

CARIBBEAN DEVELOPMENT BANK



SPECIAL DEVELOPMENT FUND

ANNUAL REPORT 2009

AND FINANCIAL PROJECTIONS 2010–2012

April 2010

CURRENCY EQUIVALENT

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

ABBREVIATIONS

BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
BOD	-	Board of Directors
CAIC	-	Caribbean Association of Industry and Commerce
CARICOM	-	Caribbean Community
CCRIF	-	Caribbean Catastrophe Risk Insurance Facility
CDB	-	Caribbean Development Bank
Cdn\$	-	Canadian dollars
CPAs	-	Country Poverty Assessments
CSME	-	Caribbean Single Market and Economy
CSOs	-	Civil Society Organisations
CSP	-	Country Strategy Paper
CTCS	-	Caribbean Technological Consultancy Services
DFC	-	Development Finance Corporation
DRM	-	Disaster Risk Management
GOH	-	Government of Haiti
ICTs	-	Information and Communication Technologies
IDB	-	Inter-American Development Bank
IFIs	-	International Financial Institutions
IMF	-	International Monetary Fund
MDBs	-	Multilateral Development Banks
MDGs	-	Millennium Development Goals
MfDR	-	Managing for Development Results
MIS	-	Management Information System
MSE	-	Micro- and Small-Scaled Enterprises
MSMEs	-	Micro, Small and Medium Enterprises
NDFIs	-	National Development Finance Institutions
mn	-	million
OCR	-	Ordinary Capital Resources
OECS	-	Organisation of Eastern Caribbean States
p.a.	-	per annum
PBG	-	Policy-based Grant
PBLs	-	Policy-based Loans/Policy-based Lending
PPES	-	Project Performance Evaluation System
PPI	-	Project-Implementation Performance Index
PPPs	-	private-public partnerships
PRS	-	Poverty Reduction Strategy
RAS	-	Resource Allocation Strategy/Resource Allocation System
RMF	-	Results Monitoring Framework
RPGs	-	Regional Public Goods
SDF (U)	-	Special Development Fund (Unified)
TA	-	Technical Assistance
USD	-	United States dollars
WB	-	World Bank

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SUMMARY DATA SHEET: 2005–2009

Item	2005	2006	2007	2008	2009
1. Resources					
No. of Contributors at Year-End	26	26	26	26	26
Historical Value of resources pledged (\$ mn)	765.6	766.4	766.4	766.4	1,014.8
Amount of Resources made available (\$ mn)	604.6	662.2	714.5	748.6	808.2
Accumulated Net Income (including currency adjustments)	18.6	21.1	28.1	35.5	38.3
Amount of Resources not yet made available (\$ mn)	63.0	89.5	48.4	8.6	115.6
Contributed Resources and Reserves (\$ mn)	686.2	772.8	791.0	792.7	962.1
Amount of resources approved but not yet effective (\$ mn)	6.6	16.9	14.4	9.9	101.3
Size of Fund (\$ mn)	692.8	789.7	805.4	802.6	1,063.4
of which allocation for grant programmes - Haiti, Technical Assistance (TA) and Basic Needs Trust Fund (BNTF) (\$ mn)	126.0	217.0	217.0	217.0	251.7
Operating lending limit (\$ mn)	566.8	572.7	588.4	585.6	811.7
Loan commitments (Signed agreements less repayments) (\$ mn)	449.4	449.3	462.0	480.7	548.0
Commitments as % of operating lending limit	79.3	78.5	78.5	82.1	67.5
2. Loans and Grants					
Value of loan approvals during year (\$ mn)	26.3	29.7	25.3	88.8	35.2
No. of loans approved during year incl. TA Loans	9	6	8	18	13
Average size of SDF (U) Loans (\$ mn)	2.9	4.9	3.2	4.9	2.7
Value of loan cancellations during year (\$ mn)	0.5	2.0	6.3	1.0	0.5
Cumulative loan cancellations (\$ mn)	47.5	49.5	55.8	56.8	57.3
Cumulative net loan approvals at year-end (\$ mn)	630.2	656.6	683.1	760.6	802.6
Cumulative loan approvals at year-end (\$ mn)	677.7	706.1	738.8	817.4	859.9
Grant approvals for the year (\$ mn)	4.4	6.7	20.8	54.2	16.6
Cumulative net grant approvals at year-end (\$ mn)	121.4	127.5	147.6	200.8	217.4
Total net cumulative approvals (\$ mn)	751.7	784.1	830.6	961.4	1,020.0
3. Resource Flows (\$ mn)					
Disbursements on loans during year	30.2	27.0	27.7	20.8	45.6
Disbursements on grants during year (including BNTF)	4.6	5.7	13.2	9.5	24.3
Debt service from borrowers	<u>22.4</u>	<u>24.0</u>	<u>23.9</u>	<u>24.7</u>	<u>23.3</u>
(of which repayments)	14.2	15.8	15.4	16.0	14.2
Net transfers during year	12.4	8.7	17.0	5.6	46.6
Cumulative net transfers	267.1	275.8	292.7	298.4	345.0
4. Financial Summary					
Administrative expenses (\$ mn)	9.7	9.6	10.0	10.6	11.1
Net income (\$ mn)	0.0 ^{1/}	3.1	5.0	7.4	2.8
Gross Loans Outstanding (\$ mn)	352.1	363.3	375.8	380.6	412.9
Administrative expenses/Average loans outstanding (%)	2.8	2.7	2.7	2.8	2.8
Average interest earned on loans outstanding (%)	2.3	2.2	2.3	2.3	2.2

^{1/} Includes Spain and Brazil where contribution negotiations are still ongoing.

^{2/} Actual Net Income in 2005 was \$0.032 mn

THE UNIFIED SPECIAL DEVELOPMENT FUND

Background

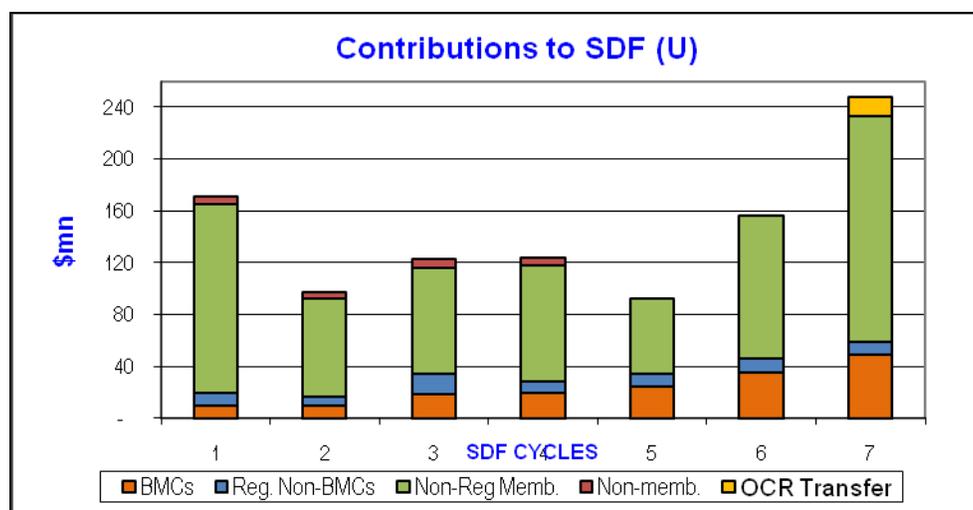
The *Special Development Fund* (SDF/the Fund) was established in 1970 and is the Bank's largest pool of "soft" funds. This facility offers loans on "softer" terms and conditions than those that are applied in the Bank's ordinary operations, i.e. longer maturities and grace periods and lower interest rates. However, the Fund offered an assortment of terms and conditions which were fixed by the Fund's various contributors. These differing terms and conditions created a number of complexities and inefficiencies in the Fund's operation, which prompted the decision to set up a fund with a uniform set of rules.

Hence, in 1983, the *Unified Special Development Fund* [SDF (U)] was formed. All members of the Bank were required to contribute to the SDF (U) and contributions were also sought from non-members. With consistent terms, objectives and procurement conditions, the new SDF (U) sought to overcome the problems associated with individual donors and funding arrangements. Contributions were interest-free and provided on a multi-year basis, for an indefinite term. To give focus to the Fund's operations, a supplementary governance structure was created which included an Annual Meeting of Contributors. Non-members were also invited to participate as observers in meetings of the Bank's Board of Directors (BOD) and Board of Governors.

SDF (U) funding is provided in four-year replenishments. The third replenishment cycle (SDF 4) was however, extended by an extra year as a result of additional contributions received when the People's Republic of China joined the Bank in 1998. The Fund is currently in its seventh cycle, covering the period January 1, 2009 to December 31, 2012.

Funding

Contributions or pledges to the SDF (U) over its seven cycles of operation total \$1,015 million (mn). Of this figure, non-borrowing members have contributed \$844 mn or 83% while borrowing members have accounted for \$171mn or 17%. Contributions to SDF 7 to date amounted to \$248 mn with borrowing members pledging 20% or \$49.5 mn of the contributions and non-borrowing members contributing 74% or \$183.9 mn. Additionally, for the first time, there was agreement to transfer \$15 mn or 6% to the SDF 7 from the Ordinary Capital Resources (OCR) Net Income. Contributions by category of membership are shown in the chart below with details presented in Appendix I.



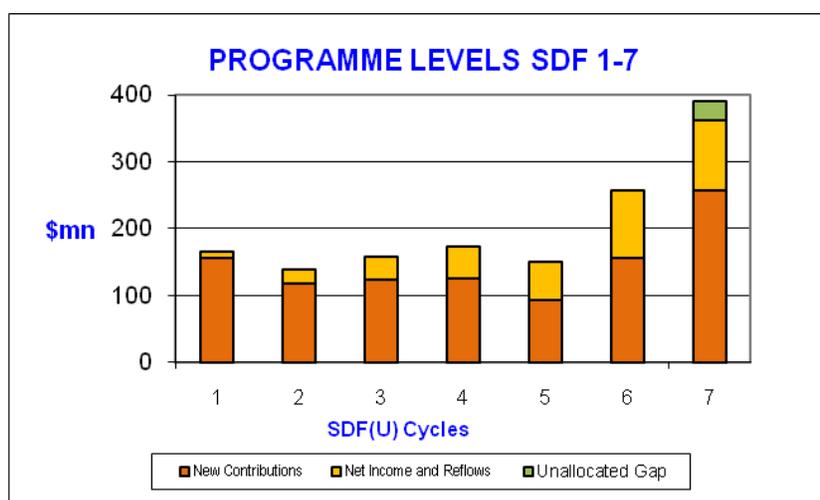
Themes and Priorities

During each SDF cycle's negotiations, Contributors and the Bank agree on the priorities and issues to be addressed. Over the years, there has been increasing emphasis on poverty reduction projects directed at the poor and low-income groups. Building capacity, reducing vulnerability and enhancing governance in beneficiary countries have also received significant support from SDF in recent cycles.

The themes and priorities for SDF 7 include strengthening poverty reduction and human development; supporting environmental sustainability and advancing the climate change agenda; supporting regional cooperation and regional integration; and enhancing development effectiveness.

Programme Levels

The programme level for each SDF (U) cycle is financed with new pledges from Contributors, net income generated by the Fund and reflows from loan repayments. The programme levels over the six cycles of the Fund are shown in the chart below. For SDF 7, Contributors approved an overall programme level of \$390.6 mn details of which are provided in Appendix II.



Eligibility of Countries

The Bank's Borrowing Member Countries (BMCs) are assigned to one of four country groups based on their relative per-capita incomes. These country groups help to determine the terms and conditions for SDF lending. While all BMCs are eligible for SDF resources, countries in Group 1 are not entitled to a country allocation. These countries may instead be the beneficiaries of regional projects and support for regional public goods (RPGs). They also qualify for a limited number of highly poverty-focused projects, such as support to undertake a poverty assessment or prepare a Poverty Reduction Strategy (PRS), TA to help promote good governance, and other assistance in the event of a natural disaster (refer to Appendix II).

Allocation of Resources

A Resource Allocation Strategy (RAS) is used to allocate both SDF loan resources to eligible countries and Basic Needs Trust Fund (BNTF) resources to participating BMCs. CDB's resource allocation formula is comprised of a *needs component* and a *country performance or effectiveness component*. The latter element in this formula recognises that countries with better policy and institutional frameworks are likely to make more effective use of concessionary resources, especially with regard to poverty reduction and broad-based sustainable growth, and provides an incentive for good policy and institutional performance. The formula also includes a CDB-developed measure of *vulnerability* as an indicator of country needs.

SDF 7 OPERATIONAL STRATEGY

The operational strategy for SDF 7 targets selected strategic themes within the framework of the Millennium Development Goals (MDGs) and the CMDG Targets and the Bank's proposed Strategic Plan for 2010-2014. The objectives and priorities for SDF 7 will be developed within four overall strategic themes, with gender equality as a cross-cutting theme:

Strengthening poverty reduction and human development

- Promoting the economic opportunities and productive capabilities of the poor through measures to improve the livelihood of poor people;
- Targeting vulnerabilities that affect the poor, or those at risk of becoming poor, resulting from events such as economic shocks and natural disasters;
- Facilitating the development of the private sector by supporting an enabling environment and contributing to financial sector development; and
- Promoting good governance, by:
 - improving access to, and delivery of, services that benefit the poor and vulnerable;
 - promoting sound policy and equitable resource allocation, i.e. sound macro-economic management; and
 - encouraging increased stakeholder participation in decision-making processes and in policy, programme and project implementation.

Supporting environmental sustainability and advancing the climate change agenda

- Widening the options for sustaining the livelihoods of the poor and vulnerable through improved protection and sustainable management of natural resources;
- Improving coverage of the population with access to improved water and sanitation services to reduce pollution and improving the health and productivity of the poor;
- Reducing BMCs' vulnerability to natural hazards and improving resilience and adaptation to climate change; and
- Strengthening the capacities of regional and national institutions for improved environmental and natural resource management.

Supporting regional cooperation and regional integration

- Developing common structures and processes in BMCs, based on best practice; and
- Supporting the provision of RPGs, including transnational public goods and national or sub-regional public goods.

Enhancing development effectiveness

- Further development of the Bank's MfDR or Results Agenda;
- Furthering the Bank's institutional reform and capacity strengthening agenda; and
- Use of a results monitoring framework (RMF), covering development outcomes in the framework of the MDGs (Level 1), institutional and operational performance measures (Levels 2 and 3) and progress in relation to the Paris Declaration and the Accra Agenda for Action (Level 4).

1. OPERATIONAL PERFORMANCE

1.01 The 2009 Annual Report of SDF (U) covers the performance of the Fund for the first year of the seventh cycle. This section of the report covers the operational performance of the Fund in 2009, including commitments and disbursements, the operational highlights under the four strategic themes and the performance of three major programmes funded by SDF (U) - BNTF and Caribbean Technological Consultancy Services (CTCS) and Haiti. The SDF Portfolio Analysis Results is also presented.

1.02 Contributors approved a programme level for SDF 7 of \$390.6 mn, which comprised \$361.1 mn to be financed by existing Contributors and from internally generated resources and an unallocated structural gap of \$29.5 mn.

COMMITMENTS

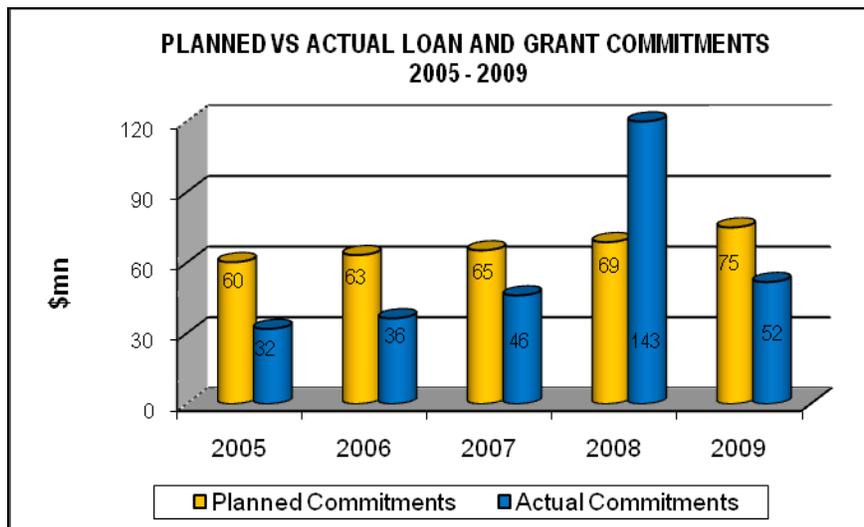
1.03 SDF (U) commitments for loans and grants in 2009 compared with annual commitments during the period 2005–2008 are presented in Table 1 and the chart below. Total loan and grant commitments amounted to \$51.8 mn compared with commitments of \$143.0 mn in 2008 and an annual average of \$64.4 mn for the period 2005-2008.

TABLE 1: SDF ANNUAL COMMITMENTS 2005-2009
(\$ mn)

Item	SDF 6					Annual Average	SDF 7
	2005	2006	2007	2008	Total		2009
SDF (U) loan approvals	26.3	29.7	25.3	88.8	170.1	42.5	35.2
SDF (U) grant approvals	5.6	6.7	20.8	54.2	87.3	21.8	16.6
of which: TA	1.8	1.1	2.3	4.6	9.8	2.5	3.7
Disaster Response	0.1	-	5.3	0.3	5.7	1.4	-
Haiti	-	-	10.0	15.0	25.0	6.3	10.0
BNTF	-	-	-	32.0	32.0	8	-
MDGs	-	3.1	-	-	3.1	0.8	n.a.
Project Management Training	2.0	-	-	-	2.0	0.5	-
CTCS	0.5	0.7	0.6	0.7	2.5	0.6	1.0
Regional Integration and RPGs	1.2	1.8	2.6	1.6	7.2	1.8	1.7
Environment and Climate Change	-	-	-	-	-	-	0.2
TOTAL COMMITMENTS	31.9	36.4	46.1	143.0	257.4	64.4	51.8

1.04 Loan commitments in 2009 totalled \$35.2 mn compared with \$88.8 mn in 2008 and an annual average of \$42.5 mn for the SDF 6 period. Grant commitments were \$16.6 mn in 2009 compared with \$54.2 mn in 2008 and an annual average of \$21.8 mn for SDF 6. In 2008, grant approvals included \$15 mn for activities in Haiti as well as the allocation of \$32.0 mn of resources for the BNTF 6 programme.

1.05 The chart below compares planned loan and grant commitments with actual approvals from 2005 to 2009. Actual commitments of \$52 mn for the first year of SDF 7 were below the planned amount of \$75 mn. Commitment activity tends to be slow at the beginning of the cycle but this situation is expected to improve the later years as implementation of SDF 7 programmes intensifies.



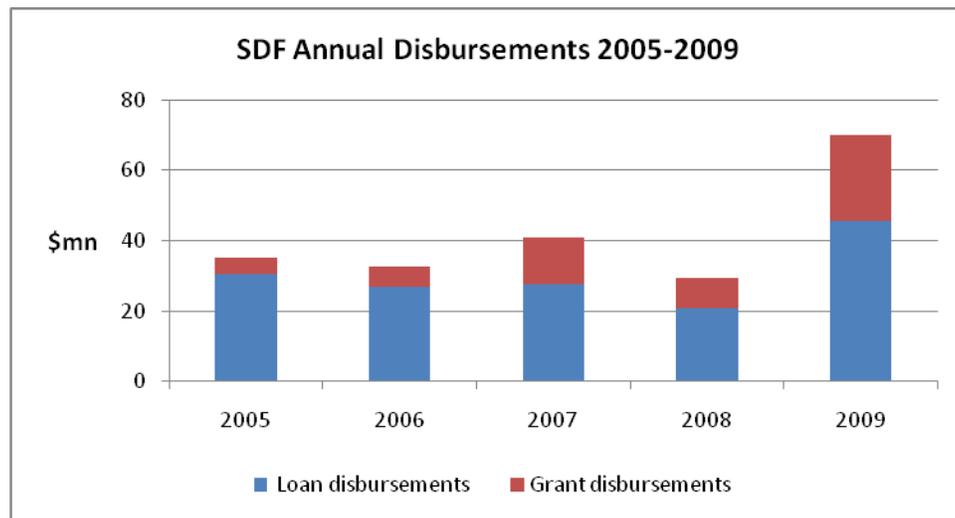
DISBURSEMENTS

1.06 Annual loan and grant disbursements for the period 2005–2009 are presented in Table 2 and the chart overleaf. Total disbursements in 2009 were \$69.9 mn compared with \$30.3 mn in 2008 and an annual average of \$34.7 mn in SDF 6.

1.07 Loan disbursements in 2009 were \$45.6 mn compared with \$20.8 mn in 2008 and an annual average of \$26.5 mn for SDF 6. The disbursement performance was primarily a consequence of the fast-disbursing policy-based loans (PBLs) with 38% or \$17.5 mn of the disbursements in 2009.

TABLE 2: SDF ANNUAL DISBURSEMENTS 2005-2009
((\$mn))

Item	SDF 6					Annual Average	SDF 7
	2005	2006	2007	2008	Total		2009
SDF (U) loan disbursements	30.4	26.9	27.7	20.8	105.8	26.5	45.6
SDF (U) grant disbursements	4.6	5.7	13.2	9.5	33.0	8.3	24.3
<i>of which:</i> TA	2.0	2.4	9.2	5.2	18.8	4.7	20.3
Haiti	-	-	-	1.0	1.0	1.0	14.1
BNTF	2.6	3.3	4.0	4.3	14.2	3.6	4.0
TOTAL DISBURSEMENTS	35.0	32.6	40.9	30.3	138.8	34.7	69.9



1.08 Meanwhile, grant disbursements in 2009 of \$24.3 mn were higher than the 2008 outturn of \$9.5 mn. This performance was boosted by disbursements of \$14.1 mn and \$4.0 mn for Haiti and BNTF, respectively.

OPERATIONAL HIGHLIGHTS

SDF 7 Strategic Operational Themes

1.09 The objectives and priorities for SDF 7 have been developed within four overall strategic operational themes:

- Strengthening poverty reduction and human development;
- Supporting environmental sustainability and advancing the climate change agenda;
- Supporting regional cooperation and regional integration; and
- Enhancing development effectiveness

1.10 Table 3 - *Total Commitments by SDF 7 Strategic Operational Theme 2009* shows the SDF commitments categorised into the priority areas compared with planned allocations to each theme. Details of the loan and grant approvals classified according to these four themes are presented in Appendix III.

TABLE 3: TOTAL COMMITMENTS BY SDF 7 STRATEGIC OPERATIONAL THEME 2009

Item	Poverty Reduction and Human Development	Environmental Sustainability and Climate Change	Regional Cooperation and Integration	Development Effectiveness	Total
Loans	31,121	4,028	-	-	35,149
Grants	11,281	400	2,704	2,258	16,643
Total	42,402	4,428	2,704	2,258	51,792
Planned Interventions	287,500	73,100	12,000	18,000	390,600

1.11 Poverty reduction and human development was the dominant area of focus with 82% of commitments being targeted towards that strategic theme. Environmental sustainability and disaster management recorded an amount of \$4.4 mn while regional cooperation and integration and development effectiveness recorded \$2.7mn and \$2.3 mn, respectively.

Strengthening Poverty Reduction and Human Development

1.12 SDF 7 will be the last full cycle before the target date for the achievement of the MDGs. There is, therefore, increased emphasis on accelerating progress towards the MDGs addressing *Poverty Reduction and Human Development*. Interventions in this area were focussed on promoting economic opportunities for and improving the livelihoods of the poor in areas such as education and training, and agriculture and rural development. In addition, activities will be undertaken to enhance social and economic infrastructure, facilitate the development of the private sector and promote good governance.

1.13 In 2009, 82% or \$42.4 mn of the \$51.8 mn in commitments were focussed on poverty reduction and human development. Loan and grant approvals amounted to \$31.1 mn and \$11.3 mn, respectively and included:

- (a) support to Grenada and St. Vincent and the Grenadines for their macroeconomic reform programmes through PBLs in the amounts of \$8 mn (of \$12.8 mn) and \$9 mn (of \$25 mn), respectively. PBLs will bolster the near-to-medium term fiscal and economic growth outlook and assist in improving the impact of their poverty-reduction efforts;
- (b) enhancement of the education sector in Dominica through a loan of \$4 mn for upgrading and equipping a number of primary and secondary schools, district education offices and the Curriculum Measurement and Evaluation Unit. The improved facilities and equipment are expected to benefit 15,000 students and 975 teachers to contribute to the attainment of higher levels of educational achievement. Assistance was also provided to students from poor families through a student loan of \$0.5 mn (of \$8 mn); and for upgrading the water supply system through a TA loan of \$0.36 mn to finance the conduct of a water supply upgrading and expansion study;
- (c) upgrading the water supply system and improving access to potable water for the Belize River Valley Assistance through a loan of \$3.5 mn benefitting 488 households, thereby contributing to the goal of universal access to potable water by 2020. A line of credit loan of \$1 mn (of \$10 mn) was also approved to promote the development of the credit market and provide financing for on-lending to Micro and Small-Scaled Enterprises; and a grant of \$0.15 mn for capacity building and institutional development of the Development Finance Corporation (DFC) which will be the executing agency for the loan;
- (d) financing the reconstruction and expansion of four schools in Grenada through a loan of \$3.7 mn (of \$5 mn) and supporting a school transformation programme with a grant of \$0.06 mn. This is expected to benefit 2,000 students and 500 teachers; enhance the learning environment and improve the efficacy of education in Grenada. A TA loan was also approved for \$0.56 mn for a study to rehabilitate and expand the road network in the parish of St. Patricks and improve access for tourism activities and agriculture;
- (e) funding a study to rehabilitate and upgrade the South Leeward Highway with a TA loan to St. Vincent and the Grenadines of \$0.56 mn. This highway has become a major access road to and from the capital;

- (f) a policy-based grant (PBG) of \$10 mn to Haiti for financial support to the budget which had been impacted by a series of severe external shocks (fuel and food price inflation; political instability; four extreme weather events; world financial and economic crisis); and the sum of \$0.03 mn to finance a joint CDB/Caribbean Association of Industry and Commerce (CAIC) planning mission to Haiti regarding the hosting of a Haitian Private Sector Forum; and
- (g) CTCS training projects totalling \$0.79 mn which were implemented in Anguilla, The Bahamas, Barbados, Belize, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands; and a further \$0.25 mn spent on regional training activities. Additional details of CTCS activities in 2009 are presented in Sections 1.29-1.33.

Supporting Environmental Sustainability and Advancing the Climate Change Agenda

1.14 The occurrence of hurricanes was less frequent in 2009 than 2008 and this resulted in a lower level of interventions in this area. An amount of \$4.4 mn was approved to assist the BMCs' environmental sustainability and disaster mitigation efforts in areas such as catastrophic risk insurance, business continuity planning and implementing appropriate infrastructure works. These included loans of \$4 mn for:

- (a) assistance to Anguilla, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, and the Turks and Caicos Islands totalling \$3.2 mn to meet commitments to Caribbean Catastrophic Risk Insurance Facility for insurance coverage prior to the 2009 hurricane season; the Turks and Caicos Islands received \$6mn from the CCRIF as compensation for hurricane damage.
- (b) an immediate response loan and grant totalling \$0.45 mn to Anguilla, reimbursing them for expenditure associated with the clearing and cleaning of affected areas after Hurricane Omar; and
- (c) a TA loan of \$0.42 mn to Grenada for the design of a programme of works to mitigate the impact of flooding in the environs of the St. Johns River.

1.15 At the regional level, the Bank supported a number of initiatives, such as:

- (a) the hosting of a symposium for \$0.04 mn with the theme "Advancing the Climate Change Agenda" which was aimed at raising the level of understanding of participants about climate change, its impact on development and improving their capacity to design and implement appropriate climate change responses;
- (b) a contribution of \$0.09 mn to a joint project with the IDB and the OECS Secretariat to support mainstreaming of disaster risk management (DRM) in the OECS countries and to enhance disaster resilience in vulnerable, low-income communities;
- (c) a grant of \$0.1 mn to the Caribbean Disaster Emergency Management Agency to conduct a training session for Micro, Small and Medium Enterprises (MSMEs) and Chambers of Commerce on the need for business continuity planning and preparing business continuity plans; and
- (d) funding of \$0.15 mn for the development of a practical Business Continuity Planning Toolkit specially tailored to the needs of MSMEs in the Region which will assist in

reducing business interruption and ensure continuity during times of external stress, such as natural disasters, health pandemics, social disturbances, and economic downturns.

Supporting Regional Cooperation and Integration

1.16 Support for RCI is a key priority for the Bank as the Region seeks to fully implement the Caribbean Community (CARICOM) Single Market and Economy (CSME). In 2009, grants of \$2.7 mn were approved for RCI to assist in strengthening some regional institutions, supporting the development of regional agriculture and providing opportunities for participation in a variety of conferences and meetings which contribute to the development of the Region and supporting the regional strategic planning process. Interventions included:

- (a) strengthening of regional institutions through (i) improvement to the justice system in the OECS by financing feasibility studies and concept designs for the construction of modern court facilities in all member countries (\$0.9 mn); (ii) assistance to the CARICOM Development Fund (\$0.15 mn) to develop and strengthen its operations and governance processes and procedures; and (iii) grants to UWI to enable it to implement the single virtual university space (\$0.14 mn) which will allow it to offer less expensive tertiary education to a larger number of students; and to strengthen its strategic management and research and innovation capacities and improve its ability to respond to regional imperatives (\$0.5 mn);
- (b) financing the participation of 50 SME representatives from CDB's BMCs in the 2009 Commonwealth Business Forum (\$0.15 mn) which aimed to provide new opportunities for business networking and partnerships in a variety of sectors; and support for the involvement of regional civil society organisations in the pre-Summit meetings of the Fifth Summit of the Americas(\$0.12 mn);
- (c) assistance to the regional agriculture sector through a feasibility study for a CARICOM Agriculture Modernisation Fund (\$0.04 mn) which can also serve to increase investment and improve the performance of the sector; support for the CARICOM Agri-Business Investment Forum (\$0.08 mn) which is aimed at stimulating investment in the regional agricultural sector; and assistance of \$0.05 mn to the Caribbean Agro-Economic Society for the 28th West Indies Agricultural Economics Conference under the theme *Food Security, Investment Flows and Agricultural Development in the Caribbean*;
- (d) grants to the Caribbean Congress of Labour to strengthen the capacity of regional labour organisations to advocate the Decent Work Agenda, participate with governments and employer organisations in the Decent Work Programming process, and to take direct actions to address major decent work deficits; and to the Caribbean Institute in Gender and Development Training Programme (\$0.02 mn) to train regional participants in gender and development issues;
- (e) financing the preparation of a Regional Strategic Plan through a grant to CARICOM (\$0.2 mn) which will serve as the framework for development planning and programming by CARICOM Member Countries; and
- (f) financing the preparation of a report (\$0.13 mn) and subsequent conference (\$0.02 mn) on *Growth and Development Strategies in the Caribbean* and hosting a regional conference on *Policies and Strategies to Face the Global Downturn: The Way Forward in the Caribbean* (\$0.04 mn) to identify the policies and strategies needed to (a) support the economic transformation of the Region and (b) to identify the interventions needed to

face the financial crisis in the short run and build an enabling environment for private sector development.

THE DECENT WORK AGENDA

***"The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity."* Juan Somavia – ILO Director General**

Work is central to people's well-being. In addition to providing income, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress however, hinges on work that is decent.

Decent Work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. Decent work is central to the efforts to reduce poverty and is a means for achieving equitable, inclusive and sustainable development.

The ILO Decent Work Agenda is the balanced and integrated programmatic approach to pursue the objectives of full and productive employment and decent work for all at global, regional, national, sectoral and local levels. Through its four pillars, the Decent Work Agenda promotes rights at work, encourages decent employment opportunities, enhances social protection and strengthens social dialogue.

ILO's assistance to Member States in achieving decent work objectives is implemented through Decent Work Country Programmes developed in collaboration with ILO constituents. The programmes promote decent work as a key component of national development strategies and define the priorities and targets within national development frameworks. They aim to tackle major decent work deficits through the implementation of results-based programmes that embrace each of the strategic objectives.

Using the ILO's tripartite structure, the ILO sub-regional office for the Caribbean works in close collaboration with governments, employers' and workers' organizations to promote decent work for all. At the ILO's Tripartite Caribbean Employment Forum held in Barbados on October 10-12, 2007 delegates adopted the "Tripartite Declaration and Plan of Action for Realizing the Decent Work Agenda in the Caribbean". The Bahamas launched the first Decent Work Country Programme in the Caribbean on April 10, 2008.

Extracted from website of the ILO Sub-Regional Office for the Caribbean

Growth and Development Strategies for the Caribbean

The Bank had commissioned a series of papers and a summary document under the theme "Growth and Development Strategies in the Caribbean". These were discussed at a seminar entitled "Growth and Development Strategies for the Caribbean", in September 2009. The objective of the seminar was to provide constructive feedback and facilitate an exchange of ideas on the key areas identified for exploration in examining constraints to growth and development in the Region. The seminar sought also to assist in identifying further research work that may be undertaken in each area addressed in the background papers. Topics covered were:

- Recent Developments in Growth and Development Theory and Policy with Special Reference to Small Developing Countries;
- Productive Sector Development in the Caribbean: Agriculture and Tourism;
- Productive Sectoral Development in the Caribbean: Manufacturing, Mining and Energy;
- Governance, the Role of the State and Economic Development in the Caribbean and Managing the Growth and Development Process;
- Human Resources Development, Labour and Migration, and Remittances;
- Economic and Political Integration in the Caribbean;
- Trade and Industry Policy in the Caribbean;
- Financial Aspects of Growth and Development in the Caribbean;
- Crime and Violence in Caribbean Development; and
- Environmental Dimensions of Development (including Disasters and Natural Hazards).

The discussion document produced from this seminar will be disseminated to regional policy makers, through the publication of the first of a series of papers on Growth and Development Strategies for the Caribbean

Enhancing Development Effectiveness

1.17 The Bank's interventions that are intended to contribute to enhancing development effectiveness include capacity building TA, support for Managing for Development Results (MfDR) and project management training. An amount of \$2.3 mn was committed in 2009 to this area for a number of initiatives, such as:

- (a) TA to Antigua and Barbuda of \$0.06 mn to assist in negotiating a standby arrangement with the International Monetary Fund (IMF); \$0.02 mn to Belize for the preparation of a Medium-Term Development Strategy; and \$0.69 mn to Jamaica to develop a national spatial plan which will assist in charting a more sustainable development path for the country;
- (b) support of \$0.12 mn to Montserrat to develop a management information system (MIS) to more effectively manage the Public Sector Investment Programme; of \$0.05 mn to St. Kitts and Nevis for the establishment of a land sales and development agency; and two grants totalling \$0.13 mn to St. Lucia to undertake a review of reform options in the water sector (\$0.03 mn) and to formulate a medium-term economic strategy and train staff involved in the strategic planning process (\$0.1 mn);
- (c) The implementation of two regional surveys, namely, *Vehicle Weight Legislation and Enforcement* and *Performance-Based Contracting for Road Maintenance* (\$0.1 mn) and the conduct of a subsequent workshop to consider the impact on road maintenance of vehicle-weight control and performance-based contracting (\$0.05 mn) and a road maintenance seminar (\$0.05 mn). These initiatives are intended to contribute to changing the approach to road maintenance in BMCs;
- (d) Participation at workshops on non-revenue water for water operators (\$0.02 mn) and energy efficiency in water and waste water utilities (\$0.02 mn) in an effort to improve the performance of regional water utilities; and on Factoring/Receivable Discounting (\$0.03 mn) to raise the awareness of small farmers of factoring/receivable discounting as a financing tool;
- (e) The conduct of a regional meeting to discuss the state of implementation of the DEVINFO system which will be used to disseminate the 2010 census information in the Region (\$0.04 mn); a workshop on Investment of Pension Fund Assets (\$0.11 mn) to expose participants to the practical and policy aspects of pension fund investment management; a training course on Caribbean private-public partnerships (PPPs) to enhance capacity to implement viable and effective PPP projects (\$0.03 mn);
- (f) The financing of an independent assessment of the National Development Finance Institutions (NDFIs) by a credit rating agency (\$0.14 mn) in order to strengthen the financial management and performance of NDFIs and improve access to funding from a variety of sources;
- (g) Co-hosting with IDB a policy dialogue/conference on Literacy and Numeracy (\$0.09 mn) aimed at improving literacy and numeracy at the basic level of the school system; and the Development Bank and Civil Society Organisations Dialogue (\$0.05 mn) with the theme: *"Strengthening Partnerships for Good Governance"*;
- (h) Hosting of the 2009 Multilateral Development Banks (MDBs)/International Financial Institutions (IFI) Heads of Procurement Meeting (\$0.02 mn); the Fifth MDB/IFI Technical Meeting on Performance-Based Allocations Systems (\$0.03 mn); the 2009 IFI

Budget Workshop (\$0.05 mn); as part of the Bank's commitment to harmonisation and alignment; and

- (i) The review of CDB's private sector strategy and policy (\$0.04 mn); its Student Loan Scheme and the Eastern Caribbean Student Loan Guarantee Fund (\$0.05 mn); the country classification system and terms of lending for country groups (\$0.04 mn); the operationalising of an integrated quality assurance system (\$0.15 mn) and the revision of its TA programme (\$0.12 mn), all aimed at improving internal efficiencies and effectiveness.

CDB's Project Cycle Management Training Programme

Under SDF 6, the sum of \$3.5 mn was provided to re-commence CDBs Project Cycle Management Training Programme in order to address the insufficient institutional capacity in project administration in BMCs. This deficiency was resulting in bottlenecks and delays in project approval and implementation and was having adverse implications for optimising project benefits and CDB's development effectiveness.

A comprehensive three-year pilot training programme was conducted over the period 2007-2009 comprising:

- Two project cycle management core courses per year, each consisting of three intensive two-week residential training and instruction modules and ten-week electronic distance learning modules in between the residential training.
- Five two-week residential specialised training modules (STMs) per year in the areas of Monitoring and Evaluation, Procurement and Contracting, Public Policy Analysis, Social Policy Analysis and Risk Assessment and Management.
- One Project Cycle Fundamentals module offered in one country annually.

The programme targeted the training of 300 participants over the three-year period, i.e. approximately 100 participants per year with 60 persons participating in the core courses and 40 in the STMs. 596 participants have actually been trained with 150 in the core courses and 446 in the STMs and project cycle fundamentals modules were conducted in two countries - Grenada and Nevis.

The programme is currently being evaluated so that lessons learnt can inform and improve the design of the future interventions.

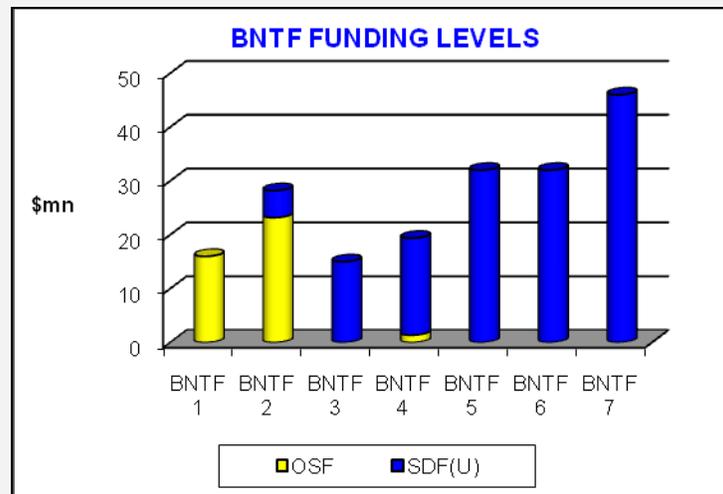
BNTF

1.18 BNTF is one of the major poverty reduction programmes funded by SDF. BNTF directly targets the poor, and makes a valuable contribution to the three poverty reduction priorities. There have been six replenishments of BNTF. For BNTF 5, the allocations to eligible BMCs have been fully committed and implementation has intensified in an effort to achieve the targeted completion date of June 2010. In the case of BNTF 6, grant agreements have been finalised for, and appraisal of sub-projects have commenced, while planning for BNTF 7 has been programmed for December 2010.

BNTF

BNTF began some 30 years ago as the Caribbean Education Development and Basic Human Needs/Employment Sector Programme targeted at improving living conditions in rural poor communities. The mission of the BNTF programme is to be “a community development programme that supports health, education, water, sanitation, access and economic activities through skills training, organisational development and infrastructure services.” It aims to assist low-income communities in planning and implementing projects to improve their access to essential services by providing funding in five main areas: infrastructure construction, minor maintenance for education and health facilities, skills training and upgrading, institutional strengthening, public awareness and information, and project management and implementation.

Since 1992, BNTF has been financed through SDF, with some level of counterpart funding from beneficiary governments. The programme has enjoyed an increasing share of SDF resources since BNTF 3, with \$32 mn being committed for both BNTF 5 and BNTF 6. In SDF 7, Contributors approved a scaling up of this flagship programme to take advantage of the improvements that have been made to BNTF operational systems. A set aside of \$46 mn has been allocated for BNTF 7. Using the Bank’s resource allocation formula, BNTF funds are allocated to eligible countries which include Belize, Dominica, Grenada, Guyana, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands [Jamaica has been included from BNTF 6].



The BNTF 6 programme was approved by the BOD in July 2008. The Sixth Programme will provide funding to implement sub-projects to improve basic infrastructure and services; and increase potential for economic activity through skills training. It will also provide project management and technical services, and capacity building for community-based organisations (CBOs) in the application of participatory approaches for planning and monitoring of sub-projects and decision-making. There is also a regional component to provide programme support, coordination and administration. During sub-project preparation and appraisal, consideration will be given to thematic areas such as gender and environmental assessment and the integration of disaster mitigation measures into infrastructure sub-projects.

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

BNTF 5

1.19 The BNTF 5 allocations, approvals and disbursements for the period 2002–2009 are presented in Table 4. By December 2009, the sum of \$29.1 mn or 91% of the total BNTF allocation had been committed compared with \$22.7 mn or 71% at the end of 2008. Of this amount, \$25.5 mn or 98% of the country allocation was approved for sub-projects in beneficiary countries (2008 - \$19.8 mn or 76%); and \$3.6 mn for regional coordination (2008 - \$2.9 mn).

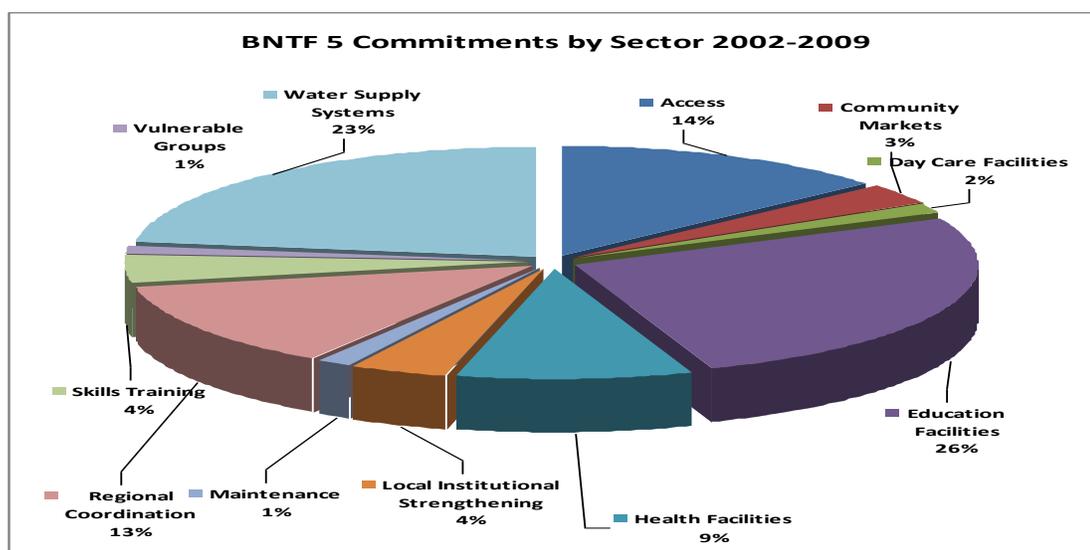
1.20 In 2009, the Bank approved 110 BNTF sub-projects valued at \$6.4 mn, bringing the total approved over the period 2002–2009 to 628 sub-projects. By the end of 2009, 511 social infrastructure and 117 skills training sub-projects were successfully implemented and operational to the benefit of over 806,000 Caribbean residents, 553,000 adults (283, 000 males and 270,000 females) and 253,000 children and young persons.

1.21 Disbursements at the end of 2009 amounted to \$18.2 mn compared with \$14.2 mn at the end of 2008, representing a steady increase in disbursements in most countries. The rate of disbursements for sub-projects within the beneficiary countries amounted to 60% at December 2009 with Belize, Grenada, Guyana and Montserrat receiving the highest levels of disbursement.

TABLE 4: BNTF 5 ALLOCATIONS, APPROVALS AND DISBURSEMENTS, 2002–2009

Item	Final Allocation	Approvals 2002–2009	Disbursements 2002–2009		Rate of Disbursement
	\$'000	\$'000	\$'000	%	%
Country Allocations:					
Belize	3,868	3,868	2,542	16.6	65.7%
Dominica	2,314	2,195	991	6.5	45.1%
Grenada	2,068	2,068	1,640	10.7	79.3%
Guyana	8,084	8,084	5,439	35.5	67.3%
Montserrat	1,361	1,266	943	6.2	74.5%
St. Kitts and Nevis	1,322	1,164	504	3.3	43.3%
St. Lucia	3,517	3,369	1,531	10.0	45.4%
St. Vincent and the Grenadines	2,634	2,634	1,442	9.4	54.7%
Turks and Caicos Islands	832	832	272	1.8	32.7%
Sub-Total	26,000	25,480	15,304	100	60.1%
Regional Coordination	6,000	3,621	2,923		
TOTAL	32,000	29,101	18,227		

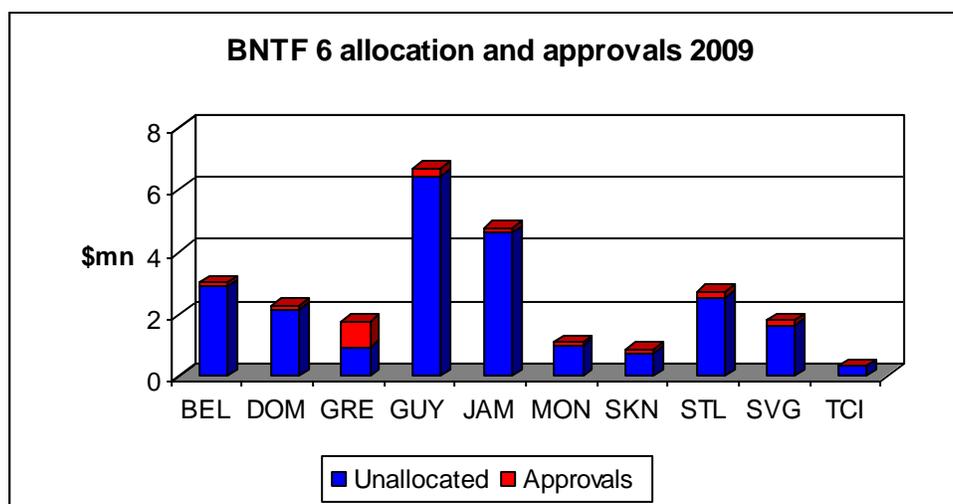
1.22 The chart below shows BNTF 5 commitments by sector during the 2002–2009 period. As illustrated, sub-projects providing education facilities, such as nursery and primary schools and day care centres, accounted for 28% of the interventions. Water supply systems in rural communities accounted for 23% and the construction of access roads and footpaths 14%. Regional coordination, comprising workshops, training, consultancy services for BMC sub-projects and administrative support, accounted for 13% of the commitments to date.



1.23 In 2009, funding was provided for the expansion and rehabilitation of water systems through the creation of reservoirs, installation of pumps and underground pipes in Belize, Dominica, Grenada, Guyana, Montserrat, and St. Lucia. The expected outcomes of these water supply sub-projects include access to potable water, the reduction of time and effort in carrying water in rural villages and a decrease in the incidence of waterborne diseases.

BNTF 6

1.24 The BNTF 6 programme was launched in Jamaica, which had not previously been a beneficiary of SDF-funded BNTF programmes, and funds were disbursed to cover implementation costs. As at December 31, BMCs had submitted sub-projects of approximately \$5.7 mn for the Bank's appraisal. Approvals of sub-projects under the BNTF 6 programme in 2009 are shown in the chart below.



Improving BNTF Programme Effectiveness

1.25 A number of programme management activities were undertaken in 2009 which were aimed at improving the efficiency and effectiveness of the programme. These included revisions to the Poverty Reduction Action Plans and the BNTF Operations Manual; improvements to the MIS reporting system; the development of a BNTF Results Monitoring Programme Framework; and MfDR training across all participating BMCs.

1.26 An Operations Audit of the BNTF country offices was undertaken in 2009 to determine the adequacy of the institutional framework and the quality of the processes utilized for managing the implementation of the BNTF in the beneficiary countries. This Audit will lead to streamlined operations and more efficient use of resources, in compliance with the objectives of the Programme.

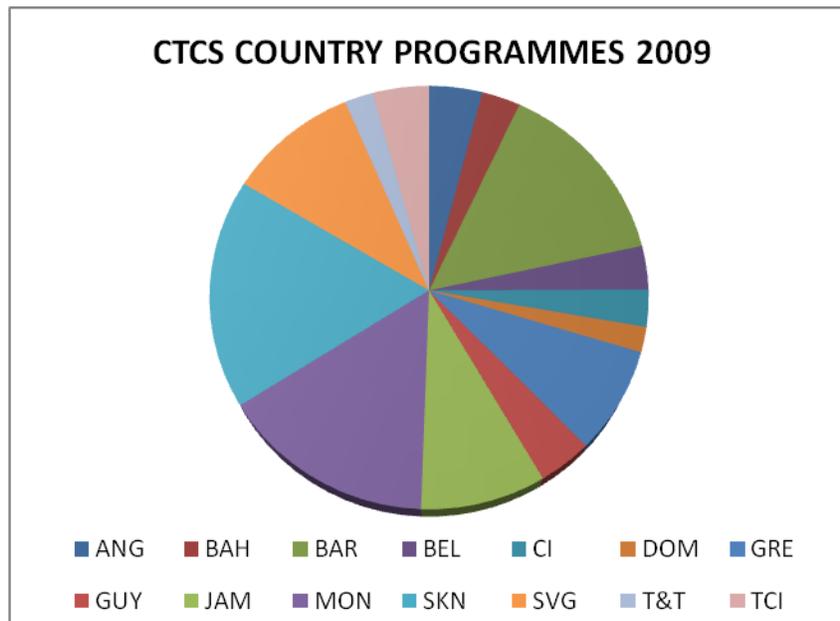
1.27 The Maintenance Innovation Study of BNTF-funded infrastructure, commissioned in mid-2009, has underscored the urgency of the maintenance situation of community infrastructure. Early findings have identified a dependence on national budgets for rehabilitative maintenance. BNTF interventions should therefore seek to equip communities with the capacity to respond more readily to preventative maintenance.

1.28 In continuing knowledge sharing and networking, an MIS workshop was held to share innovations on MIS solutions for data capture, analysis and retrieval. The session was attended by representatives of five participating countries and presentations were made by the Jamaica Social Investment Fund and the Belize Social Investment Fund. Five BMCs participated in a joint CDB/WB/IDB workshop on *Mainstreaming Gender in Infrastructure* at which good practice drawn from

BNTF interventions in the rural water sector of Belize and training of women for the construction sector in St. Lucia were shared.

CTCS

1.29 CTCS continues to be an important initiative through which CDB supports the development of the MSME sector. During 2009, the CTCS Network successfully interacted with all the Bank's BMCs in providing TA to a range of entities using various modalities. The CTCS programme executed 91 activities in 2009 in 14 BMCs, compared with 68 activities in 16 BMCs in the previous year. These included 34 direct short-term TA interventions, 34 training workshops, 17 job training attachments and 6 technical publications. A total of 945 beneficiaries (368 male and 579 female), compared with 846 in 2008, received training across a range of sectoral activities and technical disciplines as listed in Table 5. St. Kitts and Nevis, Montserrat, Barbados and St. Vincent and the Grenadines were the largest and most diverse users of the CTCS, as shown in the chart below.



1.30 CTCS reintroduced the publication of material on various technical topics based on the frequency of requests for documentation from both MSME clients and institutions. Six publications were produced on topics such as agro-processing, event planning, cake making and decorating, the production of organic body products and kitchen management for small hotel and restaurant operators. It is anticipated that such publications will be used to support local training conducted by national institutions in BMCs and as resource material for new MSME operators in the relevant sectors.

THE CTCS NETWORK

CTCS is one of CDB's primary initiatives to support the development and expansion of the Region's MSME sector. It is a network operated in cooperation with regional and national institutions, laboratories, industrial enterprises and consultants. CTCS contributes to the stimulation of entrepreneurship, while at the same time enhancing the competitiveness of the Region's productive sector through capacity building and skills transfer. It operates by linking people who have business and technical experience with businesses and enterprises that need consulting advice and assistance.

What exactly does the Network do? The CTCS Network project provides subsidised, Caribbean expertise to individuals, enterprises and organisations in BMCs, who would otherwise not be exposed to such technical expertise. The programme has close involvement with local financial institutions, small enterprise development agencies, national and community-based organisations and associations of industry and commerce in the Network, which brings the added benefit of institutional strengthening. In a rapidly changing economic and financial environment, the programme seeks to ensure that responses are timely, relevant and appropriate to the growing and diverse needs of a growing MSME sector.

The services offered by CTCS include project planning and preparation; evaluation of new and expanding businesses, upgrading of management systems and resolving industrial, production and maintenance problems; and assistance with selection of machinery and equipment, staff training in all disciplines, and quality control applications. It provides skills training in a variety of subject areas including agro-processing and fisheries; food processing; wood and metal fabrication; textiles; packaging and labelling; building material, manufacturing equipment and machinery; energy production and conservation; hospitality services accounting and computerisation; pottery, ceramics and craft manufacturing - such as basketry, bamboo and wicker craft, floral arrangement, cake decorating and gift basket design, garment design and production.

Over the years, the CTCS Network project has helped to develop and enhance both the technical and managerial skills of entrepreneurs in BMCs. Many beneficiaries of the training offered in the management of small businesses and enterprise development, are today the proprietors of successful MSMEs across the Region.

1.31 CTCS conducted a regional workshop, in conjunction with the Samuel Jackson Prescod Polytechnic in Barbados, which exposed 22 regional garment manufacturers to a two-week training programme on pattern design and block-making techniques. Participants were trained to use a professional and scientific approach to transfer the physical measurements of their client's body sizes into reproducible patterns.

1.32 Another regional workshop was held to expose 24 professional florists from 14 BMCs, including Haiti, to advanced floral design techniques. The participants were trained in a variety of new concepts in advanced floral designs for all occasions including the use of locally grown foliage, plants and flowers as materials of choice in design concepts and applications. In addition, participants were given exposure to costing, pricing and management techniques applicable to floral shops and boutiques. The concepts and approaches used in the training clearly demonstrated the strong linkage of the floral industry to both agriculture and tourism and its potential to reduce the excessive dependence on importation of floral materials to sustain the floral industry in the various BMCs.

1.33 A summary of CTCS skills training activities in 2005–2009 is provided in Table 5. Training was conducted in a variety of technical disciplines, such as agro-processing, costing and pricing, management techniques for skilled artisans, craft, upholstery and soft furnishings, cake and pastry making, equipment maintenance and repairs. General management and business development, agro-processing and food management and related techniques accounted for the highest number of trainees with 76% of clients being trained in those areas.

TABLE 5: CTCS TECHNICAL SKILLS TRAINING CONDUCTED, 2005–2009

Skill	Number of Clients Trained				
	2005	2006	2007	2008	2009
General management and business development	117	305	491	142	382
Pottery/ceramics	20	12	73	134	23
Garment design and production	15	45	12	9	38
Other applied skills ^{1/}	93	50	334	322	67
Agro-processing	7	4	171	62	198
Agriculture-related activities	21	3	97	15	14
Institutional strengthening	32	15	1	0	40
Tourism-related activities	40	20	160	69	19
Food management and related activities	190	24	30	30	139
Computer applications	-	35	7	63	25
Total	535	513	1,376	846	945

^{1/}Includes basketry, batik, tie dye, weaving, jewellery making, etc.

HAITI

1.34 SDF 7 provided a significant increase in resources for Haiti in recognition of its tremendous needs and also to take fuller advantage of the basic operational capacity being put in place to implement the Haiti programme. An amount of \$46 mn was allocated.

1.35 The Bank developed a country strategy paper (CSP) to guide its interventions in Haiti. The CSP was formulated after extensive discussions with the Government of Haiti (GOH), the private sector, several non-governmental organisations and the donor community in Haiti. Five broad areas for possible intervention emerged including:

- (a) support to initiatives in sectors with high growth and employment generation potential such as tourism and manufacturing;
- (b) helping to address the problem of food insecurity;
- (c) aiding in the identification and implementation of projects to reverse the level of deforestation which has destroyed the environment and compromised agriculture growth, and endangered lives and livelihoods.
- (d) providing support to human development, including, through the use of information and communication technology (ICT); and
- (e) providing budgetary support in response to the fiscal challenges facing GOH.

1.36 Approvals in 2009 amounted to \$10.03 mn and included:

- (a) financial support, through a PBG of \$10 mn, to the budget in a year when the country had witnessed a series of severe shocks (fuel and food price inflation; political instability; four extreme weather events; and the world financial and economic crisis). The grant was part of a broader programme of support by the IMF, WB and IDB that sought to enhance fiscal and debt management in Haiti. It also enabled the government to continue to provide basic services; and implement critical infrastructure agreed to with international development partners under the Poverty Reduction and Growth Strategy; and post-hurricane infrastructure rehabilitation and recovery; and

- (b) funding a joint CDB/CAIC planning mission to Haiti through a grant of \$0.03 mn to discuss the hosting of a Haitian Private Sector Forum. The objective of the Forum is to promote and facilitate the development of private sector investment in Haiti and to partner Haitian business with CARIFORUM companies to generate the intra-regional trade and investment.

1.37 The powerful earthquake in Haiti on January 12, 2010 devastated Port-au Prince and many other surrounding towns, leaving approximately 250,000 persons dead and 1.5 million homeless. The Bank, like other development agencies, is in the process of adjusting its country strategy and realigning its programme of assistance to Haiti. Discussions are ongoing with the Haitian authorities regarding the nature of the Bank's support during the rehabilitation and reconstruction phase.

Haiti – Preparing for Reconstruction

Haiti was barely recovering from the 2008 storms which left 800 dead and caused over \$1 billion (bn) in damage when the 7.0 earthquake hit on January 12, 2010. It is estimated that the earthquake killed 250,000+ persons, including a number of senior government and United Nation officials, injuring another 300,000 and displacing 1.5 million, many of whom fled to other provinces and cities unprepared to take them.

The reconstruction costs associated with the earthquake have been estimated at \$11.5 bn. It destroyed 80% of Port-au-Prince and several towns and villages, flattened the seats of all three branches of government along with 15 of the 17 ministries, 45% of the police stations and a number of courts.

GOH has established an Action Plan for Recovery and Development of Haiti and work has been completed on a Post-Disaster Needs Assessment (PDNA). The PDNA will advise the government and its international partners on the magnitude, costs and opportunities for meeting recovery needs. These will help to mobilise resources for reconstruction, set the course for detailed recovery planning and guide the financing provided through the Haiti Reconstruction Fund (HRF). The HRF is a multi-donor trust fund to support post-disaster recovery, reconstruction and development in Haiti.

The Bank is considering its options for the delivery of reconstruction funds to Haiti. These include:

- identifying specific reconstruction projects in targeted sectors and financing these in collaboration with the IDB, WB or others; or
- contributing to HRF which provides the benefits of improved coordination among the donor community; reduced duplication and fragmentation of effort; enhanced flexibility to fill unmet gaps in the reconstruction and reduced cost of development support to the government.

The Bank offered GOH an Immediate Response Grant of \$750,000 on January 13, 2010 to assist in cleaning and clearing debris and restoration of services in the aftermath of the earthquake. Bank staff have been holding discussions with the Haitian officials to determine the most appropriate means for delivering this assistance.

SDF PORTFOLIO ANALYSIS

1.38 An Annual Review of the Bank's portfolio is undertaken based on the project supervision report information from the previous year. The performance and quality of the SDF portfolio is measured by a *Project Implementation Performance Index (PPI)*, using a composite score derived from the application of Project Performance Evaluation System (PPES). This composite score is an indicative measure of the likely impact of projects in terms of the Bank's development assistance objectives. It is the sum of the weighted scores of six core criteria: *strategic relevance, poverty relevance, efficacy, cost efficiency, institutional development impact and sustainability*.

1.39 In 2008, there were 59 projects, with an SDF component, under implementation compared with 66 in the previous year. The performance rating of the portfolio for 2008 received a PPI rating of 6.0, which was a marginal decline over the rating for 2007 of 6.1. Despite this decline, 58 of the 59 projects were rated as highly satisfactory or satisfactory, compared with 62 of the 66 projects in 2007. There was

only one project with a rating of marginally unsatisfactory (unchanged from 2007), compared with three in the previous year.

1.40 The SDF portfolio analysis also assigns a *Country Portfolio Performance rating* and a *Sector Portfolio Performance rating*. In 2008, all BMCs received highly satisfactory or satisfactory ratings in the country portfolio performance assessments. The rating of three BMCs improved to highly satisfactory while that of one BMC declined to satisfactory from highly satisfactory. All sectors maintained their highly satisfactory or satisfactory ratings except for Utilities and Transport and Communications which registered declines in their ratings.

1.41 As at December 31, 2008, seven projects with a SDF component, were classified as “*at risk*” (about 11.8% of the SDF capital portfolio under implementation) compared with nine projects (13.6% of the portfolio) at the end of 2007. During the course of 2009, three of the seven projects were no longer at risk, but still under implementation Details of the SDF portfolio analysis for 2008 are provided in Appendix V.

2. FINANCIAL RESOURCES AND PROGRAMME LEVELS

SDF 7 PROGRAMME LEVEL

2.01 The approved programme level for SDF 7 is \$390.6 mn, comprising \$242.2 mn by existing Contributors and \$103.9 mn from internally generated resources and includes a structural gap of \$29.5 mn, which is expected to be funded by additional contributions and by income from adjustments in encashment of demand notes or payment schedules. As shown in Table 6, the base programme level at December 2012 is projected to be \$363.8 mn, an increase of \$2.7 mn over the original projection of \$361.1 mn. This has resulted from a higher carry over balance from SDF 6, lower than projected net income for the period and higher than projected loan repayments. Further details on the SDF 7 approved programme level are presented in Appendix II.

TABLE 6: SDF 7 PROGRAMME LEVEL
(\$mn)

Item	Per Contributors Report	Projected to 2012	Difference
Commitment authority at beginning of period	16.9	19.5	2.6
Expected Net income	25.8	15.9	(9.9)
Loan Repayments	61.2	71.2	10.0
Transfer from OCR Net Income	15.0	15	-
New contributions	242.2	242.2	-
Base Programme Level	361.1	363.8	2.7
Structural gap/(Residual Funds)	29.5	26.8	2.7
Overall Programme Level	390.6	390.6	-

COMMITMENT AUTHORITY

2.02 Table 7 shows the actual and projected commitment authority for 2009–2012 and the use of resources during SDF 7. The available commitment authority at the end of 2009 was \$45.5 mn and a carry-over balance to SDF 8 of \$2.7 mn is currently projected at the end of 2012. Further details are provided in Appendix III.

TABLE 7: SDF 7 COMMITMENT AUTHORITY AND USE OF FUNDS
(\$mn)

Item	SDF 6	2009	2010	2011	2012
		Actual	Projected		
Commitment authority at beginning of period	41.4*	19.5	45.5	18.5	42.9
Net income	17.5	2.8	3.9	4.4	4.8
Repayments	61.4	14.2	19.0	19.0	19.0
Commitment authority from new contributions	156.7	60.6	60.5	60.5	60.6
Transfer from OCR	-	-	-	15.0	-
Approvals for SDF Loans	170.0	35.0	62.5	62.5	62.5
Approvals for SDF Grants	97.5	16.6	48.0	12.0	62.0
Available Commitment authority at end of period	19.5	45.5	18.5	42.9	2.7

*The Commitment authority at the beginning of SDF 6 was restated to take account of exchange gains realised on the encashment of non USD promissory notes from earlier cycles

ALLOCATION AND UTILISATION OF RESOURCES

2.03 The programme for SDF 7 of \$390.6 mn comprises an amount of \$175 mn for loans to be allocated to eligible BMCs, using the resource allocation system; \$77 mn for loans for natural disaster mitigation and rehabilitation and BMCs in fiscal distress; and \$138.6 mn in set aside grant resources. The resource allocation system will also be used to allocate the amount of \$46 mn, included in the set asides for BNTF.

2.04 Table 8 - *SDF 7 Allocation and Utilisation of Resources* shows the indicative allocations for country loans at January 2009, the loan and grant approvals in 2009 and the balance of available funds. Since a structural gap of \$29.5 mn exists, only \$361 mn has been programmed and the available balance is \$309.3 mn after total approvals for 2009 of \$51.8 mn.

TABLE 8: SDF 7 INDICATIVE ALLOCATION AND UTILISATION OF RESOURCES

Item	Indicative Allocations at January		Approvals	Balance
	2009		2009	Available
	\$'000	%	\$'000	\$'000
Country Allocations - Loan				
<i>(Group 1)</i>				
<i>Fixed allocations</i>				
Bahamas, The	-	-	-	-
British Virgin Islands	-	-	-	-
Cayman Islands	-	-	-	-
<i>(Groups 2, 3 and 4)</i>				
Anguilla	4.92	1.4	-	4.92
Antigua and Barbuda	3.52	110	-	3.52
Barbados	-	-	-	-
Belize	17.65	4.9	4.48	13.17
Dominica	14.20	3.9	4.86	9.34
Grenada	7.97	2.2	4.63	3.34
Guyana	36.37	10.1	-	36.37
Jamaica	22.04	6.1	-	22.04
Montserrat	2.25	0.6	-	2.25
St. Kitts and Nevis	5.45	1.5	-	5.45
St. Lucia	16.30	4.5	-	16.30
St. Vincent and the Grenadines	12.92	3.6	0.57	12.35
Turks and Caicos Islands	1.86	0.5	-	1.86
Trinidad and Tobago	-	-	-	-
Sub-total Country Allocations	145.45	40.3	14.54	130.91
Set-Aside Resources				
Other Lending:				
Natural Disaster Mitigat. and Rehab	30.00	8.3	3.61	26.39
BMCs in Fiscal Distress	47.00	13.0	17.00	30.00
Total Lending	222.45	61.6	35.15	187.3
Grants:				
BNTF	46.00	12.7	-	46.00
TA:				
Capacity Building	8.00	2.2	3.67	4.33
Project Management Training	5.00	1.4	-	5.00
CTCS	4.50	1.3	1.04	3.46
Regional Integration and RPGs	10.00	2.8	1.65	8.35
Development Effectiveness and MfDR	5.00	1.4	-	5.00
Immediate Disaster Response	6.10	1.7	0.02	6.08
Gender Equality	4.00	1.1	-	4.00
Environ. Sustain. and Climate Change	4.00	1.1	0.23	3.77
Haiti	46.00	12.7	10.03	35.97
Total Grants	138.60	38.4	16.64	121.96
Total Resources Available	361.05	100.00	51.79	309.26
Structural Gap	29.55			
Approved Programme Level	390.60			

2.05 The allocation for country loans, net of the structural gap, is \$145.5 mn. The application of the resource allocation system has resulted in Guyana, Jamaica, Belize, St. Lucia, Dominica and St. Vincent and the Grenadines being the largest beneficiaries of the allocated resources.

2.06 During the year, loans of \$14.5 mn were approved from the country allocations of Belize, Dominica, Grenada and St. Vincent and the Grenadines leaving an available balance of \$130.9 mn. Other loan approvals were \$3.61 mn from the set aside for natural disaster mitigation and rehabilitation and \$17 mn from the allocation for BMCs in fiscal distress, leaving balances of \$26.4 mn and \$30 mn, respectively.

2.07 The set aside grant resources of \$138.6 mn relate to BNTF, capacity-building TA, CTCS, project management training, regional integration and RPGs, development effectiveness and MfDR, immediate disaster response, environmental sustainability and climate change and Haiti (See Table 8). At December 2009, \$16.7 mn in set aside grant resources had been committed leaving a balance of \$122 mn.

2.08 Grant approvals included grants to Haiti of \$10 mn, \$1.7 mn for regional integration and RPGs, \$3.7 mn for capacity-building TA, \$1 mn for CTCS, and \$0.2 mn for environmental sustainability and climate change.

3. MANAGING FOR DEVELOPMENT RESULTS

3.01 The core element of the Bank's approach to enhancing development effectiveness during SDF 7 is the use of a RMF, which covers at Level 1 the development outcomes in the framework of the MDGs. Levels 2 and 3 cover institutional and operational performance measures and progress in relation to the Paris Declaration and the Accra Agenda for Action is covered at Level 4.

3.02 The SDF 7 RMF reflecting the status as of December 31, 2009 is presented below:

SDF 7 RMF STATUS AS OF DECEMBER 2009

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

Indicators	Baseline Year	Baseline Value	Target (2015)	Status as of December 31, 2009
Poverty and Human Development				
1. Proportion of population below the poverty line (%). [‡]	2006	54	27	53.8
2. Proportion of population below the indigence line (%). [‡]	2006	35	17.5	34.6
3. Net enrolment in primary education (%).				
- Female	2006	94	95	95
- Male	2006	94	95	95
4. Net enrolment in secondary education (%).				
- Female	2006	73	80	77
- Male	2006	68	77	72
5. Ratio of girls to boys in:				
- Primary education	2006	1.0	1.0	1.0
- Secondary education	2006	1.06	1.02	1.04
6. Share of women in wage employment in the non-agricultural sector (%).	2005	85	n.y.a.	n.y.a.
Environmental Sustainability and Climate Change				
7. Number of BMCs with National Environmental Strategies/Action Plans	2007	17	18	17
8. Number of BMCs with formalised Climate Change Response Strategies	2008	4	18	4
9. Proportion of population with access to a water source (%)				
- urban	2007	85	92.5	85
- rural		88	94	88
10. Proportion of population with access to sanitation, urban (%)				
- urban	2007	76	88	76
- rural		73	86.5	73
11. Proportion of alternative energy in total energy use (%)	2005	30	n.y.a.	n.y.a.
Regional Cooperation and Integration				
12. Intra-regional trade as a percentage of total regional trade	2006	14*	20*	15
13. Direct Investment of MDCs in LDCs (\$mn)	Avg. 1999-2003	66	100	n.a.
14. Cross-listed firms in relations to total firms on regional stock exchange (%)	2005	17	25	18

[‡] Values are averages weighted by population. Actual population data on which the averages are based may refer to different years between 1990 and 2006.

* Base line value and target revised

LEVEL 2: CDB/SDF CONTRIBUTIONS TO COUNTRY AND REGIONAL OUTCOMES: KEY OUTPUTS

Indicators	Outputs 2005-2008	Programmed Outputs 2009-2012	Status as of December 31, 2009
1.Education and Training (at all levels)			
Classrooms built or upgraded (number)	1,026	868	238
Teachers Trained (number)	2,332	6,010	95
Students benefiting from above programme and support SLS, etc (number)	49,438	171,725	30,321
Persons benefiting from skills training activities(number)	16,670	33,580	3,171
2.Agriculture and Rural Development			
Land irrigated or improved through drainage, flood and irrigation works (hectares)	3,365	3,420	31,892
Area established using improved production technology (hectares)	4,356	0	0
Funds provided through specific agricultural and rural enterprise credit programmes (\$mn)	1.5	12.8	0
Beneficiaries of above programmes (number)	2,900	4,100	82,000
3.Social and Economic Infrastructure (not included in 1 and 2 above and 5 below)			
Primary roads built or upgraded (km)	128.4	82.5	20
Secondary and other roads built or upgraded (km)	1,402.6	362.5	14
Beneficiaries of road projects (number) ‡	81,298	51,500	15,690
Bridges Upgraded/Constructed (Number)	13	6	14
Sea Defences/ Landslip Protection/ Urban Drainage (km)	8.2	34.5	2
Other Infrastructure (Air/Sea Port, Dock Facilities) – (Number)	2	3	0
Community infrastructure built/upgraded (number)	131	679	21
Beneficiaries of community infrastructure interventions (number)	118,745	342,000	14,537
Installed energy generation capacity(megawatts)	16.2	2.7	2.5
Number of beneficiaries of generation/distribution capacity	42,100	7,000	n.a.
4.Private Sector Development			
Value of credit made available to the private sector (mn\$)	42	53	23.5
MSME's benefiting from credit (number)	283	325	424
Beneficiaries of mortgage programmes (number)	151	200	207
Number of CTCS and other TA interventions	338	350	91
Number of participants benefiting from CTCS and other TA interventions	2,660	2,750	945
5.Water and Sanitation†			
Installed water capacity (m ³)	110,771	33,270	513
Water supply lines installed or upgraded (km)	2,932	2,387	59
Households with access to water supply (number)	30,002	25,900	4,083
6. Disaster Risk Management			
Interventions supporting DRM policies, strategies and action plans (number)	6	7	6
Interventions that contribute to DRM capacity building (number)	4	5	4
Community-based DRM interventions (number)	28	31	28
7. Climate Change Response (CCR)			
Interventions supporting policies, strategies and action plans for CCR (number)	2	5	2
Interventions supporting renewable energy initiatives (number)	0	4	0
Community-based climate change resilience building interventions (number)	0	4	0
Interventions supporting regional institutions in climate change monitoring and research (number)	1	3	1
8.Regional Public Goods			
Interventions supporting regional institutions (number)	18	23	5
Interventions supporting regional policy development (number)	16	20	6
9.Economic Management			
Value of resources approved for PBLs/PBGs (\$mn)	183	250	78
Interventions to support rigorous Public Sector Investment Programme development (number)	11	13	1
10 Capacity Development			
Interventions to support public sector institutional strengthening (number)	15	21	6
Interventions supporting community-based management of the sustainable use of natural resources(number)	41	59	45

‡ The beneficiaries in the baseline value identified refer only to BNTF and Agricultural Projects. Economic Infrastructure did not collect this information. It is intended to remedy this situation going forward. The explanation for the reduced number of beneficiaries in the programmed outputs reflects the changing focus of BNTF.

LEVEL 3: OPERATIONAL/ORGANISATIONAL EFFECTIVENESS

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December 31, 2009
Operational Quality and Portfolio Performance				
1. Portfolio performance rating for implementation (% satisfactory)	2007	96	98	99 ^{1/}
2. Percentage of projects completed in past two years with Project Completion Reports.	2006-2007	0	100	10.26 ^{1/}
3. Percentage of projects with supervision reports on Project Portfolio Management System.	2007	61	100	100 ^{1/}
Resource Allocation and Utilisation				
4. Percentage of concessional resources allocated according to performance-based allocation system.	2005	61	70	40
5. Disbursement rate.	2007	28	35	25 ^{1/}
6. Disbursement efficiency ratio.	2007	93	98	83 ^{1/}
Strategic Focus				
7. Number of approved country strategies in use with results framework.	2008	2	18	6
8. Number of new or updated country poverty assessments (CPAs) for BMCs in the past five years.	2004-2008	8	10	6
9. Proportion of financing supporting environmental sustainability and climate change %	2007	10	15-20	2.59
10. Proportion of financing supporting regional cooperation and development.	2007	4	6-8	6.41
11. Proportion of financing supporting gender equality. ^{2/}	2007	0	0	0
12. Proportion of financing supporting private sector development.	2007	10	15	14.76
13. Number of BMCs receiving support for direct poverty reduction programming.	2007	11	11	11
Capacity Utilisation				
14. Percentage of budgeted Bank professional staff in operations departments.	2008	50.5 ^{3/}	58 ^{4/}	51.3
15. Ratio of professional staff to support staff.	2008	1.01:1 ^{3/}	1.3:1 ^{4/}	1.26:1
16. Representation of women in professional staff.	2008	37.5 ^{3/}	40	40
17. Representation of women in middle and senior management positions.	2008	43.8 ^{3/}	45	45
Use of Administrative Budget Resources				
18. Administrative expenses per \$mn as a % of loan project approvals (3-year Av).	2005 - 2007	13	14	10.7
19. Administrative expenses per \$mn as a % of loan project disbursements (3-year av.).	2005 - 2007	15	16	14.8
20. Administrative expenses per \$mn as a % loan projects under implementation (3-year average).	2005 - 2007	2	2	2.2
Business Processes and Practices				
21. Average time from loan approval to first disbursement in public sector operations (months).	2007	18	12	12 ^{1/}
22. Average loan processing time (months from appraisal mission to project approval) in public sector operations.	2007	6.7	5	4.5 ^{1/}

^{1/}Performance per the 2008 Annual Review of Project Portfolio Performance.

^{2/} the baseline and targets for this indicator are being developed.

^{3/} Baseline values have been revised.

^{4/} Targets have been revised.

LEVEL 4: PARTNERSHIP, HARMONISATION AND ALIGNMENT

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December 31, 2009
Ownership				
1. Number of BMCs with national development strategies.	2007	15	18	15
2. Number of BMCs with poverty reduction strategies.	2007	8	18	10
3. Number of BMCs with CPAs.	2007	17	18	17
Harmonisation				
4. Percentage of CDB country strategies with explicit consideration of other agencies' programming.	2007	100	100	100
5. Percentage of interventions using common arrangements or procedures.	2007	21	35	26
Alignment				
6. Percentage of capacity development support provided through coordinated programmes.	2005-2008	35	45	32
7. Percentage of financial support using BMC procurement systems that either (a) adhere to broadly accepted good practices, or (b) have a reform programme in place to achieve these.	2008	25	35	25
8. Number of joint monitoring missions.	2008	7	8	7

4. FINANCIAL PERFORMANCE AND PROJECTIONS

FINANCIAL RESULTS

4.01 A summary of the SDF (U) financial results over the period 2007–2009 is presented in Table 9, with details set out in Appendices VII-1 and VII-2.

TABLE 9: SUMMARY OF FINANCIAL RESULTS, 2007–2009
(\$ mn)

Item	2007	2008	2009
Loans Outstanding (Net)	375.8	380.6	412.9
Cash and Investments	173.1	248.3	246.1
Loan Income	8.5	8.7	9.1
Investment Income	8.5	9.4	5.1
Administrative Expenses	10.0	10.7	11.1
Net Income	7.0	7.4	2.8
Yield on Av Cash and Investments (%)	5.9	4.5	2.1

4.02 Loans outstanding at the end of December 2009 amounted to \$413 mn compared with \$380 mn in 2008. This represents an increase of \$32 mn or 8.5% and may be attributed to the high level of disbursement on loans approved in 2007 and 2008. The level of undisbursed loan balances was \$133 mn at the end of 2009 compared with \$100 mn in 2008.

4.03 There was a marginal decline in the investment portfolio in 2009 to \$246 mn from \$248 mn at the end of 2008, resulting from the combination of a higher level of loan and grant disbursements in 2009 and the level of cash contributions/encashments received during the year.

4.04 In 2009, the Fund recorded net income of \$2.8 mn, compared with \$7.4 mn in the previous year. While there was a marginal increase in loan income of \$0.4 mn, investment income was affected by the financial and economic crisis, declining sharply to \$5.1 mn from \$9.4 mn in 2008. The average yield on investments was 2.1% as against 4.5% in 2008. Administrative expenses at \$11.1 mn increased by \$0.4 mn.

NOTES, ENCASHMENTS AND DRAWDOWNS

4.05 A summary of notes, encashments and drawdowns is presented at Appendix VII-3. At December 31, 2009, notes receivable from Contributors totalled \$54.9 mn, a reduction of \$0.4 mn compared with the notes receivable figure of \$54.5 mn recorded at the end of 2008. Promissory Notes equivalent to \$49.6 mn were issued by nine Contributors during 2009 and notes totalling \$46.8 mn from 11 contributors were encashed. The cumulative sum received from SDF Contributors at December 31, 2009 was \$753 mn.

4.06 The current value of total approved contribution to the SDF (U) at the end of 2009 was \$1,024 mn. Of this figure, an amount of \$115.6 mn represented contributions for which Demand Notes had not yet been issued and \$100.3 mn represented pledged amounts for SDF 7 for which the instruments of contribution were still outstanding at December 31, 2009.

FINANCIAL PROJECTIONS 2010–2012

4.07 Table 10 summarises the projected financial results for the period 2010–2012, with further details presented in Appendices VII-4 to VII-6.

TABLE 10: SUMMARY OF PROJECTED FINANCIAL RESULTS, 2010–2012
(\$ mn)

Item	2010	2011	2012
Long-term Loans	438.9	467.4	498.4
Cash and Investments	257.1	265.0	270.7
Loan Income	10.6	11.4	12.1
Investment Income	5.0	5.2	5.3
Administrative Expenses	11.7	12.2	12.6
Net Income	3.9	4.4	4.8

4.08 The loan portfolio is expected to grow from \$438.9 mn in 2010 to \$498.4 mn in 2012. It is also forecasted to yield loan income of \$10.6 mn, \$11.4 mn and \$12.1 mn in 2010, 2011 and 2012, respectively.

4.09 The investment portfolio is estimated to average \$260 mn over the three-year period boosted by cash received from Contributors to SDF 7. The investment portfolio will also be augmented by reflows of principal repayments on earlier SDF loans that are projected at \$19 mn per annum (p.a.) in the 2010–2012 period.

4.10 Despite this high level of liquidity, modest investment income is anticipated, given the continuing difficult global financial environment. Investment income in 2010, 2011 and 2012 is projected to be relatively flat at \$5.0 mn, \$5.2 mn and \$5.3 mn, respectively while net income is predicted at \$3.9 mn, \$4.4 mn and \$4.8 mn, respectively.

4.11 The assumptions supporting these estimates are listed below:

- (a) Loan commitments are projected at \$65 mn, \$65 mn and \$67 mn for 2010, 2011 and 2012, respectively;
- (b) The average lending interest rate is estimated at 2.5% p.a.;
- (c) Over the projected disbursement period, the disbursement pattern for the combination of old and new commitments is assumed to be 10%, 26%, 17%, 13% and 7%;
- (d) The yield from investment in liquid resources is estimated at 2% p.a.;
- (e) Administrative costs are projected to increase by 3% p.a.; and
- (f) The terms and conditions of lending are based on those applicable for SDF 7.

APPENDICES

APPENDIX I

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 ^{b/}	SDF 6	SDF 7
Regional Members: BMCs							
Trinidad and Tobago	2.50	2.50	3.85	3.85	5.00	7.50	10.18
Jamaica	1.40	1.40	3.87	3.85	5.00	7.50	10.18
Guyana	1.40	1.40	2.16	2.16	2.81	4.22	5.67
Bahamas, The	1.40	1.40	2.16	2.16	2.81	4.21	5.67
Barbados	1.40	1.40	2.16	2.16	2.81	4.21	5.67
Antigua and Barbuda	0.25	0.25	0.16	0.25	0.32	0.42	0.61
Belize	0.25	0.25	0.65	0.65	0.84	1.10	1.39
Dominica	0.25	0.25	0.65	0.65	0.84	0.84	1.39
Grenada	0.25	0.25	0.65	0.65	0.84	0.10	0.61
St. Kitts and Nevis	0.25	0.25	0.65	0.65	0.84	1.10	1.39
St. Lucia	0.25	0.25	0.65	0.65	0.84	1.10	1.39
St. Vincent and the Grenadines	0.25	0.26	0.65	0.65	0.84	1.10	1.39
Cayman Islands	0.10	0.10	0.15	0.25	0.32	0.42	0.61
Anguilla	0.10	0.10	0.25	0.25	0.32	0.42	0.61
Turks and Caicos Islands	0.10	0.10	0.25	0.25	0.32	0.42	0.61
British Virgin Islands	0.10	0.10	0.25	0.25	0.32	0.42	0.61
Montserrat	0.10	0.10	0.25	0.25	0.32	0.42	0.61
Haiti	---	---	---	---	---	0.65	0.91
Sub-total	10.35	10.36	19.41	19.58	25.39	36.15	49.48
Regional Members: non-BMCs							
Colombia	5.00	3.33	5.00	3.00	3.60	3.60	3.60
Mexico ^{c/}	---	---	5.00	3.00	3.00	3.00	3.00
Venezuela	5.00	3.34	5.00	3.00	3.00	3.60	3.60
Sub-total	10.00	6.67	15.00	9.00	9.60	10.20	10.20
Non-Regional Members							
Canada ^{d/}	60.87	15.00	20.00	16.80	25.20	44.00	69.83
United Kingdom ^{d/}	42.82	15.00	20.00	16.80	25.20	44.00	69.83
France ^{e/}	21.00	10.00	14.00	11.76	---	---	---
Italy	21.00	10.00	14.00	8.66	3.15	5.00	7.08
Germany	---	26.00	14.00	11.76	--	12.17	18.83
China ^{f/}	---	---	---	24.00	4.00	5.20	8.10
Sub-total	145.69	76.00	82.00	89.78	57.55	110.37	173.68
Non-Members							
Netherlands	5.00	5.00	7.00	6.30	---	---	---
Brazil ^{g/}	---	---	---	---	---	---	5.00
Spain ^{h/}	---	---	---	---	---	---	3.83
Transfer from OCR	---	---	---	---	---	---	15.00
Sub-total	5.00	5.00	7.00	6.30	--	---	23.83
TOTALS	171.04^{d/}	98.03	123.41	124.66	92.54	156.72	257.18

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

^{b/} Amounts recorded in the SDF V Resolution, with applicable exchange rates where required.

^{c/} Mexico contributed \$5 mn and \$3.33 mn to SDF Other in 1984 (SDF 1) and 1988 (SDF 2).

^{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.

^{g/} Approved for membership, legal formalities being completed

^{h/} Contribution may be dependent on Spain being deemed a substantial contributor

APPENDIX II

SDF 7 PROGRAMME LEVEL, COUNTRY GROUPS AND TERMS OF LENDING

SDF 7 PROGRAMME LEVEL

The Contributors approved an overall programme level for SDF 7 totalling \$390.6 mn, comprising \$175.0 mn in country loans, \$77 mn in loans for natural disaster mitigation and rehabilitation and assistance for BMCs in fiscal distress, and \$138.6 mn in grant allocations (See Box – Approved Programme Level for SDF 7).

COUNTRY GROUPS AND TERMS OF LENDING

Country Groups are used to determine the terms and conditions of SDF lending. *SDF Lending Terms* vary according to the country grouping. The country groupings to be used and the lending terms which will apply for SDF 7 are presented in the Boxes below.

APPROVED PROGRAMME LEVEL FOR SDF 7 (\$'000)	
Loans	
Country loans using performance-based Resource Allocation System	175,000
Natural Disaster Mitigation and Rehabilitation BMCs in Fiscal Distress	30,000 47,000
Grants	
BNTF	46,000
TA	17,500
<i>of which: BMC Capacity Building</i>	<i>8,000</i>
<i>Project Management Training</i>	<i>5,000</i>
<i>CTCS (small scale private sector)</i>	<i>4,500</i>
Regional Integration and RPGs	10,000
Development Effectiveness, including MfDR	5,000
Immediate Disaster Response	6,100
Gender Equality	4,000
Environmental Sustainability and Climate Change	4,000
Allocation for Haiti	46,000
SDF 7 PROGRAMME LEVEL	390,600

TERMS OF LENDING FOR SDF 7

Country Group	Interest Rate (%)	Maximum Grace Period (years)	Maximum Overall Maturity (years)	Maximum Grant Element (%)
1	5.0	5	10	30.8
2	4.0	5	25	46.6
3	2.5	10	30	66.3
4	2.0	10	30	70.7
Regional	2.5	7	25	61.3

COUNTRY GROUPS FOR SDF 7

Group 1 Bahamas, The British Virgin Islands Cayman Islands	Group 2 Anguilla Antigua and Barbuda Barbados [†] Montserrat [†] St. Kitts and Nevis Trinidad and Tobago [†] Turks and Caicos islands
Group 3 Belize Dominica Grenada Jamaica St. Lucia St. Vincent and the Grenadines	Group 4 Guyana Haiti

[†] In the case of Barbados and Trinidad and Tobago, the same terms as for Group 1 would continue to apply, as in the past. Montserrat would continue to receive the same terms as for Group 3 in recognition of the impact of natural disasters.

APPENDIX III**AVAILABILITY AND USE OF RESOURCES**

(as of December 31, 2009)

(\$'000)

Item	SDF 5	SDF 6	SDF 7				Total
	2001– 2004	2005– 2008	2009	2010	2011	2012	
Commitment authority at beginning of period	16.3	41.4^{a/}	19.5	45.5	18.5	42.9	19.5
<i>Plus: Net Income</i>	4.6	15.5	2.8	3.9	4.4	4.8	15.9
<i>Less: Allocation from accumulated Net income</i>	(5.4)						
Exchange rate adjustments	(8.9)	2.0	-	-	-	-	-
Net increase(decrease) to reserves	(8.4)	17.5	2.8	3.9	4.4	4.8	15.9
<i>Plus:</i>							
Repayments	59.3	61.4	14.2	19.0	19.0	19.0	71.2
Exchange rate adjustments	4.4	-	-	-	-	-	-
Commitment authority from new contributions	92.5	156.7	60.6	60.6	60.5	60.5	242.2
Exchange rate adjustments	35.6	-	-	-	-	-	-
Transfer from OCR	-	-	-	-	15.0	-	15.0
<i>Less:</i>							
Net Approvals for SDF Loans	113.3	170.0	35.0	62.5	62.5	62.5	222.5
Approvals for SDF Grants (Excl BNTF and Haiti)	13.0	30.4	6.6	12.0	12.0	16.0	46.6
Approvals for BNTF	32.0	32.0	-	-	-	46.0	46.0
Approvals for Haiti	-	25.1	10.0	36.0	-	-	46.0
Commitment authority at end of period	41.4	19.5	45.5	18.5	42.9	2.7	2.7

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

APPENDIX IV**SDF 7 COMMITMENTS, 2009***(Classified by SDF 7 Themes)*

(\$'000)

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Strengthening Poverty Reduction and Human Development			
<u>Loans Approved</u>			
Belize			
<i>Sixth Consolidated Line of Credit</i> to promote the development credit market and provide financing for on-lending to MSEs	Mar 09	1,000	10,000
<i>Belize River Valley</i> to provide an upgraded water supply system and improve access to potable water	Dec 09	3,480	3,480
Dominica			
<i>Water Supply Network</i> - TA to finance the conduct of a water supply upgrading and expansion study	Dec 09	362	362
<i>Student loan Programme</i> - to finance technical, vocational and professional education	Dec 09	500	8,000
<i>Education Enhancement Project</i> to upgrade and equip primary and secondary schools, the Curriculum Measurement and Evaluation Unit and four District Offices	May 09	4,000	4,000
Grenada			
<i>PBL</i> to support the Government's programme of macroeconomic reforms	Oct 09	8,000	12,800
<i>Rehabilitation and Upgrade Study</i> - TA to fund a study to upgrade the St. Patrick Road network	Oct 09	556	556
<i>Schools Rehabilitation and Reconstruction</i> – to reconstruct and expand four schools	Oct 09	3,659	5,000
St. Vincent and the Grenadines			
<i>PBL</i> to support the Government's programme of macroeconomic reforms	May 09	9,000	25,000
<i>South Leeward Highway</i> – TA to finance a study to rehabilitate and upgrade the South Leeward Highway	May 09	564	564
<u>Total Loans</u>		31,121	69,762
<u>Grants Approved</u>			
Anguilla			
CTCS Projects	Dec 09	32	32
Bahamas, The			
CTCS Projects	Dec 09	23	23
Barbados			
CTCS Projects	Dec 09	116	116
Belize			
Capacity building of the Development Finance Corporation	Mar 09	150	150
CTCS Projects	Dec 09	26	26

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Cayman Islands			
CTCS Projects	Dec 09	22	22
Dominica			
CTCS Projects	Dec 09	15	15
Grenada			
Schools Rehabilitation and Reconstruction project - a school transformation programme	Dec 09	60	60
CTCS Projects	Dec 09	64	64
Guyana			
CTCS Projects	Dec 09	31	31
Haiti			
Introductory Mission to Haiti Re. CDB/CAIC – Haiti Private Sector Forum	May 09	26	26
<i>Policy-Based Grant</i> to provide budgetary support in the wake of a series of severe external shocks	Jul 09	10,000	10,000
Jamaica			
CTCS Projects	Dec 09	71	71
Montserrat			
CTCS Projects	Dec 09	123	123
St. Kitts and Nevis			
CTCS Projects	Dec 09	139	139
St. Vincent and the Grenadines			
CTCS Projects	Dec 09	79	79
Trinidad and Tobago			
CTCS Projects	Dec 09	17	17
Turks and Caicos			
CTCS Projects	Dec 09	34	34
Regional			
CTCS Projects	Dec 09	253	253
Total Grants Approved		11,281	11,281
Total Loans and Grants Poverty Reduction and Human Development		42,402	81,043
Supporting Environmental Sustainability and Disaster Management			
<u>Loans Approved</u>			
Anguilla			
Natural Disaster Immediate Response Loan -Hurricane Omar	Jul 09	425	425
Support to Meet Commitments to CCRIF	May 09	200	200
Antigua /Barbuda			

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Support to Meet Commitments to CCRIF	May 09	300	300
Dominica			
Support to Meet Commitments to CCRIF	May 09	563	563
Grenada			
Design of works to mitigate the impact of flooding in the St. John's River area	Dec 09	415	415
Support to Meet Commitments to CCRIF	May 09	713	713
St. Kitts and Nevis			
Support to Meet Commitments to CCRIF	May 09	350	350
St. Lucia			
Support to Meet Commitments to CCRIF	May 09	563	563
Turks and Caicos Islands			
Support to Meet Commitments to CCRIF	May 09	500	500
Total Loans Approved		4,028	4,028
<u>Grants Approved</u>			
Anguilla			
Natural Disaster Management Immediate Use of Funds - Hurricane Omar	Jul 09	20	20
Regional			
Symposium on building professional capacity in climate change response within the CDB, Phase 1	May 09	41	41
Joint CDB/IDB/OECS project to mainstream disaster risk management in OECS Countries	May 09	90	90
CEDMA for training MSMEs and Chambers of Commerce in business continuity planning	Oct 09	149	149
Development of Business Continuity Planning Toolkits for MSMEs	Dec 09	101	101
Total Grants Approved		400	400
Total Loans and Grants Environmental Sustainability and Disaster Management		4,428	4,428
Supporting Regional Cooperation and Integration			
<u>Grants Approved</u>			
Regional			
Development of a Matrix of the Programmes of Development Agencies re SDF 7 Strategic Themes	Mar 09	17	17
Support for Civil Society Organisations to attend the Fifth Summit of the Americas	Mar 09	124	124

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
CARICOM for the preparation of a Strategic Plan For Regional Development	May 09	200	200
Feasibility Study for CARICOM Agriculture Modernisation Fund to improve the performance of the sector	May 09	42	42
Preparation of Initial Thematic Paper – Growth and Development Strategies in the Caribbean	May 09	132	132
Feasibility study and concept designs for the Eastern Caribbean Supreme Court Halls of Justice Project	May 09	900	900
Support for the Twenty-Eighth West Indies Agricultural Economics Conference	Jul 09	47	47
Institutional Strengthening of CARICOM Development Fund	Oct 09	149	149
Support of the Caribbean Institute in Gender and Development Training Programme	Oct 09	15	15
Technical Conference on Initial Thematic Paper – Growth And Development Strategies in the Caribbean	Oct 09	24	24
Support for the CARICOM Agri-Business Investment Forum	Oct 09	76	76
UWI to create a Single Virtual University Space	Oct 09	140	140
UWI Enhancement Project to strengthen strategic management	Dec 09	500	500
Support to the 2009 Commonwealth Business Forum	Dec 09	150	150
Caribbean Congress of Labour to strengthening capacity to implement the Decent Work Agenda	Dec 09	150	150
Regional conference on policies and strategies to face the global downturn - the way forward in the Caribbean	Dec 09	37	37
Total Regional Cooperation and Integration		2,704	2,704
Development Effectiveness and Capacity Building			
<u>Grants Approved</u>			
Antigua and Barbuda			
Consultancy – Special Advisor, Ministry of Finance and the Economy	Oct 09	57	57
Belize			
Preparation of a Medium-Term Development Strategy	Dec 09	21	21
Jamaica			
Preparation of a National Spatial Plan	May 09	687	687
Montserrat			
Development of a Programme Management Information System for the Ministry of Economic Development and Trade	Dec 09	117	117
St. Kitts and Nevis			
Establishment of a Land Sales and Development Agency	Jul 09	50	50
St. Lucia			
Review of reform options in the water sector	Oct 09	29	29
Institutional strengthening of the Ministry of Economic Planning and National Development	Dec 09	100	100

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Regional			
Hosting the 2009 MDB/IFI Heads of Procurement Meeting	Mar 09	15	15
Regional meeting on a situational analysis of the implementation of DEVINFO application in the Region	Mar 09	38	38
Annual dialogue of Development Banks and Civil Society Organisations	Mar 09	49	49
Assessment of CDB's Student Loan Scheme and the Eastern Caribbean Student Loan Guarantee Fund	Mar 09	45	45
CDB/IDB Policy Dialogue on Literacy And Numeracy	Mar 09	88	88
Hosting the Fifth MDB/IFI Technical Meeting on Performance-Based Allocation Systems	May 09	25	25
Hosting the 2009 IFI Budget Workshop	May 09	50	50
Operationalisation of Phase II of CDB's Integrated Quality Assurance System	Jul 09	150	150
Workshop on non-revenue water	Jul 09	15	15
Workshop on the investment of pension fund assets	Jul 09	105	105
Review of CDB's Private Sector Strategy and Policy	Oct 9	40	40
Revision of CDB's TA Programme	Oct 09	115	115
Regional surveys on vehicle weight legislation and enforcement; and performance-based contracting for road maintenance	Oct 09	99	99
Establishing credit ratings for National Development Finance Institutions	Dec 09	140	140
Capacity building workshop on factoring/receivable discounting	Dec 09	30	30
Workshop on energy efficiency in water and waste water utilities	Dec 09	24	24
Training course on Caribbean private-public partnerships	Dec 09	34	34
Workshop on the impact on road maintenance of vehicle-weight control and performance-based contracting	Dec 09	49	49
Seminar on road maintenance	Dec 09	49	49
Review of SDF country classification system	Dec 09	38	38
Total Development Effectiveness and Capacity Building		2,258	2,258
Total Loan and Grant Approvals		51,792	90,433

SDF PORTFOLIO ANALYSIS

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

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

Project Performance Rating

2. At the end of 2008, there were 59 projects under implementation with a SDF component, compared with 66 in 2007. The project performance rating for 2008 was generally consistent with the performance of the previous year. The percentage of the projects (98%) rated as highly satisfactory or satisfactory improved from 94% in 2007. The status of the one of the projects¹ which was rated marginally unsatisfactory in 2007 remained unchanged. The comparative results for 2008 and 2007 are presented in the Box below. The portfolio was given an overall PPI of 6.0 compared to the rating at the end of 2007 of 6.1.

PROJECT PERFORMANCE RATING
For the Years ending December 31, 2008 and 2007

Composite Score	2008				2007 (Revised)			
	No. of Projects	% of Portfolio by No. of Projects	Value of Projects (USD'000)	% of Portfolio by Value of Projects	No. of Projects	% of Portfolio by No. of Projects	Value of Projects (USD'000)	% of Portfolio by Value of Projects
8.0–10.0	-	-	-	-	1	1.5	14,128	2.5
6.0–7.9	36	61.0	147,337	62.7	39	59.1	368,569	64.7
4.0–5.9	22	37.3	86,262	36.7	23	34.9	173,182	30.4
2.0–3.9	1	1.7	1,500	0.6	3	4.5	13,441	2.4
0.0–1.9	-	-	-	-	-	-	-	-
Totals	59	100.0	235,099	100.0	66	100.0	569,320	100.0

^{1/} After 7.5 years only 60% of the project has been implemented, the scope of the project was reduced and cost overruns are anticipated

Country Portfolio Performance

3. The portfolio performance of eight countries was rated highly satisfactory and five were rated as satisfactory in 2008, compared with 6 and 6, respectively, in 2007 (See the Box below). Similar to 2007, there were no countries with performance scores of excellent or unsatisfactory in 2008. The ratings for British Virgin Islands, Dominica and St. Lucia improved to highly satisfactory in 2008 from satisfactory in 2007, while for Grenada the rating fell from highly satisfactory in 2007 to satisfactory in 2008 due to implementation delays and cost overruns in three projects. The rating for Barbados with one new project under implementation in 2008 was satisfactory.

COUNTRY PERFORMANCE RATING **FOR THE YEARS ENDING DECEMBER 31, 2008 AND 2007**

Composite Score	2008	2007 (Revised)
8.0 – 10.0	None	None
6.0 – 7.9	Anguilla, Belize, British Virgin Islands, Dominica, Guyana, Jamaica, St. Lucia and St. Vincent and the Grenadines	Anguilla, Belize, Grenada, Guyana, Jamaica, St. Vincent and the Grenadines
4.0 – 5.9	Antigua and Barbuda, Barbados, Grenada, St. Kitts and Nevis and Turks and Caicos Islands	Antigua and Barbuda, British Virgin Islands, Dominica, St. Kitts and Nevis, St. Lucia, Turks and Caicos
2.0 – 3.9	None	None
0.0 – 1.9	None	None

Sector Portfolio Performance

4. The distribution and average composite performance scores by sector are presented in the Box below. In 2008, the financial, multi-sector and social and personal services sectors accounted for approximately 76.3% of the portfolio compared with 71.2% in 2007. While all sectors maintained their performance rating of satisfactory or highly satisfactory in 2008, Utilities and Transport and Communications registered declines as a result of low scores for cost overruns and objectives not being met in some projects.

AVERAGE PERFORMANCE SCORES BY SECTOR **FOR THE YEARS ENDING DECEMBER 31, 2008 AND 2007**

Sector	2008			2007 (Revised)		
	No. of Projects	% of Portfolio	PPI	No. of Projects	% of Portfolio	PPI
Agriculture, Forestry and Fishing	4	6.78	6.4	6	9.09	6.4
Financial	15	25.42	6.2	17	25.76	5.9
Multi-sector and Other	7	11.86	6.2	17	25.76	5.9
Utilities - Power, Energy and Water	3	5.08	5.3	4	6.06	5.6
Social and Personal Services	23	38.98	5.7	13	19.70	5.8
Tourism	1	1.69	5.6	1	1.52	5.6
Transport and Communications	6	10.17	6.1	8	12.12	6.6
Total	59	100.00	6.0	66	100.00	6.1
Overall Average	Highly Satisfactory			Highly Satisfactory		

Projects at Risk

5. PPES includes criteria relating to scoring and changes in scores to identify “projects at risk”. This is not a performance measure, but a “red flag” to draw attention to projects experiencing difficulties. As at December 31, 2008, seven projects with a SDF component, were classified as “at risk” (about 11.8% of the SDF capital portfolio under implementation) compared with nine projects (13.6% of the portfolio) at the end of 2007. Reasons provided for the “at risk” classification include implementation delays and failure to complete the institutional strengthening components of projects and failure to meet policy or institutional objectives.

6. During the course of 2009, three of the seven projects were no longer at risk, but still under implementation. Two projects had physical works substantially completed, one with the institutional component at risk and the other with proposed outcomes not achieved. One project was closed and the undisbursed balance cancelled.

APPENDIX VI

SDF FINANCIAL STATEMENTS

- VI-1: Summary Balance Sheets as at December 31, 2007–2009
- VI-2: Summary Income Statements for the years ending December 31, 2007–2009
- VI-3: Summary of Notes, Encashment and Drawdowns, 2009
- VI-4: Projected Balance Sheets as at December 31, 2010–2012
- VI-5: Projected Income Statements for the years ending December 31, 2010–2012
- VI-6: Projected Cash Flow Statements as at December 31, 2010–2012

APPENDIX VI-1

SUMMARY BALANCE SHEETS,
AS AT DECEMBER 31, 2007–2009
(\$ mn)

Item	2007	2008	2009
Assets:			
Cash and Investments	173.1	248.9	246.1
Contributions in Arrears	10.4	5.6	8.3
Non-neg. Demand Instruments	94.7	54.5	55.0
Loans Outstanding (Net)	375.8	380.6	412.9
Other Receivables	0.5	1.0	-
Total Assets	654.5	690.6	722.3
Liabilities:			
Contributions in Advance	-		
Payables	60.2	60.0	61.0
Contributions	497.5	531.6	556.6
Accumulated Net Income	28.1	35.5	38.2
TA Allocation	68.7	63.5	66.5
Total Liabilities and Funds	654.5	690.6	722.3

APPENDIX VI-2

SUMMARY INCOME STATEMENTS,
FOR THE YEARS ENDING DECEMBER 31, 2007–2009
(\$ mn)

Item	2007	2008	2009
Revenue:			
Investment Income	8.5	9.4	5.1
Loan Income	8.5	8.7	9.1
Exchange			
Total Revenue	17.0	18.1	14.2
Expenses:			
Administrative Expenses	10.0	10.7	11.1
			0.3
Total Expenses	10.0	10.7	11.4
Net Income	7.0	7.4	2.8

SUMMARY OF NOTES, ENCASHMENT AND DRAWDOWNS 2009

('000)

Country	Notes Receivable 1/1/09 USD	Notes Issued Loc Cur.	Curr. Loc Cur.	Encashment USD	Notes Receivable 31/12/09 USD	Not Yet Made Available USD	Approved but not yet Effective USD	Cumulative Drawdowns USD	Approved Contribution (Curr Value) USD	
Borrowing members (BMCs)										
Trinidad and Tobago	4,875	6,620	USD	2,438	9,057	3,564	-	22,763	35,384	
Bahamas, The	7,089	1,416	(¹)		8,505	5,665	-	7,055	21,225	
Barbados	2,090	5,665	(¹)	1,740	6,015	-	-	13,790	19,805	
Jamaica	7,337		(¹)	1,794	5,544	-	10,184	17,476	33,204	
Guyana	2,337		(¹)	2,137	200	9,880	-	11,146	21,226	
Antigua and Barbuda	32		(¹)		32	605	-	1,620	2,257	
Belize	1,277		(¹)	310	967	1,394	-	3,122	5,483	
Dominica	1,001		(¹)		1,001	1,394	-	2,827	5,222	
St. Kitts and Nevis	1,624		(¹)		1,624	1,394	-	2,465	5,483	
St Lucia	1,100	349	(¹)	550	899	-	-	3,190	4,089	
St Vincent and the Grenadines	1,647		(¹)	547	1,100	1,394	-	3,002	5,496	
Grenada	2,107	605	(¹)		2,712	605	-	633	3,950	
Montserrat	28		(¹)		28	-	605	1,412	2,045	
BVI	169		(¹)		169	454	-	1,422	2,045	
Turks and Caicos Islands	-		(¹)		-	-	605	1,440	2,045	
Cayman Islands	111		(¹)	111	-	-	605	1,340	1,945	
Anguilla	160	891	(¹)		1,051	454	-	540	2,045	
Haiti	-				-	-	910	650	1,560	
TOTAL - BMCs	32,984	15,546		-	9,626	38,904	26,803	12,909	95,893	174,509
Non Borrowing members (NBMCs)										
Colombia	-		(¹)	-	-	-	3,600	24,433	28,033	
Mexico	-		(¹)	-	-	-	3,000	14,000	17,000	
Venezuela	-		(¹)	-	-	2,700	-	19,282	21,982	
Canada ^{1/}	-	17,713	Cdn\$	17,585	16,030	52,755	-	212,572	265,327	
China	-		US\$	-	-	6,074	-	35,225	41,299	
United Kingdom ^{2/}	12,756	11,599	Str	10,247	16,788	7,096	69,830	149,273	234,596	
Germany ^{3/}	8,808	4,708	EUR	3,158	4,376	8,976	18,834	62,427	90,237	
Italy ^{3/}	-		EUR	-	-	-	7,084	56,990	64,074	
TOTAL - NBMCs	21,564			37,194	16,072	88,760	83,514	574,202	762,548	
Non Members										
France	-		FF*	-	-	-	-	58,254	58,254	
Netherlands	-		NG	-	-	-	-	24,902	24,902	
Spain	-			-	-	-	3,828	-	3,828	
GRAND TOTAL	54,548			46,820	54,976	115,563	100,251	753,251	1,024,041	

^{1/} Notes Issued in Canadian Dollars

^{2/} Notes Issued in Pounds Sterling

^{3/} Notes Issued in Euros

APPENDIX VI-4

PROJECTED BALANCE SHEETS
AS AT DECEMBER 31, 2010-2012
(\$ mn)

Item	2010	2011	2012
Assets:			
Cash	4.0	4.4	4.7
Securities – Prime	253.1	260.6	266.0
Long-term Loans	438.9	467.4	498.4
Other Assets	97.3	131.3	165.3
Total Assets	793.3	863.7	934.4
Liabilities:			
Current Liabilities	64.0	66.0	68.0
Contributions	687.0	751.0	815.0
Accumulated Net Income	42.2	46.6	51.4
Total Liabilities and Capital	793.3	863.7	934.4

APPENDIX VI-5

PROJECTED INCOME STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2010-2012
(\$ mn)

Item	2010	2011	2012
Revenues:			
Investment income	5.0	5.2	5.3
Loan Income	10.6	11.4	12.1
Total Revenues	15.6	16.6	17.4
Expenses:			
Administrative Expenses	11.7	12.2	12.6
Total Expenses			
Net Income	3.9	4.4	4.8

PROJECTED CASH FLOW STATEMENTS
AS AT DECEMBER 31, 2010-2012
 (\$ mn)

Item	2010	2011	2012
Cash	-	4.0	4.4
Securities – Prime	246.1	253.1	260.6
Beginning Balance	246.1	257.1	265.0
Cash (Net Operating Income)	4.0	4.4	4.8
New current Liabilities	3.0	2.0	2.0
Long-term Loans (Repayments)	19.0	19.0	19.0
Draws on Subscriptions	30.0	30.0	30.0
Sub-total	56.0	55.4	55.8
Long-term Loan (Disbursements)	45.0	47.5	50.0
Sub-total	45.0	47.5	50.0
Ending Balance	257.1	265.0	270.7
Cash	4.0	4.4	4.7
Securities – Prime	253.1	260.6	266.0