

CARIBBEAN DEVELOPMENT BANK



SPECIAL DEVELOPMENT FUND

ANNUAL REPORT 2010

AND FINANCIAL PROJECTIONS 2011–2013

April 2011

CURRENCY EQUIVALENT

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

ABBREVIATIONS

ABDB	-	Antigua and Barbuda Development Bank
BCP	-	Business Continuity Planning
BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
BOD	-	Board of Directors
CARICOM	-	Caribbean Community
CBO	-	Community-based Organisation
CCR	-	Climate Change Response
CCRIF	-	Caribbean Catastrophe Risk Insurance Facility
CDB	-	Caribbean Development Bank
CDEMA	-	Caribbean Disaster Emergency Management Agency
CMDGs	-	Caribbean-specific Millennium Development Goals
CEDA	-	Caribbean Export Development Agency
CJET	-	Computerised Job Evaluation Tool
CIDA	-	Canadian International Development Agency
CPAs	-	Country Poverty Assessments
CSME	-	CARICOM Single Market and Economy
CTCS	-	Caribbean Technological Consultancy Services
DRM	-	Disaster Risk Management
ECCU	-	Eastern Caribbean Currency Union
ECLAC	-	European Commission for Latin America and the Caribbean
EGRIP	-	E-Government for Regional Integration Project
ENAF	-	National School of Financial Administration
ERGs	-	Emergency Relief Grants
EU	-	European Union
FER	-	Fonds d'Entretien Routier
GOH	-	Government of Haiti
GOSL	-	Government of St. Lucia
ICT	-	Information and Communication Technology
IDB	-	Inter-American Development Bank
IFIs	-	International Financial Institutions
ILO	-	International Labour Organisation
IMF	-	International Monetary Fund
IRG	-	Immediate Response Grant
M&E	-	Monitoring and Evaluation
MDGs	-	Millennium Development Goals
MfDR	-	Managing for Development Results
mn	-	million
MSMEs	-	Micro, Small and Medium Enterprises
MTPTC	-	Ministère des Travaux Publics, Transports et Communications
NDCs	-	Neighbourhood Democratic Councils
NDFIs	-	National Development Finance Institutions
NHIS	-	National Health Insurance Scheme
NWD	-	Nevis Water Department
OCR	-	Ordinary Capital Resources
OECS	-	Organisation of Eastern Caribbean States
ONACA	-	Office Nationaldu Cadastre

ABBREVIATIONS CONT'D

p.a.	-	per annum
PBCs	-	Performance-based Contracts
PBG	-	Policy-based Grant
PBLs	-	Policy-based Loans
PPCR	-	Pilot Programme for Climate Resilience
PPES	-	Project Performance Evaluation System
PPI	-	Project-Implementation Performance Index
PPMS	-	Project Performance Management System
PRS	-	Poverty Reduction Strategy
PSIP	-	Public Sector Investment Programme
RAS	-	Resource Allocation System
RBM	-	Results-Based Management
RCI	-	Regional Cooperation and Integration
RMF	-	Results Monitoring Framework
RPGs	-	Regional Public Goods
SDF	-	Special Development Fund
SDF (U)	-	Special Development Fund (Unified)
SEMANAH	-	Service Maritime et de Navigation d'Haïti
SMEs	-	Small and Medium Enterprises
SPCR	-	Strategic Programme for Climate Resilience
TA	-	Technical Assistance
UN	-	United Nations
UNDP	-	United Nations Development Programme
UWI	-	University of the West Indies
WB	-	World Bank

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SUMMARY DATA SHEET: 2006–2010

Item	2006	2007	2008	2009	2010
1. Resources					
No. of Contributors at Year-End	26	26	26	26	26
Historical Value of Resources pledged (\$ mn)	766.4	766.4	766.4	1,014.8 ^{1/}	1,014.8 ^{1/}
Amount of Resources made available (\$ mn)	662.2	714.5	748.6	808.2	868.4
Accumulated Net Income (including currency adjustments)	21.1	28.1	35.5	38.3	41.0
Amount of Resources not yet made available (\$ mn)	89.5	48.4	8.6	115.6	111.3
Contributed Resources and Reserves (\$ mn)	772.8	791.0	792.7	962.1	1,020.7
Amount of resources approved but not yet effective (\$ mn)	16.9	14.4	9.9	101.3	20.8
Size of Fund (\$ mn)	789.7	805.4	802.6	1,063.4	1,041.5
of which allocation for grant programmes - Haiti, Technical Assistance (TA) and Basic Needs Trust Fund (BNTF) (\$ mn)	217.0	217.0	217.0	251.7	286.3
Operating lending limit (\$ mn)	572.7	588.4	585.6	811.7	755.2
Loan commitments (Signed agreements less repayments) (\$ mn)	449.3	462.0	480.7	548.0	577.2
Commitments as % of operating lending limit	78.5	78.5	82.1	67.5	76.4
2. Loans and Grants					
Value of loan approvals during year (\$ mn)	29.7	25.3	88.8	35.2	46.6
No. of loans approved during year incl. TA Loans	6	8	18	13	8
Average size of Special Development Fund Unified (SDF (U) Loans (\$ mn)	4.9	3.2	4.9	2.7	5.8
Cumulative loan approvals at year-end (\$ mn)	703.3	728.6	817.4	852.6	899.2
Value of loan cancellations during year (\$ mn)	2.0	6.3	1.0	0.5	0
Cumulative loan cancellations (\$ mn)	49.4	55.8	56.8	57.3	57.3
Cumulative net loan approvals at year-end (\$ mn)	653.9	672.8	760.6	795.3	841.9
Grant approvals for the year (\$ mn)	6.7	20.8	54.2	16.6	27.9
Cumulative net grant approvals at year-end (\$ mn)	127.5	147.6	200.8	217.4	245.3
Total net cumulative approvals (\$ mn)	781.4	820.4	961.4	1012.7	1087.2
3. Resource Flows (\$ mn)					
Disbursements on loans during year	27.0	27.7	20.8	45.6	34.6
Disbursements on grants during year (including BNTF)	5.7	13.2	9.5	24.3	20.6
Debt service from borrowers	<u>24.0</u>	<u>23.9</u>	<u>24.7</u>	<u>23.3</u>	<u>26</u>
(of which repayments)	15.8	15.4	16.0	14.2	16.5
Net transfers during year	8.7	17.0	5.6	46.6	29.2
Cumulative net transfers	275.8	292.7	298.4	345.0	374.2
4. Financial Summary					
Administrative expenses (\$ mn)	9.6	10.0	10.6	11.1	11.6
Net income (\$ mn)	3.1	5.0	7.4	2.8	2.7
Gross Loans Outstanding (\$ mn)	363.3	375.8	380.6	412.9	431
Administrative expenses/Average loans outstanding (%)	2.7	2.7	2.8	2.8	2.7
Interest earned on average loans outstanding (%)	2.2	2.3	2.3	2.2	2.2

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

THE UNIFIED SPECIAL DEVELOPMENT FUND

Background

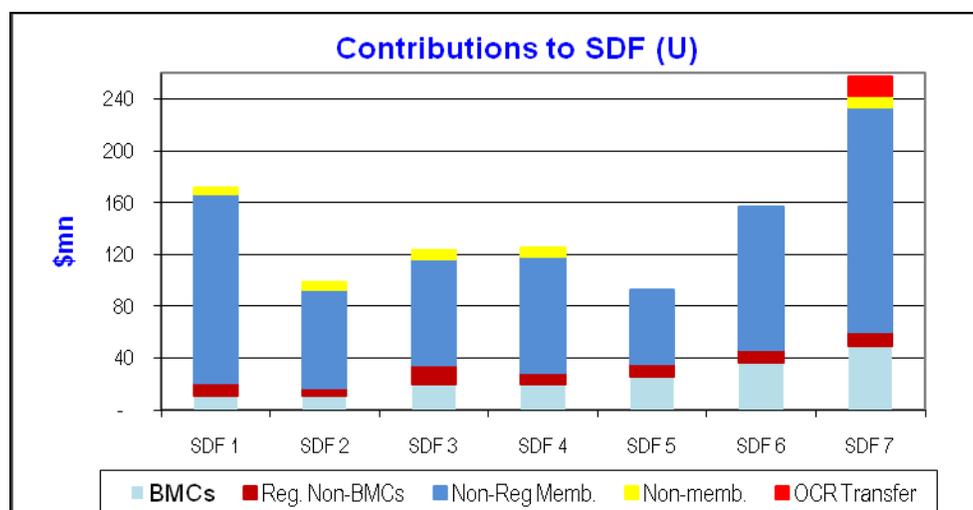
The *Special Development Fund* (SDF/the Fund) was established in 1970 and is the Bank's largest pool of "soft" funds. This facility offers loans on "softer" terms and conditions than those that are applied in the Bank's ordinary operations, i.e. longer maturities and grace periods and lower interest 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, SDF (U) was formed. All members of the Bank were required to contribute to 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 SDF (U) over its seven cycles of operation total \$1,015 million (mn). Of this figure, non-borrowing members and non-members have contributed \$829 mn or 82% while borrowing members have accounted for \$171 mn or 17%. Additionally, for the first time, there was agreement to transfer \$15 mn to the SDF 7 cycle from the Ordinary Capital Resources (OCR) net income. Contributions to SDF 7 to date, inclusive of the OCR transfer, amounted to \$242.2 mn with borrowing members pledging 20% or \$49.5 mn of the contributions and non-borrowing members contributing 74% or \$183.9 mn. Contributions by category of membership are shown in the chart below with details presented in Appendix I.



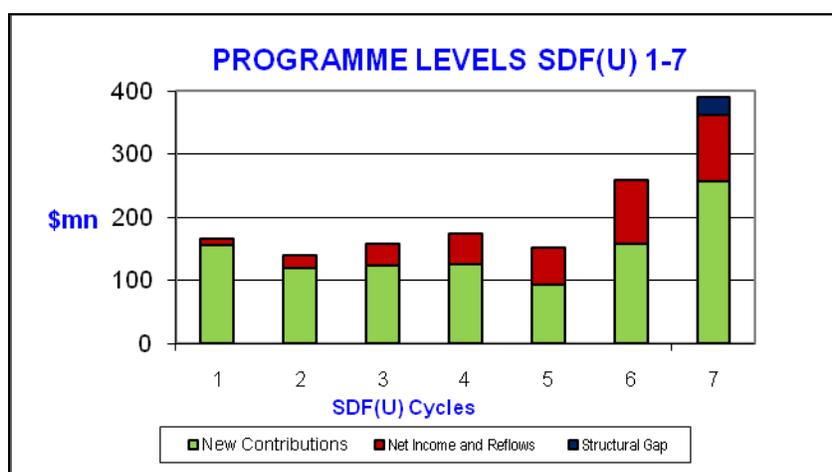
Themes and Priorities

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 integration (RCI); 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. The country groups help to determine the terms and conditions for SDF lending (refer to Appendix II). While all BMCs are eligible for SDF resources, countries in Group 1 are not entitled to a country allocation. 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.

Allocation of Resources

A Resource Allocation Strategy is used, since SDF V in 2001, to allocate both SDF loan resources to eligible countries and BNTF resources to participating BMCs. The Caribbean Development Bank's (CDB) resource allocation formula is comprised of a *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 Caribbean-specific Millennium Development Goals (CMDGs) 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 macroeconomic 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 RCI

- 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 managing for development results (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 2010 Annual Report of SDF (U) covers the performance of the Fund for the first two years of the seventh cycle. This section of the report covers the operational performance of the Fund in 2010, including commitments and disbursements, the operational highlights under the four strategic themes and the performance of three major programmes funded by SDF (U) – BNTF, Caribbean Technological Consultancy Services (CTCS) and Haiti. The SDF Portfolio Analysis Results are 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 Annual loan and grant commitments for SDF 7 (2009 and 2010), compared with SDF 6 (2005-2008), are presented in Table 1. A comparison of the annual average commitments for SDF 6 and SDF 7 is also shown. Total approvals in 2010 amounted to \$74.5 mn compared with total commitments of \$51.8 mn in 2009, reflecting a stepping up of activity in 2010 over 2009. Total approvals for the period 2009-2010 of \$126 mn represent 35% of the approved SDF 7 programme of \$361 mn, (excluding the structural gap) at the midterm of the cycle, compared with \$68 mn or 27% of the programme for the same period of SDF 6. The annual average for SDF 7 approvals of \$63.2 mn was, however, lower than that for SDF 6 of \$64.3 mn.

TABLE 1: ANNUAL COMMITMENTS FOR SDF 6 AND SDF 7
(\$ mn)

Item	SDF 6						SDF 7			
	2005	2006	2007	2008	Total	Annual Average	2009	2010	Total	Annual Average
SDF (U) loan approvals	26.3	29.7	25.3	88.8	170.1	42.5	35.2	46.6	81.8	40.9
SDF (U) grant approvals	5.6	6.7	20.8	54.2	87.3	21.8	16.6	27.9	44.5	22.3
of which:										
Haiti	-	-	10.0	15.0	25.0	6.3	10.0	17.8	27.8	13.9
BNTF	-	-	-	32.0*	32.0	8.0	-	-	-	-
TA	1.8	1.1	2.3	4.6	9.8	2.5	3.7	2.8	6.5	3.3
Project Management										
Training	2.0	-	-	-	2.0	0.5	-	-	-	-
CTCS	0.5	0.7	0.6	0.7	2.5	0.6	1.0	0.8	1.8	0.9
RCI and RPGs	1.2	1.8	2.6	1.6	7.2	1.8	1.7	2.9	4.6	2.3
Disaster Response	0.1	-	5.3	0.3	5.7	1.4	-	1.0	1.0	0.5
Gender equality						n.a.	-	0.7	0.7	0.3
Environment and climate change						n.a.				
MDGs	-	3.1	-	-	3.1	0.8	n.a.	n.a.	n.a.	n.a.
Total commitments	31.9	36.4	46.1	143.0	257.4	64.3	51.8	74.5	126.3	63.2

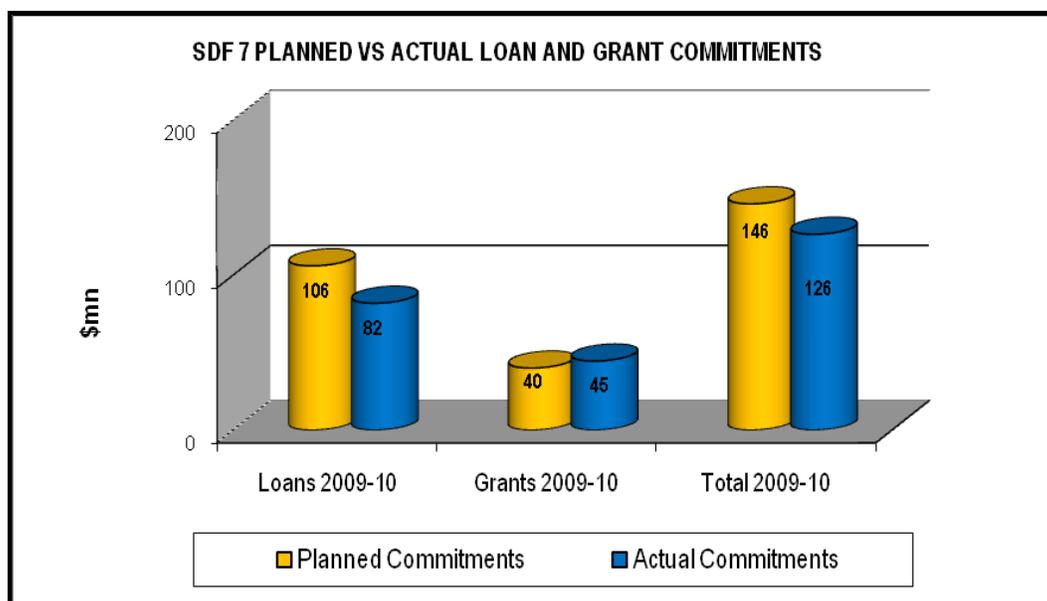
* BNTF 6 set aside allocated to beneficiary countries

1.04 Loan commitments in 2010 totalled \$46.6 mn compared with \$35.2 mn in 2009, bringing total loan approvals for SDF 7 to \$81.8 mn. This represents 37% of the loan allocation of \$222.5 mn for SDF 7 compared with 35% of the SDF 6 loan allocation at the midterm of the cycle. The annual average for loan approvals of \$40.9 mn was lower than the annual average of \$42.5 mn for SDF 6 commitments.

1.05 Grant commitments were \$27.9 mn in 2010 compared with \$16.6 mn in 2009 with total grant approvals in SDF 7 amounting to \$44.5 mn. This represents 32% of the grant set asides of \$138.6 mn for SDF 7 compared with 13% of the SDF 6 grant set asides at the midterm of that cycle. The annual average for grant approvals of \$22.3 mn was marginally better than the annual average of \$21.8 mn for SDF 6.

1.06 A comparison of actual with planned commitments, presented in the chart below, reveals that actual loan commitments of \$82 mn were 22.8% below the planned approvals of \$106 mn at the end of 2010. This reflects some curtailing of capital investment by many BMCs in the wake of the global financial and economic crisis. In addition, two loans which were programmed for 2010 were deferred for 2011.

1.07 On the other hand, actual grant commitments of \$45.0 mn exceeded planned approvals during 2009-2010 by \$5.0 mn, reflecting increased demand for TA for capacity building, support for reform programmes and for project preparation activities. Overall, approvals of \$126 mn were 13.7% below the planned amount of \$146 mn at the midterm of the cycle. However, given the proposed interventions in the pipeline, it is projected that the approved programme of commitments will be achieved by the end of the cycle.



DISBURSEMENTS

1.08 Annual loan and grant disbursements for SDF 7 (2009 and 2010), compared with SDF 6 (2005-2008), are presented in Table 2. A comparison is also shown of the annual average disbursements for SDF 6 and SDF 7. Total disbursements in 2010 were \$55.2 mn compared with \$69.9 mn in 2009, making total disbursements to date of \$125.1 mn. Annual average disbursements for SDF 7 amounted to \$62.6 mn compared with that for SDF 6 of \$34.8 mn.

1.09 Loan disbursements in 2010 amounted to \$34.6 mn compared with \$45.6 mn in 2009. Disbursement of investment loans represented 56.6% of total loan disbursements compared with 61.6% in 2009. For policy-based loans (PBLs), the comparative figures were 43.4% and 38.4%, respectively. Investment loan disbursements in SDF 7 at \$47.7 mn represent 49% of total investment loan disbursements in SDF 6.

1.10 The annual average disbursement for SDF 7 was \$40.1 mn compared with \$26.5 mn for SDF 6. The main reason for this difference was the disbursement of PBLs which averaged \$16.3 mn for SDF 7

compared with an average of \$2.3 mn for SDF 6. The annual average for the disbursement of investment loans at \$23.8 mn for SDF 7 was marginally lower than that for SDF 6 of \$24.2 mn.

TABLE 2: ANNUAL DISBURSEMENTS FOR SDF 6 AND SDF 7
(\$mn)

Item	SDF 6						SDF 7			
	2005	2006	2007	2008	Total	Annual Average	2009	2010	Total	Annual Average
Loan disbursements										
Investment Loans	30.4	26.9	22.7	16.8	96.8	24.2	28.1	19.6	47.7	23.8
PBLs	-	-	5.0	4.0	9.0	2.3	17.5	15.0	32.5	16.3
Total Loan Disbursements	30.4	26.9	27.7	20.8	105.8	26.5	45.6	34.6	80.2	40.1
Grant disbursements										
TA	2.0	2.4	9.2	4.2	17.8	4.5	6.2	5.4	11.6	5.8
Haiti	-	-	-	1.0	1.0	0	14.1	6.3	20.4	10.2
BNTF	2.6	3.3	4.0	4.3	14.2	3.6	4.0	8.9	12.9	6.5
Total Grant Disbursements	4.6	5.7	13.2	9.5	33.0	8.3	24.3	20.6	44.9	22.5
Total disbursements	35.0	32.6	40.9	30.3	138.8	34.8	69.9	55.2	125.1	62.6

1.11 Meanwhile, grant disbursements in 2010 of \$20.6 mn were lower than the out-turn of \$24.3 mn in 2009, which included the disbursement of \$10 mn for the policy-based grant (PBG) for Haiti. Total grant disbursements for SDF 7 to date of \$44.9 mn exceed total grant disbursements for the SDF 6 cycle of \$33.0 mn.

1.12 Disbursements for BNTF sub-projects in 2010 of \$8.9 mn recorded a 122% increase over the 2009 disbursement levels of \$4.0 mn. This represents a stepping up of disbursements for BNTF 5 sub-projects and a commencement of disbursement of the BNTF 6 programme.

1.13 Disbursements for projects in Haiti amounted to \$20.4 mn in 2009-2010 bringing total disbursement for that BMC to \$21.4 mn and reflecting increased project activity in the Bank's newest BMC. TA disbursements of \$5.4 mn were \$0.8 mn or 13% lower than the 2009 figure of \$6.2 mn, which had included disbursements of \$1.1 mn for the Bank's Project Management Training Programme that ended in 2009.

PROGRAMME HIGHLIGHTS

SDF 7 Strategic Themes

1.14 The four strategic themes identified for SDF 7, which are detailed in the Box entitled "*SDF 7 Operational Strategy*", include strengthening poverty reduction and human development; supporting environmental sustainability and advancing the climate change agenda; supporting RCI; and enhancing development effectiveness. The first three themes provide direction for the operational programme, while the fourth is a multi-faceted priority for the Bank's work as a whole.

1.15 All the Bank's interventions are categorised into these four themes. Total Commitments by SDF 7 Strategic Theme for 2009 and 2010 compared with planned allocations to each theme are presented in Table 3. It should be noted however, that even though an intervention is classified under one theme, it may at the same time also address another theme. Details of the loan and grant approvals classified according to these four themes are presented in Appendix IV.

1.16 At the end of 2010, the strategic theme of poverty reduction and human development continued to be the dominant area of focus with \$105 mn, or 83.3%, of approvals, compared with the target of 73.6%. The theme of environmental sustainability and advancing the climate change agenda recorded an amount of \$10.5 mn, or 8%, as against a target of 18.7%. Meanwhile, RCI and development effectiveness recorded \$5.7 mn (5%) and \$4.9 mn (4%), compared with targets of 3.1% and 4.6%, respectively.

TABLE 3: TOTAL COMMITMENTS BY SDF 7 STRATEGIC OPERATIONAL THEME 2009-2010

Item	Poverty Reduction and Human Development	Environmental Sustainability and Climate Change	RCI	Development Effectiveness	Total
Loans	76,263	5,436	-	-	81,699
Grants	28,797	5,091	5,729	4,938	44,555
Total	105,060	10,527	5,729	4,938	126,254
% of total	83.3%	8.3%	4.5%	3.9%	100%
Planned					
Interventions	287,500	73,100	12,000	18,000	390,600
Target %	73.6%	18.7%	3.1%	4.6%	100%

Strengthening Poverty Reduction and Human Development

1.17 SDF 7 will be the last full cycle before 2015, the target date for the achievement of the MDGs. The Strategic Theme - Strengthening Poverty Reduction and Human Development, addresses the MDG of *Poverty Reduction and Human Development*. It focuses on promoting economic opportunities for, and improving the livelihoods of the poor, through enhanced social and economic infrastructure, improved access to education and training, and agriculture and rural development. In 2010, the Bank's contribution to poverty reduction and human development in BMCs accounted for \$62.7 mn or 84% of total approvals, compared with \$42.4 mn or 82% in 2009. Loan and grant approvals amounted to \$45.2 mn and \$17.5 mn, respectively and were aimed at:

- (a) reducing the social vulnerability of approximately 100,000 people in at least 90 poor communities in Belize (approximately 30% of the population estimated at 335,500 persons in 2009) through the financing of the second Social Investment Fund (SIF) in the amount of \$8.0 mn (of \$15.0 mn) aimed at providing access to improved social services such as quality education facilities, water and sanitation and health services. A contribution to improved road safety and maintenance was also provided through financing for the implementation of a road safety management system and a vehicle weight control system for the Santa Elena/San Ignacio bypass road at a cost of \$0.43 mn;
- (b) enhancing the livelihood of rural communities in Grenada through a loan \$2.0 mn (of \$3.0 mn) and a grant of \$0.03 mn to strengthen rural businesses/clusters, provide affordable credit, upgrade technical and business skills of rural entrepreneurs, and foster better linkages between production and markets. Additionally, improved access to water by residents of Carriacou and Petit Martinique was facilitated through a grant of \$0.2 mn for the development of a Water Supply Master Plan for the areas;
- (c) supporting improved and sustainable access to social amenities for 79,000 persons in 35 villages in 12 rural communities in Guyana through a loan of \$12.3 mn (of \$16.3 mn). The project will rehabilitate approximately 240 roads and provide training and equipment to build road maintenance capacity in 12 Neighbourhood Democratic Councils (NDCs);
- (d) assisting at least 3,700 persons from poor and vulnerable families to upgrade their skills and improve their economic well-being through funding to the Students' Loan Bureau of

Jamaica of \$15 mn (of \$20 mn) for student loans for tertiary-level technical, vocational and professional programmes. The project is expected to contribute to improving the country's human capital development, increased employment and the reduction of poverty among poor households;

- (e) contributing to reduced vehicle operating costs, improved road safety and ease of transit on Dominica's Roseau Valley roads through a further additional loan of \$1.7 mn (of \$3.9 mn) to finance increased costs associated with the re-design of the project. The benefits associated with the original project are already being experienced with reduced travel times and vehicle maintenance costs and improved access to major tourism sites;

Country Poverty Assessments – Belize and Dominica

Country Poverty Assessments (CPAs) are key instruments for assisting BMCs in determining the characteristics of poverty as well as in formulating evidence-based policy response measures. Since 2006, the Bank has supported ten countries to produce CPAs. This programme involves the provision of consultancy services to conduct the assessments, procurement of essential equipment and computer software for data processing and analysis, and training in various aspects of household research to staff of the national statistics offices and associated line ministries.

In 2010, CPAs for Belize and Dominica were completed, with Belize conducting its third CPA and Dominica, its second. The findings of these CPAs highlighted among other things, the phenomenon of chronic poverty, defined as severe and multi-dimensional poverty of an extended duration, which seems to be a significant feature of and is associated with some of the socially disadvantaged groups in both countries, such as the indigenous people. While the overall level of poverty of these groups has declined slightly between the last CPAs in each country, it continues to be much higher than the respective national averages. This disproportionately high prevalence of poverty among the indigenous groups has been associated with rural poverty, which is significantly higher in both countries when compared to urban poverty. In addition, characteristics of the indigenous households in Belize and Dominica include other social conditions such as low education levels, poor housing and large family size. These conditions are also indicative of social vulnerability and demonstrate the multi-dimensional nature of these socially deprived groups in BMCs.

In supporting BMCs response to the more critical problems identified in CPAs, the Bank is processing a TA request from Dominica to update its Growth and Poverty Reduction Strategy. In the case of Belize, funding has been approved for a second SIF and a TA grant which will respond to the challenges facing families, youth and other vulnerable groups in the Southside of Belize City.

- (f) assisting St. Lucia to mitigate the effects of the global crisis through an additional PBL in the amount of \$6.0 mn (of \$15.0 mn) and provide additional time to complete its macroeconomic reform programme, which was designed to pre-empt fiscal distress in light of planned capital investments that were intended to place the country on a higher growth trajectory;
- (g) assisting Haiti through approval of grant financing totalling \$15.8 mn to:
 - (i) restore essential public sector training services through the re-establishment of a safe and secure computer laboratory and computer equipment to replace those which were damaged in the earthquake valued at \$0.82 mn. Before the earthquake, 37 public sector officials had been trained in Project Cycle Management and Investment Appraisal and Risk Analysis;
 - (ii) provide student subsidies to 45,000 additional students and access to the school feeding programme for 10,000 additional children through additional financing of \$10 mn for the Education for All Project, being implemented in collaboration with the World Bank (WB); and
 - (iii) provide small-scale socioeconomic infrastructure (including potable water and sanitation systems) for persons displaced as a result of the earthquake through additional funding of \$5 mn for the Urban Community-Driven Development Project, also being implemented in collaboration with the WB;

- (h) implementing CTCS training projects in a variety of technical disciplines which benefitted 826 persons (346 male and 480 female) in 15 BMCs namely: Anguilla, Antigua and Barbuda, Barbados, Belize, British Virgin Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago at a cost of \$0.78 mn. Additional details of activities in 2010 are presented in the CTCS section later in the document; and
- (i) providing support at a regional level to:
 - (i) improve young farmers' capacity to plan and implement viable agri-business ventures by supporting the Youth In Agriculture Regional Workshop (\$0.07 mn) and promote youth participation in decision making through financing for the Caribbean Community (CARICOM) Youth Forum (\$0.02 mn);
 - (ii) contribute to financial sector development via a training programme (\$0.10 mn) for the regional development finance institutions and indigenous financial institutions in key operational areas of loan management and administration, risk management and credit appraisal;
 - (iii) develop and execute an appropriate resolution for critical challenges facing the banking sub-sector in the Eastern Caribbean Currency Union (ECCU) by undertaking an assessment of the financial sustainability of the Organisation of Eastern Caribbean States (OECS) indigenous banks (\$0.14 mn); and
 - (iv) assess the impact of the global crisis on the labour market in the Caribbean and discuss possible responses that will generate sustainable and decent employment across the Region through the hosting of a regional symposium, in collaboration with the International Labour Organisation (ILO) (\$0.07 mn).

[Supporting Environmental Sustainability and Advancing the Climate Change Agenda](#)

1.18 In 2010, the Region suffered the effects of a massive earthquake in Haiti and the passage of 11 of the 19 named storms of the hurricane season. An amount of \$4.4 mn was approved in loans and grants to assist the BMCs' environmental sustainability and disaster mitigation efforts. These interventions brought total approvals for this area to \$10.5 mn and included:

- (a) assistance to provide an efficient, sustainable and adequate supply of potable water to the residents of Nevis through a loan of \$1.4 mn (of \$8.4 mn) to finance a major upgrade of the Nevis water supply network;
- (b) contribution to Haiti to assist in restoring essential government services by the re-establishment of safe and secure office spaces to replace some of those damaged in the earthquake through an immediate response grant (IRG) of \$0.8 mn; and assistance of \$1 mn to meet its insurance commitments to the Caribbean Catastrophic Risk Insurance Facility (CCRIF) prior to the 2010 hurricane season;
- (c) emergency relief grants (ERGs) totalling \$1.0 mn to assist the Caribbean Disaster Emergency Management Agency (CDEMA) to cover costs associated with providing emergency relief supplies and humanitarian assistance to affected areas in Haiti after the earthquake, in Belize after the passage of Hurricane Richard, in Jamaica after Tropical Storm Nicole, and in St. Lucia and St. Vincent and the Grenadines after Hurricane Tomas; and

- (d) grant assistance to Grenada, St. Lucia and St. Vincent and the Grenadines, totalling \$0.1 mn, to participate in a Regional Pilot Programme for Climate Resilience (PPCR) aimed at developing a strategic programme for mainstreaming climate resilience into the countries' development planning process.

Disaster Risk Management and Climate Change

2010 was a testing year for the Region in the context of natural hazard events. The year was marked by the catastrophic magnitude 7.0 earthquake in Haiti on January 12, first quarter drought conditions in the south-eastern Caribbean, and a well-above average Atlantic hurricane season enhanced by La Niña, featuring 19 named storms, of which 11 were hurricanes. Five of these hurricanes were Category Three or higher on the Saffir-Simpson scale. Significant flooding was also observed in several territories as a result of the passage of these tropical weather systems. The economic impact of these events was major, with post-disaster damage and loss assessment estimates ranging from \$336 mn^{1/} for St. Lucia to \$12 billion (bn)^{2/} for Haiti.

The year also represented the first significant period of *demand and testing* of the Bank's revised Disaster Management Strategy and Operational Guidelines, since its updating from the previous 1998 version. An ERG was approved for Haiti in response to the earthquake; and four ERGs and Immediate Response Loans were approved for Jamaica for Tropical Storm Nicole, for Belize for Hurricane Richard, and for St. Lucia and St. Vincent and the Grenadines in response to the impact of Hurricane Tomas.

As part of its efforts to mainstream disaster risk management (DRM) into different sectors, the Bank continued for a second year to support business continuity planning (BCP) for small business enterprises, with work continuing on the development and implementation of a practical BCP toolkit for use by micro, small and medium enterprises (MSMEs). In collaboration with the Inter-American Development Bank (IDB), continued support was given to the OECS Secretariat with mainstreaming DRM in the member states of the OECS. The project has, so far, analysed community-based DRM initiatives implemented in the OECS countries over the past ten years and based on this assessment, designed a methodology for multi-hazard risk reduction applicable to vulnerable, low-income communities in the OECS.

The Bank is a contributor and trustee to CCRIF, the world's first multi-country risk pool created by the WB to provide short-term liquidity after a catastrophic hurricane or earthquake. It also continued to participate in the governance arrangements of the CARICOM Comprehensive Disaster Management Strategy which seeks to strengthen regional, national and community capacity for the mitigation, management, and coordinated response to natural and technological hazards, and the effects of climate change.

^{1/} Preliminary Draft St. Lucia Macro-Socio-Economic and Environmental Assessment of the Damage and Losses Caused by Hurricane Tomas: A Geo-Environmental Disaster [United Nations – Economic Commission for Latin America and the Caribbean (UN-ECLAC)/OECS Secretariat/Inter-American Institute for Cooperation in Agriculture/United Nations Development Programme (UNDP) 2010]

^{2/} Haiti's Earthquake Post-Disaster Needs Assessment of Damage, Losses, General and Sectoral Needs (Government of Haiti/UN/IDB/ECLAC/WB/European Commission 2010)

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

- (a) the conduct of a survey, by the Science Research Council of Jamaica in collaboration with the Caribbean Energy Information System and UNDP, to assess the impact of energy interventions over a ten-year period (1999-2008) at a cost of \$0.03 mn. The results of the survey are expected to provide information to assist in the formulation of strategies and programmes for advancing energy security and sustainability in BMCs and facilitate more informed decision making on future energy interventions;
- (b) support for the development of an energy efficiency strategy for the OECS (\$1.6 mn), inclusive of national energy strategies for member states and a legal framework and regulations for energy management, which will enable more efficient and sustainable production and use of energy in the sub-Region;
- (c) promoting energy efficiency management in the Caribbean, through participation by officials from 17 BMCs in the UN/ECLAC Energy Efficiency Conference (\$0.04 mn)

which placed emphasis on adopting policies to incorporate energy efficiency measures into key sectors of national economies;

- (d) increasing the capacity of stakeholders to develop and implement cost-effective risk mitigation mechanisms targeting the agriculture sector through support of \$0.03 mn for the Regional Agricultural Risk Management Symposium. The implementation of improved risk mitigation systems is expected to result in increased agriculture sector output and employment – particularly of persons in rural areas;
- (e) enhancing the capacities of 19 national water utility agencies from 17 BMCs to plan for droughts and manage water supplies under drought conditions through their participation in a Drought Management Conference (\$0.03 mn) organised by the Caribbean Basin Water Management Programme Inc; and
- (f) training in BCP for 36 operators of MSMEs, government officers and business programme officers (\$0.1 mn). This project complements an earlier phase of BCP training for MSMEs through the involvement of the government agencies responsible for small business development and will provide skills and tools to ensure continuity during times of natural disasters and other external shocks.

Supporting RCI

1.20 Support for RCI is a key priority for the Bank as the Region seeks to fully implement the CARICOM Single Market and Economy (CSME) and establish the OECS Economic Union. In 2010, grants of \$3.0 mn were approved for RCI, bringing the total approvals for SDF 7 to \$5.7 mn and were aimed at strengthening governance mechanisms, supporting the strategic planning process within the OECS and stimulating trade and investment in the Region. Specifically, the interventions included:

- (a) promoting the efficiency, quality and transparency of public services in the OECS through support for the implementation of a regionally integrated e-Government system, E-Government for Regional Integration Project (EGRIP) in collaboration with the WB (\$2.5 mn). The system is expected to contribute to the ease of doing business in the OECS by digitising records, enhancing online access and facilitating data exchange thereby enhancing the ease of enforcing contracts, filing and paying taxes, trading across borders and creating an environment conducive to further development of the private sector, improved governance and public oversight;
- (b) enhancing the capacity of the OECS Secretariat and Ministries of Education in OECS to support the strategic development of the education sector in OECS Member Countries by the formulation of a new ten-year education sector strategy which will facilitate critical reforms in the education sector and enhance human resource development in OECS Member Countries (\$0.49 mn); and
- (c) financing the publication and dissemination of the Caribbean Trade and Investment Report 2010 (\$0.04 mn), published by the CARICOM Secretariat, which is aimed at providing descriptive, analytical information on the economic performance and prospects of the Caribbean region, as part of the process of securing greater involvement and participation in the Region's development by all its stakeholders in the current critical transition period in the economic integration process.

BNTF 5 Programme - Montserrat

The BNTF 5 Programme in Montserrat is nearing completion at a total cost of \$2.9 mn, of which 20% was counterpart financing by the Government and 80% grant funding by CDB [\$1.3 mn from SDF and \$1 mn from the Canadian International Development Agency (CIDA)]. During the period 2002 to 2010, BNTF contributed to enhanced health services through the construction of a Physical Therapy Unit, upgrade of the water distribution network and the emergency water system at the Glendon Hospital and the expansion and conversion of the old Community Health Centre building, at Sweeney's, St. Johns, into the new dental clinic. The programme has also supported improved access to several communities through the upgrades of the roads at Manjack, Shinland, DC Fenton Heights and Jones Hill; and implemented disaster risk mitigation measures with the construction of retaining walls at Barzey's. BNTF has contributed to improved education facilities through construction of the Salem Early Childhood Education Centre and expansion of the Brades Primary School. It has provided communities with enhanced livelihood opportunities with the construction of the public market and improved water supply via the upgrade of the water distribution network in the Centre Hills.



[Expansion of the Brades Primary School](#)



[Refurbished health centre to house the Dental Clinic](#)

The programme has assisted with the training in heavy equipment maintenance for staff of the Public Works Department and other heavy equipment operators, and has provided income-generating opportunities through skills training such as sewing classes, a sewing machine repair course, a basic refrigeration and air-conditioning repair course, a baking workshop for men, fish net mending, fish trap construction and off-island training for farmers in green house technology.

[Development Effectiveness and Capacity Development](#)

1.21 Emphasis on development effectiveness through capacity building and support for MfDR continued in 2010 with an amount of \$2.7 mn being committed in this area, compared with \$2.2 mn in 2009 and bringing total approvals to \$4.9 mn. Interventions comprised institutional strengthening in the tourism, water and education sectors in three BMCs, capacity building in project management and public financial management, and promoting gender mainstreaming in the Region. These included:

- (a) enhancing the capacity to manage the tourism sector in Anguilla and develop a more diversified and competitive tourism product through the preparation of a Sustainable Tourism Master Plan (\$0.15 mn);
- (b) strengthening the Nevis Water Department (NWD) by enhancing the legislative and institutional framework for the management of the water resources and conducting a water audit (\$0.34 mn) to establish baseline efficiency data on NWD;
- (c) supporting youth and community transformation in the Southside of Belize City (\$0.28 mn) through the preparation of a project to respond to the challenges facing families, youth and other vulnerable groups in a comprehensive manner; and facilitating

the further development of the education sector in Belize via the formulation of a policy and strategic framework for education (\$0.26 mn);

- (d) improving the project implementation and management capacity within the Ministry of Public Works, Energy and Ports in Dominica (\$0.09 mn) and realigning its organisational structure to better enable it to fulfill its current mandate; and improving public financial management in St. Lucia by defining an appropriate framework for the preparation, implementation, monitoring and evaluation (M&E) of the Public Sector Investment Programme (PSIP) (\$0.06 mn);
- (e) supporting the development and implementation of an M&E framework for the Community Roads Improvement Project in Guyana to more effectively monitor its implementation and to conduct road maintenance training aimed at improving the overall maintenance of the country's road infrastructure (\$0.16 mn);
- (f) increasing the Government of Haiti's (GOH) capacity to lead the implementation of the Action Plan for National Recovery and Development through providing technical support to the Office of the Prime Minister in executing the function of co-chair of the Interim Haiti Recovery Commission (\$0.15 mn);
- (g) enhancing the capacity to more effectively manage road and bridge infrastructure and to develop and implement Performance-Based Road Maintenance Contracting programmes through support for participation in the Caribbean Engineering Conference on Bridges (\$0.05 mn) and an international seminar on Performance-Based Road Maintenance Contracting (\$0.13 mn). These initiatives build on earlier interventions which are all intended to contribute to changing the approach to road maintenance in BMCs;

Contributing to Improved Road Maintenance

Roads are integral to a country's economic and social activities. Their improvement brings immediate, and frequently dramatic, economic benefits through greater access to various amenities and services, lower vehicle operating costs, and increased safety and reliability of transportation. Lessons of experience confirm that the best way to preserve a country's road assets is to allocate adequate resources for maintenance. Yet, the reality of competing fiscal demands and budgetary constraints which confront our BMCs have resulted in a steady decline in the implementation of regular, planned road maintenance programmes. On account of this situation, roads tend to be repaired only when they fail.

Since 2008, the Bank has focussed on finding innovative ways of assisting BMCs to utilise their limited road maintenance resources more effectively and efficiently. To this end, 40 senior public sector officials responsible for roads works have benefitted from continuous training and exposure to the seminars and workshops on road maintenance. Specifically, the Bank has supported the following initiatives in an effort to contribute to changing the approach to road maintenance in its BMCs:

- a Regional Road Maintenance workshop at which participants from 14 BMCs identified vehicle overloading as a significant contributing factor to road deterioration; and that the use of performance-based contracts (PBCs) was one way to improve the effective use of resources allocated for road maintenance;
- the conduct of two surveys on the impact of vehicle weight control and performance-based contracting on road maintenance, the findings of which were presented at a regional workshop;
- a training workshop, in conjunction with the Employment Intensive Investment Programme of the ILO, for small-scale contractors on PBCs. Public and private sector stakeholders also made presentations on the impact of vehicle weight control on their operations; and
- funding for senior technical road works practitioners to attend the International Road Federation's 2010 seminar on the principles of PBCs and best practices for road maintenance PBCs.

These initiatives have raised awareness of the critical importance of road infrastructure and strengthened the capacity within BMCs for the development of alternative strategies to achieve their maintenance objectives.

- (h) promoting gender mainstreaming in the Region through the conduct of comprehensive gender assessments of the social, economic and political sectors in ten BMCs (\$0.59 mn), aimed at enhancing country strategies and poverty reduction programmes for effective gender mainstreaming; and support for a regional workshop on gender differentials in Caribbean education (\$0.1 mn) to assist in identifying solutions to the re-engagement of males and continued participation of females in formal education, particularly at the secondary and tertiary levels;
- (i) increasing the knowledge of stakeholders in the agriculture sector in modern approaches to the cultivation of crops under protected structures through training in protected agriculture in China (\$0.4 mn); strengthening project design and management capacities of environment professionals through support for a regional project management workshop (\$0.06 mn) which will assist them to mainstream environmental concerns into development programmes and projects; and facilitating improvements in European Union (EU)-Caribbean cooperation in information and communication technology (ICT) research through support for a Regional ICT Training Workshop entitled "Building Sustainable Caribbean Economies";
- (j) facilitating the alignment and harmonisation of administrative procedures and processes among international financial institutions (IFIs) through the hosting of the 2010 IFI Heads of Administration Workshop as part of the Bank's commitment to harmonisation and alignment; and
- (k) assessing the implementation progress of SDF 7 through the conduct of an independent review and report to Contributors at the midterm of the cycle.

HAITI

1.22 In the aftermath of the January 12, 2010 earthquake, the Bank, like other development agencies, provided humanitarian assistance and emergency relief supplies and thereafter, held discussions with the Haitian authorities regarding the nature of the Bank's support and its programme of assistance to Haiti during the rehabilitation and reconstruction phase.

1.23 Approvals in 2010 amounted to \$17.73 mn, bringing total commitments to Haiti under SDF 7 to \$27.76 mn, and included:

- (a) an ERG of \$0.20 mn to assist CDEMA to cover costs associated with providing emergency relief supplies and humanitarian assistance to affected areas; and an IRG of \$0.75 mn to assist in restoring essential government services by the re-establishment of safe and secure office spaces to replace some of those damaged in the earthquake;
- (b) grant financing in the amount of \$1 mn, in collaboration with CIDA, to meet the annual premium payment to CCRIF prior to the 2010 hurricane season;
- (c) a grant of \$0.82 mn for restoration of public sector training services for National School of Financial Administration (ENAF). This TA was for the provision of a furnished, air-conditioned container computer laboratory (with back-up power generator) and desktop computer equipment and furnishings in order to replace the computer laboratory and other equipment destroyed during the earthquake. The original project, approved in 2008, to strengthen the capacity of Haiti's Ministry of Economy and Finance to manage the PSIP included, among other things, upgrading the capacity of ENAF for sustainable delivery of training services to public sector officers. Project implementation before the earthquake has been highly satisfactory and resulted in 37 trained public sector officials,

14 of whom are equipped to serve as trainers for Haiti's public sector in the areas of Project Cycle Management and Investment Appraisal and Risk Analysis;

Restoration of Public Services - Haiti

The earthquake that struck Haiti on January 12, 2010, killed over 220,000 people and displaced 1.5 million persons, creating significant damage and loss (estimated at \$7.8 bn) to Port-au-Prince, as well as other cities and settlements in the south, and leaving Haiti's government and economic infrastructure in ruins.

In order to assist the Government to resume normal activities as quickly as possible and begin planning for short, medium and long-term recovery and rehabilitation efforts, the Bank, in May 2010, approved an IRG of \$0.75 mn to provide prefabricated office accommodation in order to re-establish safe and secure office spaces for three GOH agencies within the Ministère des Travaux Publics, Transports et Communications (MTPTC) destroyed or severely damaged by the earthquake.

A contractor was engaged to provide on a turnkey basis 50 prefabricated office spaces, meeting rooms and sanitary facilities (totalling approximately 400 square metres) in Port-au-Prince for three semi-autonomous GOH agencies which fall under MTPTC. The beneficiary agencies were Fonds d'Entretien Routier (FER), Service Maritime et de Navigation d'Haïti (SEMANAH) and Office Nationaldu Cadastre (ONACA)^{1/}. FER is responsible for financing road maintenance and is involved in labour-based job creation initiatives. SEMANAH is responsible for maintaining navigation aids. ONACA is responsible for maintaining the national land registry and is an important partner in resolving land tenure security issues during the resettlement of displaced persons. Each of these government agencies is important in ensuring that Haiti can plan and implement longer-term reconstruction of the country. During implementation, it was decided that a fourth site could be accommodated within the project and additional office spaces were provided. One location was nearing completion at the end of 2010 and all offices were occupied by the end of March 2011.

^{1/} The Road Maintenance Fund; the Maritime Navigation Service of Haiti; and the National Land Registry Office.

- (d) an additional grant of \$5.0 mn for the Haiti Urban Community-driven Development Project, co-financed with the WB. The original project amounting to \$4.0 mn was approved by CDB in July 2008 and aimed to improve access to: (i) basic and social infrastructure and services; and (ii) income-generating opportunities for residents of targeted disadvantaged urban areas. The additional financing is in response to an increase in the demand for small-scale socio-economic infrastructure (including potable water and sanitation systems) occasioned by the displacement of persons as a result of the January 12 earthquake, the cholera outbreak and damage associated with the passage of Tropical Storm Tomas in November 2010. Reports from Haiti indicate that significant progress has been achieved in project implementation. Approximately 48 sub-projects have been completed and an additional 208 sub-projects (151 infrastructure, 10 productive and 47 social) have been approved and are under implementation. It is estimated that these sub-projects created approximately 5,369 temporary jobs, benefiting 2,791 men and 2,578 women. It is expected that the revised project will provide direct and indirect benefits for approximately 200,000 and 1 million persons, respectively, and create approximately 35,000 temporary jobs;
- (e) additional financing of \$10 mn for the Education for All Project, being implemented in collaboration with the WB. The main objectives of the project are increased access to primary education by poor children aged 6-12 and improved quality and governance of the education sector. The additional grant will allow the government to respond to the disruption and dislocation associated with the earthquake, by maintaining school enrolment and preserving human capital. It will provide student subsidies to 45,000 additional students and access to the school feeding programme for 10,000 additional children; and
- (f) increasing GOH's capacity to lead the implementation of the Action Plan for National Recovery and Development through providing technical support to the Office of the Prime Minister in executing the function of co-chair of the Interim Haiti Recovery Commission (\$0.15 mn);

1.24 CTCS also facilitated the training attachments for two persons from an established agro-processing company in Haiti that was seeking to diversify its product line to include hot pepper sauce. The trainees were provided with managerial and technical knowledge related to the production of hot pepper sauce in support of the company's investment and expansion plans.

1.25 The Bank has committed a total of \$48.8 mn to date from SDF 6 and SDF 7 for three capital and two additional grants; seven TA interventions; two emergency relief/response grants and one PBG. Of this, a total of \$21.4 mn had been disbursed by the end of 2010.

BNTF

1.26 The BNTF Programme, funded by SDF, is one of the Bank's key instruments for addressing poverty reduction. BNTF directly targets the poor by providing access to basic infrastructure and services in both rural and urban communities, and increases the potential of persons in these communities for economic activity through skills training. It makes a valuable contribution to the Bank's poverty reduction priorities of capability enhancement, reduction in vulnerability and good governance.

1.27 There have been six replenishments of BNTF and BNTF 5 and 6 are currently under implementation. Resources under BNTF 5 have been fully committed, appraisal of BNTF 6 sub-projects is ongoing and planning for BNTF 7 has been programmed for July 2011. The Bank approved 88 new sub-projects in 2010 for \$7.5 mn. Cumulative sub-project approvals for BNTF 5 and BNTF 6 amounted to \$25.7 mn and \$8.1 mn, representing 99% and 32% of country allocations for BNTF 5 and BNTF 6, respectively. Disbursements for the year totalled \$8.9 mn and brought cumulative disbursements under BNTF 5 and BNTF 6 to \$25.3 mn and \$1.7 mn, respectively. Further details on BNTF 5 and BNTF 6 are provided in the sections that follow.

BNTF 5

1.28 The allocations to eligible BMCs have been fully committed for BNTF 5 and the completion date is targeted for December 31, 2011. The BNTF 5 allocations, approvals and disbursements for the period 2002–2010 are presented in Table 4. By December 2010, the sum of \$29.7 mn or 93% of the total BNTF allocation had been committed compared with \$29.1 mn or 91% at the end of 2009. Of this amount, \$25.7 mn or 99% of the country allocation was approved for sub-projects in beneficiary countries (2009 - \$25.5 mn or 98%); and \$3.9 mn for regional coordination (2009 - \$3.6 mn).

TABLE 4: BNTF 5 ALLOCATIONS, APPROVALS AND DISBURSEMENTS, 2002–2010

Item	Final Allocation	Approvals 2002–2010	Disbursements 2002–2010	Rate of Disbursement
	\$'000	\$'000	\$'000	%
Country Allocations:				
Belize	3,868	3,868	3,326	86.0%
Dominica	2,314	2,314	1,720	74.3%
Grenada	2,068	1,998	1,702	85.2%
Guyana	8,084	8,084	7,655	94.7%
Montserrat	1,361	1,361	1,203	88.4%
St. Kitts and Nevis	1,322	1,282	961	75.0%
St. Lucia	3,517	3,458	2,530	73.2%
St. Vincent and the Grenadines	2,634	2,593	2,110	81.4%
Turks and Caicos Islands	832	768	610	79.4%
Sub-Total	26,000	25,726	21,817	84.8%
Regional Coordination	6,000	3,933	3,498	
TOTAL	32,000	29,659	25,315	

1.29 By the end of 2010, total approvals under BNTF 5 amounted to 741 sub-projects, 307 of which are still under implementation while 367 social infrastructure and 67 skills training sub-projects have been successfully implemented and are operational to the benefit of over 474,000 Caribbean residents, 339,000 adults (168,000 males and 171,000 females) and 135,000 young persons.

1.30 Disbursements at the end of 2010 amounted to \$25.3 mn compared with \$18.2 mn at the end of 2009, representing a steady increase in disbursements in most countries. The rate of disbursements for sub-projects within the beneficiary countries amounted to 85% at December 2010 with all countries, having a disbursement rate in excess of 70%. It is expected that the programme will be fully disbursed by the revised completion date of December 31, 2011.

1.31 The implementation of the BNTF 5 programme encountered many challenges which resulted in the eight-year implementation time line. Chief among these challenges was the need for a higher level of capacity at the country level to assist in the design of sub-projects and monitoring and implementing the country programme. This deficiency is being addressed in BNTF 6 through an expansion of the technical services budget line which will enable procurement of expertise to supplement local capacity and enhanced training of country officials. These measures are expected to enable greater efficiency and effectiveness in the implementation of BNTF 6.

BNTF 6

1.32 The BNTF 6 programme commenced in 2009 and resources were allocated to beneficiary countries using the approved SDF RAS. Jamaica, which had not previously been a beneficiary of SDF-funded BNTF programmes, was included in BNTF 6. In 2010, the Bank approved 41 sub-projects of approximately \$5.95 mn, bringing the total sub-projects approved under BNTF 6 over the period 2009-2010 to 44, valued at \$6.66 mn. Of these approvals, \$6.5 mn related to social infrastructure sub-projects and \$0.2 mn to skills training and these were expected to benefit over 45,000 Caribbean residents, 43,000 adults (21,000 males and 22,000 females) and 2,000 young persons.

1.33 Allocations, approvals and disbursements by country under the BNTF 6 programme for 2009 - 2010 are shown in Table 5. Sub-project approvals for St. Vincent and the Grenadines, St. Lucia and Grenada exceeded 50% of their allocation by the end of 2010, while the allocation for the Turks and Caicos Islands was fully committed. In the case of Jamaica and Montserrat, less than 10% of their allocation has been committed.

1.34 The slow pace of commitment of BNTF 6 resources in Jamaica was caused by two main factors. First, Jamaica received a large amount of additional resources under the BNTF 5 (CIDA) project in July 2010. Additionally, the stand-by arrangement between Government and the International Monetary Fund (IMF) has limited the annual counterpart by the Jamaica Social Investment Fund for the implementation of the BNTF projects and other programmes. As a result of this limitation and the additional CIDA resources, planned project activities for BNTF 6 were shifted for funding under BNTF 5 during 2010.

1.35 By the end of 2010, Montserrat had almost completed its BNTF 5 activities but has been constrained by limited institutional capacity. Montserrat will focus its efforts on the implementation of the BNTF 6 project in 2011, which will be supported by CDB through an institutional capacity strengthening exercise requested by the Government of Montserrat.

1.36 Disbursements of BNTF 6 resources commenced in 2010 with approximately \$1.7 mn being disbursed by the end of the year. This included an advance of approximately \$1 mn which was paid to Jamaica under a special account arrangement. With approximately \$6 mn in sub-project approvals being made in 2010, many of them late in the year, disbursement activity is expected to intensify in 2011.

TABLE 5: BNTF 6 ALLOCATIONS, APPROVALS AND DISBURSEMENTS 2009 - 2010

	Original Allocation	Approvals 2009-2010	Allocation Approved	Disbursements 2009-2010
Item	\$'000	\$'000	%	\$'000
Countries				
Belize	3,005	586	19.5	-
Dominica	2,283	950	41.6	-
Grenada	1,770	1,008	56.9	574
Guyana	6,710	1,845	27.5	-
Jamaica	4,778	297	6.2	986 ^{1/}
Montserrat	1,086	97	8.9	-
St. Kitts and Nevis	864	130	15.0	-
St. Lucia	2,732	2,010	73.6	-
St. Vincent and the Grenadines	1,780	898	50.4	-
Turks and Caicos Islands	317	317	100.0	-
Sub-total	25,325	8,138	32.1	1,560
Regional Coordination ^{2/}	6,675	744		183
Total	32,000	8,882		1,743

^{1/} This figure represents a cash advance provided to Jamaica

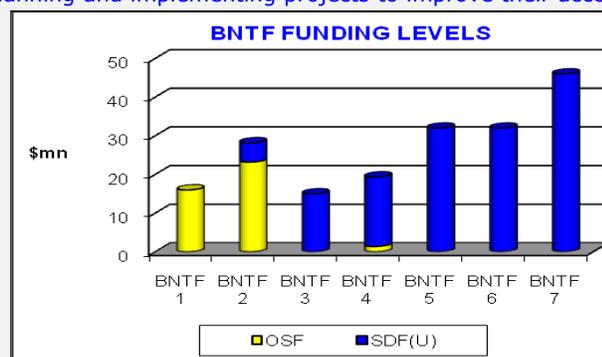
^{2/} Regional Coordination includes programme support, coordination and administration

BNTF

BNTF mission: "to be a community development programme that supports health, education, water, sanitation, access and economic activities through skills training, organisational development and infrastructure services."

BNTF 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.

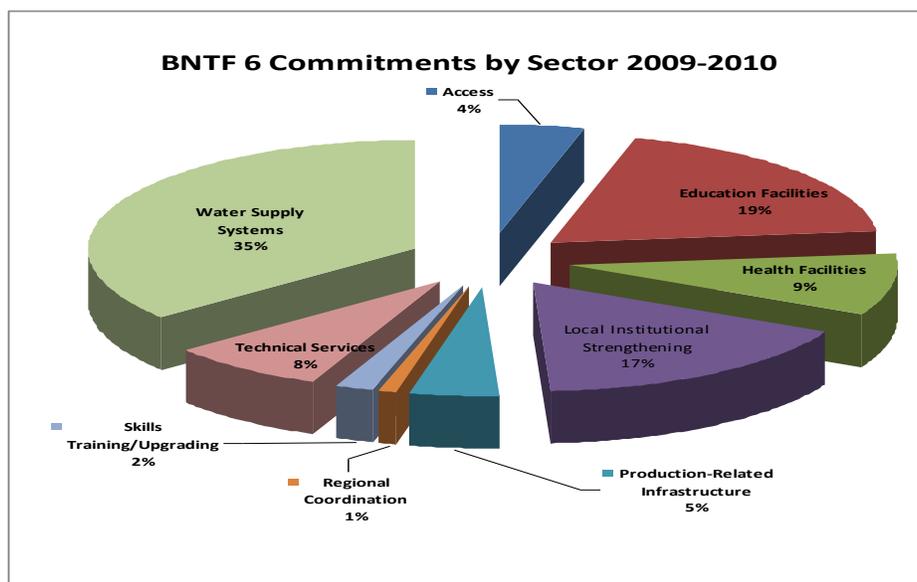
It began over 30 years ago as the Caribbean Education Development and Basic Human Needs/Employment Sector Programme targeted at improving living conditions in rural poor and indigenous communities. Since 1992, BNTF has been financed through SDF, with some level of counterpart funding from beneficiary governments. The programme has enjoyed an increasing share of SDF resources since BNTF 3, with \$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, approved by the BOD in July 2008, is currently being implemented. The Sixth Programme provides funding to implement sub-projects to improve basic infrastructure and services, and increase potential for economic activity through skills training. It also provides 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 is 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. These additional resources enabled the expansion of the BNTF's coverage to include Jamaica, and also provided supplementary funds to existing beneficiaries. In 2008, a further \$1.8 mn was contributed by Canada to the programme to boost the resources allocated to Jamaica.

1.37 The chart below shows BNTF 6 commitments by sector during the 2009-2010 period. Approvals show a continuing shift in demand towards water supply systems, accounting for 35% of grants approved, compared with 22% under BNTF 5. Other shifts in demand were observed for education facilities, such as nursery and primary schools and day care centres, which accounted for 19% in BNTF 6 compared with 27% in BNTF 5. Local institutional strengthening for communications, staffing and equipment represented 17% of commitments compared with 4% in BNTF 5, while approvals for health facilities remained constant at 9%. The construction of access roads and footpaths recorded a decline to 4% from 14% in BNTF 5 while regional coordination accounted for only 1% of the commitments to date.



Improving BNTF Programme Effectiveness

1.38 Building on earlier initiatives aimed at strengthening accountability practices within the management of the Programme, activities during the year focussed on improving results monitoring. Key initiatives included the design of a programme-wide system for gathering information on implementation and results. A training programme was launched in January 2010 and focussed on results-based management (RBM) principles and specific tools for monitoring sub-projects. It comprised two regional and ten country workshops and participants included stakeholders drawn from communities, consulting firms, implementing agencies and ministries. Work on a new Management Information System is well advanced and will provide alignment of the financial reporting systems of the BNTF country offices with CDB's system, while lending greater support to RBM.

1.39 The Annual Meeting of Project Managers was convened to discuss the realignment of strategies for completion of BNTF 5 and reinforced measures for effectiveness and efficiency. Given the fiscal constraints experienced by many BMCs, the impact of national budgetary decisions on project implementation was highlighted. The meeting also discussed the importance of establishing partnerships with sponsoring ministries to significantly improve the maintenance and sustainability of Project interventions.

1.40 The Programme has begun an assessment of the recommendations of the Operations Audit of the BNTF country offices, conducted in 2009, to streamline their operations and facilitate more efficient use of BNTF resources. The cost efficiency of implementing arrangements, including administrative costs for local project management, is being considered in order to provide an appreciation of the cost of implementing the BNTF programme at country level. This information will be taken into account in developing the design for the BNTF 7 programme.

BNTF and Gender Equality

BNTF interventions are designed to meet the practical needs and gender interests of beneficiaries across sectors and diverse communities. Participatory methods are utilised at the identification and design stages of sub-projects to broaden the dialogue with men and women in communities on their priorities and the sustainable benefits to them. In developing more inclusive, community-based interventions, men are specifically engaged on gender issues in some societies and specific assurances pertaining to employment of women as wage labourers and representation on monitoring committees are instituted. During implementation, the different interests of men and women are acknowledged and opportunities given for them to negotiate their roles in areas where they have been traditionally excluded.

Examples of the contribution of BNTF interventions to gender and development outcomes include:

- implementation of sub-projects in the water infrastructure sector which alleviate the time and health burden for women, associated with travelling long distances to collect and carry water;
- increased delivery of health care to male clients, especially for chronic diseases, and a focus on the reduction of maternal morbidity and mortality for women in rural areas;
- physical security and privacy concerns for women and girls in the design of water and sanitation sub-projects, such as public and school bathrooms;
- improved links to markets and commercial centres through the provision of footpaths and access roads, which contribute to enhanced livelihoods of farmers in subsistence agriculture and to income-generating opportunities for vendors, most of whom are women;
- improved links to social services such as health, schools and community activities for women who are often responsible for the well-being of vulnerable family members and themselves; and
- community market interventions which target female vendors for participation in market management, enabling them to have shared access to decision making in the operations of the commercial facilities.

In 2010, gender assessments were conducted on 88 sub-projects in physical infrastructure, skills training and capacity building to the value of \$7.5 mn to promote social inclusion and gender mainstreaming and to specifically address gender-related biases in the interventions.

CTCS

1.41 CTCS continued its support for the development of the MSME sector in 2010 by providing TA to a range of entities using various modalities. The programme approved \$0.78 mn to facilitate the execution of 55 activities in 15 BMCs, compared with 91 activities in 14 BMCs, valued at \$1.04 mn in the previous year. These included 12 national and 3 regional workshops, 25 direct TA and 15 training attachments in 15 BMCs. Table 6 shows a distribution of CTCS activities over the period 2006-2010 which reflect an increasing use of regional workshops, which can target a larger number of participants in a single intervention, and a reduction in national workshops and direct TA interventions.

TABLE 6: CTCS PROGRAMME ACTIVITIES 2006-2010

Activities	2006	2007	2008	2009	2010
Regional Workshops	0	0	1	2	3
National Workshops	41	42	20	32	12
Direct TA Interventions	48	31	37	34	25
Training Attachments	25	4	10	17	15
Publications	0	0	0	6	0
Total Activities	114	77	68	91	55

1.42 A total of 826 persons (346 male and 480 female), compared with 945 in 2009, received training across a range of sectoral activities and technical disciplines as listed in Table 7. More than 50% of beneficiaries (417) were trained in tourism-related activities compared with only 19 in the previous year,

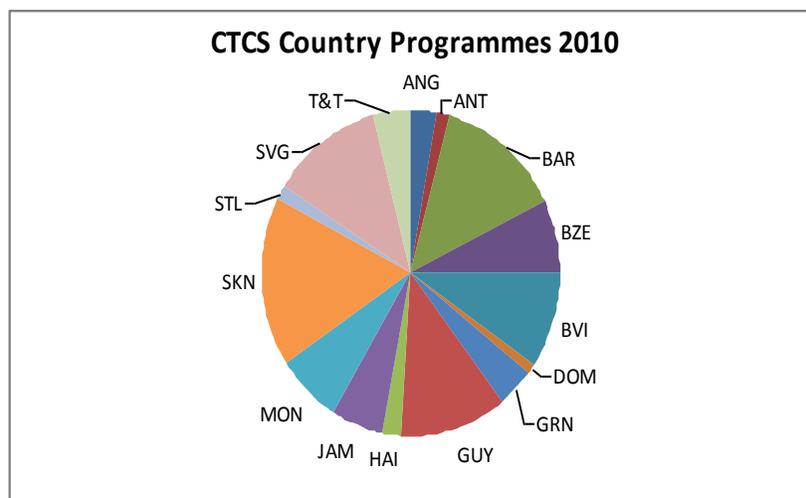
while general management and business development and computer applications were the next popular disciplines.

TABLE 7: CTCS SKILLS TRAINING AND TA PROVIDED, 2007-2010

Sector/Sub-sector	Number of CTCS Beneficiaries				
	2006	2007	2008	2009	2010
General management and business development	305	491	142	382	110
Pottery/Ceramics	12	73	134	23	17
Garment design and production	45	12	9	38	4
Other applied skills ^{1/}	50	334	322	67	61
Agro-processing	4	171	62	198	28
Agriculture-related activities	3	97	15	14	66
Institutional strengthening	15	1	0	40	16
Tourism-related activities	20	160	69	19	417
Food management and related activities	24	30	30	139	14
Computer applications	35	7	63	25	93
Total	513	1,376	846	945	826

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

1.43 The share of approvals in respect of each beneficiary BMC is provided in the chart below. St. Kitts and Nevis, Barbados, St. Vincent and the Grenadines, Guyana and the British Virgin Islands had the largest share of CTCS interventions in 2010.



THE CTCS NETWORK

CDB's **CTCS** is a network operated in cooperation with regional and national institutions, laboratories, industrial enterprises and consultants to support the development and expansion of the Region's MSME sector. It contributes to the stimulation of entrepreneurship, while at the same time enhancing the competitiveness of the Region's productive sector through capacity building and skills transfer. Through a variety of TA interventions, it seeks to address key operational and managerial deficiencies and aims at enhancing the competitiveness of MSMEs in CDB's BMCs through improvements in technical know-how. It operates by linking people who have business and technical experience with businesses and enterprises that need consulting advice and assistance.

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 CBOs 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 providing assistance with selection of machinery and equipment, staff training in all disciplines, and quality control applications. CTCS provides skills training in a variety of subject areas including agro-processing and fisheries; food processing; wood and metal fabrication; textiles; packaging and labelling; building material, manufacturing equipment and machinery; energy production and conservation; hospitality services, accounting and computerisation; pottery, ceramics and craft manufacturing – such as basketry, bamboo and wicker craft, floral arrangement, cake decorating and garment design and construction.

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.

1.44 In keeping with CDB's contribution to sustainable development of private sector enterprises in the Region, CTCS hosted a regional workshop on "Water and Energy Conservation Techniques and Procedures for Owners and Operators of Small Hotels". The workshop brought together 33 hoteliers from 11 BMCs who were exposed to best practices in implementing practical water and energy conservation solutions within a hotel operation. In addition, participants were assisted in developing action plans that would better guide their efforts and initiatives towards decreasing the consumption of water and energy in their respective hotels.

1.45 During 2010, CTCS developed a Computerised Job Estimation Tool (CJET) to assist artisans and small contractors to prepare job estimates more effectively and improve their competitive advantage. A regional workshop on CJET for 25 artisans and small contractors from 9 BMCs and 2 national CJET workshops, in collaboration with the BNTF office in Grenada and the Anguilla Development Board, were conducted.

1.46 As part of CDB's continuing efforts in contributing to private sector development and food security in its BMCs, CTCS hosted a regional workshop for 28 small poultry producers and processors from 13 BMCs to address areas of weaknesses that adversely impact the viability and sustainability of their operations. This workshop focussed on, *inter alia*, improved food hygiene and safety standards; inadequate animal husbandry practices and poor business management practices.

1.47 CTCS also collaborated with the Caribbean Export Development Agency (CEDA) in conducting training workshops for handicraft producers in The Bahamas and Belize on product design, packaging and labelling as part of efforts aimed at enhancing the quality of their products to strengthen and increase their export potential. The workshops were also intended to prepare potential handicraft producers who would be participating in the 2011 Caribbean Gift and Craft Show to be hosted by CEDA.

SDF PORTFOLIO ANALYSIS

1.48 The performance of the Bank's portfolio is reviewed annually using the project supervision report information from the previous year as a basis for the assessment. There is currently a one-year lag in the preparation of the Annual Review of the Performance of the Project/Loan Portfolio under Implementation. The review of performance for 2009 was therefore prepared in 2010, but efforts are in train for the report to become more current.

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

1.50 In 2009, there were 72 projects, with an SDF component, under implementation compared with 59 in the previous year. The performance rating of the portfolio for 2009 was 6.0 which was the same as the PPI rating it received in 2008. Seventy of the 72 projects were rated as highly satisfactory or satisfactory, compared with 58 of the 59 projects in 2008. There were two projects with a rating of marginally unsatisfactory compared with one in the previous year. One of these projects, in the social and personal services sector, has had this rating for the past six years. The other project, in the Multi-Sector category, is over eight years old and is currently flagged as "at risk". Details of the projects are presented at Appendix V.

1.51 The SDF portfolio analysis also assigns a *Country Portfolio Performance rating* and a *Sector Portfolio Performance rating*. There was no change in the country portfolio assessments in 2009, as compared with 2008, with all BMCs maintaining their ratings of either highly satisfactory or satisfactory.

1.52 In 2009, the financial, multi-sector and social and personal services' sectors accounted for approximately 80.5% of the portfolio compared with 76.2% in 2008. In 2009, all sectors maintained their performance rating of satisfactory or highly satisfactory.

1.53 As at December 31, 2009, five projects with an SDF component were classified as "at risk" (about 6.8% of the SDF capital portfolio under implementation) compared with seven projects (11.8% of the portfolio) at the end of 2008. Four of the five projects have been rated as "at risk" previously in 2007 and 2008. Implementation of the fifth project, while behind schedule, is expected to improve in 2010. Details of the SDF portfolio analysis for 2009, including information on projects listed as "at risk" are provided in Appendix V.

2. FINANCIAL RESOURCES AND PROGRAMME LEVELS

SDF 7 PROGRAMME LEVEL

2.01 The programme level approved for SDF 7 was \$390.6 mn, comprising \$242.2 mn by existing Contributors and \$103.9 mn from internally generated resources and a structural gap of \$29.5 mn, which was expected to be funded by additional contributions and by income from adjustments in encashment of demand notes or payment schedules. Further details on the SDF 7 approved programme level are presented in Appendix II. As shown in Table 8, the base programme level at December 2012 is projected to be \$361.1 mn which is the same as the original amount projected in the Contributors' Report.

2.02 The Base programme level reflects a higher carry-over balance from SDF 6 and higher than projected loan repayments, arising from the relatively high level of disbursements in 2009 and 2010. Net income projections are lower than expected mainly as a result of lower investment yields than originally projected.

TABLE 8: 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	11.7	14.1
Loan Repayments	61.2	72.7	(11.5)
Transfer from OCR Net Income	15	15	-
New contributions *	242.2	242.2	-
Base Programme Level	361.1	361.1	-
Structural gap/(Residual Funds)	29.5	29.5	-
Overall Programme Level	390.6	390.6	

* Discussions are continuing with Brazil and Spain regarding membership and contributions

COMMITMENT AUTHORITY

2.03 Table 9 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 2010 was \$50.5 mn and a carry-over balance to SDF 8 of \$10.7 mn is currently projected at the end of 2012. Further details are provided in Appendix III.

TABLE 9: SDF 7 COMMITMENT AUTHORITY AND USE OF FUNDS
(\$mn)

Item	SDF 6	2009	2010	2011	2012	Total SDF 7
		Actual		Projected		
Commitment authority at beginning of period	41.4*	19.5	45.3	50.5	48.1	19.5
Net income	17.5	2.8	2.7	2.2	4.0	11.7
Repayments	61.4	14.2	16.5	21.8	20.2	72.7
Commitment authority from new contributions	156.7	60.6	60.6	60.6	60.6	242.2
Transfer from OCR	-	-	-	-	15.0	15.0
Approvals for SDF Loans	170.0	35.0	46.6	60.0	70.0	211.8
Approvals for SDF Grants	97.5	16.6	27.9	27.0	67.1	138.6
Available Commitment authority at end of period	19.5	45.5	50.5	48.1	10.7	10.7

*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

2.04 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 (RAS); \$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 RAS will also be used to allocate the set aside for BNTF 7 of \$46 mn. Since a structural gap of \$29.5 mn exists, only \$145.5 mn of the country loan allocation, and \$361.1 mn overall, have been programmed.

2.05 Table 10 - SDF 7 Indicative Allocation and Utilisation of Resources shows the indicative allocations for country loans and amounts set aside at January 2009, loan and grant approvals for 2009 and 2010 of \$126.3 mn and the available balance at the end of December 2010 of \$234.8 mn.

TABLE 10: SDF 7 INDICATIVE ALLOCATION AND UTILISATION OF RESOURCES

Item	Indicative Allocations at January 2009		Approvals 2009-2010		Balance 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	1.0	-	-	3.52
Barbados	-	-	-	-	-
Belize	17.65	4.9	12.66	71.7	4.99
Dominica	14.20	3.9	6.57	46.3	7.63
Grenada	7.97	2.2	6.60	82.8	1.37
Guyana	36.37	10.1	12.28	33.8	24.09
Jamaica	22.04	6.1	15.00	68.1	7.04
Montserrat	2.25	0.6	-	-	2.25
St. Kitts and Nevis	5.45	1.5	1.41	25.9	4.04
St. Lucia	16.30	4.5	-	-	16.30
St. Vincent and the Grenadines	12.92	3.6	0.57	4.4	12.35
Turks and Caicos Islands	1.86	0.5	-	-	1.86
Trinidad and Tobago	-	-	-	-	-
Sub-total Country Allocations	145.45	40.3	55.09	37.4	90.36
Set-Aside Resources					
Other Lending:					
Natural Disaster Mitigation and Rehab.	30.00	8.3	3.61	12.0	26.39
BMCs in Fiscal Distress	47.00	13.0	23.00	48.9	24.00
Total Lending	222.45	61.6	81.70	36.7	140.75
Grants:					
BNTF	46.00	12.7	-	-	46.00
TA:					
Capacity Building	8.00	2.2	6.52	81.5	1.48
Project Management Training	5.00	1.4	-	-	5.00
CTCS	4.50	1.3	1.83	40.7	2.67
Regional Integration and RPGs	10.00	2.8	4.64	46.4	5.36
Development Effectiveness and MfDR	5.00	1.4	-	-	5.00
Immediate Disaster Response	6.10	1.7	1.02	16.7	5.08
Gender Equality	4.00	1.1	0.69	17.3	3.31
Environmental Sustainability and Climate Change	4.00	1.1	2.09	52.3	1.91
Haiti	46.00	12.7	27.76	60.3	18.24
Total Grants	138.60	38.4	44.55	32.1	94.05
Total Resources Available	361.05	100.00	126.25	35.0	234.80
Structural Gap	29.55				
Approved Programme Level	390.60				

2.06 At the end of 2010, 35% of total resources available had been committed representing, 32.1% of grant set asides and 36.7% of loan allocations. The latter comprised 37.9% of country allocations, 12% of natural disaster mitigation and rehabilitation loans and 48.9% of the allocation for BMCs in fiscal distress.

2.07 Within the country loan allocation, Belize, Guyana and Jamaica account for 72% of the approved amount of \$55.1 mn utilising 71.7%, 33.8% and 68.1% of their allocation, respectively. Dominica and Grenada, with approvals of \$6.6 mn each, have utilised 82.8% and 46.3% of their allocations, respectively. Five BMCs had not utilised any of their allocation as at the end of 2010 but projects are under consideration and these funds are expected to be committed by the end of the cycle. Other loan approvals for 2009 and 2010 were \$3.61 mn from the set aside for natural disaster mitigation and rehabilitation and \$23 mn from the allocation for BMCs in fiscal distress, leaving balances of \$26.4 mn and \$24 mn, respectively.

2.08 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 10). At December 2010, \$44.5 mn in set aside grant resources had been committed leaving a balance of \$94.1 mn.

2.09 Grant approvals to Haiti amounted to \$27.8 mn or 60.3% of its set aside, while approvals for regional integration and RPGs were \$4.6 mn or 46.4% and environmental sustainability and climate change \$2.1 mn (52.3%). Capacity-building TA commitments were \$6.5 mn or 81.5%, CTCS approvals were \$1.8 mn (40.7%), immediate disaster response grants were \$1.0 mn (16.7%) and gender equality \$0.7 mn (17.3%). No commitments have been made against the BNTF allocation, which is awaiting the development of the BNTF 7 programme, project management training or MfDR. Formulation of interventions in the latter two areas is in train.

3. SDF 7 RESULTS REPORTING

3.01 The Bank is committed to MfDR and has structured its results agenda in terms of three pillars – *MfDR at the country and regional level*, *MfDR at the institutional or corporate level*, and *MfDR through partnerships, harmonisation and alignment*, including objectives set by the Paris Declaration. For SDF 7, the results agenda was enhanced with the introduction of a RMF which will be used to monitor and report on the performance of its SDF 7 programme.

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

3.03 The RMF is at an early stage of development and is undergoing some refinement. In the preparation of this second report, new and updated information has necessitated revisions to some baseline values, targets and 2009 figures.

3.04 A results committee was established in 2010 to facilitate advancing the Bank's MfDR Agenda. The committee is currently working on adjusting the SDF framework for use in measuring, monitoring and reporting on the implementation of the Strategic Plan 2010-2014. This work entails an ongoing critical review of the indicators, baselines and targets selected for the SDF RMF. It is intended that the two frameworks will be rationalised into a single framework by mid-2012 and that future reporting will be based on the unified framework. The current report is based on the approved SDF framework and reflects the status as of December 31, 2010. Details for the four results levels are presented in the boxes following.

Level 1: Regional Progress towards Selected CMDG Targets and Development Outcomes

3.05 Level 1 measures regional progress in relation to poverty and human development, environmental sustainability and climate change and RCI. Poverty indicators are updated by recently completed CPAs and are expressed as weighted averages for all BMCs, including Haiti. When compared with the last report the data reported in 2010 reflects a reduction in the proportion of population below the poverty line. Three BMCs - Dominica, St. Kitts and Nevis and St. Vincent and the Grenadines - recorded reductions in poverty levels. However, poverty and indigence levels rose in Belize which has a large rural and indigenous population, where the incidence of poverty tends to be high. These figures do not reflect the full impact of the global economic crisis, which has had an adverse effect on poverty reduction in BMCs, since some CPAs were done prior to the crisis and because of the lag effect of the crisis on some countries.

3.06 A reduction in the indigence levels was also reported in 2010, when compared with 2009, with St. Lucia and Dominica recording significant reductions in the levels of indigence, from 15% in 2002 and 12.95% in 1999 to 3.1% in 2009 and 2.4% in 2008, respectively. The increasing availability of reliable data on the issue of indigence has resulted in better targeting and greater efficiency of poverty responses in these countries.

3.07 The baseline values, targets and 2009 values for the indicators relating to education have been revised to include Belize and Haiti which had not been available for the previous report. The indicators relating to enrolment in primary and secondary school recorded improvements in 2009-2010 over the baseline value.

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

Indicators	Baseline Year	Baseline Value	Target (2015)	Status as of December	
				2010	2009
Poverty and Human Development					
1. Proportion of population below the poverty line (%). [‡]	2006	54	27	53.45	53.8
2. Proportion of population below the indigence line (%). [‡]	2006	35	17.5	35.07	35.36
3. Net enrolment in primary education (%). ^{1/}					
- Female	2006	81	92	88	88
- Male	2006	77	90	87	87
4. Net enrolment in secondary education (%). ^{1/}					
- Female	2006	77	81	78	79
- Male	2006	74	79	75	76
5. Ratio of girls to boys in:					
- Primary education	2006	1.0	1.0	1.0	1.0
- Secondary education	2006	1.06	1.02	1.04	1.04
6. Share of women in wage employment in the non-agricultural sector (%).	2005	85	n.y.a.	n.y.a.	n.y.a.
Environmental Sustainability and Climate Change					
7. Number of BMCs with National Environmental Strategies/Action Plans	2007	17	18	18	17
8. Number of BMCs with formalised Climate Change Response (CCR) Strategies	2008	4	18	10	4
9. Proportion of population with access to a water source (%)					
- urban	2007	85	92.5	96	85
- rural	2007	88	94	91	88
10. Proportion of population with access to sanitation (%)					
- urban	2007	76	88	89	76
- rural	2007	73	86.5	85	73
11. Proportion of alternative energy in total energy use (%)	2005	30	n.y.a.	n.y.a.	n.y.a.
RCI					
12. Intra-regional trade as a percentage of total regional trade	2006	14 ^{2/}	20 ^{2/}	15	15
13. Direct Investment of MDCs in LDCs (\$mn)	Avg. 1999-2003	20 ^{2/}	30 ^{2/}	21 ^{3/}	21 ^{3/}
14. Cross-listed firms in relations to total firms on regional stock exchange (%)	2005	17	25	19	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.

^{1/} Base line value and target and 2009 figures revised to include Belize and Haiti

^{2/} Base line value and target revised

^{3/} Average for 2004-2008

3.08 In the area of Environmental Sustainability and Climate Change, the number of countries with formalised CCR Strategies increased from four in 2009 to ten in 2010. There was also improvement recorded in the indicators for the proportion of the population with access to a water source and to sanitation in both urban and rural areas.

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

3.09 Level 2 indicators measure the Bank's contribution to country outcomes through outputs delivered in key operational areas. The 2009-2012 programmed outputs for education and training, agriculture and rural development, social and economic infrastructure, and water and sanitation reflect outputs which are expected to be delivered during the SDF 7 period, based on projects approved in earlier SDF cycles. The results reported for 2009 and 2010 represent outputs which were delivered from projects completed during the period.

3.10 The indicators for education and training measure the Bank's contribution to improving access to and quality of education in BMCs. In 2009 and 2010, approximately 60% of classrooms programmed to be built during SDF 7 had been achieved. Teacher training outputs fell far short of the programmed level but the delivery of the outputs for the Education for All project in Haiti are expected to make a significant contribution to the target. This project will also impact the indicator of persons benefitting from education programmes and student loans where 25% of programmed outputs, benefitting approximately 42,000 students, were achieved.

3.11 The outputs recorded for agriculture and rural development in 2009-2010 relate to two projects which were completed in the period and resulted in the targeted outputs for 2009-2012 being exceeded. The programmed outputs figure has therefore been revised.

3.12 Outputs relating to water and sanitation in 2009-2010 reflect those delivered by BNTF sub-projects, recording achievements of 7% of programmed water capacity and supply lines installed and 36% or 9,000 of the targeted beneficiaries.

RESULTS MONITORING FRAMEWORK **LEVEL 2: CDB/SDF CONTRIBUTIONS TO COUNTRY** **AND REGIONAL OUTCOMES: KEY OUTPUTS**

Indicators	Outputs 2005- 2008	Programmed Outputs 2009-2012	Outputs 2009-2010
1.Education and Training (at all levels)			
Classrooms built or upgraded (number)	1,026	868	578
Teachers trained (number)	2,332	6,010	183
Students benefiting from above programme and support student loan scheme, etc (number)	49,438	171,725	41,793
Persons benefiting from skills training activities (number)	16,670	33,580	7,289
2.Agriculture and Rural Development			
Land irrigated or improved through drainage, flood and irrigation works (hectares)	3,365	35,312*	32,297
Area established using improved production technology (hectares)	4,356	660*	660
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	83,500
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	1,555
Beneficiaries of road projects (number) ‡	81,298	51,500	25,559
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	43
Beneficiaries of community infrastructure interventions (number)	118,745	342,000	45,361
Installed energy generation capacity(megawatts)	16.2	2.7	35
Number of beneficiaries of generation/distribution capacity	42,100	7,000	n.a.

Indicators	Outputs 2005-2008	Programmed Outputs 2009-2012	Outputs 2009-2010
4.Private Sector Development			
Value of credit made available to the private sector (mn\$)	42	53	21**
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	146
Number of participants benefiting from CTCS and other TA interventions	2,660	2,750	1,771
5.Water and Sanitation[‡]			
Installed water capacity (m ³)	110,771	33,270	2,247
Water supply lines installed or upgraded (km)	2,932	2,387	161
Households with access to water supply (number)	30,002	25,900	9,195
6. DRM			
Interventions supporting DRM policies, strategies and action plans (number)	6	7	7
Interventions that contribute to DRM capacity building (number)	4	5	5
Community-based DRM interventions (number)	28	31	28
7. 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	2
8. RPGs			
Interventions supporting regional institutions (number)	18	23	6
Interventions supporting regional policy development (number)	16	20	8
9.Economic Management			
Value of resources approved for PBLs/PBGs (\$mn)	183	250	210
Interventions to support rigorous PSIP development (number)	11	13	2
10 Capacity Development			
Interventions to support public sector institutional strengthening (number)	15	21	13
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.

* Target has been revised

** 2009 valued has been revised

3.13 The indicators for social and economic infrastructure measure the Bank's support for the creation of an enabling environment for economic growth. Five capital projects completed during the period contributed to the delivery of the outputs relating to primary roads, bridges, sea defences and energy. Projects under implementation are expected to deliver the remaining outputs in this area. Completed BNTF sub-projects provided outputs for secondary roads and community infrastructure.

3.14 Assistance towards developing SMEs and MSMEs was measured through the indicators relating to CTCS where 42% of programmed TA interventions were delivered by the end of 2010, benefitting 64% or 1,771 (714 males and 1,057 females) of the targeted beneficiaries.

3.15 The Bank's support for improved fiscal and economic performance is monitored through the value of resources for PBLs and the number of capacity building TAs provided. PBLs approved amounted to 84% of resources programmed and 13 out of 21 programmed public sector institutional strengthening interventions were committed by the end of 2010.

Level 3: Operational/Organisational Effectiveness

3.16 Level 3 indicators monitor operational and organisational effectiveness focussing on six areas: operational quality and portfolio performance; resource allocation and mobilisation; strategic focus; capacity utilisation; use of administrative budget resources; and business processes and practices. The box below shows the performance in 2010 compared with 2009.

3.17 In terms of operational effectiveness, the portfolio performance rating was stable in 2010 but there was a decline in the percentage of projects with supervision reports on the Project Performance Management System (PPMS) which hampered the computation of the PPI by country or sector for 2009. This situation is being addressed for 2010 PRSs. While the percentage of projects completed in the past two years with PCRs continues to be below the target, early signs indicate that the trend is moving in a positive direction.

3.18 Disbursement performance, which excludes PBLs, was mixed in 2010 with a decline in the rate of disbursement of undisbursed balances, and an improvement in the disbursement efficiency ratio. The former is impacted by the presence of more loans at the early stage of the disbursement cycle in the portfolio, while the latter indicates that actual disbursements were 11% below the level anticipated by project supervisors.

RESULTS MONITORING FRAMEWORK **LEVEL 3: OPERATIONAL/ORGANISATIONAL EFFECTIVENESS**

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December	
				2010	2009
Operational Quality and Portfolio Performance					
1. Portfolio performance rating for implementation (% satisfactory)	2007	96	98	98 ^{2/}	99 ^{1/}
2. Percentage of projects completed in the past two years with Project Completion Reports	2006-2007	0	100	16	5 ^{4/}
3. Percentage of projects with supervision reports on Project Portfolio Management System	2007	61	100	89 ^{2/}	100 ^{1/}
Resource Allocation and Utilisation					
4. Percentage of concessional resources allocated according to performance-based allocation system	2005	61	70	40	40
5. Disbursement rate	2007	28	35	21 ^{2/}	25 ^{1/}
6. Disbursement efficiency ratio	2007	93	98	89 ^{2/}	83 ^{1/}
Strategic Focus					
7. Number of approved country strategies in use with results framework	2008	2	18	9	6
8. Number of new or updated CPAs for BMCs in the past five years	2004-2008	8	10	8	6
9. Proportion of financing supporting environmental sustainability and climate change % ^{3/}	2007	10	15-20	4.6	1.1 ^{4/}
10. Proportion of financing supporting regional cooperation and development ^{3/}	2007	4	6-8	4.1	5.2 ^{4/}
11. Proportion of financing supporting gender equality ^{3/}	2007	0 ^{5/}	0 ^{5/}	0.9	0
12. Proportion of financing supporting private sector development ^{3/}	2007	10	15	1.2	5.5 ^{4/}
13. Number of BMCs receiving support for direct poverty reduction programming	2007	11	11	11	11
Capacity Utilisation					
14. Percentage of budgeted Bank professional staff in operations departments	2008	50.5 ^{6/}	58 ^{7/}	50	51.3
15. Ratio of professional staff to support staff	2008	1.01:1 ^{6/}	1.3:1 ^{7/}	1.23:1	1.26:1
16. Representation of women in professional staff	2008	37.5 ^{6/}	40	41.2	40
17. Representation of women in middle and senior management positions	2008	43.8 ^{6/}	45	48.4	45

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December	
				2010	2009
Use of Administrative Budget Resources					
18. Administrative expenses per \$mn as a % of loan project approvals (3-year Av.)	2005 - 2007	13	14	9.8	10.7
19. Administrative expenses per \$mn as a % of loan project disbursements (3-year. Av.)	2005 - 2007	15	16	11.5	14.8
20. Administrative expenses per \$mn as a % loan projects under implementation (3-year Av.)	2005 - 2007	2	2	1.9	2.2
Business Processes and Practices					
21. Average time from loan approval to first disbursement in public sector operations (months)	2007	18	12	9.4 ^{2/}	12 ^{1/}
22. Average loan processing time (months from appraisal mission to project approval) in public sector operations.	2007	6.7	5	8.1 ^{2/}	4.5 ^{1/}

^{1/} Performance per the 2009 Annual Review of Project Portfolio Performance which assesses the 2008 portfolio

^{2/} Performance per the 2010 Annual Review of Project Portfolio Performance which assesses the 2009 portfolio

^{3/} Refers to proportion of SDF financing

^{4/} 2009 figures have been revised

^{5/} The baseline and targets for this indicator are being developed.

^{6/} Baseline values have been revised.

^{7/} Targets have been revised.

3.19 In terms of organisational effectiveness, the decline in the ratio of professional staff to support staff was a consequence of a higher level of vacancies (15) at the end of 2010 compared to 7 in 2009. There was improvement in the average time from loan approval to first disbursement in public sector operations, from 12 months to 9.4 months while the average loan processing time in public sector operations recorded deterioration in 2010 as compared with 2009 from 4.5 months to 8.1 months. The use of administrative budget resources also showed a decline as a result of a very low rate of growth in administrative expenses and an increased rate of growth in loan approvals.

Level 4: Partnership, Harmonisation and Alignment

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

RESULTS MONITORING FRAMEWORK - LEVEL 4: PARTNERSHIP, HARMONISATION AND ALIGNMENT

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December	
				2010	2009
Ownership					
1. Number of BMCs with national development strategies.	2007	15	18	15	15
2. Number of BMCs with PRSs.	2007	8	18	10	10
3. Number of BMCs with CPAs.	2007	17	18	17	17
Harmonisation					
4. Percentage of CDB country strategies with explicit consideration of other agencies' programming.	2007	100	100	100	100
5. Percentage of interventions using common arrangements or procedures.	2007	21	35	19	26
Alignment					
6. Percentage of capacity development support provided through coordinated programmes.	2005-2008	35	45	21	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	25
8. Number of joint monitoring missions.	2008	7	8	8	7

3.21 There was no change in the indicators measuring ownership in 2009-2010. However, work is ongoing to assist countries to update existing CPAs and National Poverty Reduction Strategies. In the areas of harmonisation and alignment, the Bank continues to seek opportunities for partnership and coordination with the results in 2009 and 2010 reflecting changes in programming activities from year to year. There was an increase in the Bank's participation in joint monitoring missions in 2010 over 2009.

4. FINANCIAL PERFORMANCE AND PROJECTIONS

FINANCIAL RESULTS

4.01 A summary of the SDF (U) financial results over the period 2008–2010 is presented in Table 11, with details set out in Appendices VI-1 and VI-2.

TABLE 11: SUMMARY OF FINANCIAL RESULTS, 2008–2010
(\$ mn)

Item	2008	2009	2010
Loans Outstanding (Net)	380.6	412.9	431.0
Cash and Investments	248.3	246.1	260.3
Loan Income	8.7	9.1	9.5
Investment Income	9.4	5.1	2.8
Administrative Expenses	10.7	11.1	11.6
Net Income	7.4	2.8	2.7
Yield on Av. Cash and Investments (%)	4.5	2.1	1.1

4.02 Loans outstanding at the end of December 2010 amounted to \$431 mn compared with \$412.9 mn in 2009. This represents an increase of \$18 mn or 4.4% and may be attributed to the relatively high level of disbursements during the year. The level of undisbursed loan balances was \$146 mn at the end of 2010 compared with \$135 mn in 2009.

4.03 There was an increase in the investment portfolio in 2009 to \$260.3 mn from \$246.1 mn at the end of 2010 which is mainly attributable to the cash contributions/encashments received during the year.

4.04 In 2010, the Fund recorded net income of \$2.7 mn, compared with \$2.8 mn in the previous year. While there was a marginal increase in loan income of \$0.4 mn, investment income remained depressed as unfavourable market conditions continued, declining sharply to \$2.8 mn from \$5.1 mn in 2009. The average yield on investments was 1.1% as against 2.2% in 2009. Administrative expenses at \$11.6 mn increased by \$0.5 mn.

NOTES, ENCASHMENTS AND DRAWDOWNS

4.05 A summary of notes, encashments and drawdowns is presented at Appendix VI-3. At December 31, 2010, notes receivable from Contributors totalled \$62.9 mn, an increase of \$8.0 mn compared with the notes receivable figure of \$54.9 mn recorded at the end of 2009. Promissory notes equivalent to \$64.2 mn were issued by nine Contributors during 2010 and notes totalling the equivalent of \$56.3 mn from nine Contributors were encashed. The cumulative sum received from SDF Contributors at December 31, 2010 was \$805 mn.

4.06 The current value of total approved contribution to SDF (U) at the end of 2010 was \$1,000.5 mn. Of this figure, an amount of \$111.3 mn represented contributions for which Demand notes had not yet been issued and \$20.8 mn represented pledged amounts by nine Contributors for which the Instruments of Contribution were still outstanding at December 31, 2010.

FINANCIAL PROJECTIONS

4.07 Table 12 summarises the projected financial results for the period 2011–2013, with further details presented in Appendices VI-4 to VI-6.

TABLE 12: SUMMARY OF PROJECTED FINANCIAL RESULTS, 2011–2013
(\$ mn)

Item	2011	2012	2013
Long-term Loans	475.8	522.4	549.8
Cash and Investments	212.8	215.0	217.3
Loan Income	11.4	12.5	13.4
Investment Income	2.6	3.4	6.6
Administrative Expenses	11.8	11.9	12.3
Net Income	2.2	4.0	7.7

4.08 The loan portfolio is expected to grow from \$475.8 mn in 2011 to \$549.8 mn in 2013. It is also forecasted to yield loan income of \$11.4 mn, \$12.5 mn and \$13.4 mn in 2011, 2012 and 2013, respectively.

4.09 The investment portfolio is estimated to average \$215 mn over the three-year period boosted by cash received from Contributors to SDF 7 and the transfer from OCR. The investment portfolio will also be augmented by reflows of principal repayments on earlier SDF loans that are projected at an average of \$21 mn per annum (p.a.) in the 2011–2013 period.

4.10 Investment income is expected to continue to be depressed in the 2011 to 2012 period, given the difficult global financial environment, but some improvement is forecast in 2013. Investment income for 2011, 2012 and 2013 is projected at \$2.6 mn, \$3.4 mn and \$6.6 mn, respectively while net income is predicted at \$2.2 mn, \$4.0 mn and \$7.7 mn, respectively.

4.11 The assumptions supporting these estimates are listed below:

- (a) Loan commitments are projected at \$60 mn, \$70 mn and \$45 mn for 2011, 2012 and 2013, respectively;
- (b) The average lending interest rate is estimated at 2.5% p.a.;
- (c) Over the projected period, the disbursement pattern for the combination of old and new commitments is assumed to be 4%, 10%, 27%, 16%, and 8%;
- (d) The yield from investment in liquid resources is estimated at 1% p.a., 1.55% p.a., and 3.04% p.a. for 2011, 2012 and 2013, respectively;
- (e) Administrative costs are projected to increase by 3% p.a.;
- (f) The terms and conditions of lending are based on those applicable for SDF 7; and
- (g) A transfer of resources of \$15 mn from OCR to SDF in 2012.

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/} Amount indicated as under consideration, dependent on further discussion.

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 RAS	175,000
Natural Disaster Mitigation and Rehabilitation	30,000
BMCs in Fiscal Distress	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, 2010)

(\$'000)

Item	SDF 5	SDF 6	SDF 7				Total
	2001– 2004	2005– 2008	Actual 2009	Actual 2010	Projected 2011	Projected 2012	
Commitment authority at beginning of period	16.3	41.4^{a/}	19.5	45.3	50.5	48.1	19.5
<i>Plus: Net Income</i>	4.6	15.5	2.8	2.7	2.2	4.0	11.7
<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	2.7	2.2	4.0	11.7
<i>Plus:</i>							
Repayments	59.3	61.4	14.2	16.5	21.8	20.2	72.7
Exchange rate adjustments	4.4	-	-	-	-	-	-
Commitment authority from new contributions	92.5	156.7	60.6	60.6	60.6	60.6	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	35.2	46.6	60	70	211.8
Approvals for SDF Grants (Excluding BNTF and Haiti)	13.0	30.4	6.6	10.10	12.00	17.90	46.6
Approvals for BNTF	32.0	32.0	-	-	-	46.00	46.0
Approvals for Haiti	-	25.1	10.0	17.80	15.00	3.20	46.0
Commitment authority at end of period	41.4	19.5	45.3	50.5	48.1	10.7	10.7

^{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, 2009-2010***(Classified by SDF 7 Themes)*

(\$'000)

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Strengthening Poverty Reduction and Human Development			
Loans Approved			
Belize			
Sixth Consolidated Line of Credit - to finance student loans, agriculture and industrial credit, low-income housing, microfinance and SMEs	Mar 09	1,000	10,000
Belize River Valley - to upgrade the water supply system and improve access to potable water	Dec 09	3,480	3,480
Belize SIF II - to provide access to improved social services such as quality education facilities, water and sanitation and health services	Jul 10	8,000	15,000
Fourth Road - to implement a vehicle weight control system for the Santa Elena/San Ignacio bypass road	Dec 10	181	24,719
Dominica			
Water Supply Network - TA to finance the conduct of a water supply upgrading and expansion study	Dec 09	362	362
8th Consolidated Line - to support students' loans for students from poor families	Dec 09	500	8,000
Education Enhancement Project - upgrading and equipping a number of primary and secondary schools, district education offices and the Curriculum Measurement and Evaluation Unit	May 09	4,000	4,000
Road Improvement and Maintenance Project (2nd Add. Loan) - to rehabilitate and upgrade roads in the Roseau Valley	Oct 10	1,714	3,890
Grenada			
PBL - to support macroeconomic reform programme	Oct 09	8,000	12,800
Rehabilitation and Upgrade Study St. Patrick Road Network - TA for a study to rehabilitate and expand the road network and improve access for tourism activities and agriculture	Oct 09	556	556
Schools Rehabilitation and Reconstruction - reconstruction and expansion of four schools	Oct 09	3,659	5,000
Market Access and Rural Enterprise Development project to enhance the livelihood of rural communities	Oct 10	1,970	3,000

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Guyana Community Roads Improvement Programme to rehabilitate access roads in 12 identified communities	Jul 10	12,277	16,792
Jamaica Student loan to provide students from poor and vulnerable households with loans to upgrade tertiary-level skills in professional, technical and vocational programmes	May 10	15,000	20,000
St. Lucia PBL (Add. Loan) - to assist in mitigating the effects of the crisis and provide additional time to complete the reform programme	May 10	6,000	15,000
St. Vincent and the Grenadines PBL - to support macroeconomic reform programme	May 09	9,000	25,000
South Leeward Highway - TA for a study to rehabilitate and upgrade the South Leeward Highway	May 09	564	564
Total Loans		76,263	168,163
Grants			
Anguilla CTCS Projects	Dec 09	32	32
CTCS Projects	Dec 10	15	15
Antigua And Barbuda CTCS Projects	Dec 10	8	8
Bahamas, The CTCS Projects	Dec 09	23	23
Bahamas Family Islands Sector Enhancement project - TA to develop and implement an appropriate M&E framework for the project	Mar 10	37	37
Barbados CTCS Projects	Dec 09	116	116
CTCS Projects	Dec 10	77	77
Belize Sixth Consolidated Line of Credit - institutional strengthening of the new Development Finance Corporation	Mar 09	150	150
CTCS Projects	Dec 09	26	26
CTCS Projects	Dec 10	40	40
Fourth Road (Santa Elena/San Ignacio Bypass) to fund consultancies for road safety management, capacity review and a road assessment programme	Dec 10	249	249

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
British Virgin Islands			
CTCS Projects	Dec 10	48	48
Cayman Islands			
CTCS Projects	Dec 09	22	22
Dominica			
CTCS Projects	Dec 09	15	15
CTCS Projects	Dec 10	14	14
Grenada			
Schools Rehabilitation and Reconstruction project - to support the school transformation programme	Dec 09	60	60
CTCS Projects	Dec 09	55	55
Support for the development of a Water Supply Master Plan to provide water to Carriacou and Petit Martinique	Jul 10	204	204
Market Access and Rural Enterprise Development Project to enhance the livelihood of rural communities	Oct 10	27	27
CTCS Projects	Dec 10	23	23
Guyana			
CTCS Projects	Dec 09	31	31
CTCS Projects	Dec 10	65	65
Haiti			
Introductory Mission to Haiti Regarding CDB/Caribbean Association of Industry and Commerce - Haiti Private Sector Forum	May 09	26	26
PBG - financial support to the budget which had been impacted by a series of severe external shocks	Jul 09	10,000	10,000
Assistance in the restoration of essential public sector training services through the re-establishment of a safe and secure computer laboratory and computer equipment to replace those which were damaged in the earthquake	Oct 10	817	817
Urban Community-Driven Development Project - Additional Grant to provide small-scale socio-economic infrastructure (including potable water and sanitation systems) for persons displaced as a result of earthquake	Dec 10	5,000	5,000
Education for All Project, Additional Grant to provide increased benefits from the student subsidies and school feeding sub-components of the project	Dec 10	10,000	1,000

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
CTCS Projects	Dec 10	12	12
Jamaica			
CTCS Projects	Dec 09	71	71
CTCS Projects	Dec 10	30	30
Montserrat			
CTCS Projects	Dec 09	123	123
CTCS Projects	Dec 10	40	40
St. Kitts and Nevis			
CTCS Projects	Dec 09	139	139
CTCS Projects	Dec 10	94	94
St. Lucia			
CTCS Projects	Dec 10	8	8
St. Vincent and the Grenadines			
CTCS Projects	Dec 09	79	79
CTCS Projects	Dec 10	68	68
Trinidad and Tobago			
CTCS Projects	Dec 09	17	17
CTCS Projects	Dec 10	23	23
Turks and Caicos Islands			
CTCS Projects	Dec 09	34	34
Regional			
CTCS Projects	Dec 09	253	253
Support for the Caribbean Farmers Network Inc. <i>Youth In Agriculture Regional Workshop</i> to improve the capacity of young farmers in the Caribbean to plan and implement viable agri-business ventures	March 10	20	20
CARICOM Youth Forum - Promoting Youth Participation In Decision Making	May 10	71	71
Training Programme for Development Finance Institutions and Indigenous Financial Institutions to build institutional capacity across key operational areas of loan management and administration, risk management and credit appraisal	Dec 10	100	100
Support for the Financial Sustainability of Indigenous Banks OECS to conduct an assessment to serve as a precursor to developing and executing the appropriate resolution for critical challenges facing the banking sub-sector in the ECCU	Dec 10	140	140

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
CDB and ILO Labour Market Symposium to assess the impact of the crisis on the labour market and possible responses to support employment	Dec 10	69	69
CTCS Projects	Dec 10	227	227
Total Grants		28,797	28,797
Total Inclusive Social Development and Broad-Based Economic Growth		105,060	196,960
Environmental Sustainability and Advancing the Climate Change Agenda			
Loans			
Anguilla			
Support to Meet Commitments to CCRIF	May 09	200	200
Natural Disaster Management Immediate Response Loan - Hurricane Omar	Jul 09	425	425
Antigua and Barbuda			
Support to Meet Commitments to CCRIF	May 09	300	300
Dominica			
Support to Meet Commitments to CCRIF	May 09	563	563
Grenada			
Support to Meet Commitments to CCRIF	May 09	713	713
TA St. John's River Flood Mitigation Project - to develop a programme of works to mitigate the impacts of flooding in the project area	Dec 09	415	415
St. Kitts and Nevis			
Support to Meet Commitments to CCRIF	May 09	350	350
Nevis Water Supply Enhancement Project - to finance a major upgrade of the Nevis water supply network	Mar 10	1,408	8,425
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		5,436	12,453
Grants:			
Anguilla			
Natural Disaster Management Immediate Use of Funds - to support the emergency relief efforts after Hurricane Omar	Jul 09	20	20

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Belize Disaster Management ERG Hurricane Richard	Dec 10	200	200
Grenada Proposal for Designing a Strategic Programme for Climate Resilience (SPCR) which will integrate climate risk and resilience into core development planning	Oct 10	37	37
Haiti Disaster Management Emergency Relief to support the emergency relief efforts after January 12, 2010 earthquake	Mar 10	200	200
Natural Disaster Management - IRG aimed at restoring essential government services through the re-establishment of safe and secure office spaces to replace some of those damaged in the earthquake	May 10	770	770
Support to Meet Commitments to CCRIF	Oct 10	1,000	1,000
Jamaica Disaster Management ERG to support the emergency relief efforts after Tropical Storm Nicole	Dec 10	200	200
St. Lucia Disaster Management ERG to support the emergency relief efforts after Hurricane Tomas	Dec 10	200	200
Proposal for Designing a SPCR which will integrate climate risk and resilience into core development planning	Dec 10	37	37
St. Vincent and the Grenadines Proposal for Designing a SPCR which will integrate climate risk and resilience into core development planning	Oct 10	36	36
Disaster Management ERG to support the emergency relief efforts after Hurricane Tomas	Dec 10	200	200
Regional Building Professional Capacity in CCR within the CDB (Phase 1) to integrate CCRs into CDB's procedures	May 09	41	41
Mainstreaming DRM in OECS Countries by strengthening institutional capacity for community-based DRM and enhancing disaster resilience in vulnerable, low-income communities	May 09	90	90
BCP for MSMEs (Phase 1) through the development of a BCP Toolkit tailored to the needs of MSMEs in the Region	Oct 09	149	149
Training in BCP for 36 MSMEs operators and representatives of Chambers of Commerce	Dec 09	100	100

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Energy Interventions Impact Assessment Survey 1999 – 2008 to provide information to assist in the formulation of strategies and programmes for advancing energy security and sustainability and facilitate more informed decision making on future energy interventions	May 10	29	29
Regional Agricultural Risk Management Symposium to increase the capacity of stakeholders to develop and implement agriculture risk management strategies targeting small-scale producers	Jul 10	30	30
Sustainable Energy for Competitive OECS project to provide the guiding framework for the efficient and sustainable production and use of energy in the OECS	Oct 10	1,587	1,587
Support to the Caribbean Basin Water Management Programme for a Drought Management Conference aimed at enhancing the capacities of national water utility agencies to plan for droughts and manage water supplies under these conditions	Dec 10	27	27
Support participation in the UN/ECLAC Energy Efficiency Conference aimed at promoting energy efficiency in the Caribbean	Dec 10	43	43
Training in BCP for 36 MSMEs operators, government officers and business programme officers	Dec 10	95	95
Total Grants		5,091	5,091
Total Environmental Sustainability and Advancing the Climate Change Agenda		10,527	17,544
RCI Grants			
Regional			
Development of a Matrix of the Programmes of Development Agencies in relation to SDF 7 Strategic Themes to facilitate donor coordination	Mar 09	17	17
Support for the Fifth Summit of the Americas - the involvement of regional civil society organisations in the pre-Summit meetings	Mar 09	124	124
Preparation of a Strategic Plan for Regional Development to serve as a framework for development planning and programming by CARICOM Member Countries	May 09	200	200
Feasibility Study for CARICOM Agriculture Modernisation Fund to increase investment and improve the performance of the sector	May 09	42	42
Preparation of Initial Thematic Paper – Growth and Development Strategies in the Caribbean to identify the policies and strategies needed to support the economic transformation of the Region	May 09	132	132

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Eastern Caribbean Supreme Court Halls of Justice Project to finance feasibility studies and concept designs for the construction of modern court facilities in all member countries	May 09	900	900
Support for the 28th West Indies Agricultural Economics Conference under the theme <i>Food Security, Investment Flows and Agricultural Development in the Caribbean</i>	Jul 09	47	47
Institutional Strengthening of CARICOM Development Fund to strengthen its operations, governance processes and procedures	Oct 09	149	149
Support of the Caribbean Institute in Gender and Development Training Programme to train regional participants in gender and development issues	Oct 09	15	15
Technical Conference Growth and Development Strategies in the Caribbean to identify the policies and strategies needed to support the economic transformation of the Region	Oct 09	24	24
CARICOM Agri-Business Investment Forum aimed at stimulating investment in the regional agricultural sector	Oct 09	76	76
Support for the University of the West Indies (UWI) Single Virtual University Space project to assist in financing its implementation	Oct 09	140	140
Policies and Strategies to Face the Global Downturn: The Way Forward in the Caribbean to identify interventions needed to face the financial crisis in the short run and build an enabling environment for private sector development	Dec 09	37	37
UWI Enhancement Project to strengthen its strategic management, research and innovation capacities and responsiveness to regional imperatives	Dec 09	500	500
Support to the 2009 Commonwealth Business Forum to provide new opportunities for business networking and partnerships in a variety of sectors	Dec 09	150	150
Support to Caribbean Congress of Labour to strengthen the capacity of regional labour organisations to advocate the Decent Work Agenda	Dec 09	150	150
Support for the publication and dissemination of the Caribbean Trade and Investment Report 2010 aimed at securing greater involvement and participation in the Region's development	March 10	35	35
OECS Education Sector Strategy to support the strategic development of the education sector in OECS	Oct 10	490	490
Total RCI		5,729	5,729

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Development Effectiveness and Capacity Building			
Grants			
Anguilla			
Preparation of a Sustainable Tourism Master Plan - Anguilla aimed at developing a more diversified and competitive tourism product and enhanced capacity to manage the sector	Dec 10	150	150
Antigua and Barbuda			
Consultancy – Special Advisor, Ministry of Finance and the Economy to assist in negotiating a stand-by arrangement with the IMF	Oct 09	57	57
Belize			
Preparation of a Medium-Term Development Strategy aimed at sustaining and accelerating economic growth and development	Dec 09	21	21
Assistance with the formulation of a policy and strategic framework for education to further develop the education sector	Jul 10	260	260
Youth and Community Transformation Project to prepare a comprehensive youth and community development intervention which responds to the challenges facing families, youth and other vulnerable groups in the Southside of Belize City	Jul 10	280	280
Dominica			
Institutional Strengthening of Ministry of Public Works, Energy and Ports aimed at improving its project implementation and management capacity, and realigning its organisational structure to better enable it to fulfill its current mandate	Jul 10	88	88
Guyana			
Community Roads Improvement Project to develop and implement an M&E framework and conduct road maintenance training	Jul 10	158	158
Haiti			
Increasing GOH's Capacity to Lead the Implementation of the Action Plan for National Recovery and Development	Dec 10	150	150
Jamaica			
Preparation of a National Spatial Plan to assist in charting a more sustainable development path for the country	May 09	687	687
Montserrat			
Development of a Programme Management Information System Ministry of Economic Development and Trade	Dec 09	117	117
St. Kitts and Nevis			
TA – Establishment of a Land Sales and Development Agency	Jul 09	50	50
Nevis Water Supply Project – TA to conduct a water audit and institutional strengthening of NWD	Mar 10	335	334

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
St. Lucia			
TA: Water Reform Project - to undertake a review of reform options in the water sector	Oct 09	29	29
Institutional Strengthening of the Ministry of Economic Planning and National Development to formulate a medium-term economic strategy and train staff involved in the strategic planning process	Dec 09	100	100
Review of the Framework for Public Sector Investment to improve public financial management by defining an appropriate framework for the preparation, implementation, monitoring and evaluation of PSIP	Dec 10	64	64
Regional			
Hosting the 2009 Multi-Lateral Development Banks/IFIs Heads of Procurement Meeting as part of the Bank's commitment to harmonisation and alignment	Mar 09	15	15
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	Mar 09	38	38
Development Bank and Civil Society Organisations Dialogue entitled: <i>"Strengthening Partnerships for Good Governance"</i>	Mar 09	49	49
To Conduct an Assessment of CDB's Student Loan Scheme and the Eastern Caribbean Student Loan Guarantee Fund	Mar 09	45	45
TA – Policy Dialogue on Literacy And Numeracy aimed at improving literacy and numeracy at the basic level of the school system	Mar 09	88	88
Hosting the Fifth Multilateral Development Banks/Multilateral Financial Institutions – Technical Meeting on Performance-Based Allocation System as part of the Bank's commitment to harmonisation and alignment	May 09	25	25
Hosting the 2009 IFIs' Budget Workshop as part of the Bank's commitment to harmonisation and alignment	May 09	50	50
Operationalisation of An Integrated Quality Assurance System – Phase II for CDB aimed at improving internal efficiencies and effectiveness	Jul 09	150	150
Workshop on Non-Revenue Water in an effort to improve the performance of regional water utilities	Jul 09	15	15
Workshop - Investment of Pension Fund Assets to expose participants to the practical and policy aspects of pension fund investment management	Jul 09	105	105

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
To Conduct a Review of CDB's Private Sector Strategy and Policy aimed at improving internal efficiencies and effectiveness	Oct 09	40	40
Revision of the TA Programme of CDB aimed at improving internal efficiencies and effectiveness	Oct 09	115	115
Regional Surveys – Vehicle Weight Legislation and Enforcement and Performance-Based Contracting for Road Maintenance to consider the impact on road maintenance of vehicle-weight control and performance-based contracting	Oct 09	99	99
Credit Ratings of National Development Finance Institutions (NDFIs) in CDB's BMCs to strengthen the financial management and performance of NDFIs and improve access to funding from a variety of sources	Oct 09	140	140
Capacity-Building Workshop on Factoring/Receivable Discounting to raise the awareness of small farmers of factoring/receivable discounting as a financing tool	Dec 09	30	30
Workshop on Energy Efficiency in Water and Waste water utilities in an effort to improve the performance of regional water utilities	Dec 09	24	24
Training Course on Caribbean Private-Public Partnerships to enhance capacity to implement viable and effective PPP projects	Dec 09	34	34
Vehicle-Weight Control and Performance-Based Contracting: Impact on Road Maintenance Workshop to present the results of surveys on the impact on road maintenance of vehicle-weight control and performance-based contracting	Dec 09	49	49
Road Maintenance Seminar to contribute to changing the approach to road maintenance in BMCs	Dec 09	49	49
Review of Country Classification System of SDF aimed at improving efficiency and effectiveness of the system		38	38
2010 IFIs' Heads of Administration Workshop to allow for the alignment, and harmonisation of administrative procedures and processes among IFIs	May 10	40	40
Regional Workshop - Project Management Training for Environment Professionals to mainstream environmental concerns into development programmes and projects and strengthen capacities for project design and management	May 10	64	64
Regional Workshop on Gender Differentials in Caribbean Education to facilitate the elaboration of appropriate public policy related to gender differentials in Caribbean education and inform effective interventions in the social sectors in BMCs	May 10	100	100

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Training in Protected Agriculture in China to increase the knowledge of industry stakeholders (in BMCs) in modern approaches to the cultivation of crops under protected structures	Jul 10	40	40
Regional Capacity-Building ICT Training Workshop " <i>Building Sustainable Caribbean Economies</i> " to share and advance sector knowledge for rolling out potential ICT-enabled services which may benefit from the EU-partnered proposals	Jul 10	50	50
Mid-Term Review of the Seventh Cycle of the Unified Special Development Fund (SDF 7) to assess the implementation progress of SDF 7	Oct 10	125	125
Gender Assessments of BMCs to conduct a comprehensive gender assessment of the social, economic and political sectors in ten BMCs	Oct 10	585	585
Support for the Caribbean Engineering Conference on Bridges to enhance capacity in the management of road and bridge infrastructure	Dec 10	47	47
Financing attendance at an international seminar to build capacity to develop and implement Performance-Based Road Maintenance Contracting programmes	Dec 10	127	127
Support for the hosting of the Second Conference of Caribbean Public Service Commissions to review the role of the Commissions in the management of human resources in the public services in the Region within the context of Public Sector Modernisation	Dec 10	17	17
Total Development Effectiveness and Capacity Building		4,938	4,938
Total Loan and Grant Approvals		126,254	225,171

SDF (U) PORTFOLIO ANALYSIS – 2009

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

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. During 2009, the performance rating for the projects under implementation, which had an SDF component, was generally consistent with the performance of the previous year. The percentage of the projects (97%) rated as highly satisfactory or satisfactory was marginally below that of 2008 (98%). The comparative results for 2009 and 2008 are presented in Table 1. Two projects (3%) were rated marginally unsatisfactory compared to one (2%) in 2008. One of these projects, in the social and personal services sector, has had this rating for the past six years. The other project, in the Multi-Sector category, is over eight years old and is currently flagged as “at risk”^{1/}.

3. The status of projects categorised as marginally unsatisfactory in 2009 is as follows:

- (a) **The Health Sector Reform Programme, Belize - 14/SFR-OR-BZE** is approximately nine years old with an implementation completion date of September 2005. This project has been reformulated. However, there has been no significant progress with regard to completing project implementation. Supervision of the project will continue in 2010 with a view to achieving project completion by the end of the third quarter. A final joint evaluation with IDB is scheduled for mid-2010 and a Project Completion Report should be completed by 2011.

Project Supervision Reports for this project over the last five years indicated that: (i) the effectiveness of the programme was reduced due to introduction of the National Health Insurance Scheme (NHIS) before completion of the physical upgrades; (ii) project objectives are unlikely to be met because of the Borrower’s decision not to finance NHIS from an additional payroll tax, but from social security funds; (iii) cost overruns of 20% and higher are expected because the capital cost of polyclinics were underestimated at appraisal and the protracted implementation period has had a significant negative impact on costs; (iv) rehabilitation of existing clinics is needed to a greater extent than originally expected; (v) there has been a reduction in project scope and as such only primary healthcare costs will be

^{1/} A project which exhibits more than two of the following six risk criteria is flagged as “at risk”:

- (a) weighted score for any criterion is equal to or below 0.5; and a composite performance score below 4.0;
- (b) a decline in any project performance rating score by more than 15%;
- (c) timing performance more than 15% behind target;
- (d) CDB performance unsatisfactory; and
- (e) Borrower performance unsatisfactory.

covered by the healthcare system; (vi) increased costs and decreased benefits anticipated will adversely impact the economic viability of the project; and (vii) maintenance issues and financing the operation of the healthcare system are major factors impacting the sustainability of NHIS; and

- (b) **Natural Disaster Management Rehabilitation – Landslide, St. Lucia – 24/SFR-OR-STL.** Implementation of this project is delayed seven years. Some of the issues which resulted in delays included access to the special mortgage programme, inadequate management by the Project Coordinator and an increase in the extent of works from that originally envisaged. The poverty relevance of the project declined substantially due to the inability of the poor to satisfy loan requirements of the Special Mortgage Programme and consequently, this component attracted little interest. CDB has advised the Government of St. Lucia (GOSL) that the requested reallocation cannot be considered. Analysis of this project indicates that it is not sustainable. In addition, the project has not achieved its social goals and has not been cost efficient. A meeting has been scheduled with GOSL to discuss the cancellation of undisbursed loan funds.

TABLE 1: SDF (U) PORTFOLIO – PROJECT PERFORMANCE RATING
For the Years ending December 31, 2009 and 2008

Composite Score	2009					2008 (Revised)				
	No. of Projects	% of Portfolio by No. of Projects	Value of Projects (USD'000)	% of Portfolio by Value of Projects	Overall Portfolio PPI	No. of Projects	% of Portfolio by No. of Projects	Value of Projects (USD'000)	% of Portfolio by Value of Projects	Overall Portfolio PPI
8.0–10.0	-	-	-	-	-	-	-	-	-	-
6.0–7.9	47	65	597,461	73	6.6	36	61	147,337	62	6.4
4.0–5.9	23	32	222,195	26	5.2	22	37	86,262	37	5.3
2.0–3.9	2	3	10,200	1	3.6	1	2	1,500	1	3.7
0.0–1.9	-	-	-	-	-	-	-	-	-	-
Totals	72	100.0	829,856	100.0	6.0	59	100.0	569,320	100.0	6.0

Country Portfolio Performance

4. Similar to 2008, eight countries were rated highly satisfactory and five were rated satisfactory in 2009. In 2009 and 2008, there were no countries with performance scores in the excellent, marginally unsatisfactory or unsatisfactory category. Table 2 summarises the country portfolio performance for 2009 and 2008.

TABLE 2: SDF PORTFOLIO – COUNTRY PERFORMANCE RATING
For the Years ending December 31, 2009 and 2008

Performance Rating	2009	2008
Excellent	None	None
Highly Satisfactory	Anguilla, Belize, British Virgin Islands, Dominica, Guyana, Jamaica, St. Lucia and St. Vincent and the Grenadines	Anguilla, Belize, British Virgin Islands, Dominica, Guyana, Jamaica, St. Lucia and St. Vincent and the Grenadines
Satisfactory	Antigua and Barbuda, Barbados, Grenada, St. Kitts and Nevis and Turks and Caicos	Antigua and Barbuda, Barbados, Grenada, St. Kitts and Nevis and Turks and Caicos
Marginally Unsatisfactory	None	None
Unsatisfactory	None	None

Sector Portfolio Performance

5. The distribution and average composite performance scores by sector are presented in Table 3. In 2009, the financial, multi-sector and social and personal services sectors accounted for approximately 80.5% of the portfolio compared with 76.2% in 2008. In 2009, all sectors maintained their performance rating of satisfactory or highly satisfactory.

6. As shown in Table 3, there were marginal fluctuations in PPI values for four sectors (Multi-Sector, Power, Energy and Water Sector, Social and Personal Sector and the Transport and Communications Sector). PPI scores remained unchanged for the remaining sectors. Overall, no sectors reflected any change in performance ratings.

TABLE 3: SDF PORTFOLIO – AVERAGE PERFORMANCE SCORES BY SECTOR
For the Years ending December 31, 2009 and 2008

Sector	2009			2008		
	No. of Projects	% of Portfolio	PPI	No. of Projects	% of Portfolio	PPI
Agriculture, Forestry and Fishing	4	5.6	6.4	4	6.8	6.4
Financial	13	18.0	6.2	15	25.4	6.2
Multi-sector and Other	25	34.7	6.4	7	11.8	6.2
Power, Energy and Water	2	2.8	5.5	3	5.1	5.3
Social and Personal Services	20	27.8	5.9	23	39.0	5.7
Tourism	1	1.4	5.6	1	1.7	5.6
Transport and Communications	7	9.7	6.2	6	10.2	6.1
Total	72	100.0	6.2	59	100.0	6.0
Overall Average Performance Rating	Highly Satisfactory			Highly Satisfactory		

Projects “at risk” (Flagged by PPMS)

7. PPES includes criteria relating to the scoring of project performance and changes in scores to identify projects “at risk”. This is not a performance measure, but a “red flag” to draw attention to projects experiencing difficulties. As at December 31, 2009, five projects with an SDF component were classified as “at risk” (about 6.8% of the SDF capital portfolio under implementation) compared with seven projects (11.8% of the portfolio) at the end of 2008. With regard to the SDF project portfolio, no project “at risk” rating was overruled. The overrule decision may be taken by the Projects Department to remove a project from the “at risk” category. This occurs whenever Projects Department deems the “at risk” flag unnecessary for the purpose of monitoring the project. The following summarises the status of projects “at risk”:

- (a) **Loan No. 5/SFR-OR-GUY: Community Services Enhancement Project, Guyana.** A loan of \$13.6 mn was approved in 2005. Almost 96% of the funds have been disbursed and 95% of the physical components of the project have been implemented at a satisfactory rate. CDB reporting requirements have been met however, implementation of the institutional strengthening component of the project continues to lag. The unavailability of suitably qualified and experienced staff for NDCs is given as the major constraint to strengthening the institutional capacity of NDCs as proposed in the project. The institutional strengthening component of the project is critical to realisation of project benefits by facilitating improvement in local government administration and management; and supporting revenue-generation activities in the target communities. Projections of project benefits included additional revenue generation through revaluation of properties to provide the necessary resources for maintenance of the infrastructure constructed under the project. To date, the Government of Guyana-financed consultancy to enhance community awareness, education and public participation has not been implemented due to unresolved procurement disputes

that arose during the two occasions on which the proposals were evaluated (December 2006 and September 2008). In addition, delays in local government elections negatively impacted the planned skills upgrade. This project was also flagged “at risk” in 2007 and 2008. CDB staff will continue to work with the Ministry of Finance and the Ministry of Local Government and Regional Development to influence the actions needed to make progress on institutional strengthening activities.

- (b) **Loan No. 24/SFR-OR-STL: Natural Disaster Management, Rehabilitation (Landslide), St. Lucia.** A loan of \$4.6 mn was approved in 2001 in response to the landslide event which occurred at the Black Mallet/Maynard Hill areas in 1999. Implementation of this project is delayed seven years. Some of the issues which resulted in delays included access to special mortgage programme, inadequate management by the Project Coordinator, and an increase in extent of works from that originally envisaged. The poverty relevance of the project declined substantially due to the inability of the poor to satisfy loan requirements of the Special Mortgage Programme and consequently, this component attracted little interest. CDB has advised GOSL that the requested reallocation cannot be considered. Analysis of this project indicates that it is not sustainable. In addition, the project has not achieved its social goals and has not been cost efficient. A meeting has been scheduled with GOSL to discuss the cancellation of undisbursed loan funds. Commitment fees incurred on the original and additional loans as at May 31, 2009 were approximately \$0.04 mn. This project was also flagged “at risk” in 2007 and 2008.
- (c) **Loan No. 66/SFR-DMI: Carib Territory Community Development Project, Dominica.** This project is approximately two years behind schedule. Delays of approximately one year were experienced by the Government of the Commonwealth of Dominica in meeting conditions precedent to first disbursement. Implementation was further delayed due to slow response by the Project Management Unit in making arrangements for the procurement of services for the conduct of various studies and designs which are critical to the project. While project implementation is behind schedule, considerable progress was made in 2010 with the contracting of service providers and the initiation of all project components. At the end of 2010, it was estimated that the project was 18 months behind schedule.
- (d) **Loan No. 14/SFR-OR-STK: Natural Disaster Management – Rehabilitation – Hurricane Lenny Project, St. Kitts and Nevis.** The implementation of this project is approximately eight years behind schedule. Phase 1 of the project was completed in 2005; however, implementation of Phase 2 has been very slow. The project has languished for several years due to the lack of requisite human resources. However, following a protracted procurement process for Phase 2, it is expected that the project will be completed in early 2011. Commitment fees incurred on the original and additional loans as at December 31, 2009 were approximately \$0.05 mn. This project was also flagged “at risk” in 2006 and 2007.
- (e) **Loan No. 4/SFR-OR-ANT: First Consolidated Line of Credit, Antigua and Barbuda.** This project was suspended from 2004 to 2008 for non-compliance with CDB’s loan conditions. During 2009, a time-phased action plan was formulated between the Antigua and Barbuda Development Bank (ABDB), the Executing Agency and CDB. ABDB has so far complied with the Plan and submitted a housing development project in Barbuda and for consideration by CDB. ABDB, however, has continued to experience management problems and deterioration of its financial position. Formulation of plans for the restructuring of the organisation is ongoing. Commitment fees incurred on the original and additional loans as at December 31, 2009 were approximately \$0.11 mn. This project was flagged “at risk” for seven out of the last nine years (i.e. 2001, 2002, 2003, 2004, 2006, 2007 and 2009).

APPENDIX VI

SDF FINANCIAL STATEMENTS

- VI-1: Summary Balance Sheets as at December 31, 2008–2010
- VI-2: Summary Income Statements for the years ending December 31, 2008–2010
- VI-3: Summary of Notes, Encashment and Drawdowns, 2010
- VI-4: Projected Balance Sheets as at December 31, 2011–2013
- VI-5: Projected Income Statements for the years ending December 31, 2011–2013
- VI-6: Projected Cash Flow Statements as at December 31, 2011–2013

APPENDIX VI-1

SUMMARY BALANCE SHEETS,
AS AT DECEMBER 31, 2008–2010
(\$ mn)

Item	2008	2009	2010
Assets:			
Cash and Investments	248.3	246.1	260.3
Contributions in Arrears	5.6	8.3	11.9
Non-neg. Demand Instruments	54.5	55.0	62.9
Loans Outstanding (Net)	380.6	412.9	431.0
Other Receivables	1.0	-	-
Total Assets	690.0	722.3	766.1
Liabilities:			
Contributions in Advance			
Payables	59.4	61.0	65.4
Contributions	531.6	556.6	582.1
Accumulated Net Income	35.5	38.2	41.0
TA Allocation	63.5	66.5	77.7
Total Liabilities and Funds	690.0	722.3	766.1

APPENDIX VI-2

SUMMARY INCOME STATEMENTS,
FOR THE YEARS ENDING DECEMBER 31, 2008–2010
(\$ mn)

Item	2008	2009	2010
Revenue:			
Investment Income	9.4	5.1	2.8
Loan Income	8.7	9.1	9.5
Exchange	-	-	1.9
Total Revenue	18.1	14.2	14.2
Expenses:			
Administrative Expenses	10.7	11.1	11.6
Exchange	-	0.3	-
Total Expenses	10.7	11.4	11.6
Net Income	7.4	2.8	2.7

SUMMARY OF NOTES, ENCASHMENT AND DRAWDOWNS 2010
(**'000**)

Country	Notes Receivable	Notes Issued		Curr.	Encashment		Notes Receivable	Not Yet Made	Approved but not yet Effective	Cumulative Drawdowns	Approved Contribution
	1/1/10 USD	Loc Cur.	USD		Loc Cur.	USD	31/12/10 USD	Available USD	USD		USD
Borrowing members (BMCs)											
Trinidad and Tobago	9,057			USD			9,057	3,564		22,763	35,384
Bahamas, The	8,505			(¹)		1,574	6,931	4,249		8,629	19,809
Barbados	6,015			(¹)			6,015	-		13,790	19,805
Jamaica	5,544		3,819	(¹)		1,794	7,569	5,092		20,543	33,204
Guyana	200			(¹)		200	-	5,665		16,977	22,642
Antigua and Barbuda	32			(¹)			32	-	605	1,620	2,257
Belize	967		697	(¹)		418	1,246	697		3,191	5,134
Dominica	1,001		349	(¹)			1,350	1,051		2,827	5,228
St. Kitts and Nevis	1,624		972	(¹)		799	1,797	697		2,640	5,134
St. Lucia	899		348	(¹)			1,247	697		3,190	5,134
St. Vincent and the Grenadines	1,100		697	(¹)			1,797	697		2,653	5,147
Grenada	2,712			(¹)			2,712	-		633	3,345
Montserrat	28			(¹)		28	-	-	605	1,440	2,045
BVI	169			(¹)			169	302		1,574	2,045
Turks and Caicos Islands	-			(¹)			-	-	605	1,440	2,045
Cayman Islands	-			(¹)			-	-	605	1,340	1,945
Anguilla	1,051			(¹)			1,051	454		692	2,197
Haiti	-						-		910	650	1,560
TOTAL - BMCs	38,904	-	6,882		-	4,813	40,973	23,165	3,330	106,592	174,060
Non Borrowing members (NBMCs)											
Colombia	-			(¹)			-		3,600	23,533	27,133
Mexico	-			(¹)			-	3,000	3,000	14,000	20,000
Venezuela	-			(¹)			-	1,800		20,182	21,982
Canada ^{1/}	-	17,585	17,713	Cdn\$	17,585	17,713	-	34,915		229,387	264,302
China	-			US\$			-	4,049		37,249	41,298
United Kingdom ^{2/}	7,096	17,679	34,915	Str	13,213	28,290	13,721	34,915		168,089	216,725
Germany ^{3/}	8,976	3,075	4,708	EUR	3,158	5,461	8,223	9,417		66,288	83,928
Italy ^{3/}	-			EUR			-		7,083	57,018	64,101
TOTAL - NBMCs	16,072	-	57,337		-	51,465	21,944	88,096	13,683	615,746	739,469
Non Members											
France	-			FF*	-		-			58,254	58,254
Netherlands	-			NG	-		-			24,902	24,902
Spain	-						-		3,828 ^{4/}	-	3,828
GRAND TOTAL	54,976	-	64,219		-	56,278	62,917	111,261	20,841	805,494	1,000,513

^{1/} Notes Issued in Canadian Dollars

^{2/} Notes Issued in Pounds Sterling

^{3/} Notes Issued in Euros

^{4/} Discussions are continuing

APPENDIX VI-4

PROJECTED BALANCE SHEETS
AS AT DECEMBER 31, 2011-2013
(\$ mn)

Item	2011	2012	2013
Assets:			
Cash	2.3	4.0	7.7
Securities – Prime	210.5	211.1	209.6
Long-term Loans	475.7	522.4	549.8
Other Assets	109.8	135.8	110.8
Total Assets	798.3	873.2	877.9
Liabilities:			
Current Liabilities	35.4	40.4	37.4
Contributions	719.8	785.8	785.8
Accumulated Net Income	43.1	47.1	54.8
Total Liabilities and Capital	798.3	873.2	877.9

APPENDIX VI-5

PROJECTED INCOME STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2011-2013
(\$ mn)

Item	2011	2012	2013
Revenues:			
Investment income	2.6	3.4	6.6
Loan Income	11.4	12.5	13.4
Total Revenues	14.0	15.9	20.0
Expenses:			
Administrative Expenses	11.8	11.9	12.3
Total Expenses	11.8	11.9	12.3
Net Income	2.2	4.0	7.7

PROJECTED CASH FLOW STATEMENTS
AS AT DECEMBER 31, 2011-2013
(\$ mn)

Item	2011	2012	2013
Cash	7.1	2.3	4.0
Securities – Prime	253.2	210.5	211.1
Beginning Balance	260.3	212.8	215.0
Cash (Net Operating Income)	2.2	4.0	7.7
New current Liabilities	(30.0)	5.0	(3.0)
Long-term Loans (Repayments)	22.0	20.0	21.0
Transfer from OCR	-	15.0	-
Draws on Subscriptions	25.0	25.0	25.0
Sub-total	19.2	69.0	50.7
Long-term Loan (Disbursements)	66.7	66.7	48.4
Sub-total	66.7	66.7	48.4
Ending Balance	212.8	215.0	217.3
Cash	2.3	4.0	7.7
Securities – Prime	210.5	211.1	209.6