

CARIBBEAN DEVELOPMENT BANK



SPECIAL DEVELOPMENT FUND

ANNUAL REPORT 2012

AND FINANCIAL PROJECTIONS 2013–2015

April 2013

CURRENCY EQUIVALENT

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

ABBREVIATIONS

BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
BOD	-	Board of Directors
CARICOM	-	Caribbean Community
CBOs	-	Community-Based Organisations
CCRIF	-	Caribbean Catastrophe Risk Insurance Facility
CDB	-	Caribbean Development Bank
CIDA	-	Canadian International Development Agency
CMDG	-	Caribbean-Specific Millennium Development Goals
CPAs	-	Country Poverty Assessments
CTCS	-	Caribbean Technological Consultancy Services
DFIs	-	Development Finance Institutions
DFID	-	Department for International Development
DPs	-	Development Partners
DRM	-	Disaster Risk Management
DRR	-	Disaster Risk Reduction
EE	-	Energy Efficiency
EPA	-	Economic Partnership Agreement
EU	-	European Union
GOSL	-	Government of St. Lucia
IDB	-	Inter-American Development Bank
IRLs	-	Immediate Response Loans
MDGs	-	Millennium Development Goals
MfDR	-	Managing for Development Results
MFI	-	Microfinance Institutions
MICRO	-	Micro Insurance Catastrophe Risk Organisation (Haiti) Fund
MIS	-	Management Information Systems
mn	-	million
MSMEs	-	Micro, Small and Medium Enterprises
NPRS	-	National Poverty Reduction Strategy
OCR	-	Ordinary Capital Resources
OECS	-	Organisation of Eastern Caribbean States
p.a.	-	per annum
PBLs	-	Policy-based Loans/Policy-based Lending
PCRs	-	Project Completion Reports
PPES	-	Project Performance Evaluation System
PPI	-	Project-Implementation Performance Index

ABBREVIATIONS CONT'D

PSIP	-	Public Sector Investment Programme
RAS	-	Resource Allocation Strategy
RMF	-	Results Monitoring Framework
RCI	-	Regional Cooperation and Integration
RPGs	-	Regional Public Goods
SDF (U)	-	Special Development Fund (Unified)
TA	-	Technical Assistance
TVET	-	Technical and Vocational Education and Training
WB	-	World Bank

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SUMMARY DATA SHEET: 2008–2012

Item	2008	2009	2010	2011	2012
1. Resources					
No. of Contributors at Year-End	26	26	26	26	26
Historical Value of resources pledged [\$ million (mn)]	766.4	1,014.8	1,014.8	1,014.8	1,614.8
Amount of Resources made available (\$ mn)	748.6	808.2	868.4	916.3	963.4
Accumulated Net Income (including currency adjustments)	35.5	38.3	41.0	41.8	57.2
Amount of Resources not yet made available (\$ mn)	8.6	115.6	111.3	54.0	16.1
Contributed Resources and Reserves (\$ mn)	792.7	962.1	1,020.7	1,012.2	1,036.7
Amount of Resources approved but not yet effective (\$ mn)	9.9	101.3	20.8	16.1	4.2
Size of Fund (\$ mn)	802.6	1,063.4	1,041.5	1,028.3	1,041.0
of which allocation for grant programmes - Haiti, Technical Assistance (TA) and Basic Needs Trust Fund (BNTF) (\$ mn)	217.0	251.7	286.3	320.9	324.9
Operating lending limit (\$ mn)	585.6	811.7	755.2	707.4	716.1
Loan commitments (Signed agreements less repayments) (\$ mn)	480.7	548.0	577.2	601.5	623.1
Commitments as % of operating lending limit	82.1	67.5	76.4	85.0	87.0
2. Loans and Grants					
Value of loan approvals during year (\$ mn)	88.8	35.2	46.6	75.1	64.04
No. of loans approved during year incl. TA Loans	18	13	8	19	10
Average size of Special Development Fund (Unified) [SDF (U)] Loans (\$ mn)	4.9	2.7	5.8	4.0	6.4
Cumulative loan approvals at year-end (\$ mn)	817.4	852.6	899.2	974.3	1038.3
Value of loan cancellations during year (\$ mn)	1.0	0.5	0	2.5	6.6
Cumulative loan cancellations (\$ mn)	56.8	57.3	57.3	59.8	66.7
Cumulative net loan approvals at year-end (\$ mn)	760.6	795.3	841.9	914.5	971.6
Grant approvals for the year (\$ mn)	54.2	16.6	27.9	16.8	70.6
Cumulative net grant approvals at year-end (\$ mn)	200.8	217.4	245.3	262.1	332.7
Total net cumulative approvals (\$ mn)	961.4	1012.7	1087.2	1,176.6	1,304.3
3. Resource Flows (\$ mn)					
Disbursements on loans during year	20.8	45.6	34.6	35.3	33.1
Disbursements on grants during year (including BNTF)	9.5	24.3	20.6	19.5	23.8
Debt service from borrowers	<u>24.7</u>	<u>23.3</u>	<u>26</u>	<u>28.1</u>	<u>30.4</u>
(of which repayments)	16.0	14.2	16.5	18	20.0
Net transfers during year	5.6	46.6	29.2	26.7	26.5
Cumulative net transfers	298.4	345.0	374.2	400.9	427.4
4. Financial Summary					
Administrative expenses (\$ mn)	10.6	11.1	11.6	12.3	14
Net income (\$ mn)	7.4	2.8	2.7	0.9	(0.1)
Gross Loans Outstanding (\$ mn)	380.6	412.9	431	448.5	463.5
Administrative expenses/Average loans outstanding (%)	2.8	2.8	2.7	2.8	3.1
Interest earned on average loans outstanding (%)	2.3	2.2	2.2	2.3	2.2

THE UNIFIED SPECIAL DEVELOPMENT FUND

Background

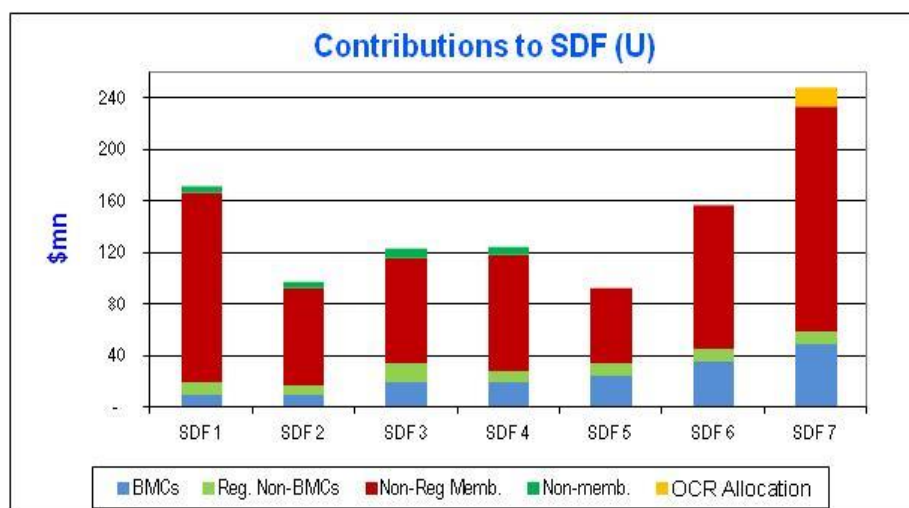
The *Special Development Fund* (SDF/the Fund) was established in 1970 and is the Bank's largest pool of "soft" funds. This facility offers loans on "softer" terms and conditions than those that are applied in the Bank's ordinary operations, i.e. longer maturities and grace periods and lower interest 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, 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 which included an Annual Meeting of Contributors was created. Non-members were also invited to participate as observers in meetings of the Bank's Board of Directors (BOD) and Board of Governors.

SDF (U) 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 seventh cycle of the Fund ended on December 31, 2012. Negotiations for its replenishment for an eighth cycle to cover the period January 1, 2013 to December 31, 2016 were conducted during 2012.

Funding

Over the seven cycles of SDF (U), contributions or pledges of \$1,015 mn have been made to the operations of the Fund. Of this figure, borrowing members have contributed \$171 mn (16.5%), non-borrowing members \$806 mn (79%), non-members \$23 mn (2%); and an allocation of \$15 mn (1.5%) was made in the SDF 7 cycle from the net income of the Ordinary Capital Resources (OCR). Contributions to SDF 7 amounted to \$248.4 mn, inclusive of the OCR allocation of \$15 mn (6%), with borrowing members pledging \$49.5 mn or 20% of the contributions and non-borrowing members contributing \$183.9 mn or 74%. Contributions to each cycle by category of membership are shown in the chart below with details presented in Appendix I.



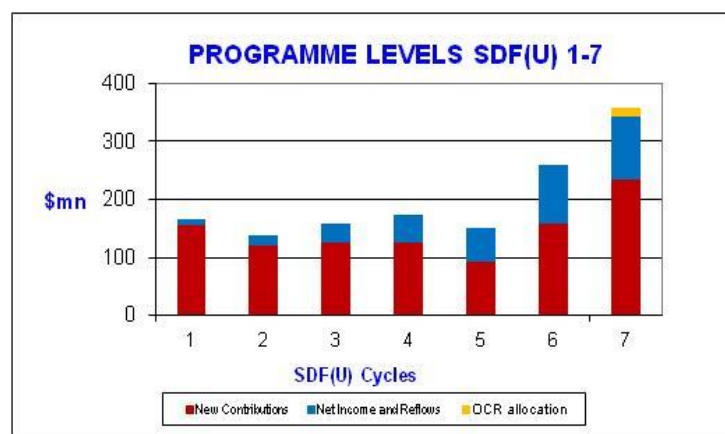
Themes and Priorities

During each SDF cycle's negotiations, Contributors and the Bank agree on the priorities and issues to be addressed. Over the years, there has been increasing emphasis on poverty reduction 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, reflows from loan repayments and, effective SDF 7, an allocation from the OCR Net Income. The programme levels over the seven cycles of the Fund are shown in the chart below. For SDF 7, Contributors approved an overall programme level of \$390.6 mn (details are provided in Appendix II), however this was adjusted to \$356 mn (see Table 7) due to lower than anticipated contributions and internally generated resources.



Eligibility of Countries

The Bank's Borrowing Member Countries (BMCs) are assigned to one of four country groups¹ based on their relative per-capita incomes. The country groups help to determine the terms and conditions for SDF lending (refer to Appendix II). While all BMCs are eligible for SDF resources, countries in Group 1 are not entitled to a country allocation. Instead, these countries may be the beneficiaries of regional projects and support for regional public goods (RPGs). 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; TA to promote good governance; and other assistance in the event of a natural disaster.

Allocation of Resources

A Resource Allocation Strategy (RAS) 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.

¹ Country groups will be reduced to three with effect from SDF 8

SDF 7 OPERATIONAL STRATEGY

The Operational Strategy for SDF 7 targets selected strategic themes within the framework of the Millennium Development Goals (MDGs); the Caribbean-specific Millennium Development Goals (CMDG) targets; and the Bank's proposed Strategic Plan for 2010-2014. The objectives and priorities for SDF 7 were 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 regional cooperation and integration

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

Enhancing development effectiveness

- Further development of the Bank's 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. INTRODUCTION

1.01 This Report presents the performance of the SDF (U) for the period January 2009 to December 2012, with an emphasis on operations during 2012 - the final year of the SDF 7. It is organised into four main sections, with Section 2 covering the operational performance of the Fund and the thematic and programme highlights of SDF 7; and Section 3 dealing with financial resources, programme levels and the allocation of resources. Section 4 presents a report on SDF results, in accordance with the RMF for SDF 7, while Section 5 summarises the financial performance for 2009-2012 with projections for 2013-2015. There are a number of appendices providing additional information, including amounts contributed to SDF over the seven cycles; an analysis on the SDF portfolio; the classification of commitments made during SDF 7 by strategic theme; and the actual/projected financial statements for the years 2009 to 2015.

1.02 The resources of the SDF 7 cycle provided much needed support to many of the BMCs which were adversely impacted by the global economic depression that started in 2008, just prior to the beginning of the cycle. SDF funded loans and grants assisted in maintaining social programmes addressing the needs of the most vulnerable in their societies and in implementing reforms aimed at correcting structural and institutional deficiencies. During the SDF 7 cycle, several natural disaster events - seven hurricanes or tropical storms, droughts and a massive earthquake in Haiti in 2010 - impacted the Region, causing significant losses and extensive damage. With SDF resources, the Bank was able to provide emergency relief grants to assess the extent of the damage; immediate response loans to assist in the post-disaster clean-up efforts; and reconstruction and rehabilitation loans to restore critical infrastructure. SDF 7 TA grants also contributed to building human capital, promoting environmental sustainability and RCI.

2. OPERATIONAL PERFORMANCE

2.01 Section 2 of the report presents the operational performance of the Fund in 2012, and for the cycle as a whole, and includes commitments, 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 Network (CTCS) and Haiti. A summary of the analysis of the SDF portfolio is also presented.

COMMITMENTS

2.02 The annual loan and grant commitments for SDF 7 are presented in Table 1. Loan and grant approvals in 2012 amounted to \$134.6 mn. This brings total commitments for the cycle to \$352.8 mn, and represents the commitment of 99% of the resources for SDF 7. The performance in 2012 was 38% of total SDF 7 commitments, compared with 26% (\$91.9 mn) in 2011 and reflects the stepped up efforts made to fully utilise allocated resources and set-aside funds before the end of the cycle. The annual average commitments for SDF 7 amounted to \$88.2 mn.

2.03 Loan approvals in 2012 totalled \$64.0 mn, bringing total loan commitments for SDF 7 to \$220.9 mn. This performance compares with \$75.1 mn in 2011 and an annual average of \$55.2 mn for SDF 7. There were ten loans approved in 2012 comprising two projects to assist with rehabilitation and reconstruction resulting from natural hazard events; funding for three BMCs to improve road safety and upgrade the road transport network; and support for youth and community transformation in an inner city. Loans were also provided to assist with the enhancement of water supply systems in two BMCs and to support improvement of the education sector and the building of human capital in another two BMCs.

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

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

2.04 Grant commitments were \$70.6 mn in 2012, bringing total grant approvals for SDF 7 to \$131.9 mn. This compares with \$16.8 mn and \$27.9 mn in 2011 and 2010, respectively and an annual average of \$33 mn. Grant approvals in 2012 included the commitment of BNTF 7 resources (\$46 mn) and the set asides for gender equality (\$2.3 mn), project management training (\$4 mn) and development effectiveness (\$4 mn). Additionally, grant support was provided for the programme in Haiti (\$7.7 mn); institutional strengthening, capacity-building and CTCS (\$3.8 mn); and interventions relating to RCI, environment and climate change (\$2.4 mn).

DISBURSEMENTS

2.05 The annual loan and grant disbursements for SDF 7 are presented in Table 2. Total disbursements in 2012 were \$56.9 mn compared with \$54.8 mn in 2011 and an annual average of \$59.2 mn. Total disbursements for SDF 7 period amounted to \$236.8 mn.

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

Item	SDF 7					Annual Average
	2009	2010	2011	2012	Total	
Loan Disbursements						
Investment Loans	28.1	19.6	35.3	33.1	116.1	29.0
PBLs	17.5	15.0	0.0	0.0	32.5	8.1
Total Loan Disbursements	45.6	34.6	35.3	33.1	148.6	37.1
Grant Disbursements						
TA	6.2	5.4	6.0	5.9	23.5	5.9
Haiti	14.1	6.3	7.9	9.6	37.9	9.5
BNTF	4.0	8.9	5.6	8.3	26.8	6.7
Total Grant Disbursements	24.3	20.6	19.5	23.8	88.2	22.1
Total Disbursements	69.9	55.2	54.8	56.9	236.8	59.2

2.06 Loan disbursements in 2012 amounted to \$33.1 mn compared with \$35.3 mn in 2011 and an annual average of \$37.1 mn for the programme period. For the second successive year, all of the loan disbursements in 2012, were attributed to investment loans, compared with 2010 and 2009 in which disbursements for policy-based loans (PBLs) amounted to \$15 mn (43.4%) and \$17.5 mn (38.4%), respectively.

2.07 Meanwhile, grant disbursements in 2012 were \$23.8 mn, compared with \$19.5 mn in 2011. This brought total grant disbursements for SDF 7 to \$88.2 mn, with an annual average of \$22.1 mn. Disbursements for the Haiti programme accounted for 40.3% of the total, with BNTF and grant TA accounting for 34.9% and 24.8%, respectively.

2.08 The disbursement performance for the Haiti programme reflects an accelerated pace of implementation, with \$9.6 mn being disbursed in 2012 compared with \$7.9 mn in the previous year. Additionally, the implementation of the BNTF programme also accelerated in 2012, with BNTF disbursements reaching \$8.3 mn compared with \$5.6 mn in 2011.

2.09 TA disbursements, at \$5.9 mn, were at the same level of that recorded in the previous year and comprised, mainly support for micro and small enterprises through CTCS; and regional projects such as the Organisation of Eastern Caribbean States (OECS) Education Strategy, country poverty assessments (CPAs), strengthening of the OECS statistical offices and rescue and digitising of regional metrological data.

SDF 7 THEMATIC AND PROGRAMME HIGHLIGHTS

2.10 Table 3 - *Total Commitments by SDF 7 Strategic Operational Theme* - classifies SDF 7 interventions under the four strategic themes: (a) strengthening poverty reduction and human development; (b) supporting environmental sustainability and advancing the climate change agenda; (c) supporting RCI; and (d) enhancing development effectiveness. Details of these themes can be found in the Box entitled “*SDF 7 Operational Strategy*”. Details of projects by country and theme are shown in Appendix III. It should be noted that even though an intervention is classified under one theme, its impact may cut across several themes.

TABLE 3: TOTAL COMMITMENTS BY SDF 7 STRATEGIC OPERATIONAL THEME

Item	Loans	Grants	Total	% of total	SDF 7 Projections
Poverty Reduction and Human Development	192.0	93.0	285.0	80.8%	73.5%
Environmental Sustainability and Climate Change	28.9	12.2	41.1	11.7%	18.2%
RCI	-	8.5	8.5	2.4%	3.3%
Development Effectiveness	-	18.2	18.2	5.1%	5.0%
Total	220.9	131.9	352.8	100%	100%

2.11 The strategic theme of poverty reduction and human development was the dominant area of focus in SDF 7, accounting for 80.8% of approvals (\$285.0 mn) compared with the projection of 73.5% of approvals. An estimated 11.7% of total approvals (\$41.1 mn) went to the theme of environmental sustainability and advancing the climate change agenda compared to a projection of 18.2%. Meanwhile, RCI received 2.4% of total approvals (\$8.5 mn) and development effectiveness received 5.1% (\$18.3 mn)

compared with estimates of 3.3% and 5.0%, respectively. The interventions under the strategic themes are discussed further in the following sections.

Strengthening Poverty Reduction and Human Development

2.12 The *Strengthening Poverty Reduction and Human Development* theme focuses on enhancements to social and economic infrastructure, improved access to education and training, strengthening of agriculture and rural development, support for the private sector and enhanced social protection for the poor and vulnerable. In 2012, the Bank's contribution to poverty reduction and human development in BMCs, increased with approvals of \$110.6 mn (82%) compared with \$73.1 mn (84%) in 2011. Loan and grant approvals of \$58.0 mn and \$52.6 mn, respectively were expected to provide the following outcomes/outputs:

- (a) increased efficiency and safety of road transportation through:
 - i. the upgrading of 30.7 kilometres (km) of roadway, replacement of two bridges and implementation of road safety awareness campaigns in schools along the West Coast Demerara Road in Guyana (\$25 mn of \$34.2 mn and a capacity-building grant of \$0.2 mn), which are expected to directly benefit 100,000 persons and 1,625 students; and
 - ii. the improvement of 11.4 km of the South Leeward Highway in St. Vincent (\$7.1 mn of a total loan of \$13.6 mn and a capacity-building grant of \$0.05 mn), a major roadway which serves the container port, industrial area and the majority of the island's tourism sites and attractions, and expected to directly benefit 30,320 persons;
- (b) restoration and reconstruction of critical infrastructure, which had been damaged or destroyed as a result of Hurricane Tomas in St. Lucia (\$6.9 mn additional loan);
- (c) the reduction in deaths and serious injuries associated with road traffic accidents in Belize, at a cost of \$1.9 mn, through a TA loan aimed at improving the safety of road infrastructure and changing road user behaviour;
- (d) reduced vulnerability of an estimated 4,000 children and youth to crime and gang membership in the Belize City (\$5.2 mn loan and a capacity-building grant of \$0.1 mn) through improved citizen and community security, construction of community infrastructure and the provision of services to enhance literacy and adaptive life skills and support conflict mediation;
- (e) increased opportunities for educational enhancement and access to tertiary education for 5,000 students from low-income and vulnerable households in Jamaica, with a loan of \$10 mn for a Student Loan Scheme and an institutional building grant of \$0.18 mn;
- (f) enhanced learning outcomes across all levels in Belize through a \$2 mn TA loan to fund the development of a comprehensive education sector reform programme and a capacity-building grant of \$0.09 mn;
- (g) increased employability of an estimated 3,700 young people in Haiti and enhanced prospects for labour market participation and economic wellbeing through additional funding of \$4 mn for a Technical and Vocational Education and Training (TVET) programme;

- (h) improved access to quality education, water and sanitation, transportation, and human resource development services for poor and vulnerable communities in participating BNTF member countries (Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands), in the amount of \$46 mn (This is discussed further below);
- (i) improved performance of micro, small and medium enterprises (MSMEs) through participation in CTCS training interventions, in general, management and business development and a variety of technical disciplines. CTCS programmes in 2012 benefitted 1,339 persons from 16 BMCs namely, Antigua and Barbuda, The Bahamas, Barbados, Belize, British Virgin Islands, Cayman 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 \$1.2 mn. Additional details of activities are presented in the CTCS section; and
- (j) strengthened capacity in the education, transportation and agriculture sectors through support for participation in regional conferences on (i) early childhood development; and TVET and human capacity development; (ii) the design of safer roads; and (iii) protected agriculture systems.

Supporting Environmental Sustainability and Advancing the Climate Change Agenda

2.13 In 2012, the Bank approved a total of \$11.1 mn, or 8.3% of total commitments, for interventions supporting environmental sustainability, disaster mitigation and climate change. Total commitments in this area amounted to \$41.1 mn, or 11.7% of overall commitments. Loan and grant approvals amounted to \$6.0 mn and \$5.1 mn, respectively. Expected outcomes of the approved projects include a reduction in risks associated with landslide and flood hazards in the Roseau Valley in Dominica through funding of \$3.1 mn and a capacity-building grant of \$0.15 mn; and improved water supply and sanitation facilities for approximately 25,500 consumers in the capital city of Roseau through a loan of \$2.2 mn out of total funding of \$6.1 mn.

2.14 In 2012, the Bank also contributed to the future improvement of water and sanitation services in two BMCs through financing of plans for the expansion of water and sewerage facilities on Ambergris Caye, Belize (TA loan of \$0.7 mn); and for re-development of the water supply system in Vieux Fort, St. Lucia (grant of \$0.15 mn).

2.15 Other expected outcomes included the restoration of essential services in the aftermath of Hurricane Irene in The Bahamas and Tropical Storm Ophelia in Dominica through immediate response grants of \$0.2 mn each to assist with cleaning up and clearing debris after adverse weather systems. In addition, Haiti benefitted from protection from losses as a result of natural disasters through support of \$2.6 mn to meet its annual premium payment to the Caribbean Catastrophe Risk Insurance Facility (CCRIF) prior to the 2012 hurricane season, and through a contribution of \$1 mn to the Micro Insurance Catastrophe Risk Organisation (Haiti) Fund (MICRO) and for microfinance institutions and microcredit borrowers.

2.16 A number of senior technical officials from the OECS member states were exposed to the global carbon financing architecture that can be tapped for financing climate change adaptation, mitigation and low carbon development initiatives. Also, capacities in the governance of land use planning and environmental management in Anguilla and Dominica, are expected to be strengthened.

2.17 In the area of disaster risk reduction (DRR), the Turks and Caicos Islands will benefit from the improved drainage solutions through the funding of a study on the management of the storm-water flood risk; while institutional capacity of the OECS Member Countries and its Secretariat will be strengthened in community-based disaster risk management (DRM) through a workshop held to disseminate tools and lessons learned from a CDB/Inter-American Development Bank (IDB) project to mainstream DRM in the OECS.

Supporting RCI

2.18 Support for RCI has been a mandate of CDB since its inception. The Bank has supported regional programmes for capacity development and institutional strengthening, and regional and sub-regional approaches to national programmes to improve policy development and implementation. It has also been a regional partner in policy and programme development and in the delivery of regional programmes financed by other agencies.

2.19 In 2012, grants of \$1.2 mn were approved, bringing total SDF 7 approvals to \$7 mn. The grants were aimed at identifying policies and initiatives to induce sustainable economic growth; strengthen BMC capacity to manage for results; and promote the use of building standards in the construction sector. Specifically, the interventions were expected to:

- (a) promote economic transformation of regional economies through support for the Caribbean Growth Forum, an initiative of CDB, IDB and World Bank (WB), in collaboration with the Department for International Development of the United Kingdom (DFID) and the Canadian International Development Agency (CIDA) which aims to disseminate ideas among the key players across the Region about Caribbean's potential for growth;
- (b) strengthen the capacity of five BMCs, Anguilla, Barbados, Grenada, Montserrat and St. Lucia, and the OECS Secretariat to monitor progress and report on the CMDGs and other key thematic and cross-thematic development indicators and targets at the national and sub-regional levels through the implementation of the DevInfo data dissemination application; and
- (c) facilitate the safer and more efficient design and construction of buildings through the production and promotion of updated and comprehensive Caribbean Building Standards.

2.20 RCI interventions continue to be undertaken in partnership with other development partners (DPs), such as the administration of the DFID Caribbean Aid for Trade and Regional Integration Fund; the European Union (EU) Economic Partnership Agreement (EPA) and CARICOM Single Market and Economy Standby Facilities which aim to assist the Caribbean Forum countries to improve competitiveness, take advantage of the EPA and promote regional integration.

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

Development Effectiveness and Capacity Development

2.22 Commitments relating to development effectiveness and capacity building in 2012 amounted to \$11.3 mn, compared with \$1.9 mn in 2011 and bringing total approvals for SDF 7 to \$18.2 mn. This includes the amount of \$11.3 mn which has been set aside to (a) continue mainstreaming of gender equality; (b) implement the Bank's MfDR Action Plan; and (c) finance a Project Management Training Programme for BMCs.

2.23 The expected outcomes of other interventions included strengthened capacity in project preparation, appraisal and management in Grenada and improved data on economic and social conditions to aid the decision-making process in the Turks and Caicos Islands through support for the census and country poverty assessment.

2.24 Other expected outcomes of this theme include the enhanced organisational effectiveness of CDB through the revision of its Operations Policies and Procedures Manual, the review and assessment of the internal audit function, the re-launch of its governance and institutional development strategy and gender capacity training for its staff.

HAITI

2.25 The Bank continued to implement its programme in Haiti in collaboration with its other DPs, including the WB and IDB. In 2012, commitments were made for the remaining SDF 7 allocation of \$7.7 mn, bringing total approvals to \$46 mn. These interventions were focussed on improving access to education and training, the mitigation of losses from natural disasters and capacity building for MSMEs.

2.26 Additional resources (\$4.0 mn) were provided, in conjunction with IDB, to expand the scope of the existing Government's Vocational Training Programme to rapidly increase the capacity for skills training in Haiti in the aftermath of the 2010 earthquake which caused widespread loss of life and destruction of infrastructure. The expected outcome of the project is greater employability of an estimated 3,700 young people and improved prospects for labour market-participation and economic wellbeing. The project proposes to reconstruct three TVET schools, including the building or upgrading of 45 classrooms/workshops, and to strengthen the institutional frameworks for TVET teacher-training system and the establishment of TVET centres throughout the country.

2.27 Continued assistance was provided for protection from losses as a result of natural disasters through support of \$2.6 mn to meet the annual premium payment to the CCRIF prior to the 2012 hurricane season.

2.28 Resources (\$1 mn) were also provided for a contribution to the MICRO, initially capitalised at \$2.34 mn by DFID, which administers a parametric insurance scheme for mitigating the significant capital losses incurred by microfinance institutions and microcredit borrowers as a result of natural disasters. This intervention is expected to contribute to a more sustainable microfinance sector in Haiti.

2.29 CTCS also facilitated training attachments in hospitality services whereby nine persons from five leading Haitian hotels were trained in Barbados at two hotels and the Barbados Tourism Association. CTCS also collaborated with the Haitian Financial Development Society to conduct two national workshops for 40 Haitian MSMEs in financial management techniques and enhancing customer service delivery. Both workshops were facilitated by two Haitian nationals who had been trained under CTCS' regional *Train the Trainer* workshops.

2.30 The Bank has committed a total of \$73.0 mn from SDF 6 and SDF 7 for three capital and three additional grants; seven TA interventions; two emergency relief/response grants, one policy-based grant and one contribution to MICRO. By the end of 2012, a total of \$38.5 mn of the \$73.0 mn committed had been disbursed.

BNTF

2.31 The BNTF is the Bank's flagship targeted poverty reduction programme which directly addresses the needs of the poor and vulnerable in both rural and urban communities. The programme provides grant resources to improve access to basic infrastructure and services. It also seeks to increase the potential of persons in these communities for economic activity through skills training. There have been six replenishments of BNTF with the BNTF Sixth Cycle currently under implementation.

2.32 The pace of implementation of BNTF 6 increased in 2012 with \$22.4 mn or 88.5% of the country allocation being committed by the end of the year, compared with \$14.8 mn (58%) at the end of 2011. Commitments for regional coordination amounted to \$2.5 mn compared with \$1.6 mn in 2011.

2.33 The BNTF 6 allocations, approvals and disbursements by country for 2009 - 2012 are presented in Table 4. The approval of sub-projects is well advanced. In excess of 90% of the allocation for five countries was committed by the end of 2012 while Dominica and St. Lucia exceeded 80% of their allocation. Grenada, Montserrat and St. Kitts and Nevis lagged behind at 78%, 46% and 54% of their allocations, respectively. Governance of the BNTF portfolio in these countries was affected by staffing constraints, which slowed down programme implementation. Also, in the case of Grenada, the financing of counterpart contributions was impacted by fiscal challenges.

TABLE 4: BNTF 6 ALLOCATIONS, APPROVALS AND DISBURSEMENTS 2009 - 2012

	Original Allocation	Approvals 2009-2012	Allocation Approved	Disbursements 2009-2012	*Rate of Disbursement
Item	\$'000	\$'000	%	\$'000	%
<i>Countries</i>					
Belize	3,005	2,859	95.1	1,814	63.4
Dominica	2,283	1,880	82.3	270	14.4
Grenada	1,770	1,383	78.1	888	64.2
Guyana	6,710	6,467	96.4	2,004	31.0
Jamaica	4,778	4,626	96.8	2,933	63.4
Montserrat	1,086	497	45.8	5	1.0
St. Kitts and Nevis	864	468	54.2	23	4.9
St. Lucia	2,732	2,267	83.0	971	42.8
St. Vincent and the Grenadines	1,780	1,641	92.2	739	45.0
Turks and Caicos Islands	317	317	100.0	205	64.7
Sub-total	25,325	22,405	88.5	9,852	44.0
Regional Coordination ^{1/}	6,675	2,547		1,825	72.0
Total	32,000	24,952		11,677	46.8

^{1/} Regional Coordination includes programme support, coordination and administration

* % of approved amounts disbursed

2.34 There was also a step up in disbursements for BNTF 6 sub-projects in 2012 with approximately \$11.7 mn being disbursed by the end of the year, compared with \$4.8 mn at the end of the previous year. This included \$1.8 mn for programme support, coordination and administration. Full commitment of BNTF 6 country allocations is anticipated by December 2013.

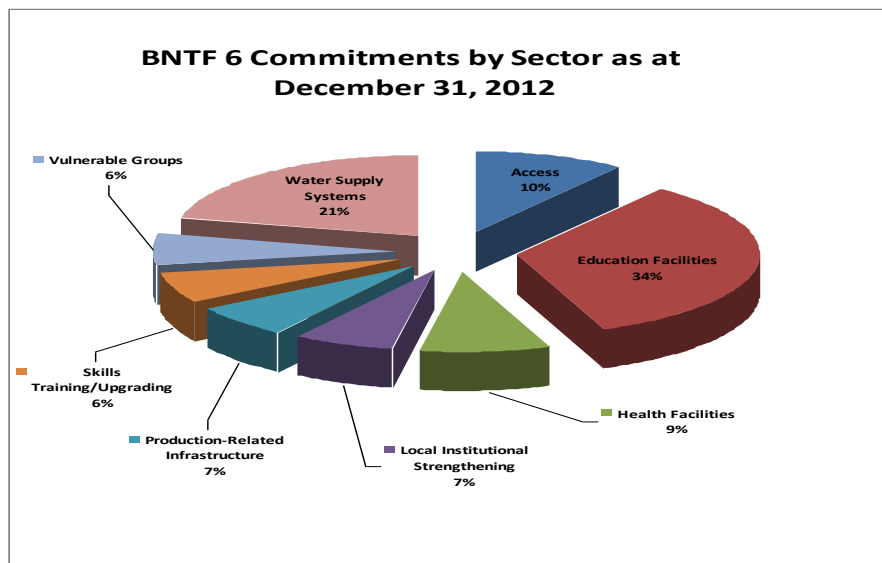
2.35 In 2012, 87 sub-projects of approximately \$7.6 mn were approved, bringing the total value of sub-projects approved under BNTF 6 to \$20.6 mn. An amount of \$0.9 mn was provided from the

regional coordination component for TA grants and for capacity-building activities and working with other development partners in the programme. Approximately 82,000 persons in poor communities are expected to benefit from sub-project interventions approved in 2012.

2.36 Noteworthy examples of grants financed included ten sub-projects in the education sector in Jamaica which created better learning conditions for some 3,094 students from poor households. In addition to improving physical conditions, the sub-projects brought the schools in line with the modern Regional standards for early childhood development including the improvements to access for physically challenged students.

2.37 In the area of human resource development, four sub-projects dealing with issues such as parenting skills; rights of the child; sensitisation and fund-raising techniques for Parent-Teachers' Association members; sustainability and financing for project maintenance committees; and organisational development and business plan development for community groups were completed. Skills training formed a critical component of the holistic approach to sub-project development under the BNTF. Some 190 persons (including 131 women) were trained and certified in the six areas.

2.38 The chart below shows the commitments during the period 2009-2012 of BNTF 6 sub-projects by sector. The costs of coordinating the programme and providing technical services to country offices to implement their sub-projects are not included.



2.39 BNTF 6 commitments, to date, are expected to contribute to the following outcomes in poor and vulnerable communities:

- (a) improved access to, and quality of, education and training, (40%), benefitting 21,881 persons through skills training and the upgrade of nursery and primary schools and day care centres;
- (b) improved access to potable water and sanitation (21%) through the installation or upgrade of water supply and sanitation systems and water management training in hinterland and remote communities - benefitting 29,931 persons;

- (c) enhanced community social and economic infrastructure (25%), benefitting 90,567 persons through the construction or upgrade of health care facilities and production-related infrastructure, such as markets, and the improvement of secondary roads and footpaths to reduce risk to flooding and increase access to emergency services, farms and livelihood activities;
- (d) improved access to basic infrastructure and services by 575 vulnerable persons, such as the aged and persons with disabilities, through specific interventions targeting those groups (6%); and
- (e) strengthened capacity of community-based organisations (CBOs) to apply participatory approaches in decision-making, planning and monitoring of sub-projects through institutional strengthening initiatives (7%).

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

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

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

The BNTF 6 programme, approved by the BOD in July 2008, is currently being implemented and provides funding to implement subprojects 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 CBOs in the application of participatory approaches for planning and monitoring of subprojects and decision-making. There is a regional component to provide programme support, coordination and administration. During subproject preparation and appraisal, consideration is given to thematic areas such as gender and environmental assessment and the integration of disaster mitigation measures into infrastructure subprojects.

BNTF 7 was approved in October 2012 for \$51.7 mn (including counterpart contributions). It builds on lessons learned from previous cycles and focuses on three core sectors: education and human resource development; water and sanitation; and community access and drainage systems.

BNTF Cycle	OSF (\$mn)	SDF(U) (\$mn)	Total (\$mn)
1	18	0	18
2	18	12	30
3	0	18	18
4	2	18	20
5	0	32	32
6	0	32	32
7	0	46	46

(10)

2.40 Implementation of BNTF 5 was substantially completed in 2012. The Completion Report for BNTF 5 and the Mid-Term Evaluation of BNTF 6 were considered by Contributors during the SDF 8 negotiations. These reports provided a number of recommendations aimed at improving the efficiency and effectiveness of the programme. A separate report will be provided on the status of the implementation of the recommendations.

2.41 The BNTF 7 programme, was approved by the BOD in October 2012. It builds on the lessons of earlier cycles and the recommendations of the BNTF 6 Mid-Term Evaluation and proposes to focus primarily on three sectors rather than nine. The three priority areas for BNTF 7 are education and human resource development, water and sanitation systems, and community access and drainage systems.

2.42 Sub-project interventions during BNTF 6 have been consistent with individual country poverty strategies or action plans and the Bank's experience and comparative advantage. Interventions will also reflect the special character of the BNTF in relation to community engagement and transformation and sustainable livelihoods. Projects in youth and microenterprise development will be piloted to strengthen access to markets and credit and address factors which might have inhibited full gender participation in project activities. Some BNTF trainees have been able to access internships, and in some rural areas, improving the quality of education services, such as Teacher training and materials, was integrated as part of infrastructure projects to enhance pre-schools.

Improving BNTF Programme Effectiveness

2.43 In 2012, the programme delivered a series of workshops and meetings to continue the sensitisation of its various stakeholder groups and/or to reinforce various aspects of the BNTF Programme. One such activity was the convening of "The Regional Conference on Early Childhood Development in the Caribbean", which was held in St. Kitts and Nevis. The conference deliberated on policies, strategies and actions for optimising early childhood development, with a focus on establishing systems, improving programming and accelerating the pace of children's readiness for school. Outputs included a framework for national mechanisms for early childhood development; national and regional action plans to be implemented in collaboration with CDB/BNTF that would close gaps and increase effectiveness in the early childhood development sub-sector; and a draft policy paper which was considered by the Caribbean Community (CARICOM) Ministers with responsibility for early childhood development at a special meeting of the Council for Human and Social Development-Children convened in May 2012 in Jamaica.

2.44 Following a request by the Government of Montserrat, the BNTF funded training in "Participatory Community Development Methods" to strengthen the capacity of officers in the Departments of Community and Social Services, the BNTF Office and partner organisations, including community-based and non-governmental organisations. The outcomes of the TA were increased participation of communities in the formulation of development projects, including BNTF subprojects; and improved effectiveness and sustainability of development interventions through strengthening community cohesion and ownership.

2.45 A key recommendation of the 2008 BNTF 5 Mid-Term Evaluation report was the improvement of the management information system (MIS) capability to augment the credibility of the Programme and the efficiency of programme management. During the year, work continued to further the implementation of the system. The MIS is expected to assist external BNTF Country offices and CDB's BNTF staff with the identification, tracking, supervision, reporting, fund management, impact assessment and evaluation of projects under the programme. Further, the Monitoring and Evaluation module will facilitate reporting on the assessment and effectiveness of the BNTF programme, monthly subproject reporting, annual work plan and budgets and annual performance reporting.

2.46 In October 2012, BNTF Offices, country partners and CDB came together to review planning and coordination modalities to improve efficiency in programme execution. New project cycle management phases are to be introduced with BNTF 7.

2.47 Within CDB/BNTF, there is a commitment to analyse and address the gender equality dimensions of economic and social issues in all policies, loans, projects and external and internal operations. In recognition of the structural changes that are needed to achieve quality gender outcomes, the Programme has initiated partnerships with departments and agencies which have a mandate for gender equality. As a follow up to the 2011 MfDR training for BNTF Offices in the participating countries, a TA initiative on “*The Development of Gender Equality Indicators within the Results-based Management Framework of the Caribbean Development Bank’s Basic Needs Trust Fund*” was completed. This exercise is expected to enhance the skills of participants in baseline data collection, benchmarking, reporting and accountability. Also, there was continued collaboration with the Inter-American Institute for Cooperation on Agriculture on networking among rural women, specifically on business management training and preparation of the Article of Association for the Caribbean Network of Rural Women Producers.

CTCS

2.48 CTCS is one of CDB’s primary initiatives to support the development and expansion of the Region’s MSME sector. It strengthens the capacity of micro and small entrepreneurs by linking them with persons with business and technical experience.

2.49 During 2012, a number of changes were implemented to make the programme more effective. These included conducting more national workshops using local resource personnel and standardised training formats, protocols and delivery mechanisms. The one-person attachments have been replaced by group training attachments and on-line training will be provided to previous CTCS clients who require additional follow-up assistance. Direct one-on-one TAs will be continued; but will be subject to a more rigorous pre-assessment and, therefore be more highly focussed; and there will be an increase in the development and dissemination of CTCS technical publications addressing technical, managerial and operational issues.

2.50 The new CTCS *modus operandi* has resulted in an increase of activity in 2012 with \$1.2 mn being approved for TA interventions, compared with \$0.5 mn in 2011. Table 5 presents a distribution of CTCS activities over the period 2009-2012 and shows that the programme executed 49 TA activities in 2012 compared with 38 in 2011. The programme reflects the increased use of workshops, which can target a larger number of participants in a single intervention, with 39 national/regional workshops being held in 2012 compared with 14 in 2011.

TABLE 5: CTCS PROGRAMME ACTIVITIES 2009-2012

Activities	2009	2010	2011	2012
Regional workshops	2	3	2	3
National workshops	32	12	12	36
Direct TA interventions	34	25	24	4
Training attachments	17	15	0	2
Publications	6	0	0	4
Total Activities	91	55	38	49

2.51 There were 4 direct TA interventions, compared with 24 in 2011. The reduction in direct TA focus emphasised CTCS shift towards more nationally sustainable activities with potential for maximum

MSME impact. TA was provided in areas such as bakery operations, body care techniques and hotel event catering. One TA initiative which will have significant positive impact on the agricultural sector of the Commonwealth of Dominica is the delivery of training in United States food and drug requirements for post-harvest processing and export of root crops and vegetables from Dominica to the United States of America. Additional TA activities included two group attachments and preparation of four CTCS Network Publications.

2.52 The number of programme beneficiaries increased with a total of 1,339 persons, 70% of whom were females, compared with 828 persons (58% of females) in 2011. During SDF 7, a total 3,938 beneficiaries received training across a range of sectors and technical disciplines. As listed in Table 6, an estimated 77% of beneficiaries (1,030) received training in general management and business development compared with 319 (38%) in the previous year.

TABLE 6: CTCS SKILLS TRAINING AND TA PROVIDED, 2009-2012

Sector/Sub-sector	Number of CTCS Beneficiaries			
	2009	2010	2011	2012
General management and business development	382	110	319	1,030
Pottery/Ceramics	23	17	53	0
Garment design and production	38	4	6	0
Other applied skills ^{1/}	67	61	46	89
Agro-processing	198	28	67	82
Agriculture-related activities	14	66	45	0
Institutional strengthening	40	16	47	0
Tourism-related activities	19	417	219	29
Food management & related activities	139	14	26	34
Computer applications	25	93	-	75
Total	945	826	828	1,339

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

THE CTCS NETWORK

CTCS is a network operated by CDB in cooperation with regional and national institutions, laboratories, industrial enterprises and consultants. CTCS contributes to strengthening private sector capabilities by linking persons who have business and technical experience with businesses requiring consulting advice and assistance. Interventions are carried out through direct TA (facilitated by consultants), workshops and job attachments.

Since its inception, CTCS has successfully offered a large number of training workshops and short-term TA interventions to over 2,000 micro and small entrepreneurs. CTCS also interacts with over 40 national institutions. Several of these institutions, in both the private and public sectors, play very active roles in promoting and providing on-the-ground logistical support, especially in the delivery of workshops. The supporting organisations also take advantage of training activities to expose their staff, thereby building the national capability to sustain development of MSMEs.

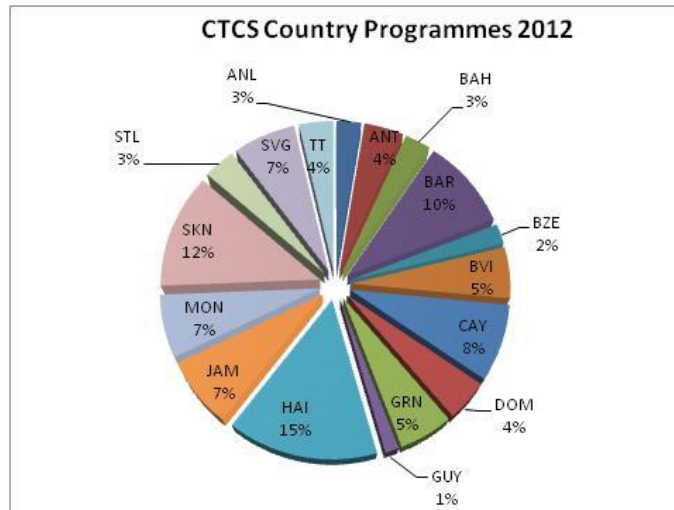
Services offered by CTCS include:

- practical, on-the-spot assistance to resolve problems in production, accounting and overall organisation and management.
- project planning, appraisal and implementation; selection of machinery and equipment, and identification of suppliers; layout and production flow; staff training in all disciplines, and quality control applications.
- assistance in design and implementation of computerised systems and marketing activities.
- assistance in developing preventative maintenance programmes and general maintenance.
- Supply of technical information from CDB and other regional and extra-regional databases.

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, CTCS has helped to develop and strengthen the technical and managerial skills of entrepreneurs in BMCs. Many beneficiaries of the training offered are proprietors of successful MSMEs across the Region.

2.53 There was a wider distribution of CTCS commitments in 2012, with 17 BMCs benefitting from the initiatives in 2012 compared with 11 BMCs in 2011. The share distribution of approvals is presented in the diagram below. Four BMCs (Barbados, Cayman Islands, Haiti, and St. Kitts and Nevis,) accounted for 45% of CTCS interventions in 2012 compared with 2011 when four BMCs (Belize, St. Lucia, St. Kitts and Nevis and St. Vincent and the Grenadines) accounted for more than 60% of approvals.



2.54 One of the publications produced by CTCS in 2012 was a Participant’s Manual and an Instructor’s Guide on *Enhancing Customer Service Delivery for MSMEs*, which was used to train 20 participants in a regional Train the Trainer Workshop. The Manual and Guide ensured that pre-determined standardised content and methodology were utilised. The participants of the Train the Trainer workshop, who will be utilised as national resource persons, subsequently used the Instructor’s Guide to conduct national workshops in 15 BMCs, while the Participant’s Manual was used by the participating MSME operators.

2.55 In response to the Bank’s energy efficiency (EE) initiative, the CTCS assembled a multi-disciplinary team which included 47 participants (including 10 women) drawn from 9 BMCs, to review regional initiatives in EE and to develop the Caribbean Energy Audit Protocol, a standardised approach to conducting energy audits across various MSME sub-sectors.

2.56 Female entrepreneurs represent approximately 70% of the CTCS Network of MSMEs; and many of them are micro agro-processors. CTCS has sought to assist this group of clients to produce the quantities and quality required by the market at competitive market prices on a consistent basis. Two publications – *“Bulk Processing facility for Tropical Fruit Pulps”* and *“Multi-purpose Agro-processing facility for Tropical Fruits”* - which provide processors with detailed guidelines for scaling up their operations, especially where opportunities exist for a cooperative approach to processing were developed.

2.57 Also, a training course on Applied Business Management and Modelling Techniques targeting female MSME operators and entrepreneurs was developed and delivered to 40 participants at a five-day workshop in Barbados. This activity was conducted in response to a need for training which was focussed on solutions to challenges usually experienced by female entrepreneurs operating in traditional male dominated MSME sub-sectors. The workshop successfully equipped female operators with enhanced strategies for competitive pricing and negotiating techniques as integral components of their business models.

SDF PORTFOLIO ANALYSIS

2.58 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. The one-year lag which had existed in the preparation of the Annual Review of the Performance of the Portfolio of Projects under Implementation has been eliminated with the reports for the years ended December 31, 2011 and December 31, 2012 being considered by the BOD in October 2012 and May 2013, respectively. As a result, this analysis of the SDF portfolio relates to 2011 and 2012 with portfolio details being provided in Appendix IV.

2.59 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.

2.60 The number of projects under implementation with an SDF component amounted to 55 and 61 in 2012 and 2011, respectively, compared with 66 projects in 2010. This reflects a 17% decline in the number of projects under implementation over the two-year period. The performance rating of the portfolio for 2012 and 2011 of 5.8 (satisfactory) was lower than the PPI rating of 6.0 for the previous period. Fifty-two of the 55 projects (95%) in 2012 and 60 of the 61 projects (98%) in 2011 were rated as highly satisfactory or satisfactory, compared with 63 of the 66 projects (95%) in 2010.

2.61 There were three projects with a rating of marginally unsatisfactory in 2012, two of which were also rated marginally unsatisfactory in 2011, compared with three projects in 2010. Of these projects, one was cancelled in December 2012 and the re-allocation of the undisbursed balance of another is being discussed with the Bank. The third project relates to a financial intermediary which was closed in 2012 and the Government has assumed the liability. Details of the projects are presented at Appendix IV.

2.62 The SDF portfolio analysis also assigns a *Country Portfolio Performance rating* and a *Sector Portfolio Performance rating*. The country portfolio rating in 2012 and 2011 was assessed as 5.8, as compared with the rating of 6.0 in 2010. Four countries were rated highly satisfactory in 2012 compared with five in 2011 and seven in 2010. The ratings of seven BMCs were assessed as satisfactory in 2012 and 2011, compared with five in 2010 and the rating of one BMC declined in 2012 to marginally satisfactory from satisfactory.

2.63 In 2012 and 2011, education, environment and DRR, financial business and other services, agriculture and rural development and transport and communications accounted for approximately 78.0% of the portfolio. All sectors achieved a performance rating of satisfactory or highly satisfactory except for health which was rated marginally unsatisfactory.

2.64 As at December 31, 2012 and 2011, two projects with an SDF component were classified as "at risk" (about 3.6% and 3.3%, respectively, of the SDF capital portfolio under implementation) compared with four projects (6.8% of the portfolio) at the end of 2010. A revised implementation plan has been submitted for one of these projects and additional financing for the other will be addressed in 2013. Information on the projects listed as "at risk" in 2011 and 2012 is provided in Appendix IV.

3. FINANCIAL RESOURCES AND PROGRAMME LEVELS

SDF 7 PROGRAMME LEVEL

3.01 The programme level approved for SDF 7 was \$390.6 mn, to be financed from internally generated resources of \$87.0 mn; brought forward balances of \$16.9 mn; agreed contributions of \$242.2 mn; an allocation of \$15.0 mn from the net income of the Bank's OCR; and an unallocated structural gap of \$29.5 mn. The structural gap was expected to be funded from additional contributions and 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 7, the base funding and minimum programming level was projected in the Contributors' Report at just over \$361.1 mn.

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

Item	Per Contributors' Report	Position at December, 31 2012	Difference
Commitment Authority at beginning of cycle	16.9	19.5*	2.6
Internally generated resources	87.0	88.1	1.1
Allocation from OCR Net Income	15.0	15.0	-
New Contributions	242.2	233.4	(8.8)
Base Programme Level	361.1	356.0	(5.1)
Structural Gap/(Residual Funds)	29.5	34.6	5.1
Overall Programme Level	390.6	390.6	

*Actual balance at January 1, 2009

3.02 Table 7 also shows that, at December 31, 2012, the actual programme level for SDF 7 amounted to \$356.0 mn, which is \$5.1 mn lower than originally planned. There was a shortfall of \$8.8 mn in the level of new contributions, as no contributions were received from the non-members.

COMMITMENT AUTHORITY

3.03 Table 8 shows the actual commitment authority for 2009–2012 and the use of those resources during SDF 7. Loan approvals, net of cancellations of \$9.9 mn at the end of 2012 were \$211.0 mn while net grant approvals, net of cancellations of \$3.3 mn, were \$128.6 mn. The available commitment authority at the end of 2012 was \$3.3 mn to be the carry-over balance to SDF 8. Further details are provided in Appendix V.

TABLE 8: SDF 7 COMMITMENT AUTHORITY AND USE OF FUNDS
(\$mn)

Item	2009	2010	2011	2012	Total
Commitment authority at beginning of period	19.5	181.6	147.5	78.0	19.5
Net income	2.8	2.7	0.9	(0.1)	6.3
Repayments	14.2	16.5	18.0	20.0	68.6
Commitment authority from new contributions	196.0	20.4	0.9	16.1	233.4
Allocation from OCR net income	-	-	-	15.0	15.0
Approvals for SDF loans (Net) *	34.5	45.9	73.2	57.4	211.0
Approvals for SDF grants (Net)*	16.4	27.8	16.1	68.3	128.6
Available commitment authority at end of period	181.6	147.5	78.0	3.3	3.3

* Net of cancellations

ALLOCATION AND UTILISATION OF RESOURCES

3.04 The original programme for SDF 7 of \$390.6 mn comprised loans to be allocated to eligible BMCs (\$175 mn), loans for natural disaster mitigation and rehabilitation and BMCs in fiscal distress (\$77 mn), and set-aside grant resources (\$138.6 mn). The approved RAS was used to allocate loans to eligible BMCs as well as the set aside of \$46 mn for BNTF 7. Given the structural gap of \$29.5 mn, only the base level of \$361.1 mn was programmed. Arising from the reduced level of resources, the base level was adjusted further to \$356 mn (as shown in Table 7).

3.05 Table 9 - *SDF 7 Allocation and Utilisation of Resources* - shows the indicative allocations for country loans and set asides at January 2009, along with the actual commitments for the SDF 7 cycle. During the period January 1, 2009 to December 31, 2012, total commitments amounted to \$358.2 mn. Loan approvals were \$220.9 mn or 62.7% of the programme. Country loan allocations amounted to \$147.5 mn or 42%, loans for natural disaster mitigation and rehabilitation were \$30.0 mn or 8.4% and loans to BMCs in fiscal distress were \$43.4 mn or 12.3%. Grants approvals of \$131.9 mn comprised 37.3% of the programme.

3.06 Within the country loan allocation, commitments for 6 of the 12 eligible countries amounted to 90% of the country loan approvals. Three BMCs (Anguilla, Antigua and Barbuda and the Turks and Caicos Islands) did not utilise their allocation by the end of the cycle; and these funds were reallocated to BMCs with demand beyond their individual allocations. Loans to Belize, Guyana, and Jamaica accounted for 58% (\$85.1 mn) of the \$147.5 mn in loan commitments, with 32% (\$47.7 mn) being for loans to Dominica, St. Lucia and St. Vincent and the Grenadines. Loans to Grenada, Montserrat and St. Kitts and Nevis accounted for the remaining 10% of country loans.

3.07 The \$30 mn set aside for natural disaster mitigation and rehabilitation was fully committed, while the balance on the set aside for BMCs in fiscal distress, after commitments of \$43.4 mn at December 31, 2011, was reallocated in line with the lower base funding level.

3.08 Grant resources were set aside for 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 9). The allocations for Haiti, BNTF and environmental sustainability and climate change were fully committed while approvals for CTCS, regional integration and RPGs were 78%, 77% and 21% of their allocations, respectively.

3.09 There was strong demand for capacity-building TA to strengthen public sector institutions and agencies and improve governance systems in the BMCs. This resulted in the set aside for capacity-building TA being fully committed and additional resources allotted. Resources were re-allocated from the set asides for CTCS, gender equality, immediate disaster response, project management training and MfDR.

3.10 The allocations for gender equality, project management training and MfDR have been set aside for use during SDF 8. Full implementation of the gender equality initiatives and the formulation of the revamped Project Management Training Programme were delayed and plans are in place for implementation to proceed in 2013. The allocation for MfDR will be utilised in 2013-14 to implement the MfDR Action Plan, which was developed following the review of the Bank's MfDR Agenda in 2012.

TABLE 9: SDF 7 ALLOCATION AND UTILISATION OF RESOURCES

Item	Indicative Allocations at January 2009		Approvals 2009-2012	
	\$'000	\$'000	\$'000	%
Country Allocations – Loan				
<i>(Group 1)</i>				
Bahamas, The	-	-	-	-
British Virgin Islands	-	-	-	-
Cayman Islands	-	-	-	-
<i>(Groups 2, 3 and 4)</i>				
Anguilla	4.9	1.4	-	-
Antigua and Barbuda	3.5	1.1	-	-
Barbados	-	-	-	-
Belize	17.6	4.9	22.8	6.5
Dominica	14.2	3.9	14.3	4.1
Grenada	7.8	2.2	6.6	1.9
Guyana	36.4	10.1	37.3	10.6
Jamaica	22.0	6.1	25.0	7.1
Montserrat	2.2	0.6	2.5	0.7
St. Kitts and Nevis	5.5	1.5	5.5	1.6
St. Lucia	16.3	4.5	16.3	4.6
St. Vincent and the Grenadines	12.9	3.6	17.2	4.9
Turks and Caicos Islands	1.9	0.5	-	-
Trinidad and Tobago	-	-	-	-
Sub-total Country Allocations	145.5	40.3	147.5	42.0
Set-Aside Resources				
Other Lending:				
Natural Disaster Mitigation/ Rehab. BMCs in Fiscal Distress	30.0	8.3	30.0	8.4
	47.0	13.0	43.4	12.3
Total Lending	222.5	61.6	220.9	62.7
Grants:				
BNTF	46.0	12.7	46.0	13.0
TA:				
Capacity Building	8.0	2.2	12.4	3.5
Project Management Training	5.0	1.4	4.0	1.1
CTCS	4.5	1.3	3.5	1.0
Regional Integration and RPGs	10.0	2.8	7.7	2.2
Development Effectiveness and MfDR	5.0	1.4	4.0	1.1
Immediate Disaster Response	6.1	1.7	1.3	0.4
Gender Equality	4.0	1.1	3.0	0.9
Environ. Sustain. and Climate Change	4.0	1.1	4.0	1.1
Haiti	46.0	12.7	46.0	13.0
Total Grants	138.6	38.4	131.9	37.3
Total Resources Available	361.1	100.0	352.8	100.0
Structural Gap	29.5		37.8	
Approved Programme Level	390.6		390.6	

4. REPORTING ON SDF 7 RESULTS

4.01 Beginning with SDF 6, the Bank has worked with an MfDR or Results Agenda as a framework for responding to the internationally agreed objective of MfDR. This has been structured in terms of three “pillars” – MfDR at *the country or regional level*, MfDR at *the institutional or corporate level*, and *MfDR through partnerships, harmonisation and alignment*. A RMF with performance indicators for each of these three pillars was introduced in SDF 7 as an integral part of the results agenda to be used to monitor and report on the performance of the SDF 7 programme.

4.02 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. The status of indicators for the four results levels in the approved SDF framework as of December 31, 2012 and for the cycle as a whole is presented in the boxes below.

4.03 A review of the Bank’s MfDR Agenda was undertaken in 2012 using the methodology developed by the Multilateral Organisation Performance Assessment Network to assess the organisational effectiveness of multilateral organisations. The MfDR assessment identified areas of strength, areas where performance was adequate and areas that were inadequate and needed attention. An Action Plan for 2012-2014 was developed and is currently being implemented which aims to strengthen the MfDR programme and address the areas of weakness identified in the review.

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

4.04 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 the figures are weighted by population size for all BMCs, including Haiti. The 2012 figures show a decline over 2011 in the proportion of population below both the poverty and indigence lines. This result is related mainly to Jamaica, the only BMC with updated poverty data in 2012, and can be attributed to the lingering impact of the global recession on economic growth and performance in BMCs. It is suggested that more up-to-date statistics for more BMCs may reveal a worsening poverty picture.

4.05 The indicators relating to enrolment in primary, while still being below the baseline values, have recorded improvement in the 2009-2011 period. Likewise, the indicators for enrolment in secondary school have also recorded improvement and have surpassed the targets set for both male and female enrolment. The ratio of boys to girls in primary and secondary education in 2011 declined over the 2009/10 results even though the secondary school indicator remained above target. The statistics for 2012 are not yet available.

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

Indicators	Baseline Year	Baseline Value	Target (2015)	Status as of December			
				2012	2011	2010	2009
Poverty and Human Development							
1. Proportion of population below the poverty line (%). [‡]	2006	54	27	54	55	55	53.8
2. Proportion of population below the indigence line (%). [‡]	2006	35	17.5	32.6	34	34	35.4
3. Net enrolment in primary education (%). ^{1/}							
- Female	2006	94	95	n.a.	90	89	88
- Male	2006	94	95	n.a.	90	89	87
4. Net enrolment in secondary education (%). ^{1/}							
- Female	2006	73	80	n.a.	83	80.7	79
- Male	2006	68	77	n.a.	84	80.6	76
5. Ratio of girls to boys in:							
- Primary education	2006	1.0	1.0	n.a.	0.97	1.0	1.0
- Secondary education	2006	1.06	1.02	n.a.	1.03	1.04	1.04
Environmental Sustainability and Climate Change							
6. Number of BMCs with National Environmental Strategies/Action Plans	2007	17	18	18	18	18	17
7. Number of BMCs with formalised Climate Change Response Strategies	2008	4	18	16	12	10	4
8. Proportion of population with access to a water source (%)							
- urban	2007	85	94	96.9	95.9	95.8	85
- rural		88	92.5	91.7	91.4	88.7	88
9. Proportion of population with access to sanitation (%)							
- urban	2007	76	88	88.0	87.8	85.5	76
- rural		73	86.5	85.9	85.9	80	73
RCI							
10. Intra-regional trade as a percentage of total regional trade	2006	14 ^{2/}	20 ^{2/}	n.a.	15	13	15
11. Direct Investment of MDCs in LDCs (\$mn)	Avg. 1999-2003	20 ^{2/}	30 ^{2/}	n.a.	n.a.	21 ^{3/}	21 ^{3/}
12. Cross-listed firms in relations to total firms on regional stock exchange (%)	2005	17	25	n.a.	n.a.	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, target and 2009 and 2010 figures revised.

^{2/} Base line value and target revised.

^{3/} Average for 2004-2008.

4.06 In the area of Environmental Sustainability and Climate Change, the indicators relating to the proportion of the population with access to a water source and to sanitation in both urban and rural areas, all recorded improvement for the period under review. The targets for the urban areas are either being met or surpassed while the ones relating to the rural areas still have some way to go. All countries except St. Kitts and Nevis and Antigua and Barbuda have climate change policies/strategies. The development of polices/strategies for these BMCs have been included in their respective CSPs.

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

4.07 Level 2 indicators measure the Bank's contribution to country outcomes through outputs delivered in key operational areas, such as education and training, agriculture and rural development, social and economic infrastructure, and water and sanitation. The programmed outputs for 2009-2012

reflect those which are expected to be delivered during the SDF 7 period, based on projects approved in earlier SDF cycles. The results reported for 2009 to 2012 represent outputs which were delivered from projects completed during the period.

4.08 The indicators for education and training measure the Bank's contribution to improving access to and quality of education in BMCs. In 2009-2012, approximately 90% of classrooms programmed to be built and 79% of the expected teacher training outputs had been achieved. Implementation delays in two countries impacted on the performance of these indicators. This notwithstanding, the targeted number of beneficiaries was exceeded as a larger number of students than anticipated benefitted from these interventions. The beneficiaries of skills training fell short of target with only 48% being achieved by 2012, impacted by the slower than planned pace of implementation of BNTF 6.

4.09 The outputs recorded for agriculture and rural development in 2009-2012 exceeded the targets set for all indicators. The performance reflects the outputs generated by five projects under implementation and three projects which were completed in 2009 and 2010.

4.10 The indicators for social and economic infrastructure measure the Bank's support for the creation of an enabling environment for economic growth. During SDF 7, all the major indicators in this area were exceeded. The primary roads built or upgraded exceed the target by 56% as projects which were not included in the projections were completed. This also impacted the number of beneficiaries of road projects which amounted to approximately 270,000 compared with a target of 51,500.

4.11 Outputs from the BNTF and Haiti programmes contribute to the indicators with respect to secondary roads, community infrastructure and the beneficiaries of those interventions. During the period under review, there was greater demand than expected for secondary road interventions, while the anticipated demand for community infrastructure did not materialise. It should be noted that outputs from the community-driven development projects in Haiti amounted to 450 community infrastructure projects benefitting 75,000 persons.

4.12 Outputs relating to water and sanitation in 2009-2012 reflect those delivered mainly by BNTF subprojects and a water project in Belize. The delay in implementation of a water project in Nevis has resulted in the shortfall in targets.

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

Indicators	Achievements	Programmed Achievements	Actual Achievements				
	2005-2008	2009-2012	2009-2012	2012	2011	2010	2009
1. Education and Training (at all levels)							
Classrooms built or upgraded (number)	1,026	868	783	75	255	215 ^{1/}	238
Teachers trained (number)	2,332	6,010	4,769	2,556	4	1,335	95
Students benefiting from above programme and support Student Loan Scheme, etc (number)	49,438	171,725	181,257	92,253	40,211	11,472 ^{1/}	30,321
Persons benefiting from skills training activities (number)	16,670	33,580	16,216	7,935	992	3,972	3,317
2. Agriculture and Rural Development							
Land irrigated or improved through drainage, flood and irrigation works (hectares)	3,365	35,312 ^{2/}	36,642	490	250	4,010	31,892
Area established using improved production technology (hectares)	4,356	660 ^{2/}	702	102	300	300	0
Funds provided through specific agricultural	1.5	12.8	0	0	0	0	0

Indicators	Achievements	Programmed Achievements	Actual Achievements				
	2005-2008	2009-2012	2009-2012	2012	2011	2010	2009
and rural enterprise credit programmes (\$mn)							
Beneficiaries of above programmes (number)	2,900	4,100	84,780	500	1,500	780	82,000
3.Social and Economic Infrastructure (not included in 1 and 2 above and 5 below)							
Primary roads built or upgraded (km)	128.4	82.5	129	56	15	38	20
Secondary and other roads built or upgraded (km)	1,402.6	362.5	1,881	22	304	1,541	14
Beneficiaries of road projects (number) ‡	81,298	51,500	269,764	165,410	72,295	16,369	15,690
Bridges upgraded/constructed (number)	13	6	19	1	0	4	14
Sea Defences/ Landslip Protection/ Urban Drainage (km)	8.2	34.5	3	0	1	0	2
Other Infrastructure (Air/Sea Port, Dock Facilities) – (number)	2	3	2	0	0	2	0
Community infrastructure built/upgraded (number)	131	679	528	456	27	24	21
Beneficiaries of community infrastructure interventions (number)	118,745	342,000	171,912	78,502	48,049	30,824	14,537
Installed energy generation capacity(megawatts)	16.2	2.7	35	0	0	32.5	2.5
Number of beneficiaries of generation/distribution capacity	42,100	7,000	n.a	n.a	n.a	n.a	n.a
4.Private Sector Development							
Value of credit made available to the private sector (mn\$)	42	53	44	0	9.5	13.9	21
MSMEs benefiting from credit (number)	283	325	1,074	579	29	42	424
Beneficiaries of mortgage programmes (number)	151	200	322	34	39	42	207
Number of CTCS and other TA interventions	338	350	241	50	44	56	91
Number of participants benefiting from CTCS and other TA interventions	2,660	2,750	3,938	1,339	828	826	945
5.Water and Sanitation‡							
Installed water capacity (m ³)	110,771	33,270	5,423	1,433	1,743	1,734	513
Water supply lines installed or upgraded (km)	2,932	2,387	389	161	57.7	111	59
Households with access to water supply (number)	30,002	25,900	29,621	9,027	10,829	5,682	4,083
6. DRM							
Interventions supporting DRM policies, strategies and action plans (number)	6	7	n.a. ^{3/}	n.a. ^{3/}	0	1	6
Interventions that contribute to DRM capacity building (number)	4	5	n.a. ^{3/}	n.a. ^{3/}	2	1	4
Community-based DRM interventions (number)	28	31	n.a. ^{3/}	n.a. ^{3/}	n.a.	0	28
7. Climate Change Response (CCR)							
Interventions supporting policies, strategies and action plans for CCR (number)	2	5	n.a. ^{3/}	n.a. ^{3/}	3	0	2
Interventions supporting renewable energy initiatives (number)	0	4	n.a. ^{3/}	n.a. ^{3/}	n.a.	0	0
Community-based climate change resilience building interventions (number)	0	4	n.a. ^{3/}	n.a. ^{3/}	n.a.	0	0
Interventions supporting regional institutions in climate change monitoring and research	1	3	n.a. ^{3/}	n.a. ^{3/}	2	1	1

Indicators	Achievements	Programmed Achievements	Actual Achievements				
	2005-2008	2009-2012	2009-2012	2012	2011	2010	2009
(number)							
8. RPGs							
Interventions supporting regional institutions (number)	18	23	12	0	4	3	5
Interventions supporting regional policy development (number)	16	20	39	2	16	15	6
9. Economic Management							
Value of resources approved for PBLs/PBGs (\$mn)	183	250	210	0	0	132	78
Interventions to support rigorous PSIP development (number)	11	13	3	0	1	1	1
10. Capacity Development							
Interventions to support public sector institutional strengthening (number)	15	21	29	6	13	4	6
Interventions supporting community-based management of the sustainable use of natural resources (number)	41	59	45	n.a.	n.a.	n.a.	45

‡ The beneficiaries in the baseline value identified refer only to BNTF and agricultural projects.

^{1/} 2010 figures revised.

^{2/} Target has been revised.

^{3/} These indicators have been replaced.

4.13 Under the indicators relating to private sector development, the beneficiaries of the credit, mortgage and CTCS/TA programmes all exceeded targets. In the latter case, this can be attributed to the refocusing of the CTCS programme which was discussed in an earlier section.

4.14 The seven indicators relating DRM and climate change response have been replaced in the Bank's comprehensive RMF by the following three indicators. The achievements during the SDF 7 cycle were as follows:

- (a) Climate change and DRM projects contributing to adaptation, mitigation and improved community resilience (number) – 16;
- (b) Projects with components contributing to improved environmental management (number) – 12; and
- (c) Projects with components supporting renewable energy (number) - 5

Level 3: Operational/Organisational Effectiveness

4.15 Level 3 indicators monitor operational and organisational effectiveness focussing on six areas: operational quality and portfolio performance, resource allocation and mobilisation, strategic focus, capacity utilisation, use of administrative budget resources, and business processes and practices. The Report on the Annual Review of Project Portfolio Performance is used to measure performance for some of the indicators in this area. The lag in the preparation of this report has been corrected thus the report for 2011 and 2012 were presented to the BOD in October 2012 and May 2013. The indicators for 2010 and 2009 have been revised to align with the appropriate report. The Box below shows the performance for the SDF 7 cycle.

4.16 In terms of operational effectiveness, the portfolio performance rating declined in 2012 to 89% after being relatively stable in 2009-2010 at 97% or marginally below the target set for 2012 of 98%. There was a decline in the number of projects under implementation and some projects received lower score as a result of implementation delays. The performance relating to projects with supervision reports on the PPMS system was maintained at 100% in 2012, and there was an improvement in the percentage of projects completed in the past two years with Project Completion Reports (PCRs), even though this indicator remains below the target.

4.17 The indicators in the category of Resource Allocation and Utilisation are in decline in relation to the baseline and target. The percentage of concessional resources allocated according to the performance-based system increased in 2012 with the allocation of BNTF 7 resources but was still lower than the target. The sharp decline in the disbursement ratio in 2012 is attributable to a decrease in disbursements during the year. The under-performance on the disbursement efficiency ratio in 2012 is due to delays in project implementation and start-up which resulted in lower than expected levels of disbursement on 15 projects *viz a viz* projected disbursement.

RMF LEVEL 3: OPERATIONAL/ORGANISATIONAL EFFECTIVENESS

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December			
				2012	2011	2010	2009
Operational Quality and Portfolio Performance							
1. Portfolio performance rating for implementation (% satisfactory)	2007	96	98	89	97	97 ^{1/}	98 ^{1/}
2. Percentage of projects completed in the past two years with PCRs	2006-2007	0	100	46	25	9	16
3. Percentage of projects with supervision reports on PPMS	2007	61	100	100	100	100 ^{1/}	89 ^{1/}
Resource Allocation and Utilisation							
4. Percentage of concessional resources allocated according to performance-based allocation system	2005	61	70	54	41	40	40
5. Disbursement ratio ^{2/}	2007	28	35	17	21	20	21
6. Disbursement efficiency rate ^{2/}	2007	93	98	64	84	69	84
Strategic Focus							
7. Number of approved country strategies in use with results framework	2008	2	18	12	9	7 ^{1/}	6
8. Number of new or updated CPAs for BMCs in the past five years	2004-2008	8	10	9	9	8	6
9. Proportion of financing supporting environmental sustainability and climate change % ^{3/}	2007	10	10-20	8.2	17.2	4.6	1.1 ^{4/}
10. Proportion of financing supporting regional cooperation and development ^{3/}	2007	4	6-8	1.1	1.4	4.1	5.2 ^{4/}
11. Proportion of financing supporting gender equality ^{3/}	2007	0 ^{5/}	0 ^{5/}	0	0	0.9	0
12. Proportion of financing supporting private sector development ^{3/}	2007	10	15	0.8	1.14	1.2	5.5 ^{4/}
13. Number of BMCs receiving support for direct poverty reduction programming	2007	11	11	11	11	11	11
Capacity Utilisation							
14. Percentage of budgeted Bank professional staff in operations departments	2008	50.5 ^{6/}	58 ^{7/}	43	47	50	51.3
15. Ratio of professional staff to support staff	2008	1.02:1 ^{6/}	1.3:1 ^{7/}	1.15:1	1.17:1	1.23:1	1.26:1
16. Representation of women in professional staff	2008	37.1 ^{6/}	40	39	41	41.2	40
17. Representation of women in middle and senior management positions	2008	38.9 ^{6/}	45	53	44.4	44.4	45

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December			
				2012	2011	2010	2009
Use of Administrative Budget Resources							
18. Administrative expenses per \$mn as a % of loan project approvals (three-year Av.)	2005 - 2007	13	14	14.2	12.3	9.8	10.7
19. Administrative expenses per \$mn as a % of loan project disbursements (three-year Av.)	2005 - 2007	15	16	14.7	11.8	11.5	14.8
20. Administrative expenses per \$mn as a % loan projects under implementation (three-year Av.)	2005 - 2007	2	2	2.1	2.0	1.7	2.0
Business Processes and Practices							
21. Average time from loan approval to first disbursement in public sector operations (months)	2007	18	12	9.5	15.6	17.1 ^{1/}	9.4 ^{1/}
22. Average loan processing time (months from appraisal mission to project approval) in public sector operations	2007	6.7	5	3.9	4.1	4.9 ^{1/}	8.1 ^{1/}

^{1/} Figures revised - Performance per the Annual Review of Project Portfolio Performance for 2009 and 2010 respectively.

^{2/} This ratio and the values for 2009 and 2010 have been revised in line with that used in the ARPPP for 2011 and 2012.

^{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.

4.18 The indicators that measure strategic focus are more or less on target with the exception of the number of CSPs in use with Results frameworks and the proportion of financing directed towards RCI and the private sector. The preparation of CSPs has accelerated with three being completed in 2012 while financing for environmental sustainability, RCI and the private sector is still below target.

4.19 In terms of organisational effectiveness, the percentage of budgeted professional staff declined in 2012 over 2011. This low is due to the number of vacancies in the professional ranks, which also impacted on the overall ratio of professional to support staff. The outturn in respect of the indicators of gender equality is consistent with the established targets. There was an improvement in the indicator relating to the representation of women in middle and senior management resulting from the re-organisation within the Projects Department.

4.20 There was an improvement in the average time from loan approval to first disbursement in public sector operations, from 15.6 months to 9.5 months while the average loan processing time in public sector operations recorded improvement in 2012 compared with 2011 from 4.1 months to 3.9 months. The use of administrative budget resources also showed an increase as a result of the reduced rate of growth in loan approvals compared with the rate of growth in administrative expenses.

Level 4: Partnership, Harmonisation and Alignment

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

RMF LEVEL 4: PARTNERSHIP, HARMONISATION AND ALIGNMENT

Indicators	Baseline Year	Baseline Value	Target (2012)	Status as of December			
				2012	2011	2010	2009
Ownership							
1. Number of BMCs with National Development Strategies	2007	15	18	15	15	15	15
2. Number of BMCs with PRSs	2007	8	18	10	10	10	10
3. Number of BMCs with CPAs	2007	17	18	17	17	17	17
Harmonisation							
4. Percentage of CDB Country Strategies with explicit consideration of other agencies' programming	2007	100	100	100	100	100	100
5. Percentage of interventions using common arrangements or procedures	2007	21	35	n.a.	n.a.	19	26
Alignment							
6. Percentage of capacity development support provided through coordinated programmes	2005-2008	35	45	n.a.	n.a.	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	n.a.	n.a.	25	25
8. Number of joint monitoring missions	2008	7	8	8	8	8	7

4.22 There was no change in the indicators measuring ownership in 2009-2012. However, work is ongoing to assist countries to update existing CPAs and National Poverty Reduction Strategy (NPRS). In the areas of harmonisation and alignment, the Bank continues to seek opportunities for partnership and coordination with the results in 2009-2012 reflecting changes in programming activities from year to year. The Bank's participation in joint monitoring missions over the cycle remained stable.

5. FINANCIAL PERFORMANCE AND PROJECTIONS

FINANCIAL RESULTS

5.01 A summary of the SDF (U) financial results over the SDF 7 period 2008–2012 is presented in Table 10, with details set out in Appendices VI-1 and VI-2.

TABLE 10: SUMMARY OF FINANCIAL RESULTS, 2008–2012
(\$ mn)

Item	2008	2009	2010	2011	2012
Loans Outstanding (Net)	380.6	412.9	431.0	448.5	463.5
Undisbursed balances (including loans not effective)	172.8	161.8	171.6	211.0	237.0
Cash and Investments	248.3	246.1	260.3	274.4	286.5
Loan Income	8.7	9.1	9.5	10.1	10.4
Investment Income	9.4	5.1	2.8	3.4	3.5
Administrative Expenses	10.7	11.1	11.6	12.3	14.0
Net Income *	7.4	2.8	2.7	0.9	(0.1)
Yield on Av. Cash and Investments (%)	4.5	2.1	1.1	1.3	1.2

* After foreign exchange adjustments

5.02 Loans outstanding at the end of December 2012 amounted to \$463.5 mn compared with \$448.5 mn in 2011 - an increase of \$15 mn or 3%, which compares with a 4% increase in the portfolio in 2011 over 2010. The slowing in the growth of the portfolio can be attributed mainly to a decline in the level of disbursements in 2012 over the previous year as well as the slow pace of implementation of projects. The level of undisbursed loan balances was \$159.6 mn at the end of 2012 compared with \$152.7 mn in 2011 while loans for which agreements have not yet been signed were \$77.4 mn in 2012 compared with \$58.1 mn in 2011.

5.03 The SDF loan portfolio increased by 21.8% in the four-year period of SDF 7, from \$380.6 mn at the beginning of the cycle to \$463.5 mn. This compares with a portfolio increase of 13.3% in SDF 6 when loans outstanding grew from \$335.9 mn at the end of 2004 to \$380.6 mn in 2008. The disbursing of PBLs in 2009 and 2010 combined with overall growth in disbursements contributed to this performance in SDF 7.

5.04 The investment portfolio increased in 2012 to \$286.5 mn from \$274.4 mn at the end of 2011 as a result of cash contributions and repayments received during the year net of disbursements and administrative expenses.

5.05 In 2012, the Fund recorded a net loss of \$0.1 mn, compared with net income of \$0.9 mn in the previous year, despite a modest increase in total revenue and the higher level of the investment portfolio. Loan income increased from \$10.1 mn to \$10.4 mn in line with the increase in loans outstanding, while the average yield on investments declined from 1.3% to 1.2% in 2012 as unfavourable market conditions prevailed. Investment income rose marginally to \$3.5 mn from \$3.4 mn. The share of administrative expenses allocated to SDF increased by \$1.7 mn to \$14.0 mn over the 2011 result of \$12.3 mn. This is attributed to the overall increase in the administrative expenses for the Bank.

NOTES, ENCASHMENT AND DRAWDOWNS

5.06 A summary of notes, encashment and drawdowns is presented at Appendix VI-3. At December 31, 2012, notes receivable from Contributors totalled \$61.2 mn, an increase of \$2.0 mn compared with the notes receivable figure of \$59.2 mn recorded at the end of 2011. Promissory Notes equivalent to \$23.7 mn were issued by eight Contributors during 2012, and notes amounting to \$20.3mn from two Contributors were encashed.

5.07 The current value of total approved contributions to SDF (U) at the end of 2012 was \$979.5 mn. Of this figure, an amount of \$4.2 mn represented contributions for which Demand Notes had not yet been issued and \$16.1 mn represented pledged amounts by seven Contributors for which the Instruments of Contribution were still outstanding at December 31, 2012 (See Appendix VI-3).

FINANCIAL PROJECTIONS

5.08 Table 11 summarises the projected financial results for the period 2013–2015, with further details presented in Appendices VI-4 to VI-6.

TABLE 11: SUMMARY OF PROJECTED FINANCIAL RESULTS, 2013–2015
(\$ mn)

Item	2013	2014	2015
Long-term Loans	484.5	506.5	530.5
Cash and Investments	308.6	328.7	347.0
Loan Income	11.9	12.4	13.0
Investment Income	2.8	3.2	3.4
Administrative Expenses	14.5	15.4	16.1
Net Income	0.1	0.2	0.3

5.09 The loan portfolio is expected to grow by 14% over the three years from \$463.5 mn in 2012 to \$530.4 mn in 2015. It is also forecast to yield loan income of \$11.9 mn, \$12.4 mn and \$13.0 mn in 2013, 2014 and 2015, respectively.

5.10 The investment portfolio is estimated to average \$328 mn over the three-year period, boosted by cash received from Contributors to SDF 8. The investment portfolio will also be augmented by reflows of principal repayments on earlier SDF loans averaging \$22 mn per annum (p.a.) in the 2013–2015 period.

5.11 Conservative projections were made of income from investments, reflecting expectations that returns on investment will remain depressed over the 2013 to 2015 period. Investment income for 2013, 2014 and 2015 is projected at \$2.8 mn, \$3.2 mn and \$3.4 mn, respectively, while net income is predicted at \$0.1 mn, \$0.2 mn and \$0.3 mn, respectively.

5.12 The assumptions underlying these projections are listed below:

- (a) Loan commitments are projected at \$45 mn, \$56.4 mn and \$70 mn for 2013, 2014 and 2015, respectively;
- (b) The average lending interest rate is estimated at 2.5% p.a;

- (c) Over the projected disbursement period, the disbursement pattern, based on historical trends, for the combination of old and new commitments is assumed to be 4%, 10%, 27%, 16%, and 8%;
- (d) The yield from investment in liquid resources is estimated at 0.1% p.a, 0.2% p.a., and 0.5% p.a. for 2013, 2014 and 2015, respectively;
- (e) Administrative costs are projected to increase by 3% p.a.; and
- (f) The terms and conditions of lending are based on those applicable for SDF 7.

APPENDICES

APPENDIX I

CONTRIBUTIONS TO THE UNIFIED SPECIAL DEVELOPMENT FUND

(after transfers from earlier SDF and other adjustments)

(\$ mn)

Item	SDF 1 ^{a/}	SDF 2 ^{a/}	SDF 3 ^{a/}	SDF 4 ^{a/}	SDF 5 ^{b/}	SDF 6	SDF 7
Regional Members: BMCs							
Trinidad and Tobago	2.50	2.50	3.85	3.85	5.00	7.50	10.18
Jamaica	1.40	1.40	3.87	3.85	5.00	7.50	10.18
Guyana	1.40	1.40	2.16	2.16	2.81	4.22	5.67
Bahamas, The	1.40	1.40	2.16	2.16	2.81	4.21	5.67
Barbados	1.40	1.40	2.16	2.16	2.81	4.21	5.67
Antigua and Barbuda	0.25	0.25	0.16	0.25	0.32	0.42	0.61
Belize	0.25	0.25	0.65	0.65	0.84	1.10	1.39
Dominica	0.25	0.25	0.65	0.65	0.84	0.84	1.39
Grenada	0.25	0.25	0.65	0.65	0.84	0.10	0.61
St. Kitts and Nevis	0.25	0.25	0.65	0.65	0.84	1.10	1.39
St. Lucia	0.25	0.25	0.65	0.65	0.84	1.10	1.39
St. Vincent and the Grenadines	0.25	0.26	0.65	0.65	0.84	1.10	1.39
Cayman Islands	0.10	0.10	0.15	0.25	0.32	0.42	0.61
Anguilla	0.10	0.10	0.25	0.25	0.32	0.42	0.61
Turks and Caicos Islands	0.10	0.10	0.25	0.25	0.32	0.42	0.61
British Virgin Islands	0.10	0.10	0.25	0.25	0.32	0.42	0.61
Montserrat	0.10	0.10	0.25	0.25	0.32	0.42	0.61
Haiti	---	---	---	---	---	0.65	0.91
Sub-total	10.35	10.36	19.41	19.58	25.39	36.15	49.48
Regional Members: non-BMCs							
Colombia	5.00	3.33	5.00	3.00	3.60	3.60	3.60
Mexico ^{c/}	---	---	5.00	3.00	3.00	3.00	3.00
Venezuela	5.00	3.34	5.00	3.00	3.00	3.60	3.60
Sub-total	10.00	6.67	15.00	9.00	9.60	10.20	10.20
Non-Regional Members							
Canada ^{d/}	60.87	15.00	20.00	16.80	25.20	44.00	69.83
United Kingdom ^{d/}	42.82	15.00	20.00	16.80	25.20	44.00	69.83
France ^{e/}	21.00	10.00	14.00	11.76	---	---	---
Italy	21.00	10.00	14.00	8.66	3.15	5.00	7.08
Germany	---	26.00	14.00	11.76	--	12.17	18.83
China ^{f/}	---	---	---	24.00	4.00	5.20	8.10
Sub-total	145.69	76.00	82.00	89.78	57.55	110.37	173.68
Non-Members							
Netherlands	5.00	5.00	7.00	6.30	---	---	---
Allocation from OCR	---	---	---	---	---	---	15.00
Sub-total	5.00	5.00	7.00	6.30	--	---	15.00
TOTALS	171.04^{d/}	98.03	123.41	124.66	92.54	156.72	248.35

^{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.

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**SDF 7 COMMITMENTS, 2009-2012***(Classified by SDF 7 Themes)*

(\$'000)

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
<u>Strengthening Poverty Reduction and Human Development</u>			
<u>Loans Approved</u>			
Belize			
Sixth Consolidated Line of Credit – to finance student loans, agriculture and industrial credit, low-income housing, microfinance and small and medium enterprises	Mar-09	1,000	10,000
Belize Social Investment Fund 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
TA to finance a feasibility study/detailed designs for upgrading the Northern Highway (the Airport Junction to Haulover Bridge)	Mar-11	350	350
Road Safety Project - to reduce deaths and serious injuries associated with road traffic accidents through improving the safety of road infrastructure	May-12	1,886	7,248
TA - Education Sector Reform to finance the first phase of a comprehensive development programme of the education sector	May-12	2,000	2,000
The Youth and Community Transformation Project to reduce vulnerability of children and youth to crime and gang membership	Dec-12	5,200	5,200
Dominica			
8th Consolidated Line - to support student 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
NDM - Rehabilitation and Reconstruction of critical infrastructure damaged by the Layou River Valley Flood Event (includes Climate Change Adaptation component of \$0.38 mn)	Dec-11	8,419	10,887
Grenada			
PBL - to support macroeconomic reform programme	Oct-09	8,000	12,800

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
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	2,000	3,000
NDM - Rehabilitation and Reconstruction - Extreme Rainfall Event (includes an environmental sustainability/Climate Change Adaptation component of \$4.5 mn)	Dec-11	2,080	8,612
Guyana			
Community Roads Improvement Programme - to rehabilitate access roads in 12 identified communities	Jul-10	12,277	16,792
Fourth Road Project to increase efficiency and safety of road transportation along West Coast Demerara Road	Dec-12	25,000	34,200
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
Second Student Loan - to increase access to tertiary education for qualified persons from poor and vulnerable households	Dec-12	10,000	20,000
Montserrat			
Second Power Project - to construct a permanent power station in order to provide an efficient, secure and reliable electricity service	May-11	2,500	2,500
St. Kitts and Nevis			
Provision of exceptional financial assistance to facilitate debt restructuring as part of a comprehensive strategy for debt sustainability	Dec-11	17,760	17,760
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
NDM - Rehabilitation and Reconstruction to restore critical infrastructure damaged or destroyed as a result of Hurricane Tomas (includes Climate Change Adaptation component of \$1.1 mn)	Mar-11	9,489	17,960
Consolidated Line of Credit - St. Lucia Development Bank	Oct-11	1,000	5,000
Settlement Upgrading Project - to finance improved access to basic infrastructure and services for residents in informal settlements in 11 communities	Oct-11	6,233	6,233

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
NDM - Add. Loan (Hurricane Tomas) - to assist in executing its Hurricane Tomas recovery programme of works	Dec-12	6,862	6,862
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
NDM - Rehabilitate and Reconstruction Hurricane Tomas/North Windward (includes Climate Change Adaptation component of \$0.9 mn)	Jul-11	8,646	12,622
TVET Development – to finance the first phase of a comprehensive reform of the TVET system	Dec-11	5,000	5,000
Fourth Road Project (South Leeward Highway Rehabilitation and Upgrade) to increase efficiency and safety of road transportation along between the capital city, Kingstown, and the town of Layou	Dec-12	7,106	13,628
Total Loans		<u>191,952</u>	<u>340,383</u>
<u>Grants</u>			
Anguilla			
CTCS Projects	Dec-09	32	32
CTCS Projects	Dec-10	15	15
CTCS Projects	Dec-11	11	11
CTCS Projects	Dec-12	23	23
Antigua And Barbuda			
CTCS Projects	Dec-10	8	8
CTCS Projects	Dec-12	37	37
Bahamas			
CTCS Projects	Dec-09	23	23
Bahamas Family Islands Sector Enhancement Project – TA to develop and implement an appropriate monitoring and evaluation framework for the project	Mar-10	37	37
CTCS Projects	Dec-12	24	24
Barbados			
CTCS Projects	Dec-09	116	116
CTCS Projects	Dec-10	77	77
CTCS Projects	Dec-11	23	23
CTCS Projects	Dec-12	86	86
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	41	41

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
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
CTCS Projects	Dec-11	51	51
TA - Education Sector Reform	May-12	90	90
CTCS Projects	Dec-12	18	18
TA - Youth and Community Project	Dec-12	105	105
BNTF 7 th Programme	Dec-12	6,092	6,092
British Virgin Islands			
CTCS Projects	Dec-10	54	54
CTCS Projects	Dec-12	48	48
Cayman Islands			
CTCS Projects	Dec-09	22	22
CTCS Projects	Dec-10	72	72
Dominica			
CTCS Projects	Dec-09	15	15
CTCS Projects	Dec-10	5	5
CTCS Projects	Dec-11	18	18
NDM - Rehabilitation and Reconstruction Tropical Storm Ophelia	Mar-12	37	37
CTCS Projects	Dec-12	38	38
BNTF 7 th Programme	Dec-12	4,305	4,305
Grenada			
Schools Rehabilitation and Reconstruction project - to support the school transformation programme	Dec-09	60	60
CTCS Projects	Dec-09	64	64
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
CTCS Projects	Dec-11	33	33
CTCS Projects	Dec-12	48	48
BNTF 7 th Programme	Dec-12	2,835	2,835
Guyana			
CTCS Projects	Dec-09	31	31
CTCS Projects	Dec-10	65	65
CTCS Projects	Dec-11	19	19
4th Road West Coast Demerara Road Improvement	Dec-12	200	200
CTCS Projects	Dec-12	12	12
BNTF 7 th Programme	Dec-12	6,746	6,746
Haiti			
Introductory Mission to Haiti Regarding the CDB/Caribbean Association of Industry and Commerce – Haiti Private Sector Forum	May-09	26	26
Policy-Based Grant - financial support to the budget which had been impacted by a series of severe external shocks	Jul-09	10,000	10,000

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
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 socioeconomic 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
CTCS Projects	Dec-10	12	12
Caribbean Construction Forum – to increase involvement of regional construction sector in Haiti’s reconstruction	Feb-11	100	100
University of the West Indies External Scholarships for Final-Year Haitian Students to complete degrees at the UWI Mona campus	Feb-11	146	146
Supply of Office Furniture and Equipment - to improve functionality of essential government offices after the earthquake	Oct-11	150	150
Rural Community-Driven Development Project to improve access to basic social and economic infrastructure	Dec-11	10,000	10,000
CTCS Projects	Dec-11	21	21
CTCS Projects	Dec-12	133	133
Technical and Vocational Education Training Project (Add. Grant) - aimed at improving the employability of young people	Dec-12	4,000	4,000
Jamaica			
CTCS Projects	Dec-09	71	71
CTCS Projects	Dec-10	30	30
Financing a consultancy to assist in identification of affordable online banking software	May-11	34	34
CTCS Projects	Dec-12	65	65
Second Student Loan – for the institutional strengthening Students’ Loan Bureau	Dec-12	175	175
BNTF 7 th Programme	Dec-12	6,890	6,890
Montserrat			
CTCS Projects	Dec-09	123	123
CTCS Projects	Dec-10	41	41
Teacher Enhancement Project	May-11	75	75
Second Power Project	May-11	364	364
CTCS Projects	Dec-11	16	16
CTCS Projects	Dec-12	59	59

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
BNTF 7 th Programme	Dec-12	1,927	1,927
St. Kitts and Nevis			
CTCS Projects	Dec-09	139	139
CTCS Projects	Dec-10	94	94
CTCS Projects	Dec-11	77	77
CTCS Projects	Dec-12	108	108
BNTF 7 th Programme	Dec-12	1,811	1,811
St. Lucia			
CTCS Projects	Dec-10	8	8
CTCS Projects	Dec-11	41	41
CTCS Projects	Dec-12	30	30
BNTF 7 th Programme	Dec-12	5,458	5,458
St. Vincent and the Grenadines			
CTCS Projects	Dec-09	79	79
CTCS Projects	Dec-10	68	68
NPRS and Action Plan	July-11	98	98
CTCS Projects	Dec-11	73	73
4th Road South Leeward Highway Rehabilitation and Upgrade	Dec-12	51	51
CTCS Projects	Dec-12	59	59
BNTF 7 th Programme	Dec-12	4,448	4,448
Trinidad and Tobago			
CTCS Projects	Dec-09	17	17
CTCS Projects	Dec-10	23	23
CTCS Projects	Dec-12	32	32
Turks and Caicos Islands			
CTCS Projects	Dec-09	34	34
BNTF 7 th Programme	Dec-12	675	675
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 to plan and implement viable agri-business ventures.	Mar-10	20	20
Support for the publication and dissemination of the Caribbean Trade and Investment Report 2010 to secure greater involvement and participation in the Region's development	Mar-10	35	35
CARICOM Youth Forum promoting participation in Decision Making	May-10	71	71
Training Programme for DFIs and Indigenous FT to build institutional capacity across 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 Eastern Caribbean Currency Union	Dec-10	140	140

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
CDB and International Labour Organisation 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
Private Sector Development Strategies for Six OECS Countries	Mar-11	100	100
Research and Training in Protected Agriculture	May-11	285	285
Disabled Peoples' International (North America and Caribbean Inc.)	Oct-11	12	12
Small Ruminant Industry Development Project	Oct-11	149	149
CTCS Projects	Dec-11	114	114
Regional Conference - TVET and Human Capacity Development in the Caribbean	Mar-12	35	35
Regional Conference on Early Childhood Development in the Caribbean	Mar-12	63	63
Caribbean Road Congress	Apr-12	147	147
Regional Consultation to Address High Food Prices in the Caribbean	May-12	35	35
Conference - Rethinking Policy to Address Low Growth and High Debt in the Caribbean	Jul-12	22	22
TA - Strengthening Protected Agriculture Systems	Nov-12	70	70
CTCS Projects	Dec-12	303	303
BNTF 7 Programme	Dec-12	4,816	4,816
Total Grants		93,065	93,065
Total Inclusive Social Development and Broad-Based Economic Growth		<u>285,017</u>	<u>433,448</u>
<u>Environmental Sustainability and Disaster Management</u>			
<u>Loans</u>			
Anguilla			
Support to Meet Commitments to CCRIF	May-09	200	200
NDM - Immediate Response Loan - Hurricane Omar	Jul-09	425	425
Belize			
Belize River Valley - to upgrade the water supply system and improve access to potable water	Dec-09	3,480	3,480
NDM - Immediate Response - Hurricane Richard	Mar -11	750	750
TA - Detailed Designs - Expansion of Water and Sewerage Facilities, Ambergris Caye	Mar-12	720	720
Antigua and Barbuda			
Support to Meet Commitments to CCRIF	May-09	300	300
Dominica			
Support to Meet Commitments to CCRIF	May-09	563	563
Water Supply Network - TA to finance the conduct of a water supply upgrading and expansion study	Dec-09	362	362
NDM - Immediate Response Loan - Layou Flood Event	Oct-11	750	750
NDM – Rehab. and Reconstruction Layou Flood Event (Part of Loan)	Dec-11	381	-
NDM - Immediate Response Loan - Tropical Storm Ophelia	Dec-11	750	750
NDM - Tropical Storm Ophelia to support rehabilitation and reconstruction of critical infrastructure to reduce risks associated with landslide and flood hazards in the Roseau Valley	Mar-12	3,100	4,100

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Third Water Supply Project - Network Upgrade to provide efficient, reliable and sustainable supply of potable water	Oct-12	2,166	6,105
Grenada			
Support to Meet Commitments to CCRIF	May-09	713	713
TA - St John's River Flood Mitigation Project	Dec-09	415	415
St. Kitts and Nevis			
Support to Meet Commitments to CCRIF	May-09	350	350
Nevis Water Supply Enhancement Project	Mar-10	1,408	8,425
NDM - Immediate Response - Extreme Rainfall Event	Oct-11	750	750
NDM – Rehabilitation and Reconstruction - Extreme Rainfall Event (Part of Loan)	Dec-11	4,500	-
Jamaica			
NDM - Immediate Response - Tropical Storm Nicole	Mar-11	750	750
St. Kitts and Nevis			
NDM - Immediate Response - Tropical Storm Otto	Mar-11	750	750
St. Lucia			
Support to Meet Commitments to CCRIF	May-09	563	563
NDM - Immediate Response - Hurricane Tomas	Mar-11	750	750
NDM - Rehabilitation and Reconstruction - Hurricane Tomas (Part of Loan) to reduce risks associated with landslide and flood hazards within the project areas	Mar-11	1,100	1,100
St. Vincent and the Grenadines			
NDM - Immediate Response - Hurricane Tomas	Mar-11	750	750
NDM - Immediate Response - Torrential Rainfall Event	Jul-11	750	750
NDM - Rehabilitation and Reconstruction (Hurricane Tomas/North Windward) (Part of Loan)	Jul-11	904	904
Turks and Caicos Islands			
Support to Meet Commitments to CCRIF	May-09	500	500
Total Loans		28,899	35,974
Grants:			
Anguilla			
NDM - Immediate Use of Funds - Hurricane Omar	Jul-09	20	20
Building Effective Governance for Land Use Planning and Environmental Management	Jul-12	246	246
Bahamas, The			
Disaster Management Emergency Relief Grant: Hurricane Irene	Feb-12	200	200
Belize			
Disaster Management Emergency Relief Grant Hurricane Richard	Dec-10	200	200
Consultancy Services - Hurricane Richard	Mar-11	20	20
Dominica			
Certification of Works Layou Flood Event,	Oct-11	20	20
Certification of Works IRL - Tropical Storm Ophelia	Dec-11	20	20

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Development of a National Land Use Policy and Physical Development Plan	Oct-12	280	280
Disaster Management Emergency Relief: Tropical Storm Ophelia - Third Water Supply Project - Water Area-1 Network Upgrade	Jan-12 Oct-12	160 150	160 150
Grenada			
Strategic Programme for Climate Change Resilience	Oct-10	37	37
Extreme Rainfall Event	Sep-11	20	20
Haiti			
Disaster Management Emergency Relief - January 12, 2010 Earthquake	Mar-10	200	200
NDM - Immediate Response Earthquake	May-10	770	770
Support to Meet Commitments to CCRIF	Oct-10	1,000	1,000
Support for Haiti to Meet Commitment to CCRIF	Jul-11	550	550
Support for Haiti to Meet Commitment to CCRIF for 2012-13 Hurricane Season	Jul-12	2,570	2,570
Micro Insurance Catastrophe Risk Organisation (Haiti) Fund – Contribution	Dec-12	1,000	1,000
Jamaica			
Energy Interventions Impact Assessment Survey 1999 - 2008	May-10	29	29
Disaster Management Emergency Relief Grant Tropical Storm Nicole	Dec-10	200	200
Consultancy Services - Tropical Storm Nicole	Mar-11	20	20
St. Kitts and Nevis			
Consultancy Services - Tropical Storm Otto	Mar-11	20	20
St. Lucia			
Disaster Management Emergency Relief Grant Hurricane Tomas	Dec-10	200	200
Proposal for Designing A Strategic Programme for Climate Resilience	Dec-10	37	37
Consultancy Services - Hurricane Tomas	Mar-11	20	20
Implementing a Framework for Environmental Management	Oct-11	97	97
Strengthening of SLDB's Due Diligence for Environmental and Social Appraisal of Credit Lines	Feb-12	34	34
Vieux Fort Water Supply System Redevelopment Study	Jun-12	150	150
NDM - Rehabilitation and Reconstruction Hurricane Tomas	Dec-12	24	24
St. Vincent and the Grenadines			
Strategic Programme for Climate Change Resilience	Oct-10	36	36
Disaster Management Emergency Relief Grant Hurricane Tomas	Dec-10	200	200
IRL (Consultancy Services) - Torrential Rainfall Event	Jun-11	20	20
NDM - Immediate Response - Hurricane Tomas	Jan-11	20	20
Turks and Caicos Islands			
Storm Water Flood Risk Management Study	Jul-12	148	148
Regional			
Building Professional Capacity in Climate Change - Response Within the Caribbean Development Bank: Phase 1	May-09	41	41
Mainstreaming Disaster Risk Management in OECS Countries	May-09	90	90

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Business Continuity Planning for (MSMEs) Phase 1	Oct-09	149	149
Training in Business Continuity Planning	Dec-09	100	100
Regional Agricultural Risk Management Symposium	Jul-10	30	30
Sustainable Energy for Competitive OECS	Oct-10	1,587	1,587
Drought Management Conference	Dec-10	27	27
Promoting Energy Efficiency in the Caribbean Conference	Dec-10	43	43
Training in Business Continuity Planning For MSMEs	Dec-10	95	95
Rescue and Digitisation of Meteorological and Hydrological Data	May-11	292	292
Enabling Climate Change Adaptation Interventions in BMCs	Oct-11	470	470
Development of Disaster Risk Management Plans for the Agricultural Sector	Nov-11	45	45
Support for the Sixth Caribbean Conference on Comprehensive Disaster Management	Nov-11	106	106
Initial Assessment of the Water Sector in the Caribbean	Dec-11	275	275
Establishment of Internal Audit Capacity- Caribbean Community Climate Change Centre	Sep-12	42	42
Mainstreaming Disaster Risk Management in the OECS	May-12	46	46
Development of Acton Fiche to Access EU-ACP Regional Disaster Risk Management Grant Assistance	Jul-12	41	41
Workshop On Carbon Financing - OECS	Feb-12	26	26
Total Grants		12,223	12,223
Total Environmental Sustainability and Disaster Management		<u>41,122</u>	<u>48,197</u>
<u>Regional Cooperation and Integration</u>			
<u>Grants</u>			
<u>Regional</u>			
Development of a Matrix of the Programmes of Development Agencies in Relation to Special Development Fund (Seventh Cycle) Strategic Themes	Mar-09	17	17
Support for the Fifth Summit of the Americas	Mar-09	124	124
Preparation of a Strategic Plan for Regional Development	May-09	200	200
Feasibility Study for CARICOM Agriculture Modernisation Fund	May-09	42	42
Preparation of Initial Thematic Paper – Growth and Development Strategies in the Caribbean	May-09	132	132
Eastern Caribbean Supreme Court Halls of Justice Project – Feasibility Study and Concept Designs	May-09	900	900
Twenty-Eighth West Indies Agricultural Economics Conference	Jul 09	47	47
Institutional Strengthening of CARICOM Development Fund	Oct-09	149	149
Support of the Caribbean Institute in Gender and Development Training Programme	Oct-09	15	15
Technical Conference on Initial Thematic Paper – Growth And Development Strategies in the Caribbean	Oct-09	24	24
CARICOM Agri-Business Investment Forum	Oct-09	76	76
Single Virtual University Space	Oct-09	140	140
Policies and Strategies to Face the Global Downturn: The Way Forward in the Caribbean	Dec-09	37	37
University of the West Indies Enhancement Project	Dec-09	500	500
Support to the 2009 Commonwealth Business Forum	Dec-09	150	150
Strengthening the Capacity of Labour to Implement the Decent Work Agenda	Dec-09	150	150
OECS Education Sector Strategy	Oct-10	490	490

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
OECS E-Government for Regional Integration Project	Dec-10	2,500	2,500
Caribbean Trade and Investment Report 2010	Mar-10	35	35
Establishment of Caribbean Regional Technical Assistance Centre - Continuation of Support (Contribution)	Mar-11	1,000	1,000
Caribbean Regional Capacity Building Programme II	Dec-11	250	250
Implementation of Devinfo and Strengthening Capacity to Manage for Results	May-12	399	399
Caribbean Building Standards	May-12	900	900
Caribbean Growth Forum	Oct-12	225	225
Total Regional Cooperation and Integration		<u>8,468</u>	<u>8,468</u>
<u>Development Effectiveness and Capacity Building</u>			
Anguilla			
Preparation of a Sustainable Tourism Master Plan - Anguilla	Dec-10	150	150
Antigua and Barbuda			
Consultancy – Special Advisor, Ministry of Finance and the Economy	Oct-09	57	57
TA - Functional and Efficiency Reviews of Government Ministries	Dec-11	169	169
Belize			
Preparation of a Medium-Term Development Strategy	Dec-09	21	21
Enhancement of Policy and Strategic Framework Education	Jul-10	260	260
Youth and Community Transformation	Jul-10	280	280
Dominica			
Institutional Strengthening of Ministry of Public Works Energy and Ports	Jul-10	88	88
Grenada			
National Project Preparation, Appraisal and Management Workshop	Sep-12	75	75
Guyana			
Community Roads Improvement	Jul-10	158	158
TA - Enhancement of the Regulatory Framework for the Improvement of Operations at the University of Guyana	Mar-11	250	250
Haiti			
Increasing Government of Haiti'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	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	Mar-10	335	335

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
St. Lucia			
Water Sector Reform Review	Oct-09	29	29
Institutional Strengthening of the Ministry of Economic Planning and National Development	Dec-09	100	100
Review of the Framework for Public Sector Investment	Dec-10	64	64
Review of the Institutional Framework for Macroeconomic Management	Oct-11	118	118
Institutional Strengthening of the Ministry of Economic Planning and National Development - Additional	Jan-12	27	27
Turks And Caicos Islands			
Support to 2012 Census and CPA	Jun-12	134	134
Regional			
2009 Multi-Lateral Development Banks/International Financial Institutions Heads of Procurement Meeting	Mar-09	15	15
Regional Meeting on the Implementation of DEVInfo Software In the Region: A Situational Analysis	Mar-09	38	38
Development Bank and Civil Society Organisations Dialogue	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
Technical Assistance – Policy Dialogue on Literacy and Numeracy	Mar-09	88	88
Fifth Multi-Lateral Development Banks/International Financial Institutions – Technical Meeting on Performance-Based Allocation System	May-09	25	25
2009 International Financial Institutions' Budget Workshop	May-09	50	50
Operationalisation of An Integrated Quality Assurance System – Phase II for the CDB	Jul-09	150	150
Workshop on Non-Revenue Water	Jul-09	15	15
Workshop - Investment of Pension Fund Assets	Jul-09	105	105
To Conduct a Review of CDB's Private Sector Strategy and Policy	Oct-09	40	40
Revision of the Technical Assistance Programme of the CDB	Oct-09	115	115
Regional Surveys – Vehicle Weight Legislation and Enforcement and Performance-Based Contracting For Road Maintenance	Oct-09	99	99
Credit Ratings of National DFIs in CDB's BMCs	Oct-09	140	140
Capacity-Building Workshop on Factoring/Receivable Discounting	Dec-09	30	30
Workshop on Energy Efficiency in Water and Waste water utilities	Dec-09	24	24
Training Course on Caribbean Private-Public Partnerships	Dec-09	34	34
Vehicle-Weight Control and Performance-Based Contracting: Impact On Road Maintenance Workshop	Dec-09	49	49
Road Maintenance Seminar	Dec-09	49	49
Review of Country Classification System SDF		38	38
2010 IFI Heads of Administration Workshop	May-10	40	40
Regional Workshop - Project Management Training for Environment Professionals	May-10	64	64
Regional Workshop on Gender Differentials in Caribbean Education	May-10	100	100
Training in Protected Agriculture in China	Jul-10	34	34
Regional Capacity-Building ICT Training Workshop "Building Sustainable Caribbean Economies"	Jul-10	50	50
Training in Protected Agriculture In China	Oct-10	6	6
Mid-Term Review of the Seventh Cycle of the Unified Special Development Fund (SDF 7)	Oct-10	125	125
Gender Assessments of BMCs	Oct-10	585	585

Project	Date Approved	Net Approved From SDF (U)	Total CDB Financing
Caribbean Engineering Conference on Bridges	Dec-10	47	47
Performance-Based Road Maintenance Contracting Seminar	Dec-10	127	127
Support for the Hosting of the Second Conference of Caribbean Public Service Commissions	Dec-10	17	17
Regional Scenarios Training Programme	Feb-11	149	149
Regional Public Sector Investment Programme Workshop	Feb-11	60	60
Support to the Caribbean Institute in Gender and Development Training Programme	Jun-11	25	25
Workshop on Promoting Effective Skills, Policies and Systems	Jun-11	40	40
Water and Sanitation Utility Reform Training Course	Jun-11	92	92
Revision of CDB's Housing Sector Policy and Strategy	Jul-11	215	215
Workshop: Review of Performance and Consideration of Future Direction of CDB's FI Lending Activities	Sep-11	49	49
Performance-Based Road Maintenance Contracting Seminar	Oct-11	42	42
Design of a Risk Management Model for Six National DFIs in CDB's BMCs	Oct-11	60	60
Review of the Lending Products of CDB	Oct-11	74	74
Demonstrating Development Impact of SDF Interventions in Dominica	Nov-11	45	45
Road Sector Institutional Reform Workshop	Nov-11	108	108
Review of CDB's Managing for Development Results Agenda	Nov-11	135	135
Launching of Guidelines For Selection/Engagement of Consultants By Recipients of CDB Financing	Nov-11	150	150
Support for the Stability of the Financial System in the OECS	Dec-11	150	150
CDB Staff Gender Capacity Development Training	Feb-12	37	37
Financing the First Formal Negotiation Meeting for the Replenishment of SDF (U) Eighth Cycle In Dominica	Feb-12	89	89
Provision of Advisory Services to Support Negotiations for Replenishment of SDF (U) Eighth Cycle	Mar-12	145	145
Demonstrating Development Impact of CDB Interventions In Jamaica and Guyana	Mar-12	138	138
Review and Assessment of Internal Audit Function at CDB	Aug-12	67	67
Revision of Operational Policies and Procedures Manuals of CDB	Nov-12	150	150
Re-launch of the Governance and Institutional Development Strategy of CDB	Nov-12	131	131
MFDR Programme	Dec-12	4,000	4,000
Project Management Programme	Dec-12	4,000	4,000
Gender Equality Programme	Dec-12	2,290	2,290
Total Development Effectiveness and Capacity Building		<u>18,152</u>	<u>18,152</u>
Total Loan and Grant Approvals		<u>352,759</u>	<u>508,265</u>

SDF (U) PORTFOLIO ANALYSIS – 2011 AND 2012

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. The number of projects under implementation with an SDF component amounted to 55 and 61 in 2012 and 2011, respectively, compared with 66 projects in 2010. This reflects a 17% decline in the number of projects under implementation over the two year period. The performance rating of the portfolio for 2012 and 2011 of 5.8 (satisfactory) was lower than the PPI rating of 6.0 for the previous period. Fifty-two of the 55 projects (95%) in 2012 and 60 of the 61 projects (98%) in 2011 were rated as highly satisfactory or satisfactory, compared with 63 of the 66 projects (95%) in 2010. The comparative results for 2012, 2011 and 2010 are presented in Table 1.

TABLE 1: SDF (U) PORTFOLIO – PROJECT PERFORMANCE RATING FOR THE YEARS ENDING DECEMBER 31, 2012, 2011 AND 2010

Composite Score	2012					2011					2010				
	Size of Portfolio		Value of Portfolio		PPI	Size of Portfolio		Value of Portfolio		PPI	Size of Portfolio		Value of Portfolio		PPI
	No.	%	US\$ mn	%		No.	%	US\$ mn	%		No.	%	US\$ mn	%	
8.0–10.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.0–7.9	22	40	132.2	43	6.4	30	49	157.0	52	6.4	36	55	204.10	65	6.4
4.0–5.9	30	55	166.1	55	5.4	30	49	144.1	47	5.1	27	41	93.84	30	5.1
2.0–3.9	3	5	6.6	2	3.7	1	2	2.5	1	3.6	3	5	16.55	5	2.5
0.0–1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	55	100	304.9	100	5.8	61	100	303.6	100	5.8	66	100	314.49	100	6.0

3. Three projects (5%) were rated marginally unsatisfactory in 2012 compared to one (2%) in 2011 and three (5%) in 2010. The projects categorised as unsatisfactory include:

- (a) The **Health Sector Reform Programme, Belize (14/SFR-OR-BZE)** which has had this rating since 2004 primarily because of concerns regarding sustainability, the limited implementation of activities in comparison to the original scope and increases in cost of project activities. The project was reformulated in 2004 and ended in July 2012 with the termination of the final sub-component regarding training of healthcare staff. The small balance remaining on the loan was cancelled in December 2012.
- (b) The **NDM – Rehabilitation – Landslide Project, St. Lucia (24/SFR-OR-STL)** which has been rated unsatisfactory and flagged as “at risk” since 2007. The Government of St. Lucia (GOSL) has advised that they consider all components completed and it was agreed that CDB

would cancel the undisbursed balance. However, since Hurricane Tomas struck in October 2010, GOSL has initiated new discussions with CDB to reallocate the undisbursed loan balance.

- (c) The **Fifth Consolidated Line of Credit, Turks and Caicos Islands (6/SFR-OR-STL)** which is over six years old. The performance of the Financial Intermediary TCInvest had deteriorated over the years. In 2012, CDB received notice of a decision to close TCInvest following a review of the institution that identified weak performance and increased risk to the Government of the Turks and Caicos Islands (GOTCI) from its contingent liabilities. This closure has led a winding up of TCInvest's Ordinance and a transfer of the institution's assets and liabilities to GOTCI.

Country Portfolio Performance

4. The country portfolio rating in 2012 and 2011 declined to 5.8 compared with a rating in 2010 of 6.0 impacted by the implementation delays being experienced in some projects. Table 2 summarises the country portfolio performance for 2012 and 2011 compared with 2010. Four countries were rated highly satisfactory in 2012 compared with five in 2011 and seven in 2010. The portfolios of Anguilla and St. Vincent and the Grenadines maintained the rating of highly satisfactory over the period, while that of Dominica improved from satisfactory to highly satisfactory in 2011 and 2012. The rating for Jamaica declined to satisfactory in 2011 but regained the highly satisfactory score in 2012.

5. The ratings of seven BMCs were assessed as satisfactory in 2012 and 2011, compared with five in 2010. While there was an improvement in the rating for Dominica in 2011, those for Grenada, Jamaica and St. Lucia declined from highly satisfactory to satisfactory. In 2012, the rating for the Guyana fell to satisfactory from highly satisfactory while that for the Turks and Caicos Islands was declined to marginally satisfactory from satisfactory.

TABLE 2: SDF PORTFOLIO – COUNTRY PERFORMANCE RATING
FOR THE YEARS ENDING DECEMBER 31, 2012, 2011 AND 2010

Performance Rating	2012	2011	2010
Excellent (8-10)	None	None	None
Highly Satisfactory (6.0-7.9)	Anguilla, Dominica, Jamaica, and St. Vincent and the Grenadines (4)	Anguilla, Belize, Dominica, Guyana, and St. Vincent and the Grenadines (5)	Anguilla, Belize, Grenada, Guyana, Jamaica, St. Lucia and St. Vincent and the Grenadines (7)
Satisfactory (4.0-5.9)	Antigua and Barbuda, Belize, British Virgin Islands, Grenada, Guyana, St. Lucia, and St. Kitts and Nevis (7)	Antigua and Barbuda, British Virgin Islands, Grenada, Jamaica, St. Lucia, St. Kitts and Nevis, and Turks and Caicos (7)	Antigua and Barbuda, British Virgin Islands, Dominica, St. Kitts and Nevis, and Turks and Caicos (5)
Marginally Unsatisfactory (2.0-3.9)	Turks and Caicos	None	None
Unsatisfactory (0.0-1.9)	None	None	None

Sector Portfolio Performance

6. The distribution and average composite performance scores by sector, using the Organisation for Economic Cooperation and Development sector classification, are presented in Table 3. In 2012 and 2011, education, environment and DRR, financial business and other services, agriculture and rural development and transport and communications accounted for approximately 78.0% of the portfolio. All sectors achieved a performance rating of satisfactory or highly satisfactory except for health which was rated marginally unsatisfactory.

TABLE 3: SDF PORTFOLIO – AVERAGE PERFORMANCE SCORES BY SECTOR
For the Years ending December 31, 2012 and 2011

Sector	2012			2011		
	Size of Portfolio		PPI	Size of Portfolio		PPI
	No.	%		No.	%	
Agriculture and Rural Development	7	12.7	6.1	7	11.5	6.2
Education	11	20.0	5.7	12	19.7	5.9
Environment and Disaster Risk Reduction	11	20.0	5.6	10	16.4	5.0
Financial, Business and other Services	9	16.4	6.7	13	21.3	6.6
Health	1	1.8	3.5	1	1.6	4.0
Multi-Sector/Cross Cutting	1	1.8	4.6	1	1.6	4.9
Public Sector Management	2	3.6	5.9	2	3.3	6.0
Social Infrastructure and Services	2	3.6	6.4	4	6.6	6.5
Transport and Communications	5	9.1	5.9	5	8.2	6.1
Water and Sanitation	3	5.5	6.2	5	8.2	5.7
Urban Development	3	5.5	5.4	1	1.6	5.0
Total	55	100	5.8	61	100	5.8
Overall Average Performance Rating	Satisfactory			Satisfactory		

7. As shown in Table 3, there were marginal fluctuations in PPI values for some sectors (agriculture and rural development, education, financial business and other services, public sector management, social infrastructure and services and transport and communications). There were larger declines in the ratings of three sectors and improvement in the scores of three others. As a result, there was no change in the overall performance rating.

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

8. PPES includes criteria relating to the scoring of project performance and changes in scores to identify projects “at risk”. This is not a performance measure, but a “red flag” to draw attention to projects experiencing difficulties. As at December 31, 2012 and 2011, two projects with an SDF component were classified as “at risk” (about 3.6% and 3.3%, respectively, of the SDF capital portfolio under implementation). This compares with four projects (6.8%) at the end of 2010, all of which are no longer classified as “at risk”. The following summarises the status of projects “at risk”:

- (a) **Loan No. 13/SFR-OR-GRN, Grenville Market Square Development, Grenada.** Implementation has been impacted by the availability of adequate counterpart financing from the Government of Grenada and the increasing cost of construction (due indirectly to implementation delays) which resulted in cost overruns. In 2012, the construction contract for the bus terminal was awarded and work continued on the abattoir and market square contracts. Work on the drainage component has been deferred pending provision of additional financing.

- (b) **Loan No. 53/SFR-STL, Basic Education Enhancement.** PMU has submitted a revised Implementation Plan. CDB should, in conjunction with the Ministry of Education (MOE), evaluate progress quarterly against the Plan and action taken if targets are not being achieved. CDB and MOE should also engage in discussion relative to reorganisation of the PMU in order to achieve enhanced efficiency.

AVAILABILITY AND USE OF RESOURCES
(as of December 31, 2012)
(\$'000)

Item	SDF 5	SDF 6	SDF 7				Total
	2001–2004	2005–2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	
Commitment authority at beginning of period	16.3	41.4^{a/}	19.5	181.6	147.5	78.0	19.5
<i>Plus: Net Income</i>	4.6	15.5	2.8	2.7	0.9	(0.1)	6.3
<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	0.9	(0.1)	6.3
<i>Plus:</i>							
Repayments	59.3	61.4	14.2	16.5	18.0	20.0	68.7
Exchange rate adjustments	4.4	-	-	-	-	-	-
Commitment authority from new contributions	92.5	156.7	196.0	20.4	0.9	16.1	233.4
Exchange rate adjustments	35.6	-	-	-	-	-	-
Allocation from OCR Net Income	-	-	-	-	-	15.0	15.0
<i>Less:</i>							
Approvals for SDF Loans	113.3	170.0	35.2	46.6	75.1	64.0	220.9
Loan Cancellations	-	-	(0.7)	(0.7)	(1.9)	(6.6)	(9.9)
Approvals for SDF Grants (Excl BNTF and Haiti)	13.0	30.4	6.6	10.1	6.0	17.2	39.9
Grant cancellations	-	-	(0.2)	(0.3)	(0.7)	(2.1)	(3.3)
Approvals for BNTF	32.0	32.0	-	-	-	46.0	46.0
Approvals for Haiti	-	25.1	10.0	18.0	10.8	7.2	46.0
Commitment authority at end of period	41.4	19.5	181.6	147.5	78.0	3.3	3.3

^{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 VI

SDF FINANCIAL STATEMENTS

- VI-1: Summary Balance Sheets as at December 31, 2009–2012
- VI-2: Summary Income Statements for the years ending December 31, 2009–2012
- VI-3: Summary of Notes, Encashment and Drawdowns, 2012
- VI-4: Projected Balance Sheets as at December 31, 2013–2015
- VI-5: Projected Income Statements for the years ending December 31, 2013–2015
- VI-6: Projected Cash Flow Statements as at December 31, 2013–2015

APPENDIX VI-1

SUMMARY BALANCE SHEETS,
AS AT DECEMBER 31, 2009–2012
(\$ mn)

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

APPENDIX VI-2

SUMMARY INCOME STATEMENTS,
FOR THE YEARS ENDING DECEMBER 31, 2009–2012
(\$ mn)

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

SUMMARY OF NOTES, ENCASHMENT AND DRAWDOWNS 2012
(*000)

Country	Notes Receivable	Notes Issued		Curr.	Encashment		Notes Receivable	Not Yet Made Available	Approved but not yet Effective	Cumulative Drawdowns	Approved Contribution (Curr Value)
	1/1/12 USD	Loc Cur.	USD		Loc Cur.	USD	31/12/12 USD				
Borrowing members (BMCs)											
Trinidad and Tobago	9,057			USD			9,057			35,384	35,384
Bahamas, The	6,931			(¹)			6,931	4,249		15,560	15,560
Barbados	4,249			(¹)		1,417	2,832			19,805	19,805
Jamaica	5,728		1,910	(¹)			7,638			33,204	33,204
Guyana	-			(¹)			-			19,810	19,810
Antigua and Barbuda	32			(¹)			32		605	1,652	2,257
Belize	1,595		348	(¹)			1,943			5,134	5,134
Dominica	2,047		348	(¹)			2,395			4,874	4,874
St. Kitts and Nevis	2,145		349	(¹)			2,494			5,134	5,134
St. Lucia	1,595		349	(¹)			1,944			5,134	5,134
St. Vincent and the Grenadines	1,797		697	(¹)			2,494			5,147	5,147
Grenada	2,712			(¹)			2,712			3,345	3,345
Montserrat	-			(¹)			-		605	1,440	2,045
BVI	-			(¹)			-			2,045	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			2,045	2,045
Haiti	-			(¹)			-			1,560	1,560
TOTAL - BMCs	38,939		4,001			1,417	41,523	4,249	2,420	164,053	166,473
Non Borrowing members (NBMCs)											
Colombia	-			(¹)			-		3,600	23,533	27,133
Mexico	-			(¹)			-		3,000	14,000	17,000
Venezuela	-			(¹)			-			21,982	21,982
Canada ^{1/}	-			Cdn\$			-			264,438	264,438
China	-			US\$			-			41,298	41,298
United Kingdom ^{2/}	13,683	8,839	14,287	Str	8,839	13,683	14,287			211,246	211,246
Germany ^{3/}	6,625	3,075	5,403	EUR	3,075	6,625	5,403			82,689	82,689
Italy ^{3/}	-			EUR			-		7,083	57,018	64,101
TOTAL - NBMCs	20,308	-	19,690		-	20,308	19,690		13,683	716,204	729,887
Non Members											
France	-			FF*			-			58,254	58,254
Chile	-						-			10	10
Netherlands	-			NG			-			24,902	24,902
GRAND TOTAL	59,247	-	23,691		-	21,725	61,213	4,249	16,103	963,423	979,516

^{1/} Notes Issued in Canadian Dollars

^{2/} Notes Issued in Pounds Sterling

^{3/} Notes Issued in Euros

APPENDIX VI-4

PROJECTED BALANCE SHEETS
AS AT DECEMBER 31, 2013-2015
(\$ mn)

Item	2013	2014	2015
Assets:			
Cash	0.1	0.2	0.2
Securities – Prime	308.5	328.6	346.8
Long-term Loans	484.5	506.5	530.5
Other Assets	93.7	108.7	123.7
Total Assets	886.8	944.0	1,001.2
Liabilities:			
Current Liabilities	73.7	75.7	77.7
Contributions	756.2	811.2	866.2
Accumulated Net Income	56.9	57.1	57.3
Total Liabilities and Capital	886.8	944.0	1,001.2

APPENDIX VI-5

PROJECTED INCOME STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2013-2015
(\$ mn)

Item	2013	2014	2015
Revenues:			
Investment income	2.8	3.2	3.4
Loan Income	11.9	12.4	13.0
Total Revenues	14.7	15.6	16.4
Expenses:			
Administrative Expenses	14.5	15.4	16.1
Total Expenses	14.5	15.4	16.1
Net Income	0.1	0.2	0.3

PROJECTED CASH FLOW STATEMENTS
AS AT DECEMBER 31, 2013-2015
(\$ mn)

Item	2013	2014	2015
Cash	11.7	0.1	0.2
Securities – Prime	274.8	308.5	328.6
Beginning Balance	286.5	308.6	328.8
Cash (Net Operating Income)	0.1	0.2	0.2
New current Liabilities	3.0	2.0	2.0
Long-term Loans (Repayments)	21.0	22.0	23.0
Allocation from OCR Net Income	-	-	-
Draws on Subscriptions	38.0	38.0	38.0
Sub-total	62.1	62.2	63.2
Long-term Loan (Disbursements)	40.0	42.0	45.0
Sub-total	40.0	42.0	45.0
Ending Balance	308.6	328.8	347.0
Cash	0.1	0.2	0.2
Securities – Prime	308.5	328.6	346.8