

SDF

SPECIAL DEVELOPMENT
FUND 2018

MESSAGE FROM THE PRESIDENT	8
EXECUTIVE SUMMARY	10
SUMMARY DATA SHEET (2014-2018)	11
SDF 9 OPERATIONAL STRATEGY	13
1. INTRODUCTION	15
2. OPERATIONAL PERFORMANCE	19
COMMITMENTS	20
DISBURSEMENTS	22
SDF 9 THEMATIC AND PROGRAMME HIGHLIGHTS	23
CDB IN HAITI	30
BASIC NEEDS TRUST FUND	32
CARIBBEAN TECHNOLOGICAL CONSULTANCY SERVICES NETWORK	37
3. REPORTING ON SDF 9 RESULTS	43



4. FINANCIAL RESOURCES AND PROGRAMME LEVELS	49
SDF 9 PROGRAMME LEVEL	50
COMMITMENT AUTHORITY	51
ALLOCATION AND USE OF RESOURCES	52
5. FINANCIAL PERFORMANCE AND PROJECTIONS	55
FINANCIAL RESULTS	56
NOTES, ENCASHMENTS AND DRAWDOWNS	57
FINANCIAL PROJECTIONS	





Tables

Table 1	Annual Commitments, 2013-2018 (\$ mn)
Table 2	Annual Disbursements, 2013-2018 (\$ mn)
Table 3	SDF 9 Strategic Operational Themes, 2017 and 2018
Table 4	Selected SDF Interventions and Expected Outcomes
Table 5	BNTF 7 and 8 Disbursements
Table 6	BNTF Outcomes by Sector
Table 7	Distribution of CTCS Approvals and Disbursements by Country, 2018
Table 8	Summary of the Number of Beneficiaries from CTCS Activities in 2018
Table 9	Summary of Projects Flagged <i>At-Risk</i>
Table 10	SDF 9 Programme Level
Table 11	Commitment Authority and Use of Funds
Table 12	Allocation and Use of Resources
Table 13	Summary of Financial Results, 2014-2018 (\$ mn)
Table 14	Summary of Projected Financial Results, 2019-2021 (\$ mn)



Figures

Figure 1	SDF Commitments, 2013-2018 (\$ mn)
Figure 2	BNTF 9 Country Project Allocations as at December 31, 2018
Figure 3	The Structure of CDB's Results Monitoring Framework
Figure 4	How Well CDB Manages Its Operations

Appendices

Appendix I	The Unified Special Development Fund
Appendix II	Contributions to the Unified Special Development Fund
Appendix III	SDF 9 Programme Level, Country Groups and Terms of Lending
Appendix IV	SDF 9 Commitments 2017 and 2018
Appendix V	SDF Portfolio Analysis 2018
Appendix VI	SDF Financial Statements
VI-1:	Summary Balance Sheets as at December 31, 2014-2018
VI-2:	Summary Income Statements for the years ending December 31, 2014-2018
VI-3:	Summary of Notes, Encashments and Drawdowns 2018
VI-4:	Projected Balance Sheets as at December 31, 2019-2021
VI-5:	Projected Income Statements for the years ending December 31, 2019-2021

ABBREVIATIONS

BCAD	-	Basic community access and drainage improvement
BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
CARICOM	-	Caribbean Community
CARTAC	-	Caribbean Regional Technical Assistance Centre
CCCCC	-	Caribbean Community Climate Change Centre
CCRIF SPC	-	Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company
CDB	-	Caribbean Development Bank
CPA	-	Country poverty assessment
CPF	-	Country policy framework
CSME	-	CARICOM Single Market and Economy
CSP	-	Country strategy paper
CTCS	-	Caribbean Technological Consultancy Services
CVQ	-	Caribbean Vocational Qualification
DFI	-	Development finance institution
DRM	-	Disaster risk management
ECPA	-	Enhanced country poverty assessment
EFA	-	Education for All
EHRD	-	Education and human resource development
LACC	-	Legal Aid and Counselling Clinic
Lidar	-	Light detection and ranging
MDBs	-	Multilateral development banks
MfDR	-	Managing for development results
mn	-	million
MSMEs	-	Micro, small and medium enterprises
OCR	-	Ordinary capital resources
OECS	-	Organisation of Eastern Caribbean States
PCM	-	Project cycle management



PCs	-	Participating Countries
PMDU	-	Performance Management and Delivery Unit
PPAM	-	Public policy analysis and management
PPES	-	Project performance evaluation system
PPI	-	Project performance index
QEPE	-	Quality enhancement in public education
RCI	-	Regional cooperation and integration
RMF	-	Results monitoring framework
RPGs	-	Regional public goods
SDF (U)	-	Special Development Fund (Unified)
SDF 7	-	Special Development Fund (Seventh Cycle)
SDF 8	-	Special Development Fund (Eighth Cycle)
SDF 9	-	Special Development Fund (Ninth Cycle)
SDGs	-	Sustainable Development Goals
SLC/HBS	-	Survey of Living Conditions and Household Budgetary
TFA	-	Trade Facilitation Agreement
TA	-	Technical assistance
TVET	-	Technical and vocational education and training
UWI	-	University of the West Indies
WSSE	-	Water and sanitation services enhancement
YBT	-	Youth Business Trust

CURRENCY EQUIVALENT

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

MESSAGE FROM THE PRESIDENT



W^m. Warren Smith, Ph.D., CD
CDB President

The Special Development Fund Unified (SDF) (U) is a key instrument, which supports the Bank’s mission to combat poverty in the Region. In 2018, the SDF (U) continued to address the needs of the most vulnerable with the approval of \$33.5 million (mn) in loans and grants.

Now at the mid-point of the current SDF 9 cycle, we have approved nearly \$130 mn in loans and grants, primarily under the themes of the Sustainable Development Goals (SDGs) and building resilience. As it pertains to the SDGs, we have seen a distinct emphasis on ending poverty everywhere (SDG 1); and promoting inclusive and sustainable economic growth (SDG 8). Our work under building resilience, which is both an SDF theme and captured under SDG 13, is also critical for our Region, as we seek to ensure that the impacts of natural hazards and climate change do not erode BMCs’ hard-won social and economic gains.

The performance in 2018 highlighted some key issues of strategic importance for the Bank. Principal among these was the limited absorptive capacity of Borrowing Member Countries (BMCs) in the face of additional funding sources, which resulted in lower-than-anticipated levels of commitments under the SDF at mid-term. Also contributing to lower commitments, was the focus by the Bank on project preparation to ensure that interventions once approved can be disbursed more efficiently. Importantly, the Bank working closely with BMCs, has identified a pipeline of projects that will utilise resources available under SDF 9 to support the Bank’s mandate to reduce poverty. We will also continue to help BMCs strengthen planning and implementation capacity as a necessary condition to accelerate inclusive economic growth.

Among noteworthy accomplishments of the Fund in 2018 was the opening of our new office in Haiti, the first one outside of the Barbados Headquarters, on September 21. This in-country presence will enable CDB to design interventions that are better tailored to Haiti’s needs; greatly improve communication with stakeholders; and reduce operational delays. Another highlight was the Bank’s support for the use of lidar technology that can greatly enhance BMCs’ capacity to manage climate change and natural hazard risks by providing high-resolution spatial data. This information could be used to inform designs for new climate resilient investments, retrofit existing infrastructure, support coastal zone management, identify natural hazards and formulate disaster risk management strategies. The Bank also

supported a new round of enhanced country poverty assessments (ECPAs). This tool will strengthen the BMCs' capacity for data collection and analysis and ensure the improved availability of timely and reliable monetary and multi-dimensional poverty data. Ultimately, the ECPAs will allow for a richer information set to better inform social policy and target the needs of disadvantaged persons.

Later in 2019, we begin celebrations marking CDB's 50th year of operation. This presents an opportunity for us at the Bank to reflect on our challenges, achievements and successes; and the lessons of our past experiences that can inform how we can accelerate the transformation of our BMCs into economies that are globally competitive.

Transforming our regional economies requires significant financial and technical assistance (TA) resources, and the SDF with its high degree of concessionality and primary focus on the most vulnerable can play a pivotal role. It will help to ensure that our economies are resilient and that the systems needed to facilitate the efficient provision and flow of goods and services in and among countries are in place. The Fund will also support efforts that help the Region move ahead more uniformly, minimising the disparities between the rich and the poor and ultimately ensuring that no one is left behind. In this way, the SDF can help the BMCs realise the vision of a united and prosperous Region.

In closing, I must express my profound gratitude to: the SDF Contributors for their unwavering support and guidance; BMCs for placing their trust in us to help them achieve their development goals; development partners with whom we collaborate to ensure that our finite resources are optimally allocated; and Management and Staff of the Bank who are steadfast in their pursuit of regional development.



EXECUTIVE SUMMARY

The Special Development Fund (SDF) continued to play an almost indispensable role in the aid architecture of the Region. The core themes of selected Sustainable Development Goals (SDGs), building resilience to climate change and natural hazards and supporting regional cooperation and regional public goods resonated with beneficiary countries, which accessed both loans and grants to advance their development agenda. The themes, which were augmented by cross-cutting areas of gender equality, good governance and environmental sustainability reflected the multi-sectoral nature of development and assisted in ensuring the provision of comprehensive and sustainable development solutions.

Regional economic growth is estimated to have accelerated in 2018, based on reconstruction work following natural hazards in 2017, improvements in tourism and rising commodity prices. Importantly, some economies also benefitted from the institutional and economic reforms undertaken during structural adjustment programmes. Nevertheless, deep-seated challenges remain and include implementation deficiencies, vulnerability to natural hazards, weak economic growth and stubborn pockets of poverty, the manifestation of which highlight underlying gender inequalities. The SDF has been instrumental in addressing these challenges, and ensuring that development is more sustainable and inclusive.

The 2018 Annual Report of the SDF is the second report of the ninth cycle of SDF (SDF 9). It examines the annualised performance of the Fund against the backdrop of agreed-upon operational themes and set-asides. Falling mid-way in the SDF 9 cycle, the report also provides a useful gauge of SDF activity to date relative to planned performance for the entire cycle. It analyses the operations of two programmes funded exclusively by the SDF—

the Basic Needs Trust Fund (BNTF) and the Caribbean Technological Consultancy Services (CTCS) Network, and discusses the performance of the SDF portfolio. The Report highlights the Bank's support for lidar technology to aid in the management of natural hazard and climate change risks, and enhanced country poverty assessments (ECPAs), which is a new tool to evaluate poverty more comprehensively.

Total approvals in 2018 amounted to \$33.5 mn, compared with \$95.9 mn a year earlier. This brings total commitments in the first half of the cycle to \$129.4 mn or 36.5% of the approved programme. The performance in 2018 primarily reflected a weak outturn for grants. However, this should be contextualised against the backdrop of a performance in 2017 that was boosted by the one-off allocation of \$40 mn for the BNTF, sizeable interventions in Haiti for education and disaster risk management, and to a lesser extent, commitments to support emergency disaster response. Loan commitments were virtually on par with 2017, but nevertheless reflected a subdued outturn mid-way in the cycle. This performance can be attributed to limited absorptive capacity of BMCs in the face of additional temporary grant resources, and a greater focus by the Bank, on project preparation to ensure that projects once approved, can be disbursed more efficiently.

The majority of commitments in 2018 were under the theme of the SDGs, most notably inclusive and sustainable growth (SDG 8); building resilient infrastructure (SDG 9); and strengthening the means of implementation and revitalising the global partnership for sustainable development (SDG 17). This was followed by the themes of building resilience and regional cooperation and regional public goods. For

the first half of the cycle therefore, commitments by themes were broadly in line with allocations. In terms of the rate of utilisation, building resilience, environmental sustainability and climate change was highest at 41.3% on account of the active hurricane season in 2017. This was followed by the SDGs at 37.2% and regional cooperation and regional public goods at 36.7% as BMCs sought shared approaches to development challenges.

The Bank continued to strengthen its engagement in Haiti. On September 28, 2018, the Haiti Country Office was inaugurated, the first office outside of CDB's Headquarters in Barbados. The Country Office will allow the Bank to deepen its engagement and promote stronger donor coordination in its most vulnerable BMCs. At the project level, work continued in the critical areas of education and agriculture, two sectors which hold tremendous potential to lift people out of poverty. Approvals to Haiti in 2018 amounted to \$3.0 mn, bringing the mid-cycle total to \$27.1 mn while disbursements were \$4.2 mn, down from \$8.6 mn in 2017 on account of the winding down of an education project and delays in the start-up of the follow-on project.

The BNTF is CDB's flagship poverty reduction programme. Now in its ninth cycle, BNTF seeks to reduce the incidence of poverty in low income vulnerable communities by improving access to quality education and training, water and sanitation, basic community access and drainage, livelihood enhancement, and human resource development services. 2018 was a transition year for BNTF as nine Participating Countries (PCs) wrapped up implementation of BNTF 7 and BNTF 8 projects, and completed close-out activities, prior to giving complete focus to BNTF 9 implementation.

BNTF 9 is providing support in three main areas, namely education and human resource development (EHRD), including livelihoods enhancement; water and sanitation services enhancement (WSSE) and basic community access and drainage improvement (BCAD). By year end, 12 sub-projects had been approved with a value of \$1.8 mn. The expected results for the approved sub-projects are improved access to quality water supply and sanitation services, increased access to quality EHRD services and the enhancement of livelihoods and employment opportunities.



SUMMARY DATA SHEET 2014–2018

Item	2014	2015	2016	2017	2018
1. Resources					
No. of Contributors at year end	27.0	28.0	28.0	28.0	28.0
Historical value of resources pledged [\$ million (mn)]	1,245.5	1,246.2	1,246.2	1,412.8	1,412.8
Amount of resources made available (\$ mn)	1,065.5	1,124.4	1,167.9	1,210.9	1,261.8
Accumulated net income (including currency adjustments)	61.4	52.9	51.5	46.9	46.9
Amount of resources not yet made available (\$ mn)	85.9	81.8	-	105.1	71.4
Contributed resources and reserves (\$ mn)	1,212.8	1,259.1	1,219.4	1,362.8	1,380.1
Amount of resources approved but not yet effective (\$ mn)	36.5	16.4	11.9	41.7	41.7
Size of Fund (\$ mn)	1,249.2	1,275.6	1,231.3	1,404.5	1,421.8
of which allocation for grant programmes: Haiti, Technical Assistance (TA) and Basic Needs Trust Fund (BNTF) (\$ mn)	405.6	430.6	455.6	485.4	515.1
Operating lending limit (\$ mn)	843.6	845.0	775.7	919.2	906.7
Loan commitments (signed agreements less repayments) (\$ mn)	687.6	728.9	773.3	771.4	779.5
Commitments as % of operating lending limit	81.5	86.3	99.7	83.9	86.0
2. Loans and grants					
Value of loan approvals during year (\$ mn)	68.2	63.0	70.6	21.5	21.6
No. of loans approved during year (including TA loans)	19.0	8.0	16.0	9.0	6.0
Average size of Special Development Fund (Unified) [SDF (U)] Loans (\$ mn)	3.6	7.9	4.4	2.4	3.6
Cumulative loan approvals at year end (\$ mn)	1,136.5	1,199.5	1,270.1	1,291.6	1,313.2
Value of loan cancellations during year (\$ mn)	1.5	4.9	0.4	7.6	0.4
Cumulative loan cancellations (\$ mn)	68.1	73.0	73.4	81.0	81.4
Cumulative net loan approvals at year end (\$ mn)	1,068.4	1,126.5	1,196.7	1,210.6	1,231.8
Grant approvals for the year (\$ mn)	19.1	31.2	23.3	74.3	11.9
Value of grant cancellations during year (\$ mn)	1.4	0.2	0.1	0.0	0.9
Cumulative net grant approvals at year end (\$ mn)	364.8	395.5	418.7	493.0	504.0
Total net cumulative approvals (\$ mn)	1,433.2	1,522.4	1,615.1	1,703.6	1,735.8
3. Resource flows (\$ mn)					
Disbursements on loans during year	49.0	39.1	28.2	30.0	21.8
Disbursements on grants during year (including BNTF)	23.9	19.8	37.0	31.6	20.1
Debt service from borrowers	34.3	37.7	44.4	47.1	47.2
(of which repayments)	22.7	26.6	28.5	30.1	29.6
Net transfers during year	36.8	21.2	20.8	14.5	(5.3)
Cumulative net transfers	520.2	543.2	564.0	578.5	573.2

Item	2014	2015	2016	2017	2018
4. Financial summary					
Administrative expenses (\$ mn)	13.6	16.8	15.9	20.1	16.2
Net income (\$ mn)	0.4	(2.9)	(1.0)	(4.6)	0.1
Gross loans outstanding (\$ mn)	529.9	543.4	543.1	543.0	535.2
Administrative expenses/average loans outstanding (%)	2.6	3.1	2.9	3.7	3.0
Interest earned on average loans outstanding (%)	2.2	2.3	2.3	3.1	3.3

SDF 9 Operational Strategy

The operational strategy for SDF 9 has at its core, the principle of inclusivity while promoting poverty reduction through sustainable growth and development. It was formulated within the context of an expanded international development agenda through agreements reached on the SDGs; financing for development (Addis Ababa Action Agenda); and climate change (Paris Agreement). The ninth cycle has three core, and three cross-cutting themes. Given limited resources, and the existence of other partners in the development space, selectivity and focus were guiding principles in arriving at the key themes. It was also determined that development effectiveness could be enhanced, and duplication reduced through partnerships with other key stakeholders, and by adopting regional solutions where appropriate. Consequently, the core themes are:

Support for the SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13, and 17. With poverty reduction being the ultimate objective, the SDGs focus on inclusivity, equality and resilience as key components of sustainability. Principal components in this theme will be inclusive and equitable education and training, and the provision of resilient social and economic infrastructure.

Building resilience to climate change and natural hazards events, and promoting sustainability. This is both a core and cross-cutting theme, explicitly recognising and provisioning for the need to respond to the incidence of natural hazards. It also acknowledges the threat posed to the Region by climate change and prioritises accessibility of the Bank and BMCs to climate financing.

Promoting regional cooperation and support for RPGs. As BMCs pursue socio-economic advancement, they must seek out opportunities to benefit from economies of scale and scope if they are to overcome the constraints posed by small size. Deepening regional cooperation and integration and seeking regional solutions to shared development concerns has therefore been maintained as a core priority in SDF 9.

Cross-cutting themes

The cross-cutting themes are gender equality, which is consistent with SDG 5, good governance (SDG 16) and environmental sustainability (SDG 13).

Other strategic issues

BNTF and Haiti

The Bank will continue to advance the work of BNTF through the increased allocation under SDF 9, and provide further support for Haiti as a country with special development concerns.

Reform measures to improve institutional capacity

This focuses principally on enhancing corporate governance and oversight; improving operational strategies, policies and guidelines; and strengthening BMC's engagement.

Development effectiveness and reporting on results

This focuses on enhancing capacity to develop and implement SDF 9 priorities, as well as undertake programme and country strategy evaluations.



T INTRODUCTION



INTRODUCTION

The 2018 Annual Report of the Special Development Fund (SDF) is the second report of the SDF 9. It analyses the performance of the Fund in 2018 relative to 2017 within the context of agreed-upon operational themes and set-asides. Falling mid-way in the SDF 9 cycle, the report also provides a useful gauge of SDF activity to date relative to planned performance for the entire cycle.

The SDF continued to be an important source of concessionary financing in 2018. The core themes of selected SDGs, building resilience to climate change and natural hazards and supporting regional cooperation and regional public goods resonated with countries, which accessed both loans and grants to advance their development agenda. These themes, which were augmented by cross-cutting areas of gender equality, good governance and environmental sustainability reflected the multi-sectoral nature of development and assisted in ensuring the provision of comprehensive and sustainable development solutions.

Regional economic growth is estimated to have accelerated in 2018 based on reconstruction work following natural hazards in 2017, improvements in tourism and rising commodity prices. Importantly, some economies also benefitted from the institutional and economic reforms undertaken during structural adjustment programmes. Nevertheless, deep-seated challenges remain. Principal among these are implementation deficiencies, vulnerability to natural hazards, inadequate economic growth and stubborn pockets of poverty, the manifestation of which highlights underlying gender inequalities. The SDF has been instrumental in addressing these and other challenges, and by-so-doing helps to ensure that regional development takes place in a manner that is both sustainable and inclusive.

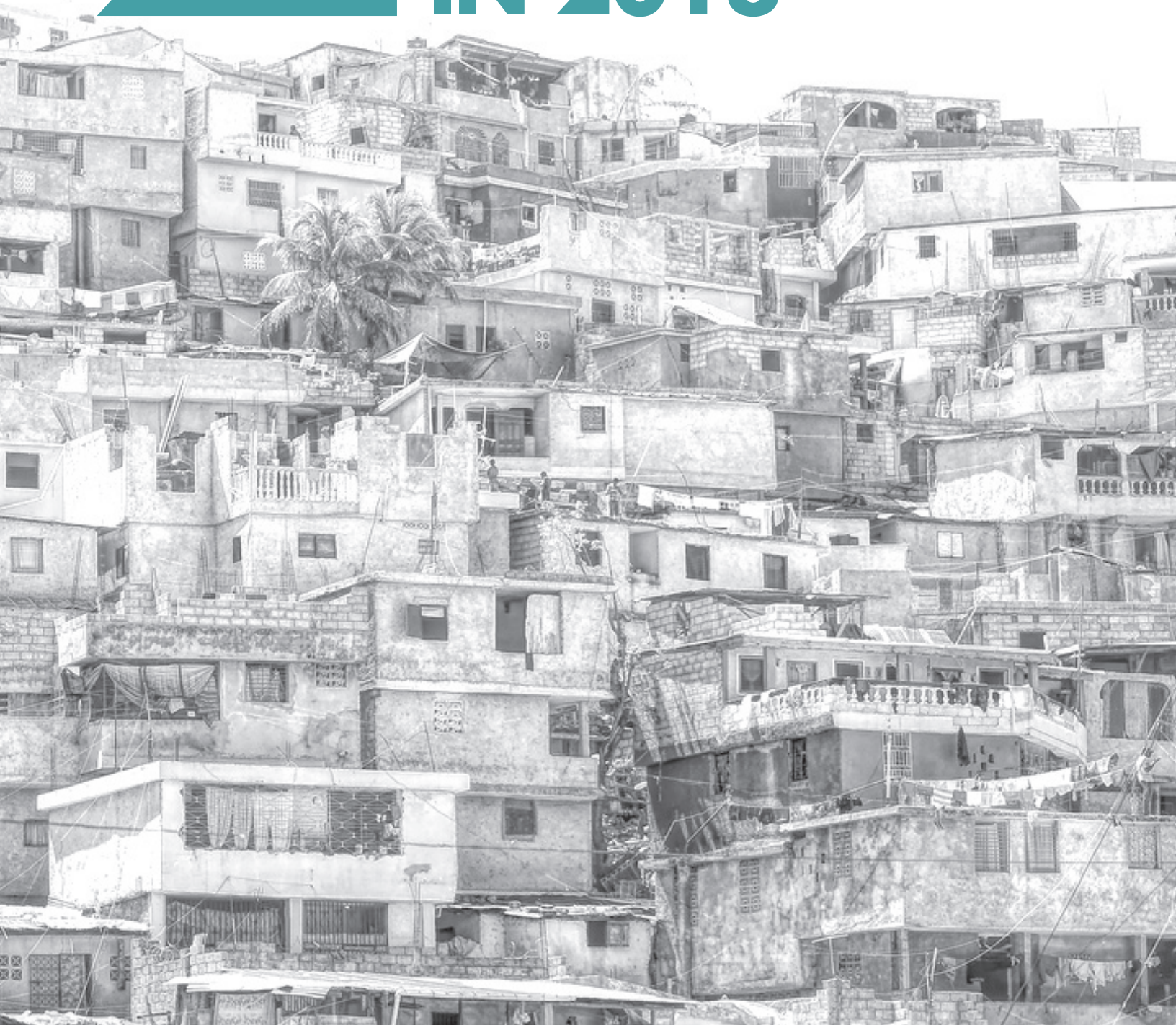
In order to distil the key aspects of the operational and financial performance of the SDF, the rest of the Report is presented as follows. Section 2 outlines the operational performance of SDF 9 in 2018. Section 3 reports on results and the following section elaborates on financial resources and programme levels. Finally, Section 5 reviews the financial performance in 2018 and provides a forecast over the medium term.





2

OPERATIONAL PERFORMANCE OF SDF 9 IN 2018



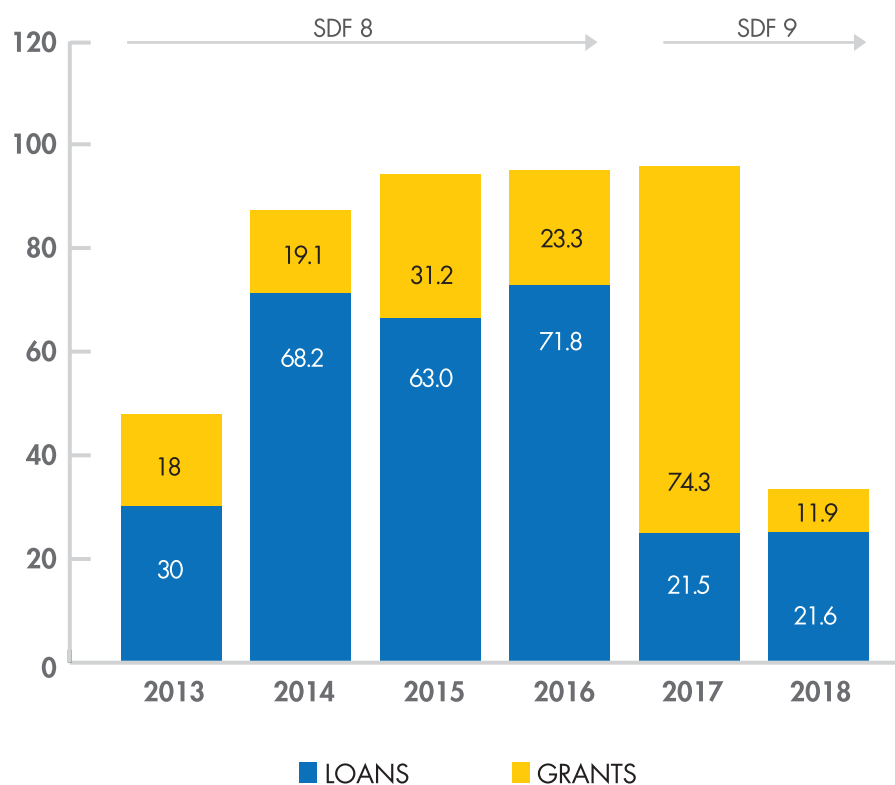


This chapter tracks progress of the Fund on an annual basis against several key dimensions. It assesses performance of SDF commitments against strategic themes and set-asides, and juxtaposes performance of actual activity against planned. It also analyses disbursements—an important initial metric of development outcomes.

Commitments

Total commitments in 2018 amounted to \$33.5 mn, compared with \$95.9 mn a year earlier (see Figure 1). This brings the total commitment in the first half of the cycle to \$129.4 mn or 36.5% of the approved programme. The performance in 2018 primarily reflected a weak

outturn for grants. However, this should be contextualised against the backdrop of a performance in 2017 that was boosted by the one-off allocation of \$40 mn for the BNTEF, sizeable interventions to Haiti for education and disaster risk management, and to a lesser extent, commitments to support emergency disaster response. Although on par with 2017 performance, loan commitments reflected a subdued outturn mid-way in the cycle. This outcome can be attributed to limited absorptive capacity of BMCs in the face of additional temporary grant resources, and a greater focus by the Bank on project preparation to ensure that projects once approved can be disbursed more efficiently.

FIGURE 1: SDF COMMITMENTS, 2013-2018 (\$ MN)

Loan approvals totalled \$21.6 mn, compared with \$21.5 mn a year earlier (see Table 1). This brings the mid-cycle loan commitments to approximately \$43.1 mn or about 17.8% of the lending programme. The most notable loans were to:

- Belize to enhance road safety along a demonstration corridor from Belize City to the border with Mexico (\$5.9 mn);
- Guyana for a feasibility study to implement a technically, economically, socially inclusive, gender responsive and climate resilient solution for the construction of road, air and sea infrastructure (\$4.4 mn); and
- Saint Vincent and the Grenadines for additional financing to support rehabilitation and reconstruction efforts following the onset of a natural hazard (\$3.5 mn).

During the year, \$11.9 mn in grant commitments were recorded, down from \$74.3 mn a year earlier. At the mid-point therefore, total grant approvals were \$86.2 mn or 72.4% of the programme grant allocation. Major approvals in 2018 were to:

- Haiti, to meet its contribution to the Caribbean Catastrophe Risk Insurance Facility (CCRIF) SPC (\$3 mn);
- the Caribbean Community Climate Change Centre (CCCCC) to improve BMCs' capacity to manage natural hazard and climate risks by *inter alia* developing airborne detection and ranging surveys (lidar) (\$1.5 mn); and
- the Caribbean Regional Technical Assistance Centre (CARTAC) to improve public financial management in the Region (\$1 mn).

TABLE 1: ANNUAL COMMITMENTS, 2013-2018 (\$ MN)

Item	SDF8		SDF 9				
	Total	Average	2017	2018	Total	% of allocation	Indicative allocation
Loan commitments	233	58.3	21.5	21.6	43.2	19.6	220
Grant commitments							
Haiti	43.5	10.9	24.1	3.0	27.1	60.2	45.0
BNTF	10.0	2.5	40.0	0.0	40.0	100.0	40.0
TA of which:							
Capacity building	11.3	2.8	1.2	2.7	3.9	43.2	9.0
CTCS	4.0	1.0	0.8	1.1	1.9	63.9	3.0
Agriculture and rural development	2.1	0.5	1.3	0.1	1.4	45.8	3.0
Environmental sustainability, climate change, and sustainable energy	4.3	1.1	0.9	1.9	2.8	94.0	3.0
Disaster response	3.0	0.8	1.6	0.6	2.2	75.0	3.0
Citizen security	3.9	1.0	-	-	-		
Regional cooperation and integration, and regional public goods	9.5	2.4	1.8	1.3	3.1	76.5	4.0
Private sector enabling environment	-	-	0.6	0.3	0.9	31.6	3.0
BMCs capacity building (statistics and governance)	-	-	2.0	0.8	2.8	46.8	6.0
Total grant commitments	91.6	22.9	74.3	11.9	86.2	72.4	119.0
Total commitments	324.6	81.2	95.9	33.5	129.4	38.2	339.0

Disbursements

The disbursement performance thus far under SDF 9 is symptomatic of the pervasive implementation capacity issues that characterise many BMCs. Consequently, loan and grant disbursements declined by 31.9% in 2018, following a 5.5% decrease in 2017 (see Table 2).

Although TA disbursements rose in 2018, lower outlays to Haiti and most notably the BNTF, led to a reduction in overall outlays. Subdued disbursements under the BNTF largely reflected the closing out of projects under BNTF 7 and 8 and the transition to BNTF 9, while disbursements to Haiti were due to the winding down of an education project, and delays in project start-up of the follow-on project. Conversely, higher TA outlays were to Saint Lucia

to improve the water supply in Vieux Fort and regional to support Public Policy Analysis and Management (PPAM) and Project Cycle Management (PCM) training, the rolling out of ECPAs and public procurement reform. Loan disbursements amounted to \$20.8 mn and were primarily to:

- (a) Guyana for road rehabilitation river defense;
- (b) Saint Lucia for rehabilitation and reconstruction following a natural hazard and water supply improvements; and
- (c) Saint Vincent and the Grenadines, also for rehabilitation and reconstruction and highway upgrade.

**TABLE 2: ANNUAL DISBURSEMENTS
2013-2018 (\$ MN)**

Item	SDF 8		SDF 9	
	Total	Annual average	2017	2018
Loan disbursements	178.5	44.6	30	21.8
Grant disbursements				
TA	20.4	5.1	5.6	10.5
Haiti	44.3	11.1	8.6	4.2
BNTF	49.6	12.4	16.7	5.4
Total grant disbursements	114.3	28.6	30.9	20.1
Total disbursements	293.0	73.3	60.9	41.8

SDF 9 Thematic and Programme Highlights

The operational direction of SDF 9 is captured in the following themes:

- Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13, and 17¹;
- Building resilience and promoting environmental sustainability; and
- Promoting regional cooperation and support for regional public goods.

These principles were supported by cross-cutting themes of gender equality, good governance and environmental sustainability. This section reviews the performance of the SDF in 2018 against these themes and highlights interventions that exemplify the work of the Bank in each area.

Table 3 indicates that the majority of commitments in 2018 were under the theme of the SDGs, followed by building resilience and regional cooperation and regional public goods. For the first half of the cycle therefore, commitments by themes were broadly in line with allocations. In terms of the rate of utilisation, building resilience, environmental sustainability and climate change was highest at 41.3% on account of the active hurricane season in 2017. This was followed by the SDGs at 37.2% and regional cooperation and regional public goods at 36.7% as BMCs sought shared approaches to development challenges.



¹ SDG 1—End poverty in all its forms everywhere; SDG 2—End hunger, achieve food security and improve nutrition and promote sustainable agriculture; SDG 4—Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; SDG 6—Ensure availability and sustainable management of water and sanitation for all; SDG 7—Ensure access to affordable, reliable, sustainable and modern energy for all; SDG 8—Promote inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG 9—Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; SDG 10—Reduce inequality within and among countries; SDG 11—Make cities and human settlements inclusive, safe resilient and sustainable; SDG 13—Take urgent action to combat climate change and its impacts; SDG 17—Strengthen the means of implementation and revitalise the global partnership for sustainable development.

TABLE 3: SDF 9 STRATEGIC OPERATIONAL THEMES, 2017 AND 2018

	Loans		Grants		Total commitments	% of Total commitments	Total commitments relative to indicative allocation (%)	Indicative allocation (loans and grants)
	2017	2018	2017	2018				
Sustainable Development Goals	7.9	18.2	62.3	4.8	93.2	72.1	37.2	250.4
Building resilience, environmental sustainability, and climate change	13.7	3.5	10.2	5.5	32.9	25.4	41.3	79.6
Regional cooperation and regional public goods	0.0	0.0	1.8	1.5	3.3	2.5	36.7	9.0
Total	21.5	21.6	74.3	11.9	129.4	100.0	38.2	339.0



Supporting the SDGs

BMCs have actively taken the SDGs on board, affording them a level of prominence in the development discourse and explicitly incorporating them into national development plans. More recently, BMCs identified a list of unique CARICOM core indicators that will be used to track progress towards attainment of the SDGs.

SDF 9 continued its strong work supporting BMCs' sustainable development agenda in 2018. While the interventions cut across several of the SDGs, there was concentration in SDG 8 (promoting inclusive and sustainable economic growth), SDG 9 (building resilient infrastructure) and SDG 17 (strengthening the means of implementation and revitalising the global partnership for sustainable development).

The largest loan under the rubric of the SDGs was to Belize (\$5.9 mn) to improve road safety practices and the most notable grant (\$0.4 mn) was a TA to conduct disability assessments. This TA represents the first such intervention for the Bank and exemplifies the principle of the SDGs to leave no one behind. Table 4 provides a snapshot of commitments under this theme.

TABLE 4: KEY SDF INTERVENTIONS AND EXPECTED OUTCOMES

Selected intervention	Key activities	Associated outcomes	SDF-targeted SDGs
WATER SECTOR ENHANCEMENT PROJECT (GUYANA)			
	<ul style="list-style-type: none"> Prepare detailed designs, drawings, cost estimates and bid documents for the construction of water treatment plants Conduct feasibility studies of utilising water from Hope Canal for domestic supply Prepare a national water policy and associated strategic plan Develop recommendations for institutional strengthening and capacity building of the Ministry of Communities and Guyana Water Inc. 	<ul style="list-style-type: none"> Improved governance in the water sector Enhanced capacity of Government of Guyana through the National Water Policy and strategies The construction of water treatment plants and the upgrade of water supply infrastructure 	
ENHANCE ACCESS THROUGH STAKEHOLDER ENGAGEMENT: SURINAME'S ENERGY SECTOR			
	<ul style="list-style-type: none"> Strengthen stakeholder engagement mechanisms of Energie Bedrijven Suriname, and its capacity to implement stakeholder engagement plans for projects in the energy sector 	<ul style="list-style-type: none"> Strengthened capacity of EBS to implement and monitor gender- and culturally-responsive stakeholder engagement strategies 	
DISABILITY ASSESSMENTS IN BORROWING MEMBER COUNTRIES (REGIONAL)			
	<ul style="list-style-type: none"> Conduct disability assessments to serve as tools for asserting regional and country-specific solutions for a common development challenge of effectively mainstreaming persons with disabilities 	<ul style="list-style-type: none"> Enhanced capacity of BMCs to design, implement, monitor and evaluate evidence-based programmes that mainstream disability 	
SUPPORT FOR THE GOVERNMENT OF SURINAME TO DEVELOP A MICRO, SMALL AND MEDIUM-SIZED ENTERPRISE (MSME) POLICY			
	<ul style="list-style-type: none"> Engage a team of consultants to develop a socially-inclusive and gender-responsive MSME policy for Suriname that will provide an integrated framework to improve the competitiveness and resilience of MSMEs 	<ul style="list-style-type: none"> Enhanced policy framework for the implementation of strategies to support the growth and development of the MSME sector in Suriname 	
PUBLIC PROCUREMENT CAPACITY ENHANCEMENT PROJECT			
	<ul style="list-style-type: none"> Provide training to key public sector personnel of the Chartered Institute of Procurement and Supply, and the Federation of Consulting Engineers Promote procurement networking and knowledge transfers through partnerships with other multilateral development banks (MDBs) 	<ul style="list-style-type: none"> Enhanced capacity of public procurement officials to utilise public resources in a transparent and equitable manner 	

Regional Cooperation and Integration

Regional cooperation and integration remained a key priority for the SDF in 2018. Adopting regional solutions to common challenges is one of the principal modalities through which the Region can overcome its constraints of small size and scarce resources. The Bank continued to support the Region's efforts in developing shared solutions by not only providing TA to regional entities, but also by playing a convening role in bringing together key state actors and partners.

Given the high degree of openness, trade facilitation is particularly important for Member Countries of the Caribbean Community (CARICOM). Limited natural resources and lack of scale make most Caribbean countries highly dependent on imported food, fuel and medicines, while their export profiles are characterised by a narrow range of exports and export markets. They have limited participation in global value chains and face declining terms of trade. Smaller Caribbean countries have largely diversified away from economic dependence on mono-crop agriculture to services trade, mostly tourism and financial services. A central focus has been around strengthening the capacity of Caribbean countries to compete in the export market, and one of the key challenges identified has been the unavailability of requisite quality infrastructure to facilitate market entry. Consequently, one of the most notable projects under this theme, "Strengthening Regional Quality Infrastructure" was to the Caribbean Regional Organisation for Standards (\$0.8 mn). The assistance will help to strengthen the export capacity of local producers and suppliers by ensuring that products meet international standards. The intervention includes support for:

- (a) development of national quality policies;
- (b) TA to aid in the accreditation of two testing laboratories for ISO 17025 accreditation; and
- (c) an awareness campaign to improve and promote use of accredited testing services.



Project launch "Strengthening Regional Quality Infrastructure", August 2018

Also in the vein of increasing regional and international trade, the Bank supported a regional workshop on the CARICOM strategy and plan for regional implementation of the World Trade Organisation's Trade Facilitation Agreement (TFA) and financed a regional stakeholder's consultation on the CARICOM Single Market and Economy (CSME) (\$0.1 mn). The outcome of the first TA is to strengthen the capacity of CARICOM Member Countries to implement trade facilitation reforms consistent with the regional approaches and priorities identified in the CARICOM Strategy for Regional Implementation of the TFA. In particular, participants will develop an appreciation of how the initiatives identified in the Strategy will support CARICOM regional integration. The objective of the regional stakeholders' consultation is to examine the CSME and its implementation as currently configured and identify measures to increase its effectiveness and provide recommendations to the Conference of Heads of Government. Key expected outcomes of the project include a regional strategy informed by stakeholders' perspectives, and increased buy-in and use of CSME structures and measures by the public and private sectors, as well as other stakeholders.

Another significant intervention was for the preparation of a comprehensive sport for development initiative for the new Faculty of Sport at the University of the West

Indies (UWI). Cognisant of the opportunities available from this burgeoning global industry, the TA seeks to utilise sport as a tool for advancing the socioeconomic development of the Region (\$0.2 mn). More specifically the project is expected to enhance the capacity of the UWI to effectively establish a socially inclusive, gender-sensitive, modern and integrated Faculty of Sport across the UWI System, responsive to the needs of BMCs and the development of a regional sport industry. The TA will inform an investment programme to support the continued development of the Faculty.

Building Resilience to Climate Change and Natural Hazard Events and Promoting Environmental Sustainability

The importance of building resilience and environmental sustainability to the Region has perhaps never been stronger following the devastating effects of the 2017 hurricane season. Leveraging the concessionality of the SDF, the Bank has been able to provide solid support to BMCs to reduce their vulnerability to, and accelerate the recovery from natural hazards. Under this theme, a major intervention was an additional loan to Saint Vincent and the Grenadines for rehabilitation and reconstruction (\$3.5 mn). The original assistance was in response to the December 2013 Trough event and was under implementation when further extreme rainfall events impacted project sites and prompted a redesign of infrastructure. This support therefore responds to the materialization of a major risk confronting BMCs as they engage in the rebuilding exercise—the onset of additional natural hazards.

The Bank also continued its support to Haiti with the approval of a \$3 mn grant to help the country meet its annual payment to Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC). Amongst the BMCs, Haiti is one of the most vulnerable to natural hazards. From 1975 to 2012, disasters associated with extreme hydro-meteorological events have caused annual damage and losses estimated at approximately 2%

of the gross domestic product. The earthquake of January 12, 2010 killed 220 people and displaced further 1.5 mn people. The Government of Haiti is committed to maintaining financial risk transfer as an important element of its disaster risk management strategy.

A notable grant (\$1.5 mn) under this theme was to the Caribbean Community Climate Change Centre (CCCCC) to introduce the use of lidar technology and its products. Lidar is a remote sensing technology used to derive highly accurate elevation measurements of the Earth's surface. According to the Fifth Intergovernmental Panel on Climate Change Assessment Report (2014), Small Island Developing States face many challenges in using climate change projections for policy development and decision-making. This is due largely to the general absence of credible regional socio-economic scenarios at the relevant spatial scale, and the scarcity of geo-spatial data and information. Lidar-based mapping technology can assist BMCs in addressing some of the problems being experienced due to the absence of geo-spatial data for decision-making. The application of this technology is a major development for the Region and will provide among other things:

- (a) shoreline and bathymetric data needed as inputs for sea defence and port development projects;
- (b) an opportunity for BMCs to benefit from value added lidar data products including digital elevation models, digital surface models, digital terrain models, contour maps, storm surge mapping, and the provision of critical information for hazard vulnerability and disaster risk management; and
- (c) efficiency gains by reducing the time and costs needed for the preparation and design of infrastructure projects.

Following a natural hazard, the loss of life, serious injuries,



Lidar project launch, December 2018

destroyed homes and other property, displacement and family separation create serious disruptions and repercussions in people's lives, and can affect their mental health and psychosocial well-being. In 2018, the Bank attempted to address the mental and social aspects of resilience by approving resources to enhance capacity for mental health and psychosocial support in disaster management (\$0.2 mn). The assistance includes training of key personnel to deliver psychosocial support and the preparation of needs assessments and action plans in five Caribbean countries that will form the basis for an organised high-priority response immediately following a humanitarian crisis. The final component is a communication and awareness campaign to educate persons about maintaining good mental health in disaster situations, the normal psychological response to disaster in the paediatric and adult populations, the signs of mental disorders, interventions to minimise the psychological effects of disaster, and available treatment resources.

Gender

The issue of gender inequality is an important development challenge confronting BMCs and is manifested in several areas. These include occupational segregation, gender wage gaps, higher vulnerability of women and girls to poverty, gender impacts of natural disasters, gender-based violence, male underperformance in the education system especially at the secondary and post-secondary levels, and unequal access to finance. The Bank has therefore sought to mainstream gender in all interventions. In 2018, some 74% of all SDF interventions were gender-mainstreamed as measured by the gender marker.

During the year, CDB approved resources for the revision of the Gender Policy and Operational Strategy, which will essentially take stock of lessons learnt, identify the gaps and chart the way forward for the Bank consistent with BMCs' priorities. The institution also launched toolkits to facilitate gender mainstreaming in key sectors, namely energy, trade, private sector, education, water, and transportation.

In addition to mainstreaming the Bank also engages in gender-specific interventions. One such intervention addressed inequalities in the provision of finance by development institutions. The main activities contemplated in the project are:

- (a) the development of three gender equality policies and action plans that support the development finance institutions (DFIs) in three BMCs;
- (b) the preparation of an evidence-based report on the lessons learnt and best practices in mainstreaming gender in DFIs; and
- (c) facilitation of a knowledge exchange workshop with all of CDB's active DFI partners to expand the reach and dialogue on gender mainstreaming.



Combatting Gender-based Violence in Grenada

Gender-based violence, in particular violence against women and girls, remains one of the most common forms of insecurity facing citizens in the Caribbean. In 2015, CDB approved a TA project supporting the Legal Aid and Counselling Clinic (LACC) in Grenada, covering multiple angles:

- Psycho-educational services for victims and perpetrators of gender-based violence, as well as young men coming into conflict with the law to break the cycle and prevent violence;
- Psychosocial/clinical services, including counselling, mediation and psychological support, to victims of domestic violence, child abuse, family violence, rape and other sexual offenses; and
- Public education to raise awareness and to prevent gender-based violence.

Over the period March 2016 to March 2018, 87 participants successfully completed the psycho-educational programmes. Almost 1,500 persons benefitted from the psychosocial and clinical services that the LACC provided under the CDB-financed project. Additionally, a total of 36 public education sessions were held with 1224 participants. A CDB policy brief promotes the LACC approach as a good practice example in providing gender-based violence services in the Caribbean Region.

Governance

SDF 9 explicitly acknowledged the importance of improved governance and institutional capacity as key elements needed to ensure the Region's growth and development. This issue was therefore treated as a cross-cutting theme in this ninth cycle and also has an associated set-aside to address these concerns. Some approvals, which attempted to address the governance specifically were the designing and piloting of a methodology to improve strategic planning and project implementation in Saint Lucia (\$2.6 mn), a public procurement capacity enhancement project (\$0.2 mn), and the facilitation of a workshop for judges and prosecutors to address anti-money laundering and counter-terrorist financing systems.

During the year, the Bank piloted assistance to Saint Lucia to strengthen its capacity to monitor and implement capital projects and policy reforms. The Bank's support for the implementation and delivery mechanism is based on the principle of Deliverology and has 4 stages:

- (a) **Country diagnostics:** the country diagnostic is both a data gathering exercise and a consultative process which engages stakeholders from key agencies, including cabinet members, high-level civil servants, and private sector partners;

- (b) **High-level workshops**, which identify high-level priorities and possible game changers;
- (c) **Labs**, which facilitate the consultative process by bringing together primary stakeholders, ministries, departments and agencies to work on designing solutions to the policy challenges. The main output of the labs are: solutions to critical bottlenecks and problems; the identification and design of clearly defined priority projects; the establishment of key performance indicators; and the definition of realistic timelines and detailed budgets; and
- (d) **Establishment of performance management and delivery units (PMDUs)** to support the implementation of key priorities over the medium term. PMDUs are discrete units placed at the centre of governments. They have a clear mandate to use the authority of the Prime Minister or President to ensure that a government's stated priorities are realised within a given timeframe and that actual results are delivered relatively quickly, in a clearly identified and limited number of priority areas.

Saint Lucia has completed the first three stages of support and is the process of establishing the PMDU.



Participants in a Walk-Through of one of the Labs in Saint Lucia, December 2018

A strong public procurement system that promotes transparency and accountability, is a critical component of good public sector governance and has been linked to outcomes such as equality in access to economic opportunity and development; increased participation in public sector management and decision making; and a more responsive and effective public sector. CDB in partnership with other MDBs co-financed a public procurement capacity enhancement project. Key components of the assistance include:

- (a) Support for the creation of a cadre of male and female public procurement specialists in the Member Countries of the Organisation of Eastern Caribbean States (OECS) with internationally recognised qualifications and the technical competence to catalyse public procurement reform;
- (b) Enhanced capacity of selected procurement officials to better manage high-value and high-risk construction contracts;
- (c) Improved capacity of regional actors and governments to better prepare for and respond to natural disasters through procurement practices and approaches that build resilience into public procurement frameworks.

CDB IN HAITI

CDB Opens New Office in Haiti

On September 21, 2018, the Bank inaugurated its Haiti Country Office, the first office outside CDB's Headquarters in Barbados. The Country Office was established to deepen CDB's efforts to contribute meaningfully to the transformation and sustainability of the Haitian economy, facilitate project implementation and to also seek to assist with Haiti's further integration into CARICOM.

The Haiti Country Office will enable the Bank to work much more collaboratively with government officials, non-governmental organisations, development partners and other key stakeholders, and design interventions that are better adapted to the local situation. It is anticipated that this in-country presence will greatly improve communication with stakeholders, reduce operational delays, facilitate information-sharing, and enhance CDB's participation in policy dialogue. The office is the focal point for the \$45 mn Haiti grant assistance programme (2017-2021), which was approved by the Board of Directors in October 2017.

Thus far, the Office has focused on building relationships with key stakeholders such as government officials and development partners, and importantly, laying the foundation for project implementation support. This included facilitating logistical arrangements for the supervision, evaluation and training for Bank missions, and engaging project implementation units in education, energy, environment and agriculture to support the timely execution of projects.

Improving Education Outcomes in Haiti

In 2018, construction of four community schools located in underserved areas of Haiti, as well as activities related to the teaching and learning of the students in those communities were the only outstanding activities being implemented by the Bank under Education for All (EFA) Phase 2. The schools were originally designed to provide eight classrooms to address the needs of early childhood,



Ribbon-cutting ceremony at the opening of the Haiti Office in Port-au-Prince on September 28, 2018

as well as students in grades 1-6. However, under a new policy of the Government of Haiti, the schools are now being constructed to cover a further three grades. During the year, 32 teachers and 920 students benefitted from the provision of teaching and learning kits and resources under this sub-component of the project. The new schools are expected to be completed and ready for occupation by March 31, 2019.

With the culmination of EFA Phase 2 in 2018, the Bank launched a new project in the basic education sub-sector, designed to assist the Government to realise the measures set out in its National Pact for Educational Quality approved by the country's Chamber of Deputies in April 2017. The new project, Quality Enhancement in Public Education (QEPE), valued at \$16 mn, is intended to assist the Government in taking the initial steps to increase its oversight of the system and enforcement of minimum standards for the effective operation of the sector. The project recognises that despite the inputs from international development partners over the last decade, a number of issues and challenges still plague the sector.

These include continued weak student achievement; inadequate physical infrastructure; inadequate school and system leadership and instructional quality; the absence of quality assurance and accreditation mechanisms; lack of financing and support at the secondary level; and continued deprivations, associated with poverty.

In order to assist the country in addressing these issues, CDB has, in conjunction with the World Bank, developed QEPE as a follow-on to the national EFA strategy. Attention will still be focused on the achievement of universal primary education, but there will be a shift towards addressing quality across all basic education, including enhancement of outcomes at the secondary level, and increasing participation of the state in basic education. Even though the predominant focus will be on strengthening the capacity of the state to deliver quality public education, there will also be significant attention given to oversight of the non-public sector, with operators having to meet minimum academic and operational standards in order to continue operations in the sector. Standards will be monitored and evaluated against

quality assurance mechanisms and checklists developed under EFA Phase 2. The project will also assist in providing further infrastructure to allow the Government to increase its provision of public places in basic education, thereby increasing access and participation at the primary level. The Bank will continue its partnership with the World Bank, which will implement similar activities in the south of the country. CDB interventions are expected to be implemented in the Centre Department.

CDB is also working with the Government of Haiti to continue enhancement of the technical and vocational education and training (TVET) sub-sector. Having launched two TVET centres at Cap-Haïtien and Jeremie jointly with the Inter-American Development Bank in 2017, CDB, on its own, constructed and equipped a third centre in Jacmel, which was launched in 2018, providing accommodation for a further 1,000 students. During the year as well, the procurement process commenced for the reconstruction of the main TVET centre at Saint Martin in Port-au-Prince, which was completely destroyed by the 2010 earthquake. When this centre is completed, CDB would have assisted in providing places for 6,500 students in TVET.

Strengthening Agriculture and Rural Development

Approved in 2016, the Community-based Agriculture and Rural Development project commenced implementation in the second quarter of 2017 following the establishment of a service contract between the Ministry of Agriculture, Natural Resources and Rural Development and the non-governmental organisation, Welthungerhilfe. In keeping with the participatory approach included in the project design, nine irrigation schemes—three to be rehabilitated and six new schemes—were selected from 26 applications submitted by residents in the project target communities. The project will also facilitate rehabilitation and reforestation works on eight watersheds attached to those irrigation schemes. Stakeholder capacity building activities, and associated feasibility and design studies on the proposed irrigation schemes and associated watersheds are on-going, with construction works on schedule to commence in the third quarter of 2019. By

the end of the Project, farmers in selected areas in the North West Department of Haiti should have improved access to enhanced agricultural systems and benefit from the anticipated increase in productivity.

BASIC NEEDS TRUST FUND

SDF Resources Partnering against Poverty

Since 1979, the Basic Needs Trust Fund (BNTF), the Bank's direct poverty reduction programme, has been addressing the needs of the Region's most vulnerable. Now in its ninth cycle, BNTF seeks to reduce the incidence of poverty in low-income vulnerable communities by improving access to quality education and training, water and sanitation, basic community access and drainage, livelihood enhancement, and human resource development services.

The year 2018 was one of transition for BNTF as nine of the ten Participant Countries (PCs) wrapped up implementation of BNTF 7 and BNTF 8 projects and completed sub-projects under implementation, prior to giving complete focus to BNTF 9 implementation. Disbursements of \$1.97 mn and \$1.09 mn under BNTF 7 and 8, respectively, largely represented the remaining balances to be disbursed. At the end of these projects nine PCs disbursed 94-99% and 86-100% of their country allocation under BNTF 7 and BNTF 8, respectively (see Table 5).

Implementation in the Commonwealth of Dominica was adversely impacted by Tropical Storm Erica in August of 2015, torrential rainfall in September 2015 and Category 5 Hurricane Maria in September 2017. CDB responded by extending special assistance to the Government of Dominica through a partial closure of the BNTF 7 and 8 projects and provision of resources necessary to enable the Government to meet its commitments (as at December 5, 2018) to 12 sub-projects under implementation for an additional two years or until December 31, 2020.

BNTF 9 continued to provide support in three main areas, namely education and human resource development (EHRD), including livelihoods enhancement; water and sanitation services enhancement (WSSE) and basic

TABLE 5: BNTF 7 AND 8 DISBURSEMENTS AS AT DECEMBER 31, 2018

BNTF Participating Country	Total disbursed versus allocation (%)	
	BNTF 7	BNTF 8
Belize	94.30	86.31
Dominica	53.45	75.44
Grenada	99.27	99.76
Guyana	97.85	97.61
Jamaica	96.04	94.27
Montserrat	97.37	98.41
Saint Kitts and Nevis	97.23	89.80
Saint Lucia	92.86	97.94
Saint Vincent and the Grenadines	94.47	99.87
Turks and Caicos Islands	97.92	100.00

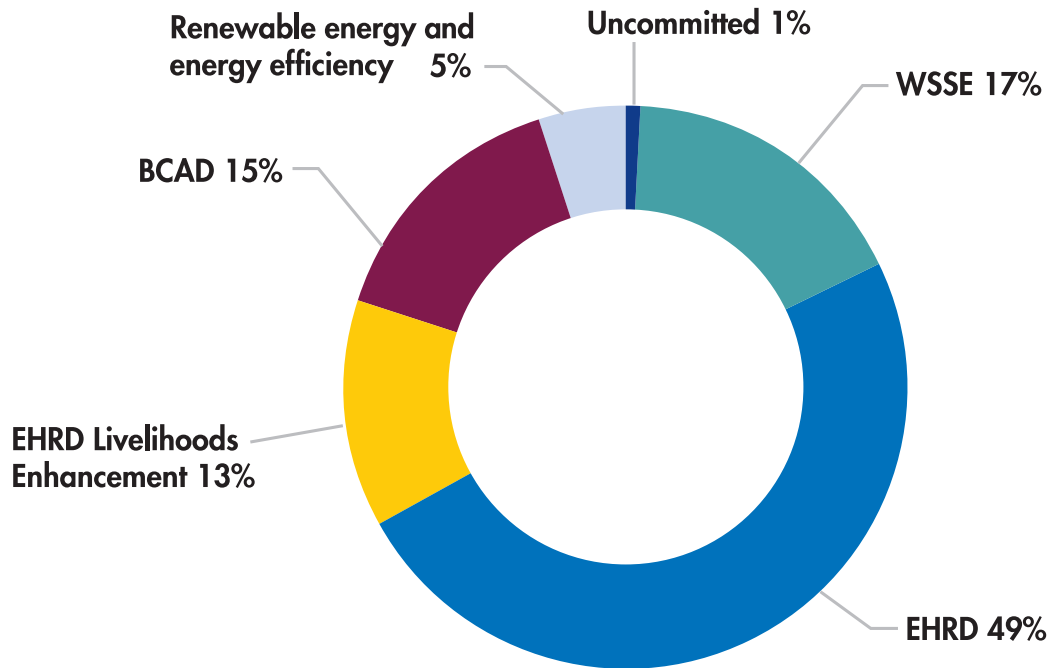
community access and drainage improvement (BCAD). By April 2018, eight of the nine BNTF PCs, namely Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, focused entirely on the implementation of the BNTF 9 Programme. These eight PCs achieved compliance during 2018 and completed their individual Country Policy Framework (CPF) documents. The CPFs are intended to inform evidence-based prioritisation of the PC's BNTF 9 resources, which support efforts to address the root causes of poverty in the poorest and most vulnerable communities. Meanwhile, CDB continued to work with Suriname and agreed on the appropriate local governance structure to deliver a pilot project under BNTF 9².

An analysis of the approved CPFs show that 62% of the resources is planned for investment in EHRD.

This comprises 13% with a focus on livelihoods (i.e. sub-projects designed to generate sustainable income, directly promote asset ownership and accumulation and enhance food security) and 49% tied to interventions in the education sector and geared towards building capacity of persons in the labour market or who wish to acquire new skills or upgrade existing skills with some accreditation, such as National Vocational Qualification, TVET, and Caribbean Vocational Qualification (CVQ).

Some 5% of BNTF 9 resources have been earmarked for the introduction of renewable energy and energy efficiency at hinterland schools in Guyana. Additionally, 17% and 15% of the resources are programmed for WSSE and BCAD, respectively in vulnerable communities. A total of 102 sub-projects in these three areas have been identified for implementation under BNTF 9 (see Figure 2).

² Suriname joined the Bank in 2013 and recently became eligible for participation in the BNTF Programme. CDB's approach to the operationalisation of the BNTF as discussed with senior Government officials in Suriname will be to: (a) assess the governance and institutional framework through which BNTF programming can be most efficiently and effectively delivered; (b) assess current modalities/frameworks for financing of community driven interventions to ascertain congruence with the BNTF operational procedures and institutional capacity necessary for effective implementation; (c) agree on a selected framework; (d) enter into a grant agreement with the Government of Suriname for the purpose of implementing pilot sub-projects, and (e) undertake a review of the selected operating modality as part of a country completion report.

FIGURE 2: BNTF 9 COUNTRY PROJECT ALLOCATIONS AS AT DECEMBER 31, 2018

By year end, five country sector portfolios comprising 19 sub-projects had been fully appraised, with 12 sub-projects—eight in water and sanitation and four in rural community livelihoods enhancement in the agriculture and tourism sectors—already approved for a value of \$1.786 mn. The results for the approved sub-projects are improved access to quality water supply and sanitation services; improved access to quality EHRD services; and enhancement of livelihoods and employment opportunities. These are outlined in further detail in Table 6.

TABLE 6: BNTF OUTCOMES BY SECTOR

Sector	Indicator	Value
 WATER SUPPLY	Number of households with access to water supply	343
	Water supply lines installed or upgraded	7.2 Km
	Installed water capacity	27.2 m ³
	Number of persons trained in competency-based WASH programme	140
 LIVELIHOODS ENHANCEMENT	Beneficiaries of skills training activities (male, female) farmers	18 groups: 682 beneficiaries (500 men, 182 women)
	Number of business plans approved	5
	Value of assets transferred	\$436,460
	Land irrigated or improved through drainage and irrigation works	30.4 hectares
	Stakeholders trained in improved production technology	382 (270 men, 112 women)
	Number of farmers benefitting from assets transferred	300 (218 men, 82 women)
	Farmers benefitting from cold storage facility	40 (28 men, 12 women)
	Community infrastructure built	1

Scaling Obstacles:

Transforming Youth At-Risk through Music

The sound of sweet pan music marked one of the high notes for the 36 male and 10 female students as they participated in the long-awaited graduation ceremony of the Sound Waves project, on November 6, 2017 in Saint Lucia. Having earned Caribbean Vocational Qualification (CVQ) certificates at levels 1 and 2 in music or related fields, all were filled with expectations at the end of their 12-month journey.

Training was offered in the areas outlined in the table below:

CVQ CERTIFICATION COURSES

Training phase	Level*	Compulsory programme courses		Optional programme courses
		1st course	2nd course	
Phase I	I	Introduction to music theory	Life Skills I	Webpage design
	I	Music performance	Life Skills II	Business development
Phase II	II	Music performance	ICT I	Marketing
	II	Recording engineering	ICT II	

The ceremony marked the culmination of collaborative efforts of the Saint Lucia Cultural Development Foundation, the Saint Lucia School of Music, Saint Lucia Social Development Fund and CDB through the implementation of the Sound Waves sub-project as part of BNTF 7 targeting human resource development needs in Saint Lucia. The \$425,000 Sound Waves sub-project targeted 17–35-year-old people living in poor communities and was aimed at strengthening their competencies and unlocking their capabilities through technical and vocational skills training.



The project targeted high-risk communities like Castries, Anse la Raye and Vieux Fort. These communities have residents interested in creative and literary arts, but for the most part many were unable to access the facilities and services, which would be able to spur their development in those areas. Beneficiaries were deemed particularly vulnerable due to their low socio-economic status, under-employment or unemployment, low educational attainment or because they possess special education needs.

As evidenced by the numbers graduating in November 2017, beneficiaries were able to overcome the many challenges outlined and complete the training and certification programme. A total of 46 of the 50 trainees completed the certification. Moreover, by the end of March 2018 upwards of 95% of those completing the training had been able to secure either part-time or full-time employment.

The Enhanced Country Poverty Assessment – A New Tool in the Fight against Poverty

In 2018, the Bank began rolling out its ECPA Programme. The Programme includes an assessment of multi-dimensional poverty indicators (MPIs), and poverty and vulnerability mapping (PVM)¹. This will allow for a richer information set to better inform social policy and target the needs of disadvantaged persons.

ECPA implementation is supported by a Toolkit, developed by CDB with assistance from Global Affairs Canada and the Delegation of the European Union to Barbados. The Toolkit is designed to provide comprehensive guidance to BMCs on implementing all aspects of the Programme. It also takes account of natural hazard risk, disaster risk reduction and management, climate change and climate variability and integrates gender analysis as a cross-cutting theme.

Following the launch of the Toolkit in 2017, CDB hosted a number of training and sensitisation activities designed to increase BMCs buy-in and ownership of the tools and process. The Regional Toolkit Workshop in Saint Lucia from June 28-30, 2018 raised awareness and strengthened BMCs implementation capacity for all aspects of the ECPA Survey of Living Conditions and Household Budgetary (SLC/HBS), which for the first time contains a chapter on child poverty, participatory poverty assessment (PPA), macro-social and economic assessment, and poverty vulnerability mapping.

The ECPA is at various stages of implementation in the BMCs. In Grenada, Saint Kitts and Nevis, and the Virgin Islands, the SLC/HBS is underway, and reports are expected later in 2019. However, the most advanced was Saint Lucia, which was the first to publish the SLC/HBS report, and is currently preparing to undertake the PPA. Some highlights from the Saint Lucia report include:

- A poverty level of 24.2% utilising the multidimensional approach. (The head count poverty level fell from 28.8 % in 2006 to 25.0% in 2016, based on the money metric measure.)
- In 2016, around 16,800 children were poor, representing a poverty level of 34.5%



Participants involved in ECPA training in Saint Lucia, June 2018

or 13.2 percentage points higher than the equivalent adult rate of 21.3%.

- The decline in poverty was most pronounced in the rural areas from 41% to 32.9% over the 10-year period.
- Female heads of households with no education, were a larger percentage than were male heads with no education.
- The increase in the percentage engaged in own account agriculture and in wholesale and retail trade mirrors an increase in informal sector activity as some workers sought to eke out a living in the face of an increase in overall unemployment.
- The majority owned the homes in which they lived, and likewise owned the land on which the dwelling was located.
- Poor people reported a higher percentage with heart disease, 30.3% relative to 25% among non-poor people.
- Among households surveyed, 4.5% contained one or more victims of assault, with proportionately more non-poor households experiencing this type of assault when compared to poor households.

Poverty and vulnerability mapping, a new component of the Programme, will be utilised to overlay and map poverty data to strategically highlight areas of vulnerability at the community or parish level, and assist BMCs in building resilience by addressing issues of climate change, climate variability, disaster risk reduction and management.

¹ PVM, a new component of the Programme, will be utilised to overlay and map poverty data to strategically highlight areas of vulnerability at the community or parish level, and assist BMCs in building resilience by addressing issues of climate change, climate variability, disaster risk reduction and management.

Caribbean Technological Consultancy Services Network

During 2018, the Caribbean Technological Consultancy Services (CTCS) Network continued to contribute to CDB's thrust in promoting private sector operations by enhancing the operational capacity of MSMEs and building resilience in its BMCs. To facilitate CTCS TA activities in 2018, CDB approved \$1.1 mn and disbursed \$0.8 mn (see Table 7). As a result, 34 TA interventions (30 completed and 4 ongoing) benefitted a total of 719 business people (378 men and 341 women) as reflected in Table 8. These interventions consisted of group workshops, in-plant assistance and institutional strengthening activities that benefitted MSMEs and business support organisations, especially those that cooperate with CTCS in delivering TA to MSMEs in BMCs. Feedback from beneficiaries of completed activities revealed that 75% (287 men and 254 women) gained knowledge and skills to enhance their operations.

TABLE 7: DISTRIBUTION OF CTCS APPROVALS AND DISBURSEMENTS BY COUNTRY, 2018

Country	Approvals	Disbursements
Anguilla	22,655	20,650
Belize	-	12,238
Suriname	21,070	26,216
Less developed countries total	43,725	59,104
Barbados	53,650	79,721
Guyana	-	15,061
Jamaica	-	108,537
More developed countries total	53,650	203,320
Regional	1,031,951	578,637
Total	1,129,326	841,062

Recognising that access to finance remains a binding constraint for regional MSMEs, CTCS partnered with Caribbean Export's WE-EXPORT programme to fund the delivery of a training workshop to 36 female-owned

TABLE 8: SUMMARY OF THE NUMBER OF BENEFICIARIES FROM CTCS ACTIVITIES IN 2018

Sector/ sub-sector	Number of beneficiaries	Gender impact	
		Women	Men
General management and business development	130	81	49
Construction related activities	191	26	165
Food management and related activities	47	36	11
Tourism-related activities	197	108	89
Creative industry related activities	63	33	30
Institutional strengthening	91	57	34
Total	719	341	378

MSMEs and 10 business support organisations in 10 BMCs. The training sought to improve the ability of business support organisations and female entrepreneurs to prepare better proposals, enhance business accounting skills and more successfully navigate the various due diligence requirements of the formal banking sector.

In response to the devastating impact of hurricanes Irma and Maria on the housing sector in 2017, CTCS collaborated with the Caribbean Disaster Emergency Management Agency in hosting a regional train-the-trainer workshop on "Improved Practices for the Construction of Houses". A total of 34 planners and building inspectors (29 men and 5 women) from 16 BMCs were trained in improved design and construction of houses that would be resilient to up to category 5 hurricanes. With support from CTCS, the trained participants had, by the end of 2018, provided similar training to 145 artisans and small contractors (127 men and 18 women) in six BMCs.

CTCS continued to partner with the Caribbean Tourism Organisation in providing training to 197 employees (89 men and 108 women) of tourism-related MSMEs in 13

BMCs by promoting a culture of quality, service excellence and continuous improvement under a Hospitality Assured Certification Programme.

As part of CTCS' efforts to strengthen the capacity of MSMEs operating within the Region's creative industry, a series of development workshops on business of music was conducted for 27 men and 17 women in music from all nine OECS Member States. The workshops, which were conducted in Saint Lucia, focused on women in music, fundamentals of the business of music, negotiating and managing contracts, and accessing international markets.

In support of CDB's efforts to engender increased youth participation in the labour force and contribution to economic and social development in BMCs, CTCS developed a pilot youth entrepreneurship project to provide training, inclusive of mentorship, to 18-35-year-old people in five BMCs (Barbados, Dominica, Jamaica, Saint Lucia, and Trinidad and Tobago). The overall objective of

the project, which will be implemented during the period 2019-2020 in collaboration with Youth Business Trusts (YBTs) in the targeted countries, is to reduce youth unemployment through participation in entrepreneurial ventures. The project, expected to result in increased number of start-ups and enhanced sustainability of MSMEs operated by male and female youth, is designed to include two key components, i.e. community-based training to complement training at YBTs' offices and development of an e-learning platform.

Training and mentorship in communities will provide greater opportunities for young persons, especially young females who may experience challenges participating in training outside of their immediate environment due to financial constraints and social responsibilities at the household level. The e-learning platform will provide an opportunity to train a larger number of young people at a reduced cost per trainee. The project is, therefore, expected to benefit at least 350 young persons, including



Training of building inspectors in robust housing roofing construction, July 2018

140 females. It is anticipated that at least 40% of these beneficiaries will also access finance, through grants and loans from YBTs to enable them to start or expand their businesses.

CTCS has also embarked on a technology-focused youth entrepreneurship programme that will provide training and mentorship, through a virtual business incubator, to 18–35-year-old men and women who wish to start or grow their business. The programme will target businesses that are focused on the application of technology or significantly use technology in one of three categories (idea, validation and scale-up). The programme is expected to develop some 180 young entrepreneurs.

To assist garment producers in Barbados to create products that meet international standards, CTCS conducted a training workshop on business of fashion for 16 female fashion designers and design trainers. Participants were equipped with knowledge and skills related to the fundamentals of design, developing their unique selling point, and the business techniques needed to be successful in the fashion industry. The workshop aimed to increase competitiveness among fashion designers

in Barbados, as well as enhance the fashion design programme at the Barbados Community College, and the garment technology and garment making programmes at the Samuel Jackman Prescod Institute of Technology and Barbados Vocational Training Board.

As part of efforts to foster a stronger and more robust CTCS Network, CDB hosted a regional stakeholders' meeting to discuss and exchange ideas geared toward ensuring that the Programme remains relevant to the needs of MSMEs in the Region. The meeting brought together representatives from key CTCS Cooperating Institutions (CIs) in 19 BMCs and other regional MSME development partners. Participants were provided with information on the CTCS Network's strategy, future priorities, and its new Operations Manual, which seeks to strengthen the CTCS Network's accountability and transparency requirements. The meeting also sought to further enhance the CTCS Network's approach and engagement, identify concrete opportunities for partnerships, and build increased collaboration into the core of the Network's activities. In addition, CIs' representatives were trained in proposal writing to enable them to develop fundable proposals.



Training of fashion designers in modern fashion design techniques, September 2018

SDF PORTFOLIO ANALYSIS

Introduction

The quality and performance of the SDF portfolio (projects under implementation) is measured by a project performance index (PPI), using a composite score derived from the application of the project performance evaluation system (PPES). The methodology was revised and a template was developed using four criteria (strategic relevance, cost efficiency/efficiency; efficacy/effectiveness and sustainability) compared with six criteria under PPES (poverty relevance, strategic relevance, cost efficiency, effectiveness, institutional development, and sustainability). The revised template is being used by CDB for validation and evaluation purposes.

The performance of the SDF portfolio³ in 2018 could be categorised as favourable. Available data for 40 projects suggest that the portfolio performed well, with just over half achieving a performance rating of satisfactory, and the remainder, highly satisfactory. When analysed by sector, the majority of the portfolio was in environment and disaster risk reduction (39.8%) followed by education (24.6%), and transportation and communication (13.1%). Further details on the SDF portfolio are presented in Appendix V.

³ The Bank is in the process of transitioning to a new portfolio management system. The information provided by the two systems however, are not directly comparable. Given that the 75% of the data needed for a portfolio analysis of the SDF still resides in the current system, this report utilises the information provided by the existing system. The entire SDF portfolio consists of 53 projects with a value of \$344.1 mn.

Projects At-Risk

Included in PPES, are criteria to identify those projects deemed to be at-risk⁴ of not achieving stated objectives. As at December 31, 2018, six projects were deemed to be at-risk. Table 9 identifies those projects and summarises the key issues affecting implementation. The Bank continues to engage BMCs on these projects to strengthen implementation capacity and where necessary, re-scope the intervention to ensure delivery of results.

TABLE 9: SUMMARY OF PROJECTS FLAGGED AT-RISK

Name of project and approved value (\$'000)	Country	Cumulative disbursement as at December 31, 2018 (\$'000)	Age	Key issues
1. Belize Social Investment Fund III (\$10,000)	Belize	1050 -1%	1.6	Delays in the procurement of technical consultants hindered progress.
2. Natural Disaster Management: Rehabilitation and Reconstruction, Layout Flood event (\$10,887 – revised to \$13,114)	Dominica	1,775 -14%	6.9	Insufficient human resource capacity
3. Natural Disaster Management: Rehabilitation and reconstruction, Tropical Storm Ophelia (\$4,100)	Dominica	338 -8%	6.8	Insufficient human resource capacity
4. Rehabilitation and Reconstruction Loan, Tropical Storm Erika (\$30,000)	Dominica	- 0%	2.8	Works suspended due to the passage of Hurricane Maria. The project was cancelled in 2019.
5. Integrated Solid Waste Management Project (\$10,700)	Grenada	557 -5%	3.9	Project implementation was hindered by weak institutional capacity in line ministry, and a change in Project Coordinator.
6. Grenada Education Enhancement Project Phase 1 (\$15,000)	Grenada	420 -3%	2.7	Inadequate project management

⁴ The PPES evaluates project performance at the various stages of the project cycle (preparation/appraisal, supervision, and completion). The PPES uses six criteria to rank or gauge performance. These are strategic relevance, poverty relevance, efficacy, cost efficiency, institutional development impact and sustainability. Projects are deemed at-risk if project performance exhibit more than two of the following six risk criteria: weighted score for any criterion is equal to or below 0.5; a composite performance score below 4.0; a decline in any project performance rating score by more than 15%; timing performance more than 15% behind target; CDB performance unsatisfactory, and Borrower performance unsatisfactory.



3

REPORTING ON SDF 9 RESULTS

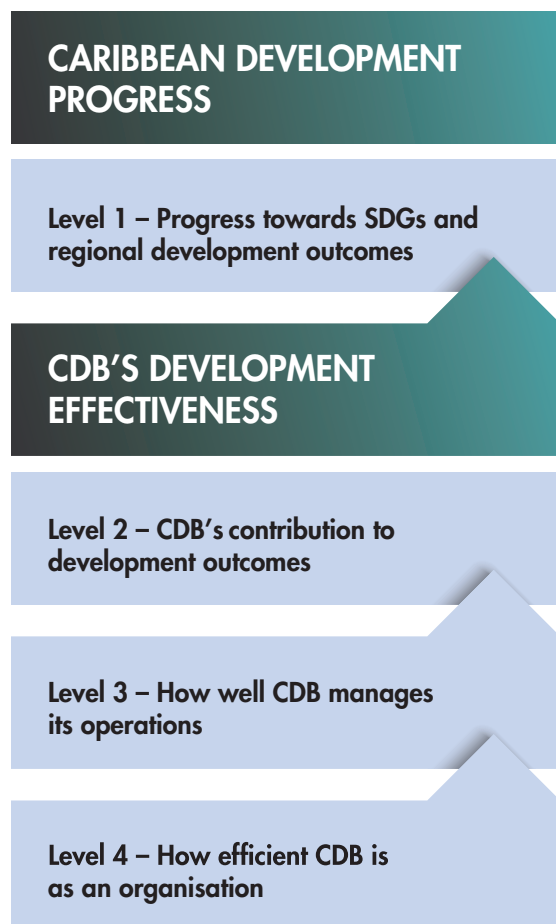




This chapter reports on the results achieved within the context of the SDF 9. A more detailed exposition can be found in the Development Effectiveness Review 2018.

The Results Monitoring Framework (RMF) monitors progress at four levels. Level 1 traces the Caribbean's progress towards development goals and outcomes, Level 2 captures CDB's contribution to development outcomes, Level 3 tracks how well CDB manages its operations and Level 4 measures how efficient CDB is as an organisation. Figure 3 shows the relationship between levels of the RMF.

FIGURE 3: THE STRUCTURE OF CDB'S RESULTS MONITORING FRAMEWORK



The Caribbean's progress towards its development goals and outcomes has been uneven at best. While the Region has reported notable progress in areas such as education and the provision of clean water and sanitation, others related to climate action, economic inclusion, competitiveness, including intra-regional trade and doing business, and have not been nearly as impressive. These outcomes reflect a confluence of factors. BMCs are still plagued with the lingering effects of the global financial crisis. Increasing fiscal pressures and mounting public debt, which hamper the delivery of services and social goods have become key features across many BMCs. Additionally, the perceived lack of meaningful opportunities and low growth plaguing many countries have contributed

to high unemployment particularly high youth unemployment and underemployment, increased incidences of crime, emigration of skilled labour and stubbornly high pockets of poverty. Added to this, the Region's execution deficiencies have resulted in the collective inability to implement much-needed reforms to drive business, bring about fiscal and debt sustainability, and mainstream vulnerability reduction and resilience-building.

Level 2, which captures the Bank's contribution to regional development, reflects the priority BMCs place on human capital and social and economic infrastructure as key pillars upon which to accelerate and sustain economic growth. In 2018, 15,643 persons benefitted from upgraded road infrastructure while 30 households in rural areas accessed improved sanitation and water supply services and 57,227 students benefitted from investments in education. In addition, 1,010 persons received training in climate smart agriculture and food safety standards; 400 km of transmission and distribution lines were installed and 4.2 GWh of energy saved as a result of interventions in energy efficiency and renewable energy; and 103 MSMEs benefitted from increased access to credit. Governance, which is a critical reform area for BMCs and the Bank given the execution deficiencies plaguing the Region, also recorded notable results in 2018 with the training of 1,647 persons in Project Cycle Management (PCM) and Public Policy Analysis and Management (PPAM). Finally, as it relates to deepening regional cooperation and integration by supporting the free movement of goods and services, a further two countries benefitted from the enhancement of national quality infrastructure through ISO 17025 accreditation.

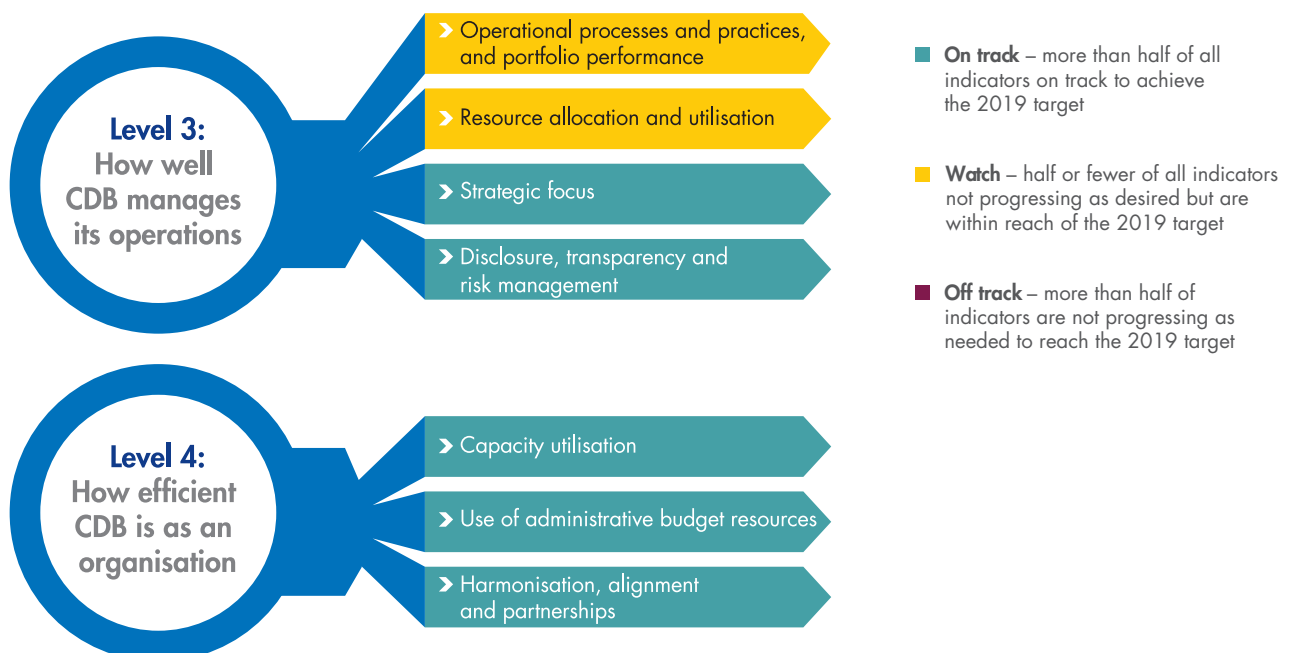
Organisational effectiveness and efficiency critically affects the Bank's ability to deliver on its mandate, and is captured in Level 3 of the RMF (see Figure 4). In 2018, the Bank performed credibly in several areas. Perhaps most significant however was the increase in project completion reports which rose from 34% to 95%. These reports provide useful information on lessons that can be used to improve the design and implementation of future and

ongoing projects and ultimately, enhance development outcomes. The average time from loan approval to first disbursement declined from eight to four months and is attributable in part to the policy-based loans approved during the year in support of economic stabilisation and in response to the impact of natural hazards. There is however, room for improvement in the disbursement ratio, which declined from 16% to 11% due to the inclusion of newly-signed projects and loans that increased the pool of undisbursed balances, as well as the difficulties being experienced in BMCs in project implementation.

Level 4 focuses on the institution's capacity to strategically and judiciously use its human, financial and technological resources to deliver results in a timely and efficient manner. The Bank continued to improve efficiency as it relates to the utilisation of Professional Staff and the administrative budget measured per \$1 mn of project disbursements. With respect to the former, the ratio of Professional Staff to Support Staff increased to 1.91:1.

Administrative efficiency, which fell to \$0.14 mn, also benefitted from efforts to contain costs, as well as an increase in disbursements as the Bank responded to a variety of needs during the year. Given finite resources and the existence of other development partners in the regional space, harmonisation, alignment and partnerships is a key modality through which the Bank will achieve its mandate. In 2018, 26% of CDB's financing was channelled to projects using common arrangements or procedures with other development partners. Similarly, capacity development provided through coordinated programmes rose to the targeted 40%. In 2018, the percentage of projects financed by multiple sources, and country strategy papers, and other development partner missions conducted jointly with at least one other development partner achieved the corporate target of 65%.

FIGURE 4: HOW WELL CDB MANAGES ITS OPERATIONS







A young boy in a patterned shirt is looking out over a lush, hilly landscape. The background shows a dense forest of trees and a small town or village built on a hillside. The overall scene is bright and natural.

4 FINANCIAL RESOURCES AND PROGRAMME LEVELS



The programme level approved for SDF 9 was \$355 mn. This comprised internally generated resources of \$125.9 mn, an allocation of net income from the ordinary capital resources (OCR) (\$15 mn); pledged contributions amounting to \$166.6 mn, and a structural gap of \$41 mn which was expected to be filled from new and pledged contributions.

SDF 9 Programme Level

The base funding and minimum programming level, excluding the structural gap was \$314 mn as projected in the Contributors' Report (see Table 10).

At the end of 2018, or midway during the cycle, indications are that the base programme will increase to \$344 mn as a thorough review of the loan and grant portfolio is expected to release \$40 mn in resources over the course of the cycle and contribute significantly to the closing of the structural gap. Also impacting favourably on the base programme was the slightly higher starting commitment authority of \$7.7 mn. These movements offset the reduction in internally generated resources from lower projected SDF net income, and reduced allocation from OCR net income as the Bank seeks to maintain adequate levels of capital on its OCR balance sheet.

TABLE 10: SDF 9 PROGRAMME LEVEL (\$ MN)

Item	Per Contributors' report	Position as at December 31, 2020	Difference
Commitment authority at beginning of cycle	6.5	7.7	1.2
Internally generated resources	125.9	124.7	-1.1
Allocation from OCR net income	15.0	5.0	-10.0
New (pledged) contributions	166.6	166.6	0.0
Resources released from portfolio management	0.0	40.0	40.0
Base programme level	314.0	344.0	30.0
Structural gap	41.0	11.0	-30.0
Overall programme level	355.0	355.0	

*Actual balance as at 1 January, 2017

COMMITMENT AUTHORITY

Funds available for commitment in 2018 totalled \$102.3 mn. This consisted of \$50.9 mn in pledged contributions, \$29.6 mn in repayments, a small positive net income of \$0.1 mn, cancellations of \$1.3 mn and starting commitment authority of \$20.4 mn. Of the funds available for commitment \$44.0 mn were allocated to loans and grants. Going forward, resources released from the cleaning of the portfolio will help to close the structural gap and allow SDF 9 to deliver on its programme objectives (see Table 11).

TABLE 11: COMMITMENT AUTHORITY AND USE OF FUNDS

Item	SDF 8	SDF 9				
	Total	2017	2018(p)	2019(p)	2020(p)	2017-2020
Commitment authority at beginning of period	3.3	7.7	20.4	58.3	36.8	7.7
Net income	-5.3	-4.6	0.1	0.5	0.8	-3.2
Repayments	99.1	30.1	29.6	33.9	34.3	127.9
Commitment authority from pledged and new contributions	205.9 ^a	43.0	50.9	23.1	49.6	166.6
Resources released from portfolio management	15.8	7.6	1.3	31.1	0.0	40.0
Allocation from OCR	18.0	0.0	0.0	0.0	5.0	5.0
Funds available for commitment	336.8	83.8	102.3	146.9	126.5	344.0
Approvals for SDF loans (gross)	237.4	21.5	21.6	85.0	91.9	220.0
Approvals for SDF grants (gross)	91.8	41.9	22.4	25.1	29.6	119.0
Available commitment authority at end of period	7.7	20.4	58.3	36.8	5.0	5.0

^a Revised

Allocation and Use of Resources

In SDF 9, eligible countries were allocated \$155 mn in lending, \$25 mn in loans for natural disaster response and regional projects and \$119 mn in grant set asides. In 2018, four countries, namely Belize, Guyana, Saint Lucia, and Saint Vincent and the Grenadines, accessed their allocations totalling \$21.6 mn (see Table 12). At the mid-point of the cycle therefore, all but two countries had utilised allocations. None of the loan set asides were accessed in 2018 in contrast to 2017 when the bulk of loan activity was in response to natural hazards. With respect to grants, activity was dominated by support to Haiti and to improve outcomes in the areas of building technical capacity, regional cooperation, and environmental sustainability.



TABLE 12: ALLOCATION AND USE OF RESOURCES

Item	Indicative allocations at January 2017		Commitments		Allocation	Resources available
	\$'000	%	2017 \$'000	2018 \$'000	%	%
Group 1: Anguilla, Antigua ad Barbuda, The Bahamas, Barbados, Cayman Islands, Montserrat, Saint Kitts and Nevis, Trinidad and Tobago, Turks and Caicos Islands, and Virgin Islands		-	-		-	-
Group 2:	-		-			
Belize	22.8	28.6	-	10.1	35.2	18.5
Dominica	14.7	18.5	2.0	-	10.8	16.5
Grenada	12.7	16.0	5.9	-	36.5	10.2
Guyana	30.8	38.8	-	5.6	14.5	33.1
Jamaica	37.7	47.4	-	-	-	47.4
Saint Lucia	14.9	18.7	-	2.5	13.2	16.2
Saint Vincent and the Grenadines	14.8	18.6		3.5	18.6	15.1
Suriname	6.6	8.3	-	-		8.3
Sub-total country allocations	155.0	195.0	7.9	21.6	15.1	165.5
Set-aside resources (loans)						
Natural disaster mitigation and rehabilitation	20.0	20.0	13.7	-	68.3	6.3
Regional projects	5.0	5.0	-	-		
Total lending	180.0	220.0	21.5	21.6	24.0	12.7
Grants						
BNTF	40.0	40.0	40.0	-	100.0	-
Haiti	45.0	45.0	24.1	3.0	60.2	17.9
Technical assistance						-
Capacity building	9.0	9.0	1.2	2.7	43.4	5.1
CTCS	3.0	3.0	0.8	1.1	63.9	1.1
BMC capacity building, statistics, and governance	6.0	6.0	2.0	0.8	46.9	3.2
Agriculture	3.0	3.0	1.3	0.1	47.1	1.6
Regional integration and regional public goods	4.0	4.0	1.8	1.3	76.6	0.9
Environmental sustainability, climate change, energy	3.0	3.0	0.9	1.9	92.9	0.2
Immediate disaster response	3.0	3.0	1.6	0.4	69.3	0.9
Private sector enabling environment	3.0	3.0	0.6	0.3	31.6	2.1
Total grants	119.0	119.0	74.3	11.7	72.3	33.0
Total resources available	299.0	339.0	95.9	33.3	38.1	209.9
Structural gap	41.0	11.0				
OCR allocation	15.0	5.0				
Approved programme level	355.0	355.0				



5

FINANCIAL PERFORMANCE AND PROJECTIONS



FINANCIAL RESULTS

The financial performance of the SDF improved somewhat relatively to 2017. Net income registered a small increase on account of lower administrative expenses while loans outstanding fell by \$7.8 mn owing to higher repayments relative to disbursements.

Undisbursed balances rose by approximately \$2.8 mn in 2018 reflecting deep-rooted execution difficulties in many BMCs. The Bank has adopted a multipronged approach to dealing with this issue. Within BMCs the Bank is engaged in:

- (a) a performance enhancing initiative based on the principle of Deliverology;
- (b) training through the PCM-PPAM programme and the Caribbean Procurement Training and Consultancy Centre; and

(c) TA in areas such as procurement reform and public expenditure scrutiny training for Members of Parliament. Internally, the Projects Department was reorganised in 2018 to enhance the Bank's focus on supervision.

Loan income remained virtually unchanged from the previous year at \$12.3 mn while investment income registered a small decline of \$0.3 mn, reflecting the impact of unrealised losses⁵. Administrative expenses, the main driver of the improvement in the income position decreased by \$3.8 mn following the extraordinary rise in the previous year occasioned by a change in the discount rate to appropriately provide for pension obligations. Consequently, the fund registered a marginal increase in income of \$0.1 mn in 2018 in contrast to a loss of \$4.6 mn in 2017. Table 13 provides a summary of financial performance over the past five years.

TABLE 13: SUMMARY OF FINANCIAL RESULTS, 2014-2018 (\$ MN)

Item	2014	2015	2016	2017	2018
Loans outstanding	529.9	543.4	543.1	543	535.2
Undisbursed balances	217.1	236.9	226.8	243.7	246.5
Cash and investments	273.3	294	319.8	329.4	334.4
Loan income	11.6	12.1	12.4	12.3	12.3
Investment income	1.5	1.1	2.3	4.4	4.1
Administrative expenses	13.6	16.8	15.9	20.1	16.3
Net income	0.4	-2.9	-1	-4.6	0.1
Yield on average cash and investment (%)	0.5	0.4	0.7	1.4	1.2

NOTES ENCASHMENTS AND DRAWDOWNS

Promissory notes amounting to \$18.7 mn were issued by six countries in 2018, compared with \$19.5 mn provided by seven countries in 2017. Similarly, total encashments were also down, recorded at \$8.8 mn or \$4.1 mn less than in 2017. In accordance with agreements with Contributors and in an effort to avoid adverse exchange rate movements, non-US dollar denominated notes were encashed when received. Likewise, notes receivable declined marginally, by \$0.4 mn to \$74.1 mn. The current value of approved contributions to the SDF (U) at the end of 2018 was \$1,317.1 mn compared with \$1,303.3 mn at the end of 2017. See Appendix VI-3 for details.

⁵ In 2018, the Bank implemented new investment guidelines to permit investment in a wider range of investment grade securities. The Fund generated an increase in gross investment income in 2018 (\$5.4 mn compared with \$4.8 mn in 2017). However, given that the Bank holds its instruments to maturity, these gains were offset by the rise in interest rates in 2018.

FINANCIAL PROJECTIONS

Annual loan growth is projected to be more robust at around 9.1% reflecting the more aggressive efforts by the Bank to increase disbursement. In addition to the efforts identified earlier to address execution difficulties, the Bank is also in the process of:

- (a) updating its procurement policy, which should increase operational flexibility and help to accelerate project implementation; and
- (b) undertaking a business process review, which critically assesses the Bank's systems and procedures with a view to eliminating waste while placing greater emphasis on those areas that add value. Loan income is therefore expected to rise to around \$14.1 mn by 2021.

With respect to expenditures, administrative costs are expected to be relatively flat; mainly on account of operational efficiencies realised through technology and concerted efforts to constrain administrative expenses. Consequently, net income is projected to rise gradually to \$1.2 mn in 2021. More favourable interest rate movements, along with the more flexible investment policy for SDF, are expected to have a positive impact on investment income over time (see Table 14).

TABLE 14: SUMMARY OF PROJECTED FINANCIAL RESULTS, 2019-2021 (\$ MN)

Item	2019	2020	2021
Cash and investments	303.7	281.2	242.6
Long-term loans	566.4	609.5	673.8
Investment income	4.2	4.4	4.5
Loan income	13.2	13.5	14.1
Administrative expenses	16.8	17.1	17.4
Net income	0.5	0.8	1.2







APPENDICES

APPENDIX 1

The Unified Special Development Fund

Background

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

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

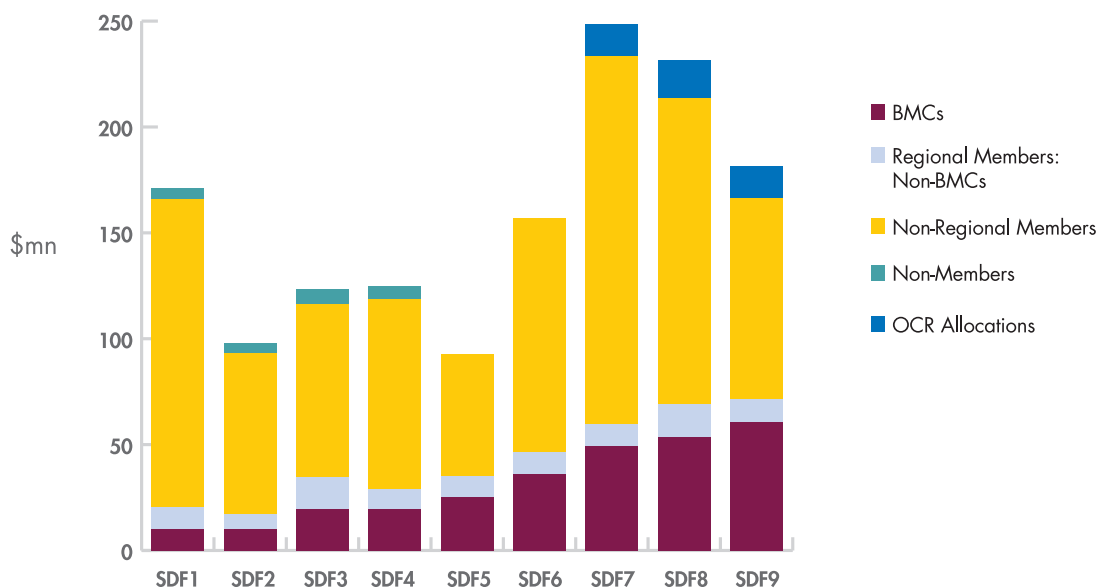
SDF (U) has a four-year replenishment cycle except for the third replenishment cycle (SDF 4) which was extended by an extra year as a result of additional contributions from a new member of the Bank. The ninth cycle of the Fund commenced on January 1, 2017 and will end December 31, 2020.

Funding

Over the nine cycles, contributions or pledges of \$1,427.8 mn have been made to the operations of SDF (U). A total of \$285 mn (20%) of the contributions and pledges came from borrowing members with non-borrowing members and non-members accounting for \$1,071.4 mn (75%), and \$23 mn (1.6%), respectively. A total of \$48 mn (3.4%) in allocations from the net income of the OCR was pledged to fund SDF cycles 7, 8 and 9.

Contributions pledged for SDF 9 totalled \$181.6 mn, inclusive of the allocation from the OCR net income of \$15 mn, with borrowing members pledging \$60.9 mn and non-borrowing members, \$105.7 mn. Contributions to each cycle by category of membership are shown in the chart below. Details are presented in Appendix II.

TABLE 1: CONTRIBUTIONS TO SDF (U)



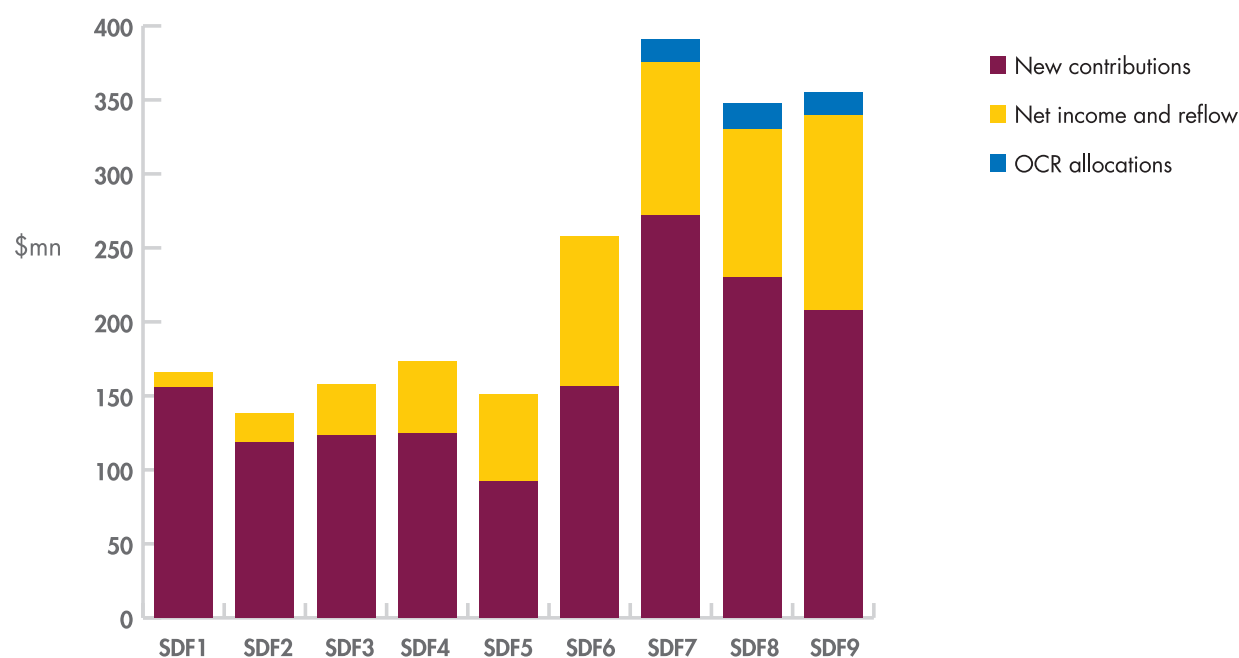
Themes and Priorities

During negotiations of each cycle, Contributors and the Bank agree on the priorities and issues to be addressed. These discussions focus on the most appropriate entry points through which the Bank can support sustainable poverty reduction initiatives in eligible countries. In recent cycles, SDF has given significant support to thematic areas such as environmental sustainability and advancing the climate change agenda; building capacity and maritime transport in beneficiary countries. Regional cooperation and integration and enhancing the Bank's development effectiveness have also been key priorities. For SDF 9, the core themes, which are detailed in the Box entitled SDF 9 Operational Strategy, are selected SDGs, regional cooperation and integration, building resilience, and supporting environmental sustainability.

Programme Levels

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

TABLE 1: PROGRAMME LEVELS SDF (U) 1-9





Eligibility of Countries

The Bank's BMCs are assigned to one of three country groups⁶ based on their relative per-capita incomes. The country groups help to determine the terms and conditions for SDF lending (refer to Appendix III). While all BMCs are eligible for SDF resources, countries in Group 1 do not receive a country allocation and can only benefit from regional projects and support for regional public goods and assistance in the event of a natural disaster.

Allocation of Resources

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

⁶ There were four country groups during SDF 1-7

APPENDIX 2

TABLE 1: CONTRIBUTIONS TO THE UNIFIED SPECIAL DEVELOPMENT FUND
(AFTER TRANSFERS FROM EARLIER SDF AND OTHER ADJUSTMENTS, \$ MN)

ITEM	SDF 1 ^a	SDF 2 ^a	SDF 3 ^a	SDF 4 ^a	SDF 5	SDF 6	SDF 7	SDF 8	SDF 9
Regional members: BMCs									
Anguilla	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.66
Antigua and Barbuda	0.25	0.25	0.16	0.25	0.32	0.42	0.61	0.63	0.66
Bahamas, The	1.4	1.4	2.16	2.16	2.81	4.21	5.67	5.88	6.17
Barbados	1.4	1.4	2.16	2.16	2.81	4.21	5.67	5.88	6.17
Belize	0.25	0.25	0.65	0.65	0.84	1.1	1.39	1.44	1.51
Cayman Islands	0.1	0.1	0.15	0.25	0.32	0.42	0.61	0.63	0.66
Dominica	0.25	0.25	0.65	0.65	0.84	0.84	1.39	1.44	1.51
Grenada	0.25	0.25	0.65	0.65	0.84	0.1	0.61	0.63	1.51
Guyana	1.4	1.4	2.16	2.16	2.81	4.22	5.67	5.88	6.17
Haiti ^{b/}	–	–	–	–	–	0.65	0.91	0.94	0.99
Jamaica	1.4	1.4	3.87	3.85	5	7.5	10.18	10.55	11.08
Montserrat	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.66
Saint Kitts and Nevis	0.25	0.25	0.65	0.65	0.84	1.1	1.39	1.44	1.51
Saint Lucia	0.25	0.25	0.65	0.65	0.84	1.1	1.39	1.44	1.51
Saint Vincent and the Grenadines	0.25	0.26	0.65	0.65	0.84	1.1	1.39	1.44	1.51
Suriname ^{b/}	–	–	–	–	–	–	–	2.16	6.17
Trinidad and Tobago	2.5	2.5	3.85	3.85	5	7.5	10.18	10.55	11.08
Turks and Caicos Islands	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.66
Virgin Islands	0.1	0.1	0.25	0.25	0.32	0.42	0.61	0.63	0.66
Sub-total	10.35	10.36	19.41	19.58	25.39	36.15	49.48	53.46	60.89
Regional members: non-BMCs									
Brazil	–	–	–	–	–	–	–	5	
Colombia	5	3.33	5	3	3.6	3.6	3.6	3.52	3.50
Mexico ^{c/}	–	–	5	3	3	3	3	3.52	3.50
Venezuela	5	3.34	5	3	3	3.6	3.6	3.52	3.50
Sub-total	10	6.67	15	9	9.6	10.2	10.2	15.56	10.50
Non-regional members									
Canada ^{d/}	60.87	15	20	16.8	25.2	44	69.83	66.44	52.86
China ^{f/}	–	–	–	24	4	5.2	8.1	7	6.28
France ^{e/}	21	10	14	11.76	–	–	–	–	–
Germany	–	26	14	11.76	–	12.17	18.83	15.96	13.73
Italy	21	10	14	8.66	3.15	5	7.08	3.24	2.96
United Kingdom ^{d/}	42.82	15	20	16.8	25.2	44	69.83	51.82	19.36
Sub-total	145.69	76	82	89.78	57.55	110.37	173.68	144.46	95.2
Non-Members									
Netherlands	5	5	7	6.3	–	–	–	–	–
Allocation from OCR	–	–	–	–	–	–	15	18	15
Sub-total	5	5	7	6.3	--	---	15	18	15
TOTALS	171.04^{d/}	98.03	123.41	124.66	92.54	156.72	248.35	231.48	181.57

^{a/} At exchange rates as of dates of payment

^{b/} Suriname joined the Bank in September 2013 and Haiti joined in 2007

^{c/} Mexico contributed \$5mn and \$3.33mn to SDF Other in 1984 (SDF 1) and 1988 (SDF2)

^{d/} SDF 1 contributions include amounts originally contributed to earlier special funds

^{e/} No longer a member as of October 2000

^{f/} Joined in 1998 subsequent to the Replenishment Negotiations on SDF 4

APPENDIX 3

TABLE 1: APPROVED PROGRAMME LEVEL FOR SDF 9

Loans	
Country loans using performance-based resource allocation system	211
Natural disaster mitigation and rehabilitation	20
Regional projects	5
Grant set-asides	
BNTF	40
Haiti	45
TA	
of which	
BMC capacity building	9
CTCS (small-scale private sector)	3
Immediate disaster response	3
Agriculture and rural development	3
Private sector enabling environment	3
BMCs capacity building (statistics and governance)	6
Regional cooperation and integration, and regional public goods	4
Environmental sustainability, climate change, and sustainable energy	3
Total	355

SDF 9 Programme Level, Country Groups and Terms Of Lending

SDF 9 Programme Level

Contributors approved a total programme of \$355 mn, comprising \$211 mn in country loans, \$20 mn in natural disaster mitigation and rehabilitation and \$5 mn in regional projects. Grant set-asides amounted to \$119 mn, the bulk of which were earmarked for BNTF and Haiti.

Country Groups and Terms of Lending

Country groups are used to determine both country eligibility to SDF resources and the terms and conditions of lending. The table below shows how lending terms vary according to country grouping. Under SDF 9, Contributors approved a reduction in the lending rate—for Groups 1 and 2, the lending rate was lowered from 2.5% to 1%, and for Group 3 countries, from 2% to 1%.

TABLE 2: COUNTRY GROUPS AND TERMS OF LENDING FOR SDF 9

Country group	Country	Terms of lending	
Group 1 (mainly OCR)	Anguilla	Interest rate	1%
	Antigua and Barbuda	Maximum grace period	5 years
	Bahamas, The	Maximum overall maturity	20 years
	Barbados		
	Cayman Islands		
	Montserrat ^a		
	Saint Kitts and Nevis		
	Trinidad and Tobago		
	Turks and Caicos Islands		
	Virgin Islands		
Group 2 (blend of SDF and OCR)	Belize	Interest rate	1%
	Dominica	Maximum grace period	5 years
	Grenada	Maximum overall maturity	25 years
	Guyana		
	Jamaica		
	Saint Lucia		
	Saint Vincent and the Grenadines		
	Suriname		
Group 3 (mainly SDF)	Haiti ^b	Interest rate	1%
		Maximum grace period	10 years
		Maximum overall maturity	30 years

^a Set-aside allocation will be used instead of the resource allocation formula

APPENDIX 4

TABLE 1: SDF 9 COMMITMENTS 2017 AND 2018
(CLASSIFIED BY SDF 9 THEMES)

Project	Date approved	Net approved from SDF	Total CDB financing
Loans approved			
Support for the SDGs			
BELIZE			
Sixth road (coastal highway upgrading) project	18-Dec	4,148	36,576
Second road safety project	18-Dec	5,941	5,941
DOMINICA			
Ninth consolidated line of credit	17-May	2,000	12,035
GRENADA			
Strengthening food safety management systems	17-Jul	850	1,100
Climate smart agriculture and rural enterprise programme	17-Dec	5,000	5,000
GUYANA			
TA: Water sector enhancement project	18-May	1,265	1,265
TA: Transport sector enhancement project	18-Jul	4,367	4,367
SAINT LUCIA			
TA: Implementation workshops (Labs) and establishment of Performance Management and Delivery Unit	18-Oct	2,464	4,927
Building resilience to climate change and natural disaster events, and promoting environmental sustainability			
ANTIGUA AND BARBUDA			
NDM: Immediate response loan - Hurricane Irma	17-Oct	750	750
NDM: Rehabilitation and reconstruction - Hurricane Irma	17-Dec	4,913	28,761
SAINT LUCIA			
NDM: Immediate response loan - Tropical Storm Matthew	17-Jul	750	750
SAINT VINCENT AND THE GRENADINES			
NDM: Rehabilitation and reconstruction - December 2013 Trough event - Additional loan	18-Jul	3,464	7,628
VIRGIN ISLANDS			
Rehabilitation and reconstruction loan - Hurricane Irma	17-Dec	5,000	65,291
NDM: Immediate response loan - Hurricane Irma	17-Dec	750	750

Project	Date approved	Net approved from SDF	Total CDB financing
NDM: Immediate response loan - Hurricane Maria	17-Dec	750	750
NDM: Immediate response loan - Torrential Rainfall event	17-Dec	750	750
Total loans approved		43,162	176,641
Grants approved			
Support for the SDGS			
ANGUILLA			
CTCS	18-Oct	22	22
BARBADOS			
CTCS	17-Jul	3	3
CTCS	18-Oct	54	54
BELIZE			
Third water (South Ambergris Caye water and sewerage expansion) project	18-Oct	205	10,903
DOMINICA			
CTCS	17-Mar	17	17
Ninth consolidated line of credit	17-May	35	-
Rapid training of artisans in Dominica in repairing and rebuilding roofs and timber-framed walls	17-Oct	22	22
GRENADA			
Assessment for the enhancement of the T. A. Marryshow Community College	17-May	500	500
Strengthening food safety management system	17-Jul	250	-
GUYANA			
Development of an evidenced-based gender equitable framework for climate smart agriculture interventions	17-Jul	345	345
CTCS	17-Oct	36	36
Combating trafficking in persons	17-Oct	150	150
Capacity building for local government reform	17-Dec	218	218
Infrastructural enhancement of the library of the University of Guyana	18-Jul	150	150
HAITI			
CTCS	17-Oct	57	57
Quality enhancement in public education	17-Dec	16,000	16,000
JAMAICA			
CTCS	17-May	117	117
CTCS	17-Oct	111	111
CTCS	17-Jul	37	37
Feasibility and design study - St. Catherine and Clarendon agricultural development project	18-Mar	65	1,413
Support to the Jamaica Intellectual Property Office for strengthening the intellectual property ecosystem to increase innovation, competitiveness and growth of micro, small and medium-sized enterprises	18-Oct	150	150

Project	Date approved	Net approved from SDF	Total CDB financing
SAINT LUCIA			
CTCS	17-Oct	15	15
Designing and piloting of a methodology to improve strategic planning and projects implementation in the BMCs	18-Dec	150	150
SURINAME			
Institutional strengthening - Ministry Of Environment - Suriname	17-May	413	413
Neighbourhood policing - safety and security, enjoyed, respected, and valued by everyone	17-Jul	300	300
Technical Assistance: Agricultural Sector Value Chain Analysis	17-Dec	215	215
CTCS	18-Mar	10	10
CTCS	18-Oct	11	11
Support to the Jamaica Intellectual Property Office for strengthening the intellectual property ecosystem to increase innovation, competitiveness and growth of micro, small and medium-sized enterprises	18-May	149	149
Enhancing access through stakeholder engagement: Suriname energy sector	18-May	140	140
TURKS AND CAICOS ISLANDS			
CTCS	17-May	22	22
CTCS	17-May	32	32
REGIONAL			
BNTF	17-May	40,000	40,000
CTCS	17-May	223	223
CTCS	17-Dec	41	41
CTCS	17-Dec	55	55
CTCS	18-Dec	287	287
CTCS	18-May	279	279
CTCS	18-Jul	105	105
CTCS	18-Jul	273	273
CTCS	18-Mar	88	88
Establishment of a Cultural and Creative Industries Innovation Fund	17-Jul	600	2,600
Capacity-building of civil society organisations to address childhood obesity prevention in BMCs	17-Jul	150	150
Facilitating environmental change through accessible learning resources	17-Oct	428	428
Support to the Twelfth Caribbean Institute in gender and development training programme	17-Jul	84	84
Support for the meeting of the Standing Committee Of Caribbean Statisticians and the CARICOM Advisory Group On Statistics and the Regional Census Coordinating Committee	17-Oct	80	80
Public procurement reform of the Eastern Caribbean States	17-Dec	700	700
Regional Conference of Early Childhood Development in the Caribbean	17-Dec	149	149
Support to the CDB on implementation methodology and delivery of results	17-Dec	150	150
Caribbean Leadership and Transformation Forum (CLTF): Delivering results	17-Dec	149	149
Public expenditure scrutiny training for Members of Parliament	17-Dec	148	148

Project	Date approved	Net approved from SDF	Total CDB financing
Caribbean agriculture sector review and development of the CDB's agriculture sector policy and strategy	17-May	450	450
Disability assessments in BMCs	18-Mar	383	383
Development of a strategic plan for the water sector in the Caribbean Region	18-Mar	149	149
Revision of the CDB's gender policy and operational strategy	18-Mar	336	336
Strengthening the capacity of the fisheries sub-sector in BMCs to access the Green Climate Fund	18-Mar	48	48
Establishment of Caribbean Regional Technical Assistance Centre - Continuation of support (Contribution Phase V)	18-May	1,029	1,029
Anti-money laundering and counter-terrorist financing systems workshop for judges and prosecutors	18-May	24	24
Eight Caribbean Urban Forum	18-May	60	60
CDB/OECS Caribbean building standards workshop	18-May	117	117
Support for the attendance of representatives from BMCs at the Air Transport Meeting	18-Oct	25	25
Public procurement capacity enhancement project	18-Oct	150	150
Improving the outcomes of early-stage, growth-driven Caribbean technology firms - Tech Beach Retreat 2018	18-Oct	50	50
International Teachers' Task Force for Education 11th Policy Dialogue Forum on Teachers and Teaching	18-Oct	50	50
Development finance institutions engaged in gender equality	18-Oct	149	149
Mid-term review of the ninth cycle of the Unified SDF	18-Dec	141	141
Caribbean Summit on Youth Violence Prevention	18-Dec	44	44
Promoting regional cooperation and support for regional public goods			
REGIONAL			
Strengthening financial transparency: rebuilding trust in correspondent banking in the Caribbean	17-Mar	250	250
CARICOM Single Market and Economy (CSME) Factor Mobility Regime (FMR) - Performance, constraints, challenges and the way forward	17-Mar	150	150
Regional high-level meeting to develop a roadmap on multi-sectoral action in Caribbean countries to prevent childhood obesity through improved food and nutrition security	17-Mar	12	12
Support to the conference entitled "Delivering Economic Growth Through Partnership - Private Sector Participation In Infrastructure Development" - regional	17-Mar	25	25
Support to the Small Business Association of Jamaica Limited (SBAJ) to facilitate the Inaugural Caribbean Micro, Small and Medium-Sized Enterprise (MSME) Conference 2017 - regional	17-Mar	50	50
Institutional strengthening of the regional security system (RSS) - regional	17-May	49	49
Technical assistance for a regional educational leadership conference and workshop for the Organisation of Eastern Caribbean States (OECS) Member States - regional	17-May	49	49
Support for the Technical Committee on Sub-Regional Air Transport	17-May	150	150
Review of the youth development context in BMCs and preparation of the CDB's youth policy and operational strategy	17-Jul	150	150
Procurement reform workshop for Organisation of the Eastern Caribbean States - regional	17-Oct	13	13

Project	Date approved	Net approved from SDF	Total CDB financing
Review of the youth development context in BMCs and preparation of the CDB's youth policy and operational strategy	17-Oct	287	287
Capacity building for regional suppliers, contractors and consultants through procurement fairs	17-Oct	71	71
Intervention to further procurement professionalisation in the Caribbean	17-Oct	111	111
Project closeout workshop EPA and CSME standby facilities for capacity building	17-Oct	40	40
Thematic study "Air Transport Competitiveness and Connectivity"	17-Dec	87	87
Technical assistance: enhancement of the University of the West Indies	17-Dec	130	130
Technical assistance for the preparation of a conceptual study/proposal for the new science and technology facility at the University of the West Indies, Cave Hill Campus	17-Dec	150	150
Support to the Tech Beach Retreat On November 30 - December 2, 2017 in Jamaica.	17-Dec	35	35
Strengthening of Regional Quality Infrastructure Programme - Caribbean Regional Organisation for Standards and Quality	18-Mar	753	753
Support for the 19th Annual Sir Arthur Lewis Institute of Social and Economic Studies Conference	18-May	34	34
Regional workshop on the CARICOM strategy and plan for regional implementation of the World Trade Organisation (WTO) Agreement on Trade Facilitation (TFA)	18-May	19	19
Vybzing youth outreach - Grenada	18-May	49	49
Preparation of a comprehensive sport for development initiative for the new Faculty of Sport of the University of the West Indies	18-May	210	210
Regional stakeholders' consultation on the Caribbean Community Single Market and Economy	18-May	49	49
Cluster country strategy programme evaluation of the OECS Borrowing Members	18-Jul	291	291
Caribbean Forum on Population, Youth and Development	18-Jul	50	50
Building resilience to climate change and natural disaster events and promoting environmental sustainability			
ANGUILLA			
Disaster management emergency relief: Hurricane Irma (2017)	17-Oct	200	200
ANTIGUA AND BARBUDA			
Natural disaster management - immediate response loan and use of funds (consultancy services) - Hurricane Irma	17-Dec	60	60
Disaster management emergency relief grant: Hurricane Irma (2017)	17-Dec	200	200
THE BAHAMAS			
Emergency relief - Hurricane Irma	17-Oct	200	200
GUYANA			
Disaster management emergency relief grant: hinterland flooding regions 7 (Cuyuni/Mazaruni) and 8 (Potaro/Siparuni)	17-Oct	200	2,000
HAITI			
Building capacity for disaster risk management and climate resilience project Ile-à-Vache	17-May	4,604	5,500
Support for Haiti to meet commitment to Caribbean Catastrophe Risk Insurance Facility 2017-2018	17-May	3,500	3,500

Project	Date approved	Net approved from SDF	Total CDB financing
Support for Haiti to meet commitment to Caribbean Catastrophe Risk Insurance Facility for the 2018-19 hurricane season	18-Jul	3,000	3,000
JAMAICA			
Establishing an environmental and social risk management system - Development Bank of Jamaica	17-May	55	55
SAINT LUCIA			
Consultancy services Tropical Storm Matthew	17-May	20	20
TRINIDAD AND TOBAGO			
Disaster management emergency relief grant adverse weather related flooding October 19-21, 2018	18-Dec	200	200
VIRGIN ISLANDS			
Disaster management relief grant: Hurricane Irma	17-Dec	200	200
IRL - Consultancy services - Hurricane Maria	18-Dec	200	200
IRL - Consultancy services - Torrential rainfall event	17-Dec	20	20
IRL - Consultancy services - Hurricane Irma	17-Dec	20	20
Emergency relief – Tropical wave flooding	17-Dec	60	60
REGIONAL			
Support to the Scientific Research Council - Caribbean Climate Innovation Centre	17-Jul	150	150
Logistical support and preliminary damage assessments of Hurricane Irma impact	17-Dec	150	150
From the Caribbean to Paris: supporting the Caribbean agenda at the Twenty-First Meeting of the United Nations Framework Convention on Climate Change Conference	17-Oct	150	150
Strengthening the capacity of BMCs to develop Green Climate Fund projects	17-Oct	47	47
Caribbean regional workshop for enhancing knowledge on the adaptation fund project development process and project cycle	17-Oct	42	42
International climate change conference for the Caribbean Region	17-Oct	63	63
Support to emergency operations and preliminary damage assessments post-Hurricane Maria	17-Dec	150	150
Emergency relief for water supply and sanitation services	17-Dec	150	150
Support for the Tenth Caribbean Conference on Comprehensive Disaster Management	18-Mar	49	49
Building individual and social resilience to cope with the impact of natural hazard events: enhancing capacity for mental health and psychosocial support in disaster management in the Caribbean	18-Mar	200	200
Climate Change Forum - Eleventh Faculty of Science and Technology Conference, University of the West Indies, Mona	18-May	41	41
Support for conducting air-borne light detection and ranging surveys and training	18-May	1,463	1,463
Dominica climate resilience and restoration project Hurricane Maria	18-Oct	300	300
First Investment Forum under the Caribbean Nationally Determined Contribution Finance Initiative	18-Oct	38	38
Implementing the Paris Agreement: supporting the Caribbean Agenda at the Twenty-Fourth Meeting of the United Nations Framework Convention On Climate Change Conference of the Parties (COP 24)	18-Oct	46	46
TOTAL GRANTS APPROVED		86,236	102,693
TOTAL APPROVED		129,398	279,334

APPENDIX 5

SDF Portfolio Analysis 2018

The quality and performance 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 relative to 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. Data available for 40 projects suggest that the portfolio performed well, with half achieving a performance rating of satisfactory, and the remainder, highly satisfactory.

TABLE 1: PROJECT PERFORMANCE RATINGS AND COMPOSITE SCORES

Composite Score	Project Performance Rating
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

TABLE 2: SDF (U) PORTFOLIO PROJECT PERFORMANCE RATING 2017

Composite score	2018					2017				
	Number of projects	% of portfolio by number of projects	Value of projects	% of portfolio by value of projects	Overall PPI	Number of projects	% of portfolio by number of projects	Value of projects	% of portfolio by value of projects	Overall PPI
8.0 – 10.0	-	-	-	-	-	-	-	-	-	-
6.0 – 7.9	19	48%	141.2	48%	6.4	31	67%	220.1	70%	6.3
4.0 – 5.9	21	53%	151.1	52%	5.5	14	30%	80.9	26%	5.4
2.0 – 3.9	-	-	-	-	-	1	2%	14	4%	3.9
0.0 – 1.9	-	-	-	-	-	-	-	-	-	-
Totals	40	100%	292.3	100%	5.9	46	100%	315	100%	6.0

TABLE 3: SDF PORTFOLIO COUNTRY PERFORMANCE RATING
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

Performance Rating	2018	2017
Excellent	None	None
Highly satisfactory	Belize, Guyana, Saint Lucia, Suriname, Virgin Islands	Antigua and Barbuda, Belize, Dominica, Guyana, Montserrat, Saint Kitts and Nevis, Suriname, Virgin Islands, Regional
Satisfactory	Dominica, Grenada, Jamaica, Regional, Saint Kitts and Nevis, Saint Vincent and the Grenadines	Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines
Marginally unsatisfactory	None	None
Unsatisfactory	None	None

TABLE 4: SDF PORTFOLIO - COUNTRY PERFORMANCE RATING BY PPI

Country	2018		2017	
	Number of projects	Ppi	Number of projects	Ppi
Anguilla	0	n/a	-	-
Antigua and Barbuda	0	n/a	1	6.8
Bahamas, The	-	-	-	-
Barbados	0	n/a	-	-
Belize	9	6.3	9	6.2
Dominica	6	5.2	6	6.2
Grenada	4	5.8	5	5.8
Guyana	3	6.1	3	6.2
Jamaica	1	5.4	1	5.4
Montserrat	0	n/a	1	6.2
Saint Kitts and Nevis	2	5.9	3	6.1
Saint Lucia	5	5.9	6	5.3
Saint Vincent and the Grenadines	6	5.9	6	5.6
Suriname	1	6.6	2	6.5
Trinidad and Tobago	-	-	-	-
Turks and Caicos Islands	-	-	-	-
Virgin Islands	2	6.8	2	6.9
Regional	1	5.2	1	6.2
Total	40	5.9	46	6.0
Overall PPI	Satisfactory		Highly Satisfactory	

TABLE 5: AVERAGE PERFORMANCE SCORES BY SECTOR

	2018			2017		
	Number of projects	% of portfolio	PPI	Number of projects	% of portfolio	PPI
Agriculture and rural development	1	0.7	6.0	1	0.60%	6.0
Education	9	24.6	5.8	8	19.50%	6.0
Energy	0	0.0	0.0	2	2.90%	6.3
Environment and disaster risk reduction	9	39.8	5.7	11	38.10%	6.1
Financial, business and other services	8	3.4	5.8	8	3.00%	6.7
Public sector management	0	0.0	0.0	1	4.30%	3.9
Social infrastructure and other services	4	10.7	6.4	4	9.90%	6.2
transport and communication	5	13.1	6.0	5	11.70%	6.1
Urban development and shelter	0	0.0	0.0	1	1.90%	4.9
Water and sanitation	4	7.7	6.0	5	8.10%	6.1
Total	40	100	5.9	46	100%	6.0
Overall PPI rating	Satisfactory			Highly satisfactory		

APPENDIX 6

TABLE 1: SUMMARY BALANCE SHEETS AS AT DECEMBER 31, 2014-2018

Item	2014	2015	2016	2017	2018
Assets					
Cash and investments	273.3	294.0	319.8	329.4	334.4
Contributions in arrears	5.8	12.1	5.5	4.4	9.7
Non-neg. demand instruments	64.6	73.2	67.1	74.6	80.2
Loans outstanding (net)	529.9	543.4	543.1	543.0	535.2
Other receivables	5.0	-	-	0.846	0.171
Total assets	878.6	922.7	935.5	952.3	959.7
Liabilities					
Contributions in advance					
Payables	60.3	60.4	38.2	51.2	39.8
Contributions	659.9	691.8	712.3	715.9	730.7
Accumulated net income	61.4	52.5	51.5	46.9	46.9
TA allocation	97.0	118.1	133.5	138.4	142.2
Total liabilities and funds	878.6	922.7	935.5	952.3	959.7

TABLE 2: SUMMARY INCOME STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2014-2018

Item	2014	2015	2016	2017	2018
Revenue					
Investment income	1.5	1.1	2.3	4.4	4.052
Loan income	11.6	12.1	12.4	12.3	12.263
Exchange	-	-	-	-	-
Total revenue	13.1	13.2	14.7	16.7	15.9
Expenses					
Administrative expenses	13.6	16.8	15.9	20.1	16.3
Exchange	-0.9	-0.8	-0.2	1.2	-0.5
Total expenses	12.7	16.0	15.7	21.3	15.8
Net income	0.4	(2.9)	(1.0)	(4.6)	0.1

TABLE 3: SUMMARY OF NOTES, DRAWDOWNS, ENCASHMENTS 2018

Country	Notes receivable 1/1/18	Notes issued	
	US\$	Local Currency	US\$
Borrowing Member Countries (BMCs)			
Anguilla	571		
Antigua and Barbuda	777		
Bahamas, The	12,595		2,313,750
Barbados	2,832		
Belize	1,903		1,477,000
Cayman Islands	-		
Dominica	3,282		
Grenada	3,269		
Guyana	6,825		
Haiti	-		
Jamaica	15,719		3,986,813
Montserrat	-		
Saint Kitts and Nevis	2,494		
Saint Lucia	2,865		
Saint Vincent and Grenadines	2,835		
Suriname	1,080		1,677,500
Trinidad and Tobago	7,784		
Turks and Caicos Islands	-		
Virgin Islands	-		
Total - BMCs	64,831	-	9,455,063
Non-Borrowing Member Countries (NBMCs)			
Brazil	-		
Canada	-		
China	-		
Colombia	-		
Germany	3,688.00	3,075,000	3,526,103
Italy	-		
Mexico	-		
United Kingdom	6,082	4,500,000	5,739,300
Venezuela	-		
Total - NBMCs	9,770		9,265,403
Non-Member Countries			
Chile			
France	-		
Netherlands	-		
Grand total	74,601		18,720,465

Currency	Encashments		Notes receivable 31/12/18	Not yet made available	Approved but not yet Effective	Cumulative drawdowns	Approved contribution (Curr Value)
	Local Currency	US\$	US\$	US\$	US\$	US\$	US\$
(")				-	1,296	2,045	2,045
(")			777	0	664	2,889	2,889
(")			14,908	3,085,000		28,770	31,855
(")			2,832	0	6,170	25,681	25,681
(")			3,380	756,500		7,332	8,088
(")			571	-	1,901	1,340	1,340
(")			3,281	756,500		7,072	7,828
(")				756,500	-	4,734	5,490
(")		1,889,456	4936	3,085,000	-	28,771	31,856
(")				-	1,937	1,560	1,560
(")		1,909,500	13,978	5,539,500	-	49,295	54,834
(")				-	664	2,677	2,677
(")			2,494	-	2,954	5,134	5,134
(")			2,865	756,500	-	7,332	8,088
(")		348,500	2,487	756,500		7,345	8,101
				281,500	-	5,515	8,330
USD		-	7,784	6,647,400	-	50,367	57,014
(")				-	664	2,677	2,677
(")				498,000		2,843	3,341
-	-	4,147,456	60,293	25,452,400	16,250	243,379	268,828
						5,000	5,000
CAD				25,370,168	-	349,333	374,703
USD				3,208,887	-	51,364	54,573
(")				1,750,000	-	32,407	34,157
EUR	4,100,000	4,701,470	2,358	6,598,037		103,413	110,011
EUR				1,396,727		67,279	68,675
(")					7,024	17,000	17,000
Str			11,522	7,584,056		271,467	279,051
(")					7,024	21,982	21,982
		4,701,470	13,880	45,907,875	14,048	919,245	965,152
						10	10
FF*	-				-	58,254	58,254
NG	-				-	24,902	24,902
		8,848,926	74,173	71,360,275	30,298	1,245,790	1,317,146

TABLE 4: PROJECTED BALANCE SHEETS AS AT DECEMBER 31, 2019-2021

Item	2019	2020	2021
Assets			
Cash and equivalents	60.3	55.8	48.1
Securities-Prime	243.4	225.4	194.5
Long-term loans	566.4	609.5	673.8
Other assets	106.7	110.0	108.5
Total Assets	976.8	1,000.6	1,024.9
Liabilities			
Current liabilities	33.4	33.4	33.4
Contributions	753.7	776.7	799.7
Accumulated net income	189.7	190.5	191.7
Total liabilities and capital	976.8	1,000.6	1,024.9

TABLE 5: PROJECTED INCOME STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2018-2020

Item	2019	2020	2021
Revenue			
Investment income	4.2	4.4	4.5
Loan income	13.2	13.5	14.1
Exchange	0.0	0.0	0.0
Total revenue	17.3	17.9	18.6
Expenses			
Administrative expenses	16.8	17.1	17.4
Net income	0.5	0.8	1.2



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