

# **CARIBBEAN DEVELOPMENT BANK**



## **SPECIAL DEVELOPMENT FUND**

### **ANNUAL REPORT 2013**

#### **AND FINANCIAL PROJECTIONS 2014–2016**

**April 2014**

## CURRENCY EQUIVALENT

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

### ABBREVIATIONS

BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
BOD	-	Board of Directors
CARICOM	-	Caribbean Community
CCRIF	-	Caribbean Catastrophe Risk Insurance Facility
CDB	-	Caribbean Development Bank
CMDG	-	Caribbean-Specific Millennium Development Goals
CPAs	-	Country Poverty Assessments
CTCS	-	Caribbean Technological Consultancy Services
DER	-	Development Effectiveness Review
DFID	-	Department for International Development
DPs	-	Development Partners
DRM	-	Disaster Risk Management
DRR	-	Disaster Risk Reduction
ECD	-	Early Childhood Development
EGRIP	-	E-Government for Regional Integration Project
EE	-	Energy Efficiency
GOSL	-	Government of St. Lucia
ICTs	-	Information and Communication Technologies
JSIF	-	Jamaica Social Investment Fund
MDGs	-	Millennium Development Goals
MfDR	-	Managing for Development Results
MICRO	-	Micro Insurance Catastrophe Risk Organisation (Haiti) Fund
MIS	-	Management Information Systems
mn	-	million
MSMEs	-	Micro, Small and Medium Enterprises
MTB	-	Montserrat Tourist Board
NPRS	-	National Poverty Reduction Strategy
OCR	-	Ordinary Capital Resources
OECS	-	Organisation of Eastern Caribbean States
p.a.	-	per annum
PBLs	-	Policy-based Loans/Policy-based Lending
PCRs	-	Project Completion Reports
PPES	-	Project Performance Evaluation System
PPI	-	Project-Implementation Performance Index
PPPs	-	Public Private Partnerships
RAS	-	Resource Allocation Strategy
RMF	-	Results Monitoring Framework
RCI	-	Regional Cooperation and Integration
RE	-	Renewable Energy
RPGs	-	Regional Public Goods
SDF (U)	-	Special Development Fund (Unified)
TA	-	Technical Assistance
UWI	-	University of the West Indies
WB	-	World Bank

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## SUMMARY DATA SHEET: 2009–2013

Item	2009	2010	2011	2012	2013
<b>1. Resources</b>					
No. of Contributors at Year-End	26	26	26	26	27*
Historical Value of resources pledged [\$ million (mn)]	1,014.8	1,014.8	1,014.8	1,014.8	1,245.5
Amount of Resources made available (\$ mn)	808.2	868.4	916.3	963.4	1,017.7
Accumulated Net Income (including currency adjustments)	38.3	41.0	41.8	57.2	55.0
Amount of Resources not yet made available (\$ mn)	115.6	111.3	54.0	16.1	113.4
Contributed Resources and Reserves (\$ mn)	962.1	1,020.7	1,012.2	1,036.7	1,186.1
Amount of Resources approved but not yet effective (\$ mn)	101.3	20.8	16.1	4.2	55.6
Size of Fund (\$ mn)	1,063.4	1,041.5	1,028.3	1,040.9	1,241.7
of which allocation for grant programmes - Haiti, Technical Assistance (TA) and Basic Needs Trust Fund (BNTF) (\$ mn)	251.7	286.3	320.9	324.9	349.9
Operating lending limit (\$ mn)	811.7	755.2	707.4	716.1	891.8
Loan commitments (Signed agreements less repayments) (\$ mn)	548.0	577.2	601.5	623.1	673.8
Commitments as % of operating lending limit	67.5	76.4	85.0	87.0	75.6
<b>2. Loans and Grants</b>					
Value of loan approvals during year (\$ mn)	35.2	46.6	75.1	64.0	30.0
No. of loans approved during year incl. TA Loans	13	8	19	10	4
Average size of Special Development Fund (Unified) [SDF (U)] Loans (\$ mn)	2.7	5.8	4.0	6.4	7.5
Cumulative loan approvals at year-end (\$ mn)	852.6	899.2	974.3	1,038.3	1,068.3
Value of loan cancellations during year (\$ mn)	0.7	0.7	1.9	3.9	2.6
Cumulative loan cancellations (\$ mn)	57.5	58.2	60.1	64.0	66.6
Cumulative net loan approvals at year-end (\$ mn)	795.1	841.0	914.2	974.3	1,001.7
Grant approvals for the year (\$ mn)	16.6	27.9	16.8	70.6	18.0
Value of Grant cancellations during year (\$ mn)	0.2	0.3	0.7	2.0	0.4
Cumulative net grant approvals at year-end (\$ mn)	217.2	244.8	260.9	329.5	347.1
Total net cumulative approvals (\$ mn)	1,012.3	1,085.8	1,175.4	1,301.1	1,318.7
<b>3. Resource Flows (\$ mn)</b>					
Disbursements on loans during year	45.6	34.6	35.3	32.8	62.7
Disbursements on grants during year (including BNTF)	24.3	20.6	19.9	24.5	33.9
Debt service from borrowers	<u>23.3</u>	<u>26.0</u>	<u>31.4</u>	<u>31.5</u>	<u>37.0</u>
(of which repayments)	14.2	16.5	18.0	18.5	22.3
Net transfers during year	46.6	29.2	23.8	25.8	59.6
Cumulative net transfers	345.0	374.2	398.0	423.8	483.4
<b>4. Financial Summary</b>					
Administrative expenses (\$ mn)	11.1	11.6	12.3	14.0	13.7
Net income (\$ mn)	2.8	2.7	0.9	(0.1)	(1.8)
Gross Loans Outstanding (\$ mn)	412.9	431	448.5	463.5	503.5
Administrative expenses/Average loans outstanding (%)	2.8	2.7	2.8	3.1	2.8
Interest earned on average loans outstanding (%)	2.3	2.3	2.3	2.3	2.4

\* Suriname joined the Bank in September 2013 and also became a Contributor to SDF

## THE UNIFIED SPECIAL DEVELOPMENT FUND

### Background

The *Special Development Fund* (SDF/the Fund) was established in 1970 and is the Bank's largest pool of concessionary funds. This facility offers loans with longer maturities and grace periods and lower interest rates than those that are applied in the Bank's ordinary operations. However, the various contributors to the Fund applied an assortment of terms and conditions which created complexities and inefficiencies in the Fund's operation. Hence in 1983, the decision was taken to set up a fund with a uniform set of rules and the SDF (U) was formed.

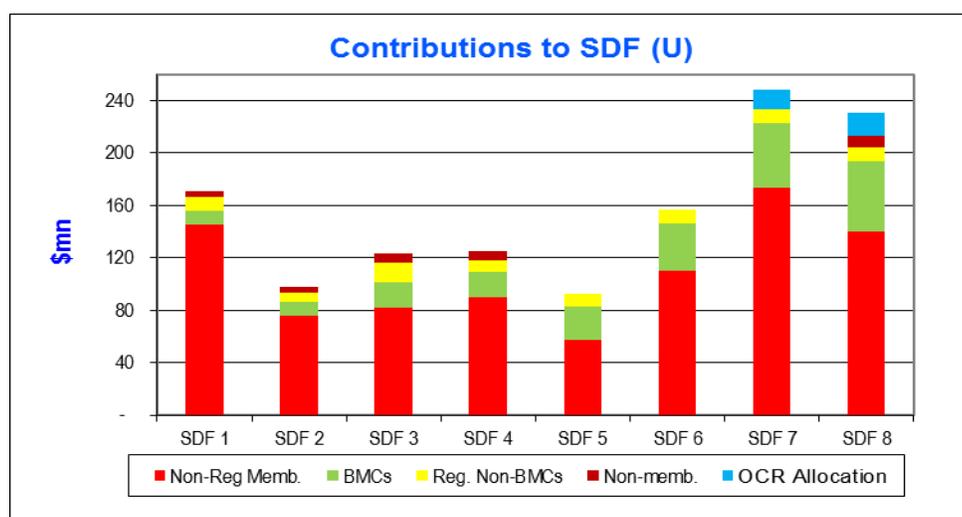
All members of the Bank are required to contribute to SDF (U), and contributions are also sought from non-members. With consistent terms, objectives and procurement conditions, SDF (U) sought to overcome the problems associated with individual donors and funding arrangements. Contributions are interest-free and provided on a multi-year basis, for an indefinite term. To give focus to the Fund's operations, a supplementary governance structure which includes an Annual Meeting of Contributors was created. Non-members were also invited to participate as observers in meetings of the Bank's Board of Directors (BOD) and Board of Governors.

SDF (U) has a four-year replenishment cycle except for the third replenishment cycle (SDF 4) which was extended by an extra year as a result of additional contributions from a new member of the Bank. The eighth cycle of the Fund commenced on January 1, 2013 to cover the period 2013 to 2016.

### Funding

Over the eight cycles, contributions or pledges of \$1,245mn have been made to the operations of SDF (U). \$224mn (18%) of the contributions/pledges came from borrowing members with non-borrowing members and non-members accounting for \$956mn (76.8%), and \$32mn (2.6%), respectively. A total of \$33mn (2.6%) in allocations from the net income of the Ordinary Capital Resources (OCR) were pledged to the fund in SDF 7 and SDF 8.

Contributions pledged for SDF 8 amounted to \$230.7mn, inclusive of the allocation from the OCR Net Income of \$18mn (7.8%), with borrowing members pledging \$53.5mn (23.2%) of the contributions and non-borrowing members contributing \$159.2mn (69%). A further amount of approximately \$10mn has been conditionally pledged by one non-borrowing member. Contributions to each cycle by category of membership are shown in the chart below with details presented in Appendix I.

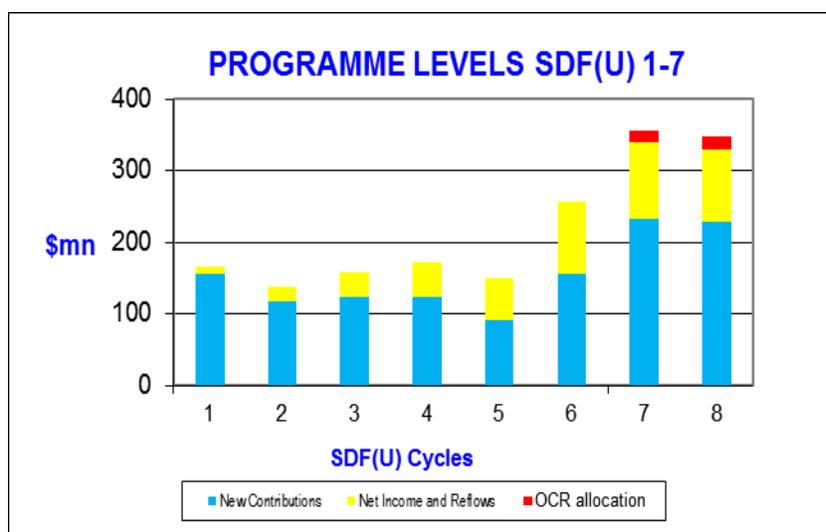


### Themes and Priorities

During each SDF cycle's negotiations, Contributors and the Bank agree on the priorities and issues to be addressed. Over the years, there has been increasing emphasis on poverty reduction directed at the poor and low-income groups. In recent cycles, SDF has given significant support to themes such as environmental sustainability and advancing the climate change agenda; building capacity and enhancing governance in beneficiary countries. Regional cooperation and integration (RCI) and enhancing the Bank's development effectiveness have also been key priorities. For SDF 8, the core themes, which are detailed in the Box entitled *SDF 8 Operational Strategy*, are Inclusive and Sustainable Growth, Citizen Security, RCI, and Environmental Sustainability and Climate Change.

### 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, for SDF 7 and SDF 8, an allocation from the OCR Net Income. The programme levels over the eight cycles of the Fund are shown in the chart below. For SDF 8, Contributors approved an overall programme level of \$348mn, details of which are given in Appendix II and Table 6.



### Eligibility of Countries

The Bank's Borrowing Member Countries (BMCs) are assigned to one of three country groups<sup>1</sup> based on their relative per-capita incomes. The country groups help to determine the terms and conditions for SDF lending (refer to Appendix II). While all BMCs are eligible for SDF resources, countries in Group 1 are not entitled to a country allocation. Instead, these countries may be the beneficiaries of regional projects and support for regional public goods (RPGs) and assistance in the event of a natural disaster.

### Allocation of Resources

Since 2001, a Resource Allocation Strategy (RAS) has been used to allocate both SDF loan resources to eligible countries and BNTF resources to participating BMCs. The Caribbean Development Bank's (CDB) resource allocation formula 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 better 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, from SDF 8, a variable representing the number of poor people in a country (POOR) as indicators of country needs.

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

## SDF 8 OPERATIONAL STRATEGY

The operational strategy for SDF 8 was developed within the overarching objective of Poverty Reduction and Human Development. It is based on four core themes with two cross-cutting themes and an underlying foundation of capacity building to strengthen good governance. Particular emphasis will be placed on a limited number of objectives in each core theme and programme area, taking into account the comparative advantages and capacity of the Bank and SDF, as well as the benefits of continued collaboration with development partners (DPs). A preference will be placed on regional approaches, where appropriate and feasible. The four core themes are:

### **Inclusive and Sustainable Growth**

- A limited number of objectives in education and training, agriculture and rural development, economic and social infrastructure, economic and fiscal adjustment, and private sector development. The emphasis on inclusive growth will support activities that create and expand economic opportunities as well as broadening access to these opportunities to ensure that the citizens of all BMCs can benefit.

### **Environmental Sustainability and Climate Change**

- Specific objectives in disaster risk reduction (DRR) and management (DRM), climate change mitigation and adaptation, including renewable energy (RE) and energy efficiency (EE).

### **Citizen Security,**

- Crime and security and social protection, reflecting the complex and varied causes of crime and violence that undermine efforts at development and growth, and requiring multi-sectoral approaches to enhancing the security of citizens.

### **RCI**

- Focussing on regional solutions and a limited number of objectives in the areas of RPGs.

### **Cross-Cutting Themes:**

Gender Equality and Environmental Sustainability and Climate Change which is also an area for direct programming.

### **Other Strategic Issues:**

### **Addressing the Millennium Development Goals (MDGs)**

Support the acceleration of efforts directed to the Caribbean-specific MDG (CMDG) targets in the areas in which SDF 8 would be focusing should work with Caribbean partners to strengthen the monitoring of results under the MDGs as part of the Bank's results framework for the SDF 8 period.

### **BNTF and Haiti**

Continuation of the BNTF, SDF's flagship programme for community-level poverty reduction, and the special country programme for Haiti.

### **Development Effectiveness and Targeting Results**

The use of the Results Monitoring Framework (RMF) to monitor progress of the programme and commitment to internationally accepted principles for effective development cooperation, as well as the reporting of results through the annual Development Effectiveness Review.

Evaluation of the effectiveness of programme implementation and results achievement, including an independent assessment of the Bank's performance in Managing for Development Results (MfDR).

Allocation of SDF resources to eligible BMCs according to SDF's needs- and performance-based RAS, in order to ensure value for money and to support development effectiveness in the use of SDF funds.

## EXECUTIVE SUMMARY

1. The SDF continues to make an important contribution to the development of CDB's BMCs. In 2013, with SDF resources, the Bank was able to assist in strengthening the sea and river defence systems in one BMC, thereby increasing the resilience of that country's vital sea and river defences and reducing losses due to coastal and riverine flooding.
2. Through resources committed to enhance the education sector at the primary level, 79,000 poor children, aged 3 to 12, in one BMC are expected to benefit from improved access to Early Childhood Development (ECD) and primary education. At the tertiary level, 4,000 students in two BMCs will benefit from improved physical classroom conditions and enhanced teacher competence, which is expected to lead to improved education outcomes and the greater employability of students.
3. In a region which is vulnerable to natural disasters, SDF plays a key role in providing emergency relief and longer term reconstruction and rehabilitation assistance. In 2013, SDF funds were used for three emergency relief grants to assess the extent of the damage after a natural disaster; and to assist with insurance premium payments to mitigate against the losses from natural disasters in one BMC. In addition, immediate response loans were made to assist in the post-disaster clean-up efforts for three BMCs.
4. SDF grants also contributed to institutional development and capacity building in both the private and public sectors. Six hundred and nine micro, small and medium entrepreneurs gained enhanced skills through participation in the Caribbean Technological Consultancy Services (CTCS) training interventions. Commitments made in the public sector are expected to result in enhanced capacity in the areas of education, transportation, agriculture, environment and managing Private Public Partnerships (PPPs). A pilot citizens' security intervention in three low-performing schools will also be undertaken.
5. For the BNTF, the Bank's flagship targeted poverty reduction programme, there was a stepping up of implementation of BNTF 6 in 2013 while BNTF 7, which was approved by the BOD in October 2012, commenced implementation.
6. Results achieved in 2013 included the construction or upgrading of 149 primary or secondary classrooms and the training of 1,148 teachers in primary and secondary education, which benefitted 55,932 students.
7. Other results which were achieved include the irrigation or improvements of 741 hectares of land, 1,300 stakeholders trained in improved production technology; and 94 kilometres of water lines installed or upgraded in rural areas benefitting 3,890 households.
8. In terms of operational performance, approvals in 2013 amounted to \$48mn, comprising \$30mn in loans and \$18mn in grants and representing 14% of the approved SDF 8 programme level of \$348mn. Disbursements amounted to \$96.6mn, comprising \$62.7mn in loans and \$33.9mn in grants.

## 1. INTRODUCTION

1.01 The Resolution and Report of Contributors for the SDF 8 cycle was adopted by Contributors on March 21, 2013. This represents an agreement between Contributors and the Bank on the operations of the eighth SDF cycle which will run from January 2013 to December 2016. Contributors approved a programme level of \$348mn, comprising \$248mn in loans and \$100mn in grants. This will be funded by \$212.7mn in new contributions, \$100mn from internally generated funds, \$18mn to be allocated from the OCR Net Income and \$17.3mn from new and additional contributions.

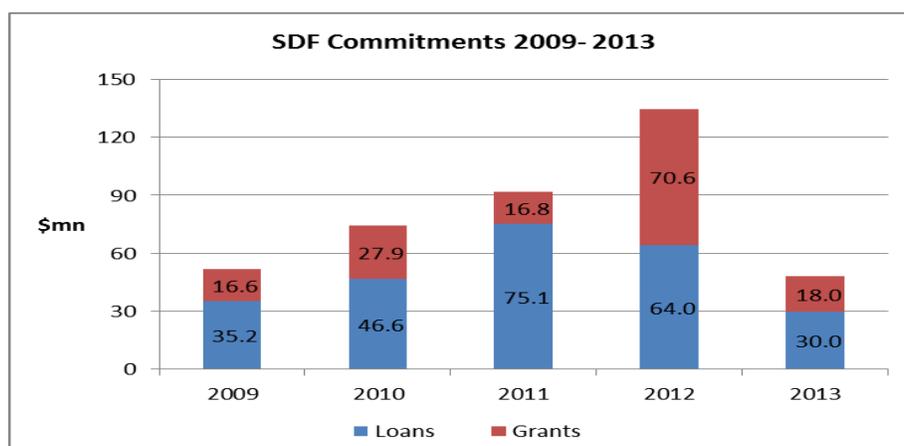
1.02 The 2013 annual report presents the performance of the first year of SDF 8 and is organised into four main sections. Section 2 covers the operational performance of the Fund (approvals and disbursements) as well as the thematic and programme highlights of SDF 8. In Section 3, a report on SDF results is presented, in accordance with the RMF approved for SDF 8; while Section 4 deals with the financial resources, programme levels and the allocation of those resources in 2013. Section 5 summarises the financial performance for 2010-2013 and projections for 2014-2016. Appendices I to VI, respectively, contain details with respect to contributions to SDF over the eight cycles; an analysis of the SDF portfolio; the classification of commitments by strategic theme and the actual/projected financial statements for the years 2010 to 2016.

## 2. OPERATIONAL PERFORMANCE

2.01 Section 2 of the report presents the operational performance of the Fund for 2013 as well as the period 2009 to 2012. It includes commitments, disbursements and operational highlights under the four strategic themes, in addition to the performance of three major programmes funded by SDF (U) – BNTF, CTCS and Haiti. A summary of the analysis of the SDF portfolio in 2013 is also presented.

### COMMITMENTS

2.02 The loan and grant commitments for 2013 along with the annual performance in SDF 7 are presented in the chart below and in Table 1. Total approvals in 2013 amounted to \$48mn, comprising \$30mn in loans and \$18mn in grants and representing 14% of the approved SDF 8 programme level of \$348mn. This approval level is consistent with that recorded during the first year of SDF 7 when 15% of the programme was committed. Approval performance is expected to improve as implementation of the cycle gains momentum.



2.03 Loan approvals in 2013 totalled \$30.0mn, or 8.6% of the SDF 8 loan programme. Two of the four loans approved were to assist with immediate response and restoration of critical infrastructure in the aftermath of natural hazard events. The other loans were to strengthen sea and river defence systems in one BMC and to enhance the learning environment of a regional tertiary institution offering courses in two others.

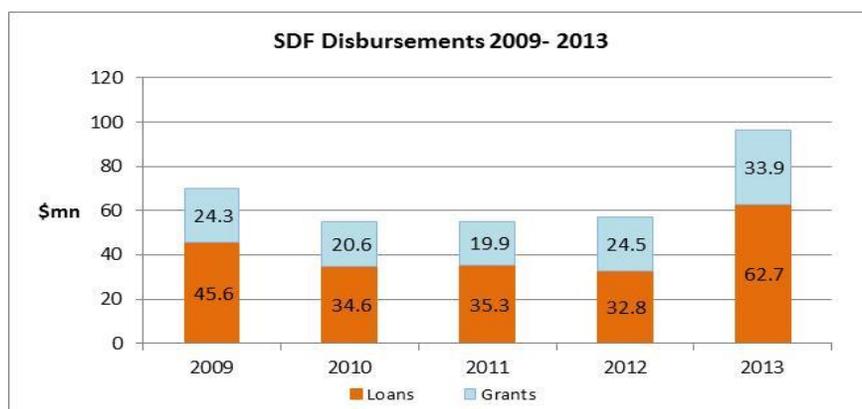
**TABLE 1: ANNUAL COMMITMENTS 2009-2013**  
(\$ mn)

Item	SDF 7						SDF 8
	2009	2010	2011	2012	Total	Annual Average	2013
<b>Loan Commitments</b>	<b>35.2</b>	<b>46.6</b>	<b>75.1</b>	<b>64.0</b>	<b>220.9</b>	<b>55.2</b>	<b>30.0</b>
<b>Grant Commitments:</b>							
Haiti	10.0	17.8	10.8	7.7	46.5	11.6	13.6
BNTF	-	-	-	46.0	46.0	11.5	-
TA	3.7	2.8	2.7	2.6	11.8	3.0	2.5
Project Management Training	-	-	-	4.0	4.0	1.0	-
CTCS	1.0	0.8	0.5	1.2	3.5	0.9	1.1
RCI and RPGs	1.7	2.9	1.3	1.5	7.4	1.9	-
Disaster Response	-	1.0	0.2	0.4	1.4	0.3	0.6
Gender Equality	-	0.7	0.0	2.3	3.0	0.8	-
Development Effectiveness (MfDR)	-	-	-	4.0	4.0	1.0	-
Environment and Climate Change	0.2	1.9	1.3	0.9	4.3	1.1	0.2
<b>Total Grant Commitments</b>	<b>16.6</b>	<b>27.9</b>	<b>16.8</b>	<b>70.6</b>	<b>131.9</b>	<b>33.0</b>	<b>18.0</b>
<b>Total commitments</b>	<b>51.8</b>	<b>74.5</b>	<b>91.9</b>	<b>134.6</b>	<b>352.8</b>	<b>88.2</b>	<b>48.0</b>

2.04 Grant commitments amounted to \$18mn in 2013, or 18% of the approved SDF 8 grant programme. Seventy-five percent of the grant approvals supported the Bank's programme in Haiti (\$13.6mn). Institutional strengthening and capacity-building TA (\$2.5mn) accounted for a further 14% of grant commitments, while interventions relating to CTCS (\$1.1mn), immediate disaster response (\$0.6mn) and environment and climate change (\$0.2mn) comprised the remaining 11%.

## DISBURSEMENTS

2.05 The loan and grant disbursements for 2013, along with the annual performance in SDF 7, are presented in the chart below and in Table 2. Total disbursements in 2013 amounted to \$96.6mn, comprising \$62.7mn in loans and \$33.9mn in grants. This reflects a stepping up on implementation activity and compares with total disbursements in 2012 of \$57.3mn and an annual average for SDF 7 of \$59.2mn. Disbursements in 2013 are higher than the annual averages for both loans and grants by 69% and 52%, respectively.



2.06 Loan disbursements in 2013 amounted to \$62.7mn, a 91% increase over the performance of \$32.8mn in 2012. The high level of disbursements was boosted by fast disbursing loans in relation to exceptional financial assistance to St. Kitts and Nevis, approved in 2012, and the disbursement for a student loan scheme for on-lending to students from poor and vulnerable families in Jamaica.

**TABLE 2: ANNUAL DISBURSEMENTS 2009-2013**  
(\$mn)

Item	SDF 7					Annual Average	SDF 8
	2009	2010	2011	2012	Total		2013
<b>Loan Disbursements</b>	45.6	34.6	35.3	32.8	148.3	<b>37.1</b>	62.5
<b>Grant Disbursements</b>							
TA	6.2	5.4	6.4	6.6	<b>24.6</b>	<b>6.2</b>	5.6
Haiti	14.1	6.3	7.9	9.6	<b>37.9</b>	<b>9.5</b>	20.1
BNTF	4.0	8.9	5.6	8.3	<b>26.8</b>	<b>6.7</b>	8.2
<b>Total Grant Disbursements</b>	<b>24.3</b>	<b>20.6</b>	<b>19.9</b>	<b>24.5</b>	<b>88.2</b>	<b>22.1</b>	<b>33.9</b>
<b>Total Disbursements</b>	<b>69.9</b>	<b>55.2</b>	<b>55.2</b>	<b>57.3</b>	<b>236.8</b>	<b>59.2</b>	<b>96.6</b>

2.07 Grant disbursements at \$33.9mn also exceeded the performance in 2012 of \$24.5mn by 38%. The Haiti programme accounted for 59% of the total, with BNTF and TA grants accounting for 24% and 17%, respectively.

2.08 Implementation of the Haiti programme accelerated in 2013 and this resulted in \$20.1mn being disbursed compared with \$9.6mn in the previous year. The pace of implementation of the BNTF programme was maintained with disbursements of \$8.2mn being made compared with \$8.3mn in 2012. The TA programme in 2013 had a slow start which led to disbursements of \$5.6mn. An acceleration of TA activity is anticipated as the cycle progresses.

### **SDF 8 THEMATIC AND PROGRAMME HIGHLIGHTS**

2.09 Table 3 - *Total Commitments by SDF 8 Strategic Operational Theme* - classifies SDF 8 interventions under the four strategic themes with an underlying foundation of *Capacity Building to Strengthen Good Governance*. The four strategic themes are: (a) promoting *inclusive and sustainable growth*; (b) supporting *environmental sustainability* and advancing the *climate change agenda*; (c) *citizen security*; and (d) supporting *RCI*. Details of these themes can be found in the Box entitled “*SDF 8 Operational Strategy*”. Descriptions of projects classified by country and theme are shown in Appendix III. It should be noted that the impact of an intervention may cut across more than one theme even though it is classified under a single theme.

**TABLE 3: TOTAL COMMITMENTS BY SDF 8 STRATEGIC OPERATIONAL THEME**

Item	Loans	Grants	Total	% of total	Indicative Projections
Inclusive and Sustainable Growth	6,375	13,034	19,410	40.5%	66.1%
Environmental Sustainability and Climate Change	23,600	3,415	27,015	56.3%	25.0%
Citizen Security	-	114	114	0.2%	1.1%
RCI and RPGs	-	476	476	1.0%	4.4%
Capacity Building	-	960	960	2.0%	3.4%
<b>Total</b>	<b>29,975</b>	<b>18,000</b>	<b>47,975</b>	<b>100%</b>	<b>100%</b>

2.10 It was anticipated that the majority of SDF 8 interventions would be targeted at the strategic theme of inclusive and sustainable growth. However, at the end of the first year, the strategic theme of environmental sustainability and advancing the climate change agenda accounted for 56.3% of approvals (\$27.0mn) while inclusive and sustainable growth recorded 40.5% (\$19.4mn), compared with indicative projections for the SDF 8 programme of 25% and 66.1%, respectively. Interventions relating to citizen security amounted to \$0.1mn (0.2%) in 2013, compared with an indicative target of 1.1%. RCI/RPGs and capacity building accounted for 1.0% (\$0.5mn) and 2.0% (\$1.0mn) of commitments, compared with the indicative programme estimate of 4.4% and 3.4%, respectively. The distribution of interventions across the four themes is expected to change as the programme progresses. Brief descriptions of the projects approved under the strategic themes are presented in the following sections.

### Promoting Inclusive and Sustainable Growth

2.11 The theme *Promoting Inclusive and Sustainable Growth* focuses on the areas of economic and social infrastructure; education and training; agriculture and rural development; and private sector development, particularly for micro, small and medium enterprises (MSMEs). In 2013, the Bank committed \$19.5mn to this strategic theme, comprising \$6.4mn in loans and \$13.1mn in grants, targeted at enhancing education at the primary and tertiary levels; supporting MSMEs through CTCS interventions and providing TA support to the transportation and agriculture sectors.

2.12 Through one of these projects, in excess of 4,000 students who attend the University of the West Indies (UWI) Open Campus programme in St. Lucia and St. Vincent will benefit from improved physical classroom conditions and enhanced teacher competence. The loans, \$6.4mn out of a total of \$13mn, will support enhancement of the learning environment, through the expansion and rehabilitation of the Open Campus Country Sites, improving the technological capacity for service delivery and improving relevance of training through the design of new demand-driven programmes. It is expected that there will be increased enrolment, improved education outcomes and the employability of students will be enhanced enabling them to better contribute to national and regional development imperatives.

2.13 The second education project will enable over 79,000 poor children in Haiti, aged 3 to 12, to benefit from improved access to ECD and primary education. This project, a grant of \$11mn, is the second phase of the Education for All programme, funded jointly with the World Bank (WB). It will provide for tuition waivers, student nutrition and health, pre-service and in-service teacher training, school textbooks, multi-grade learning programmes, and activities to improve student literacy skills. Community-based activities for school building and teacher training will also be supported.

2.14 TA interventions in 2013 supported the development and implementation of a programme to control the Black Sigatoka disease which is affecting the banana and plantain industry in Dominica, Guyana, St. Lucia and St. Vincent and the Grenadines (\$0.6mn). The transportation sector also received

support through a road feasibility study in one BMC (\$0.2mn); and regional participation in a road asset management training programme (\$0.1mn).

2.15 Six hundred and nine micro, small and medium entrepreneurs have gained enhanced skills through participation in CTCS training interventions in areas such as in general management, business development, garment design and production, tourism-related activities, food management and related activities and computer applications. CTCS programmes in 2013 benefitted persons drawn from all CDB's BMCs at a cost of \$1.1mn. The CTCS activities and interventions during 2013 are discussed further in a dedicated section below.

#### **Skills Training - Pattern Design and Garment Construction**

CDB supported the conduct of a national workshop on Pattern Design and Garment Construction Techniques in Barbados. It was designed to provide technical support to persons who are currently in garment manufacturing at the cottage, small and medium levels with no exposure to, or are currently not in a position to access formal training.

The acquired skills provided the 24 female participants with the technical know-how to design, assemble and construct garments using internationally accredited block design techniques for accurately designing and scaling up or down patterns of a given item to meet all standard sizes used in the industry. In addition, participants were better equipped to draft, cut and assemble any given size of a full garment or components of a given size garment, utilising mass production techniques. The combined output of the training, therefore, enable participants to produce garments more cost effectively and at higher throughput levels, while reducing the need for frequent re-working of individual items.

It is anticipated that the training will provide a much needed fillip to the local garment industry which, coupled with growing opportunities at the national level for more long-term and formal training, will position the local industry to continue to grow and achieve economic sustainability.

#### **Supporting Environmental Sustainability and Advancing the Climate Change Agenda**

2.16 The theme - *Environmental Sustainability and Climate Change* focuses on DRR and DRM and climate change mitigation and adaptation, including RE and EE. In 2013, the Bank committed \$27mn to this strategic theme, comprising \$23.6mn in loans and \$3.4mn in grants. These were targeted at restoring essential services and critical infrastructure in the aftermath of natural disasters; strengthening sea defences against rising sea levels caused by climate change; and protection from losses as a result of natural disasters.

2.17 One of these interventions, amounting to \$22.1mn of \$25mn, aims to strengthen sea and river defence systems in Guyana, thereby increasing the resilience of the country's vital sea and river defences and reducing losses due to coastal and riverine flooding.

2.18 The Bank contributed to the restoration of essential services in the aftermath of Hurricane Sandy in The Bahamas and Jamaica; and torrential rainfall and floods in Dominica. Immediate response grants of \$0.2mn each assisted with cleaning up and clearing debris after these adverse weather systems. Immediate response loans (\$1.5mn) to The Bahamas and Dominica also assisted in restoring critical infrastructure. In addition, Haiti benefitted from protection against losses as a result of natural disasters through support of \$2.6mn to meet its annual premium payment to the Caribbean Catastrophe Risk Insurance Facility (CCRIF) prior to the 2013 hurricane season.

2.19 Belize will benefit from improved drainage solutions through the development of an irrigation and drainage master plan (\$0.2mn) for the development of the agriculture sector. The capacity of the St. Lucia public sector will also be strengthened through training in the formulation of policies and programmes to improve resilience to climate change impacts and other environmental risks. (\$0.1mn)

2.20 The Bank contributed to advancing the climate change agenda through support for a workshop on climate finance readiness for the Caribbean, which aimed to identify gaps, challenges and opportunities

for accessing climate finance in the Region. In addition, a thematic study entitled *A New Paradigm for Caribbean Development: Transitioning to a Green Economy* was commissioned which is intended to provide countries with practical recommendations which will assist in crafting green development strategies.

### **Citizen Security**

2.21 Citizen security is a new area of focus for SDF 8 which acknowledges that crime and insecurity undermine efforts at development and growth. It also recognises that the causes of crime and violence are complex and varied and thus multi-sectoral approaches are required to enhance the security of citizens. The Bank's proposed approach to enhancing citizen security therefore recognises the role that the school system can play as a transformative and social agent.

2.22 In that regard, in 2013, CDB provided resources to fund a pilot citizens' security intervention (\$0.1mn) in Antigua and Barbuda aimed at enhancing the learning and behavioural outcomes of students of three low performing schools. The schools recorded institutional deficits which are related to a relatively high incidence of violence/criminal activity. The improved learning and behavioural outcomes will be achieved through: enhanced cohesion among staff with the establishment of Professional Learning Communities, improved conflict resolution capacity within the student body, through the development of Peer Support Programmes, and enhanced parent engagement with the school community. This type of intervention will become an integral component of all CDB-financed education sector projects/programmes.

### **RCI and RPGs**

2.23 Support for RCI has been a mandate of CDB since its inception. The SDF 8 programme will focus on developing regional solutions to the development challenges faced by BMCs and supporting the provision of RPGs. In 2013, grants totalling \$0.5mn were approved mainly to support capacity building in the area of PPPs and the regional education sector.

2.24 In support of RCI, the Bank hosted a conference on *Rethinking Regionalism: Beyond the CARICOM Integration Project* which aimed to provide a forum for regional scholars and practitioners to exchange of ideas and experiences on the challenges of Caribbean regionalism.

2.25 In 2013, the Bank contributed to building the capacity to develop and manage PPPs through the hosting of a PPP Forum and the commissioning of a research study entitled *Public Private Partnerships in the Caribbean: Lessons of Experience and Leveraging for Growth - the Lessons of Experience*.

2.26 In the area of education, it has supported a workshop on Capacity Building in Education Planning and Management in the Caribbean. The UWI Open Campus Development Project also received TA for an implementation framework for the Single Virtual University Space and for improving maintenance at the Open Campus sites in St. Lucia and St. Vincent and the Grenadines.

2.27 RCI interventions continue to be undertaken in partnership with other DPs, such as the Department for International Development (DFID) through the administration of the Caribbean Aid for Trade and Regional Integration Fund; the European Union through its Standby Facilities assist the Caribbean Forum countries to benefit from the Economic Partnership Agreement and the Caribbean Community (CARICOM) Single Market and Economy.

### **E-Governance – improving efficiency, quality and transparency of public services in the OECS**

In 2010, CDB approved a TA grant of \$2.5 mn for six BMCs (Dominica, Grenada, St. Lucia, St. Vincent and the Grenadines, Antigua and Barbuda and St. Kitts and Nevis) to participate in the World Bank sponsored E-Government for Regional Integration Project (EGRIP).

EGRIP is a regionally integrated e-Government system aimed at promoting the efficiency, quality and transparency of public services in the OECS. The system, once fully implemented, will contribute to the ease of doing business in the OECS by digitising records, enhancing online access and facilitating data exchange. A harmonised legal and regulatory framework is also being created and the OECS Authority at its meeting on January 24, 2012 has ratified the OECS Harmonized E-government Legislation. The enacted suite of legislation will establish the framework for electronic transactions for e-government and e-commerce.

The major e-government solutions included in the project are the Electronic Tax Filing System, the first regional Pharmaceutical E-procurement system and the first regional Multi-Purpose Identification System. With the introduction of the E-tax filing system, which allows customers to file their taxes online from the comfort of their homes, higher levels of tax compliance and faster revenue collection are expected. The Pharmaceutical Procurement Service will boost services provided within the OECS Health Sector and reduce the cost and timing of procurement of medical supplies.

2.28 Other regional initiatives include the administration of the Community Disaster Risk Reduction Fund, with contributions from Canada, the United Kingdom and the European Union, aimed at financing DRR and climate change adaptation initiatives for vulnerable populations in the Region; and the two Micro Insurance Catastrophe Risk Organisation Funds (MICRO) which provide compensation for damage and losses resulting from natural disasters for (a) the agricultural sector in the Caribbean; and (b) microfinance institutions and microcredit borrowers in Haiti.

### **Capacity Building to Strengthen Good Governance**

2.29 Capacity building to strengthen good governance is an underlying foundation of the SDF 8 programme. In 2013, grants of \$1.1mn were approved for institutional strengthening and capacity building in three BMCs and for strengthening governance and effectiveness within CDB.

2.30 The framework for development planning and management in Antigua and Barbuda was strengthened in order to improve social and economic development planning in that BMC. An evaluation of the implementation of the Strategic Plan for Educational Enhancement and Development in Grenada was also undertaken which would guide further development of the education sector.

2.31 Dominica received assistance for a Core Welfare Indicators Questionnaire Survey and a Labour Force Survey aimed at enhancing the country's capability to use and analyse social and poverty data and to develop poverty maps.

2.32 The attendance of 26 participants at an "IDEAS Global Assembly and Policy Development Meeting" was financed by the Bank with the objective of strengthening monitoring and evaluation capacities in BMCs.

### **Financial Education Training for Caribbean Micro Entrepreneurs**

Traditionally in the Caribbean the problem of increasing the poor's access to financial services has been met with an increase in the supply of micro credit. However, it has emerged that the demand side of microfinance also needs to be considered, as client education can improve financial decision-making and well-being, and increase product uptake and usage. In this regard, CARIB-CAP II, a joint effort by the CDB, the Multilateral Investment Fund, the European Commission and Citi Foundation was launched on September 30, 2012 during the Caribbean Microfinance Forum IV in Bridgetown, Barbados.

The project aims to deliver financial literacy training to approximately 7,000 micro entrepreneurs spread across eight beneficiary countries - Belize, Dominica, Grenada, Guyana, Jamaica, St. Lucia, Suriname and Trinidad and Tobago. The technical cooperation programme provides individualised capacity-building training to microfinance institutions in the Region, building on the successes of CARIB-CAP I which focussed on new client outreach and improved financial performance.

In July 2013, a three-day Training-of-Trainers Workshop was held in Kingston, Jamaica to certify instructors for the CARIB-CAP II project. The workshop was an important precursor to the full roll-out of the training programmes under CARIB-CAP II which began in August 2013. The certified participants are responsible for conducting the micro entrepreneur training sessions using the financial education curriculum which was developed by Microfinance Opportunities. Four hundred and eleven (411) clients from 7 MFIs have received training in financial literacy. Further, 75 employees of participating micro finance institutions have also benefited from 3 regional seminars over the course of the project - *"Marketing Strategies for Outreach & Financial Performance"*, *"Microfinance awareness and oversight"* and *"Governance and Performance for MFIs and Credit Unions"*.

By December 31, 2013, 6,116 new clients had accessed microcredit against a project goal of 5,000 by March 31, 2014. There was a net increase in micro client outreach by participating MFIs of 71% compared to the goal of 50%, and 7 MFIs had increased their gross loan portfolio for micro loans by at least 15%.

2.33 A multi-cycle evaluation of SDF has been commissioned to assess its relevance, efficiency, effectiveness, sustainability and responsiveness as a mechanism for meeting the challenges facing BMCs and identify lessons to improve design and delivery of SDF programmes.

2.34 The Bank's governance framework was reviewed in order to improve transparency and accountability and strengthening overall Board and Management oversight; and a needs assessment was conducted for the Project Cycle Management and Public Policy Analysis and Management Training Programme which will guide the development of the proposed regional Project Cycle Management training programme. A revision of CDB's energy policy and strategy is also underway in order to improve the Bank's ability to respond to the needs of the BMCs in the energy sector.

### **HAITI**

2.35 The Bank continued to implement its programme in Haiti in collaboration with its other DPs, including the WB and Inter-American Development Bank. There was a stepping up of activity as the Bank's experience in working in Haiti increased. \$20mn was disbursed in 2013, compared with \$9.5mn in the previous year. The pace of implementation of all the ongoing projects, the Education for All project, the technical and vocational education and training project and both the urban and rural community-driven development projects, has increased significantly.

2.36 In 2013, financial resources totalling \$13.7mn or 30% of the \$46mn set aside in SDF 8 were committed. These interventions were focussed on improving access to education and training, the mitigation of losses from natural disasters and capacity building for MSMEs.

2.37 Additional resources (\$11.0mn) were committed, in conjunction with the WB, for the second phase of the Education for All programme. The expected outcome of the project is improved access to ECD and primary education for 79,000 poor children, aged 3 to 12. The project will provide for tuition waivers, student nutrition and health, pre-service and in-service teacher training, school textbooks, multi-

grade learning programmes, and activities to improve student literacy skills. Community-based activities for school building and teacher training will also be supported.

2.38 Funding of \$2.6mn was also given for protection from losses as a result of natural disasters through the annual premium payment to the CCRIF prior to the 2013 hurricane season.

#### **Multi-purpose Centre Supports Skills Training**

A new multipurpose centre has been officially inaugurated in the village of San Jose in the Orange Walk District, Belize. The project was implemented by the Belize Social Investment Fund and financed by the Government of Belize through a \$0.24mn loan from the CDB.

The San Jose multipurpose centre is a community-based project, which will address the skills training needs of the residents of San Jose Village and empower existing groups who lack the resources to collectively engage in income-generating activities. The approximately 2,533 residents of San Jose are primarily engaged in sugar cane farming and construction work. However, many youths are also employed as store attendants and cashiers at the Corozal Commercial Free Zone.

The 3,063 sq. ft. facility comprises of a kitchen, a training room for sewing equipped with 12 sewing machines (10 regular and 2 industrial), office spaces for the Water Board and the Village Council, a space for workshops, seminars and training sessions, and a sanitary block comprising of male and female bathrooms. Office furniture and kitchen equipment, inclusive of a stove, gas tank and refrigerator were provided. Planned training to be conducted at the centre include a ten-month training programme on sewing for the women's group, and small business management and computer training courses for over 36 persons.

2.39 As part of the Bank's continued support for private sector development in Haiti, CTCS facilitated the training of 13 Haitian nationals over a period of three weeks at the Crane Residential Resort in Barbados. The participants in this training initiative were employees of six leading hotels in Haiti who were trained in Food and Beverage Management, Front Desk Operations and Housekeeping Management. This group training was executed in collaboration with the Association Touristique d'Haïti. It formed part of a series of ongoing CTCS training activities related to hospitality services in support of Haiti's tourism sector, which the Government has identified for development to stimulate economic growth and development in Haiti.

2.40 The Bank has committed, to date, a total of \$86.0 mn from SDF 6 to SDF 8 for three capital and four additional grants; eight TA interventions; two emergency relief/response grants, one policy-based grant and one contribution to MICRO. By the end of 2013, a total of \$57.5mn of the \$86.0mn committed had been disbursed.

#### **BNTF**

2.41 The BNTF is the Bank's flagship targeted poverty reduction programme which directly addresses the needs of the poor and vulnerable in both rural and urban communities, in ten BMCs. The programme provides grant resources to improve access to basic infrastructure and services. It also seeks to increase the potential of persons in these communities for economic activity through skills training. There have been seven replenishments of BNTF. BNTF 6 is nearing completion while the BNTF 7 programme commenced in 2013.

2.42 By the end of 2013, 95.6% (\$24.2mn) of the BNTF 6 country allocations had been committed, compared with 88.5% at the end of 2012. Commitments for regional coordination amounted to \$3.5mn, compared with \$2.5mn in 2012, with 77% of these resources being disbursed.

2.43 The BNTF 6 allocations, approvals and disbursements by country for 2009 - 2013 are presented in Table 4. In excess of 94% of the allocations for seven countries (Belize, Dominica, Guyana, Jamaica, St. Lucia, St. Vincent and the Grenadines and the Turks and Caicos Islands) had been committed by the end of 2013. However, implementation in Grenada, Montserrat and St. Kitts and Nevis continued to lag. There was some progress in 2013 with commitments of 89%, 85%, and 74% of their allocations compared with 78%, 46% and 54%, respectively in 2012. Governance of the BNTF portfolio in these countries continued to be affected by staffing constraints, and in the case of Grenada, difficulties in financing of counterpart contributions, which slowed down programme implementation.

**TABLE 4: BNTF 6 ALLOCATIONS, APPROVALS AND DISBURSEMENTS 2009 - 2013**

	<b>Original Allocation</b>	<b>Approvals 2009-2013</b>	<b>Allocation Approved</b>	<b>Disbursements 2009-2013</b>	<b>*Rate of Disbursement</b>
<b>Item</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>%</b>
<i>Countries</i>					
Belize	3,005	2,911	96.9	2,029	69.7
Dominica	2,283	2,240	98.1	931	41.6
Grenada	1,770	1,571	88.8	949	60.4
Guyana	6,710	6,696	99.8	3,659	54.6
Jamaica	4,778	4,472	93.6	4,193	93.8
Montserrat	1,086	922	84.9	6	0.6
St. Kitts and Nevis	864	636	73.6	277	43.6
St. Lucia	2,732	2,662	97.5	1,561	58.6
St. Vincent and the Grenadines	1,780	1,780	100.0	1,291	72.5
Turks and Caicos Islands	317	317	100.0	226	71.3
<b>Sub-total</b>	<b>25,325</b>	<b>24,207</b>	<b>95.6</b>	<b>15,123</b>	<b>62.5</b>
Regional Coordination <sup>1/</sup>	6,675	3,462	<b>51.9</b>	2,670	77.1
<b>Total</b>	<b>32,000</b>	<b>27,668</b>	<b>86.5</b>	<b>17,792</b>	<b>64.3</b>

<sup>1/</sup> Regional Coordination includes programme support, coordination and administration

\* % of approved amounts disbursed

2.44 There was acceleration in programme implementation in 2013 with disbursements for BNTF 6 sub-projects being approximately \$15.1mn, or 62.5% of the country commitments, by the end of the year. This compares with \$9.9mn (44%) at the end of the previous year. However disbursements for four countries (Dominica, Guyana, Montserrat and St. Kitts and Nevis) were less than 60% by the end of 2013, arising in the main from human resource capacity constraints being experienced by these BMCs. Disbursement for programme support, coordination and administration was \$2.7mn compared with \$1.8 mn in 2012.

2.45 In 2013, approximately \$1.8mn was approved for 29 BNTF 6 sub-projects, bringing the total value of sub-projects approved under the programme to \$22.7mn. Approximately 90,000 persons in poor communities are expected to benefit from the sub-project interventions approved.

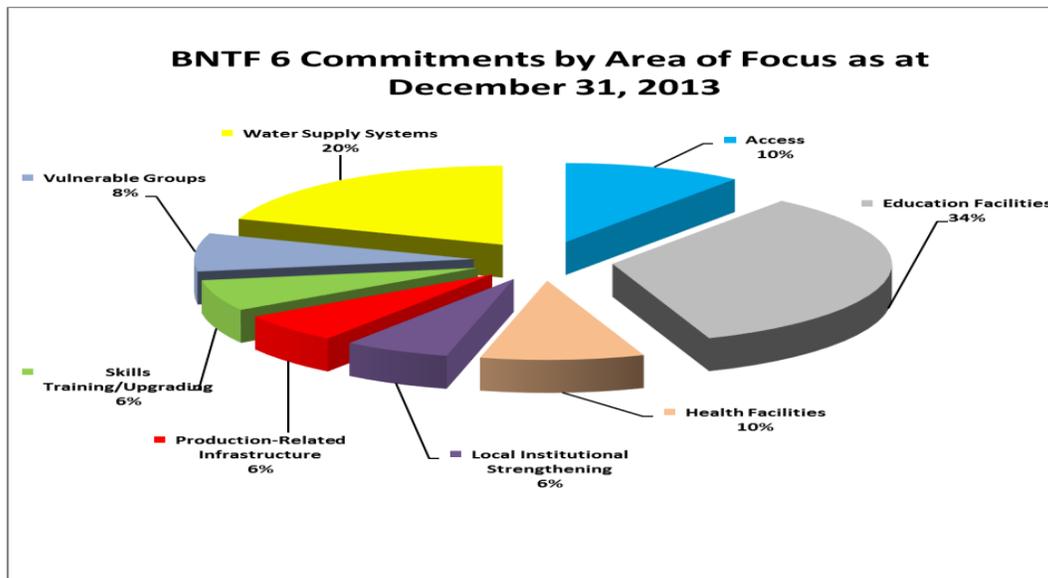
**Psycho-social Support for Poor Families**

CDB) is partnering with the Government of Jamaica to launch a new phase of the Community Investment Project (CIP)/ BRIDGE Project which is being implemented by the Jamaica Social Investment Fund (JSIF) at a total cost of **US\$0.26mn**

The CIP/BRIDGE Project seeks to equip families in poor communities with the tools and support needed to improve their financial position. Its overall aim is to provide psycho-social support for families on the Programme of Advancement Through Health and Education (PATH), by arming them with information and strategies to access a range of public and private social services. Focal areas include health, education, child protection, disaster preparedness and mitigation, skills training and civil registration. They will also benefit from 12 months of personalised attention from a JSIF social worker

Thirty families in the parishes of Trelawny, St. Thomas and Portland will be selected at random to participate in the new phase of the project. To be eligible for consideration, participating families in the CIP/BRIDGE Project must also be registered with the National Health Fund, the Jamaica Drugs for the Elderly Programme and the National Insurance Scheme’s NI Gold Plan. Additionally, children ages 6-18 must have an average school attendance rate of 85%. JSIF's Project Manager responsible for implementing the programme noted that while over USD151 mn to date has been spent on PATH as a social intervention; poverty reduction remains a major challenge in Jamaica.

2.46 The chart below shows the commitments during the period 2009-2013 of BNTF 6 sub-projects by areas of focus. The costs of coordinating the programme as well as technical services for country offices to implement their sub-projects are not included.



2.47 The education sector and skills training have continued to be the major areas of focus (40%) for the programme. Sub-projects in these areas have benefitted 24,537 persons, over the life of the programme, through skills training and the upgrade of nursery and primary schools and day care centres.

2.48 The water sector with its focus on improved access to potable water and sanitation is the second most important area (20%). Sub-projects have supported the installation or upgrade of water supply and sanitation systems and water management training in hinterland and remote communities - benefitting 33,821 persons.

<b>Education and Training for Young Men</b>
<p>With a severe backlog in the training for young men identified as a national problem, the <b>New Horizons Skills Training Centre</b> was upgraded under the BNTF 6 programme, in collaboration with JSIF, and the project sponsor - New Horizon Christian Outreach Ministry (NHCOM). The project is being implemented in partnership with the Human Employment and Resource Training Trust (HEART Trust NTA), which provides a variety of training options through a number of Technical and Vocational Education and Training centres that it operates.</p> <p>A 5,700 sq. ft. skills training centre has been constructed at a cost of \$0.3mn, inclusive of a 20% counterpart contribution from the Government of Jamaica and a 24% contribution from the community – primarily in property and related services. The facility includes internal and external training areas, a computer lab, library, classrooms and a sick bay.</p> <p>The project targets at-risk youth, with a strong emphasis on male youth. There are large concentrations of the unskilled youth in the community are males. Participants are provided with skills training to help them move up and out of the strong hold that many inner city communities have become. Thus the training centre boosts the skills, job prospects and life-chances of young men who reside in a high-crime environment.</p> <p>The school has an enrolment of 90 students who are pursuing both level one and level two HEART Certification programme in Welding, Electrical Installation and Fabrication. With the additional facilities and expanded programmes, training is being offered in the culinary arts, electrical installation, welding, plumbing, general construction/masonry, solar electric and heating technology, aquaponics, greenhouse operation as well as computer literacy training and remedial classes for under qualified residents. New Horizon helps the young men to improve their social skills, tracks their progress and provides ongoing guidance.</p>

2.49 Enhanced community social and economic infrastructure covering such areas as health facilities, access roads and production-related infrastructure account for a total of 26% of interventions. Sub-projects have benefitted 95,681 persons and were aimed at constructing or upgrading health-care facilities and markets. Secondary roads and footpaths have also been improved thereby reducing the risk to flooding; and increasing access to emergency services, farms and livelihood activities.

2.50 In excess of six hundred vulnerable persons, such as the aged and persons with disabilities, have enjoyed improved access to basic infrastructure and services by through specific interventions targeting those groups and representing 8% of the programme. This group is also the direct beneficiary of community infrastructure such as health and educational facilities.

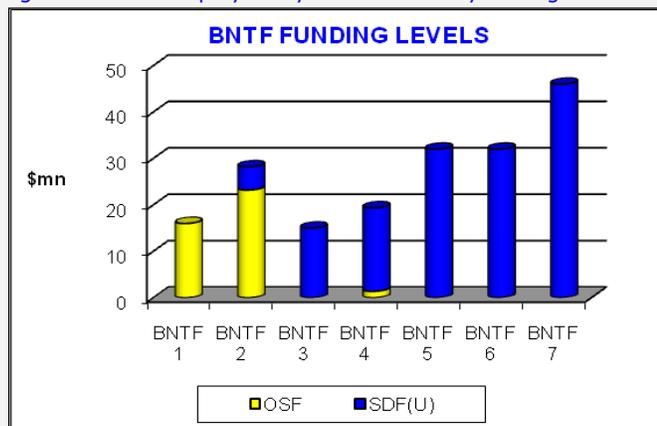
2.51 Six percent (6%) of sub-projects targeted institutional strengthening of community-based organisations to apply participatory approaches in decision-making, planning and monitoring of sub-projects.

## BNTF

The BNTF is one of the Bank's key instruments for addressing poverty reduction, through assisting poor and vulnerable communities to improve access to basic public services. The Programme provides grant funding for social and economic infrastructure, and skills training to enhance employability and community management.

BNTF finances and promotes sustainable interventions in low-income, vulnerable communities through subprojects designed to improve quality of life and access to basic services. It reinforces the Bank's commitment to reducing the impact of economic and social vulnerabilities while bolstering efforts at economic growth in BMCs.

BNTF began over 30 years ago as the Caribbean Education Development and Basic Human Needs/Employment Sector Programme targeted at improving living conditions in rural poor and indigenous communities. Since 1992, BNTF has been financed through SDF, with some level of counterpart funding from beneficiary governments. The programme has enjoyed an increasing share of SDF resources since BNTF 3, with \$32mn being committed for both BNTF 5 and BNTF 6, and \$46mn for BNTF 7. Using the Bank's resource allocation formula, BNTF funds are allocated to eligible countries which include Belize, Dominica, Grenada, Guyana, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands [Jamaica has been included from BNTF 6].



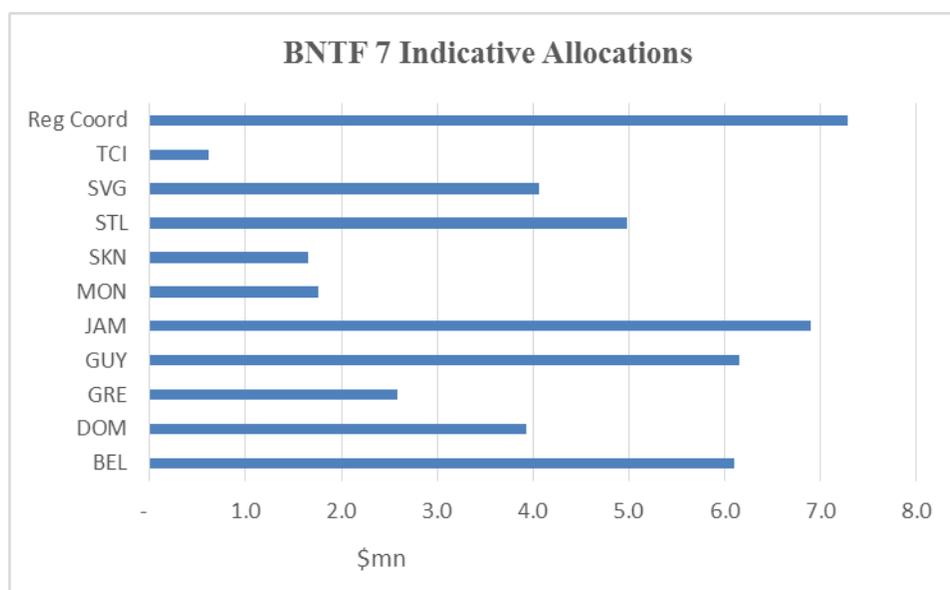
The success of the BNTF programme allowed CDB, in 2003, to leverage its comparative advantage and experience in executing community-based poverty programmes to catalyse additional resources. Canada contributed the equivalent of \$25mn to be administered under the BNTF 5 programme over a six-year period. In 2008, a further \$1.8mn was contributed by Canada to the programme to boost the resources allocated to Jamaica. These additional resources enabled the expansion of BNTF's coverage to include Jamaica, in addition to supplementary funds for existing beneficiaries.

The BNTF 6 programme, approved in July 2008, is nearing completion. It funded improvements in basic infrastructure and services; increased potential for economic activity through skills training; in addition to capacity building for BNTF country officers in the application of participatory approaches for planning and monitoring of subprojects. Thematic areas such as gender and environmental assessment and the integration of disaster mitigation measures are considered during the appraisal of infrastructure sub-projects.

BNTF 7 was approved in October 2012 for \$51.7mn (including counterpart contributions). It builds on lessons learned from previous cycles and focuses on three core sectors: education and human resource development; water and sanitation; and community access and drainage systems. An additional amount of \$10 was approved under SDF 8 to supplement the BNTF 7/8 programme.

2.52 The BNTF 7 programme, was approved by the BOD in October 2012 and implementation commenced in 2013. It builds on the lessons of earlier cycles and the recommendations of the BNTF 6 Mid-Term Evaluation and focuses primarily on three sectors: education and human resource development; water and sanitation systems; and community access and drainage systems. The chart below shows the allocation of BNTF 7 to the eligible BMCs. Approvals for 2013 amounted to \$1.6mn or 4.3% of the \$38.7mn earmarked for country sub-projects.

2.53 Under the BNTF 7 programme, the poverty reduction goals are closely aligned with national targets. This improves the strategic intent and direction of BNTF Country sub-projects. Poverty Reduction Action Plans and Country Project Portfolios match BNTF resources to poverty reduction priorities in specific sectors and other key areas, which contributes to a more streamlined appraisal and preparation process.



### Improving BNTF Programme Effectiveness

2.54 In 2013, BNTF delivered a series of capacity-building activities to develop needed institutional capacity especially in gender and to reinforce various aspects of the Programme. Some of the capacity strengthening initiatives undertaken (many of which were gender-related) are highlighted in the following paragraphs.

2.55 BNTF Community Liaison Officers, Project Managers and Chairs of Oversight Entities participated in gender training to enhance the gender analytical capacity for identification, analysis, monitoring, evaluation and reporting on gender as a cross-cutting theme within the portfolio of sectoral initiatives. Practical guidance notes and tools were disseminated and are being applied.

2.56 A five-day training course in participatory community development methods was conducted for in-country Community Liaison Officers, Community Development Officers and other partner representatives. The major objective of the training was to enhance skills among these key stakeholders in the BNTF programme in participatory methodologies toward improving the Community Needs and Assets Assessments tool. The workshop explored a wide range of participatory tools.

2.57 A regional training workshop on Gender Socialisation for ECD Practitioners was held for 44 public and private sector trainers and caregivers. This training is expected to result in the elimination of gender bias and the access of all children to learning and development.

2.58 A web-based BNTF sub-project monitoring and completion report system, was developed within a secured portal to protect data transfers and user interaction. The new system is expected to assist CDB management, staff and stakeholders in the identification, approval, supervision, monitoring, reporting, fund management, impact assessment and evaluation of projects and sub-projects being undertaken. The resulting efficiency gains will provide a basis for the improvement in the Bank's overall development effectiveness.

2.59 The BNTF programme has strengthened the capacity of its ten participating countries in results-based monitoring, procurement and risk management in 2013. Monitoring and Evaluation capacity building was conducted for BNTF project managers, partners, and project staff involved in the implementation and monitoring of the sub-projects. Procurement workshops were held and new risk assessment tools and requirements were introduced.

2.60 To document best practice in addressing strategic gender interests in BNTF, three sub-project interventions were identified as case studies and videos produced, namely: Women in Construction (St. Lucia, 2007); Forestry Training (Guyana, 2009); and Women and Water (Belize). The cases demonstrate BNTF gender specific and gender integrated activities and their development impact at the level of the individual beneficiaries as voiced by the individuals.

## CTCS

2.61 CTCS is one of CDB's primary initiatives to support the development and expansion of the Region's MSME sector. It strengthens the capacity of micro and small entrepreneurs by exposing them to modern techniques, procedures and processes in a variety of disciplines in addition to linking them with persons with business and technical experience.

<b>THE CTCS NETWORK</b>
<p>CTCS is a network operated in cooperation with regional and national institutions, laboratories, industrial enterprises and consultants to support the development and expansion of the Region's MSME sector. It contributes to the stimulation of entrepreneurship, while at the same time enhancing the competitiveness of the Region's productive sector through capacity building and skills transfer. Through a variety of TA interventions, it seeks to address key operational and managerial deficiencies and aims at enhancing the competitiveness of MSMEs in CDB's BMCs through improvements in technical know-how. It operates by linking people who have business and technical experience with businesses and enterprises that need consulting advice and assistance.</p> <p>The CTCS Network provides subsidised, Caribbean expertise to individuals, enterprises and organisations in BMCs, who would otherwise not be exposed to such technical expertise. The programme has close involvement with local financial institutions, small enterprise development agencies, national and community-based organisations and associations of industry and commerce in the Network, which brings the added benefit of institutional strengthening. In a rapidly changing economic and financial environment, the programme seeks to ensure that responses are timely, relevant and appropriate to the growing and diverse needs of a growing MSME sector.</p> <p>The services offered by CTCS are delivered through national and regional workshops, training attachments, direct TA, publications and on-line TA. Services include:</p> <ul style="list-style-type: none"> <li>• On-site assistance to resolve problems in production, accounting and overall organisation and management.</li> <li>• Project planning, appraisal and implementation; selection of machinery and equipment, and identification of suppliers; layout and production flow; staff training in all disciplines, and quality control applications.</li> <li>• Design and implementation of computerised systems and marketing activities.</li> <li>• Developing preventative maintenance programmes and general maintenance.</li> <li>• Supply of technical information from CDB and other regional and extra-regional databases.</li> </ul> <p>CTCS provides skills training in a variety of subject areas, including agro-processing and fisheries; food processing; wood and metal fabrication; textiles; packaging and labelling; building material, manufacturing equipment and machinery; energy production and conservation; hospitality services, accounting and computerisation; pottery, ceramics and craft manufacturing – such as basketry, bamboo and wicker craft, floral arrangement, cake decorating and garment design and construction.</p> <p>Over the years, CTCS has helped to develop and strengthen the technical and managerial skills of entrepreneurs in BMCs. Many beneficiaries of the training offered are proprietors of successful MSMEs across the Region. Female entrepreneurs represent approximately 70% of the CTCS Network of MSMEs; and many of them are micro agro-processors.</p>

2.62 Since 2012 in an effort to improve programme effectiveness, greater emphasis has been placed on conducting national workshops using local resource personnel and standardised training formats, protocols and delivery mechanisms. Single-person attachments have been replaced by group training attachments; and on-line training is available for previous CTCS clients who require additional follow-up assistance. More rigorous pre-assessment is also undertaken of requests for direct one-on-one TA.

2.63 Table 5 presents a distribution of CTCS activities over the period 2009-2013 and shows that the programme executed 31 TA activities in 2013, valued at \$1.1mn compared with 45 (\$1.2mn) in 2012. The reduction in activities arose because funding did not become available until March 2013 when the Resolution and Report of Contributors on SDF 8 was adopted. The 2013 programme reflects a continuation of the increased use of workshops, which target a larger number of participants in a single intervention. There were 25 national/regional workshops out of the 31 TA activities, compared with 36 workshops out of 45 activities in 2012. There also were fewer beneficiaries of CTCS interventions in 2013 with 609 beneficiaries, 62% of whom were female, compared with 1,339 (70% female) beneficiaries in 2012, arising from the lower numbers of workshops held.

**TABLE 5: CTCS PROGRAMME ACTIVITIES 2009-2013**

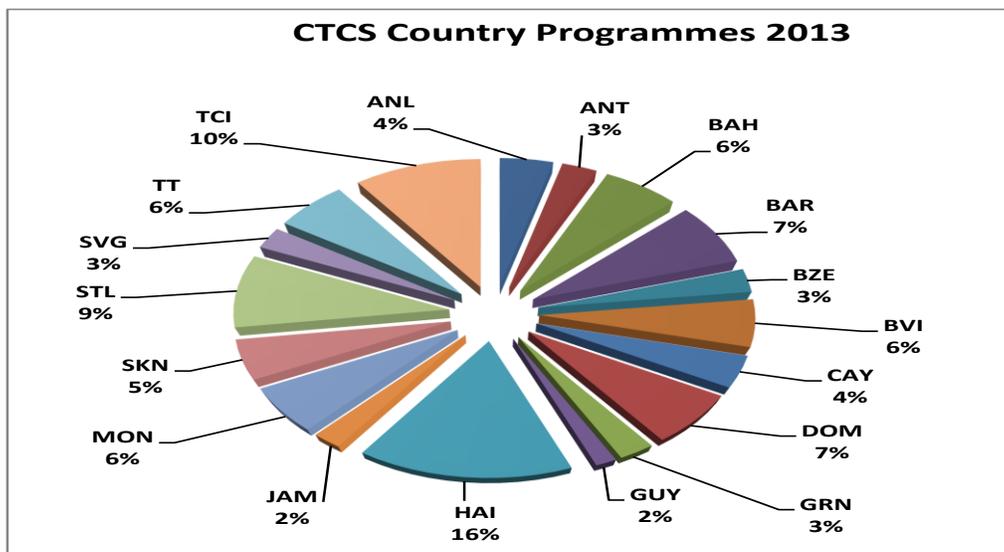
<b>Activities</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Regional workshops	2	3	2	3	3
National workshops	32	12	12	36	25
Direct TA interventions	34	25	24	4	2
Training attachments	17	15	0	2	1
<b>Total Activities</b>	<b>91</b>	<b>55</b>	<b>38</b>	<b>45</b>	<b>31</b>
<b>No of beneficiaries</b>	<b>945</b>	<b>826</b>	<b>828</b>	<b>1,339</b>	<b>609</b>
<b>Value \$ mn</b>	<b>1.0</b>	<b>0.8</b>	<b>0.5</b>	<b>1.2</b>	<b>1.1</b>

2.64 The declining trend in direct TA and training attachments continued in 2013 with two direct TA interventions and one training attachment, compared with four and two, respectively, in 2012. This shift emphasises the CTCS focus on more nationally sustainable activities which have the potential for maximum MSME impact.

**Skills Training in Food Preparation and Presentation**

CDB in collaboration with the Montserrat Tourist Board (MTB), conducted a two-week workshop to train 22 persons in Food Preparation and Presentation and Food and Beverage Services. This formed part of the efforts by MTB to address skills shortages within the food and beverage sub-sector in keeping with ongoing interventions to enhance Montserrat's tourism products and services under a Tourism Development Plan for the period 2012 – 2020. The Development Plan seeks to reposition Montserrat's tourism sector to serve as a major catalyst for sustainable and social development. The workshop was followed by on-site coaching to assist participants and managers of their respective enterprises to transfer the skills learnt in the workshop to the work environment.

2.65 There was a wider distribution of CTCS commitments in 2013, with all 18 BMCs benefitting from the initiatives compared with 17 BMCs in 2012. The distribution of approvals among the BMCs is presented in the diagram below. Five BMCs (Barbados, Dominica, Haiti, St. Lucia and the Turks and Caicos Islands) accounted for 49% of CTCS interventions in 2013, with Haiti receiving the largest share (16%) of the interventions. This compares with four BMCs (Barbados, Cayman Islands, Haiti, and St. Kitts and Nevis,) accounting for 45% of approvals in 2012.



2.66 CTCS hosted two EE/RE Sensitisation Seminars in Dominica and St. Lucia, in collaboration with these countries' development banks, for MSMEs seeking to implement EE/RE measures aimed at reducing the cost of energy in their operations. The Seminars were complemented by *walk-throughs* of the operations of 45 participating MSMEs to ascertain their initial EE/RE needs. The findings of those *walk-throughs* were compiled and presented to the two development banks as an indication of the potential demand for EE/RE loans. The findings also provided CDB with information to guide its intended approach regarding funding for the two development banks at concessionary rates for on-lending under an EE/RE pilot programme.

2.67 Forty-one resource persons drawn from CDB's 18 BMCs, who had experience in providing training in Market Development, participated in two five-day Sub-regional Train-the-Trainer Workshop Consultations on "**Marketing Techniques for Small Hotels**". The objective of the Train-the-Trainer Workshop Consultations was to devise a common approach for training and assisting small hotels to better market and promote their products and services. Arising from the Train-the-Trainer Workshop Consultations, a Participants' Guide (Publication) was developed to facilitate training of small hotel operators in seeking marketing assistance. In 2013, in collaboration with the tourism development agencies, workshops were conducted in 10 BMCs benefiting approximately 155 persons (117 females and 38 males) and 95 small hotels. Each workshop included follow up on-site coaching to assist participants in transferring knowledge and skills learned to the work place and to initiate the implementation of their marketing action plans developed during the workshop.

2.68 A Train-the-Trainer Workshop was conducted to prepare 38 female trainers, drawn from all the Bank's BMCs, to assist female MSME operators to develop clear pictorial and interactive fully computerised Excel models of their proposed and/or existing businesses. The concepts and tools used in the Train-the-Trainer Workshop training were developed, designed and tested by the CTCS Network over the course of several years to address various challenges encountered by CTCS clients.

## SDF PORTFOLIO ANALYSIS

2.69 The performance of the Bank's portfolio is reviewed annually using the Project Supervision Report information from the previous year as a basis for the assessment. This section provides a summary of the 2013 portfolio performance with details being presented in Appendix IV.

2.70 The performance and quality of the SDF portfolio is measured by a Project Implementation Performance Index (PPI), using a composite score derived from the application of the Project Performance Evaluation System (PPES). This composite score is an indicative measure of the likely impact of projects in terms of the Bank's development assistance objectives. It is the sum of the weighted scores of six core criteria: strategic relevance, poverty relevance, efficacy, cost efficiency, institutional development impact and sustainability. The PPES includes criteria relating to the scoring of project performance and changes in scores to identify projects "at risk". This is not a performance measure, but a "red flag" to draw attention to projects experiencing difficulties.

2.71 In 2013, the SDF project portfolio under implementation was comprised of 54 projects valued at \$338.1mn compared with 55 projects, valued at \$304.9mn in 2012. Even though the overall project performance rating of the portfolio remained at 5.8 (satisfactory) in 2013, some improvement was recorded. Twenty-six of the 54 projects (48%) were rated as highly satisfactory, compared with 22 of the 55 projects (40%) in 2012.

2.72 There was one project with a rating of marginally unsatisfactory in 2013, compared with three projects in 2012. This project had been "at Risk" since 2007 and the re-allocation of the undisbursed balance had been under discussion with the Bank. However, this is no longer being pursued and the project has been cancelled. Details are presented at Appendix IV.

2.73 The SDF portfolio analysis also assigns a *Country Portfolio Performance rating* and a *Sector Portfolio Performance rating*. Eleven BMCs had projects under implementation in 2013, compared with 12 BMCs in 2012. The country portfolio rating in 2013 was assessed as 5.8, the same rating achieved in 2012. Three countries were rated highly satisfactory in 2013 compared with five in 2012 and the ratings of eight BMCs were assessed as satisfactory in 2013 compared with seven in 2012. The rating of two BMCs declined to marginally satisfactory from satisfactory arising from two projects in each of those countries being categorised as "at risk".

2.74 The sector PPI remained stable with all sectors achieving a performance rating of satisfactory or highly satisfactory. Four sectors (education, environment and DRR, financial business and other services, transport and communications) accounted for approximately 69.0% of the portfolio. Three sectors (Transport and Communications, Urban Development and Energy) recorded increases in PPI scores, while there were decreases in five sectors (Agriculture and Rural Development; Education; Environment and DRR; Social Infrastructure and Services; and Water and Sanitation) resulting from projects within these sectors being classified as "at risk".

2.75 As at December 31, 2013, seven projects with an SDF component were classified as "at risk" (about 13.0 % of the SDF capital portfolio under implementation) compared with two projects (3.6% of the portfolio) at the end of 2012. The main issues affecting "at risk" projects include fiscal constraints, weak capacity of Executing Agencies and delays in procurement. CDB staff is working with the agencies involved to resolve the implementation delays and bottlenecks. Information on the projects listed as "at risk" in 2013 is presented in Appendix IV.

### 3. REPORTING ON SDF 8 RESULTS

3.01 A review of the Bank's MfDR Agenda, which was undertaken in 2012, identified areas that needed attention. An Action Plan for 2012-2014 was developed to strengthen the MfDR programme and address the areas of weakness identified in the review. As part of the implementation of the Action Plan, a Bank-wide MfDR training programme was conducted in 2013 to strengthen the awareness and skills of CDB staff in MfDR principles and approaches. In particular, the workshops were intended to build capacity for designing results frameworks and measuring and reporting on results. One hundred and ten management, professional, and administrative support staff from across the Bank were trained.

3.02 The SDF 8 RMF, comprising four results levels, is used to monitor and report on the performance of the current programme. Level 1 indicators monitor the progress made by BMCs towards selected CMDG targets and development outcomes, Level 2 indicators measure the Bank's contribution to country outcomes through outputs delivered in key areas such as education, social and economic infrastructure, and water and sanitation among others. At Level 3, institutional and operational indicators measure improvements to the Bank's efficiency and effectiveness and progress in relation to the Paris Declaration and the Accra Agenda for Action is covered at Level 4.

3.03 Since 2011, CDB has prepared an annual Development Effectiveness Review. It assesses the Bank's performance in meeting the targets set out in its RMF and provides insights into how CDB contributes to the sustainable development of its BMCs. Based on this assessment, the Review identifies the main challenges CDB faces and proposes measures to mitigate or resolve them. It also provides key information that can facilitate discussion between Management and the Board about performance, and the need for strategic adjustments in the Bank's operations. The third annual Development Effectiveness Review (2013) on the corporate performance of the Bank will be considered by CDB's BOD in May 2014.

3.04 The following tables present the status of indicators as of December 31, 2013 for the four results levels in the approved SDF framework. The indicators contained in the tables are consistent with those of the Development Effectiveness Review (DER). However the results information presented in the DER is cumulative, covering the period 2010 to 2013, while this report deals only with the achievements for 2013. Since much of the Bank's resources are blended (OCR/SDF), the information contained in the tables relates to the Bank as a whole. Efforts are being made to disaggregate the underlying data for selected indicators to enable reporting in the future on those indicators for SDF only.

#### **Level 1: Regional progress towards selected CMDG targets and development outcomes**

3.05 Level 1 measures regional progress in relation to poverty and human development, environmental sustainability and climate change and RCI. Poverty indicators are updated by recently completed Country Poverty Assessments (CPAs) and the figures are weighted by population size for all BMCs, including Haiti. The 2013 figures reflect the latest poverty data for Turks and Caicos Islands. Despite the national poverty and indigence rates for Turks and Caicos Islands showing declines (from 26% in 1999 to 22% in 2012 for the poverty rate, and from 3.2% in 1999 to 0% in 2012 for the indigence rate), these decreases were insufficient to change the aggregate picture of poverty for BMCs as a whole, which remained at 54% and 32.6% for poverty and indigence, respectively. It should be noted, however, that many of the CPA's are outdated and thus do not reflect the current state of poverty in the BMCs, particularly the impact of the recession since 2009.

3.06 The indicators relating to enrolment in primary education, while being below the baseline values, have recorded an improvement in the latest year for which data is available (2012) compared with 2011. The indicators for enrolment in secondary school are currently above the targets set for both male and female enrolment, although the average hides variation between BMCs.

**RMF LEVEL 1:  
REGIONAL PROGRESS TOWARDS SELECTED CMDG TARGETS AND DEVELOPMENT OUTCOMES**

Indicators	Baseline Year	Baseline Value	Target (2015)	Status as of December 2013
<b>Poverty and Human Development</b>				
1. Proportion of population below the poverty line (%):	2006	54.0	27.0	54.0
2. Proportion of population below the indigence line (%):	2006	35.0	17.5	32.6
3. Net enrolment in primary education (%).				
- Female	2006	94.0	95.0	91.0
- Male	2006	94.0	95.0	90.0
4. Net enrolment in secondary education (%)				
- Female	2006	73.0	80.0	87.0
- Male	2006	68.0	77.0	83.0
<b>Environmental Sustainability and Climate Change</b>				
5. Proportion of population with access to a water source (%)				
- urban	2009	96.0	94.0	96.9
- rural	2009	86.0	92.5	91.0
6. Proportion of population with access to improved sanitation (%)				
- urban	2009	86.0	88.0	86.4
- rural	2009	84.0	86.5	82.4
7. Reported environmental damage and loss from natural hazard events (% of GDP)	2005-2007	9.0	Reduction	8.6
8. Ratio of area protected to maintain biological diversity to surface area (%)	2009	3.5	Maintain or increase	4.2
9. Proportion of land area covered by forest to total land area (%)	2009	36.0	Maintain or increase	46.4
<b>GDP per capita</b>				
10. GDP per capita (constant prices):				
Group 1 BMCs	2009	24,307	26,120	22,721
Group 2 BMCs	2009	5,554	6,123	6,262
Group 3 BMCs	2009	423	530	438
<b>RCI</b>				
11. Intra-regional trade as a percentage of total regional trade	2006	14.0	20.0	13.0
12. Direct Investment of MDCs in LDCs (\$mn)	Avg. 1999-2003	20.0	30.0	20.8

3.07 In the area of Environmental Sustainability and Climate Change, the indicators relating to the proportion of the population with access to a water source and to sanitation showed that differences between urban and rural areas persist. The targets for the urban areas are either being met or surpassed while the ones relating to the rural areas are progressing more slowly and need stronger effort to achieve the targets by 2015. The Bank has recently completed a Water and Sanitation Sector Study, which has established a baseline of the needs in BMCs and identified opportunities to achieve the MDGs and build climate change resilience in the sector.

## Level 2: CDB/SDF Contributions to Country and Regional Outcomes

3.08 Level 2 indicators measure the Bank's and SDF's contribution to country outcomes through outputs delivered in key operational areas, such as education and training, agriculture and rural development, social and economic infrastructure, and water and sanitation. The programmed outputs for 2013-2016 reflect those which are expected to be delivered during the SDF 8 period, based on projects approved in earlier SDF cycles. The results reported for 2013 represent outputs which were delivered from projects completed in the first year of SDF 8.

3.09 The indicators for education and training measure the Bank's contribution to improving access to and quality of education in BMCs. In 2013, 149 classrooms have been built or upgraded and 1,148 teachers at primary and secondary levels have been trained. Almost 56,000 students benefitted from CDB-supported outputs in 2013, including improved classroom facilities, enhanced teacher competence and student loans, of which 22,000 beneficiaries were in Haiti.

3.10 The outputs recorded for agriculture and rural development in 2013 reflect the outputs generated by the Community Development project in Haiti, and the beneficiaries of rural credit in Jamaica. Over 700 hectares of land was improved through drainage, flood and irrigation works, and 1,300 stakeholders were trained in improved production technology.

3.11 The indicators for social and economic infrastructure measure the Bank's support for enabling inclusive and sustainable growth. In 2013, 233 kilometres of primary, secondary and other roads were built or upgraded, in Belize, Dominica, Guyana, Haiti, St Kitts and St Vincent/Grenadines. It is estimated that 280,000 people, just under half of the expected target, will benefit from these interventions. A large contribution to the target was made from the Haiti programme.

3.12 Outputs from the BNTF and the community-driven project in Haiti also contributed to the indicators with respect to community infrastructure and the beneficiaries of those interventions. Over 290,000 persons benefitted from 79 new and improved community buildings, including health and community centres, libraries, schools and public toilets.

3.13 Outputs relating to water and sanitation in 2013 reflect those delivered mainly by BNTF sub-projects and a water project in Belize. Almost 94 kilometres of water pipelines were installed or upgraded in rural areas in 2013.

### RMF LEVEL 2:

#### CDB's CONTRIBUTIONS TO COUNTRY AND REGIONAL OUTCOMES THROUGH OUTPUTS

Indicators	Achievements	Programmed Achievements	Actual Achievements
	2009 -2012	2013-2016	2013
<b>Education and Training (at all levels)</b>			
1. Primary and secondary classrooms built or upgraded according to minimum standards (number)	730	765	149
2. Teachers trained/certified in primary and secondary education (number)	3,990	8,500	1,148
3. Students benefiting from improved physical classroom conditions, enhanced teacher competence and access to student loan financing (number)	163,600	237,635	55,932
4. Percentage of secondary school graduates achieving five CXC General Proficiency passes excluding Mathematics and English by sex:			
- Male	28.4	32.0	33.2
- Female	30.9	34.0	36.8

Indicators	Achievements	Programmed Achievements	Actual Achievements
	2009 -2012	2013-2016	2013
5. Proportion of students starting from Form 1 who reach Form 5 (Survival Rate) by sex (%):			
- Male	76.5	82.0	82.3
- Female	80.4	88.0	90.0
6. Percentage of students completing at least one Level 1 course in Technical and Vocational Education and Training by sex:			
- Male	45.3	52.0	66.5
- Female	40.0	48.0	73.3
<b>Agriculture and Rural Development</b>			
7. Land irrigated or improved through drainage, flood and irrigation works (hectares)	4,750	4,800	741
8. Stakeholders trained in improved production technology (number)	702	5,390	1,300
9. Beneficiaries of rural enterprise credit programmes (number)	500	600	79
- Male	n.s	420	58
- Female	n.s	180	21
<b>Social and Economic Infrastructure</b>			
10. Primary, secondary and other roads built or upgraded (km)	2,020	196.2	233
11. Beneficiaries of road projects (number)	259,000	569,980	282,025
- Male	n.s	284,990	141,892
- Female	n.s	284,990	140,133
12. Sea Defences/ Landslip Protection/ Urban Drainage (km)	18.1	24.6	14.7
13. Community infrastructure built/upgraded (number)	522	14	79
14. Beneficiaries of community infrastructure interventions (number)	158,000	22,550	297,590
- Male	n.s	12,180	150,595
- Female	n.s	10,370	146,995
15. Installed energy generation capacity (megawatts)	0	3	0
<b>Private Sector Development</b>			
16. Business climate and competitiveness enhancement projects implemented (Number) <sup>2</sup>	n.s.	8	3
17. Beneficiaries of MSME credit and mortgage programmes by sex (number)	246	260	227
- Male	n.s	203	165
- Female	n.s	57	46
18. Beneficiaries of interventions targeted at MSMEs through CTCS and other TA modalities by sex (Number)			
- Male	3,516	3,840	230
- Female	4,395	4,800	379
<b>Water and Sanitation</b>			
19. Water supply lines installed or upgraded (km)			
- All	247	89	93.8
- Urban	n.s	44	0
- Rural	n.s	45	93.8
20. Households with access to sanitation and water supply (number)	23,500	20,280	3,890
- Urban	n.s	5,070	0

<sup>2</sup> Revised indicator replacing private sector development frameworks developed and implemented and business climate regulatory or policy reforms adopted.

Indicators	Achievements	Programmed Achievements	Actual Achievements
	2009 -2012	2013-2016	2013
- Rural	n.s.	15,210	3,890
<b>Environmental Sustainability, DRM and Climate Change</b>			
21. Communities with improved capacity to address Climate change and DRM (number)	22	25	4
22. National/sector policies/strategies/legal frameworks developed or implemented to improve capacity for climate resilient conservation, rehabilitation, or sustainable management (number)	n.s	5	1
23. Energy savings resulting from RE/EE interventions (Megawatt hours) <sup>3</sup>	n.s	5	0
24. Renewable energy capacity installed (Megawatt) <sup>4</sup>	n.s	2	0
<b>RPGs</b>			
25. Legal, regulatory and policy reforms adopted to improve regional cooperation and integration (number)	n.s	3	0
26. Share of intra-regional sea trade from OECS and other disadvantaged countries (Belize and Guyana) of total intra-regional sea trade	n.s	n.s	n.s
<b>Capacity Development</b>			
27. Public financial management reforms adopted (Number)	n.s	4	3
28. BMCs with increased capacity to undertake public sector investment programmes (Number)	n.s	19	3
<b>Citizen Security</b>			
29. National security policies and strategies developed or implemented (Number)	0	2	0
30. Beneficiaries receiving support from citizen security interventions (number)	n.s	3,000	196
- Male	n.s	2,400	157
- Female	n.s	600	29
<b>Social Protection</b>			
31. Social assistance programmes with improved targeting developed and successfully implemented (Number)	0	4	0
32. Social protection policy frameworks developed and successfully implemented (Number)	0	4	0

n.s is "not stated"

3.14 The indicators relating to private sector development have been revised slightly to reflect ongoing support the Bank provides in enhancing the business enabling environment. A new indicator is included to monitor progress with initiatives aimed at improving business competitiveness in BMCs. In 2013, three projects were implemented in Antigua/Barbuda, Dominica and regionally.

3.15 There were over 220 beneficiaries of MSME credit and mortgage programmes in 2013, of whom 73% were male clients and 20% were female. Sixty-two percent of the 600 beneficiaries receiving support from CTCS or TA in 2013 were women clients.

<sup>3</sup> Revised indicator replacing EE reforms adopted.

<sup>4</sup> Revised indicator replacing energy produced through RE technologies.

### **Level 3: Operational/Organisational Effectiveness**

3.16 Level 3 indicators monitor operational and organisational effectiveness focussing on six areas: operational quality and portfolio performance, resource allocation and mobilisation, strategic focus, capacity utilisation, use of administrative budget resources, and business processes and practices. The Report on the Annual Review of Project Portfolio Performance is used to measure performance for some of the indicators in this area. The table below shows the performance in the first year of the SDF 8.

3.17 In terms of operational effectiveness, the portfolio performance rating improved in 2013 to 98%, after experiencing a drop in 2012. This is currently at the target set for 2016 of 98%. There was also an improvement in the percentage of projects completed in the past two years with Project Completion Reports (PCRs), which approached the target of 100% with 93% completed.

3.18 The trend in the indicators concerning Resource Allocation and Utilisation is showing improvement. The percentage of concessional resources allocated according to the performance-based system was 58% in 2013 compared with a target of 61%, and the disbursement efficiency rate was 79% in 2013 compared with a target of 89%. The pick-up in performance of the disbursement efficiency rate in 2013 is due to improved timeliness of project start-ups, implementation and disbursement performance.

3.19 The indicators that measure strategic focus have generally made a positive start towards their targets, with the exception of the indicators on new or updated National Poverty Reduction Strategies (NPRS) for BMCs, which depend on the updating of poverty data, and the proportion of financing supporting RCI. These indicators will need to improve significantly over the period if they are to attain their targets.

3.20 Similarly, indicators on capacity utilisation and gender equality have also made a positive start. The percentage of budgeted staff in the Operations Area increased to 44% in 2013, from 43% in 2012. The ratio of professional staff to support staff also increased in 2013 as staff joined areas in risk management, internal audit, compliance and projects, and some staff also exited. The outturn in respect of the indicator of gender equality is consistent with the established target. The Bank will be conducting a client satisfaction survey, which will include a staff perception survey in order to gauge the views of the primary stakeholders about the quality of its services.

3.21 The average time from loan approval to first disbursement in public sector operations (9.1 months), and the average loan processing time in public sector operations (3.2 months) were ahead of the targets set of 12 months and 4 months, respectively. The latest figures for use of administrative budget resources are above the targets set, and will require greater efforts at cost control while measures to improve the volume of loan approvals and disbursements are implemented.

**RMF LEVEL 3: OPERATIONAL/ORGANISATIONAL EFFECTIVENESS**

Indicators	Baseline Year	Baseline Value	Target (2016)	Status as of December 2013
<b>Operational Quality and Portfolio Performance</b>				
1. Portfolio performance rating for implementation (% satisfactory)	2009	98	98	98
2. Percentage of projects completed in past two years with Project Completion Reports	2010	25	100	93
3. Percentage of projects with supervision reports on Project Portfolio Management System	2009	89	100	100
<b>Resource Allocation and Utilisation</b>				
4. Percentage of concessional resources allocated according to performance-based allocation system	2009	40	61	58
5. Disbursement efficiency rate (without PBLs) <sup>2</sup>	2009	89	89	79
<b>Strategic Focus</b>				
6. Proportion of financing directed to less developed BMCs (%) 3 year average	2009-11	73	60	57
7. Approved country strategies in use with results framework (Number)	2009	6	18	15
8. New or updated NPRSs for BMCs in past five years (Number)	2009	2	13	6
9. Proportion of financing supporting environmental sustainability and climate change (%).	2009	1.1	10-15	19.7
10. Proportion of financing supporting regional cooperation and development (%).	2009	5.2	6-8	1.2
<b>Capacity Utilisation and Gender Equality</b>				
11. Percentage of budgeted Bank professional staff in operations departments.	2009	51.3	60	44
12. Ratio of professional staff to support staff	2009	1.26:1	1.35:1	1.26:1
13. Representation of women in management positions.	2009	45	50	53
14. Vacancy Rate at Management and Professional Level	2009	14	4	25
15. Client Satisfaction Survey Index	2009	n.s	n.s	n.s
<b>Use of Administrative Budget Resources</b>				
16. Administrative expenses per \$mn of project approvals (3 year average) \$000's.	2007-2009	92	Reduction	15.9
17. Administrative expenses per \$mn of project disbursements (3 year average)\$000's	2007-2009	12.7	Reduction	16.7
<b>Business Processes and Practices</b>				
18. Average time from loan approval to first disbursement in public sector operations (months).	2009	17	12	9.1
19. Average loan processing time (months from appraisal mission to project approval) in public sector operations.	2009	5	4	3.2

n.s is "not stated"

<sup>2</sup> Disbursements for the year expressed as a percentage of planned disbursements for the year for projects under implementation.

#### Level 4: Partnership, Harmonisation and Alignment

3.22 Level 4 indicators monitor key elements in the Paris Declaration and Accra Agenda for Action including measures to strengthen country capacities and ownership of the development agenda, alignment with country priorities and systems, and use of common arrangements and procedures in partnership with other agencies.

##### RMF LEVEL 4: PARTNERSHIP, HARMONISATION AND ALIGNMENT

Indicators	Baseline Year	Baseline Value	Target (2016)	Status as of December 2013
<b>Ownership</b>				
1. Number of BMCs with national development strategies, PRSs and CPAs	2009	15	18	15
<b>Harmonisation</b>				
2. Percentage of CDB country strategies with explicit consideration of other agencies' programming.	2009	100	100	100
3. Percentage of financing using common arrangements or procedures <sup>5</sup> .	2009	26	35	59
<b>Alignment</b>				
4. Percentage of capacity development support provided through coordinated programmes.	2009	32	45	n.s
5. Percentage of financial support using BMC procurement systems that either (a) adhere to broadly accepted good practices, or (b) have a reform programme in place to achieve these.	2009	25	35	n.s
<b>Partnerships</b>				
6. Proportion of CSPs, other development partner missions and project financing conducted jointly with at least one other development partner (% annually)	2008	14	25	100

n.s is "not stated"

3.23 In the areas of ownership, harmonisation and alignment, the Bank continues to seek opportunities for partnership and coordination with BMCs and other DPs. The Bank participates in joint monitoring missions in order to identify areas where it has a comparative advantage and maximise synergies with ongoing development assistance efforts.

<sup>5</sup> Indicator revised to align with Paris Declaration on Aid Effectiveness definition of harmonised approaches

## 4. FINANCIAL RESOURCES AND PROGRAMME LEVELS

### SDF 8 PROGRAMME LEVEL

4.01 The programme level approved for SDF 8 is \$348mn, to be financed from internally generated resources of \$100mn; agreed new contributions of \$212.7mn; an allocation of \$18mn from the net income of the Bank's OCR; and an unallocated structural gap of \$17.3mn. The structural gap is expected to be filled by new and additional contributions. Further details on the SDF 8 approved programme level are presented in Appendix II. As shown in Table 6, the base funding and minimum programming level, exclusive of the structural gap, is projected in the Contributors' Report at \$330.7mn.

**TABLE 6: SDF 8 PROGRAMME LEVEL**  
((\$mn))

Item	Per Contributors' Report	Projected Position as at December, 31 2016	Difference
Commitment Authority at beginning of cycle	7.0	3.3*	(3.7)
Internally generated resources	93.0	103.5	10.5
Allocation from OCR Net Income	18.0	18.0	-
New Contributions	212.7	212.7	-
<b>Base Programme Level</b>	<b>330.7</b>	<b>337.5</b>	<b>6.8</b>
Structural Gap	17.3	10.5	6.8
<b>Overall Programme Level</b>	<b>348.0</b>	<b>348.0</b>	

\*Actual balance at January 1, 2013

4.02 The residual funds brought forward from SDF 7 amounted to \$3.3mn or \$3.7mn less than anticipated by the SDF 8 Contributors' Report. This short fall is offset by the higher level of internally generated funds currently being projected to the end of the cycle in 2016. As a result, the base programme level is projected to increase to \$337.5mn and the structural gap to reduce to \$10.5mn, (refer to Table 6). However, no adjustments will be made to the funds available for commitment until these projections are actually materialised.

### COMMITMENT AUTHORITY

4.03 Table 7 shows the actual and projected commitment authority and the use of those resources for 2013-2016, along with a comparison for SDF 7. At the end of 2013, funds available for commitment, comprising new contributions net income and repayments, amounted to \$78.1mn. Resources utilised amounted to \$48mn or 61% of these funds and the available commitment authority at the end of 2013 was \$30.1mn (see Table 7). It is currently projected that a balance of \$6.8mn will be carried over to the next cycle. Further details are given in Appendix V.

**TABLE 7: SDF 8 PROJECTED COMMITMENT AUTHORITY AND USE OF FUNDS**

(\$mn)

Item	Actual	Projected				Total
	SDF 7	Actual 2013	2014	2015	2016	
Commitment authority (beginning of period)	19.5	3.3	30.1	30.9	7.7	3.3
Net income	6.3	(1.8)	1.4	1.6	1.7	2.9
Repayments	68.6	22.3	23.9	26.7	27.7	100.6
New contributions	233.4	54.3	53.0	53.0	52.4	212.7
Allocation from OCR net income	15.0	-	-	-	18.0	18.0
<b>Funds available for commitment</b>	<b>342.8</b>	<b>78.1</b>	<b>108.4</b>	<b>112.2</b>	<b>107.5</b>	<b>337.5</b>
Approvals for SDF loans (Net) *	211.0	30.0	53.0	65.0	82.7	230.7
Approvals for SDF grants (Net)*	128.5	18.0	24.5	39.5	18.0	100.0
Commitment authority at end of period	3.3	30.1	30.9	7.7	6.8	6.8

\* Net of cancellations

**ALLOCATION AND UTILISATION OF RESOURCES**

4.04 The approved programme for SDF 8 is \$348mn comprising \$208mn for loans to eligible countries, \$30mn for rehabilitation and reconstruction lending, \$100mn in grant set asides and \$10mn for loans to Suriname, the Bank's newest member. Table 8 - *SDF 7 Allocation and Utilisation of Resources* - shows the indicative allocations for country loans and set asides at January 2013, along with the actual commitments during 2013. The approved RAS was used to allocate loans to eligible BMCs. However, only \$172.7mn for country loans has been allocated in recognition that there is a structural gap of \$17.3mn and that the OCR allocation of \$18mn is not yet available for commitment.

4.05 Total approvals of \$48mn in 2013 (\$30mn in loans and \$18mn in grants) represented 15% of the available committable resources (\$312.7mn). Of the \$30mn in loan commitments, \$28.5mn related to loans for three of the nine eligible countries and two emergency response loans totalling \$1.5mn.

4.06 Within the indicative country allocations, loans to Guyana, St. Lucia and St. Vincent and the Grenadines accounted for 59.4% of the \$48 mn in total commitments, and 16% of the \$172.7mn in resources allocated. The loans approved represent 55%, 18% and 20% of the indicative allocation for Guyana, St. Lucia and St. Vincent and the Grenadines, respectively, with the respective remaining balances being \$17.9mn, \$14.7mn and \$12.6mn.

4.07 The grant resources were set aside to provide additional resources for the BNTF, CTCS and Haiti programmes; and support TA for capacity-building, agriculture, RPGs, environmental sustainability and citizen security. Funding is also available for immediate response to disasters.

4.08 Grants approvals of \$18mn represented 18% of the grant set-asides and 6% of the overall committable resources. Grants to Haiti amounting to \$13.6mn accounted for 76% of grant approvals and 33% of the amount set aside for the Haiti programme.

4.09 Demand continued for capacity-building TA to strengthen public sector institutions and agencies and improve governance systems in the BMCs. \$1.9mn was approved for these interventions, representing 11% of grant approvals and 16% of the TA set aside. This demand is expected to strengthen as SDF 8 progresses.

4.10 Among the other grant set asides, the CTCS programme utilised \$1.1mn, 22% of its set aside and 6% of total grant approvals. TA approvals for agriculture, citizen security, regional integration and RPGs and environmental sustainability and climate change accounted for a total of 2.9% of approvals. The allocation of resources for the BNTF programme to eligible BMCs will be undertaken during 2014.

**TABLE 8: SDF 8 ALLOCATION AND UTILISATION OF RESOURCES**

Item	Indicative Allocations at January 2013		Approvals 2013		Balance Available
	\$mn	%	\$mn	%	\$mn
<b>Loans:</b>					
<b>Indicative Country Allocations</b>					
<i>(Group 1)</i>					
Anguilla	-	-	-	-	-
Antigua and Barbuda	-	-	-	-	-
Bahamas, The	-	-	-	-	-
Barbados	-	-	-	-	-
British Virgin Islands	-	-	-	-	-
Cayman Islands	-	-	-	-	-
Trinidad and Tobago	-	-	-	-	-
Turks and Caicos Islands	-	-	-	-	-
<i>(Group 2)</i>					
Belize	22.6	7.2	-	-	22.6
Dominica	15.0	4.8	-	-	15.0
Grenada	14.7	4.7	-	-	14.7
Guyana	39.9	12.8	22.1	46.1	17.9
Jamaica	33.8	10.8	-	-	33.8
Montserrat	7.0	2.2	-	-	7.0
St. Kitts and Nevis	5.9	1.9	-	-	5.9
St. Lucia	18.0	5.8	3.3	6.9	14.7
St. Vincent and the Grenadines	15.7	5.0	3.1	6.4	12.6
<b>Sub-total Country Allocations</b>	<b>172.7</b>	<b>55.2</b>	<b>28.5</b>	<b>59.4</b>	<b>144.2</b>
<b>Other Lending:</b>					
Natural Disaster Mitigation/ Rehab.	30.0	9.6	1.5	3.1	28.5
New BMC (Suriname)	10.0	3.2	-	-	10.0
<b>Total Loans</b>	<b>212.7</b>	<b>68.0</b>	<b>30.0</b>	<b>62.5</b>	<b>182.7</b>
<b>Grants:</b>					
Haiti	46.0	14.7	13.6	28.3	32.4
Immediate Disaster Response	5.0	1.6	0.6	1.3	4.4
Regional Integration and RPGs	10.0	3.2	0.5	1.0	9.5
Citizen Security	4.0	1.6	0.1	0.2	3.9
Environ. Sustain. & Climate Change	5.0	1.3	0.2	0.4	4.8
BNTF	10.0	3.2	-	-	10.0
CTCS	5.0	1.6	1.1	2.3	3.9
TA - Capacity Building	12.0	3.8	1.3	2.7	10.7
TA - Agriculture	3.0	1.0	0.6	1.3	2.4
<b>Total Grants</b>	<b>100.0</b>	<b>32.0</b>	<b>18.0</b>	<b>37.5</b>	<b>82.0</b>
<b>Total Resources Available</b>	<b>312.7</b>	<b>100</b>	<b>48.0</b>	<b>100</b>	<b>264.7</b>
OCR Allocation	18.0				
Structural Gap	17.3				
<b>Approved Programme Level</b>	<b>348.0</b>				

## 5. FINANCIAL PERFORMANCE AND PROJECTIONS

### FINANCIAL RESULTS

5.01 A summary of the SDF (U) financial results over the period 2009–2013 is presented in Table 9, with details set out in Appendices VI-1 and VI-2.

**TABLE 9: SUMMARY OF FINANCIAL RESULTS, 2009–2013**  
(\$ mn)

<b>Item</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Loans Outstanding (Net)	412.9	431.0	448.5	463.5	503.5
Undisbursed balances (including loans not yet effective)	161.8	171.6	211.0	237.0	201.2
Cash and Investments	246.1	260.3	274.4	286.5	278.3
Loan Income	9.1	9.5	10.1	10.4	11.6
Investment Income	5.1	2.8	3.4	3.5	0.5
Administrative Expenses	11.1	11.6	12.3	14.0	13.7
Net Income *	2.8	2.7	0.9	(0.1)	(1.8)
Yield on Av. Cash and Investments (%)	2.1	1.1	1.3	1.2	0.2

\* After foreign exchange adjustments

5.02 At December 31, 2013, loans outstanding had increased by \$40mn, or 8.6%, to \$503.5mn, up from \$463.5mn at the end of 2012. This compares favourably with a 3% increase in the portfolio in 2012 over 2011. The high level of disbursements in 2013, attributable largely to the funding for exceptional assistance to St. Kitts of \$19mn, contributed to the growth in the portfolio. The undisbursed loan balances were also impacted by this improvement in disbursement performance, with balances declining from \$237 mn at the end of 2012 to \$201.2 mn in 2013. Cash and investments decreased from \$286.5 mn at the end of 2012 to \$278.3 mn in 2013, as disbursements for loans, grants and administrative expenses exceeded cash receipts from loan repayments and contributions to the fund.

5.03 For the second successive year, the Fund recorded a loss - \$1.8mn in 2013 after the loss of \$0.1mn in the previous year. Low investment yields in 2013 resulted in a reduction in investment income to \$0.5mn from \$3.5mn in 2012. The average yield on investments declined from 1.2% in 2012 to 0.2% as unfavourable market conditions prevailed. Loan income, however, increased by 11.5% from \$10.4mn to \$11.6mn in line with the growth in the portfolio. There was a marginal reduction in the administrative expenses allocated to SDF to \$13.7mn, out of \$26.7mn, from the 2012 amount of \$14.0mn, out of \$27.4mn, due to the overall decline in administrative expenses for the Bank as a whole.

### NOTES, ENCASHMENT AND DRAWDOWNS

5.04 A summary of notes, encashment and drawdowns is presented at Appendix VI-3. At December 31, 2013, a total of \$60.0mn in promissory notes was receivable from Contributors. This represents a reduction of \$1.2mn when compared with the notes receivable figure of \$61.2mn at the end of 2012. Nine Contributors issued promissory notes equivalent to \$43.1mn and en-cashed notes amounting to \$44.3mn during 2013.

5.05 The current value of total approved contributions to SDF (U) at the end of 2013 was \$1,131mn. Of this figure, an amount of \$113.4 mn represented contributions for which promissory notes had not yet been issued. A further \$55.6mn represented pledged amounts by 17 Contributors for which the Instruments of Contribution were still outstanding at December 31, 2013 (See Appendix VI-3).

## FINANCIAL PROJECTIONS

5.06 Table 10 summarises the projected financial results for the period 2014–2016, with further details presented in Appendices VI-4 to VI-6.

**TABLE 10: SUMMARY OF PROJECTED FINANCIAL RESULTS, 2014–2016**  
(\$ mn)

<b>Item</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cash and Investments	310.7	341.3	328.1
Long-term Loans	514.5	527.5	544.5
Investment Income	2.7	3.3	3.3
Loan Income	12.7	13.0	13.4
Administrative Expenses	14.0	14.7	15.0
Net Income	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>

5.07 The loan portfolio is expected to grow by 14% over the three years from \$503.5mn in 2013 to \$544.5mn in 2016. Total disbursements of \$120mn and loan repayments of \$79mn are anticipated for the period. The growth in the portfolio is forecast to yield loan income of \$12.7mn, \$13mn and \$13.4mn in 2014, 2015 and 2016, respectively.

5.08 Cash and investments are estimated to average \$310mn over the three-year period, boosted by cash received from Contributors to SDF 8. The investment portfolio will also be augmented by encashment of promissory notes and reflows of principal repayments on earlier SDF loans averaging \$26mn per annum (p.a.) in the 2014–2016 period.

5.09 Reflecting expectations that there will be modest increases in investment yields over the 2014 to 2016 period, conservative projections were made of income from investments. Investment income for 2014, 2015 and 2016 is projected at \$2.7mn, \$3.3mn and \$3.3mn, respectively. A return to profitability is also anticipated with net income predicted at \$1.4mn, \$1.6mn and \$1.7mn, respectively.

5.10 The assumptions underlying these projections are listed below:

- (a) Loan commitments are projected at \$53mn, \$65mn and \$83mn for 2014, 2015 and 2016, respectively;
- (b) The average lending interest rate is estimated at 2.5% p.a.;
- (c) Over the projected disbursement period, the disbursement pattern, based on historical trends, for the combination of old and new commitments is assumed to be 4%, 10%, 27%, 16%, and 8%;
- (d) The yield from investment in liquid resources is estimated at 0.7% p.a for 2014, 2015 and 2016;
- (e) Administrative costs are projected to increase by 3% p.a.; and
- (f) The terms and conditions of lending are based on those applicable for SDF 8.

## **APPENDICES**

**APPENDIX I**

**CONTRIBUTIONS TO THE UNIFIED SPECIAL DEVELOPMENT FUND**

(after transfers from earlier SDF and other adjustments)

(\$ mn)

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
<b>Regional Members: BMCs</b>								
Trinidad and Tobago	2.50	2.50	3.85	3.85	5.00	7.50	10.18	10.55
Jamaica	1.40	1.40	3.87	3.85	5.00	7.50	10.18	10.55
Guyana	1.40	1.40	2.16	2.16	2.81	4.22	5.67	5.88
Bahamas, The	1.40	1.40	2.16	2.16	2.81	4.21	5.67	5.88
Barbados	1.40	1.40	2.16	2.16	2.81	4.21	5.67	5.88
Suriname <sup>b/</sup>	---	---	---	---	---	---	---	2.16
Antigua and Barbuda	0.25	0.25	0.16	0.25	0.32	0.42	0.61	0.63
Belize	0.25	0.25	0.65	0.65	0.84	1.10	1.39	1.44
Dominica	0.25	0.25	0.65	0.65	0.84	0.84	1.39	1.44
Grenada	0.25	0.25	0.65	0.65	0.84	0.10	0.61	0.63
St. Kitts and Nevis	0.25	0.25	0.65	0.65	0.84	1.10	1.39	1.44
St. Lucia	0.25	0.25	0.65	0.65	0.84	1.10	1.39	1.44
St. Vincent / the Grenadines	0.25	0.26	0.65	0.65	0.84	1.10	1.39	1.44
Cayman Islands	0.10	0.10	0.15	0.25	0.32	0.42	0.61	0.63
Anguilla	0.10	0.10	0.25	0.25	0.32	0.42	0.61	0.63
Turks and Caicos Islands	0.10	0.10	0.25	0.25	0.32	0.42	0.61	0.63
British Virgin Islands	0.10	0.10	0.25	0.25	0.32	0.42	0.61	0.63
Montserrat	0.10	0.10	0.25	0.25	0.32	0.42	0.61	0.63
Haiti <sup>b/</sup>	---	---	---	---	---	0.65	0.91	0.94
<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>Regional Members: non-BMCs</b>								
Colombia	5.00	3.33	5.00	3.00	3.60	3.60	3.60	3.52
Mexico <sup>c/</sup>	---	---	5.00	3.00	3.00	3.00	3.00	3.52
Venezuela	5.00	3.34	5.00	3.00	3.00	3.60	3.60	3.52
<b>Sub-total</b>	<b>10.00</b>	<b>6.67</b>	<b>15.00</b>	<b>9.00</b>	<b>9.60</b>	<b>10.20</b>	<b>10.20</b>	<b>10.56</b>
<b>Non-Regional Members</b>								
Canada <sup>d/</sup>	60.87	15.00	20.00	16.80	25.20	44.00	69.83	66.44
United Kingdom <sup>d/</sup>	42.82	15.00	20.00	16.80	25.20	44.00	69.83	47.32
France <sup>e/</sup>	21.00	10.00	14.00	11.76	---	---	---	---
Italy	21.00	10.00	14.00	8.66	3.15	5.00	7.08	3.24
Germany	---	26.00	14.00	11.76	---	12.17	18.83	15.96
China <sup>f/</sup>	---	---	---	24.00	4.00	5.20	8.10	7.00
<b>Sub-total</b>	<b>145.69</b>	<b>76.00</b>	<b>82.00</b>	<b>89.78</b>	<b>57.55</b>	<b>110.37</b>	<b>173.68</b>	<b>139.96</b>
<b>Non-Members</b>								
Netherlands	5.00	5.00	7.00	6.30	---	---	---	---
Suriname -add. contribution <sup>g/</sup>	---	---	---	---	---	---	---	3.72
Brazil <sup>h/</sup>	---	---	---	---	---	---	---	5.00
Allocation from OCR <sup>i/</sup>	---	---	---	---	---	---	15.00	18.00
<b>Sub-total</b>	<b>5.00</b>	<b>5.00</b>	<b>7.00</b>	<b>6.30</b>	<b>--</b>	<b>---</b>	<b>15.00</b>	<b>26.72</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>230.70</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.

<sup>g/</sup> Additional contribution for discussion

<sup>h/</sup> Prospective Member - formalities being finalized

<sup>i/</sup> Subject to the approval of Governors

## APPENDIX II

### SDF 8 PROGRAMME LEVEL, COUNTRY GROUPS AND TERMS OF LENDING

#### SDF 8 PROGRAMME LEVEL

The Contributors approved an overall programme level for SDF 8 totalling \$348mn, comprising \$208mn in country loans, \$40mn in loans for natural disaster mitigation and rehabilitation and the new BMC Suriname, and \$100 mn in grant allocations (See Box – Approved Programme Level for SDF 8).

#### COUNTRY GROUPS AND TERMS OF LENDING

*Country Groups* are used to determine eligibility for access to the SDF as well as the terms and conditions of lending. *SDF Lending Terms* vary according to the country grouping. A review of the country classification mechanism was undertaken for SDF 8 and the number of country groups was reduced from four to three, and the number of bands with differential terms was also reduced, from four to two. The country groupings to be used and the lending terms which will apply for SDF 8 are presented in the box below.

APPROVED PROGRAMME LEVEL FOR SDF 8 (\$'000)	
<b>Loans:</b>	
Country loans using performance-based Resource Allocation System among all eligible BMCs	208,000
Natural Disaster Mitigation and Rehabilitation	30,000
Provision for new BMC	10,000
<b>Grants:</b>	
BNTF	10,000
TA	<u>20,000</u>
<i>of which: BMC Capacity Building</i>	<i>15,000</i>
<i>CTCS (small scale private sector)</i>	<i>5,000</i>
Haiti	46,000
Regional Cooperation/Integration and RPGs	10,000
Immediate Disaster Response	5,000
Environmental Sustainability and Climate Change	5,000
Citizen Security	4,000
<b>TOTAL PROGRAMME LEVEL</b>	<b>348,000</b>

COUNTRY GROUPS AND TERMS OF LENDING FOR SDF 8		
Country Group	Country	Terms of Lending
<b>Group 1 (Mainly OCR)</b>	Anguilla	Interest rate – 2.5%
	Antigua and Barbuda	Maximum Grace Period – 5 years
	Bahamas, The	Maximum Overall Maturity – 20 years
	Barbados	
	British Virgin Islands	
	Cayman Islands	
	Trinidad and Tobago	
	Turks and Caicos Islands	
<b>Group 2 (Blend of SDF and OCR)</b>	Belize	Interest rate – 2.5%
	Dominica	Maximum Grace Period – 5 years
	Grenada	Maximum Overall Maturity – 25 years
	Guyana	
	Jamaica	
	Montserrat	
	St. Kitts and Nevis	
	St. Lucia	
	St. Vincent and the Grenadines	
Suriname <sup>a/, b/</sup>		
<b>Group 3 (Mainly SDF)</b>	Haiti <sup>b/</sup>	Interest rate – 2.0%
		Maximum Grace Period – 10 years
		Maximum Overall Maturity – 30 years

<sup>a/</sup> Suriname joined the bank in September 2013 and became a contributor to SDF

<sup>b/</sup> a set –aside allocation will be used instead of the resource allocation formula

**APPENDIX III****SDF 8 COMMITMENTS, 2013***(Classified by SDF 8 Themes)*

(\$'000)

<b>Project</b>	<b>Date Approved</b>	<b>Net Approved From SDF (U)</b>	<b>Total CDB Financing</b>
<b><u>INCLUSIVE SOCIAL DEVELOPMENT AND SUSTAINABLE GROWTH</u></b>			
<b><u>Loans Approved:</u></b>			
<b>Regional</b>			
University Of The West Indies Open Campus Development Project to expand access to quality tertiary education opportunities in St. Lucia (SDF \$3.075mn) and Vincent and the Grenadines (SDF \$3.3mn)	Dec-13	6,375	13,000
<b>Total Loans Approved</b>		<b>6,375</b>	<b>13,000</b>
<b><u>Grants Approved</u></b>			
<b>Anguilla</b>			
CTCS Projects	Dec-13	35	35
<b>Antigua And Barbuda</b>			
CTCS Projects	Dec-13	23	23
<b>Bahamas</b>			
CTCS Projects	Dec-13	52	52
<b>Barbados</b>			
CTCS Projects	Dec-13	63	63
<b>Belize</b>			
CTCS Projects	Dec-13	24	24
<b>British Virgin Islands</b>			
CTCS Projects	Dec-13	50	50
<b>Cayman Islands</b>			
CTCS Projects	Dec-13	35	35
<b>Dominica</b>			
CTCS Projects	Dec-13	58	58
<b>Grenada</b>			
CTCS Projects	Dec-13	23	23
<b>Guyana</b>			
CTCS Projects	Dec-13	13	13
<b>Haiti</b>			
Education for All - Phase II to improve access to primary education and Early Childhood Development for poor children	Dec-13	11,000	11,000
CTCS Projects	Dec-13	136	136
<b>Jamaica</b>			
MSMEs Training Workshop	Mar-13	23	23
CTCS Projects	Dec-13	19	19
<b>Montserrat</b>			
CTCS Projects	Dec-13	51	51
<b>St. Kitts/Nevis</b>			
CTCS Projects	Dec-13	43	43
<b>St. Lucia</b>			
North-South Link Road Feasibility Study	May-13	150	150
CTCS Projects	Dec-13	76	76

<b>Project</b>	<b>Date Approved</b>	<b>Net Approved From SDF (U)</b>	<b>Total CDB Financing</b>
<b>St. Vincent/Grenadines</b>			
CTCS Projects	Dec-13	22	22
<b>Trinidad and Tobago</b>			
CTCS Projects	Dec-13	51	51
<b>Turks and Caicos</b>			
CTCS Projects	Dec-13	85	85
<b>Regional</b>			
2nd Regional Congress and Road Asset Management Course	Dec-13	137	137
CTCS Projects	Dec-13	201	201
Black Sigatoka Disease control programme	Dec-13	625	625
Road Sector Capacity Building Webinar Programme	Dec-13	40	40
<b>Total Grants Approved</b>		<b>13,034</b>	<b>13,034</b>
<b>Total Inclusive Social Development and Sustainable Growth</b>		<b>19,410</b>	<b>26,034</b>
<b><u>ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE</u></b>			
<b><u>Loans Approved</u></b>			
<b>Bahamas</b>			
DRM- Immediate Response Loan -Hurricane Sandy	May-13	750	750
<b>Dominica</b>			
DRM - Immediate Response Loan –Torrential Rainfall	Jul-13	750	750
<b>Guyana</b>			
Sea and River Defence Resilience Project to enhance resilience to coastal and riverine hazards and the effects of climate change	Dec-13	22,100	22,100
<b>Total Loans Approved</b>		<b>23,600</b>	<b>23,600</b>
<b><u>Grants Approved</u></b>			
<b>Bahamas, The</b>			
Disaster Management Emergency Relief Grant: Hurricane Sandy	Mar-13	200	200
Certification of Works Hurricane Sandy	Mar-13	20	20
<b>Belize</b>			
Development of an Irrigation and Drainage Master Plan (IDMP)	May-13	200	200
<b>Dominica</b>			
Certification of Works - April 2013 Torrential Rainfall	Jul-13	20	20
<b>Haiti</b>			
Support to Meet Commitments to Caribbean Catastrophe Risk Insurance Facility for the 2013-14 Hurricane Season	Jul-13	2,570	2,570
<b>Jamaica</b>			
Disaster Management Emergency Relief Grant: Hurricane Sandy	May-13	200	200
<b>St. Lucia</b>			
Strengthening capacity to improve resilience to climate change impacts and environmental risks	Dec-13	85	85
<b>Regional</b>			
Regional Workshop on Climate Finance Readiness for the Caribbean	Oct-13	32	32
Thematic Study on the Green Economy	Oct-13	88	88
<b>Total Grants Approved</b>		<b>3,415</b>	<b>3,415</b>
<b>Total Environmental Sustainability and Climate Change</b>		<b>27,015</b>	<b>27,015</b>

<b>Project</b>	<b>Date Approved</b>	<b>Net Approved From SDF (U)</b>	<b>Total CDB Financing</b>
<b><u>CITIZEN SECURITY</u></b>			
<b><u>Grants Approved</u></b>			
Basic Education Project II to assist in to assist in financing a citizens' security intervention in three low performing schools	Oct-13	<u>114</u>	<u>114</u>
<b><u>REGIONAL COOPERATION AND INTEGRATION AND REGIONAL PUBLIC GOODS</u></b>			
<b><u>Grants Approved</u></b>			
Workshop on Capacity Building in Education Planning and Management in the Caribbean	Mar-13	49	49
Conference - Rethinking Regionalism: Beyond The CARICOM Integration Project	Oct-13	24	24
Caribbean Public Private Partnership Forum	Dec-13	95	95
Research Study on Public Private Partnerships in the Caribbean: Lessons of Experience and Leveraging for Growth	Dec-13	148	148
University Of The West Indies Open Campus Development Project	Dec-13	<u>160</u>	<u>160</u>
<b>Total Regional Cooperation and Integration</b>		<b>476</b>	<b>476</b>
<b><u>CAPACITY BUILDING</u></b>			
<b><u>Grants Approved</u></b>			
<b>Antigua and Barbuda</b>			
Institutional Strengthening of the Framework for Development Planning and Management	Mar-13	150	150
Medium Term Development Strategy	Oct-13	36	36
<b>Dominica</b>			
Support to Labour Force and Core Welfare Indicators Questionnaire Survey	May-13	97	97
<b>Grenada</b>			
Evaluation of the Implementation of the Strategic Plan for Education Enhancement and Development	May-13	60	60
<b>Regional</b>			
Strengthening Monitoring and Evaluation in the BMCs	Mar-13	79	79
Needs Assessment for Training in Project Cycle Management and Public Policy Analysis and Management	Jul-13	70	70
Preparation of CDB's Energy Sector Policy and Strategy	Jul-13	149	149
Multi-Cycle Evaluation of SDF 6 and 7	Oct-13	267	267
Assessment of CDB's Governance Framework to Improve Transparency and Accountability, Enhance Stewardship and Strengthen Board and Management Oversight	Dec-13	52	52
<b>Total Capacity Building</b>		<u>960</u>	<u>960</u>
<b>Total Loan and Grant Approvals</b>		<b>47,975</b>	<b>54,600</b>

**SDF (U) PORTFOLIO ANALYSIS – 2013**

1. The performance and quality of the SDF portfolio is measured by a PPI, using a composite score derived from the application of the PPES. This composite score is an indicative measure of the likely impact of the project, in terms of the Bank’s development assistance objectives, and is the sum of the weighted scores of six core criteria: *strategic relevance*, *poverty relevance*, *efficacy*, *cost efficiency*, *institutional development impact*, and *sustainability*. The project performance ratings which are applied to the composite scores are shown in the box below.

<b>Composite Score</b>	<b>Project Performance Rating</b>
8.0–10.0	Excellent
6.0–7.9	Highly satisfactory
4.0–5.9	Satisfactory
2.0–3.9	Marginally unsatisfactory
0.0–1.9	Unsatisfactory

**Project Performance Rating**

2. In 2013, the SDF project portfolio was comprised of 54 projects valued at \$338.1mn compared with 55 projects, valued at \$304.9mn in 2012. Even though the overall project performance rating of the portfolio remained at 5.8 (satisfactory) in 2013, some improvement was recorded. Twenty six of the 54 projects (48%) were rated as highly satisfactory, compared with twenty-two of the 55 projects (40%) in 2012. Additionally, there was only one project rated unsatisfactory compared with three in 2012. The comparative results for 2013 and 2012 are presented in Table 1.

**TABLE 1: SDF (U) PORTFOLIO – PROJECT PERFORMANCE RATING FOR THE YEARS ENDING DECEMBER 31, 2013 AND 2012**

<b>Composite Score</b>	<b>2013</b>					<b>2012</b>				
	<b>Size of Portfolio</b>		<b>Value of Portfolio</b>		<b>PPI</b>	<b>Size of Portfolio</b>		<b>Value of Portfolio</b>		<b>PPI</b>
	<b>No.</b>	<b>%</b>	<b>USD mn</b>	<b>%</b>		<b>No.</b>	<b>%</b>	<b>USD mn</b>	<b>%</b>	
8.0–10.0	-	-	-	-	-	-	-	-	-	-
6.0–7.9	26	48	153.4	45	6.4	22	40	132.2	43	6.4
4.0–5.9	27	50	181.7	54	5.3	30	55	166.1	55	5.4
2.0–3.9	1	2	3.0	1	3.6	3	5	6.6	2	3.7
0.0–1.9	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>54</b>	<b>100</b>	<b>338.1</b>	<b>100</b>	<b>5.8</b>	<b>55</b>	<b>100</b>	<b>304.9</b>	<b>100</b>	<b>5.8</b>

3. The project, **NDM – Rehabilitation – Landslide Project, St. Lucia (24/SFR-OR-STL)**, has been categorised as unsatisfactory and flagged as “at risk” since 2007. The project was a response to a landslide event which occurred in 1999 and there were implementation delays in some components of the project. In 2012, the Government of St. Lucia (GOSL) advised that they considered the project completed and requested CDB to cancel the undisbursed balance. A PCR was prepared in 2013 and submitted to Office of Independent Evaluation. The discussion with CDB regarding the reallocation of the undisbursed loan balance after Tropical Storm Tomas struck in October 2010 was not pursued.

### Country Portfolio Performance

4. Table 2 summarises the country portfolio performance for 2013 compared with 2012. Eleven BMCs had projects under implementation in 2013, compared with twelve BMCs in 2012. Projects in Antigua and Barbuda and Turks and Caicos Islands exited the portfolio, while project implementation commenced in Montserrat. The portfolios of Anguilla, St. Vincent and the Grenadines and Montserrat were assessed as highly satisfactory in 2013, the former two BMCs maintaining the ratings of the previous year. However, the ratings of the portfolios of Jamaica and Dominica declined from highly satisfactory to satisfactory in 2013, arising from two projects in each of those countries being categorised as “at risk” (refer to discussion below). The ratings of the other five BMCs (Belize, British Virgin Islands, Grenada, Guyana, St. Lucia, and St. Kitts and Nevis) remained stable in 2013.

**TABLE 2: SDF PORTFOLIO – COUNTRY PERFORMANCE RATING**  
**FOR THE YEARS ENDING DECEMBER 31, 2013 AND 2012**

Performance Rating	2013	2012
Excellent (8-10)	None	None
Highly Satisfactory (6.0-7.9)	Anguilla, Montserrat, and St. Vincent and the Grenadines (3)	Anguilla, Dominica, Jamaica, and St. Vincent and the Grenadines (4)
Satisfactory (4.0-5.9)	Belize, British Virgin Islands, Dominica, Grenada, Guyana, Jamaica, St. Lucia, and St. Kitts and Nevis (8)	Antigua and Barbuda, Belize, British Virgin Islands, Grenada, Guyana, St. Lucia, and St. Kitts and Nevis (7)
Marginally Unsatisfactory (2.0-3.9)	None	Turks and Caicos
Unsatisfactory (0.0-1.9)	None	None

### Sector Portfolio Performance

5. The distribution and average composite performance scores by sector, using the Organisation for Economic Cooperation and Development sector classification, are presented in Table 3. In 2013, one project in the energy sector was added to the portfolio, while the projects in the health and multi-sector/cross-cutting sectors exited the portfolio. Four sectors, namely education, environment and DRR, financial business and other services and transport and communications, accounted for approximately 69% of the portfolio.

6. There was no change in the overall performance rating for the portfolio compared with the previous year, with all sectors achieving a performance rating of satisfactory or highly satisfactory. The Transport and Communications, Urban Development and Energy sectors recorded increases in PPI scores as well as growth in the number of projects under implementation. The PPI scores for the Financial, Business and other Services and Public Sector Management sectors remained stable.

7. The PPI declined for the Agriculture and Rural Development; Education; Environment and Disaster Risk Reduction; Social Infrastructure and Services; and Water and Sanitation sectors, resulting from projects within these sectors being classified as “at risk”. Agriculture and Rural Development recorded the largest fall from 6.1 in 2012 to 5.1 in 2013. There was a reduction in the number of projects in that sector from seven to four, and one of those was rated “at risk”.

**TABLE 3: SDF PORTFOLIO – AVERAGE PERFORMANCE SCORES BY SECTOR**  
**For the Years ending December 31, 2013 and 2012**

Sector	2013				2012		
	Size of Portfolio		PPI		Size of Portfolio		PPI
	No.	%			No.	%	
Agriculture and Rural Development	4	7.4	5.1	↓	7	12.7	6.1
Education	10	18.5	5.5	↓	11	20.0	5.7
Energy	1	1.9	6.3	↑	-	-	-
Environment and Disaster Risk Reduction	11	20.4	5.3	↓	11	20.0	5.6
Financial, Business and other Services	8	14.8	6.7	—	9	16.4	6.7
Health	-	-	-	-	1	1.8	3.5
Multi-Sector/Cross Cutting	-	-	-	-	1	1.8	4.6
Public Sector Management	2	3.7	5.9	—	2	3.6	5.9
Social Infrastructure and Services	4	7.4	6.2	↓	2	3.6	6.4
Transport and Communications	8	14.8	6.0	↑	5	9.1	5.9
Water and Sanitation	2	3.7	5.9	↓	3	5.5	6.2
Urban Development	4	7.4	6.1	↑	3	5.5	5.4
<b>Total</b>	<b>54</b>	<b>100.0</b>	<b>5.8</b>		<b>55</b>	<b>100.0</b>	<b>5.8</b>
<b>Overall Average Performance Rating</b>	<b>Satisfactory</b>				<b>Satisfactory</b>		

***Projects “at risk” (Flagged by Project Performance Management System)***

8. PPES includes criteria relating to the scoring of project performance and changes in scores to identify projects “at risk”. This is not a performance measure, but a “red flag” to draw attention to projects experiencing difficulties. As at December 31, 2013, seven projects were classified as “at risk” (about 13.0 % of the SDF capital portfolio under implementation) compared with two projects (3.6% of the portfolio) at the end of 2012.

9. The main issues affecting “at risk” projects include fiscal constraints, weak capacity of Executing Agencies and delays in procurement. Table 4 provides a summary of the issues related to the risky projects and measures or actions to be taken.

**TABLE 4: SUMMARY OF PROJECTS FLAGGED “AT RISK” FOR 2013**

<b>Name of Project</b>	<b>Country</b>	<b>Key Issues</b>	<b>Measures/Actions to be Taken</b>
Bridge Rehabilitation, Tropical Storm Arthur	Belize	Delays in procurement process for the Mullins River Bridge.	CDB staff will need to follow up with MWT on the issue of the Mullins River Bridge and a way forward.
Rehabilitation and Reconstruction Layout Flood Event	Dominica.	Procurement delays.	MPW to submit revised implementation schedule and put the necessary staff in place to implement the project
Rehabilitation and Reconstruction (Tropical Storm Ophelia)	Dominica.	Procurement delays.	MPW to submit revised implementation schedule and commit necessary staff resources for the implementation process.
Skeldon Sugar Industry Modernisation,	Guyana	Outcomes with respect to reduced production costs and increased production volume are unlikely to be achieved.	Implementation will be completed in 2014. CDB will continue discussions with GOGY to improve performance of the Guyana Sugar Corporation Inc.
Community Investment	Jamaica	Inadequate flow of funds.	A request was made for the extension of the TDD of December 31, 2014.
University of Technology Enhancement Project	Jamaica	Delays in implementation. Limited fiscal space. GOJ has advised that the project will not be extended beyond TDD expiry date of June 2015.	Closer monitoring by GOJ. CDB to hold discussions with GOJ regarding possible re-scoping of the project.
Basic Education Enhancement	St. Lucia	Delays in implementation. Weak inter-agency coordination leading to delayed processing of project documents.	CDB to continue to work closely with the Ministry.

**AVAILABILITY AND USE OF RESOURCES**

(as of December 31, 2013)

(\$'000)

	SDF 5	SDF 6	SDF 7	SDF 8				
	2001– 2004	2005– 2008	2009– 2012	Actual		Projected		Total
				2013	2014	2015	2016	
<b>Commitment authority at beginning of period</b>	<b>16.3</b>	<b>41.4<sup>a/</sup></b> 15.5	<b>19.5</b>	<b>3.3</b>	<b>30.1</b>	<b>30.9</b>	<b>7.7</b>	<b>3.3</b>
<i>Plus: Net Income</i>	4.6		6.3	(1.8)	1.4	1.6	1.7	2.9
<i>Less: Allocation from Accum. Net income</i>	(5.4)	-	-	-	-	-	-	-
Exchange rate adjustments	(8.9)	2.0	-	-	-	-	-	-
<b>Net increase(decrease) to reserves</b>	<b>(8.4)</b>	<b>17.5</b>	<b>6.3</b>	<b>(1.8)</b>	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>	<b>2.9</b>
<i>Plus:</i>								
Repayments	59.3	61.4	68.7	22.3	23.9	26.7	27.7	100.6
Exchange rate adjustments	4.4	-	-	-	-	-	-	-
Commitment authority from new contributions	92.5	156.7	233.4	54.3	53.0	53.0	52.4	212.7
Exchange rate adjustments	35.6	-	-	-	-	-	-	-
Allocation from OCR Net Income	-	-	15.0	-	-	-	18.0	18.0
<i>Less:</i>								
Approvals for SDF Loans	113.3	170.0	220.9	30.0	53.0	65.0	82.7	230.7
Loan Cancellations	-	-	(9.9)	-	-	-	-	-
Approvals for SDF Grants (Excl BNTF and Haiti)	13.0	30.4	39.9	4.4	12.0	12.0	15.6	44.0
Grant cancellations	-	-	(3.3)	-	-	-	-	-
Approvals for BNTF	32.0	32.0	46.0	-	10.0	-	-	10.0
Approvals for Haiti	-	25.1	46.0	13.6	2.5	27.5	2.4	46.0
<b>Commitment authority at end of period</b>	<b>41.4</b>	<b>19.5</b>	<b>3.3</b>	<b>30.1</b>	<b>30.9</b>	<b>7.7</b>	<b>6.8</b>	<b>6.8</b>

<sup>a/</sup> The commitment authority at the beginning of SDF 6 was restated to take account of exchange gains realised on the encashment of non-USD Promissory Notes from earlier cycles

## **APPENDIX VI**

### **SDF FINANCIAL STATEMENTS**

- VI-1: Summary Balance Sheets as at December 31, 2009–2013
- VI-2: Summary Income Statements for the years ending December 31, 2009–2013
- VI-3: Summary of Notes, Encashment and Drawdowns, 2013
- VI-4: Projected Balance Sheets as at December 31, 2014–2016
- VI-5: Projected Income Statements for the years ending December 31, 2014–2016
- VI-6: Projected Cash Flow Statements as at December 31, 2014–2016

APPENDIX VI-1

SUMMARY BALANCE SHEETS,  
AS AT DECEMBER 31, 2009–2013  
(\$ mn)

Item	2009	2010	2011	2012	2013
<b>Assets:</b>					
Cash and Investments	246.1	260.3	274.4	286.5	278.3
Contributions in Arrears	8.3	11.9	11.3	9.6	6.8
Non-neg. Demand Instruments	55.0	62.9	59.3	61.2	60.0
Loans Outstanding (Net)	412.9	431.0	448.5	463.5	503.5
Other Receivables	0	-	1.0	7.9	-
<b>Total Assets</b>	<b>722.3</b>	<b>766.1</b>	<b>794.5</b>	<b>828.7</b>	<b>848.6</b>
<b>Liabilities:</b>					
Contributions in Advance					
Payables	61.0	65.4	70.8	70.2	67.3
Contributions	556.6	582.1	595.4	638.5	667.8
Accumulated Net Income	38.2	41.0	41.8	57.2	55.0
TA Allocation	66.5	77.7	86.5	62.8	58.5
<b>Total Liabilities and Funds</b>	<b>722.3</b>	<b>766.1</b>	<b>794.5</b>	<b>828.7</b>	<b>848.6</b>

APPENDIX VI-2

SUMMARY INCOME STATEMENTS,  
FOR THE YEARS ENDING DECEMBER 31, 2009–2013  
(\$ mn)

Item	2009	2010	2011	2012	2013
<b>Revenue:</b>					
Investment Income	5.1	2.8	3.4	3.5	0.5
Loan Income	9.1	9.5	10.1	10.4	11.6
Exchange	0	1.9	0	0	
<b>Total Revenue</b>	<b>14.2</b>	<b>14.2</b>	<b>13.5</b>	<b>13.9</b>	<b>12.1</b>
<b>Expenses:</b>					
Administrative Expenses	11.1	11.6	12.3	14.0	13.7
Exchange	0.3	-	0.3	-	0.2
<b>Total Expenses</b>	<b>11.4</b>	<b>11.6</b>	<b>12.6</b>	<b>14.0</b>	<b>13.9</b>
<b>Net Income</b>	<b>2.8</b>	<b>2.7</b>	<b>0.9</b>	<b>(0.1)</b>	<b>(1.8)</b>

**SUMMARY OF NOTES, ENCASHMENT AND DRAWDOWNS 2013**  
('000)

Country	Notes Receivable	Notes Issued		Curr.	Encashment		Notes Receivable	Not Yet Made Available	Approved but not yet Effective	Cumulative Drawdowns	Approved Contribution (Curr Value)
	1/1/13 USD	Loc Cur.	USD		Loc Cur.	USD	31/12/13 USD				
<b>Borrowing members (BMCs)</b>											
Trinidad and Tobago	9,057			USD			9,057		10,551	35,384	35,384
Bahamas, The	6,931		4,249	(")		2,354	8,826		5,876	19,809	19,809
Barbados	2,832			(")			2,832	4,407		21,274	25,681
Jamaica	7,638			(")			7,638		10,551	33,204	33,204
Guyana	-			(")			-		5,876	19,810	19,810
Antigua and Barbuda	32		1,345	(")		600	777		632	2,257	2,257
Belize	1,943		360	(")		137	2,166	1,081		5,494	6,575
Dominica	2,395			(")		68	2,327	-	1,441	4,874	4,874
St. Kitts and Nevis	2,494			(")			2,494	-	1,441	5,134	5,134
St. Lucia	1,944		360	(")		137	2,167	1,081	-	5,494	6,575
St. Vincent and the Grenadines	2,494		360	(")		275	2,579	1,081	-	5,507	6,588
Grenada	2,712			(")			2,712	-	632	3,345	3,345
Montserrat	-			(")			-	-	632	2,045	2,045
BVI	-			(")			-	-	632	2,045	2,045
Turks and Caicos Islands	-			(")			-	-	1,237	1,440	1,440
Cayman Islands	-			(")			-	-	1,237	1,340	1,340
Anguilla	1,051			(")			1,051	-	632	2,045	2,045
Haiti	-			(")			-	-	945	1,560	1,560
Suriname	-		540	(")			540	1,620		540	2,160
<b>TOTAL - BMCs</b>	<b>41,523</b>		<b>7,214</b>			<b>3,571</b>	<b>45,166</b>	<b>9,270</b>	<b>42,315</b>	<b>172,601</b>	<b>181,871</b>
<b>Non Borrowing members (NBMCs)</b>											
Colombia	-			(")			-	-	6,524	30,657	30,657
Mexico	-			(")			-	-	-	14,000	14,000
Venezuela	-			(")			-	-	3,524	21,982	21,982
Canada <sup>1/</sup>	-	16,705	13,695	Cdn\$	16,705	13,695	-	49,826	-	280,663	330,489
China	-			US\$			-	5,250	-	43,048	48,298
United Kingdom <sup>2/</sup>	14,287	9,000	16,816	Str	8,839	16,225	14,878	33,123	-	225,534	258,657
Germany <sup>3/</sup>	5,403	4,100	5,332	EUR	8,200	10,735	-	15,960	-	82,614	98,574
Italy <sup>3/</sup>	-			EUR			-	-	3,244	63,389	63,389
<b>TOTAL - NBMCs</b>	<b>16,690</b>	<b>-</b>	<b>35,843</b>		<b>-</b>	<b>40,655</b>	<b>14,878</b>	<b>104,159</b>	<b>13,292</b>	<b>761,887</b>	<b>866,046</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>61,213</b>	<b>-</b>	<b>43,057</b>		<b>-</b>	<b>44,226</b>	<b>60,044</b>	<b>113,429</b>	<b>55,607</b>	<b>1,017,654</b>	<b>1,131,083</b>

<sup>1/</sup> Notes Issued in Canadian Dollars

<sup>2/</sup> Notes Issued in Pounds Sterling

<sup>3/</sup> Notes Issued in Euros

APPENDIX VI-4

**PROJECTED BALANCE SHEETS**  
**AS AT DECEMBER 31, 2014-2016**  
(\$ mn)

<b>Item</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Assets:</b>			
Cash	1.4	1.6	1.8
Securities – Prime	309.3	339.7	326.3
Long-term Loans	514.5	527.5	544.5
Other Assets	81.8	96.8	96.8
<b>Total Assets</b>	<b>907.1</b>	<b>965.6</b>	<b>969.4</b>
<b>Liabilities:</b>			
Current Liabilities	69.4	71.3	73.4
Contributions	722.8	777.8	777.7
Accumulated Net Income	115.0	116.5	118.3
<b>Total Liabilities and Capital</b>	<b>907.1</b>	<b>965.6</b>	<b>969.4</b>

APPENDIX VI-5

**PROJECTED INCOME STATEMENTS**  
**FOR THE YEARS ENDING DECEMBER 31, 2014-2016**  
(\$ mn)

<b>Item</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Revenues:</b>			
Investment income	2.7	3.3	3.3
Loan Income	12.7	13.0	13.4
<b>Total Revenues</b>	<b>15.4</b>	<b>16.3</b>	<b>16.7</b>
<b>Expenses:</b>			
Administrative Expenses	14.0	14.7	15.0
<b>Total Expenses</b>	<b>14.0</b>	<b>14.7</b>	<b>15.0</b>
<b>Net Income</b>	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>

**PROJECTED CASH FLOW STATEMENTS**  
**AS AT DECEMBER 31, 2014-2016**  
(\$ mn)

<b>Item</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cash	22.9	1.4	1.6
Securities – Prime	255.4	309.3	339.7
<b>Beginning Balance</b>	<b>278.3</b>	<b>310.7</b>	<b>341.3</b>
Cash (Net Operating Income)	1.4	1.6	1.7
New current Liabilities	2.0	2.0	2.0
Long-term Loans (Repayments)	24.0	27.0	28.0
Draws on Subscriptions	40.0	40.0	-
<b>Sub-total</b>	<b>67.4</b>	<b>70.6</b>	<b>31.7</b>
Long-term Loan (Disbursements)	35.0	40.0	45.0
<b>Sub-total</b>	<b>35.0</b>	<b>40.0</b>	<b>45.0</b>
<b>Ending Balance</b>	<b>310.7</b>	<b>341.3</b>	<b>328.0</b>
Cash	1.4	1.6	1.8
Securities – Prime	309.3	339.7	326.3