up implementation. At the end of 2022, 91–100% of country allocations had been disbursed, mainly on completed sub-projects and project closing activities (see Figure 2.2 below). Some disbursements on completed activities were carried over to the following year.

2.34 In 2022, four PCs completed the last 16 sub-projects under BNTF 9, impacting some 297,163 beneficiaries, notably:

- Sixty-one classrooms in basic schools were built or upgraded, providing resilient infrastructure and modern facilities to 3,146 students (1,657 males and 1,489 females). Concurrently, 192 teachers (37 males and 155 females) were trained in elements of basic education, while 286,216 youths (18,161 males and 268,055 females) were exposed to various areas of livelihood enhancement.
- Ninety-two households benefitted from improved water supply and sanitation services integrated with water, sanitisation and hygiene training. Four kilometres (4 km) of water pipeline were installed along with 1.8 m<sup>3</sup> of water storage facilities to improve the resilience and reliability of the potable water supply for 6,949 residents.
- Two point six km of community roads were upgraded, improving transport, trade and commerce mainly within underserved rural communities, as well as quality of life and commercial livelihoods for some 650 persons, including 350 women.

2.35 As an example, Box 2.2 highlights the community impact of a pilot project for Jamaica.

**Figure 2.2: BNTF 9 Disbursement/Allocation Ratios (%), 31st December 2022**



## BOX 2.2 | AUGUST TOWN SAFE PASSAGE PILOT PROJECT PROFILE

### Objectives



- Improve public safety in volatile communities by reducing the risk of accidents and violence along specified school routes used by pedestrians and vehicular traffic.
- Enhance social capital by taking a community-wide approach to road safety interventions.
- Serve as a model that could be duplicated in other communities.

### Partners



- Jamaica Social Investment Fund (Implementing Agency).
- Road Safety Unit, Ministry of Transport.
- Public Safety and Traffic Enforcement Branch, Jamaica Constabulary Force.

### Participants

**1,200**

Hope Valley Experimental Primary School (1,200).

**68**

Hermitage Escarpment Road Basic School (68).

**34**

Christ the King Basic School and Shalom Preschool (34).

**320**

August Town Primary School (320).

**43**

Church of Christ Basic School (43).

### Results

For the 1,655 participating students and teachers in August Town, Kingston, Jamaica, it is now much easier to navigate the busy roads and unsafe pathways of their vulnerable, violence-prone community, with the completion of Phase 1, i.e.:



- **400m** of sidewalk rehabilitated;
- One bus lay-by constructed;
- **275** guardrails, **2** bus stops, **7** traffic signs and **2** sleeping police installed;
- **56** assistive devices donated to support the rehabilitation centre in caring for persons with physical disabilities; and
- the livelihood of one project-affected vendor preserved through Social Safeguard Practices.

Notably, these results were achieved despite the challenges posed by pandemic protocols and government-imposed lockdowns to curb violence. Indeed, feedback from the community indicates a need for more direct violence prevention interventions, which will be explored in Phase 2.

Rehabilitated Sidewalk



Upgraded Roadway Markings and Signage







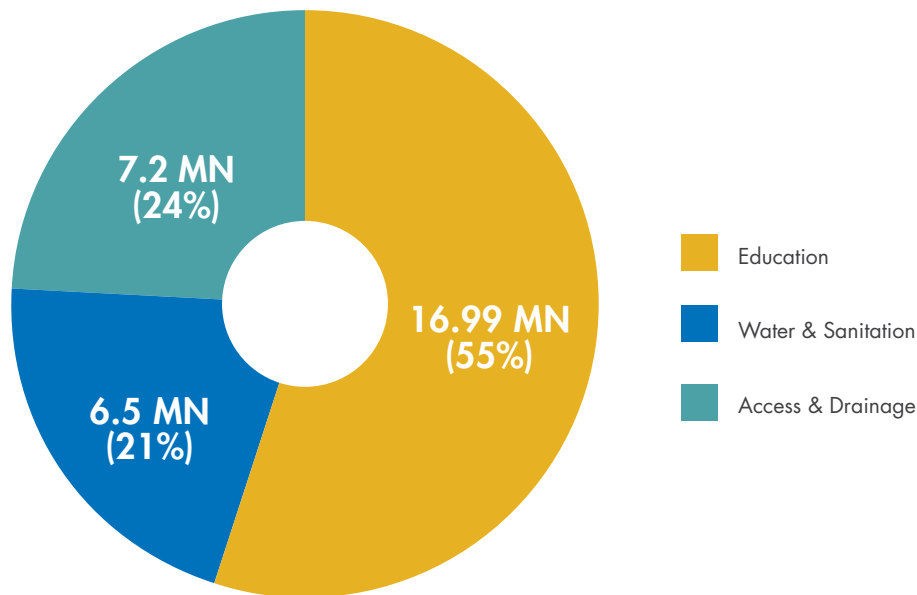


### BNTF 10 Approvals, Allocations and Planned Results

- 2.36 BNTF 10 continued to provide support to the nine PCs in the same three priority areas as BNTF 9, but with some necessary reforms. A greater focus was placed on community engagement, knowledge management and communication as well as partnerships. PCs achieved compliance between August 2021 and May 2022 and completed their individual Country Policy Framework (CPF) documents, which were approved by CDB. The CPFs outlined evidence-based prioritisation of the PCs' BNTF 10 resources that support efforts to address the root causes of poverty in the poorest and most vulnerable communities.
- 2.37 When analysed, the approved CPFs showed that the planned investment in EHRD, including livelihoods enhancement, was still highest at \$17.0 mn (55% of resources for sub-projects). Almost equal amounts were set-aside for

water and community access at \$6.6 mn (21%) and \$7.3 mn (24%), respectively. A total of 114 sub-projects in these three areas were identified for implementation in the new cycle, programmed to be completed by December 2024 (see Figure 2.3).

**Figure 2.3: CPF Allocations as at 31st December 2022**



- 2.38 Six country sector portfolios comprising 45 sub-projects had been fully appraised by December 2022, with 21 sub-projects (7 in EHRD, 3 in water and sanitation and 11 in community access) already approved for a value in excess of \$9 mn. The planned results for the approved sub-projects include improved access to quality water supply and sanitation services, improved basic community infrastructure and drainage as well as improved access to quality EHRD services and enhancement of livelihoods and employment opportunities. These are outlined in further detail in Box 2.3.



## BOX 2.3 | BNTF PLANNED RESULTS BY PRIORITY AREA



### EDUCATION, HUMAN RESOURCES AND LIVELIHOOD ENHANCEMENT

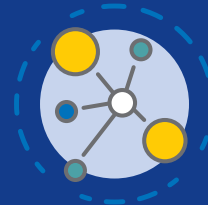
Beneficiaries of Livelihood Enhancement Activities



Community Infrastructure Units Rehabilitated/ Upgraded



Beneficiaries of Community Infrastructure



### BASIC COMMUNITY ACCESS AND DRAINAGE IMPROVEMENT

Community Infrastructure Units Built/ Upgraded



Beneficiaries of Community Infrastructure



Secondary and Other Roads Built/Upgraded



Beneficiaries of Road Projects



### WATER AND SANITATION SERVICES IMPROVEMENT

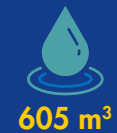
Households With Access to Water Supply



Water Supply Lines Installed/ Upgraded



Installed Water Capacity



Beneficiaries of Livelihood Enhancement Activities



## CTCS Network

### Projects Approved and Strategic Partnerships

**2.39** In 2022, CDB approved \$0.9 mn under its CTCS Network as part of ongoing efforts to promote private sector development in the Region, particularly MSMEs. To supplement CDB's financial contribution to approved projects, CTCS established strategic partnerships with other MSME development institutions, resulting in counterpart funding totalling approximately \$0.4 mn.

**2.40** The CTCS Network projects approved in 2022 were as follows:

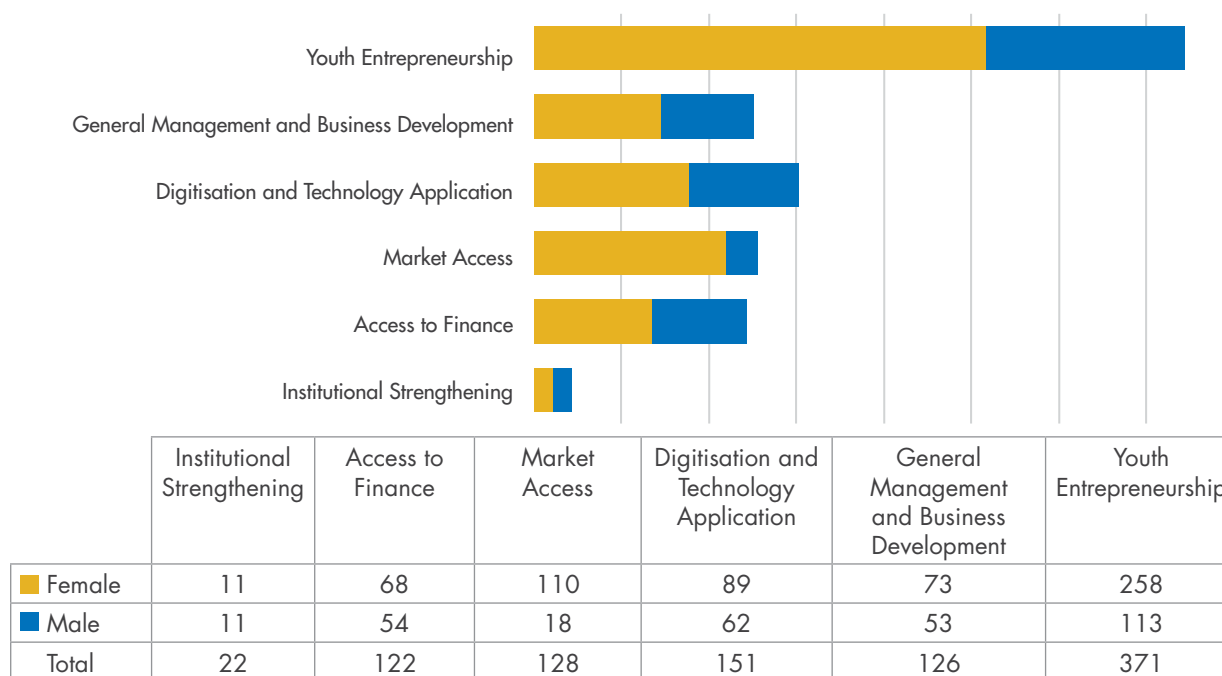
- (a) **A Climate-Adaptive Aquaponics Farming Regional Project** in partnership with INMED Caribbean, targeted at Antigua, The Bahamas, Barbados, Grenada, and Saint Lucia. It is designed to provide technical and business training as well as to establish a network of support for sources of financing and markets for entrepreneurs. This project is a replication of a successful pilot CDB-INMED project in Jamaica that benefitted 111 farmers (67 men and 44 women) and 45 agricultural extension officers (34 men and 11 women) over the period 2018–2020.
- (b) **Strengthening the Business Management, Digitisation and Resilience of MSMEs in the Region.** This programme, which primarily seeks to address some of the challenges facing MSMEs, especially in the wake of the COVID-19 pandemic, will be implemented in phases over the next three years. It is designed to support both business support organisations and MSMEs in the areas of Financial Literacy and Management, Business Continuity Planning, Digital and Social Media Marketing, Project Management, Greenhouse Farming, Customer Service, Branding, and Sales Techniques. The implementation modalities will incorporate regional train-the-trainer workshops, national workshops, one-on-one support, and online self-learning modules. Additionally, eligible MSMEs seeking access to finance will be granted TA vouchers, through support from consultants, to prepare the required financial information for loan applications to lending institutions. The first phase of the programme, for which CDB approved \$250,000 in 2022, will focus on digital and social media marketing, business continuity planning, and financial literacy and management.

- (c) **An incubator programme in Barbados that would promote access to equity financing by MSMEs through the Innovation and Growth Market of the Barbados Stock Exchange.** This project seeks to complement several initiatives by the Government of Barbados to increase access to finance for MSMEs. It consists of the implementation of a marketing and promotions campaign to promote equity financing for MSMEs through the Barbados Stock Exchange, development of a tailored diagnostic tool to assess the capacity of MSMEs to be listed on the Stock Exchange; and Initial Public Offering and listing of at least 20 firms to raise capital by selling their shares to the public.
- (d) **Support for the Operationalisation of a Regional She-Trades Hub in the Caribbean,** to be implemented in collaboration with the International Trade Centre. The She-Trades Hub, which will be hosted by CDB, will facilitate increased access to TA, training, coaching, mentoring, networking, investment and export opportunities for women-owned MSMEs in the Bank's BMCs.
- (e) **Support to Port-of-Spain Fashion Week 2023 (POSFW) for the Development of Non-Fungible Tokens (NFTs) and a Virtual Storefront for Caribbean Designers and to bring Caribbean fashion into the Metaverse.** This is the first of its kind for the Caribbean, and aims to increase visibility and market opportunity for Caribbean fashion designers by leveraging blockchain technology in the metaverse. It is anticipated that at least 20 Caribbean designers from Barbados, Guyana, Jamaica, Haiti, OECS and Trinidad will be trained in how to build NFTs and upload NFTs to POSFW NFT virtual storefront, which is expected to attract over 10,000 viewers, including designers, models, manufacturers, technology enthusiasts (gaming and music) and global brands.

### Disbursements and Projects Under Implementation

**2.41** In 2022, a total of \$0.7 mn was disbursed to enable CTCS to implement various capacity-building interventions aimed at enhancing business management and competitiveness. These benefitted 920 business-persons (311 males and 609 females), as detailed in Figure 2.4 on the following page.



**Figure 2.4: CTCS Beneficiaries in 2022 by Intervention Area**

2.42 The CTCS Network projects under implementation in 2022 were as follows:

(a) **Future Tourism: Rethinking Tourism and MSMEs in times of COVID-19.**

Tourism-related MSMEs in Barbados and Member Countries of the OECS that were significantly impacted by the pandemic continued to receive support under this project, which commenced implementation in 2021 to assist MSMEs in digitising their operations. This project is being implemented in partnership with the United Nations Development Programme (UNDP) (Barbados and the Eastern Caribbean). At the end of 2022, a total of 150 MSMEs (70% women-owned) had received training through a Business Adaptation Programme (BAP) focusing on Digital Technologies, Financial Planning and Marketing, including one-on-one mentorship and grant support. As a result, 60% of beneficiary MSMEs were able to digitise at least three business processes.

Furthermore, to ensure the sustainability of the project, 30 persons (3 males and 27 females) comprising local experts and government officials were equipped with knowledge and skills through a Train the Trainers programme to continuously deliver training to MSMEs in accordance with the BAP methodology. The project also developed e-guides in the three learning areas of the BAP. Also, a total of six guides were produced and will be publicly available on UNDP's website.

(b) **Increasing the Competitiveness and Access to Finance of Tech Start-Ups and MSMEs in the Eastern Caribbean.**

Under this project, which was approved in 2021, a total of 67 tech entrepreneurs (47 males and 20 females) received initial TA in 2022. The goal of this project, which is being implemented by Tech Beach Retreat Inc, is to link technology start-ups with the global technology ecosystem, including companies such as Google, Facebook, Dropbox and LinkedIn.

(c) **Supporting the Efforts of the Anguilla Chamber of Commerce and Industry to Enhance the Operational Capacity of MSMEs and to Help Sustain and/or Expand Operations.**

A total of 20 MSMEs (7 male-owned and 13 female-owned) in Anguilla received training and business advice/mentorship in areas related to Business Planning, Record Keeping, Marketing, Human Resource Planning, and Customer Service.

(d) **Enhancing the Competitiveness and Sustainability of Agro-Processors in Dominica.**

A total of 21 agro-processors in Dominica (3 males and 18 females) benefitted from training in Product Costing and Pricing.







- (e) **Regional Youth Entrepreneurship Project.** A total of 256 young persons (56 males and 200 females) were provided with support (training and mentorship) to start and expand their businesses under this project. The project, which aims to engender entrepreneurial ventures by young persons to create self-employment opportunities, is being coordinated by the Barbados Youth Business Trust (BYBT). CTCS collaborated with BYBT to strengthen the youth entrepreneurship training programme of the Anguilla Youth Business Foundation (AYBF). This comprises a review and enhancement of AYBF's training curriculum, inclusive of the training of its programme's trainers (4 males and 8 females) in accordance with the revised curriculum. A youth entrepreneurship project in Haiti, with similar objectives as those of the regional project, was also under implementation in 2022 and benefitted 103 young persons (53 males and 50 females).
- (f) **Support to The Bahamas Development Bank in designing and developing a loan product and a tailored appraisal system to facilitate lending to MSMEs within the creative industries.** This project sought to assist the Government of The Bahamas in providing an avenue for increased access to finance for MSMEs.
- (g) **Support to the Eastern Caribbean Securities Regulatory Commission in Developing a Crowdfunding Framework in the Eastern Caribbean Currency Union.** The project commenced implementation in 2022 and has developed a policy framework to govern the regulation and supervision of crowdfunding. Also, it has provided awareness raising/training in crowdfunding and equity investing, benefitting 122 persons (54 males and 68 females).
- (h) **Enhancing the Capacity of Cleantech Entrepreneurs in Building CC Resilience.** In 2022, implementation began on this regional incubator project in partnership with the Caribbean Climate Innovation Centre (CCIC). This resulted in the capacity building of 85 entrepreneurs (43 males and 42 females) who received training through an entrepreneurship programme, including a bootcamp, which was an accelerator programme (coaching and mentoring) in preparation for national pitching competitions in the beneficiary countries to promote their products and services to potential investors.
- (i) **Connecting MSMEs to resources, potential markets in traditional and digital market spaces and to facilitate capacity building.** CDB continued its partnership with Nudge Caribbean, which began in 2021. As such, in 2022 a total of 126 beneficiary entrepreneurs (18 males and 108 females) from Barbados, Saint Lucia and Trinidad and Tobago received training and were provided the opportunity to showcase and sell their products through attractive stands and pop-up sales booths that were constructed and installed in highly visible locations in Massy stores. By the end of 2022, four firms from Trinidad had been awarded contracts to start supplying products to Massy stores.
- (j) **Assisting the Government of Montserrat (GOM) in undertaking a market assessment to ascertain the capacity and capability of farmers to produce and deliver primary agricultural products for processing.** This was to inform the development of a technical plan and decision by the GOM to establish an agro-processing facility to maximise the current and potential productive capacity of the agricultural sector, to produce value-added products for both the domestic and export markets.
- (k) **Support to the Grenada Chamber of Industry and Commerce to host the network of Caribbean Chambers of Commerce (CARICHAM) 2022 Annual General Meeting.** The meeting, which brought together 16 representatives of 15 CARICHAM members (7 males and 9 females), sought to further strengthen the regional private sector body through the development of a roadmap to improved business relationships, stronger advocacy, improved business support service and stronger commitment, so as to collaborate and develop solutions for the advancement of the regional private sector and economies.

## SDF Portfolio Analysis

**2.43** As at 31st December 2022, three projects were flagged as 'at risk', a decrease from four in 2021. Table 2.5 on the following page identifies those

projects and summarises the major factors impeding implementation. The Bank will continue to engage BMCs, and if required, design action plans to improve the execution of these projects and rescope the intervention to ensure delivery of results. Cancellation is considered as a last resort.

**Table 2.5: Summary of Projects Flagged 'At Risk' in 2022**

Name of Project and Approved Value (\$'000)	Country	Cumulative Disbursement as at 31/12/2022 (\$'000)	Age	Key Issues
1. NDM - Rehabilitation and Reconstruction - Extreme Rainfall Event (\$8,612)	GRN	1,034 (12%)	10.8	<ul style="list-style-type: none"> <li>• Delay in implementation due to slow decisions in relocation of households.</li> <li>• Implementation has been delayed due to the suspension of works on the bridge that would allow access to the site by construction vehicles.</li> </ul>
2. Integrated Solid Waste Management Project (\$10,700)	GRN	6,354 (59%)	7.9	<ul style="list-style-type: none"> <li>• Public Education and Awareness Programme not implemented.</li> </ul>
3. Enhancement of TVET at Lower Secondary School Level (\$21,940)	SUR	11,394 (52%)	7.8	<ul style="list-style-type: none"> <li>• The exchange rate rules by the Central Bank of Suriname negatively impacted the value of the contract for the Design and Supervision Consultant. Work by the consultant was delayed as a result.</li> </ul>









## 3. Results Progress

3.01 A critical success factor for monitoring and evaluating SDF 10 is the Bank's RMF, which tracks the results of its operations on three levels:

- (a) Level 1 – the Caribbean's progress toward the SDGs and regional development outcomes;
- (b) Level 2 – CDB's contribution to development outcomes; and
- (c) Level 3 – CDB's operational effectiveness.

3.02 At each level, the RMF sets out key indicators, with benchmarks and targets to be met. Progress on the indicators is comprehensively evaluated in the Bank's annual Development Effectiveness Review (DER). However, the DER analyses results across all CDB's funds, programmes and BMCs. It is therefore useful for the purposes of this report to narrow the analytical focus to the SDF 10 RMF, which was distilled from the broader corporate RMF, and which sets targets for beneficiary countries to meet by the end of the cycle based on the indicators that are most relevant to the SDF 10 strategic operational themes.

### Level 1 – Progress Towards the SDGs and Regional Development Outcomes

#### Building Social Resilience and Leaving No one Behind

3.03 In 2022, countries were still reeling from the debilitating effects of the pandemic and the impacts of natural disasters, while grappling with cost-of-living increases. Heightened socioeconomic insecurity continued to shape choices at all levels and to adversely affect overall quality of life, hampering efforts to build social resilience in the Region.



3.04 Table 3.1(A–D) captures the latest available results for the indicators tracking the progress of SDF beneficiary countries in this regard.

#### Poverty and Inequality

3.05 Poverty levels, already high and persistent prior to the onset of COVID-19 and other events, have worsened markedly given the pandemic's negative effects on employment levels, income and overall social resilience as well as economic performance. The 2022 United Nations (UN) report on the progress towards the achievement of the SDGs underscored this situation, indicating that up to four years of progress toward poverty eradication was wiped out in the last several years. In particular, it noted that progress on SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth) remained below pre-pandemic levels in low- to middle-income countries.

3.06 For SDF beneficiary countries, the Multi-Dimensional Poverty Index (MPI) Report of 2022 noted the likelihood that not only had more people become poor but also that the intensity of poverty could have increased. As shown in Table 3.1(A) on the following page across the seven BMCs examined, approximately 2.66% of the population was found to be experiencing multi-dimensional poverty. Jamaica and Suriname, with 4.7% and 2.9% of their populations categorised as multi-dimensionally poor respectively, registered the highest MPI levels among the SDF countries examined. With respect to Haiti, over 43% of the population was categorised as multi-dimensionally poor.

**Table 3.1(A): RMF Level 1 - Building Social Resilience (Poverty & Inequality)**

Grouping/indicator	BMCs			Actual 2022	Related SDG
	Baseline		Target		
	Year	Value	2024		
<b>Building competitive economies</b>					
1. MPI [Headcount (%)] - Haiti	2016	TBD 41.3	TBD TBD	2.7 43.0	
2. Adjusted Headcount Index - Haiti	2006-2019	30.0 58.5	30.0 TBD	n.s.	
3. Human Development Index (HDI) - Haiti	2019	0.718 0.510	0.700 TBD	0.713 0.535	
4. Inequality Adjusted HDI (IHDI) - Haiti	2019	0.532 0.303	TBD TBD	0.523 0.327	

The 2021/22 UN Human Development Report indicated that for the first time ever, the HDI had declined globally for a second consecutive year, with about 90% of the 191 countries indexed recording declines in their individual HDI scores. Table 3.1(A) shows that among CDB's BMCs, the SDF beneficiary countries were no exception to this trend. For instance, Saint Lucia, Jamaica and Dominica saw significant deterioration in their index rankings between 2019 and 2022, moving down 20, 9 and 8 places, respectively. Despite the reduction in their scores and rankings, however, most SDF beneficiary countries remained in the high or very high human development categories. The exceptions were Belize, which was downgraded to the medium human development category in 2022, and Haiti,

which remained the only country from the Latin America and Caribbean region in the low human development category.

3.07 Select SDF beneficiary countries for whom data were available recorded declines in their IHDI, signalling the continued existence of disparities in human development. Inequality remained particularly high for Suriname (27.1%), Saint Lucia (21.8%), and Belize (21.7%). Even Guyana, which made impressive gains in its un-adjusted HDI scores and rankings and moved from the medium to the high-development category between 2019 and 2022 because its oil and gas industry took off, registered an IHDI value with a 17.2% loss to HDI. The worst losses in these countries occurred in three areas—education inequality, followed by life expectancy, and then income. The picture was even more stark for Haiti, one of the most unequal countries in the world, with a loss of 39%. Factors contributing to this large and persistent gap between HDI and IHDI for Haiti included learning losses from COVID-19 school closures, political instability, protests, unrest/conflicts and gang violence, sporadic cholera outbreaks as well as the lingering effects of the 2010 and 2021 earthquakes and various weather-related events.


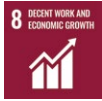
## Social Protection

3.08 In SDF beneficiary countries for which data were available, consistent increases in the level of expenditure on social protection were observed [see Table 3.1(B)], with Saint Lucia, Dominica, and St. Vincent and The Grenadines increasing their expenditure on social protection as a percentage of gross domestic product (GDP) from 5.3%, 7.5% and 7.4%, respectively, to 6.8%, 7.9% and 8% in 2022. Haiti, whose investment in social protection mechanisms is typically extremely low, also increased expenditure on social protection as a percentage of GDP, moving from 0.3% of GDP in 2019 to 0.4% in 2020 and holding steady at 0.4% in 2022.



3.09 These investments have been critical in staving off the full impact of COVID-19 and other challenges across SDF beneficiary countries, particularly on incomes and food security, as well as livelihoods. Countries have continued to examine their social protection mechanisms and to shore up or expand their social protection systems to better safeguard the well-being of the most vulnerable. For instance, cash transfers, food support, employment protection and expanded health coverage remain among the range of approaches utilised to offset the impacts of current challenges. In addition, several Caribbean governments have adopted digital technologies to accelerate the delivery of benefits, as well as to facilitate registration and application processes to reach beneficiaries more efficiently and to enhance beneficiary management systems. Suriname and Saint Lucia are among the countries that have capitalised on the use of digital solutions to enhance delivery systems for social protection.

**Table 3.1(B): RMF Level 1 - Building Social Resilience (Social Protection & Income Growth)**

Grouping/indicator	BMCs			Actual 2022	Related SDG
	Baseline		Target		
	Year	Value	2024		
<b>Building Social Resilience and Leaving No One Behind</b>					
5. Social Protection expenditure as a percentage of GDP - Haiti	2006-2019	2.4 TBD	3.5 TBD	5.9 0.4	
6. GDP per capita growth rate (%) - Haiti	2019	1.7 -1.5	>1.7 >-1.5	10.7 -2.9	

## Income Growth

3.10 As underscored by the critical role played by social protection spending in the challenging context of the past few years, robust and inclusive economic growth

is essential for reducing poverty and inequality as well as for enhancing the well-being or quality of life of Caribbean citizens. Table 3.1(B) indicates that the per capita growth rate among SDF beneficiary countries was positive. This was driven largely by Guyana's emergent oil and gas industry, which fuelled a per capita growth rate of 61.4%, making it one of the fastest-growing economies globally. Most other SDF countries saw ongoing recovery in 2022 as tourism activity continued to rebound in service-oriented economies. However, there was a decline in GDP per capita in Haiti.

## Education and Training

3.11 In 2022, BMCs continued to work towards achieving SDG 4 (inclusive and equitable access to quality education, with lifelong learning opportunities for all) by supporting the transformation of their education sectors. In general, BMCs continued to maintain key indicators of access and equity as well as internal efficiency throughout the education system. However, although BMCs instituted several measures to maintain continuity of education and mitigate learning loss due to the pandemic, there was significant slippage in key indicators of quality and relevance, as reported in the performance of students completing terminal examinations at the end of secondary education.




3.12 The overall performance of secondary school graduates achieving five or more subject passes in the Caribbean Secondary Education Certificate (CSEC) General Proficiency or the equivalent National Assessment was significantly weaker than the baseline, as shown in Table 3.1(C) on the following page. Moreover, according to a 2022 Caribbean Examination Council (CXC) Review and other data, fewer students received passing grades in CSEC Mathematics and English Language examinations when compared to the results in 2021. However, the fall-off

in academic performance at the secondary level is not surprising because those students who sat the examinations did so in unprecedented circumstances and faced a multiplicity of challenges between 2020 and 2022. Clearly the pandemic induced school shutdowns, significant rates of quarantines and absenteeism, struggles with mental health

challenges by students and teachers as well as lost instructional time continued to negatively impact students well past the initial Spring 2020 school closures.

- 3.13 In contrast, support by CDB and other development partners to enhance the capacity of technical and vocation education teachers to design, deliver and assess student learning during the COVID-19 pandemic—including through digital/online modalities—was critical to maintaining continuity of skills development. Consequently, in 2022, TVET performance registered some progress towards the target, as measured by the proportion of students completing at least one Level 1 course [see Table 3.1(C)]. In addition, while female representation in TVET remained lower than that for males, BMCs estimated that female enrolment increased by 2% in 2022.

**Table 3.1(C): RMF Level 1 - Building Social Resilience (Education & Training)**

Grouping/indicator	BMCs			Actual 2022	Related SDG				
	Baseline		Target						
	Year	Value	2024						
<b>Building Social Resilience and Leaving No One Behind</b>									
7. Secondary school graduates achieving five CXC General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English (%) - Female - Male - Haiti	2018	38.7 31.8	65.0 65.0	23.5 19.3 n.s.	 				
8. Students completing at least one Level 1 course in TVET (%) - Female - Male - Haiti	2018	45.9 59.8 ns	100 100 ns	69.4 75.7 n.s.					





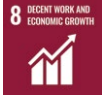

## Employment

- 3.14 Building social resilience requires policies and investments that boost human capital and create opportunities for people to develop their skills, knowledge, and competences and, at the same time, support and promote fair participation in the labour market.
- 3.15 Therefore, notwithstanding the marginal improvements noted above, regional systems and institutions must continue working to ensure equal access to technical and vocational education and training opportunities. Equally, the examination of 2022 results indicates that the education system is still not providing secondary school graduates with the requisite skills and knowledge to meet the needs of employers and the ever-evolving labour market. Moreover, although female students performed better than their male counterparts in secondary examinations, unemployment levels among females continue to trend higher than among males.
- 3.16 Table 3.1(D) highlights the disparity between male and female unemployment rates. It also indicates that at the end of 2022, average female and male unemployment rates were below baseline values, although youth unemployment rates remained much higher than the overall average and above baseline values. This trend is expected to persist in the wake of the pandemic and to adversely affect the lives and livelihoods of individuals, families and communities, including women, children, semi-skilled workers as well as owners of MSMEs.

## Building Economic Resilience for Inclusive Growth

- 3.17 Sustaining inclusive economic growth and employment requires well-developed markets with a competitive private sector trading in high value-added products. However, Table 3.1(E) on the following page indicates that in 2022, intra-regional trade as a percentage of total regional trade was down

**Table 3.1(D): RMF Level 1 - Building Social Resilience (Employment)**

Grouping/indicator	BMCs			Actual 2022	Related SDG
	Baseline		Target		
	Year	Value	2024		
<b>Building Social Resilience and Leaving No One Behind</b>					
<b>9. National unemployment rate (%)</b> - Female - Male - Haiti	2019	16.3 12.9 13.9	TBD TBD TBD	15.5 10.4 15.9	 
<b>10. Youth unemployment rate (%)</b> - Female - Male - Haiti	2017	26.4 13.4	Reduction Reduction	27.4 23.7 n.s.	
<b>11. Youth employment to population ratio (%)</b> - Female - Male - Haiti	2019	21.2 38.6 23.3	Reduction Reduction	20.5 35.3 43.2	


from the previous year, as well as the baseline year (2019). Indeed, while trade integration within the Region is ongoing, it is not at the level reported in other areas/regions. BMCs' trade partners are mainly North America and Europe including the United Kingdom. In addition, most of the Caribbean's exports are made up of natural resource-based manufactures and medium-low technology manufactures. High value-added technology manufactured products account for only a small share of total exports.

- 3.18 Some of the barriers to enhanced intra- and extra-regional trade facing the Region include limited diversification and economies of scale, inadequate intra-regional logistics, complex customs procedures and lengthy internal certification processes, all of which translate into high production and transportation costs.





**Table 3.1(E): RMF Level 1 - Building Economic Resilience**

Grouping/indicator	BMCs			Actual 2022	Related SDG
	Baseline		Target		
	Year	Value	2024		
<b>Building Economic Resilience for Inclusive Growth</b>					
<b>12.</b> Intra-regional trade as a percentage of total regional trade (%) - Haiti	2018	14.0 n.a	18.0 n.a	10.0 na	
<b>13.</b> Doing business average Distance to Frontier score (out of 100) - Haiti	2019	55.8 40.7	74.0 TBD	na	

## Building Environmental Resilience

3.19 A key component of the high transportation and production costs hampering trade and economic performance is the Caribbean's dependence on imported fossil fuels. The economic rationale for pursuing renewable energy (RE) alternatives and options to boost energy efficiency (EE) in order to ensure energy security and insulate from international market price fluctuations is therefore clear, even beyond the core environmental rationale of reducing the Region's carbon footprint. However, despite the recognition by BMCs of the importance of rapidly transitioning their energy sectors to realise SDG 7—i.e., to ensure access to affordable, reliable, sustainable, and modern energy for all—progress remains relatively slow. The collective share of RE generating capacity of the total electricity generation capacity for SDF BMCs has fallen to approximately 14% since 2018, with progress limited by slow implementation post-COVID, inadequacies in the sector's regulatory framework, and insufficient funding opportunities. Based on the current trajectory, the regional and most country-specific RE targets for 2027 and 2030 will very likely be missed by wide margins.



3.20 The 2022 outturn for indicators related to SDG 13 (taking urgent action to combat CC and its impacts) was more encouraging. Greenhouse gas emissions per capita were well under baseline and target levels, as detailed in Table 3.1(F), despite resumption of economic activity across the Region. Generally, BMCs are not large emitters; they account for a negligible proportion of global emissions, and all remain committed to their 2030 Paris Agreement obligations and nationally determined contributions.

3.21 Governments in the Region continue to grapple with the issue of natural hazard events and the resulting rise in expenditures to address response, recovery and rehabilitation. In general, economic losses from natural disasters and climate variability in 2022 were approaching the target for 2024 and were significantly below the baseline value for the 2017–19 period (when Hurricanes Irma and Maria had caused devastating losses). However, the loss

figure for Haiti was significantly higher than the baseline as a result of earthquakes and other natural hazard events during the year. Nevertheless, the economic impact of these events was partially mitigated by climate risk insurance through the CCRIF, which has become an important source of DRF and a critical component of the regional DRM and CC resilience institutional framework. Supported by this framework, BMCs have made considerable progress in building resilience to exogenous shocks, with governments developing DRM frameworks that speak to actions at the national, community and individual levels.



**Table 3.1(F): RMF Level 1 - Building Environmental Resilience**

Grouping/indicator	BMCs			Actual 2022	Related SDG
	Baseline		Target		
	Year	Value	2024		
<b>Building Environmental Resilience</b>					
<b>14.</b> RE as a % of total energy mix produced - Haiti	2018	20 19	30 30	14 13	
<b>15.</b> Greenhouse gas emissions per capita (metric tons per capita) - Haiti	2014	3.6 0.81	3.9 0.64	2.96 0.28	
<b>16.</b> Reported economic losses resulting from natural disasters and climate variability (% of GDP, 3-year average) - Haiti	2017-2019	8.6 0	<1.5	2.51 8.14	


## Good Governance

3.22 Strong institutions are critical to all aspects of development, hence their inclusion among the SDGs (SDG 16) as well as among CDB's SDF 10 strategic operational themes, namely, the cross-cutting area of good governance. As Table 3.1(G) indicates, the average of the World Bank's Governance Index for SDF Group 2 countries rose appreciably from the baseline to exceed the 2024 target. Conversely, the index for Haiti worsened, which was unsurprising in light of the uptick in political instability and violence.





**Table 3.1(G): RMF Level 1 - Cross-Cutting Theme (Good Governance)**

Grouping/indicator	BMCs				Related SDG
	Baseline		Target	Actual	
	Year	Value	2024	2022	
<b>Building Economic Resilience for Inclusive Growth</b>					
17. Governance Index (-2.5 to 2.5) <sup>1/</sup> - Haiti	2019	0.12 -1.18	-1.18 >-1.18	0.17 -1.37	

## Level 2 – CDB’s Contribution to Development Outcomes

- 3.23 Indicators at Level 2 measure the Bank’s contribution to the SDGs, country and regional development outcomes through outputs delivered in key operational areas that map to the strategic operational themes as identified in the SDF 10 RMF. These include education and training, agriculture and rural development, water and sanitation, private sector development, energy security, disaster risk reduction (DRR) and CC resilience as well as the cross-cutting areas of governance and accountability and enhancing regional cooperation and integration (RCI).
- 3.24 After a fair start to the SDF 10 cycle in 2021, the Bank turned in a good performance in 2022 such that it was on track to achieve targets in most of the areas (e.g., water, education, economic infrastructure) and in some instances had already exceeded targets (agriculture and community development). Areas where progress had fallen below expectation include DRM and CC resilience, citizen security as well as governance and accountability.

## Building Social Resilience and Leaving No one Behind




### Education and Training

- 3.25 SDG 4, which aims to ensure inclusive, equitable, quality education and to promote lifelong learning opportunities for all, has been a distinct priority for regional governments. Table 3.2(A) tracks CDB’s contribution in this regard.

**"Indicators at Level 2 measure the Bank's contribution to the SDGs, and to country and regional development outcomes. These include education and training, agriculture and rural development, water and sanitation, private sector development, energy security, disaster risk reduction (DRR) and CC resilience as well as the cross-cutting areas of governance."**

<sup>1/</sup> Indicators at level 2 measure the Bank’s contribution to the SDGs, country and regional development outcomes.

**Table 3.2(A): RMF Level 2 - Building Social Resilience (Education & Training)**

Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional, Groups 2 & 3	BNTF	
<b>Building Social Resilience and Leaving No One Behind</b>					
Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional, Groups 2 & 3	BNTF	
<b>Education and training - Improving access to quality, inclusive, and equitable education and training</b>					
1. Classrooms and educational support facilities built or upgraded according to minimum standards (number), of which: <ul style="list-style-type: none"> <li>- Basic</li> <li>- Post-secondary and tertiary</li> <li>- Haiti</li> </ul>	269	443	1,822	281	
	149	323	1,519	281	
	-	12	303	-	
	120	120	580	-	
2. Teachers and principals trained or certified (number), of whom: <ul style="list-style-type: none"> <li>- Female</li> <li>- Haiti</li> </ul>	1,113	1,869	10,302	120	
			7,187	50	
			3,060	n.s.	
3(a). Students benefitting from improved physical classroom conditions or enhanced teacher competence, or access to loan financing (number), of whom: <ul style="list-style-type: none"> <li>- Female</li> <li>- Haiti</li> </ul>	20,452	49,847	182,559	20,502	
	10,022	24,164	90,605	1,509	
	4,800	16,882	74,670	n.s.	
3(b). Beneficiaries of skills training activities under BNTF (number), of whom: <ul style="list-style-type: none"> <li>- Female</li> </ul>	2,954	5,773	2,570	2,570	
	1,471	2,867	1,509	1,509	

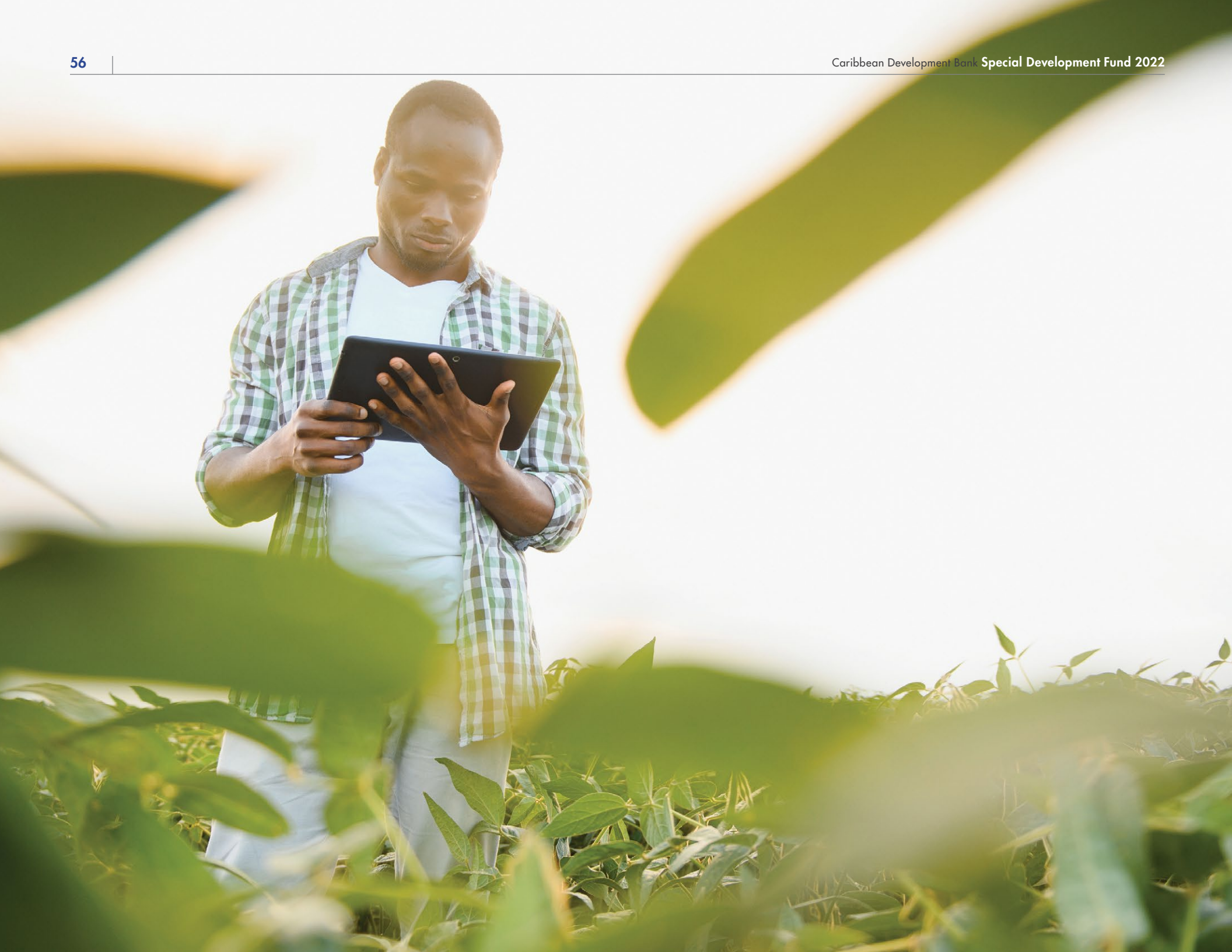
3.26 While progress on the infrastructural development aspects has been slower than anticipated due mainly to lingering pandemic impacts as well as inflationary pressures that increased project costs, the Bank was able to make some headway in the early childhood development area through BNTF, which rehabilitated/constructed six centres. Countries also continued to invest in the training of teachers, school leaders and instructors. Notably, under the CDB/CARICOM/OECS Model Regional Learning Recovery and Enhancement Programme for Caribbean schools, an estimated 846 teachers completed the 'Communities of Practice, Formative Assessment, Differentiated Instruction and Leadership for Learning' certification course. Consequently, at the mid-point of SDF, a significant number of students had benefited from improved educational services.

### Agriculture and Rural Development

3.27 The importance of the agricultural sector, particularly the need to ensure food security, came to the fore during the pandemic. The continued realisation of results demonstrates the value-added of the Bank in an area that is critical to the sustained development of the Region. Those countries benefitting from the Bank's assistance included Belize, Grenada and Haiti. See Table 3.2(B) on the following page.

3.28 Cognisant of the need to reduce the vulnerability of the sector to natural hazards, the Bank seeks to imbue resilience into all its projects. In 2022 for instance, the Bank engaged in the construction and climate-proofing of agricultural infrastructure and supported training in improved agricultural production.





3.29 Importantly, the Bank also focused on enhancing the knowledge base within the sector by supporting market analysis to strengthen value chains as well as research and development, which included validating technologies and digitising agricultural knowledge to facilitate the transfer of knowledge. Thus far for the cycle, the Bank's performance in the agricultural sector has exceeded ambitions for the entire cycle and indicates the need to revisit the targets.

## Water and Sanitation

3.30 Improving access to clean, safe water and sanitation has been a mainstay of the Bank in its efforts to enhance the quality of life of Caribbean people. With most BMCs classified as water-scarce or water stressed, the Region faces significant challenges within the water sector. The situation is compounded by risks associated with CC, which can affect the poorest and most vulnerable citizens, whose livelihoods are critically linked to access to water resources. In 2022, a major water project in Saint Lucia resulted in installed water capacity

**Table 3.2(B): RMF Level 2 - Building Social Resilience (Agriculture & Rural Development)**

Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional, Groups 2 & 3	BNTF	
<b>Agriculture and rural development- Promoting sustainable agriculture and rural development</b>					
4. Agriculture: Stakeholders trained in improved production technology (number) - of whom female - Haiti	3,087 674 2,743	5,567 3,095 2,743	2,000 890 2,000	- - -	2 ZERO HUNGER 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
5. Land improved through irrigation, drainage and/or flood management (hectares) - Haiti	295 295	295 295	1,000 900	- -	
6. Beneficiaries of improved agriculture, land management and land conservation climate smart agricultural practices (number) - of whom female - Haiti	1,695 1,537	7,664 1,537	2,200 n.a. 2,200	- - -	






of about 10,800 cubic metres/day. Installation efforts allowed 3,000 households to have improved access to reliable, safe, climate-resilient, and sustainable water supply systems. Consequently, by the end of the second year of the cycle, the Bank appeared well on track to meet its end-cycle targets. See Table 3.2 (C) below.

## Citizen Security

**3.31** The Bank's investments in citizen security contribute in a tangible way to building social capital, which is a key factor in reducing vulnerability, improving life chances and enhancing the overall quality of life of targeted individuals and communities. During the year, the Bank was able to report on results

principally in Grenada through the Awakening Special Potential by Investing in Restoration and Empowerment (ASPIRE) project. ASPIRE supported programmes targeting juveniles and youth as well as their families and communities, and was designed to build resilience against criminogenic factors impacting vulnerable segments of these populations. Project components included an integrated 18-month training programme targeting 25 at-risk youth under age 30 and a rehabilitation and reintegration programme for young inmates who received training in literacy, numeracy, entrepreneurship and adaptive life skills.

**Table 3.2(C): RMF Level 2 - Building Social Resilience (Water & Sanitation)**







Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional, Groups 2 & 3	BNTF	
<b>Water and Sanitation— Improving access to safe, reliable, and sustainable water and sanitation services</b>					
<b>7. Water: Installed water capacity (cubic metres/day)</b>	10,800	10,979	23,649	2,049	
- Urban	-	-	-	-	
- Rural	10,800	10,979	21,600	2,049	
<b>8. Water: Supply lines installed or upgraded (length of network in km)</b>	19	20	103.3	63	
- Urban	4	5	15	-	
- Rural	15	15	88.3	63	
<b>9. Water: Households with access to improved sanitation and water supply (number)</b>	3,000	56,846	62,467	4,767	
- Urban	-	53,500	46,600	-	
- Rural	3,000	3,346	15,867	4,767	
- female (disaggregated by sex/head of household)	n.s.	n.s.	354	25	

## Community Development and Participation

**3.32** Community development and participation has been a mainstay of the Bank's developmental work, and the BNTF—the Bank's flagship poverty reduction programme—has been instrumental in transforming lives in poor and vulnerable communities. Some pick-up in results is expected as projects are delivered with BNTF 10 resources. [see Table 3.2(D)]



**Table 3.2(D): RMF Level 2 - Building Social Resilience (Citizen Security, Community Development & Sanitation)**

Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional, Groups 2 & 3	BNTF	
<b>Citizen Security</b>					
10. Beneficiaries of community-based citizen security interventions (number) - of whom female	- -	79 52	2,850 1,450	- -	 
11. Beneficiaries of youth 'at risk' interventions (number) - of whom female	- -	345 140	2,550 1,275	- -	
<b>Community Development and Participation – Improving access to basic social infrastructure and services</b>					
12. Communities: Beneficiaries of community infrastructure construction and enhancement projects (number) - of whom female beneficiaries	- -	3,143 1,544	38,158 19,165	5,842 3,935	  



## Building Economic Resilience

### Economic Infrastructure

3.33 The provision of safe, resilient infrastructure is a necessary condition for a dynamic, export-oriented private sector, and has consistently been a major priority for BMCs. This is also a sector in which the Bank continues to demonstrate a strong value proposition. During the year, the Bank was able to make significant headway, as investments in road infrastructure began to yield dividends in Belize and

Dominica. In Belize, 23 km of upgraded road along the Phillip Goldson Highway and Remate Bypass Upgrading benefited 101,966 persons while 40 km of road in the Coastal Highway Upgrading Project benefited 1,973 persons. In Dominica, 1 km of road built/upgraded under the Rehabilitation and Reconstruction Loan – Layou Flood event benefited 460 persons.






CDB staff examining the damage caused by Tropical Storm Erika to the Layou West Road.

## Private Sector Development

**3.34** With SDF 10 acknowledging the important role of the private sector, particularly MSMEs, in advancing sustainable growth and development, the Bank continued to support access to finance, enhance business and managerial practices and to support the cultural and creative industries. In 2022 for instance, approximately \$4.6 mn in credit was made available to Belize and Dominica to support enterprises in the agricultural and industrial sectors. This support benefitted 169 MSMEs in Dominica (113 female) and 76 in Belize (23 female).

See Table 3.2(E) on the following page for more information. Beneficiaries of interventions targeted at MSMEs through CTCS and other modalities continued to grow in 2022, with support being provided to: develop youth training programmes; improve the use of digitisation and technology in business processes; enhance general management, including financial literacy and digital and social media marketing; and help MSMEs to secure additional funding through a stock exchange (See Box 3.1 for details on regional CIIF results).

**Table 3.2(E): RMF Level 2 - Building Economic Resilience**

Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional Projects & Groups 2 & 3 Countries	BNTF	
<b>Building Economic Resilience for Inclusive Growth</b>					
<b>Economic Infrastructure – Increasing the provision of quality, reliable, safe, sustainable and resilient infrastructure</b>					
13. Sea defences, landslip protection and urban drainage (km)	-	2.2	3.7	-	
14. Transport: Primary, secondary and other roads built or upgraded (km)	64.8	81.2	184	15	
15. Beneficiaries (direct) of resilient and gender-responsive infrastructure construction or enhancements (number) - of whom female	104,619 52,335	262,239 131,271	415,368 201,500	13,268 6,824	
<b>Private sector operations and MSMEs – Promoting private sector operations and MSMEs</b>					
16. Value of credit made available to the private sector (\$ mn)	4.6	7.7	2.4	-	
17. Transport: Primary, secondary and other roads built or upgraded (km)	245	292	18	-	
- of which female owned	136	143	7	-	
18. Beneficiaries of mortgage programmes (number)	10	58	0	-	
- of whom female borrowers	6	35	0	-	
19 (a). Beneficiaries of TA interventions targeted at MSMEs (number)	666	1,575	3,300	-	
- of which female owned	389	957	1,650	-	
(b). Beneficiaries from CTCS interventions - of whom female	374 208	1,283 776	2,800 1,400	-	
(c). Beneficiaries of CIIF interventions - of whom female	221 127	221 127	500 250	-	
<b>Improving private sector development and competitiveness</b>					
20. No. of institutional reforms towards enhanced business climate and competitiveness of MSMEs - Compete Caribbean	-	7	4	-	
21. BMCs with increased capacity to undertake PPP arrangements (number)	-	0	13	-	



## BOX 3.1 | REGIONAL RESULTS - CIIF



Over **200**  
direct beneficiaries  
across **17 BMCs**



### 6th CIIF Creative Talk

In July 2022 CIIF relaunched this themed, two-day stakeholder forum, featuring industry panels spotlighting developments and needs for the Festivals and Carnivals sector in a pandemic and post-pandemic context.

### Caribbean Festivals, Carnivals and Data Capture Capacity-Building Accelerator

- Targeted established and export-ready festival practitioners as well as private and public-sector organisations engaged in the festival and carnival ecosystem in the fields of: Festival Economics; Festival Entrepreneurship; and Festival Management and Development.
- Participants were trained in: Festival Ecosystem Mapping; Festival and Carnival Planning and Management; Data Collection and Festival Project Management; Introduction to Intellectual Property Management for Festival Branding and Marketing; Digital Festival Monetisation; Festival Policy Formulation; and Festival Tourism Evaluation.
- 90 Participants selected from 9 BMCs: Barbados, Belize, British Virgin Islands, Grenada, Jamaica, St Lucia, St Vincent & Grenadines, The Bahamas, Trinidad & Tobago.



### 'CI Country Profiles' Knowledge Products

CIIF digitally launched research publications highlighting CI landscapes of 10 BMCs. Information collated and presented includes industry support through policy, fiscal incentives and other related environmental realities. They can be found on CDB's website:

The CIIF List: Creative Industry Profiles by Caribbean Development Bank






## Building Environmental Resilience

### Energy, DRR and CC Resilience

3.35 Building environmental resilience is critical to the sustainable (and accelerated) development of Caribbean countries. The increasing frequency and intensity of natural hazards, alongside bouts of rising and volatile oil prices, require that the Caribbean take urgent and decisive action to reduce vulnerabilities. Please refer to Table 3.2(F) below.

3.36 In 2022, interventions resulted in a reduction of 57,523 tonnes of CO<sub>2</sub> in Jamaica, 4,961 tonnes in Suriname and 762 tonnes in St. Vincent and the Grenadines. Cumulatively 52.6 GWh of energy was saved, with the majority of the savings realised in Jamaica. Projects contributing to the outturn focused on solar photovoltaic and energy retrofitting in St. Vincent and the Grenadines, Jamaica streetlight retrofitting and hybrid solar photovoltaic and battery storage systems in Suriname.

**Table 3.2(F): RMF Level 2 - Building Environmental Resilience**

Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional Projects & Groups 2 & 3	BNTF	
<b>Building Environmental Resilience</b>					
<b>Energy – Increasing access to reliable, affordable, and modern energy (energy security)</b>					
22. Energy: Conventional or renewable power generation capacity installed (MW)	-	2.3	4.1	0.1	
- of which renewable (MW)	-	2.3	4.0	-	
23. Greenhouse gas emissions reduction (t CO <sub>2</sub> equivalent/year)	63,246	66,190	26,000	-	
24. Energy savings as a result of EE and RE interventions (GWh)	52.6	59.6	36.3	0.3	
25. Transmission or distribution lines installed or upgraded (length in km)	-	8.3	30	-	
<b>Increasing resilience and adaptive capacity of national and local institutions and communities to disaster risk and CC impacts</b>					
26. No of BMCs with strengthened resilience and gender responsive adaptive capacity to climate-related hazards (including DRR strategies)	-	1	4	-	
27. Additional communities with improved capacity to address CC and DRM (number) - beneficiaries (female)	-	-	4	-	

3.37 With respect to increasing resilience and adaptive capacity of institutions and communities, progress has been slow. For instance, while the Bank has made resources available to all BMCs to support proactive disaster response efforts, severe capacity constraints have delayed uptake of these resources. Therefore, the Bank is exploring ways by which it can effectively provide BMCs with the support needed to advance outcomes in this area.

**SDF 10 made it clear that strong policies that are transparent and inclusive, coupled with robust institutions, lead to better long-term sustainable development outcomes.**

## Cross-cutting Themes – Governance & Accountability and RCI





### Governance & Accountability

3.38 SDF 10 made it clear that strong policies that are transparent and inclusive, coupled with robust institutions, lead to better long-term sustainable development outcomes. Against this backdrop, the Bank provided support with procurement laws and regulations in Antigua and Barbuda and Dominica. The Bank also reviewed and approved Jamaica's e-procurement system for CDB-funded projects and facilitated training in the British Virgin Islands on the new procurement act and regulation.

### RCI

3.39 RCI is essential to the Region, facilitating the realisation of development gains through increased trade and investment and crafting joint solutions to shared challenges. The Bank's work in this space included crafting national and regional quality infrastructure within bureaus of standards. Through this support, laboratories can offer better measurement and calibration services in the construction, infrastructure and business retail sectors. See Table 3.2(G).

**Table 3.2(G): RMF Level 2 - Cross-Cutting Themes (Governance & Accountability and RCI)**

Grouping/indicator	Actual 2022	Progress 2021-2022	Projected 2021-2024		Related SDG
			Regional, Groups 2 & 3 Countries	BNTF	
<b>Other Indicators – Cross cutting areas</b>					
<b>Governance and accountability</b>					
28. Ministries, departments and agencies with improved public financial management systems and public sector investment programmes and public service delivery <sup>2/</sup> (number)	-	1	18	-	 
<b>RCI – Enhancing economic integration and deepening cooperation</b>					
29. Regional public goods created or strengthened (e.g. statistical capacity, quality standards, procurement and debt relief) (number)	2	6	3	-	 
30. Trade facilitation measures created, strengthened, or expanded (number)	-	-	5	-	

<sup>2/</sup> This indicator speaks to initiatives in 19 BMCs.



## Level 3 – CDB’s Operational Effectiveness

3.40 Indicators at Level 3 gauge how efficiently and effectively CDB manages its operations. They also assess the responsiveness of CDB’s business model to its BMCs in relation to the changing environment and needs of its clients. In 2022, the Bank’s performance in strengthening operational processes and practices was less than stellar, with most indicators showing deterioration. Conversely, indicators of efficiency, resourcing and utilisation were favourable, while there was some room for improvement in efforts to enhance selectivity and strategic focus.

### Improving Operational Processes and Practices, Portfolio Performance/ Enhancing Quality of Operations and Development Outcomes

3.41 The percentage of the portfolio rated as highly satisfactory and satisfactory deteriorated, influenced in part by the lingering impact of COVID-19 and prolonged times for land acquisition as well as social and political unrest in Haiti. Notwithstanding the importance the Bank places on self-assessment and learning from experience, the percentage of completed projects/loans with timely Project Completion Reports (PCRs) was not strong, largely reflecting competing priorities and capacity issues within the Bank. Indicators of average time from appraisal to first disbursement, projects under implementation with extensions and average length of project extension exhibited mixed outturns relative to the previous year but remain within reach of the 2024 target. The ongoing implementation of OP365, which is the Bank’s new project cycle management system, alongside the implementation of a PMF are expected to enhance the quality of operations and the attainment of targets going forward, while supporting development outcomes. Please refer to Tale 3.3(A).

**Table 3.3(A): RMF Level 3 - Improving Operational Processes and Practices, Portfolio Performance**

Grouping/indicator	Baseline		Actual	Target
	Year	Value	2022	(2024)
<b>Improving operational processes and practices, as well as portfolio performance</b>				
1. Portfolio performance rating for implementation (% rated Highly Satisfactory to Satisfactory)	2019	97	67	98
2. Completed projects/loans with timely PCRs (%)	2019	100	35	100
3. Projects at risk (% of portfolio)	2019	10	7	5
4. Average time taken from appraisal mission to first disbursement (months)	2019	12	12	6
5. Projects under implementation with extensions (revised final disbursement date) (%)	2019	62	67	50
6. Average length of project extension (month)	2019	36	32	24

### Improving Resource Allocation and Utilisation

3.42 The performance-based allocation (PBA) system is critical to the SDF because it is used in the allocation of loans and BNTF resources. For instance, in 2022, all resources were allotted utilising the system. The disbursement indicators improved relative to the previous year and also exceeded targets. Main outlays during the year were for infrastructural works and institutional strengthening in transport, water and sanitation as well as education. See Table 3.3(B) on the following page.

Table 3.3(B): RMF Level 3 - Improving Resource Allocation and Utilisation

Grouping/indicator	Baseline		Actual	Target (2024)
	Year	Value	2022	
<b>Improving operational processes and practices, as well as portfolio performance</b>				
11. Concessional resources allocated according to the PBA system (%)	2019	68	100	65
12. Disbursement ratio (%)	2019	13	25	15
13. Disbursement (efficiency) rate (%)	2019	142	105	100

**The Bank continues to perform well on selectivity and focus as it relates to gender, climate vulnerability and risk assessments, on account of ongoing commitment to ensure that such issues are mainstreamed and appropriately addressed within the Bank's interventions.**

### Improving Selectivity and Strategic Focus

3.43 The Bank performed adequately in its efforts to improve selectivity and strategic focus in its operations. Financing directed to less developed countries dipped slightly, reflecting the increase in approvals to Group 1 and 2 countries as part of the COVID-19 response support in 2020 and the relatively sluggish approval performance thereafter. With respect to indicator 15, there are currently five Country Engagement Strategies (CES) in place. However, with the Bank's more aggressive posture towards CES completion, including the frontloading of CES for BMCs with SDF loan allocations, the Bank expects to achieve the target of nine by 2024. Furthermore, it continues to perform well on selectivity and focus as it relates to gender, climate vulnerability and risk assessments, on account of ongoing commitment to ensure that such issues are mainstreamed and appropriately addressed within the Bank's interventions. Support for private sector development, the environment and governance were key themes of SDF approvals that reflected country priorities.

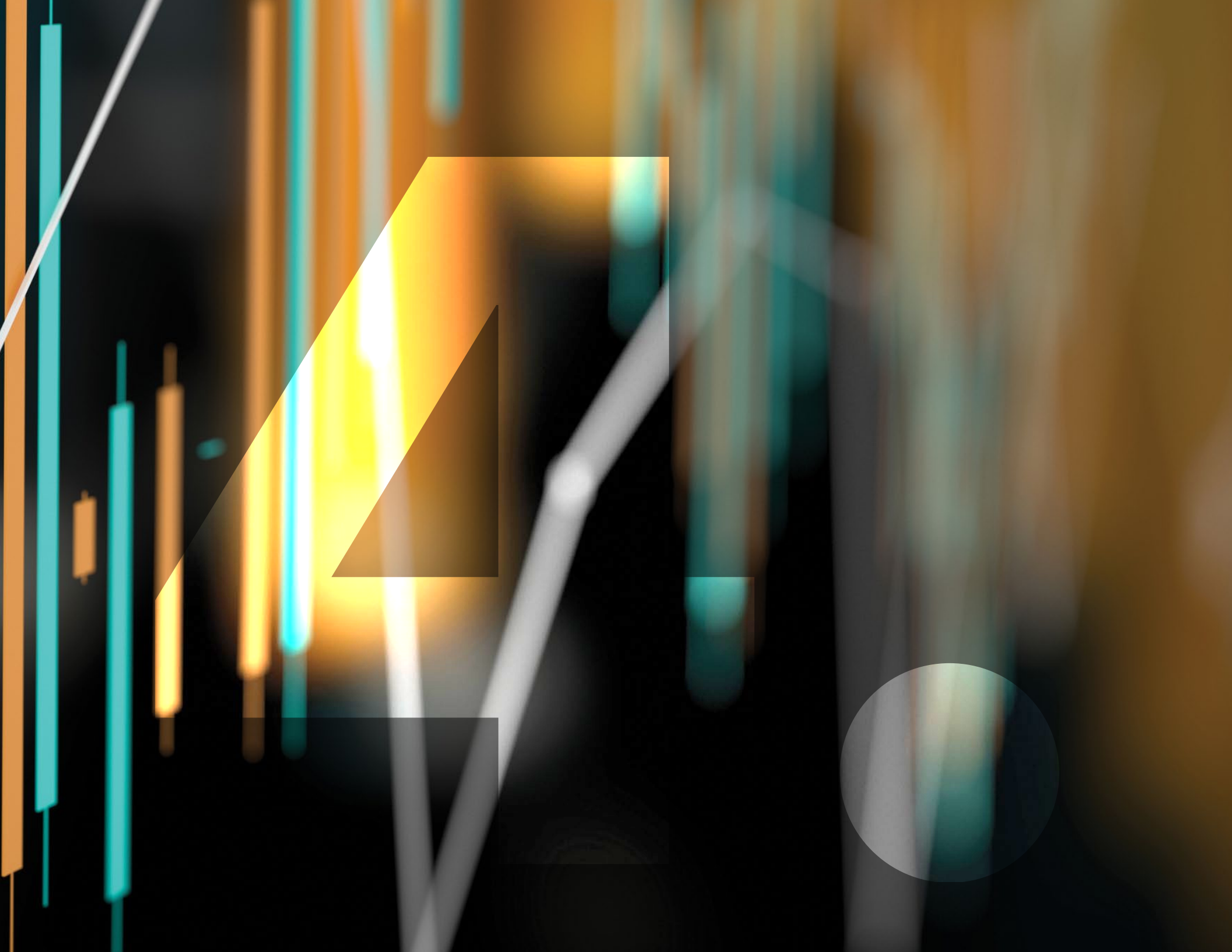


**Table 3.3(C): RMF Level 3 - Improving Selectivity and Strategic Focus**

Grouping/indicator	Baseline		Actual	Target (2024)
	Year	Value	2022	
<b>Improving operational processes and practices, as well as portfolio performance</b>				
14. Financing directed to less developed BMCs (% , 3-year average)	2017–2019	78	73	80
15. Approved country strategies in use with results frameworks (number)	2019	5	5	9
16. Approved projects with a gender-specific or gender-mainstreamed rating (as a % of total projects)	2019	70	70	90
17. Percentage of projects within the Gender Equality Action Plan (2020–2024) implemented within BMCs and CDB	2019	-	68	80
18. Investment projects with climate-informed design or Climate Variability and Risk Assessment (%)	2019	100	100	100
19. SDF approvals supporting (as a % of total SDF financing):				
(a) Environment, RE, EE and CC (supporting climate adaptation and mitigation)	2017–2019	72	8	75
(b) RCI	2017–2019	16	0	18
(c) RCI	2017–2019	3	15	5
(d) Governance and capacity-building	2017–2019	0.4	0.5	1–2
(e) Data collection and analysis	2017–2019	0.03	-	1–2
(f) GE and gender-based violence	2017–2019	0.1	1.0	1–2







## 4. Financial Performance

### Financial Resources

4.01 The \$383 mn programme approved for SDF 10 and indicated in the Contributors' Report anticipated initial commitment authority of \$6.5 mn, internally generated resources of \$156.3 mn and pledged contributions of \$188.2 mn, leaving a structural gap of \$32 mn, which was expected to be filled by contributions from new pledges. As detailed in Table 4.1, at the end of 2022, mid-way through the cycle, programmable resources for the full cycle amounted to \$359.7 mn, which was \$8.7 mn more than anticipated, resulting in a corresponding reduction in the estimated structural gap. This was due mainly to the release of \$10.8 mn in cancelled funds from Portfolio Management, as well as higher-than-expected initial commitment authority of \$11.7 mn brought over from SDF 9, which together offset the negative impact of interest rate movements on internally generated resources.

**"After net approvals during the year of \$18 mn in loans and \$6.9 mn in grants, an end-of-year commitment authority of \$88 mn was available to be carried over to the next year in the cycle."**

**Table 4.1: SDF Programme Level (\$'mn)**

Item	Programmed Contributors' Report	Actual Position as at December 31, 2022	Difference
<b>Community development and participation</b>	<b>6.5</b>	<b>11.7</b>	<b>5.2</b>
Internally generated resources	156.3	149.0	-7.3
New (pledged) contributions	188.2	188.2	-
Resources Released from Portfolio Management	-	10.8	10.8
<b>Programmable Resources</b>	<b>351.0</b>	<b>359.7</b>	<b>8.7</b>
Structural Gap	32.0	23.3	-8.7
<b>Overall Programme Level</b>	<b>383.0</b>	<b>383.0</b>	<b>-</b>

### Commitment Authority and Use of Funds

4.02 A total of \$113.5 mn was available for programming in 2022. This consisted of initial commitment authority of \$35.4 mn, repayments of \$35.9 mn and pledged contributions of \$41.1 mn as well as \$1.2 mn in net income. After net approvals during the year of \$18 mn in loans and \$6.9 mn in grants, an end-of-year commitment authority of \$88 mn was available to be carried over to the next year in the cycle (See Table 4.2 on the following page for more details).



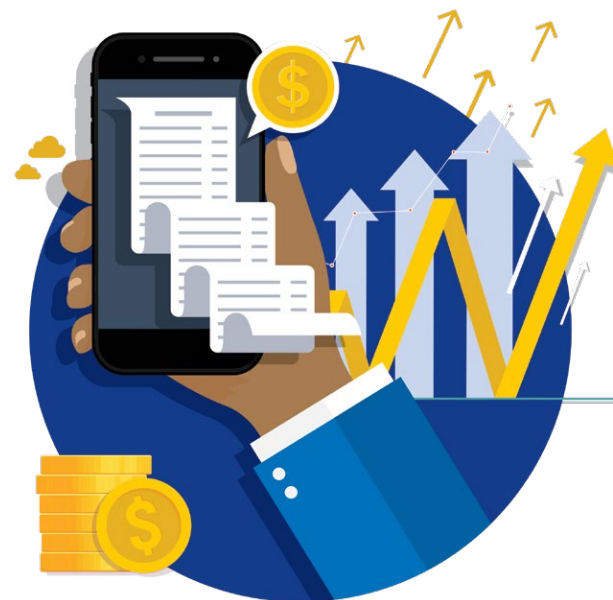


**Table 4.2: Commitment Authority and Use of Funds (\$'mn)**

Item	SDF 9	SDF 10				
	Total	2021	2022	2023	2024	2021–24
<b>Commitment authority at beginning of period</b>	<b>7.7</b>	<b>11.7</b>	<b>35.4</b>	<b>88.0</b>	<b>48.5</b>	<b>11.7</b>
Structural Gap	12.5	0.2	1.2	0.1	0.8	2.2
Repayments	121.3	34.3	35.9	37.8	38.8	146.8
Commitment authority from pledged and new contributions	173.5	40.9	41.1	42.0	64.2	188.2
<b>Funds Available for commitment</b>	<b>315.0</b>	<b>87.1</b>	<b>113.5</b>	<b>168.5</b>	<b>152.2</b>	<b>348.9</b>
Net approvals for SDF Loans	187.2	0.6	18.0	90.0	100.0	208.6
Net Approvals for SDF Grants	116.0	51.1	7.5	30.0	43.0	131.0
<b>Available Commitment authority at end of period</b>	<b>11.7</b>	<b>35.4</b>	<b>88.0</b>	<b>47.9</b>	<b>8.7</b>	<b>8.7</b>

## Allocation and Utilisation

4.03 As detailed in Table 4.3 on the following page, under SDF 10, the three countries most utilising their loan allocations in 2022 were Belize, Dominica and Saint Lucia, resulting in mid-cycle utilisation rates of 59.1%, 30.5% and 21.5%, respectively. Overall, only 12.6% of the total country allocations had been utilised as at mid-cycle. The NDM and Rehabilitation set-aside loan resources were not accessed in 2022. Moreover, grant utilisation rates were also low, apart from the BNTF set-aside, which was fully utilised in 2021, due to the front-loading of that programme. In general, the low utilisation rates reflected the relatively weak environment for project appraisal and implementation as well as the debt sustainability considerations that constrained borrowing capacity for Jamaica, and to a lesser extent, Guyana—the two main recipients of SDF resources in previous cycles.



**Table 4.3: Allocation and Utilisation of SDF 10 Resources (\$'mn)**

Item	Indicative Allocations at February 2021	Commitments		Resources Available	Utilisation Rate
		2021	2022		
	\$'000	\$'000	\$'000	\$'000	%
<b>Country Allocations- Loan</b>					
<b>Group 1:</b> Anguilla, Antigua and Barbuda, The Bahamas, Barbados, British Virgin Islands, Cayman Islands, Turks and Caicos, Trinidad and Tobago, Montserrat and St. Kitts and Nevis		-	-	-	-
<b>Group 2:</b>					
Belize	28.7	-	8.8	19.9	30.1
Dominica	11.0	1.0	5.5	4.5	59.1
Grenada	12.2	-	-	12.2	-
Guyana	37.9	-	-	37.9	-
Jamaica	48.3	1.0	-	47.3	2.1
Saint Lucia	17.2	-	3.7	13.5	21.5
Saint Vincent/Grenadines	12.9	2.5	-	10.4	19.4
Suriname	10.8	-	-	10.8	-
<b>Sub-total Country Allocations</b>	<b>179.0</b>	<b>4.5</b>	<b>18.0</b>	<b>156.5</b>	<b>12.6</b>
<b>Set-Aside Resources (Loans)</b>					
Natural Disaster Mitigation and Rehabilitation	40.0	5.0	-	35.0	12.5
<b>Total Lending</b>	<b>219.0</b>	<b>9.5</b>	<b>18.0</b>	<b>191.5</b>	<b>12.6</b>
<b>Grants:</b>					
BNTF	40.0	40.0	-	-	100.0
Haiti	45.0	7.5	3.0	34.5	23.3
Capacity Building	12.0	1.2	2.6	8.2	31.7



**Table 4.3: Allocation and Utilisation of SDF 10 Resources (\$'mn) cont'd.**

Item	Indicative Allocations at February 2021	Commitments		Resources Available	Utilisation Rate
		2021	2022		
	\$'000	\$'000	\$'000	\$'000	%
Environmental Resilience	18.0	0.3	0.9	16.8	6.7
Private Sector Enabling Environment	15.0	2.0	1.0	12.0	20.0
Gender	2.0	0.1	1.0	0.9	55.0
<b>Total Grants</b>	<b>132.0</b>	<b>51.1</b>	<b>8.5</b>	<b>72.4</b>	<b>38.7</b>
<b>TOTAL Resources</b>	<b>351.0</b>	<b>60.6</b>	<b>26.5</b>	<b>263.9</b>	<b>17.3</b>
<b>Structural Gap</b>	<b>32.0</b>				
<b>Approved Programme Level</b>	<b>383.0</b>				

## Financial Results

### 2022 Outturn

4.04 Table 4.4 summarises the financial outturn of the SDF in 2022, which was slightly better than that in 2021, reflecting the general improvement in economic conditions.

**Table 4.4: Summary of Financial Results 2018–22 (\$'mn)**

Item	2018	2019	2020	2021	2022
Loans Outstanding	535.2	537.4	593.2	618.3	630.4
Undisbursed balances	244.3	197.8	207.3	184.4	156.2
Cash and Investments	334.4	357.2	333.4	302.6	277.5
Loan Income	12.3	12.1	12.2	12.6	12.7
Investment Income	4.4	4.1	13.0	4.1	4.9
Administrative Expenses	16.3	15.4	16.5	15.7	17.0
Foreign Exchange Translation	-0.5	1.2	-0.9	-0.3	-0.6
Net Income	-1.1	2.6	2.9	0.2	1.1
Yield on Avg Cash and Investment (%)	1.2	3.8	3.4	1.3	1.3

- 4.05 Notwithstanding the lower interest rates applied to SDF loans in the tenth cycle, loan income increased slightly because loans outstanding grew for the fourth consecutive year, reflecting the relatively robust disbursement performance. As in 2021, increased disbursements in 2022 contributed to a reduction in undisbursed balances.
- 4.06 Also, as in 2021, there was a moderate increase in investment income as ongoing monetary policy tightening in key markets continued to support rising global interest rates. However, higher interest rates once again translated into reduced book values of key investment instruments and more significant unrealised losses than in 2021 (\$23 mn compared to \$7.5 mn).
- 4.07 Notably, after declining in 2021, administrative expenses increased in 2022 in the context of strong inflationary pressures as well as the resumption of normal levels of activity at the Bank's headquarters with the easing of pandemic protocols.
- 4.08 Against the backdrop of large unrealised losses and the impact on the SDF commitment authority, unrealised movements have been abstracted from investment income position for 2021 and 2022. Between 2021 and 2022, unrealised losses of \$30.5 mn were recorded. These movements are non-cash accounting entries and are unwound over time as the investments mature such that the net impact is zero. Notably, these movements are determined by factors that are not within the control of the Bank. When taken into account, unrealised losses artificially widen the structural gap and reduce the stock of SDF resources available for programming in any given year, which could have implications for the fund's ability to realise objectives. Going forward therefore, with these amounts abstracted, planning commitments against available resources is more efficient and predictable.

## 2023–25 Projections

- 4.09 The financial projections set out in Table 4.5 are largely predicated on the Bank's expectation that the Region's economic recovery will continue and strengthen, which would facilitate steady loan growth forecasted at around 3% on average over the medium term. Factors expected to boost pipeline development and accelerate implementation to enhance utilisation

rates of SDF resources include stepped up high-level engagement with BMCs, implementation of a more robust PMF and continued frontloading of country engagement strategies to Group 2 countries. Administrative expenditures are expected to continue to rise nominally over the medium term, consistent with the increase in the Bank's establishment as it seeks to add staff in front line areas of energy, private sector development, environment and CC, to name a few, as well as in corporate service support functions such as information technology and corporate communications. Inflationary pressures should be relatively contained, given continued commitment by the authorities in major markets to combating inflation. Global interest rates are likely to remain somewhat elevated over the forecast period, which could provide a boon to investment income.

**Table 4.5: Financial Projections 2023–2025 (\$'mn)**

Item	2023	2024	2025
Cash and Investments	257.5	273.4	289.6
Long-term Loans	659.1	674.4	690.2
Investment Income	7.2	7.8	8.4
Loan Income	12.9	13.7	14.6
Administrative Expenses	20.0	20.7	21.2
Net Income	0.1	0.8	1.8
Summary Indicators (%)			
Return on Assets	0.00	0.02	0.04
Return on Equity	0.01	0.09	0.20
Admin Expense/Loans	3.03	3.07	3.07
Liquidity - cash and marketable assets/ total assets	25.00	25.95	26.85







# 1. CONCLUSION

- 5.01** In 2022, SDF continued to provide a lifeline for Caribbean economies under circumstances that remained challenging, albeit much improved relative to conditions at the height of the pandemic. After four decades of experience, many lessons have been learnt, some of which were reinforced during the pandemic (e.g., the importance of agriculture to ensure food security) or had certain aspects highlighted (e.g., the need for digitalisation to ensure business and administrative continuity). Also, the importance of community engagement came to the fore as critical in the implementation process, ensuring the sustainability of project outcomes.
- 5.02** However, the performance over the past year highlighted a structural feature of the SDF, which consists of relatively muted performance in the first half of the cycle, followed by a significant ramping up of activity in the latter two years. Notably, this pattern was even more pronounced in SDF 10, which is due in part to the impact of the pandemic, but likely also due to the concerns of countries about rising debt levels, as well as the availability of other resources with shorter timelines for commitment and/or disbursement.
- 5.03** Undoubtedly, the Region needs more resources to achieve higher rates of development required to transform Caribbean economies into high-performing, globally competitive economies. It is against this backdrop that the Bank has been aggressively seeking to crowd in new sources of capital. However, where implementation capacity gaps exist, there is the risk of a complementarity effect giving way to a substitution effect.
- 5.04** There are several actions which the Bank believes will need to be taken in conjunction over the near to medium term: (i) continue to advance the implementation TA, which is being reviewed internally; (ii) better leverage the country engagement strategies to ensure continuous programming while not pre-empting the outcome of negotiations; and (iii) more robust client engagement to ensure early identification of challenges and opportunities and which will form part of the Bank's contact management strategy, going forward.
- 5.05** In addition, performance management is vital to the Bank's ability to ensure that it is able to deliver on its stated outcomes. Within this, the ability to effectively track and report on indicators in the RMF is also critical, as this function provides an opportunity to constantly improve operations, whether it is to course-correct to avoid pitfalls, or to identify areas that are performing well and, as such, provide opportunities to raise the level of ambition and produce a positive demonstration effect.
- 5.06** While the Bank has made important strides in this area, there are some noticeable areas for improvement. This is most evident at Levels 2 and 3. Some results areas have performed above expectation (e.g., agriculture), while others may require more active engagement at the project or country level to achieve stated outcomes, or require less optimism based on a changing country context. Of particular note is the challenge in tracking quality at entry/development outcomes at Level 3. It was anticipated that the implementation of OP365 would have been sufficiently advanced to allow for the population and analysis of data in the RMF in 2022. While work has continued on the implementation of OP365—albeit with some delays—aspects required to deliver on the area of enhancing quality of operations and development outcomes have been pushed back. Similarly, the finalisation of project completion and project supervision reports has not proceeded according to schedule, owing to competing demands as well as delays in the implementation of OP365 (supervision module). Going forward, the Bank will need to take decisive action to ensure that it is able to effectively populate and track indicators at Level 3. While this will necessarily involve the continued roll-out of OP365, additional human resources may also be required to effect delivery.
- 5.07** Looking ahead, the SDF stands to benefit from two assessments. First, the findings and recommendations of the Mid-term Review of SDF 10 will be important in determining measures that can help to ensure the full utilisation of SDF 10 resources and the realisation of programme outcomes. Certainly, insights will be provided that could benefit subsequent cycles. Second, the



multicycle evaluation of SDF cycles 8 and 9 will give a longer-term perspective on the operations of the Fund and provide even deeper insights into its performance, such as results beyond the output and immediate outcome levels. This in-depth evaluation has the potential to provide very useful perspective as the Bank approaches SDF replenishment.

**5.08** To date, the SDF has contributed tremendously to the social and economic development of the Region and has the potential to transform even more lives. By ensuring that it is positioned to respond to the needs of its membership through closer engagement, leveraging partnerships and improving operational efficiency, the Bank can improve the value proposition of the Fund.







APPE





**NIDIX**

# APPENDIX I

## The Unified Special Development Fund

### Background

Established in 1970, the SDF/the Fund is the Bank's largest pool of concessionary resources. The facility offers loans with longer maturities and grace periods as well as lower interest rates than those applied to the Bank's ordinary operations. Initially, the various contributors to the Fund applied an assortment of terms and conditions that created complexities and inefficiencies in the Fund's operation. As a result, in 1983, the decision was taken to set up a fund with a uniform set of rules, and the SDF (U) was formed. With consistent terms, objectives and procurement conditions, SDF (U) sought to overcome the problems associated with individual donors and funding arrangements.

All members of the Bank are required to contribute to SDF (U), and contributions are also sought from non-members. Contributions are interest-free and are provided on a multi-year basis for an indefinite term. To focus the Fund's operations, a supplementary governance structure that includes an annual meeting of contributors was created. Non-members are also invited to participate as observers in meetings of the Bank's Board of Directors and Board of Governors.

SDF (U) has a four-year replenishment cycle, except for the third replenishment cycle (SDF 4) that was extended by an extra year as a result of additional contributions from a new member of the Bank. The tenth cycle of the Fund commenced on 1st January, 2021 and ends on 31st December, 2024.

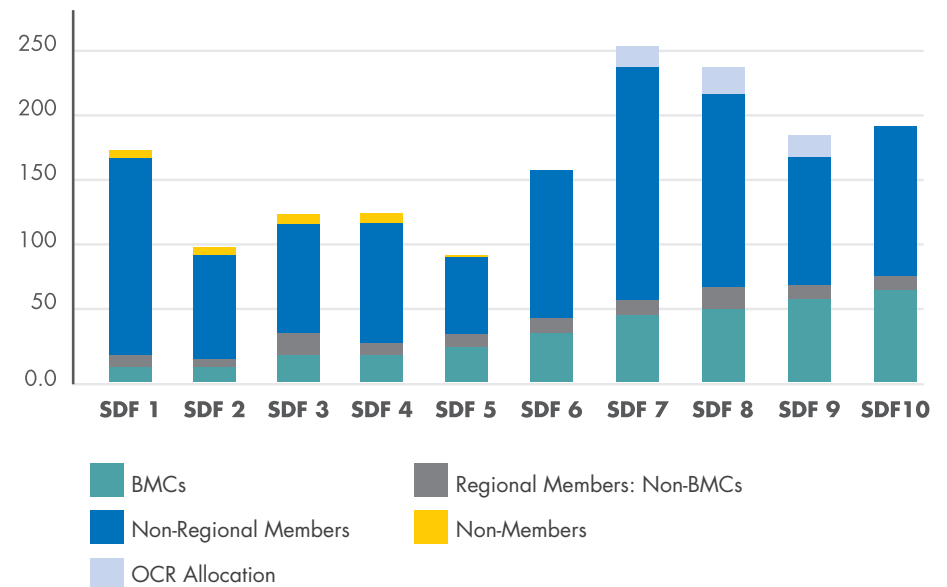
### Funding

Over the nine cycles, contributions or pledges of \$1,616.0 mn have been made to the operations of SDF (U). A total of \$352.5 mn (21.8%) of the contributions/pledges came from borrowing members with non-borrowing members and non-members accounting for \$1,192.2 mn (73.8%), and \$23.3 mn (1.4%),

respectively. A total of \$48 mn (3%) in allocations from the net income of the Ordinary Capital Resources (OCR) was pledged to fund SDF cycles 7, 8 and 9.

Contributions pledged for SDF 10 totalled \$188.2 mn, with borrowing members pledging \$67.4 mn and non-borrowing members, \$120.8 mn. Contributions to each cycle by category of membership are shown in the chart below. Details are presented in Appendix 2.

### Contributions to SDF (U)



### Themes and Priorities

During the negotiations of each cycle, Contributors and the Bank agree on the priorities and issues to be addressed. These discussions focus on the most appropriate entry

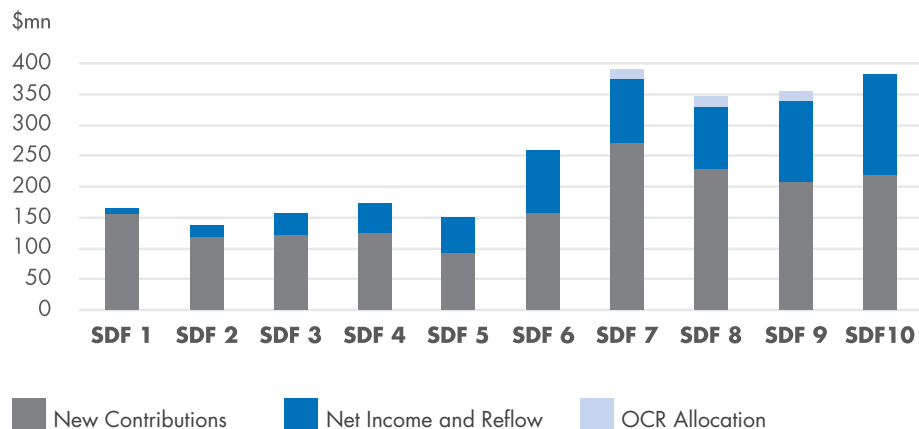


points through which the Bank can support sustainable poverty reduction initiatives in eligible countries. In recent cycles, SDF has given significant support to thematic areas such as environmental sustainability and advancing the CC agenda; building capacity and maritime transport in beneficiary countries. RCI and enhancing the Bank's development effectiveness have also been key priorities. For SDF 9, the core themes, which are detailed in the box entitled SDF 10 Operational Strategy, are selected SDGs, RCI and Building Resilience and Supporting Environmental Sustainability.

### Programme Levels

The programme level for each SDF (U) cycle is financed with new pledges from Contributors, net income generated by the Fund, reflows from loan repayments, and since the SDF (Seventh Cycle) (SDF 7), an allocation from the OCR Net Income. The programme levels over the nine cycles of the Fund are shown in the chart below. For SDF 9, Contributors approved an overall programme level of \$355 mn, details of which are given in Appendix II.

**Programme Levels SDF (U) 1-10**



### Eligibility of Countries

The Bank's BMCs are assigned to one of three country groups<sup>3/</sup> based on their relative per capita incomes. The country groups help to determine the terms and conditions for SDF lending (refer to Appendix III). While all BMCs are eligible for SDF resources, countries in Group 1 do not receive a country allocation and can only benefit from regional projects and support for RPGs and assistance in the event of a natural disaster.

### Allocation of Resources

Since 2001, a Resource Allocation Strategy has been used to allocate both SDF loan resources to eligible countries and BNTF resources to participating BMCs. The resource allocation formula used by CDB is comprised of a country performance or effectiveness component and a needs component. The country performance element of the formula recognises that countries which have relatively strong policy and institutional frameworks are likely to make more effective use of concessionary resources, especially with regard to poverty reduction and broad-based sustainable growth. It therefore acts as an incentive for improved policy and institutional performance. The needs component of the formula includes a CDB developed measure of vulnerability, and with effect from the SDF 8, a variable representing the number of poor people in a country as an indicator of country need.

<sup>3/</sup> There were four country groups during SDF 1 - SDF 7

# APPENDIX 2

## Contributions to the Unified Special Development Fund (after transfers from earlier SDF and other adjustments)

Item	SDF 1 <sup>a/</sup>	SDF 2 <sup>a/</sup>	SDF 3 <sup>a/</sup>	SDF 4 <sup>a/</sup>	SDF 5	SDF 6	SDF 7	SDF 8	SDF 9	SDF 10
<b>Regional Members:</b>										
<b>BMCs</b>										
Trinidad and Tobago	2.5	2.5	3.85	3.85	5	7.5	10.18	10.55	11.079	11.291
Jamaica	1.4	1.4	3.87	3.85	5	7.5	10.18	10.55	11.079	12.984
Guyana	1.4	1.4	2.16	2.16	2.81	4.22	5.67	5.88	6.17	7.231
Bahamas, The	1.4	1.4	2.16	2.16	2.81	4.21	5.67	5.88	6.17	7.231
Barbados	1.4	1.4	2.16	2.16	2.81	4.21	5.67	5.88	6.17	4.000
Suriname <sup>b/</sup>	—	—	—	—	—	—	—	2.16	6.17	7.231
Antigua and Barbuda	0.25	0.25	0.16	0.25	0.32	0.42	0.61	0.63	0.664	1.773
Belize	0.25	0.25	0.65	0.65	0.84	1.1	1.39	1.44	1.513	1.773
Dominica	0.25	0.25	0.65	0.65	0.84	0.84	1.39	1.44	1.513	1.773
Grenada	0.25	0.25	0.65	0.65	0.84	0.1	0.61	0.63	1.513	1.773
St. Kitts and Nevis	0.25	0.25	0.65	0.65	0.84	1.1	1.39	1.44	1.513	1.773
Saint Lucia	0.25	0.25	0.65	0.65	0.84	1.1	1.39	1.44	1.513	1.773
St. Vincent and the Grenadines	0.25	0.26	0.65	0.65	0.84	1.1	1.39	1.44	1.513	1.773
Cayman Islands	0.1	0.1	0.15	0.25	0.32	0.42	0.61	0.63	0.664	0.778
Anguilla	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.664	0.778
Turks and Caicos Islands	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.664	0.778
British Virgin Islands	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.664	0.778
Montserrat	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.664	0.778
Haiti <sup>b/</sup>	—	—	—	—	—	0.65	0.91	0.94	0.992	1.163
<b>Sub-total</b>	<b>10.35</b>	<b>10.36</b>	<b>19.41</b>	<b>19.58</b>	<b>25.39</b>	<b>36.15</b>	<b>49.48</b>	<b>53.46</b>	<b>60.892</b>	<b>67.432</b>

Item	SDF 1 <sup>a/</sup>	SDF 2 <sup>a/</sup>	SDF 3 <sup>a/</sup>	SDF 4 <sup>a/</sup>	SDF 5	SDF 6	SDF 7	SDF 8	SDF 9	SDF 10
<b>Regional Members: non-BMCs</b>										
Brazil	–	–	–	–	–	–	–	5	–	–
Colombia	5	3.33	5	3	3.6	3.6	3.6	3.52	3.5	3.500
Mexico <sup>c/</sup>	–	–	5	3	3	3	3	3.52	3.5	3.567
Venezuela	5	3.34	5	3	3	3.6	3.6	3.52	3.5	3.567
<b>Sub-total</b>	<b>10</b>	<b>6.67</b>	<b>15</b>	<b>9</b>	<b>9.6</b>	<b>10.2</b>	<b>10.2</b>	<b>15.56</b>	<b>10.5</b>	<b>10.634</b>
<b>Non-Regional Members</b>										
Canada <sup>d/</sup>	60.87	15	20	16.8	25.2	44	69.83	66.44	52.859	59.659
United Kingdom <sup>d/</sup>	42.82	15	20	16.8	25.2	44	69.83	51.82	19.358	26.475
France <sup>e/</sup>	21	10	14	11.76	–	–	–	–	–	–
Italy	21	10	14	8.66	3.15	5	7.08	3.24	2.958	3.213
Germany	–	26	14	11.76	–	12.17	18.83	15.96	13.732	13.666
China <sup>f/</sup>	–	–	–	24	4	5.2	8.1	7	6.275	7.107
<b>Sub-total</b>	<b>145.69</b>	<b>76</b>	<b>82</b>	<b>89.78</b>	<b>57.55</b>	<b>110.37</b>	<b>173.68</b>	<b>144.46</b>	<b>95.182</b>	<b>110.120</b>
<b>Non-Members</b>										
Netherlands	5	5	7	6.3	–	–	–	–	–	–
Allocation from OCR	–	–	–	–	–	–	15	18	15	–
<b>Sub-total</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>6.3</b>	<b>–</b>	<b>–</b>	<b>15</b>	<b>18</b>	<b>15</b>	<b>–</b>
<b>TOTALS</b>	<b>171.04<sup>d/</sup></b>	<b>98.03</b>	<b>123.41</b>	<b>124.66</b>	<b>92.54</b>	<b>156.72</b>	<b>248.35</b>	<b>231.48</b>	<b>181.574</b>	<b>188.186</b>

<sup>a/</sup> At exchange rates as of dates of payment.

<sup>b/</sup> Suriname joined the Bank in September 2013 and Haiti in 2007.

<sup>c/</sup> Mexico contributed \$5 mn and \$3.33 mn to SDF Other in 1984 (SDF 1) and 1988 (SDF 2).

<sup>d/</sup> SDF 1 contributions include amounts originally contributed to earlier special funds.

<sup>e/</sup> No longer a member as of October 2000.

<sup>f/</sup> Joined in 1998 subsequent to the Replenishment Negotiations on SDF 4



# APPENDIX 3

## SDF 10 Programme Level, Country Groups and Terms of Lending

### SDF 10 Programme Level

Contributors approved a total programme of \$383 mn, comprising \$211 mn in country loans and \$40 mn in loans for natural disaster mitigation and rehabilitation. Grant set-asides amounted to \$132 mn, the bulk of which were earmarked for BNTF and Haiti.

### Country Groups and Terms Of Lending

Country groups are used to determine both country eligibility to SDF resources and the terms and conditions of lending. The table below shows how lending terms vary according to country grouping. Under SDF 10, Contributors approved an increase in the level of concessions. For Group 1, the maximum overall maturity increased from 20 to 25 years. For Group 2, the interest rate was lowered from 1% to 0.75% and the maximum overall maturity increased from 25 to 35 years. Similarly, for Group 3, the interest rate was lowered from 1% to 0.75%, while the maximum overall maturity increased from 30 to 40 years.

APPROVED PROGRAMME LEVEL FOR SDF 10 (\$ mn)	
<b>LOANS</b>	
Country Loans Using Performance-based Resource Allocation System	211
Natural Disaster Mitigation and Rehabilitation	40
<b>GRANT SET-ASIDES</b>	
BNTF	40
Haiti	45
Capacity Building	12
Private Sector Development	15
Environmental Resilience	18
Gender	2
<b>TOTALS</b>	<b>383</b>

COUNTRY GROUPS AND TERMS OF LENDING FOR SDF 10		
Country Group	Country	Terms of Lending
<b>Group 1 (Mainly OCR)</b>	Anguilla	Interest rate – 1% Maximum Grace Period – 5 years Maximum Overall Maturity – 25 years
	Antigua and Barbuda	
	Bahamas, The	
	Barbados	
	British Virgin Islands	
	Cayman Islands	
	Montserrat	
	St. Kitts and Nevis	
	Trinidad and Tobago	
	Turks and Caicos Islands	
<b>Group 2 (Blend of SDF and OCR)</b>	Belize	Interest rate – 0.75% Maximum Grace Period – 5 years Maximum Overall Maturity – 35 years
	Dominica	
	Grenada	
	Guyana	
	Jamaica	
	Saint Lucia	
	St. Vincent and the Grenadines	
	Suriname	
<b>Group 3 (Mainly SDF)</b>	Haiti <sup>a/</sup>	Interest rate – 0.75% Maximum Grace Period – 10 years Maximum Overall Maturity – 40 years

<sup>a/</sup> Set-aside allocation will be used instead of the resource allocation formula.

# APPENDIX 4

## SDF 10 Commitments by Themes

PROJECT	DATE APPROVED	NET APPROVED FROM SDF	TOTAL CDB FINANCING
<b>LOANS APPROVED</b>			
<b>BUILDING SOCIAL RESILIENCE</b>			
<b>BARBADOS</b>			
The UWI Digital Transformation Project	21-Dec	2,000	6,000
<b>BELIZE</b>			
Belize Resilience Programme – B-Resilient	22-Dec	5,000	5,000
Belize Social Investment Fund III: Add. Loan	22-Dec	1,262	1,262
Student Loan Line of Credit	22-Sep	2,500	6,000
<b>BUILDING ENVIRONMENTAL RESILIENCE</b>			
<b>BELIZE</b>			
NDM – IRL – Hurricanes Eta and Iota	21-Dec	2,500	2,500
<b>DOMINICA</b>			
Rehabilitation of Loubiere to Bagatelle Road – Phase 1 – Loubiere to Grand Bay Road	22-Mar	5,500	37,530
<b>SAINT LUCIA</b>			
Support to MSME Sector Post COVID-19	22-Sep	3,704	3,704
<b>ST. VINCENT AND THE GRENADINES</b>			
NDM – IRL – La Soufriere Volcano	21-Apr	5,000	5,000
<b>TOTAL LOANS APPROVED</b>		<b>27,466</b>	<b>60,996</b>
<b>GRANTS APPROVED</b>			
<b>BUILDING SOCIAL RESILIENCE</b>			
<b>REGIONAL</b>			
BNTF	21-Apr	40,000	40,000

PROJECT	DATE APPROVED	NET APPROVED FROM SDF	TOTAL CDB FINANCING
Supporting the Fourteenth Caribbean Institute of Gender and Development Online Training Programme and SEED Grants	21-May	127	127
Capacity Building in Educational Planning and Preparation of a Strategic Plan for CCEP, UWI	21-Jun	94	94
Support for Risk Communication and Community Engagement for COVID-19 Vaccine Uptake in the Caribbean	21-Dec	267	267
Review of Education and Training Policy and Sector	22-Mar	165	165
Preparation of the Gender-Responsive Caribbean New School Model Conceptual Framework, Roadmap for Implementation, and Architectural Design Considerations for Early Childhood and Basic Education School Facilities	22-Mar	41	41
Support for Caribbean Regional Risk Conference -Theme: Implementing Integrated Sovereign Risk Management to Advance Sustainable Development	22-Apr	60	60
Caribbean Congress on Adolescent and Youth Health II: Building Back Better - Advancing and Safeguarding the Health and Well-Being of Adolescents and Youth in The Caribbean	22-Oct	20	20
Support to the 2022 High-Level Forum on Water of The Caribbean Water and Wastewater Association	22-Oct	48	48
Youth Entrepreneurial Education and Training Project	21-Jul	610	610
<b>BUILDING ENVIRONMENTAL RESILIENCE</b>			
<b>ANGUILLA</b>			
CTCS	21-Jun	91	91
<b>BELIZE</b>			
Increasing Participation of the Belizean Cacao Industry in the Cocoa-Chocolate Global Value Chain	21-Sep	222	507
Development of A Risk-Based Sanitary and Phyto-sanitary Import and Export Control System for Belize	21-Dec	200	200
Enhancing the Capacity of the Government of Belize to Facilitate Trade	21-Nov	342	342
<b>JAMAICA</b>			
CTCS	21-Apr	58	58
<b>MONTSERRAT</b>			
CTCS	22-Jul	26	26



PROJECT	DATE APPROVED	NET APPROVED FROM SDF	TOTAL CDB FINANCING
<b>REGIONAL</b>			
Tenth Caribbean Urban Forum and Workshop	21-Jun	20	20
CTCS	21-May	320	320
CTCS	21-Aug	205	205
CTCS	21-Sep	281	281
CTCS	21-Dec	45	45
CTCS	22-May	150	150
Tenth International Road Federation Caribbean Regional Congress	22-Jun	93	93
Eleventh Caribbean Urban Forum	22-Jul	76	76
Caribbean Association of National Telecommunications Organisations 37th Annual Conference and Trade Exhibition	22-Jul	33	33
CTCS	22-Aug	550	550
Caribbean Infrastructure Forum 2022	22-Sep	28	28
Improving the Supply Chain for Intra-Caribbean Community Agri Trade: Logistics Case Study for Grenada and Saint Lucia	22-Sep	110	110
Eleventh Biennial Conference of the Institution of Structural Engineers (ISTRUCTE) Caribbean Regional Group	22-Nov	50	50
Support to the Caribbean Investment Forum	22-Nov	247	247
CTCS	22-Nov	150	150
CTCS	22-Dec	24	24
Improving the Ease of Starting a Business in the Caribbean	22-Dec	524	524
<b><u>BUILDING ENVIRONMENTAL RESILIENCE</u></b>			
<b>HAITI</b>			
Support for Haiti to Meet Commitment to CCRIF Premium Payment for the 2021–2022 Policy Period	21-Dec	6,930	6,930
Support for Haiti to Meet Commitment to Caribbean Catastrophe Risk Insurance Facility Premium Payment for the 2022–2023 Policy Period	22-Dec	3,000	3,000

PROJECT	DATE APPROVED	NET APPROVED FROM SDF	TOTAL CDB FINANCING
<b>REGIONAL</b>			
Assessment of CDB's Alignment with the Goals of the Paris Agreement	21-Mar	65	65
Supporting the Caribbean Agenda at the Twenty-Sixth Meeting of the United Nations Framework Convention on Climate Change Conference of Parties	21-Sep	138	138
Capacity Support for The Development of Energy Sector Integrated Resource and Resilience Plans	22-May	750	750
Supporting the Caribbean Agenda at The Twenty-Seventh Meeting of The United Nations Framework Convention on Climate Change Conference of Parties	22-Aug	220	220
Second Investment Forum Under the Caribbean Nationally Determined Contributions Finance Initiative	22-Sep	42	42
Financial Support for An Integrated Utility Services Side Event at COP27	22-Oct	26	26
Support for Caricom Energy Month 2022	22-Dec	115	115
Financial Support for Dialogue on Gender Smart Caribbean Financing for The Caribbean at The Twenty-Seventh Meeting of Conference of Parties	22-Nov	20	20
<b>ST. VINCENT AND THE GRENADINES</b>			
Disaster Management Emergency Assistance Grant: La Soufriere Volcanic Eruption (2021)	21-Jun	300	300
<b>REGIONAL</b>			
<b><u>BUILDING ENVIRONMENTAL RESILIENCE</u></b>			
<b>REGIONAL</b>			
Participation of the Borrowing Member Countries of The Caribbean Development Bank at The Inter-American Network on Government Procurement Annual Conference	22-Aug	40	40
Country Gender Assessments 2022–2024	22-Sep	488	488
Pilot for Strengthening Gender-Responsive Planning and Reporting on Gender Statistics	22-Sep	460	460
Upgrade of Procurement e-Learning Modules	21-Dec	150	150
Assessment of the Optimal Future State for the Coordination of the Caribbean Community Statistical System	22-Mar	181	181
Caribbean Conference of Corruption, Compliance and Cybercrime	22-Oct	50	50
Evaluation of Energy Sector Policy and Strategy	21-May	146	146

<b>PROJECT</b>	<b>DATE APPROVED</b>	<b>NET APPROVED FROM SDF</b>	<b>TOTAL CDB FINANCING</b>
Procurement Capacity Enhancement Project	22-Oct	140	140
Capacity Building, Monitoring and Evaluation, and Knowledge Exchange Support for The Learning and Enhancement Programme (Let's Reap)	22-Oct	500	500
Monitoring and Evaluation Support of The Caribbean Community Human Resource Development 2030 Strategy and Preparation of The Basic Education Quality Management Framework	22-Nov	136	136
Public Procurement Reform of the Eastern Caribbean States – Phase II	21-Dec	500	500
<b>TOTAL</b>		<b>59,674</b>	<b>58,823</b>
<b>TOTAL GRANTS APPROVED</b>		<b>87,140</b>	<b>119,819</b>



# APPENDIX 5

## SDF Financial Statements

5-2: Summary Balance Sheets as at 31st December 2018–2022

5-3: Summary Income Statements for the years ending 31st December 2018–2022

5-4: Summary of Notes, Encashments and Drawdowns – 2022

5-5: Projected Balance Sheets as at 31st December, 2023–2025

5-6: Projected Income Statements for the years ending 31st December 2023–2025

### Summary Balance Sheets as at 31st December 2018–2022 (\$'Mn)

PROJECT	2018	2019	2020	2021	2022
<b>Assets:</b>					
Cash and Investments	334.4	357.2	333.4	302.6	277.5
Contributions in Arrears	9.7	16.7	22.4	28.2	14.9
Non-neg. Demand Instruments	80.2	71.5	68.2	70.3	85.2
Loans Outstanding (Net)	535.2	537.4	593.2	618.3	630.4
Other Receivables	0.2	0.5	0.2	0.2	0.2
<b>Total Assets</b>	<b>959.7</b>	<b>983.4</b>	<b>1017.5</b>	<b>1019.5</b>	<b>1008.1</b>
<b>Liabilities:</b>					
Contributions in Advance				1.3	1.3
Payables	39.8	43.6	58.1	58.9	54.0
Contributions	730.7	740.7	747.4	753.9	760.7
Accumulated Net Income	46.9	55.5	64.0	56.7	34.7
TA Allocation	142.2	143.6	148.0	148.7	157.3
<b>Total Liabilities and Funds</b>	<b>959.7</b>	<b>983.4</b>	<b>1017.5</b>	<b>1019.5</b>	<b>1008.1</b>

**Summary Income Statements**  
for the years ending 31st December 2018–2022

Item	2018	2019	2020	2021	2022
<b>Revenue:</b>					
Investment Income	4.1	13.0	11.9	4.1	4.9
Loan Income	12.3	12.1	12.2	12.6	12.7
Exchange	-				
<b>Total Revenue</b>	<b>16.4</b>	<b>25.1</b>	<b>24.1</b>	<b>16.7</b>	<b>17.6</b>
<b>Expenses:</b>					
Administrative Expenses	16.3	15.4	16.5	15.7	17.0
Write-down of financial assets	-	-	-	1.2	-
Exchange Loss/(Gain)	(0.5)	1.2	(0.9)	(0.3)	(0.6)
<b>Total Expenses</b>	<b>15.8</b>	<b>16.6</b>	<b>15.6</b>	<b>16.6</b>	<b>16.4</b>
<b>Net Income</b>	<b>0.1</b>	<b>8.5</b>	<b>8.5</b>	<b>0.2</b>	<b>1.2</b>

**Summary of Notes, Drawdowns and Encashments 2022**

Country	Notes Receivable 1/1/22		Notes Issued		Curr.		Encashments		Notes Receivable 31/12/22		Not Yet Made Available		Approved but not yet Effective		Cumulative Drawdowns		Approved Contribution (Curr Value)		
	US\$	Loc Cur.	US\$	Loc Cur.	US\$	Loc Cur.	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$			
<b>Borrowing members (BMCs)</b>																			
Trinidad and Tobago	\$7,784		13,337						\$23,380		4,516		-		68,305		68,305		
Bahamas, The	14,908								14,908		-		7,231		31,855		39,086		
Barbados	2,833								2,833		6,492		10,170		25,681		35,851		
Jamaica	16,223		4,869						19,113		4,615		-		67,818		67,818		
Guyana	420					3,036			0				-		39,087		39,087		
Antigua and Barbuda	777								777				2,437		2,889		5,326		
Belize	3,788								3,788				1,773		8,088		9,861		
Dominica	2,065								2,065				1,773		7,828		9,601		
St. Kitts and Nevis	0								0				4,727		5,134		9,861		
St. Lucia	1,819								1,819		887		-		9,861		9,861		
St. Vincent and Grenadines	1,441						518		923				1,773		8,101		9,874		
Grenada	4,297								3,853		1,330		-		7,263		7,263		
Montserrat						443							778		3,341		4,119		
BVI							194				389		-		4,119		4,119		
Turks and Caicos													-		4,119		4,119		
Cayman Islands													2,679		1,340		4,019		
Anguilla	571								571				2,074		2,045		4,119		
Haiti													3,100		1,560		4,660		
Suriname	2,758						660		2,758				7,231		8,330		15,561		
<b>TOTAL - BMCs</b>	<b>59,684</b>	<b>-</b>	<b>18,206</b>	<b>-</b>	<b>443</b>	<b>4,408</b>	<b>76,787</b>	<b>18,229</b>	<b>45,746</b>	<b>306,764</b>	<b>352,510</b>								
<b>Non-Borrowing members (NBMCs)</b>																			
Brazil															5,000		5,000		



Country	Notes Receivable 1/1/22		Notes Issued		Curr.	Encashments		Notes Receivable 31/12/22	Not Yet Made Available	Approved but not yet Effective	Cumulative Drawdowns	Approved Contribution (Curr Value)
	US\$	Loc Cur.	US\$	Loc Cur.		US\$	US\$					
Colombia					(")	1,167			2,333		37,657	37,657
Mexico					(")					10,591	17,000	27,591
Venezuela					(")					15,142	21,983	37,125
Canada					CDN\$	20,352			-11,874	-	396,279	396,279
China					US\$	20,000			3,270	-	61,428	61,428
United Kingdom	7,075	5,250			Str	6,281		6,322	-4,719	-	290,387	290,387
Germany	3,509	3,100			EUR			2,135	9,029	-	126,122	126,122
Italy					EUR			-	2,078	-	73,884	73,884
<b>TOTAL - NBMCs</b>	<b>10,584</b>	<b>-</b>	<b>-</b>	<b>-</b>				<b>8,457</b>	<b>117</b>	<b>25,733</b>	<b>1,029,740</b>	<b>1,055,473</b>
<b>Non-Members</b>												
France					FF*	-				-	58,254	58,254
Chile											10	10
Netherlands					NG	-				-	24,902	24,902
<b>GRAND TOTAL</b>	<b>70,268</b>	<b>18,206</b>					<b>4,408</b>	<b>85,244</b>	<b>18,346</b>	<b>71,479</b>	<b>1,419,670</b>	<b>1,491,149</b>

**Projected Balance Sheets  
as at 31st December 2023–2025**

Item	2023	2024	2025
<b>Assets:</b>			
Cash and Equivalents	61.8	63.2	64.7
Securities-Prime	195.7	210.2	224.9
Long-term Loans	659.1	674.4	690.2
Other Assets	113.3	105.9	98.6
<b>Total Assets</b>	<b>1,029.9</b>	<b>1,053.7</b>	<b>1,078.5</b>
<b>Liabilities:</b>			
Current Liabilities	54.0	54.0	54.0
Contributions	783.7	806.7	829.7
Accumulated Net Income	192.1	193.0	194.8
<b>Total Liabilities and Capital</b>	<b>1,029.9</b>	<b>1,053.7</b>	<b>1,078.5</b>

**Projected Income Statements  
for the years Ending 31st December 2023–2025 (\$'mn)**

Item	2023	2024	2025
<b>Revenue:</b>			
Investment Income	7.2	7.8	8.4
Loan Income	12.9	13.7	14.6
Exchange	0.0	0.0	0.0
<b>Total Revenue</b>	<b>20.1</b>	<b>21.5</b>	<b>23.0</b>
<b>Expenses:</b>			
Administrative Expenses	20.0	20.7	21.2
<b>Net Income</b>	<b>0.1</b>	<b>0.8</b>	<b>1.8</b>









