

CARIBBEAN DEVELOPMENT BANK



**REPLENISHMENT OF THE RESOURCES OF
THE SPECIAL DEVELOPMENT FUND UNIFIED (SDF 9)**

**RESOLUTION
AND
REPORT OF CONTRIBUTORS ON SDF 9**

DECEMBER 8, 2016

CARIBBEAN DEVELOPMENT BANK

SPECIAL DEVELOPMENT FUND UNIFIED

RESOLUTION AND REPORT OF CONTRIBUTORS TO SDF 9

WITH

REPORT OF MEETINGS OF CONTRIBUTORS HELD

MARCH 10 AND 11, 2016; MAY 17, 2016;

AND OCTOBER 13, 2016

AS SCHEDULE 3

ADOPTED DECEMBER 8, 2016

RESOLUTION OF CONTRIBUTORS
TO THE SPECIAL DEVELOPMENT FUND (UNIFIED)
OF THE CARIBBEAN DEVELOPMENT BANK
(SDF 9)

WHEREAS:

The Board of Directors of the Caribbean Development Bank (hereafter called “the Bank”) has determined that the Bank should carry out negotiations for a replenishment of its Special Development Fund (Unified) (hereinafter called “the Special Development Fund”) to finance the Bank’s concessional programme for the four-year period commencing January 1, 2017, and, for that purpose, should seek contributions to the Special Development Fund;

The Governments listed in Part A of Schedule 1 to this Resolution (herein called “Contributors”) have indicated their intentions to make contributions to the Special Development Fund in the respective amounts set out in the said Part A in accordance with the arrangements set forth in this Resolution and on the basis of the decisions and understandings contained in the Report of Contributors at Schedule 3 to this Resolution.

NOW THEREFORE, the Contributors hereby RESOLVE as follows:

1. Definitions

As used in this Resolution, unless the context otherwise requires, the several terms defined in the Rules for the Special Development Fund (adopted May 1983) have the respective meanings set forth therein, except that the term "Contribution Cycle" means the period of four years commencing January 1, 2017 and ending December 31, 2020, and the following additional terms have the following meanings:

- (i) "cash portion" means that portion of a Contribution which is payable in cash as indicated by the Contributor in its Instrument of Contribution;
- (ii) "currency of obligation" means the applicable currency of obligation indicated in the Third Column of Part A of Schedule 1 to this Resolution in which the relevant Contribution is to be made pursuant to paragraphs 3 (a) and 7 (a) of this Resolution;
- (iii) "instalment" means a cash payment which is part of a cash portion or a deposit of a note which is part of a notes portion;
- (iv) "notes" means non-negotiable non-interest bearing notes payable at their par value on demand;
- (v) "notes portion" means that portion of a Contribution which is payable by the deposit of notes as indicated by the Contributor in its Instrument of Contribution;
- (vi) "qualified contribution" means a contribution as defined in paragraph 3 (d) of this Resolution;
- (vii) "SDF 9" means the replenishment of the Special Development Fund for the Contribution Cycle; and

- (viii) "unqualified contribution" means a contribution as defined in paragraph 3 (c) of this Resolution.

2. Contributions

(a) Pledges by Contributors

The Contributors hereby severally pledge to the Bank contributions to SDF 9 in amounts not less than those indicated for the respective Contributors and in the respective currencies of obligation set out in Part A of Schedule 1 to this Resolution.

(b) Additional Contributions

Notwithstanding the provisions of paragraph 2 (a) above, the Bank may accept from any of the Contributors listed in Part A of Schedule 1 to this Resolution and other Contributors additional contributions to SDF 9 during the Contribution Cycle on terms and conditions similar to those set out and referred to in this Resolution.

3. Contribution Agreement

(a) Agreements resulting from Pledges under this Resolution

By June 30, 2017, or such later date as may be determined by the Board of Directors of the Bank, each Contributor shall deposit with the Bank an Instrument of Contribution, substantially in the form set out in Schedule 2 to this Resolution or in such other form as the Bank may approve, agreeing to contribute to SDF 9 the amount of its contribution in the applicable currency of obligation as set forth in Part A of Schedule 1 to this Resolution and each such Instrument of Contribution shall constitute a Contribution Agreement.

(b) Agreements resulting from additional Contributions

Within three (3) months after the Bank has notified a Contributor that the Bank will accept an additional contribution to SDF 9 in the amount offered or proposed by such Contributor and on terms and conditions similar to those set out and referred to in this Resolution, or by such later date as may be determined by the Bank, such Contributor shall deposit with the Bank an Instrument of Contribution, substantially in the form set out in Schedule 2 to this Resolution or in such other form as the Bank may approve, agreeing to contribute to SDF 9 the amount of its contribution in the applicable currency of obligation and each such Instrument of Contribution shall constitute a Contribution Agreement.

(c) Unqualified Contribution

Subject to the provisions of paragraph 3 (d) below, each Contribution Agreement shall constitute an unqualified commitment by the Contributor to make payment of its contribution in the manner and on the terms set forth in or contemplated by this Resolution.

(d) Qualified Contribution

As an exceptional case, where an unqualified contribution cannot be given by a Contributor due to its legislative practice, the Bank may accept from the Contributor a Contribution under a Contribution Agreement which contains the qualification that payment of all instalments of the Contribution, except the first, is subject to subsequent budgetary appropriations. Such an agreement, however, shall include an undertaking by the Contributor to seek the necessary appropriations in order to make payments of the second and subsequent instalments in accordance with paragraphs 6 (a) and (b) below during the Contribution Cycle and to notify the Bank as soon as each such appropriation is obtained. Portions of a Contribution covered by such an agreement shall from time to time become unqualified to the extent that appropriations have been obtained.

4. Entry into EffectEffectiveness of Contributions

Each Contribution or portion thereof shall become effective on the date of deposit with the Bank of the relevant Contribution Agreement.

5. Mode of Payment

All payments in respect of a Contribution shall be made in cash or by the deposit of notes of the Contributor or in both cash and notes.

6. Instalment Payments(a) Amounts of Instalments and Payment Dates

Except as otherwise provided in this Resolution,

- (i) each cash portion shall be paid to the Bank in equal instalments, each in an amount of not less than twenty-five percent (25%) of the relevant cash portion, in such manner that at least one (1) payment shall be made prior to July 31, 2017 and subsequent payments by July 31 in each subsequent year of the Contribution Cycle or by such later date or dates as the Bank may determine; and
- (ii) each note portion shall be paid to the Bank in equal instalments, each in an amount of not less than twenty-five percent (25%) of the relevant notes portion, in such manner that at least one (1) payment shall be made prior to July 31, 2017 and subsequent payments by July 31 in each subsequent year of the Contribution Cycle or by such later date or dates as the Bank may determine.

(b) Payment of First Instalments and Drawdowns

Subject to the provisions of paragraph 6 (a) above and paragraphs 6 (d) and (e) below, each first instalment of a cash portion and/or a notes portion shall be made within thirty (30) days after the date of the deposit with the Bank of the relevant Contribution Agreement in the form of an unqualified Instrument of Contribution, and drawdowns by the Bank in

respect of notes deposited shall be made semi-annually according to a fixed encashment schedule based on the Bank's historical disbursement profiles weighted by the expected composition of the SDF 9 programme or such other drawdown arrangements as may be determined by the Board of Directors. The fixed encashment schedule will be communicated to the Bank by each Contributor at the time of the deposit of an Instrument of Contribution.

(c) Payments of a Qualified Contribution

Payments of instalments of a cash portion or a notes portion of a Qualified Contribution shall be made in accordance with paragraphs 6 (a) and (b) above unless such payments cannot be made because of the legislative practice of the Contributor. In such cases, payments shall be made within thirty (30) days after, and to the extent that, each such instalment has become unqualified.

(d) Payments of a delayed Contribution

If any Contributor shall deposit a Contribution Agreement after the date when the first instalment shall be payable pursuant to paragraph 6 (a) above, payment of any instalment due up to the time of the deposit of the Contribution Agreement pursuant to the provisions of paragraph 6 (a) above shall be made within thirty (30) days after the date of the deposit of such agreement.

(e) Optional Arrangements

A Contributor, at its option, may:

- (i) pay its Contribution in fewer instalments or in larger portions or at earlier dates than those specified in paragraph 6 (a) above, or in agreement with the Bank accelerate encashment of the note portion or portions of a Contribution, provided that such payment or accelerated arrangements are no less favourable to the Bank;
- (ii) defer payment of its first instalment until Contribution Agreements for an aggregate amount equivalent to at least fifty percent (50%) of the total sum indicated in Part A of Schedule 1 to this Resolution have been deposited with the Bank; and
- (iii) in the second or a subsequent calendar year of the Contribution Cycle, provided it has paid all instalments for the preceding calendar year, defer payments of further instalments so long as there is in arrears an aggregate amount equivalent to at least fifty percent (50%) of the instalments payable by the other Contributors.

7. Currency of Payment

(a) Currency of Obligation

Each Contributor shall make its Contribution in the applicable currency of obligation specified in Part A of Schedule 1 to this Resolution or, in the case of an additional Contribution, in the currency of obligation agreed to with the Bank.

(b) Acceptance by the Bank of other Currency

If a Contributor wishes to use a currency other than the currency of obligation for payment of any portion of its Contribution, the Bank, at the option of the Bank, may accept such other currency and the amount of such other currency at the time of such payment shall be determined by the Bank applying, as far as practicable, the principles applicable to the valuation of currencies forming part of the Bank's Ordinary Capital Resources.

8. Meetings of Contributors

If, during the Contribution Cycle, delays in the making of any instalments cause or threaten to cause a suspension in the Bank's concessionary lending operations, or otherwise prevent substantial attainment of the goals of SDF 9, the Bank shall convene a meeting of the Contributors to review the situation and consider ways of obtaining the necessary instalments and, based on the recommendation of such a meeting, the Bank shall adopt such measures as considered necessary.

9. Use of SDF 9

Contributions made under this Resolution shall be used and administered in accordance with the Rules for the Special Development Fund (adopted May 1983) and the decisions and understandings contained in the Report of Contributors at Schedule 3 to this Resolution.

SCHEDULE 1
CONTRIBUTIONS TO THE SPECIAL DEVELOPMENT FUND - NINTH CYCLE (SDF 9)

| | Relative Share* | | Contributions ¹ | Unit of Obligation | Amount in Unit of Obligation | Notes |
|--|-----------------|--|----------------------------|--------------------|------------------------------|-------|
| | % | | (US\$ '000) | | ('000) | |
| Regional Members | | | | | | |
| Trinidad and Tobago | 4.98 | | 11,079 | USD | 11,079 | |
| Jamaica | 4.98 | | 11,079 | USD | 11,079 | |
| Guyana | 2.77 | | 6,170 | USD | 6,170 | |
| The Bahamas, Commonwealth of | 2.77 | | 6,170 | USD | 6,170 | |
| Barbados | 2.77 | | 6,170 | USD | 6,170 | |
| Suriname | 2.77 | | 6,170 | USD | 6,170 | |
| Antigua and Barbuda | 0.30 | | 664 | USD | 664 | |
| Belize | 0.68 | | 1,513 | USD | 1,513 | |
| Dominica, Commonwealth of | 0.68 | | 1,513 | USD | 1,513 | |
| Grenada | 0.68 | | 1,513 | USD | 1,513 | |
| St. Kitts and Nevis | 0.68 | | 1,513 | USD | 1,513 | |
| St. Lucia | 0.68 | | 1,513 | USD | 1,513 | |
| St. Vincent and the Grenadines | 0.68 | | 1,513 | USD | 1,513 | |
| Cayman Islands | 0.30 | | 664 | USD | 664 | |
| Anguilla | 0.30 | | 664 | USD | 664 | |
| Turks and Caicos Islands | 0.30 | | 664 | USD | 664 | |
| British Virgin Islands | 0.30 | | 664 | USD | 664 | |
| Montserrat | 0.30 | | 664 | USD | 664 | |
| Haiti | 0.45 | | 992 | USD | 992 | |
| <i>Sub-total</i> | 27.35 | | 60,892 | USD | 60,892 | |
| Brazil | TBD | | TBD | USD | TBD | |
| Colombia | 1.57 | | 3,500 | USD | 3,500 | |
| Mexico | 1.57 | | 3,500 | USD | 3,500 | |
| Venezuela | 1.57 | | 3,500 | USD | 3,500 | |
| <i>Sub-total</i> | 4.72 | | 10,500 | | 10,500 | |
| Non-Regional Members | | | | | | |
| Canada | 23.74 | | 52,859 | Canadian \$ | 70,340 ² | |
| United Kingdom | 8.70 | | 19,358 | Pound Sterling | 13,500 ³ | |
| Germany | 6.17 | | 13,732 | Euro | 12,300 ⁴ | |
| Italy | 1.33 | | 2,958 | Euro | 2,650 ⁴ | |
| China, People's Republic of | 2.82 | | 6,275 | RMB | 41,020 ⁵ | |
| <i>Sub-total</i> | 42.76 | | 95,182 | | | |
| <i>Agreed Contributions</i> | 74.82 | | 166,574 | | | |
| Allocation from OCR⁶ | 6.74 | | 15,000 | | | |
| Structural Gap | 18.44 | | 41,044 | | | |
| Total | 100 | | 222,618 | | | |

- Contributions are subject to Parliamentary/Congressional and Budgetary approval
- CDN\$1.3307=USD1 - Average daily exchange rate for 6-month period ending June 30, 2016
- GBP1 =USD1.4339 - Average daily exchange rate for 6-month period ending June 30, 2016
- Euro1=USD1.1164 - Average daily exchange rate for 6-month period ending June 30, 2016
- RMB ¥6.5370=USD1 - Average daily exchange rate for 6-month period ending June 30, 2016
- Subject to CDB Board of Governors' approval
TBD – to be determined during the cycle

SCHEDULE 2

INSTRUMENT OF CONTRIBUTION

(Insert)
(Office)
(Address of Signatory)

Your Ref. 35/2/9/5
Our Ref.

Date:

The Vice-President (Corporate Services) and Bank Secretary
Caribbean Development Bank
P.O. Box 408
Wilkey
St. Michael
BARBADOS, BB11000

Dear Sir/Madam:

I am pleased to inform you that (name of country), by means of this letter, agrees to contribute to the Special Development Fund – Ninth Cycle (SDF 9) of the Caribbean Development Bank (CDB) an amount of United States dollars^{1/} (USD)^{1/} of which \$^{1/} will be in cash and the remainder in notes,^{2/} pursuant to and in accordance with the conditions contained in the Resolution of the Contributors to SDF 9 adopted at the Meeting of Contributors on

^{3/} Payment of the second and subsequent instalments of the Contribution is subject to budgetary appropriations and (name of country) hereby undertakes to seek the necessary appropriations in order to pay such instalments in accordance with paragraphs 6 (a) and (b) of the abovementioned Resolution and to notify CDB as soon as each such appropriation is obtained.

In the name and on behalf of (name of country), I declare that all the necessary legal requirements to assume this Instrument of Contribution have been fulfilled.

Yours faithfully,

4/

^{1/} To be deleted if currency of obligation is other than US dollars. Where there is another currency of obligation, such currency is to be inserted in place of the phrase "United States dollars (USD)".

^{2/} To be altered as appropriate.

^{3/} Applicable only if the Contribution is qualified.

^{4/} To be signed by the Governor of the member country on the Bank's Board of Governors except in the case of Anguilla, British Virgin Islands, Cayman Islands, Montserrat and the Turks and Caicos Islands, and non-member contributing countries, when it should be signed by the proper authority of each such country.

SCHEDULE 3

CARIBBEAN DEVELOPMENT BANK



THE SPECIAL DEVELOPMENT FUND (UNIFIED)

**A PARTNERSHIP FOR ACHIEVING SUSTAINABLE DEVELOPMENT AND
LEAVING NO ONE BEHIND**

REPORT OF CONTRIBUTORS ON SDF 9

DECEMBER 2016

ABBREVIATIONS

| | | |
|---------|---|---|
| BMCs | - | Borrowing Member Countries |
| BNTF | - | Basic Needs Trust Fund |
| BOD | - | Board of Directors |
| CARICOM | - | Caribbean Community |
| CDB | - | Caribbean Development Bank |
| CDD | - | Community-driven Development |
| CMDG | - | Caribbean-specific MDG framework |
| CPAs | - | Country Poverty Assessments |
| CRS | - | Climate Resilience Strategy |
| CSME | - | Caribbean Single Market and Economy |
| CSPE | - | Country Strategy and Programme Evaluation |
| CSPs | - | Country Strategy Paper |
| CTCS | - | Caribbean Technological Consultancy Services |
| DPs | - | Development Partners |
| DRM | - | Disaster Risk Management |
| DRR | - | Disaster Risk Reduction |
| ECD | - | Early Childhood Development |
| EE | - | Energy Efficiency |
| GBV | - | Gender-Based Violence |
| GCF | - | Green Climate Fund |
| GDP | - | Gross Domestic Product |
| GE | - | Gender Equality |
| IAs | - | Implementing Agencies |
| IDP | - | Information Disclosure Policy |
| IT | - | Information Technology |
| LDCs | - | Less Developed Countries |
| MDGs | - | Millennium Development Goals |
| MfDR | - | Managing for Development Results |
| MSMEs | - | Micro, Small and Medium-Sized Enterprises |
| MTR | - | Mid-Term Review |
| mn | - | million |
| NDCs | - | Nationally Determined Contributions |
| OCR | - | Ordinary Capital Resources |
| OECS | - | Organisation of Eastern Caribbean States |
| PCM | - | Project Cycle Management |
| PCRs | - | Project Completion Reports |
| PPMS | - | Project Portfolio Management System |
| PPPs | - | Public-Private Partnerships |
| PRs | - | Poverty Reduction Strategies |
| RAS | - | Resource Allocation Strategy |
| RCI | - | Regional Cooperation and Integration |
| RE | - | Renewable Energy |
| RMF | - | Results Monitoring Framework |
| ROC | - | Register of Consultants |
| RPGs | - | Regional Public Goods |
| SDF | - | Special Development Fund |
| SDF (9) | - | Special Development Fund (Ninth Cycle) |
| SDGs | - | Sustainable Development Goals |
| SE | - | Sustainable Energy |
| SIDS | - | Small Island Developing States |
| TA | - | Technical Assistance |
| TVET | - | Technical and Vocational Education and Training |
| WB | - | World Bank |

\$ U.S. dollar (except where otherwise specified)

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EXECUTIVE SUMMARY

1. The Special Development Fund (SDF) is a partnership between non-regional and regional non-borrowing members and the Bank's Borrowing Member Countries (BMCs), all of which, including the poorest and most disadvantaged, contribute to the resources of the Fund. SDF is a key element in the aid architecture for the Caribbean and in the role and operations of the Caribbean Development Bank (CDB). It has become an indispensable instrument for addressing BMCs' most pressing development challenges.

2. SDF Contributors have reviewed the operations and effectiveness of the Fund, its resource position, and the capacities of the Bank in relation to its strategic role and the related operational requirements. Contributors and the Bank have agreed on targeted objectives for the period ahead and a framework for monitoring and assessing results. Contributors have also agreed to recommend a replenishment of the resources of the Fund for the Special Development Fund (Ninth Cycle) (SDF 9) period (2017-2020) to allow the Fund to continue its important work.

3. Contributors welcomed the Bank's overall approach of maintaining a focus on poor countries, factoring in their different capabilities for addressing their specific poverty problems, while at the same time providing research and analysis to assist the countries to tackle each problem. Contributors also supported the special role for the Bank and SDF in assisting BMCs to respond to new circumstances created by the expansion of the International Development Agenda through the agreements reached on the Sustainable Development Goals (SDGs); Financing for Development (Addis Abba Action Agenda); and Climate Change at the United Nations Conference of Parties (Paris).

4. Contributors noted that SDF 9 will be the first full replenishment cycle which addresses these agreements and which is framed in the context of the Strategic Plan 2015 – 2019. Within these frameworks, the Bank will strengthen its operational focus to meet the challenges of reducing poverty and inequality, mitigating vulnerabilities to climate change weather phenomena and natural disaster events, building resilience, and enhancing institutional capacity.

5. Contributors agreed that the SDF 9 priorities, objectives and operational programme should take account of the findings of the Mid-Term Review (MTR) of SDF 8 and the Multi-cycle Evaluation of SDF 6 and 7. They approved the following broad themes for the SDF 9 replenishment:

- (a) Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13, and 17 (Refer to Appendix 1);
- (b) Building resilience and promoting environmental sustainability; and
- (c) Promoting regional cooperation and support for regional public goods (RPGs).

These themes would be supported by the cross-cutting areas of Gender Equality (GE), Good Governance, (in full alignment with SDGs 5 and 16, respectively) and, as in SDF 8, environmental sustainability (in alignment with SDG 13).

OPERATIONAL DIRECTION FOR SDF 9

Supporting the Achievement of SDG Targets Relevant to the Caribbean

6. Contributors endorsed the selected SDGs as appropriate for providing a framework for the SDF 9 programming. They supported the development of Caribbean-relevant SDG targets and indicators for

monitoring BMCs' progress towards the attainment of sustainable growth and development. Contributors also reaffirmed the importance of such a framework in setting the expected outcomes and a results-based monitoring framework for SDF operations, and underlined their expectation that this framework would assist in the development of results-based country strategies, selection and design of programmes and projects, and monitoring of, and reporting on, SDF 9 operations.

7. Contributors noted that in addition to the relatively high and persistent poverty levels in BMCs, significant pockets of poverty also exist in BMCs with relatively high per capita incomes. In essence, not only has poverty persisted, but its nature and face in the Caribbean is changing with female-headed households and those with little education experiencing more poverty. It is therefore important to fashion more relevant and holistic approaches to poverty reduction to adequately address the existing and new dimensions of poverty in the Region¹. Enhancing GE as a cross-cutting area in line with SDG 5 will be essential to reducing poverty as evidence indicates a female face of poverty in the Region.

8. Contributors and the Bank agreed on the importance of enhancing SDF support for efforts to reduce poverty and inequality, in the context of the selected SDGs, as well as, to build resilience to climate change, promote environmental sustainability, and support regional cooperation including support for RPGs. Contributors recognised that multidimensional approaches to poverty reduction and towards achieving SDGs 1 and 2 are essential to reversing high and persistent poverty trends among BMCs and for responding to the urgent needs of the poorest often represented by female-headed households and those with limited education.

9. Contributors strongly endorsed the important work of the restructuring the Basic Needs Trust Fund (BNTF), and agreed that there should be continued support for BNTF as well as the continuing operations in Haiti as part of the effort to accelerate progress towards reducing poverty and inequality with a focus on areas where the Bank has experience and capacity.

10. All BMCs suffer from significant infrastructure deficits which must be remedied if they are to improve the prospects for increasing growth and employment and reducing the negative impact on citizens' quality of life. Hence, Contributors agreed that in addition to initiatives targeted directly towards reducing poverty and inequality, SDF must continue to support the enhancement of capacity and capabilities in key sectors and areas. This includes the strengthening of areas such as social and economic infrastructure including education and training, agriculture and rural development, water and sanitation, sustainable energy, private sector development and innovation, particularly for MSMEs, regional cooperation and integration (RCI) and GE.

Building Resilience and Promoting Environmental Sustainability

11. Contributors and the Bank agreed that climate change and natural hazard events threaten to unravel much of the development gains of the Caribbean region. As a result of their vulnerability to frequent natural hazard events, Caribbean countries have been incurring very high economic costs to replace damaged or destroyed infrastructure. Caribbean countries are among the most vulnerable in the world.

12. They noted that climate variability and climate change are more likely to affect climate sensitive sectors and key drivers of economic growth and development such as agriculture, tourism, fisheries, forestry and water resources. Levels of physical vulnerability to natural hazards have continued to increase, and will be further exacerbated by climate change and associated sea level rise with the increasing concentration of settlements in the coastal zones.

¹ In this regard, a Bank-commissioned study entitled 'The Changing Nature of Poverty and Inequality in the Caribbean – New Issues, New Solutions' was presented to the Bank's Annual Meeting of Board of Governors in May 2016.

13. The persistence of large pockets of poverty in both urban and rural areas contribute to the cycle of environmental degradation and has significantly increased the absolute numbers of the population in BMCs vulnerable to natural hazards. Disaster impacts are often not distributed uniformly within a population. Poor and vulnerable citizens suffer most from natural disasters and climate-induced events and women face disproportionate risks. In many cases, the mortality rates for women in the aftermath of a disaster are much higher than those of men. Contributors therefore agreed that ending poverty and inequality would require building resilience to climate change and associated events.

Promoting Regional Cooperation and Support for RPG

14. Contributors endorsed support for regional integration as a key priority for the Bank, with a potential lead role in selected areas, *and welcomed* the Bank's work in further defining a targeted and realistic role for both SDF and the Bank. *They also encouraged* the Bank to play an important "convening" role, as a coordinator, bringing together the different actors and partners in the Region. Contributors encouraged the Bank to continue its efforts to widen its mandate based on the membership of the Caribbean Community (CARICOM) and to play a broader role in responding to the needs of the Region.

Cross-Cutting Areas

15. Contributors and the Bank agreed that the major cross-cutting issues for SDF 9 will be improving *GE*, which also addresses SDG 5 and *Good Governance* which addresses SDG 16. In addition, they also agreed that as was the case under SDF 8, *Environmental Sustainability* which relates to SDG 13 will continue to be supported as a cross-cutting area.

Gender Equality

16. A key rationale for addressing GE (SDG 5) as a cross-cutting area in the Bank's programming is the link between gender inequality and poverty in both rural and urban contexts. *Contributors welcomed* the recognition, in the planning for SDF 9, of the importance of mainstreaming GE and of its role as a driver of growth and a critical contributor to economic efficiency and effectiveness.

17. Given the persistent gender inequalities and the continuing institutional weakness of national gender policies and programmes, Contributors endorsed the Bank's commitment to follow a multitrack strategy by mainstreaming gender into all of its programmes, projects and strategies, in particular its social and economic infrastructure interventions, and by designing and implementing gender-specific initiatives. They also noted that prevention and elimination of gender-based violence (GBV) will be supported by awareness building, behaviour change and security measures, in particular psychosocial support programmes, life skills training, relevant citizen security interventions, through gender-sensitisation training of contractors in infrastructure projects, gender-responsive projects in disaster situations, and through the provision of better data on the prevalence of GBV in BMCs.

Good Governance, Building Capacity and Improving Institutional Effectiveness

18. Improved governance and institutional capacity in BMCs is central to the achievement of the Region's growth and development objectives, but is also an essential component of CDB's risk management, and organisational efficiency and effectiveness. *Contributors* and the Bank agreed that addressing the capacity gap in the areas of institutional reform, evidenced-based policy formulation, economic management, judicial and public service delivery, legislative and regulatory frameworks, implementation capacity, and data collection and statistics is crucial to progress on the SDGs and BMCs

sustainable development ambitions. They encouraged the Bank to work closely with other development partners (DPs) to assist BMCs to close the capacity gap as well as to address deficiencies in project implementation.

Environmental Sustainability

19. Contributors noted that progress in mainstreaming **environmental sustainability, climate and disaster risk reduction (DRR)** measures has been slow. Outdated policies, inadequate legislative/regulatory frameworks, and fragmented institutional arrangements remain the norm for most BMCs. They agreed that improvements in the coverage of environment and climate monitoring networks are critical for the provision of robust environment and climate data sets to support effective policy development and decision making. They also noted the urgent need for institutional, legislative and regulatory reform of national technical institutions responsible for environmental governance and the management and dissemination of knowledge on climate and disaster risks and environmental performance. Implementation of these reforms is crucial for the attainment of SDG 13.

DEVELOPMENT EFFECTIVENESS AND MANAGING FOR RESULTS

20. Contributors emphasised the importance of maintaining a robust system/framework for monitoring and reporting on a timely basis on the outcomes and effectiveness of the Bank's operations. They complimented the Bank on the progress made in developing and operating its RMF since 2011 but looked forward to further improvements particularly in the context of the new 2030 Development Agenda and the associated SDGs. These updated targets and indicators will enable Contributors to monitor and measure the improvements in outcomes from SDF 9 initiatives.

Reform Measures to Improve Institutional Capacity

21. Contributors complimented the Bank on progress made in implementing the package of internal reforms designed to improve the Bank's operational effectiveness and responsiveness to the changing development needs in its BMCs, and also to enhance its accountability systems. They noted that the reforms were focused on four key areas: (a) enhancing corporate governance and oversight; (b) improving operational policies, strategies and guidelines; (c) creating more effective alignment of structure and processes; and (d) mainstreaming management for development results (MfDR). Contributors endorsed the Bank's decision to consolidate the gains made from these reforms during the SDF 9 period.

22. They commended the Bank for the progress that had been made in the area of MfDR, which is now fully embedded within the Bank's operations. This included the recruitment of a Results Specialist, the establishment of a broad-based Development Effectiveness Committee, the annual production of the Development Effectiveness reports and MfDR training and awareness sessions for staff from across the Bank. Contributors noted that the sharper results orientation had improved the quality assurance processes for quality at entry and project appraisal and recommended that further steps to improving MfDR should include measures for enhancing the methodology for assessing project performance.

FINANCIAL RESOURCES AND PROGRAMME LEVELS

23. *Contributors agreed* that the SDF 9 programme should be resourced at a level consistent with the ambitions of the 2030 International Development Agenda and provide for:

- A high level of country lending in priority areas, with indicative country allocations to be determined using the SDF needs and performance-based Resource Allocation Strategy

(RAS), to assist BMCs in accelerating progress toward the Caribbean-specific SDG targets and indicators (to be developed and adopted);

- Continued support for community level infrastructure, poverty reduction and promoting equality and good governance, through additional funding for an enhanced BNTF programme from SDF 9 to be supplemented by unused BNTF funding brought forward from previous SDF cycles;
- Continuing targeted SDF support for Haiti, in cooperation with DPs, with particular emphasis on education, community-driven development (CDD), agriculture, capacity development and institution building and the increased operational capacity for Haiti being put in place by the Bank;
- Promotion of capacity building, statistics and good governance as critical success factors for driving economic transformation and growth in BMCs;
- Continuing support for disaster response, mitigation and rehabilitation, and for environmental sustainability, environmental risk management, adaptation to climate change and sustainable energy;
- Spurring agriculture and rural development, especially in low-income BMCs with a strong reliance on the agriculture sector, as means for creating rural employment, particularly among females and young persons, promoting food security and reversing environmental degradation;
- Enhancement of the enabling environment for MSME growth through the development and effective implementation of a programme of support for BMCs' creative industries, promotion of competitiveness, and training interventions through Caribbean Technological Consulting Services Network (CTCS); and
- Support for RCI, RPGs and regional solutions, through both loans and grants, to economic and social constraints.

24. Contributors agreed on an overall programme level for SDF of \$355mn to be financed from internally generated resources within SDF of \$132.4mn, agreed contributions of \$166.6mn, and an allocation from the Bank's Ordinary Capital Resources (OCR) net income of \$15mn, with an unallocated structural gap of \$41.0mn. Contributions to the latter are expected from existing Contributors and from prospective new members.

IMPLEMENTATION OF SDF 9

25. Contributors and the Bank agreed to an Implementation Plan for SDF 9, which provides a basis for monitoring key milestones in the implementation process. The Implementation Plan is structured in terms of the agreed themes and cross-cutting areas with monitoring parameters and target timeframes/dates in each case. They also agreed to monitor progress in implementing the agreed SDF 9 framework, including a MTR during the course of SDF 9.

26. As the outcome document for the SDF 9 Replenishment negotiations, this Report constitutes an Agreement between the Contributors and the Bank, on the basis of which the Contributors will provide new resources for the SDF 9 period and the Bank will undertake the necessary measures to implement the agreed framework and to ensure adequate capacity and monitoring. The undertakings set out in this Report are critical elements of the Agreement and key to the successful implementation of SDF.

1. INTRODUCTION

1.01 SDF is a partnership between non-regional and regional non-borrowing members and the Bank's BMCs, all of which, including the poorest and most disadvantaged, contribute to the resources of the Fund. SDF² is a key element in the aid architecture for the Caribbean and in the role and operations of CDB. It is an indispensable instrument for addressing deep-seated issues of high and persistent poverty, inequality and vulnerability to climate change, weather phenomena and other natural disaster events. SDF resources are an essential complement to the OCR and allow the Bank and its regional and non-regional partners to engage in development assistance initiatives that could not otherwise be undertaken.

1.02 It has allowed the Bank to assist BMCs to more directly address issues of poverty and inequality, sustainable development, capacity limitations in key areas of evidence-based policy formulation, economic governance, legislative and regulatory frameworks, statistics and capacity development, gender inequalities, environmental sustainability, and important work associated with the RCI project. It has also allowed the Bank to partner with its most recent members - Haiti and Suriname - to confront their development challenges.

1.03 Recent research suggest that the Caribbean is experiencing significant changes in the characteristics of the poor due in part to the increasing frequency and intensity of natural disasters, tightening immigration border controls across the world and exacerbated by the impact of the credit crisis and the Great Recession. These changes suggest the need for different approaches to the current Poverty Reduction Strategies (PRSs) including social protection for groups vulnerable to falling back or further into poverty. Affordability and capacity of BMCs for making such shifts in approach are important considerations for the design of SDF programmes going forward.

1.04 In this context, SDF has an important role to play in assisting BMCs to meet these critical challenges. This includes the continuing and urgent work, supported by DPs, to help BMCs to assess and understand the changing nature of poverty and inequality in the Caribbean and helping to forge new solutions. Maintaining and strengthening the partnership role of the SDF is an objective on which Contributors and the Bank have agreed, and to which the Bank has positioned itself to respond. New resources being made available by other DPs have created opportunities through which the Bank and SDF can provide an even more coordinating and catalytic role within the aid architecture for the Caribbean.

THE SDF 9 REPLENISHMENT

1.05 Resources currently available to SDF were largely committed by the end of 2016, and continued operations require further commitment authority and replenishment, effective for 2017. Internally generated funds, although significant, cannot finance more than a portion of ongoing SDF operations. Contributor governments, therefore, have undertaken a series of discussions on the policy and operational framework and replenishment requirements for a further four-year cycle (2017-2020), which will be SDF 9.

1.06 Representatives of the Contributors, covering all members of the Bank, held a total of four meetings, including a Preparatory Meeting and three Negotiation Meetings, to consider SDF operations to date, progress in implementing the objectives of SDF 8, the economic and social challenges faced by the regional borrowing countries, and the role and work of the Fund, including results to date and the appropriate focus for SDF 9.

² References to SDF in this Report are to the Special Development Fund (Unified) established in 1983.

1.07 They agreed that the SDF 9 priorities, objectives and operational framework should reflect the new international development agenda, be strongly aligned with the Bank's Strategic Plan 2015 - 2019, and take account of the findings of the MTR of SDF 8 and the Multi-cycle Evaluation of SDF 6 and 7. They also approved the following broad themes for the SDF 9 replenishment:

- (a) Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13, and 17 (Refer to Appendix 1 – Selected SDGs, Targets and Means of Achievement);
- (b) Building resilience and promoting environmental sustainability; and
- (c) Promoting regional cooperation and support for RPGs.

These themes will be supported by the cross-cutting areas of GE, Environmental Sustainability, and Good Governance which are in full alignment with SDGs 5, 13 and 16, respectively.

1.08 The Report consists of five further sections. Chapter 2 reviews the context for the Replenishment and the analysis that Contributors have taken into account in assessing the need for SDF 9. Chapter 3 sets out the agreed operational directions and the key priorities for SDF 9. Chapter 4 outlines the elements of the development effectiveness agenda including the enhanced RMF and the implementation status of reform measures, and Chapter 5 provides the framework for the provision of financial resources and the setting of programme levels. A final chapter sets out the implementation plan and the basis for monitoring implementation.

1.09 As the outcome document for the SDF 9 Replenishment negotiations, this Report constitutes an agreement between the Bank and the Contributors, on the basis of which Contributors will provide new resources for the SDF 9 period, subject to monitoring and MTR. The undertakings by the Bank set out in this Report are critical elements of the agreement and key to the successful implementation of SDF 9.

2. SDF 9 DEVELOPMENT CONTEXT

SDF SUPPORT FOR THE INTERNATIONAL DEVELOPMENT AGENDA

2.01 The global development agenda has historically provided a platform and strategic context for SDF to address the crippling development challenges in its BMCs. In that regard, it was acknowledged that the Bank and SDF had a special role in assisting BMCs to respond to new circumstances created by the expansion of the international development agenda through the agreements reached on:

- The SDGs;
- Financing for Development (Addis Abba Action Agenda); and
- Climate Change at the United Nations Conference of Parties (Paris).

2.02 Contributors noted that SDF 9 will be the first full replenishment cycle which addresses these agreements. Within these frameworks, the Bank can strengthen its operational focus on reducing poverty and inequality, mitigate vulnerabilities to climate change weather phenomena and natural disaster events, build resilience, and enhance institutional capacity.

The SDGs

2.03 The Millennium Development Goals (MDGs), including the Caribbean-specific MDGs (CMDG), had been an integral part of the policy framework for SDF since 2001. Contributors *noted* the progress made towards attaining the various CMDG targets and commended the Bank on its consistent support to BMCs. They *recommended* that the lessons emerging from the regional and global reviews of the MDG programmes be applied to the development of initiatives for implementing the SDGs, which were identified as relevant to the Region³, and the Caribbean-specific targets and indicators to be developed during SDF 9.

2.04 In September 2015, the global community adopted the 2030 Agenda for Sustainable Development and the associated SDGs as the new framework for targeting global sustainable growth and development following from the MDGs.

2.05 This Agenda, which builds on the foundations of the MDGs, identifies five transformational shifts to provide guidance to the international community to better alleviate poverty and “for building integrated sustainable development agenda that will overcome the obstacles to prosperity for all,”

i.e. Leave No One Behind; Put Sustainable Development at the Core; Transform Economies for Jobs and

| Box 1: Sustainable Development Goals | |
|--------------------------------------|---|
| Goal 1 | End poverty in all its forms everywhere |
| Goal 2 | End hunger, achieve food security and improved nutrition, and promote sustainable agriculture |
| Goal 3 | Ensure healthy lives and promote well-being for all at all ages |
| Goal 4 | Ensure inclusive and equitable quality education and promote life-long learning opportunities for all women and girls |
| Goal 5 | Achieve gender equality and empower all women and girls |
| Goal 6 | Ensure availability and sustainable management of water and sanitation for all |
| Goal 7 | Ensure access to affordable, reliable, sustainable, and modern energy for all |
| Goal 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| Goal 9 | Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation |
| Goal 10 | Reduce inequality within and among countries |
| Goal 11 | Make cities and human settlements inclusive, safe, resilient and sustainable |
| Goal 12 | Ensure sustainable consumption and production patterns |
| Goal 13 | Take urgent action to combat climate change and its impact ⁴⁴ (Acknowledging that the UNFCCC is the primary international, intergovernmental forum for negotiation the global response to climate change) |
| Goal 14 | Conserve and sustainably use the oceans, seas and marine resources for sustainable development. |
| Goal 15 | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss |
| Goal 16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| Goal 17 | Strengthen the means of implementation and revitalise the global partnership for sustainable development |

³ See paper entitled The Caribbean and the Post-2015 Sustainable Development Agenda (Ransford Smith, March 2015)

Inclusive Growth; Build Peace and Effective, Open and Accountable Public Institutions; and Forge a new Global Partnership. Importantly, the Bank will assist in articulating the Agenda in a way that is most relevant to the Caribbean.

2.06 The SDGs are framed on the recognition that “eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development”. Seventeen SDGs and 169 targets have been ratified as representing the key development priorities that could improve sustainable livelihoods (Refer to Box 1 – SDGs). Further, the core set of universally agreed goals and targets will be accompanied by country and region-specific indicators currently being developed to facilitate performance measurement of the SDGs at the national and regional levels.

2.07 Contributors characterised the SDGs as a framework which is bold, ambitious, fit for purpose and appropriate for guiding the development of SDF programmes. They encouraged the Bank to design an SDF 9 programme that matches the ambitions of the SDGs and which can make a real difference to the life and welfare of Caribbean citizens.

2.08 They *endorsed* the selected SDGs and targets (Refer to Appendix 1 - Selected SDGs, Targets and Means of Achievement) as appropriate for providing a framework for the SDF 9 programming and for developing Caribbean-relevant SDG indicators for monitoring BMCs’ progress towards the attainment of sustainable growth and development. Contributors also *reaffirmed* the importance of such a framework in setting the expected outcomes and a results-based monitoring framework for SDF operations, and underlined their expectation that this framework would assist in the development of results-based country strategies, selection and design of programmes and projects, and monitoring of, and reporting on, SDF 9 operations. They also agreed that SDF had a critical role to play in supporting the implementation of the SDGs as well as the special considerations that are required for BMCs’ sustainable development.

Financing for Development (Addis Abba Action Agenda)

2.09 A new global framework for financing sustainable development decided at the Third International Conference on Financing for Development⁴ in mid-July 2015, as well as the Third International Conference on Small Island Developing States (SIDS), held in Samoa in September 2014, provided important guidance in relation to possible financing mechanisms and key development priorities for SIDS. The SIDS Accelerated Modalities of Action (SAMOA Pathway) outlines critical sustainable development priorities for SIDS that are mutually reinforcing and consistent with the SDGs (See Appendix 2). These include the need to support efforts that build resilience to climate change impacts and improve DRR; promote sustainable energy (SE); increase access to safe water as well as enhance food security. Advancing GE and strengthening governance through improved availability of data and statistics were also agreed as critically important goals.

Climate Change at the United Nations Conference of Parties (Paris)

2.10 The Paris Agreement from the concluded negotiations of the United Nations Framework Convention on Climate Change Conference of the Parties (COP21) includes several key objectives of the Caribbean Climate Change agenda that are of significant importance to inform the Region’s Climate Resilience Strategy (CRS) and Implementation Plan and sustainable development priorities. These included a long-term temperature goal “to hold the increase in global average temperature to below 1.5 degrees

⁴ The objectives of the conference were threefold: to follow-up on commitments and assess the progress made in the implementation of the Monterrey Consensus and the Doha Declaration; to further strengthen the framework to finance sustainable development and the means of implementation for the universal post-2015 development agenda; and to reinvigorate and strengthen the financing for development.

Celsius above pre-industrial levels”); particular reference and acknowledgement of the special circumstances of small islands and low developing states; the special circumstances for the financing of implementation activities in the SIDS as well as the separate treatment of Loss and Damage as distinct from Adaptation. The Agreement will require critical actions at the regional and national levels, including building and strengthening capacities for the effective implementation of BMCs nationally determined contributions (NDCs) which are considered obligations under the Paris Agreement. In general, the NDCs identified by BMCs reflect the sectors in which CDB has experience and competence; water, wastewater, physical infrastructure, agriculture, renewable energy (RE) and energy efficiency (EE).

HIGH AND PERSISTENT POVERTY, INEQUALITY AND VULNERABILITY

2.11 Poverty is caused and sustained by multiple cross-cutting deprivations and vulnerabilities. It retards capacity for the full development of personal assets and sustainable livelihoods. Aggregated Caribbean data for the period 2006 to 2014 show a decline in the proportion of the population in poverty from 54% to 44.1% (including Haiti) and from 24% to 21.1% (excluding Haiti) (Refer to Table 1). For the same period, there was also a decline in the proportion of the Caribbean population below the indigence line (food poverty) from 41% to 22.4% (including Haiti) compared with 12% to 11.1% (excluding Haiti). The movement from 24% to 21% for overall poverty and from 12% to 11% for indigence (excluding Haiti) reveal little change in close to a decade and the CMDG target for income poverty reduction by 2015 has not been met. In summary, at least one-fifth of the Region’s population live in poverty and over a tenth are food poor (indigent).

2.12 The situation is more positive for non-income human development poverty reduction indicators. Enrolment and retention rates at the primary school level continue to improve although they are still below target values. The indicators for enrolment in secondary school are currently above the targets set for both male and female enrolment. However, while net enrollment at primary and secondary levels are good, the quality of education remains below expectations with gross enrollment rate at post-secondary level estimated at only 15%⁵.

2.13 With respect to access to basic services, in particular water and improved sanitation, relatively modest gains have been made since 2009. Approximately 96.2% of the urban population and 92.1% of the rural population had access to potable water in 2014. Many BMCs are classified as water-scarce or water-stressed, and face a number of significant challenges. These include high levels of water losses, inadequate tariffs, aging infrastructure and insufficient capital investment, poor regulatory and institutional arrangements for effective integrated water resource management. These challenges are exacerbated by risks associated with climate change and variability and impacts most severely on the poorest and most vulnerable citizens, whose livelihoods are critically linked to access to water resources. In addition, the sustainability of existing water supplies is uncertain in light of climate change and increasing urban demand.

2.14 The data in Table 1, show that based on country-specific poverty lines and consumption expenditures data, poverty, vulnerability and income inequality levels are high. Generally, high levels of poverty persists in the Region with at least one in five persons below the poverty threshold and current scenarios suggest, post the global recession, levels may actually have worsen in many countries. Based on existing data, poverty levels are highest in Belize, Grenada, Guyana, Haiti, St. Lucia and St. Vincent and the Grenadines. Much more progress have been made in reducing the level of indigence (individuals incapable of affording the basic food basket) across the Region but there is danger of this being reversed in light of the aftermath of the global financial crisis as anecdotal information suggests that levels of under nutrition are on the rise in many countries.

⁵ In 2014, CARICOM Heads of Government appointed a Commission to develop a Regional Education and Human Resource Development 2030 Strategy. CDB is represented on this commission which is expected to complete its work by February 2016.

TABLE 1: MAJOR POVERTY INDICATORS

| Country | Survey Year | Below the Poverty Line* | Below the Indigence Line | Additional Vulnerable | Poverty Gap** | Poverty Severity*** | Gini Coefficient | |
|--------------------------------|-------------|-------------------------|--------------------------|-----------------------|---------------|---------------------|------------------|------|
| | | (% of Population) | | | | | | |
| Anguilla | 2002 | 23.0 | 2.0 | n.a. | 6.9 | 3.2 | 0.31 | |
| | 2009 | 5.8 | 0.0 | 17.7 | 1.1 | 0.2 | 0.39 | |
| Antigua and Barbuda | 2006 | 18.3 | 3.7 | 10.0 | 6.6 | 3.8 | 0.48 | |
| Bahamas, The | 2001 | 9.3 | n.a. | n.a. | n.a. | n.a. | n.a. | |
| Barbados | 1997 | 13.9 | n.a. | n.a. | 2.3 | n.a. | 0.39 | |
| | 2010 | 19.3 | 9.1 | 10.4 | 6.4 | 3.2 | 0.47 | |
| Belize | 2002 | 33.5 | 10.8 | n.a. | 11.2 | 6.1 | 0.40 | |
| | 2009 | 41.3 | 15.8 | n.a. | 10.8 | 5.0 | 0.42 | |
| British Virgin Islands | 2002 | 22.0 | 0.5 | n.a. | 4.1 | 1.7 | 0.23 | |
| Cayman Islands | 2008 | 1.9 | 0.0 | 1.8 | 0.4 | 0.2 | 0.40 | |
| Dominica | 2002 | 39.0 | 10.0 | n.a. | 10.2 | 4.8 | 0.35 | |
| | 2009 | 28.8 | 3.1 | 11.5 | 8.9 | 4.0 | 0.44 | |
| Grenada | 1999 | 32.1 | 12.9 | n.a. | 15.3 | 9.9 | 0.45 | |
| | 2008 | 37.7 | 2.4 | 14.6 | 10.1 | 4.0 | 0.37 | |
| Guyana | 1993 | 43.0 | 29.0 | n.a. | n.a. | n.a. | n.a. | |
| | 1999 | 35.0 | 19.0 | n.a. | 12.4 | n.a. | n.a. | |
| | 2006 | 36.1 | 18.6 | n.a. | n.a. | n.a. | 0.35 | |
| Haiti | 1999 | 65.0 | n.a. | n.a. | n.a. | n.a. | n.a. | |
| | 2001 | 78.0 | 54.0 | n.a. | n.a. | n.a. | n.a. | |
| | 2012 | 58.6 | 23.8 | 11.5 | n.a. | n.a. | 0.61 | |
| Jamaica | 2002 | 19.7 | n.a. | n.a. | n.a. | n.a. | 0.40 | |
| | 2009 | 16.3 | n.a. | n.a. | n.a. | n.a. | 0.59 | |
| | 2010 | 17.6 | n.a. | n.a. | n.a. | n.a. | n.a. | |
| | 2012 | 19.9 | 7.5 | n.a. | 5.8 | n.a. | n/a | |
| | 2015 | 20.0 | n.a. | n.a. | 4.5 | n.a. | 0.38 | |
| Montserrat | 2009 | 36.0 | 3.0 | 20.0 | 10.2 | 4.8 | 0.39 | |
| St. Kitts and Nevis | 2008 | 21.8 | 1.0 | 13.8 | 2.7 | 0.8 | 0.40 | |
| | St. Kitts | 2000 | 30.5 | 11.0 | n.a. | 2.5 | 0.9 | 0.39 |
| | | 2008 | 23.7 | 1.4 | n.a. | 6.4 | 2.6 | 0.38 |
| Nevis | 2000 | 32.0 | 17.0 | n.a. | 2.8 | 1.0 | 0.37 | |
| | 2008 | 15.9 | 0.0 | n.a. | 2.7 | 0.8 | 0.38 | |
| St. Lucia | 1996 | 25.1 | 7.1 | n.a. | 8.6 | 4.4 | 0.50 | |
| | 2006 | 29.0 | 1.6 | 11.5 | n.a. | n.a. | 0.42 | |
| St. Vincent and the Grenadines | 1996 | 37.5 | 25.7 | n.a. | 12.6 | 6.9 | 0.56 | |
| | 2008 | 30.2 | 2.9 | 18.0 | 7.5 | 3.0 | 0.40 | |
| Suriname | 2000 | 63.1 | 20.0 | n.a. | n.a. | n.a. | n.a. | |
| | 2002 | 70 | n.a. | n.a. | n.a. | n.a. | n.a. | |
| Trinidad and Tobago | 1997 | 24.0 | 8.3 | n.a. | n.a. | n.a. | 0.39 | |
| | 2005 | 15.5 | 1.2 | 9.0 | 4.6 | n.a. | 0.39 | |
| | 2007 | 17.0 | n.a. | n.a. | n.a. | n.a. | n.a. | |
| Turks and Caicos Islands | 1999 | 26.0 | 3.2 | n.a. | 5.7 | 2.6 | 0.37 | |
| | 2012 | 21.6 | 0.0 | 11.4 | 4.0 | 1.4 | 0.36 | |

Sources (most recent data): CPAs; Bahamas Survey of Living Conditions; Guyana Household Income and Expenditure Survey; Haiti Household Income and Expenditure Survey; Jamaica Survey of Living Conditions; Trinidad and Tobago Household Budget Survey. Comparable sources for earlier data cited in CDB 2013, except for Jamaica 2012 (PIOJ 2014), Haiti 2012 (World Bank) and Suriname 2002 est. (CIA World Fact Book).

* Based on national poverty lines, except for Haiti, which is on the basis of the international poverty lines of USD2 and USD1/person/day. Survey dates are as shown in the table.

** The poverty gap is based on the aggregate poverty deficit of the poor relative to the poverty line. It indicates the depth of poverty, which is the extent to which the incomes of poor households fall below the poverty line. The poverty gap can be used to estimate the minimum cost of eliminating absolute poverty, if transfers were perfectly targeted.

*** Poverty severity or intensity of poverty is provided by the Foster-Greer-Thorbecke P2, which assesses aggregate poverty. The measure is usually considered as the sum of an amount due to the poverty gap, and an amount due to inequality among the poor. It is similar to the poverty gap but gives greater emphasis to the poorest households.

2.15 The Gini Coefficients⁶ further indicate significant disparities in the distribution of consumption or wealth in the Region with only marginal changes (Table 1) being recorded over the past decade. Comparative data available shows that inequality decreased for four countries: Grenada, St. Vincent and the Grenadines, St. Lucia, and Turks and Caicos Islands. Conversely, inequality increased for five countries: Belize, Dominica, Barbados, Jamaica and Anguilla. Such findings unveil the structural nature of poverty in the Region and related vulnerability to the impact of global financial crises and natural hazards. Furthermore, the available data demonstrates a general rigidity of inequality across countries.

2.16 Since 1995, CDB has been leading regional efforts in conducting poverty assessments in its BMCs and assisting with the design and implementation of PRSs. Despite the existence of PRSs, the persistence of poverty in the Caribbean compels a critical rethink of the traditional approaches to poverty reduction. In addition to the relatively high poverty levels in BMCs, significant pockets of poverty also exist in BMCs with relatively high per capita incomes. In essence, not only has poverty persisted, but its nature and face in the Caribbean is changing with female-headed households and those with little education experiencing more poverty. It is therefore important to fashion more relevant and holistic approaches to poverty reduction to adequately address the existing and new dimensions of poverty in the Region.

2.17 Caribbean countries have been moving toward compliance with the United Nations' Convention on the Elimination of Discrimination Against Women. However, gender gaps persist in the areas of access to economic opportunities, borne out by the data on women's participation in the labour markets, access to physical endowments, and in participation in decision making at the highest political levels.

2.18 The MTR of SDF 8 had recommended the formulation of a new anti-poverty strategy for the Caribbean, and identified the centrality of environmental sustainability, climate change resilience and GE in middle-income countries. CDB commissioned a study on *The Changing Nature of Poverty and Inequality: New Issues, New Solutions*, supported the next round of enhanced Country Poverty Assessments (CPAs) for the Organisation of Eastern Caribbean States (OECS), and the *Caribbean Human Development Report* currently in preparation. The outcome of these initiatives will contribute to distilling the multidimensional nature of poverty and supply critical information for evidence-based policy-making and programming for SDF 9 interventions.

2.19 A clear take away from early poverty assessments is that countries demonstrated significant gaps in implementation capacity as well as limited monitoring and reporting capability and were unable to consistently collect, analyse and monitor the 48 indicators related to the eight global MDG targets, and were less able to report on the 71 indicators of the CMDGs. Contributors recognised a continuing and urgent need to build capacity in these areas both in BMCs and at the Bank. They recognised, however, that there would be a need to focus the work of SDF, select priorities, and target specific results, consistent with the Bank's comparative advantage and with available resources and capacity.

2.20 Contributors welcomed the Bank's overall approach of maintaining a focus on poor countries, factoring in their different capabilities to addressing their specific poverty problems while at the same time providing research and analysis to assist the countries to tackle each problem. They looked forward to further discussions on the new multidimensional approaches to reducing poverty that emerged from the Bank's paper on the Changing Nature of Poverty and Inequality in the Caribbean: New Issues and New Solutions.

2.21 Contributors and the Bank agreed on the importance of enhancing SDF support for efforts to reduce poverty and inequality, in the context of the selected SDGs, as well as, to build resilience to climate

⁶ The Gini Coefficient is a measure of inequality and ranges from 0 (perfect equality) to 1 (perfect inequality).

change, promote environmental sustainability, and support regional cooperation including support for RPGs.

Vulnerability to Climate Change, Natural Hazards and Environmental Degradation

2.22 Caribbean countries are among the most vulnerable in the world. Their high level of vulnerability is attributed to a number of risk factors resulting from the interaction of a range of socio-economic and natural characteristics. The persistent underlying factors influencing vulnerability include *inter alia*, limited land resources and difficulties in waste disposal management, environmental/ecological vulnerability, geographic isolation and remoteness, weak institutional capacity and high costs of basic infrastructure, limited diversification and openness of their economies, high import dependence including reliance on imported energy, and particularly high exposure to natural hazard impacts, influenced by their geographic location. In the main, these hazards include hurricanes, tropical storms, earthquakes, landslides, and volcanic activity.

2.23 Contributors and the Bank agreed that climate change and natural hazard events threaten to unravel much of the development gains of the Caribbean region. In any one year, at least one BMC will experience a major hurricane or flood event and several others might experience less severe impacts. As a result of their vulnerability to frequent natural hazard events, Caribbean countries have been incurring very high economic costs to replace damaged or destroyed infrastructure.

2.24 The World Bank (WB) estimates that between 2001- 2010, economic losses due to natural hazards in the OECS countries were \$870 million (mn) in 2000 real USD terms. Regional losses from Hurricane Ivan in 2004 totaled over \$6 billion. In Grenada and Cayman Islands, losses were close to 200% of the national annual Gross Domestic Product (GDP). More recently, in August 2015, Dominica suffered the effects of Tropical Storm Erika which caused severe infrastructural damage, estimated at \$483 mn, equivalent to approximately 90% of Dominica's GDP. Global records indicate that climate-related disaster risk is increasing. The Caribbean region will continue to be among those most adversely affected and greatly challenged to cope with the anticipated shocks to the social, economic and natural environmental systems due to the impacts of climate change.

2.25 Climate variability and climate change are more likely to affect climate sensitive sectors and key drivers of economic growth and development such as agriculture, tourism, fisheries, forestry and water resources. Poor planning and laxity in the enforcement of regulations for land development, and inadequate pollution control are contributing to increased land degradation. Lagging investments in infrastructure and poor maintenance are impacting critical natural resources and ecosystems and impairing important ecosystem services in both terrestrial and marine environments. Levels of physical vulnerability to natural hazards have continued to increase, and will be further exacerbated by climate change and associated sea level rise with the increasing concentration of settlements in the coastal zones.

2.26 Progress in mainstreaming environmental sustainability, climate and DRR measures has been slow, and outdated policies, inadequate legislative/regulatory frameworks, and fragmented institutional arrangements remain the norm for most BMCs. Improvements in the coverage of environment and climate monitoring networks are critical for the provision of robust environment and climate data sets to support effective policy development and decision making. There is an urgent need for institutional, legislative and regulatory reform of technical institutions responsible for environmental governance and the management and dissemination of knowledge on climate and disaster risks and environmental performance. Implementation of these reforms is crucial for the attainment of SDG 13.

CAPACITY LIMITATIONS AND WEAKNESSES IN GOVERNANCE ARRANGEMENTS

2.27 Critical to the success of measures to reduce poverty and inequality, and to building resilience to economic, environmental and climate change shocks is the closing of the capacity gap in the areas of institutional reform, evidence-based policy formulation, data collection and statistics, economic management, judicial and public service delivery, legislative and regulatory frameworks, implementation capacity and capacity development. Weak planning capacity, reinforced by limited capacity to mainstream cross-cutting issues like GE or energy security, in line ministries of several BMCs has limited the development of well-formulated sector analyses and strategies for promoting inclusive and sustainable development.

2.28 Regulatory quality for both local business and foreign investment represents a key governance challenge that countries need to urgently address. According to the 2015 *Doing Business* indicators, while 6 of 12 economies in the Caribbean implemented at least one regulatory reform making it easier to do business⁷, Caribbean economies still tend to lag Latin American counterparts in Doing Business indicators and the average Caribbean ranking of 103, greatly lags the Region's highest performer, Jamaica (58), which implemented a regional high of 16 reforms since 2005.⁸ The *Worldwide Governance Indicator* on Regulatory Quality also ranks a number of BMCs significantly below the average for Latin America and the Caribbean. Issues of public sector management and service delivery, transparency and participation, regional cooperation and public goods, and data monitoring and accountability in a 2030 development framework have also emerged as governance challenges and opportunities that particularly align with SDG 16, and which must be urgently addressed by BMCs.

SDF SUPPORT FOR SDGs

2.29 SDF 9 support for the Caribbean in pursuing its development mandate and towards achieving the SDGs must proceed along several parallel tracks. The transition from the MDGs to the SDGs represents the deepening of a global resolve to address poverty as a structural impediment to equitable and sustained prosperity. Therefore, there needs to be a very deliberate policy to provide support in areas where BMCs have obvious deficits and where the Bank continues to maintain a comparative edge.

2.30 Given their integrated nature, SDF 9 will need to support the SDGs in the three dimensions of sustainable development, *viz*, social, economic and environmental. The strategy, while recognising the unfinished business within the context of the MDGs must be mindful of the fact that the global crisis has undermined many hard-won development gains particularly in the social sphere. The strategy must also recognise the complexity of Caribbean development and while being ambitious in its support, this must be tempered by the need for ensuring that the institutional capacity is sufficiently enhanced to avoid dilution of development impact. The effectiveness of CDB support in the Region is closely linked to the management and administrative capacity of BMCs. Where such capacity is weak, policymaking and programme and project implementation, are likely to be sub-optimal. CDB will therefore enhance its support for institutional strengthening and capacity building in BMCs.

⁷ These were: The Bahamas, Dominican Republic, Jamaica, St. Kitts and Nevis, St. Lucia, and Trinidad and Tobago during the year June 1, 2013, to June 1, 2014.

⁸ World Bank Doing Business Factsheet for the Caribbean, 2015

2.31 Against this background, SDF 9 support within the context of the SDGs will be informed by the need to:

- (a) support the closure of capacity and implementation deficits which hampered adequate monitoring, measuring and reporting within the context of the MDGs;
- (b) more closely integrate the SDGs into national development frameworks and to promote improved transparency and accountability;
- (c) increase levels of regional and global cooperation and partnerships in order to leverage increasingly scarce development resources targeted towards reducing poverty;
- (d) strengthen domestic policies including national revenue and expenditure systems and bolster procurement systems aimed at improving development impacts;
- (e) close infrastructure gaps in order to sustain growth and promote employment;
- (f) promote greater climate resilience and DRR with the context of COP 21;
- (g) further strengthen gender awareness and embed GE considerations in all aspects of development; and
- (h) harness and leverage RE resources to promote transformative development in the Caribbean.

3. OPERATIONAL DIRECTIONS FOR SDF 9

TARGETING THE STRATEGIC THEMES AND CROSS-CUTTING AREAS

3.01 Contributors and the Bank agreed on an operational strategy for SDF 9 that would target the approved strategic themes and cross-cutting areas within the framework of the 2030 Development Agenda, the Paris 21 Agreement on Climate Change and the Bank's Strategic Plan 2015 – 2019. All of the Bank's member countries have embraced the broad global vision for integrated sustainable development and CDB's Strategic Plan 2015 – 2019 is also framed within this global vision. Further, the Plan is premised on key priorities for bringing about a paradigm shift and overcoming the obstacles to sustained prosperity based on the Rio principles *viz.*: Leave No One Behind; Put Sustainable Development at the Core; Transform Economies for Jobs and Inclusive Growth; Build Peace and Effective, Open and Accountable Public Institutions; and Forge a New Global Partnership.

3.02 High and persistent poverty and inequality, and vulnerabilities from the effects of climate change weather phenomena⁹ and natural disaster events, remain the leading challenges to BMCs' inclusive and sustainable growth and development ambitions. Contributors agreed that the programmes and initiatives for SDF 9 will be developed within the context of the following strategic themes:

- (a) Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13 and 17 (Refer to Appendix 1 – Selected SDGs, Targets and Means of Achievement);
- (b) Building resilience to climate change and natural disaster events, and promoting environmental sustainability; and
- (c) Promoting regional cooperation and support for RPGs.

3.03 These themes are also consistent with CDB's strategic objectives of supporting inclusive and sustainable growth and development, and promoting good governance as well as its priority undertakings to assist BMCs to reduce poverty and inequality¹⁰, and to build resilience to external economic shocks and natural hazard events.

3.04 Contributors recognised the importance of supporting BMCs to pursue critical success factors for development in the form of strengthening governance and public institutional frameworks to promote more efficient policy formulation and implementation; building resilience to natural hazards and other external shocks, and to remove gender imbalances. This development context provides a mix of important entry points for CDB/SDF to further engage and to anchor its development support for the Region as well as to strengthen its alignment with the objectives of the Strategic Plan 2015–2019 and the 2030 Development Agenda.

3.05 Hence, Contributors and the Bank agreed that *Good Governance (SDG 16)*, *Environmental Sustainability (SDG 13)*, together with *GE (SDG 5)* would be major cross-cutting areas in SDF 9. They underlined the importance of focusing SDF on core priorities within the new strategic framework, consistent

⁹ The substantial economic losses and fatalities associated with the weather event in Dominica, in August 2015, is a stark reminder of the Region's acute environmental vulnerabilities.

¹⁰ CDB is committed to assisting BMCs to reduce inequality and halve the incidence of extreme poverty by the end of 2025 through supporting inclusive and sustainable growth; and promoting good governance (Strategic Plan 2015-2019).

with the Bank's comparative advantage, resources and capacity, and of targeting, monitoring and reporting on key results.

Comparative Advantage

3.06 The Bank derives comparative strength and advantage from its close relationship with BMCs, an understanding and knowledge of the problems and dynamics of the Region, easy access of Bank personnel to policymakers and administrators as well as the institutions of civil society, the ownership and confidence that BMC governments have in their own regional institution, and the Bank's physical location in the Region and proximity to most BMCs. In recent times, the Bank has extended this comparative advantage to an expanded membership with different traditions, language and institutional experience with the inclusion of Haiti and Suriname.

3.07 CDB is an important provider of concessional financing and policy advice to the less developed countries (LDCs) and, in larger markets such as Barbados, Belize, Guyana, Haiti and Jamaica. The other multilateral development banks either have no, or very minimal, presence in the United Kingdom Overseas Territories and the OECS member countries where CDB is a primary source of development financing.

3.08 The Bank has a recognised comparative advantage in its substantially lower costs for the appraisal and supervision of projects of the size that characterise the economies of the Caribbean (for larger institutions, their cost structure renders it more difficult for them to justify a focus on these types and size of projects, whether in the social or productive sectors). It also undertakes grant and loan TA, public sector lending and private sector operations within a single organisation, and can take advantage of various synergies. Its exclusive focus on the Caribbean and closeness to its BMCs gives it a special role in relation to RCI and to the strengthening of governance and the institutions of civil society, as well as a high acceptability as a partner in poverty reduction at the national level. The Bank is also well-established to encourage and convene constructive dialogue on key regional development issues.

3.09 The lessons learnt from its long history of helping small rural and urban communities to design and implement community-based solutions to local problems of basic infrastructure deficit, a dearth of skills and low capacity, geared towards improving the quality of life of poor people. This is particularly true of the BNTF programme which has been in existence for over 30 years and is operational in ten countries. In addition, considerable work has been done by the Bank on the policy and institutional elements that are essential for strengthening pro-poor governance, including CPAs and the development of National Poverty Reduction Action Plans and Strategies.

3.10 The Bank is recognised as an important development institution in the Caribbean, with a broad development mandate, and well-placed as a focal point for dialogue, intermediation and extended partnerships on behalf of BMCs, and for the strengthening of regional ownership of development programmes. Even in areas or circumstances where the Bank does not possess all of the in-house expertise for addressing a particular issue, the multinational nature of CDB's shareholding and development partnerships, has allowed the Bank to develop relationships and networks through which it can mobilise expertise to deliver assistance.

3.11 The Bank has always sought to widen its mandate based on the membership of CARICOM and to play a broader role in responding to the needs of the Region. Exploratory discussions about membership are ongoing with Dutch-speaking Caribbean countries while on the non-borrowing side, Brazil is the Bank's most recent member. Brazil's membership brings new opportunities for enhanced Caribbean/Latin America relations and widens the possibilities for South/South cooperation on development matters. Preliminary

discussions around the possible reengagement of a former member has encouraged preparations for facilitating the expansion of development assistance to BMCs in critical areas.

3.12 A leadership role by the Bank and leveraging of its comparative advantage will be of critical importance in assisting BMCs to meet current challenges and in implementing SDF 9 and relevant aspects of the 2030 Development Agenda.

TARGETING POVERTY AND INEQUALITY

3.13 *Contributors recognised* that multidimensional approaches to poverty reduction and towards achieving SDGs 1 and 2 are essential to reversing high and persistent poverty trends among BMCs and for responding to the urgent needs of the poorest often represented by female-headed households and those with limited education. Multidimensional and complementary actions are therefore key, as CDB engages with BMCs in the fight against poverty and inequality in the Region. The Bank will use policy-based and structural transformation approaches, along with direct poverty-reducing measures through community development.

3.14 CDB will strengthen its strategic approach to addressing poverty, particularly in female-headed households by enhancing its sustainable livelihoods framework to improve the income-earning potential of poor households. Other poverty reduction options to be pursued through Bank-financed projects include: strengthening social protection systems through improved targeting; aligning tariffs for poor households; enhancing lifelong learning systems; mainstreaming the access of persons with disabilities to public services including special education needs; and providing gender sensitisation training to financial intermediaries to improve women's access to credit. The Bank also will continue the results-based approach and strengthen monitoring and evaluation systems. Given the link between poverty and the increased propensity for crime and violence among at-risk males and females in depressed communities, CDB intends to expand its portfolio in citizen security as a means to broaden its poverty reduction focus. Research on poverty and ageing as well as disability and education will provide an enhanced framework to address the persistent dimensions of poverty in BMCs.

3.15 Addressing the issue of chronic youth unemployment and the associated citizen insecurity challenges requires an inclusive and effective youth empowerment strategy that is multidimensional in design and implementation. The Bank will commission the development of such a youth empowerment strategy early in this SDF cycle to guide future programming. In addition, current CDB efforts to address youth issues which are programmed under education and training (TVET), Caribbean Technological Consultancy Services (CTCS) network, BNTF and Youth "Vybzing" Outreach Programme will be complemented by support programmes addressing youth-at-risk such as robust and effective career guidance and life skills training; juvenile justice reform and rehabilitative care; and access to jobs and market information to facilitate active participation in the labour force. Further initiatives are being developed to increase the impact of these programmes through strengthening and better coordination.

3.16 CDB will continue to offer intellectual leadership on the development of poverty reduction policy and strategies. *Contributors encouraged* the Bank with SDF support to continue its research on new approaches to achieving sustainable growth and development in general and more particularly, to reducing poverty and inequality. They commended the Bank on its most recent report on the *Changing Nature of Poverty in the Caribbean* and encouraged SDF support for the implementation of its relevant recommendations.

3.17 In this regard, BMC policymakers and CDB rely heavily on the availability of timely, accurate and reliable data. Over the past ten years, substantial financial and technical assistance (TA), including support

for CPAs, has been provided to improve BMCs' capacity and capability to collect, analyse and publish both economic and social statistics. A new CPA programme (Refer to Appendix 3 – Indicative CPA Schedule for OECS BMCs 2015-2019) is currently being implemented with support from SDF and with the objective of providing timely and reliable country monetary and multidimensional poverty data. Access to such data by BMCs, CDB and other DPs, is important for supporting development initiatives at the national and regional levels. This will result in an enhanced capacity of BMCs to conduct multidimensional poverty assessments, and to monitor achievement of the SDGs, as well as, to support CDB's country programming responsibilities.

3.18 *Contributors expressed support* for proposals to restructure BNTF to more effectively meet its objective of addressing poverty in its many aspects, and *agreed* that there should be an increased support for BNTF, as well as for operations in Haiti as part of the effort to accelerate progress towards reducing poverty and inequality and attaining the SDGs, with a focus on areas where the Bank had experience and capacity.

3.19 Contributors agreed that focusing the preponderance of SDF (U) resources on core sectors which support poverty reduction through long-term inclusive and sustainable growth and resilience is a principal driver of the Bank's strategic approach for SDF 9. Promoting GE as a cross-cutting area in line with SDG 5 will be essential to reduce poverty as evidence indicates a female face of poverty in the Region. In the development and execution of the programme, the Bank will also identify and support the achievement of Caribbean-relevant SDG targets specific to SDGs 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16 and 17.

A Restructured BNTF

3.20 BNTF is CDB's principal programme for direct poverty reduction, focused on poor communities to improve basic infrastructure and services and increase potential for capacity building in community organisations and participatory approaches for planning and monitoring of sub-projects. It is a country-owned programme that is embedded in the national development plans. Through the vehicle of the BNTF programme, the Bank has been able to help promote community development within the context of national development strategies.

3.21 Various assessments of BNTF performance including the MTR of SDF 8, Multi-cycle Evaluation of SDF 6 and SDF 7, Mid-term Evaluation of BNTF 7 and BNTF 8, and the Programme Closing Report of BNTF 6 have made recommendations for improving the efficiency and effectiveness of the programme including measures for improving commitment and disbursement rates. In response, the Bank commissioned a comprehensive review of the Governance Structure and Implementation Modality of the BNTF programme in November 2015.

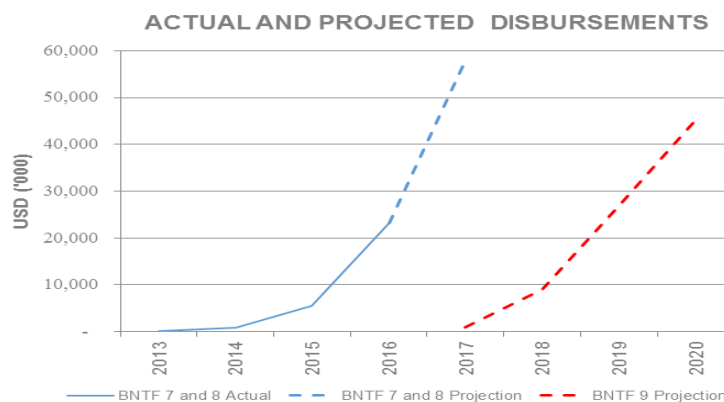
3.22 *Contributors welcomed* the report and presentations on the Systemic Examination of the Governance Structure and Implementation Modalities for the BNTF programme as well as proposals for reforming the programme. Details of the proposed changes to the BNTF programme which are expected to further streamline processes, engender efficiency and expedite disbursements, along with the expected improvements and the indicators for measuring them, are presented at Appendix 4. Box 2 summarises the actual and expected outcomes of the BNTF restructuring implemented to date.

Box 2: Actual and Expected Outcomes of BNTF Reforms

Reforms to the BNTF Programme were introduced and targeted at improving operational results and disbursement performance. These reforms were implemented over the period 2012 to the present. During that time, the following outcomes and efficiency gains have been realised:

- (a) improved disbursement out-turns for 2014 and 2015 (Refer to graph below);
- (b) availability of accurate and timely project level data as a result of the Implementation of the BNTF Information System;
- (c) enhanced process flow including the frontloading of the design and appraisal of sub-projects;
- (d) reduced commitment period to 18 months from the previous 48 months;
- (e) increased capacity to assist BMCs in areas of procurement and environmental management through training of technical consultants;
- (f) closer monitoring and supervision resulting in quicker responses to variances; and
- (g) capacity building in the financial management of Implementing Agencies (IA) and environmental management of community interventions.

BNTF- CUMULATIVE ACTUAL AND PROJECTED DISBURSEMENT (2013-2020)



Expected Efficiency Gains during SDF 9

- Time taken from grant approval to first disbursement on sub-projects reduced to 11 months from 18 months.
- Disbursements in the first two years (2017 and 2018) of the programme to increase to 20% from 2%.
- Average Sector Portfolio processing time (months from receipt of Sector Portfolio proposal to approval internally) reduced from four months to two months.
- IA staff costs to expenditure decreases from 15.2% for BNTF 7/8 to 13% for BNTF 9.

3.23 *Contributors endorsed* the continuing need for the BNTF programme in view of the persistently high poverty levels and the expansion of CDB’s borrowing membership that includes significant numbers of poor persons. They agreed to support a restructured programme with enhanced governance arrangements that would facilitate increased efficiency and improve development outcomes. They especially supported proposals for expanding the available financial resources through partnering with interested and appropriate private sector entities.

3.24 They noted that the programme’s community-based focus would be adapted to other challenges facing societies in order to enhance community resilience. It will tackle areas that perpetuate vulnerability in a more focused manner, building upon gender responsive consultations and Needs assessments, tailoring

responses to reduce climate-related and other risks, and scaling up to integrate productive activities for job creation and income-earning opportunities.

3.25 *Contributors agreed* that the Board of Directors (BOD) would consider the BNTF 9 Appraisal Report which would contain details of the implementation arrangements for BNTF 9 and the new modalities aimed at making the programme more effective.

Continuing Support for Haiti

3.26 Contributors agreed that there should be a continuation of the grant-supported programme of assistance for Haiti under SDF 9. They welcomed the presentation on the initial findings from the recently conducted Country Strategy and Programme Evaluation (CSPE) in Haiti and agreed that the new Country Strategy Paper (CSP) for Haiti would be informed by the recommendations from the CSPE.

3.27 The initial findings of the Haiti CSPE (see Box 3) indicated that the cautious, iterative approach adopted by CDB had allowed it to build up its experience, knowledge and institutional capacity and noted that the strategic choice of programming was consistent with Haiti's development needs. It observed that there were opportunities to strengthen engagement with the private sector and exploit synergies and cross-sectoral linkages.

3.28 The CSPE found that the partnership approach had worked reasonably well and that CDB was well regarded as a flexible and responsive partner. The evaluation considered the sectoral choices and mix of instruments examples of good practice for early engagement in fragile states, supporting greater citizen engagement, more active participation in reconstruction and development processes and building capacity and skills for a more productive economy.

3.29 It highlighted the issues of sustainability and resourcing, in terms of budgets available for recurrent expenditures, for maintenance, staff and repair works as well as difficulties with sequencing, coordination, procurement, and the use of parallel structures as contributing to delays in project implementation.

3.30 The Report observed that important aspects of GE, monitoring and evaluation, and environmental sustainability will need to be strengthened over the course of the next cycles of the CSPs. It also highlighted the need for consideration of CDB's country presence, particularly in the complex, changing environments that are typical in fragile states.

3.31 Contributors agreed that, subject to the Final Evaluation Report, the main areas of programming in SDF 9 should continue to be Technical, Vocational Education, CDD, Agriculture and Capacity Building. However, they urged the Bank to continue its partnership approach and to support the substantial work led by the CARICOM Single Market and Economy (CSME) unit to systematically identify and remove legislative and administrative restrictions to Haiti's participation in the CARICOM Single Market and other initiatives that could strengthen its links to the RCI movement.

Box 3: Summary of Draft Evaluation Report of the Haiti CSPE

- Initial findings suggest a range of positive practices in the cautious, iterative approach adopted by CDB while it built up its experience, knowledge and institutional capacity, and its strategic choice of programming in the Education and CDD sectors, that are well aligned to the Government of Haiti's development priorities, and a renewed focus on TVET, with potential links through to youth opportunities, skills and employment.
- Opportunities exist to strengthen engagement with the private sector to ensure skills developed under TVET programming are aligned to emerging needs and to exploit synergies and cross-sectoral linkages, to simultaneously expand and improve competitiveness, adding to potential for job creation in the Haitian private sector. Support to remove legislative and administrative restrictions to Haiti's participation in the CSME could contribute to enhanced competition and a more favourable business and investment climate for the private sector.
- CDB's partnership approach, working with DPs such as the Inter-American Development Bank, WB (IBRD), le Centre d'Etudes et de Cooperation Internationale (CECI), Pan American Development Foundation and Fonkoze has worked reasonably well – and CDB is well regarded as a flexible and responsive partner although it is much less visible to the broader stakeholder groups in the absence of a resident CDB country presence. There are opportunities to build on the more established partnerships and consolidate CDB's experience with its DPs, in transition to more formal joint programming approaches based on country and sectoral diagnostic studies, synergies and comparative advantages.
- The issue of CDB's visibility or presence in Haiti extends to a recognised need for deeper engagement with Government, DPs, Haitian counterparts and other stakeholders who may be implementing complementary projects necessary for greater development impact. The dialogue and potential synergies across a wider range of partners, including joint diagnostics, sectoral studies and analysis could contribute to better inform policy and development choices and realise higher level results and impacts planned from CDB-financed initiatives.
- Both the sectoral choices and mix of instruments, under a partnership approach, are considered examples of good practice for early engagement in fragile states, including potential for greater citizen engagement, more active participation in reconstruction and development processes and support to building capacity and skills for a more productive economy. All of these factors contribute to a more enabling environment over the longer term, especially where jobs are either informal or based on agriculture and family enterprises, and to help strengthen social cohesion.
- A key issue highlighted and a common feature, high on the agenda of many DPs in Haiti, is the issue of sustainability and resourcing issues in terms of budgets available for recurrent expenditures, for maintenance, staff and repair works. There are issues relating to sequencing, coordination, and procurement, as well as the use of parallel structures for project implementation that are not effectively integrated into Government systems, which contribute to delays in securing recurrent and counterpart funding amidst mounting pressures and competing demands on Haiti's public finances. Although this may contribute to speedy implementation and compliance with fiduciary standards over the short term, it can compromise the development of longer-term capacity, reporting and accounting systems, national procurement processes and investment in monitoring and evaluation systems to improve future implementation and capacity.
- There are important aspects of GE, monitoring and evaluation, including developing baselines and capacity to effectively track development indicators for future programming in Haiti, and environmental sustainability that will need to be strengthened over the course of the next cycles of the CSPs. These elements are also features of other DPs' development constraints, with considerable potential and opportunities to strengthen cooperation between partners in these common areas of concern, for example, in statistical capacity and analytical skills.
- An important element for longer-term engagement between CDB and Haiti will be the consideration of CDB's country presence, particularly in the complex, changing environments that are typical in fragile states, where policy dialogue, responsive and adaptive programming are essential foundations for development effectiveness and operational delivery. There are options for scaling up and scaling out CDB's interventions in Haiti both within the current sectoral focus, as well as other sectors or areas where opportunities exist to add value to the current development effort, for example through more strategic TA, strengthening capacity and institutional development, RCI and new or emerging areas where CDB may offer a comparative advantage, for example, in DRR measures.

BUILDING RESILIENCE – CLIMATE CHANGE, NATURAL DISASTER EVENTS AND ENVIRONMENT

3.32 *Contributors underlined* the importance of support for climate change and environmental sustainability, *and welcomed* the Bank's commitment to the climate change agenda and to the realisation of SDG 13. *They encouraged* the Bank to play a stronger role in assisting BMCs to address this issue, including with respect to innovative funding mechanisms for climate change mitigation and adaptation. *Contributors also underlined* the need to ensure that DRR and climate change adaptation are well coordinated.

3.33 BMCs have made pledges to restrict Greenhouse gas emissions appropriate to their economic growth and development strategies that are expected to be recognised and monitored under the COP 21 agreement. The Paris Agreement requires all parties to submit national climate action plans, called NDCs that detail future objectives to address climate change. NDCs are to be updated and submitted every five years with each one “more ambitious” than the existing ones.

3.34 Scientific evidence suggests that despite global mitigation and adaptation, residual loss and damage from climate change is inevitable. Loss and damage from these unavoidable impacts, including extreme weather events and slow onset events such as sea level rise, adds an element of complexity for BMCs that are already struggling with the development and implementation of adaptation policies. The Paris Agreement also includes a provision extending and strengthening the work programme on the loss and damage. This mechanism is charged with developing approaches to assist vulnerable countries like CDB's BMCs to cope with residual climate change impacts.

3.35 Accreditation to global funding mechanisms, to improve BMCs access to concessionary resources and to reduce the cost of financing from CDB, remains an important element of the Bank's CRS. In February 2016, CDB was granted accreditation to the Adaptation Fund as a regional executing agency. The Bank is expected to make its first formal submission to the Adaptation Fund before the end of the 2016. Consideration of CDB's application to the Green Climate Fund (GCF) is at an advanced stage and we expect that CDB's accreditation will be considered by the GCF in October 2016. The Bank will continue to prioritise its support for BMCs' capacity to access these mechanisms.

3.36 The higher ambitions of the SDGs require that BMCs improve policies and their implementation capacities in order to achieve their national goals. Some BMCs have prepared national and sector climate adaptation policies. They will need support to mainstream these commitments into appropriate policies and to strengthen institutional capacities to translate these into tangible investments. Contributors encouraged the Bank to continue its support to BMCs for developing and implementing the necessary policies and strategies.

3.37 BMCs will also need assistance for investing in sustainable infrastructure, improved ecosystem management, and environmental governance. CDB's operational approach to supporting its BMCs to improve resilience and environmental sustainability will be aligned with the targets¹¹ set out in SDG 13 on climate action and the adaptation, mitigation commitments of the Paris 21 Agreement. The Bank will

¹¹ These targets are: 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
13.2 – Integrate climate change measures into national policies, strategies and planning.
13.3 – Improve education, awareness-raising and human and institutional capacity on climate-change mitigation, adaptation, impact reduction and early warning.

continue to provide support for climate and disaster resilient development within the context of its CRS and in collaboration with other DPs. The assistance programme will focus on the following priority areas:

- (a) mainstreaming environment, disaster risk and climate resilience risk into development planning;
- (b) making the existing and new investment portfolio climate resilient; and
- (c) knowledge building and capacity development for climate resilience.

3.38 Mainstreaming GE into efforts to strengthen climate resilience will be an integral part as women and men face different risks of being affected by climate-related events, have different roles and responsibilities in environmental management and have different coping strategies in times of disasters at their disposal.

3.39 Contributors endorsed the Bank's view that responding to BMCs' climate change and environmental sustainability challenges requires the full engagement of all DPs across the Region, with each bringing its own unique set of skills, interests, and objectives. CDB will continue to engage the international community in knowledge sharing and outreach, funding and helping to build capacity.

STRENGTHENING CAPABILITIES IN ECONOMIC AND SOCIAL INFRASTRUCTURE

3.40 All BMCs suffer from significant infrastructure deficits which must be remedied if they are to improve the prospects for increasing growth and employment and reducing the negative impact on citizens' quality of life. Hence, in addition to initiatives targeted directly towards reducing poverty and inequality, Contributors and the Bank agreed on the importance of continuing initiatives to reduce poverty and inequality through SDF support for the enhancement of capacity and capabilities in key sectors and areas. This includes the strengthening of areas such as social and economic infrastructure including education and training; agriculture and rural development; water and sanitation; sustainable energy; private sector development and innovation; RCI and GE. In this regard, existing sector and thematic policies and strategies will be reviewed and new ones developed as required.

Education and Training

3.41 With the accomplishment of universal primary education and universal secondary education across most of the Region, attention in most BMCs has shifted to the development of other education sub-sectors which did not previously receive major attention. BMCs are also now aware of the benefits of investment in early childhood development (ECD) and many have implemented or are in the process of developing policies of universal access in this sub-sector as well. In addition, attention is being focused on educational quality and relevance and a significant amount of the Bank's investments will be on institutional strengthening and capacity building, particularly to address the needs of vulnerable groups who are not currently benefitting to the fullest extent from education. Particular emphasis will therefore be placed on children with Special Educational Needs. Interventions will range from policy development to teacher training, to the provision of appropriate resources and specialised facilities to respond to the needs of these special groups.

3.42 Both ECD and TVET require customised and specialised facilities that do not currently exist in sufficient quantity. Infrastructure will therefore need to be constructed or reconfigured to meet these needs. In addition, given the high levels of youth unemployment despite a need for skills in the labour market, BMCs are also giving additional attention to ensuring that TVET is addressed in the school curriculum.

Future interventions will also place greater emphasis on addressing the factors that contribute to achievement of students at the level of the school, as well as in relation to their social and emotional background, particularly those factors that place them at risk for educational failure. Gender considerations cross-cut all education interventions as educational outcomes of boys and girls differ in the Caribbean and issues such as drop-outs, engagement in anti-social behavior, or teenage pregnancies require gender-responsive educational approaches. Furthermore, ECD and TVET are fundamental for changing gender stereotypes which lead to occupational segregation in the labour market, e.g. via role models and life skills training. Finally, ECD provides access to childcare and reduces the time-burden among primary caregivers therefore allowing for their participation in other productive tasks. Contributors endorsed the Bank's approach to assisting BMCs to implement the educational development programmes.

Agriculture and Rural Development

3.43 Given the dominance of small farms in Caribbean agriculture, improving the productivity, profitability and sustainability of smallholder agriculture is key to improving sector output. Unfortunately, agricultural productivity levels in the Caribbean are relatively low, and as such, closing the yield gap will be key if the Region is to be competitive and positioned to increase contribution to its own food security. Accordingly, in order to achieve the objectives of contributing to economic growth and food security, and reducing unemployment and poverty particularly in rural areas, CDB's BMCs need to focus on measures to improve the performance of the smallholder agriculture sector particularly among female farmers who are often over-represented in subsistence agriculture, and face limited access to land and finance.

3.44 According to the WB 2008, World Development Report, 'Agriculture for Development', the global experience highly favours research in improved varieties and production systems as the main contributor to yield growth for smallholders. The report confirms that agricultural technologies tend to be location-specific, a fact supported by the experience of Caribbean farmers. Given the uniqueness of the Caribbean agro-ecological conditions, entrepreneurs in the Caribbean often report difficulties when attempting to directly utilise imported production and technology/systems. Adaptive research is urgently needed to identify technologies suited to Caribbean agriculture systems and to help inform farmer decision making.

3.45 A further challenge for the sector is climate change/variability. It is generally expected that changes in temperature and rainfall patterns associated with climate change/variability will alter crop yields and the distribution of agricultural production in the Caribbean. Given the Region's heavy dependence on rain-fed production systems, projected reduction in rainfall/rainfall distribution as a result of climate change/variability will result in a decline in sector output. Accordingly, measures to ensure a reliable supply of water to the sector will be essential to the sustainability of sector output. An additional constraint to the adoption of improved agricultural technology in the Caribbean is the high energy cost and/or difficulty which farmers face in their attempts to source electricity given that farms are frequently located outside of the electricity grid. In an effort to increase the viability and sustainability of investments, CDB will assist BMCs in exploring options for the use of RE and EE solutions throughout the agricultural sector.

3.46 *Contributors agreed* that there remains a compelling case for continued investment in the agriculture sector as a means of providing employment, enhancing income and food and nutrition security in several of CDB's BMCs. Contributors and the Bank also agreed that CDB will continue to support agricultural enterprises, which constitute a large percentage of MSMEs, and in particular, female and young farmers, and that SDF 9 will focus on four key areas:

- (a) increasing productivity through improved water management; promoting improved varieties, technologies and practices; reducing vulnerability to climate change;

- (b) improving market access through enhanced food safety and quality;
- (c) increasing access to risk management instruments through the development of agricultural insurance products in collaboration with Caribbean Catastrophe Risk Insurance Facility (CCRIF); and
- (d) improving access to credit and financial services within the framework of its private sector operations. CDB will continue to support agricultural enterprises which constitute a large percentage of MSMEs in its BMCs.

Water and Sanitation

3.47 Many BMCs are classified as water-scarce or water-stressed, and face significant challenges within their water sector. These include high levels of water losses, inadequate tariffs, aging infrastructure and insufficient capital investment, poor regulatory and institutional arrangements for effective integrated water resource management. These challenges are exacerbated by risks associated with climate change and variability and impacts most severely on the poorest and most vulnerable citizens, whose livelihoods are critically linked to access to water resources. The impact of limited and or unreliable water and sanitation services on women is particularly pronounced as women carry major responsibilities as primary caregivers with regards to water management in the household including responsibility for hygiene, cleaning, washing and cooking. In 2013, the Bank commissioned an assessment of the water sector in BMCs. The completed study has provided considerable guidance in developing the Bank's key interventions in BMCs' water sector. At a workshop to validate the findings of the study, the following areas of focus for CDB financing were identified:

- (a) increased support for regional organisations in the areas of: (i) capacity building at all levels of the sector (including policy-makers and practitioners); (ii) improving water resources data collection and management; (iii) mainstreaming water sector climate risk resilience planning; (iv) utility performance benchmarking; and (v) research in areas of water economics (such as valuing water resources and water pricing);
- (b) improving operational efficiency of water utilities through focusing on the areas of leadership development, utility master-planning, reducing non-revenue water, and improving EE; and
- (c) improving the resilience of water supply infrastructure in its BMCs to climate variability and change.

3.48 *Contributors* recognised the importance of water sector development to sustainable growth and development and encouraged the Bank to play a leadership role in pursuing improvements to the sector's capacity and capability to deliver on its mandate.

Sustainable Energy [RE and EE]

3.49 *Contributors* expressed strong support for CDB's strategic emphasis on EE and RE as a cost-effective and sustainable approach to meeting the Region's growing energy demands and to address the issue of low levels of business competitiveness. They encouraged the Bank to assist BMC governments to develop master plans for the sector, in collaboration with partners, as an essential first step in providing direction for activities in the sector. Without the requisite frameworks to provide boundaries for discussions

and technical skills for evaluation, the decision-makers are at high risk for costly and unsustainable long-term commitments.

3.50 The ability to respond in a timely manner where CDB identifies an opportunity for assistance is critical. In this context, BMC governments need assistance with comprehensive and specific studies to support the long-term planning necessary for the orderly development of the energy sector. These sector studies would also inform medium-term planning by BMC governments and CDB Country Strategies for BMCs. Significant opportunities exist for CDB assistance to BMCs for advancing their energy agenda. These include support in the form of reviews of national policies and strategies where they exist; support for the adoption of these documents where they remain in draft; short-term advisory services for BMCs and CDB on an as-needed basis, to support analysis, planning, and day-to-day decision-making.

3.51 Given the still proportionately high expenditure for electricity compared to other regions affecting women, the vulnerable, and poor in particular, due to the small size of domestic markets and consequential absence of economies of scale, EE will continue to receive priority attention, along with RE. The proposed support will provide for informed decision-making as a basis for the desired sector transformation towards wide-scale use of indigenous RE sources. Additional and ongoing support is required for the establishment of regulatory frameworks, including tariff structures, that adequately manage risks for consumers, utilities, developers/investors and governments, and where feasible, a regional approach to regulation would be explored. All these interventions will be guided by the objectives set out in CDB's Energy Sector Policy and Strategy.

Private Sector Development, Innovation and Creative Industries

3.52 Contributors recognise and understand the challenges faced by the Bank and BMCs to expand the contribution of the private sector to BMCs' sustainable growth and development. They urged the Bank to redouble its efforts and to use innovative approaches for enhancing the contribution of the private sector and in particular MSMEs. Contributors noted the role of the CTCS network in strengthening MSMEs and encouraged the Bank to adopt further measures for improving the efficiency and effectiveness of this programme.

3.53 The Bank intends to align its private sector operations to support the creation of an enabling environment for private sector development. CDB's Private Sector Policy and Strategy is being revised to allow for risk-based assessment and appropriate pricing of private sector loans, as well as to provide a platform for portfolio diversification.

3.54 The Bank will particularly support initiatives focused on enhancing the institutional and policy environment for encouraging private sector growth, building competitiveness, promoting creative industries, innovation and entrepreneurship, through reform of legal, regulatory and institutional infrastructure and the use of technology.

3.55 Insufficient investment in innovation contributes to the large productivity gaps of MSMEs and constrains the enterprises in responding to market opportunities that can unlock technology-driven projects. The principal factors constraining MSMEs investment in innovation and firm upgrade include the inability to recoup research and development costs; and limited access to finance due to asymmetric information associated with financing technological investments¹².

¹² Some other key constraints include limited access to protection for intellectual property even where systems exist; limited access to specialised skills needed for researching technology and risk-taking with new technologies; relatively higher costs for hardware and software, connectivity, and adaptation of information and communications technology to new business practices; and absence of mechanisms to facilitate inter-firm collaboration that could otherwise promote innovation by speeding up technology diffusion and avoiding the duplication of research costs.

3.56 It is proposed that SDF allocates resources to foster a culture of innovation in CDB's BMCs including TA support for education and training, research and development, and the identification of appropriate financing instruments to support new technologies.

3.57 The creative industries have been identified as an area which can provide significant opportunities for driving growth and development in the world economy. This dynamic sector, which ranges from traditional arts to multimedia, has the potential to be also an important driver of innovation and productivity growth in BMCs, and to become a pillar for economic diversification and export growth in the Caribbean. In addition, the sector is comparatively labour intensive, and can therefore, help to alleviate the chronic unemployment problem (particularly youth unemployment).

3.58 However, these industries are confronted by some constraints¹³ critical among which are weak product and service development policies that result in many firms being unable to upgrade their product or service to meet international standards, in addition to the high cost of and limited access to appropriate financing which limit growth and scaling up of operations.

3.59 The private sector is a major contributor to the economic empowerment of women in the Region. Improving access to finance for women as well supporting female MSMEs in the value chain is therefore critical in private sector development.

3.60 Contributors supported CDB's proposal to work in partnership with other donors, to develop an integrated suite of TA and investment financing policies in support of product/service development, access to financing, innovation and productivity, education and training, export promotion, intellectual property development management, and data collection and management to enable the sector to realise its full export, growth and development potential.

RCI

3.61 Support for RCI is part of CDB's core mandate under its Charter. A Focal Point for regional programming has been established in the Technical Cooperation Division of the Projects Department to spearhead RCI interventions. RCI offers the best opportunity for the small countries of the Region to accelerate growth, reduce economic disparities and facilitate closer policy coordination and collaboration on a range of issues affecting their development including regional and global public goods. The Bank, in collaboration with other DPs, such as the European Union, has undertaken initiatives aimed at enhancing the capacity of the private sector to access regional and extra regional markets. These interventions add up to collective regional action which has made an impact and points to the need for more dedicated support in the area of ensuring that the integration of the economies of the Region was accompanied by a more equitable distribution of the potential benefits. There, however, remains significant work to be done in removing barriers to intra-regional trade and ensuring that small and medium-sized enterprises can secure access to regional markets. The design of RCI programmes therefore will continue to reflect strong links to be made between RPGs and economic and social development. Further, through the proposed loan set aside for RPGs, the Bank will encourage BMCs to invest in multi-country and/or regional projects aimed at providing RPGs. Direct support for regional cooperation will focus on:

- (a) strengthening statistical capacity for improved decision-making and results reporting, including in terms of targets to be agreed under the Post-2015 Agenda;

¹³ Other significant challenges are associated with high levels of piracy, inadequate training and education opportunities; lack of suitable method for tax assessments for entrepreneurs/businesses in these industries; paucity of national statistics; enforcement of contracts; lack of understanding of intellectual property rights; and limited ownership/presence in the marketing and distribution channels for the industries.

- (b) support for efforts to improve intra-regional logistics, including transportation for better movement of goods and persons;
- (c) enhancement of the quality infrastructure to harmonise and provide a framework for mutual recognition of standards, technical regulations and conformity assessments; and
- (d) support for the establishment of a regulatory framework for the protection of consumers.

3.62 In each of these areas, the Bank will collaborate with DPs, as in the case of strengthening statistical capacities, where DPs include the University of the West Indies, CARICOM, Department of Foreign Affairs, Trade and Development, United Nations Children’s Fund, Caribbean Technical Assistance Centre, Department for International Development of the United Kingdom, United Nations Development Programme and WB.

3.63 *Contributors endorsed* support for RCI as a key priority for the Bank, with a potential lead role in selected areas, *and welcomed* the Bank’s work in further defining a targeted and realistic role for both SDF and the Bank. *They also encouraged* the Bank to play an important “convening” role, as a coordinator, bringing together the different actors and partners in the Region.

CROSS-CUTTING ISSUES

3.64 Contributors and the Bank agreed that the major cross-cutting issues for SDF 9 will be improving *GE*, which also addresses SDG 5, promoting **Environmental Sustainability** (SDG 13), and *Good Governance* which addresses SDG 16.

GE

3.65 A key rationale for addressing GE in the Bank’s programming is the link between gender inequality and poverty in both rural and urban contexts. *Contributors welcomed* the recognition, in the planning for SDF 9, of the importance of mainstreaming GE and of its role as a driver of growth and a critical contributor to economic efficiency and effectiveness.

3.66 Given the persistent gender inequalities and the continuing institutional weakness of national gender machineries,¹⁴ the Bank is committed, to follow a multitrack strategy by gender mainstreaming all of its programmes, projects and strategies, in particular its social and economic infrastructure interventions, and by designing and implementing gender-specific initiatives. Producing knowledge products like the Country Gender Assessments (See Box 4) is another area of CDB support. The Bank will continue to promote gender issues in its broad development agenda to create conditions to achieve sustained economic growth, social inclusion and to contribute to effective poverty reduction.

3.67 The prevention and elimination of GBV will be supported by awareness building, behaviour change and security measures, in particular psychosocial support programmes, life skills training, relevant citizen security interventions, through gender-sensitisation training of contractors in infrastructure projects, gender-responsive projects in disaster situations, and through the provision of better data on the prevalence of GBV in BMCs.

¹⁴ Country Gender Assessment Synthesis Report; Mondesire, A. (2014): Institutional Strengthening of National Gender/Women’s Machineries. Report prepared for CARICOM.

Box 4: Country Gender Assessment Synthesis Report 2016

- Higher rates of poverty among households headed by women and with high dependency ratios;
- Gaps in women's access to the productive assets in the Region;
- Educational gaps at secondary and tertiary levels with mixed results for boys and girls;
- Higher drop outs among boys which increases the potential of deviance and anti-social behavior while drop outs of girls might be related to teenage pregnancies resulting in incomplete education;
- The loss in human capital affected by the differential educational outcomes for boys and girls in education and training. Higher educational achievements of girls do not yet translate in a higher participation in the labour market and a closing of the wage gap;
- Occupational segregation with women tending to have lower-waged occupations in the economy and a lower female labour force participation;
- Social isolation of elderly men; and
- GBV is endemic with a predominance of male perpetrators (reported cases), women and girls as the vast majority of victims, and men and boys increasingly reporting GBV.

3.68 The Bank will support the economic empowerment of women through better access to finance, improved access to business skills training, and access to labour markets by supporting gender-sensitive value chain analysis and the participation of women in trade activities. Furthermore, the Bank will continue to support educational programmes, for example, in TVET, to lay the foundation for changing occupational segregation on the labour market.

3.69 CDB's Gender Equality Policy and Operational Strategy will be revised to identify and give more focus to SDG targets that are strategically relevant to BMCs. These measures will be implemented by following a partnership with ownership approach by supporting policy dialogue with BMCs.

Environmental Sustainability

3.70 Environmental sustainability was a core theme for both SDF 7 and SDF 8 and Contributors endorsed that this be continued in SDF 9. It is an important element in the SDG Framework (SDG 13) and CDB's Strategic Plan and will, therefore, receive substantial attention in SDF 9. The Bank's CRS and Environmental and Social Review Procedures will guide its interventions in this area, and will focus on strengthening capacity for monitoring and assessment of environmental, disaster risk management (DRM) and climate change aspects of the project portfolio and further training for CDB staff. CDB will continue to collaborate with other DPs to strengthen BMC environmental policies and support the policy dialogue with BMCs.

3.71 As both a programming area and a cross-cutting issue for all SDF operations, the focus will be on disaster risk reduction and management, climate change mitigation and adaptation, and RE and EE. Increased use will be made of strategic environmental assessments and country environmental assessment in the development of CSPs, and DRM and climate change parameters will be included in the new Project Portfolio Management System (PPMS) and reported on in the RMF.

Good Governance, Building Capacity and Improving Institutional Effectiveness

3.72 Improved governance and institutional capacity in BMCs is central to the achievement of the Region's growth and development objectives, but is also an essential component of CDB's risk management, and organisational efficiency and effectiveness. *Contributors* and the Bank agreed that addressing the capacity gap in the areas of institutional reform, evidenced-based policy formulation, economic management, judicial and public service delivery, legislative and regulatory frameworks, implementation capacity and statistics is crucial to progress on the SDGs and BMCs sustainable development ambitions.

3.73 Support for the critically important area of data collection and statistics will require strengthening national statistical systems, upgrading and integrating information and communication technology in statistics collection, compilation and dissemination; promoting careers in statistics as well as developing a regional approach for the development of statistics. Together with key DPs, SDF can support capacity building of national statistical offices and civil society organisations, strengthen development planning systems and embedding a more focused results culture. Contributors encouraged the Bank to increase its capacity-building support to BMCs including for addressing deficiencies in project implementation.

3.74 They also welcomed the Bank's ongoing review of its Governance and Institutional Development Policy and Operational Strategy. While TA loans and grants will continue to be the primary instruments used by CDB in pursuing good governance interventions in its BMCs, there are several opportunities to give it a sharper focus and mainstream it in the Bank's operations. These include:

- (a) incorporating governance assessments (through the PRES) and programming into the CSP, making this the main document for identifying governance issues;
- (b) carrying out governance and fiduciary assessments at project, sector and implementing agency level during project appraisal and supervision;
- (c) rationalising CPAs Institutional Assessment process and findings with CSP and Project Cycle Management (PCM)/Public Policy Institutional Assessment Analysis and Management governance assessments; and
- (d) addressing governance in sector institutions through institutional strengthening components in project loans, and follow-on TA as necessary.

3.75 Given persistent gender inequality in the Region, support to national gender machineries in mainstreaming gender throughout BMC governments will be a critical area of support.

3.76 Generating sustained inclusive growth for poverty reduction, requires that BMCs achieve some level of diversification by enhancing competitiveness. The areas of competitiveness where BMCs need to improve include macroeconomic policy, the regulatory and institutional framework for implementing policy, and providing an enabling environment for doing business and attracting investments.

4. DEVELOPMENT EFFECTIVENESS AND MANAGING FOR RESULTS

4.01 CDB has since 2011 used a corporate-level RMF for measuring and monitoring progress towards key results in its Strategic Plan. This RMF is informed by outputs and outcomes of CDB-financed projects and programmes, information in the Annual Review of the Performance of the Portfolio of Projects under Implementation and in Project Completion Reports (PCRs), and by data in the Bank's financial and human resource systems. Together, these sources of information are used to produce the Bank's Annual Development Effectiveness Review. The Review assesses the Bank's performance in meeting the targets set for its Strategic Plan, with the RMF as the central performance tool. It covers the full range of Bank-assisted activities which are funded both through the OCR and SFR. Box 5 provides some examples of the contribution of SDF 8 to selected development outcomes.

| Box 5: Contribution of SDF 8 to Selected Development Outcomes | |
|--|---|
| Programme Area/Sector | Highlight Results Achieved 2013 - 2016 |
| Economic and Social Infrastructure | <ul style="list-style-type: none"> • The construction or upgrading of 435 km of roads across seven BMCs provided 370,630 persons (50% women) with safer, more rapid transit. • BNTF's community infrastructure construction and enhancement projects benefitted 469,746 individuals. • 14,721 households along with their towns' community facilities, gained improved access to sanitation and water supply services. |
| Agriculture and Rural Development | <ul style="list-style-type: none"> • 3,570 agriculture sector stakeholders in Grenada and regionally were trained in improved production technologies. |
| Education and Training | <ul style="list-style-type: none"> • 124,950 students benefitted from the building/upgrading of 383 classrooms and educational support facilities across eight BMCs. • 4,830 educators were trained and/or certified across the Region, improving their capacity to deliver quality education services. |
| Citizen Security | <ul style="list-style-type: none"> • 832 children and youth (42% women/girls) in Belize received community-based support to reduce their vulnerability to crime and gang membership. • 5,448 youth at risk (37% women/girls) benefitted from social support and education/training-focused projects. |
| Environmental Sustainability | <ul style="list-style-type: none"> • 1,300 kilowatts of renewable power generation were installed through BNTF community-level infrastructure projects, while EE/RE projects resulted in energy savings of 440 MWh. • Climate Finance Readiness Action Plans, the first step in building BMCs' capacity to implement projects under the GCF, were completed for two BMCs. |
| Private Sector Development | <ul style="list-style-type: none"> • CDB extended \$11.8mn in credit to the private sector via financial intermediaries, including to 480 MSMEs. • Seventy-nine individuals (27% women) in Jamaica benefited from a rural enterprise credit programme. • 1,826 individuals (63% women) received support for their MSMEs through TA provided by CTCS. |
| Good Governance and Accountability | <ul style="list-style-type: none"> • Policy-based loans assisted six BMCs to develop and implement reform programmes to support strengthened systems for economic management and/or public sector investment programmes. • Seventeen BMCs increased their capacity to undertake public-private partnerships (PPPs) through participation in a series of workshops offered by the PPP Support Facility. • CDB provided technical support for the completion of ten business climate and competitiveness enhancement projects across the Region. |
| RCI | <ul style="list-style-type: none"> • Five TA projects contributed to the free regional movement of people by supporting the qualification of 259 professionals under regional certifications and accreditation systems. • Three TA projects supported the adoption of/compliance with international quality standards in the health and medical fields for companies and professionals in several BMCs. |

Note: Achievements for 2016 are based on projections.

Enhanced RMF

4.02 Contributors have emphasised the importance of maintaining a robust system/framework for monitoring and reporting, in a timely manner, on the outcomes and effectiveness of the Bank's operations. They complimented the Bank on the progress made in developing and operating its RMF since 2011 but look forward to further improvements particularly in the context of the 2030 Development Agenda and associated SDGs.

4.03 The RMF proposed for SDF 8 has the same structure and content as CDB's Corporate RMF for 2015-2019. In addition, the scope of operations covered by SDF 8 and Corporate RMFs' indicators is the same since most projects are financed by a blend of SDF and OCR resources. Thus, the results reporting section of the SDF 8 Annual Report currently duplicates the content of CDB's Annual Development Effectiveness Review report, resulting in a duplication of administrative effort to manage and report results information.

4.04 Contributors and the Bank therefore agreed that the Corporate RMF 2015-2019 be used to track SDF 9 results and the Bank would ensure that the Corporate RMF captures SDF 9 strategic themes and programme areas by including SDF specific indicators in the Corporate RMF, as required. In terms of reporting, the SDF Annual Report would refer to CDB's Annual Development Effectiveness Review for reporting on results. This would eliminate duplicative efforts, enabling CDB to invest more of its resources on increasing the quality of performance monitoring and reporting, through more succinct timely monitoring reports and continuous efforts to better monitor the achievement of development outcomes.

4.05 The proposed approach would also improve CDB's ability to effectively manage for development results by providing one set of Bank-wide performance targets to be monitored. The target date in the RMF for achievement of results is 2019, an ideal timeline that will provide CDB with a complete understanding of its performance to inform planning for the next SDF cycle. The contribution to results of SDF 9 funding disbursed in 2020 would be captured in the Corporate RMF 2020-2025.

4.06 The RMF has been reviewed and updated as part of the process of developing the new Strategic Plan. The revised RMF will track implementation performance of the SDF 9 at four levels:

- (a) **Level 1 - Progress towards SDGs and Regional Development Outcomes:** This first level of the results framework tracks the development progress of the Region through selected Caribbean-specific development goals and outcomes. These are consistent with sustainable development priorities highlighted in the 2030 Development Agenda. Level 1 indicators monitor Regional performance related to reducing poverty and inequality, quality education and equitable lifelong learning and employment opportunities, building competitive economies, and resilience, sustainable energy and adaptation to a changing environment. Performance in relation to these indicators and targets will also inform CDB's future country assistance strategies and programmes.
- (b) **Level 2 - CDB Contribution to SDGs, Country and Regional Development Outcomes:** Indicators at this level measure the Bank's contribution to SDGs, country and regional outcomes through outputs delivered in key operational areas identified in the Strategic Plan. These core priority areas include: economic and social infrastructure; agriculture and rural development and resilience; private sector operations and development; education and training, with gender equity, environmental sustainability and good governance cutting across the core areas.

- (c) **Level 3 - CDB Operational Management (How well is the Bank managing its operations?)** The Bank recognises that it can only increase its contribution to country and regional outcomes and overall development effectiveness by continuing to improve its operational management. CDB's assessment of the operational quality and relevance of its services are measured through four groups of indicators covering operational quality and portfolio performance, resource allocation and utilisation, strategic focus and effectiveness. These indicators will monitor and measure the intensity of CDB's focus on the sectors where it has the greatest strength, its efficiency in making resources available to its BMCs and its responsiveness to client needs.
- (d) **Level 4 – CDB Organisational Efficiency (How efficient is CDB as an Organisation?)** assesses the adequacy of CDB's organisational capacity to facilitate the effective management of its operations. The Bank recognises that it can only increase its contribution to country and regional outcomes and overall development effectiveness by operating efficiently. It is collaborating with other international financial institutions in the Multilateral Development Bank Working Group on MfDR towards incorporating Value for Money reporting within its results framework. Effective operational management will be supported by organisational efficiency in recruiting and retaining appropriate human resources, provision of adequate administrative budget and by working to its comparative advantage collaboratively with its DPs.

4.07 The SDF 9 RMF with its full set of targets, baselines and indicators are shown in Appendix 5. The Bank will develop methodological notes for each indicator in the RMF, which will provide information on each indicator's definition and sources.

REFORM MEASURES TO IMPROVE INSTITUTIONAL CAPACITY

4.08 In July 2012, Contributors to the SDF (U) were presented with a package of internal reforms (See Box 6) to improve the Bank's operational effectiveness and responsiveness to the changing development needs in its BMCs, and also to enhance its accountability systems. The reforms are focused on four key areas: (i) enhancing corporate governance and oversight; (ii) improving operational policies, strategies and guidelines; (iii) creating more effective alignment of structure and processes; and (iv) mainstreaming MfDR. The following paragraphs takes stock of progress in implementing the reform agenda over the last four years (2012 – 2016).

Enhancing Corporate Governance and Oversight

4.09 Enhancements to the corporate governance and oversight structure which were completed during the period include:

- (a) centralisation of the risk management function and the appointment of a Chief Risk Officer;
- (b) establishment and operationalisation of an Enterprise Risk Committee which provides oversight of risks across CDB;
- (c) a fully-fledged operational risk management process incorporating the use of a risk register and a risk control self-assessment process;

- (d) comprehensive Pillar III reporting published in the Bank's annual reports, monthly risk reports and Board updates at every Board meeting; and
- (e) an operational risk system automating the entire risk register and risk control self-assessment process, including operational risk statistical analysis and capital adequacy modelling. Oversight of the Risk function is provided by the Oversight and Assurance Committee (OAC) which has been strengthened in light of its wider mandate.

4.10 New information disclosure requirements provide CDB stakeholders with much better access to CDB information. Since December 2011, more project and policy information is made available to the public in keeping with the Information Disclosure Policy (IDP). This reform is being implemented in three phases. Phase 1 has been completed and Phases 2 and 3 will be undertaken during the SDF 9 period. The Bank will also pursue membership of the International Aid Transparency Initiative, by the end of the SDF 9 cycle, as part of its efforts towards greater transparency.

Box 6: Ongoing Reforms to Improve Organisational Efficiency and Effectiveness and Strengthen Internal Governance

- Implementation of a new portfolio management system which has the potential to significantly improve PCM and the monitoring of the project portfolio;
- Introduction of a new human resources management information system which is expected to greatly improve the effectiveness of the human resources;
- Accelerated implementation of the Enterprise Content Management project;
- Continued implementation of the IDP;
- Operationalisation of the new integrity, compliance and accountability function;
- Continued embedding of the risk management function, which is in the process of implementing its new automated risk management system; and
- New and enhanced BOD committees (Human Resources Committee and OAC) which have to be supported as they undertake their new and expanded roles.

Improving Operational Policies, Strategies and Guidelines

4.11 The reform agenda is supported by new and revised policies, strategies, and guidelines. These are part of the enabling environment for the internal reforms. They provide a coherent and effective approach to the implementation of approved programmes and initiatives, especially in areas that are new to the Bank's operations.

4.12 One such area is the Office of Integrity, Compliance and Accountability which represents a convergence of five traditional governance functions into one office: Institutional Integrity (fraud and corruption); Ethics; Whistleblowing; Compliance which includes anti-money laundering/combating of terrorist financing and monitoring of financial sanctions; and the Projects Complaints Mechanism. A Strategic Framework and five supporting policies and procedures were developed and approved to cover each of these areas. The procedures and guidelines will be implemented by 2017.

4.13 A comprehensive suite of new and revised policies and procedures have been developed and implemented that enable more effective governance of the Bank's information technology (IT) operations. The policy suite includes policies on network security, data protection, and disaster recovery and business

continuity. The Bank will continue to refine and refresh its suite of policies, strategies and guidelines to ensure harmonious alignment with the strategic direction of the operating areas, and an appropriate response to the needs of BMCs.

4.14 To ensure strong alignment between policy and operations, an additional five policy and strategy documents are being revised: (i) Private Sector Policy and Strategy; (ii) Education and Training Policy and Strategy; (iii) Transportation Sector Policy and Strategy; (iv) Urban Sector Policy and Strategy, Housing/Shelter Sector Policy and Strategy; and (v) Governance and Institutional Development Strategy. In addition, procurement procedures are being strengthened with the development of guidelines for the Selection and Engagement of Consultants contracted by CDB under Use of Funds, and the revisions to our Guidelines for Procurement. The policies under revision and the guidelines being developed are scheduled to be completed by the end of 2017.

Structure and Process Improvements

4.15 The Bank has been refining its organisational structure to ensure alignment with its Strategic Plans and to optimise the efficiency of its operations. The Bank has also appointed more senior leadership for the internal audit and communication functions. Further changes to the organisational structure will accommodate: (a) an Information Disclosure Unit to support the new disclosure function; and (b) a redefined IT structure and staffing which will be more fit-for-purpose and aligned to the Bank's IT needs.

4.16 Contributors commended the Bank on the implementation of the enhancements to its structure and processes and urged that careful attention be given to consolidating these gains. The changes in structure and the right-sizing within the approved establishment have been achieved as a result of the good progress that the Bank has made in streamlining processes and implementing technology to support faster, simpler and more effective delivery of services to internal and external clients (See Box 7). The technology changes and streamlining of processes have yielded incremental reduction in human resources at the support staff level, as evidenced by the improvement over the past few years in the ratio of professional staff in operations and the professional to support staff ratio. The reductions provide the opportunity to redefine jobs and change the weight of the grade structure to accommodate more professional staff positions, especially in the Operations Area. The Bank now has a ratio of two professional staff for one support staff.

4.17 Contributors underlined the importance of focusing on priority areas within the Bank's strategic framework, consistent with its comparative advantage, resources and capacity, and of targeting, monitoring and reporting on selected SDGs and other key results. *They also stressed* the importance of continuing to strengthen the Bank's capacity to undertake the approved level of operations in an effective and timely manner, including a consolidation institutional reform measures recently implemented.

MfDR

4.18 Significant progress has been made in the area of MfDR. The MfDR practice is now fully embedded within the Bank's operations with a Results Specialist on staff, the production of development effectiveness reports and a fully functioning Development Effectiveness Committee. The sharper results orientation has improved the quality assurance processes for quality at entry and throughout the project appraisal cycle. MfDR training and awareness sessions have been held with staff across the Bank in an effort to promote and improve development effectiveness and strengthen the culture of MfDR. The PPMS replacement, the capital projects module of which will be implemented by the end of 2016, is designed to support increased monitoring of results throughout the project cycle and across the portfolio.

4.19 The Bank has implemented and mainstreamed a series of reforms to enhance corporate governance and oversight, strengthen and align policies, strategies and guidelines, right-size its structure and lean its processes. The Bank will make every effort to consolidate on the achievements gained thus far by introducing additional reforms where necessary. In so doing, Management will continue to pay keen attention to the absorptive capacity of the Bank for new reforms and will continue to ensure that the reforms are value adding and that there is the right balance between reforms and cost.

4.20 While it is still too early to assess the full impact of the reforms that have been implemented to date, early indications are that the Bank is viewed as being more responsive to its clients and also as having a stronger risk management function, increased transparency, and a stronger suite of policies and strategies to leverage its human resources, external communications and technology adoption.

4.21 Contributors expressed satisfaction with the progress made to date on implementing the reform agenda. They encouraged the Bank to focus their efforts in consolidating those gains and on enhancing capacity to develop and implement SDF 9 priorities and programmes.

Box 7: Key Elements Taken to Boost Operational Efficiency and Strengthen Country Engagement

- Internal Cycle Speed: Inception to Completion
 - Enhancing the project cycle by improving quality at entry, supervision and gleaned appropriate lessons through timely completion of PCRs.
- Supervision Presence
 - Engaged experienced consultants in countries which exhibited acute implementation challenges to augment the supervision effort of Bank staff thereby supporting project delivery.
- Disbursement Performance
 - Identification of single points of contact with respect to disbursement management by BMCs. During 2016, the Projects Department has identified disbursement champions within each operating unit with direct responsibility for all aspects of the claims process. The group of disbursement champions will have a direct reporting line to the Office of the Director of Projects.
- In-Country Capacity
 - Strengthening in-country capacity particularly around PCM training. The Training Unit within the Bank has recently completed the stakeholder consultation process within seven BMCs and is currently in the process of developing the PCM curriculum which is being tailored to address the peculiar gaps within each country's project development and delivery process.
- Knowledge Presence/Visibility
 - On the internal front, by installing an Electronic Display Board to track project implementation performance, and externally, through the development and presentation of various Knowledge products including climate resilience related tools and having a deeper participation and presence in Communities of Practice.

5. FINANCIAL RESOURCES AND PROGRAMME LEVELS

PROGRAMME LEVELS AND FUNDING

5.01 *Contributors agreed* on an overall programme level for SDF of \$355mn (See Box 8), to be financed from internally generated resources within SDF of \$132.4mn, agreed contributions of \$166.6mn, and an allocation from the Bank's OCR net income of \$15mn¹⁵, with an unallocated structural gap of \$41.0mn. Contributions to the latter are expected from prospective new members and Contributors.

5.02 Enhanced financial support for SDF is essential to enable SDF and the Bank to assist BMCs to achieve environmentally sustainable, socially and economically inclusive development as set out in the 2030 Agenda for Sustainable Development and the associated SDGs. These resources will also enable SDF and the Bank to provide leadership on behalf of the Region in selected priority areas.

5.03 A new global framework for financing sustainable development which culminated at the Third International Conference on Financing for Development¹⁶ in mid-July 2015, as well as the Third International Conference on SIDS, held in Samoa in September 2014, provided important guidance in relation to possible financing mechanisms and key development priorities for SIDS. Financing for development argues for urgent action areas to implement the new sustainable development agenda. These include boosting efforts to strengthen domestic public resources through appropriate fiscal reforms and strengthening transparency and governance arrangements against the backdrop of expected declines in official development assistance; boosting domestic and international business and finance through improved regulatory frameworks to better align private sector incentives; as well as supporting improved international development cooperation. In spite of significant progress in mobilising financial and technical resources for development and increases in financial flows in early years following the Monterrey Consensus, the agenda has not yet been fully implemented, new challenges have arisen, and large unmet needs remain for the achievement of sustainable development.

5.04 *Contributors agreed* that the factors which justify a stronger role for SDF include:

- High and persistent poverty and inequality, and vulnerabilities from the effects of climate change weather phenomena¹⁷ and natural disaster events, which remain as leading challenges to BMCs' inclusive and sustainable growth and development ambitions;

| BOX 8: SDF 9 PROGRAMME LEVEL AND FUNDING | |
|---|-----------------------|
| ('000) | |
| Commitment authority carry over | 6,500 |
| Expected net income | 8,902 |
| Loan repayments | 116,980 |
| <i>Sub-total internally generated SDF resources</i> | <i>132,382</i> |
| Pledged new contributions as of December 2016 | 166,574 |
| Allocation from OCR Net Income | 15,000 |
| <i>Sub-total available and committed resources</i> | <i>319,206</i> |
| Unallocated structural gap/New contributions | 41,044 |
| TARGET PROGRAMME LEVEL | 355,000 |

¹⁵ The allocation from OCR is subject to the approval of CDB's Board of Governors

¹⁶ The objectives of the conference were threefold: to follow-up on commitments and assess the progress made in the implementation of the Monterrey Consensus and the Doha Declaration; to further strengthen the framework to finance sustainable development and the means of implementation for the universal post-2015 Development Agenda; and to reinvigorate and strengthen the financing for development.

¹⁷ The substantial economic losses and fatalities associated with the weather event in Dominica, in August 2015, is a stark reminder of the Regions acute environmental vulnerabilities.

- The need to urgently develop a set of SDG targets and indicators appropriate to the Caribbean context and which will provide a framework for developing, implementing and measuring regional and national progress in achieving the agreed targets;
- The imperative of maintaining support for other development priorities in BMCs given their significantly reduced ability to borrow on other than concessional terms in the current debt and fiscal situation;
- Assisting the Region to strengthen RCI, and to promote RPGs and regional approaches to resolving development issues as well as for responding to changes in the international and regional economic environment;
- Continuing SDF's role in support of Haiti, as the member most affected by poverty, inequality and vulnerabilities; and
- Support for critical success factors for effecting transformation in the form of essential capacity-building, improving policymaking and institutional effectiveness and strengthening economic management as critical aspects of good governance.

PROGRAMME ALLOCATIONS

5.05 *Contributors agreed* that the SDF 9 programme should consist of the allocations in Box 9, subject to the outcome of the MTR, and provide for:

- a high level of country lending in priority areas, with indicative country allocations to be determined using the SDF needs and performance-based RAS, to assist BMCs in accelerating progress toward the Caribbean-specific SDG targets and indicators (to be developed and adopted);
- continued support for community level infrastructure, poverty reduction and promoting equality and good governance, through additional funding for an enhanced BNTF programme from SDF 9 to be supplemented by unused BNTF funding brought forward from previous SDF cycles;
- continuing targeted SDF support for Haiti, in cooperation with DPs, with particular emphasis on education, CDD, agriculture, capacity development and institution-building and the increased operational capacity for Haiti being put in place by the Bank;
- promotion of capacity building, statistics and good governance as critical success factors for driving economic transformation and growth in BMCs;
- continuing support for disaster response, mitigation and rehabilitation, and for environmental sustainability, environmental risk management, adaptation to climate change and sustainable energy;
- spurring agriculture and rural development, especially in low-income BMCs with a strong reliance on the agriculture sector, as means for creating rural employment, particularly among females and young persons, promoting food security and reversing environmental degradation;

- enhancement of the enabling environment for MSME growth through the development and effective implementation of a programme of support for BMCs' creative industries, promotion of competitiveness, and training interventions through CTCS; and
- support for RCI, RPGs and regional solutions, through both loans and grants, to economic and social constraints.

5.06 The set asides, other than those for BNTF and Haiti, are not allocated to countries but to specific purposes according to identified opportunities and the potential impact of the use of such resources. The Bank will pursue interventions for blending grant and loan resources which will catalyse additional investment in targeted areas.

5.07 Opportunities for the use of the set asides for capacity development and institution building, environmental sustainability and climate change, private sector enabling environment, CTCS and agriculture and rural development are identified in CSPs or in the course of other operations, while those relating to immediate disaster response and natural disaster mitigation and rehabilitation are governed by the impact of natural hazard events on particular BMCs. Set asides are also used to support RPGs which can benefit more than one BMC. Opportunities will also be sought for blending the set asides for environmental sustainability and RPGs with loan funds as incentives for greater programming in these areas.

5.08 Programme allocations will be reviewed by Contributors at the MTR of SDF 9 to ensure effective use of available resources to achieve the objectives of the Replenishment and to maximise positive outcomes to SDF operations.

PLANNING FRAMEWORK FOR SDF 9

5.09 SDF 9 operations for each of the themes of the Replenishment will necessarily reflect country needs and capacity as well as the SDF 9 planning framework. This is particularly the case with country lending operations. *Contributors requested*, however, indicative programming projections, and these are shown in Box 10. They provide an overall planning framework for SDF 9, and will be reviewed as appropriate by the BOD as well as at the SDF 9 MTR.

5.10 Box 10 shows both set-aside allocations, marked with an asterisk (*), and planning projections for expected use of funds available for country lending under the SDF RAS. Adjustments will necessarily be made in the light of country strategies and absorptive capacities, as well as any change in resource availability during the Replenishment period.

| BOX 9: PROGRAMME ALLOCATIONS | | |
|--|----------------|----------------|
| | SDF 8 | SDF 9 |
| | ('000) | |
| Core Country Lending | | |
| Country loans using performance-based Resource Allocation System for eligible BMCs | 208,000 | 211,000 |
| Grant Funding | | |
| BNTF | 10,000 | 40,000 |
| Haiti | 46,000 | 45,000 |
| TA | 17,000 | 12,000 |
| <i>of which: BMC Capacity Building</i> | <i>12,000</i> | <i>9,000</i> |
| <i>CTCS (small-scale private sector)</i> | <i>5,000</i> | <i>3,000</i> |
| BMCs Capacity-building, Statistics and Governance | - | 6,000 |
| Immediate Disaster Response | 5,000 | 3,000 |
| Environmental Sustainability and Climate Change and Sustainable Energy | 5,000 | 3,000 |
| Agriculture and Rural Development | 3,000 | 3,000 |
| Private Sector Enabling Environment (Creative Industries and Competitiveness) | - | 3,000 |
| RCI and RPGs | 10,000 | 4,000 |
| Citizen Security | 4,000 | - |
| Other Lending | | |
| Natural Disaster Mitigation and Rehabilitation | 30,000 | 20,000 |
| Provision for new BMC | 10,000 | - |
| Regional Projects | - | 5,000 |
| TOTAL PROGRAMME LEVEL | 348,000 | 355,000 |

| BOX 10: INDICATIVE PROGRAMMING OF SDF 9 | | | | |
|---|----------------|----------------|----------------|--------------|
| SDF 9 CORE THEMES | Grants | Loans | Total | % |
| | (\$ '000) | | | |
| <u>SDGs 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16 and 17</u> | | | | |
| BNTF 9 | * 40,000 | - | 40,000 | 11.3 |
| Haiti | *45,000 | - | 45,000 | 12.7 |
| BMC Institutional Strengthening and CTCS | *12,000 | 8,000 | 20,000 | 5.6 |
| Education and Training | - | 60,000 | 60,000 | 16.9 |
| Governance and Capacity Building | 6,000 | - | 6,000 | 1.7 |
| Agriculture and Rural Development | *3,000 | 30,000 | 33,000 | 9.3 |
| Private Sector Enabling Environment (Creative Industries and Competitiveness) | *3,000 | - | 3,000 | 0.8 |
| Social and Economic Infrastructure | - | 55,000 | 55,000 | 15.5 |
| Sub-total | 109,000 | 153,000 | 262,000 | 62.5 |
| Building Resilience, Environmental Sustainability and Climate Change | | | | |
| Water and Sanitation | - | 46,000 | 46,000 | 12.9 |
| Environmental Sustainability, Climate change and SE | *3,000 | 12,000 | 15,000 | 4.2 |
| Disaster Response | *3,000 | - | 3,000 | 0.8 |
| Natural Disaster Mitigation and Rehabilitation | - | *20,000 | 20,000 | 5.6 |
| Sub-total | 6,000 | 78,000 | 84,000 | 23.5 |
| RCI and RPGs | | | | |
| RPGs and Regional Solutions | *4,000 | 5,000 | 9,000 | 2.5 |
| Sub-total | 4,000 | 5,000 | 9,000 | 2.5 |
| TOTAL PROGRAMME LEVEL | 119,000 | 236,000 | 355,000 | 100.0 |
| <i>Percentage of grants</i> | - | - | 33.5% | - |

* Set-aside allocations

INDICATIVE CONTRIBUTIONS AND COMMITMENT AUTHORITY

5.11 SDF commitment authority for new financing, as in the case of other multilateral development banks' concessional funds, is derived from new contributions and internally generated resources, including any carryover into the period, and transfer from OCR net income. Estimates of expected internally generated resources and proposed transfer from OCR net income are set out in Box 8. The impact of any exchange rate changes or other adjustments will be taken into account at the end of each financial period. *The estimated contribution from each government is provided in Table 4.*

5.12 In addition, *the Bank has agreed, with the support of Contributors, to recommend to the BOD and the Board of Governors an allocation of \$15mn to SDF 9 from OCR Net Income that would otherwise be transferred to the Bank's reserves in support of OCR lending. Contributors recognised, however, that there was a limit on how much should be allocated in this way, because of the implications for the Bank's capital adequacy.*

5.13 The projected commitment authority for SDF 9 is shown in Table 2 as a phased series of annual levels consistent with the flow of internally generated resources and the equal instalments in which contributions are normally made.

TABLE 2: INDICATIVE COMMITMENT AUTHORITY FOR SDF 9
(\$ '000)

| | 2017 | 2018 | 2019 | 2020 | 2017-20 |
|---|--------|--------|--------|--------|---------|
| Commitment authority at beginning of the period | 6,500 | 2,314 | 8,480 | 5,645 | 6,500 |
| <i>Plus: Net Income</i> | 710 | 2,022 | 3,011 | 3,159 | 8,902 |
| <i>Plus: Repayments</i> | 28,800 | 28,840 | 28,850 | 30,490 | 116,980 |
| Commitment authority from new contributions | 36,804 | 56,804 | 56,804 | 57,206 | 207,618 |
| <i>Transfer from Net Income</i> | 3,500 | 3,500 | 3,500 | 4,500 | 15,000 |
| <i>Less: Approvals for SDF loans</i> | 45,000 | 55,000 | 60,000 | 64,665 | 229,665 |
| <i>Less: Approvals for SDF grant financing</i> | 29,000 | 30,000 | 30,000 | 30,000 | 119,000 |
| Commitment authority at end of the period | 2,314 | 8,480 | 5,645 | 6,335 | 6,335 |

5.14 *Contributors welcomed* this presentation of SDF commitment authority as consistent with the practice of other concessional funds. *They also, however, supported* the advance payment of instalments on new contributions where individual Contributors are able to make such payments, as a contribution to increasing SDF income and thereby financing a part of the structural gap for SDF 9. *Contributors indicated their intention* that the Replenishment should become effective early in 2017, but *they noted* that in some cases Instruments of Contribution, and therefore initial instalments, might take somewhat longer. *They urged* that every effort be made to complete the steps necessary for Instruments of Contribution to be deposited within the agreed timeframe.

5.15 To ensure that the momentum of SDF operations can be maintained pending the deposit of Instruments of Contribution, *Contributors authorised* the Bank to use Instruments of Contribution as these are deposited, as well as any advance instalments, as commitment authority during 2017, unless otherwise indicated by the Contributor concerned.

COUNTRY GROUPS AND FINANCING TERMS

5.16 Contributors approved the continued use of country groupings as established for SDF 8, for setting terms and conditions for SDF lending and providing a basis for the blending of SDF and OCR at the country level. Individual country allocations would be determined using the SDF performance-based Resource Allocation Strategy except for Groups 1 and 3 countries.

5.17 While no BMC is ineligible for SDF funding, countries in Group 1 will not receive a country allocation. Group 1 will benefit from regional projects, support for RPGs and capacity-building initiatives, and are eligible for highly poverty-focused projects such as CPAs or preparing a National Poverty Reduction Strategy and for emergency assistance in the event of a natural disaster. The amounts will not normally be larger than their own contribution to SDF 9, except for emergency disaster assistance. The per capita income bands used to determine country classification are:

- Group 3 - below \$2,000
- Group 2 - \$2,001 to \$10,000
- Group 1 - above \$10,000

5.18 The country groups, using the most recent GDP per capita values¹⁸, and the corresponding terms of lending for SDF 9 are shown in Table 3.

TABLE 3: COUNTRY GROUPS AND TERMS OF LENDING FOR SDF 9

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

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

5.19 Contributors *agreed* that the need for the application of Group 3 terms and conditions to beneficiary countries be examined on a case by case basis, and, noting the possibility of delays in obtaining the concurrence of all Contributors to requests for such application, further agreed that the application of Group 3 terms and conditions to beneficiary countries may be approved by CDB’s BOD should the circumstances so warrant, without seeking the concurrence of Contributors.

5.20 They approved a reduction in the SDF lending rates for the SDF 9 cycle - for the Group 1 and Group 2 countries from a rate of 2.5% to 1%; and for Group 3 countries from 2% to 1% - in order to enhance its concessionality. They further requested that the application of the reduced interest rate be reviewed at the end of the cycle.

5.21 As a consequence, the SDF investment guidelines will be amended in order to mitigate the impact of the reduced lending interest rate on the revenue of Fund. Specifically, paragraph 4.8.1 of the SDF Rules will be amended to permit the inclusion of up to a maximum of 30% of the overall composition of the portfolio to be allocated to investments holding a minimum long-term credit rating of BBB in the USDF securities portfolio. The amendment shall take effect from the end of the current Contribution Cycle.

5.22 *Contributors noted* that SDF has traditionally included grant financing, as particularly appropriate for certain types of activity, such as BNTF, capacity building, RPGs, immediate disaster response, and was

¹⁸ GDP per capita is taken from UNSD (<http://unstats.un.org/unsd/snaama/dnlist.asp>) and applies a three-year moving average (2012-2014)

the appropriate form of financing for Haiti as a fragile state. *They agreed* that grants continued to be important for these purposes and for support to some development areas, as reflected in the programme allocations.

CONTRIBUTION FRAMEWORK AND PROCEDURES

5.23 *Contributors agreed* to continue past practice with respect to contribution procedures, as set out further in the Replenishment Resolution. Each Contributor is expected to deposit with the Bank an Instrument of Contribution in respect of that Contributor's agreed contribution as set out in Table 4 – Estimated Contributions to SDF 9, with the final date for such deposit set as June 30, 2017, or such later date as the Bank and the Contributors may agree. Each Instrument of Contribution will become effective on the date of deposit with the Bank.

5.24 Where a Contributor has indicated that its obligation will be denominated in a currency other than the US dollar, the exchange rate used to determine the amount in the unit of obligation is the average daily exchange rate for the six-month period ending June 30, 2016.

5.25 *Contributors underlined the importance* of continuing efforts to ensure additional contributions to SDF from new members and others. Such funding would make it possible to increase the resources and programme levels for SDF 8 and contribute to the funding of subsequent replenishments. *Contributors welcomed* the prospective completion of membership procedures for France, which will then become a Contributor to SDF, and also the interest expressed in possible membership of St. Maarten and Curacao, among others. *They expressed the hope* that where feasible, these efforts could be concluded successfully within the SDF 9 cycle.

5.26 *Contributors noted* that the *Rules for the Special Development Fund* provided that procurement of goods and services for projects financed from SDF resources should be open to Member Countries and Substantial Contributors. This provides for the possibility of additional Contributors who may not at the time be members. *Contributors recommended* that the past practice in this regard of also inviting a Contributor to participate in discussion on the use of SDF resources as an Observer at Meetings of the BOD and other meetings dealing with these matters be continued in the event of such contributions.

FINANCING OF THE STRUCTURAL GAP

5.27 *Contributors agreed* to invite potential new or additional Contributors to assist in bridging the structural gap.

5.28 *Contributors expressed* the hope that some Contributors might be in a position to agree to the early encashment of Notes, and thereby contribute to increased income by the investment of such funds for the period before they are needed to meet disbursements on outstanding commitments. *Contributors also agreed* that, where possible, they would endeavour to accelerate payments under SDF 9 and to make payments in cash rather than Notes.

5.29 *Contributors requested* the Bank to report to the BOD on progress with respect to closing the structural gap.

TABLE 4: CONTRIBUTIONS TO SDF 9

| | Relative Share* | Contributions ¹ | Unit of Obligation | Amount in Unit of Obligation | Notes |
|--|-----------------|----------------------------|--------------------|------------------------------|-------|
| | % | | | (US\$ '000) | |
| Regional Members | | | | | |
| Trinidad and Tobago | 4.98 | 11,079 | USD | 11,079 | |
| Jamaica | 4.98 | 11,079 | USD | 11,079 | |
| Guyana | 2.77 | 6,170 | USD | 6,170 | |
| The Bahamas, Commonwealth of | 2.77 | 6,170 | USD | 6,170 | |
| Barbados | 2.77 | 6,170 | USD | 6,170 | |
| Suriname | 2.77 | 6,170 | USD | 6,170 | |
| Antigua and Barbuda | 0.30 | 664 | USD | 664 | |
| Belize | 0.68 | 1,513 | USD | 1,513 | |
| Dominica, Commonwealth of | 0.68 | 1,513 | USD | 1,513 | |
| Grenada | 0.68 | 1,513 | USD | 1,513 | |
| St. Kitts and Nevis | 0.68 | 1,513 | USD | 1,513 | |
| St. Lucia | 0.68 | 1,513 | USD | 1,513 | |
| St. Vincent and the Grenadines | 0.68 | 1,513 | USD | 1,513 | |
| Cayman Islands | 0.30 | 664 | USD | 664 | |
| Anguilla | 0.30 | 664 | USD | 664 | |
| Turks and Caicos Islands | 0.30 | 664 | USD | 664 | |
| British Virgin Islands | 0.30 | 664 | USD | 664 | |
| Montserrat | 0.30 | 664 | USD | 664 | |
| Haiti | 0.45 | 992 | USD | 992 | |
| <i>Sub-total</i> | 27.35 | 60,892 | USD | 60,892 | |
| Brazil | TBD | TBD | USD | TBD | |
| Colombia | 1.57 | 3,500 | USD | 3,500 | |
| Mexico | 1.57 | 3,500 | USD | 3,500 | |
| Venezuela | 1.57 | 3,500 | USD | 3,500 | |
| <i>Sub-total</i> | 4.72 | 10,500 | | 10,500 | |
| Non-Regional Members | | | | | |
| Canada | 23.74 | 52,859 | Canadian \$ | 70,340 ² | |
| United Kingdom | 8.70 | 19,358 | Pound Sterling | 13,500 ³ | |
| Germany | 6.17 | 13,732 | Euro | 12,300 ⁴ | |
| Italy | 1.33 | 2,958 | Euro | 2,650 ⁴ | |
| China, People's Republic of | 2.82 | 6,275 | RMB | 41,020 ⁵ | |
| Sub-total | 42.76 | 95,182 | | | |
| Agreed Contributions | 74.82 | 166,574 | | | |
| Allocation from OCR⁶ | 6.74 | 15,000 | | | |
| Structural Gap | 18.44 | 41,044 | | | |
| Total | 100 | 222,618 | | | |

1. Contributions are subject to Parliamentary/Congressional and Budgetary approval
2. CDN\$1.3307=USD1 - Average daily exchange rate for 6-month period ending June 30, 2016
3. GBP1 =USD1.4339 - Average daily exchange rate for 6-month period ending June 30, 2016
4. Euro1=USD1.1164 - Average daily exchange rate for 6-month period ending June 30, 2016
5. RMB ¥6.5370=USD1 - Average daily exchange rate for 6-month period ending June 30, 2016
6. Subject to CDB Board of Governors' approval
TBD – to be determined during the cycle

6. IMPLEMENTATION OF SDF 9

IMPLEMENTING THE REPLENISHMENT PROGRAMME

6.01 Contributors and the Bank agreed on the need for developing a well-structured Implementation Plan which would provide for a well-managed, and effective implementation of the SDF 9 Contributors' Agreement. They also agreed that along with other elements of the Bank's results framework, the Implementation Plan should contribute to the establishment of priorities for the use of limited resources, and a stronger focus on targeting, monitoring and reporting on expected results.

6.02 Contributors and the Bank agreed on an Implementation Plan for SDF 9 structured in terms of the agreed themes and cross-cutting areas with monitoring parameters and target timeframes/dates in each case:

- (a) Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13 and 17;
- (b) Building resilience to climate change and natural disaster events, and promoting environmental sustainability;
- (c) Promoting regional cooperation and support for RPGs;
- (d) GE;
- (e) Good governance;
- (f) Reform measures to improve institutional capacity; and
- (g) Development effectiveness and managing for results.

6.03 The Implementation Plan tracks a number of key initiatives aimed at supporting the *achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13 and 17*. These initiatives center around targeting poverty and inequality, and strengthening capabilities in economic and social infrastructure.

6.04 *Building resilience to climate change and natural disaster events, and promoting environmental sustainability* is a primary theme as well as, a cross-cutting area for SDF 9. The main implementation steps are to pursue accreditation to the GCF; and continue to prioritise support for BMCs' capacity to access this and similar funding mechanisms.

6.05 *Promoting regional cooperation and support for RPGs* is critical to realising the sustainable development ambitions of BMCs given the impediments posed by their status as SIDS. The adoption of regional approaches to resolving these development challenges is a key activity in the context of achieving the SDGs.

6.06 The elimination of GBV, and economic empowerment of women are critical activities for *achieving GE* and without GE, SDF's overarching objective of reducing poverty cannot be achieved. Contributors emphasised that monitoring the many activities which will contribute to GE is a key imperative for SDF 9.

6.07 The implementation steps and milestones in the SDF 9 Implementation Plan are shown in Box 11.

BOX 11: SDF 9 IMPLEMENTATION PLAN

| OBJECTIVE | PROPOSED ACTIONS | MONITORING PARAMETERS | TARGET DATE |
|---|---|---|--|
| 1. Supporting the achievement of SDG targets relevant to the Caribbean and specific to SDGs 1, 2, 4, 6, 7, 8, 9, 10, 11, 13 and 17 | Targeting poverty and inequality | | |
| | 1.1 SDF 9 programme to target the reversing of high and persistent poverty trends as well as inequality. (SDGs 1 & 10) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Reports | <ul style="list-style-type: none"> • Annually • Annually |
| | 1.2 Implementation of the enhanced CPA programme to improve BMCs' capacity and capability to collect, analyse and publish both economic and social statistics. (SDG 1) | <ul style="list-style-type: none"> • CPAs | <ul style="list-style-type: none"> • 2017 - 20 |
| | 1.3 Implement a new governance structure for BNTF in order to resolve the challenges faced by the programme. (SDG 1 & 17) | <ul style="list-style-type: none"> • BNTF 9 Staff Report Approved by BOD • SDF Annual Reports | <ul style="list-style-type: none"> • 2017 |
| | 1.4 Development of country strategy for Haiti. (SDG 1) | <ul style="list-style-type: none"> • BOD Approved CSP for Haiti | <ul style="list-style-type: none"> • 2017 |
| | Strengthening capabilities in economic and social infrastructure | | |
| | 1.5 Increased investment in climate resilient infrastructure in BMCs as an essential foundation for increasing inclusive and sustainable growth, expanding employment, and reducing poverty. (SDGs 8 & 9) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 -20 • 2017 -20 |
| | 1.6 Increase the focus on educational quality and relevance by committing significant amount of the Bank's investments for institutional strengthening and capacity building, particularly to address the needs of vulnerable groups and children with special needs and to address those factors that place students at risk for educational failure. (SDGs 4 & 8) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 -20 • 2017 -20 |
| | 1.7 Increase agricultural productivity and rural welfare through: improved water management, promoting improved varieties, technologies and practices, reducing vulnerability to climate change, improving market access through enhanced food safety and quality, increasing access to risk management instruments through the development of agricultural insurance products in collaboration with CCRIF, and improving access to credit and financial services. (SDG 2 & 8) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |

| OBJECTIVE | PROPOSED ACTIONS | MONITORING PARAMETERS | TARGET DATE |
|---|---|---|--|
| | 1.8 Improving operational efficiency of water utilities through focusing on the areas of leadership development, utility master-planning, reducing non-revenue water, and improving EE; increased support for regional organisations; improving the resilience of water supply infrastructure to climate variability and change. (SDG 6) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| | 1.9 Develop master plans for the sustainable energy sector in each BMC, in collaboration with partners, as an essential first step in providing direction for activities in the sector. (SDG 7) | <ul style="list-style-type: none"> • Completed Master Plans Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 • 2017 - 20 • 2017 - 20 |
| 2. Building resilience to climate change and natural disaster events, and promoting environmental sustainability | 2.1 Increased initiatives focused on climate change resilience, environmental management and DRM. (SDG 13) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| | 2.2 Assist BMCs to prepare and mainstream national and sector climate adaptation policies and strategies that are aligned with the targets set out in SDG 13 on climate action and the adaptation, mitigation commitments of Paris 21 Agreement. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| | 2.3 Assist BMCs to prepare Climate Finance Readiness Action Plans which will detail the actions necessary to: (a) develop and perform the roles of the National Designated Authority and the National Implementing Entity; (b) identify opportunities for building a project pipeline of climate change projects to access financing from the GCF; and (c) outline the requisite support needed by the respective countries and set timelines for implementation. | <ul style="list-style-type: none"> • SDF Annual Report • Mid-Term Review | <ul style="list-style-type: none"> • 2017 - 20 • 2018 |
| 3. Promoting regional cooperation and support for RPGs. | 3.1 Strengthening statistical capacity for improved decision-making and results reporting, including in terms of targets to be agreed under the Post-2015 Agenda. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| | 3.2 Strengthening legal and regulatory systems in BMCs including support for resolution of the financial sector crisis in the Eastern Caribbean Currency Union. (SDG 17) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| | 3.3 Improving intra-regional logistics, including transportation for better movement of goods and persons. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 |
| | 3.4 Enhancing quality infrastructure to harmonise and provide a framework for mutual recognition of standards, technical regulations and conformity assessments. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 |

| OBJECTIVE | PROPOSED ACTIONS | MONITORING PARAMETERS | TARGET DATE |
|---|---|---|--|
| | 3.5 Establishing a regulatory framework for the protection of consumers. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 |
| 4. Gender Equality | 4.1 Continue to mainstream Gender Equality and Equity into all programmes, projects and strategies, in particular social and economic infrastructure interventions, and by designing and implementing gender-specific initiatives. (SDG 5) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| | 4.2 Increase focus on the elimination of GBV, and economic empowerment of women through awareness building, behaviour change and security measures, in particular psychosocial support programmes, life skills training, relevant citizen security interventions, through gender-sensitisation training of contractors in infrastructure projects, gender-responsive projects in disaster situations, and through the provision of better data on the prevalence of GBV in BMCs. (SDG 5) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 -20 • 2017 -20 |
| | 4.3 Revise CDB's Gender Equality Policy and Operational Strategy to identify and give more focus to SDG targets that are strategically relevant to BMCs. (SDG 5) | <ul style="list-style-type: none"> • Work Programme and Budget • Approved Gender Equality Policy and Strategy | <ul style="list-style-type: none"> • 2017 - 20 • 2017 |
| 5. Good Governance (SDG 16) would be major cross-cutting areas | 5.1 Support capacity building of national statistical offices and civil society organisations, strengthen development planning systems and embedding a more focused results culture. (SDGs 16 & 17) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 -20 • 2017 -20 |
| | 5.2 Enhanced RMF - further improvements particularly in the context of the new 2030 Development Agenda and the associated SDGs. (SDGs 16 & 17) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 -20 • 2017 -20 |
| | 5.3 Assist BMCs and regional development partners to develop and implement Caribbean-specific SDG targets and indicators. (SDG 17) | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 |
| 6. Reform Measures to Improve Institutional Capacity | Enhancing Corporate Governance and Oversight 6.1 Implement Phases 2 and 3 of the New IDP. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | <ul style="list-style-type: none"> • 2017 - 20 • 2017 - 20 • 2020 |
| | 6.2 Pursue membership of the International Aid Transparency Initiative. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Annual Report | |
| | Improving Operational Policies, Strategies and Guidelines 6.3 Develop a youth empowerment strategy for the Bank and revise the following policies to ensure strong alignment between policy and operations: (i) Private Sector Policy and Strategy; (ii) Education and Training Policy and Strategy; (iii) Transportation Sector Policy | <ul style="list-style-type: none"> • Mid-term Review • Development Effectiveness Review | <ul style="list-style-type: none"> • 2018/19 • 2017 - 20 |

| OBJECTIVE | PROPOSED ACTIONS | MONITORING PARAMETERS | TARGET DATE |
|-------------------------------------|---|--|--|
| | and Strategy; (iv) Urban Sector Policy and Strategy; (v) Housing Policy and Strategy; and (vi) Governance and Institutional Development Policy and Operational Strategy. (SDG 16) | <ul style="list-style-type: none"> Approved Revised Policies and Strategies | <ul style="list-style-type: none"> 2017 - 20 |
| | 6.4 Strengthen procurement procedures by developing guidelines for the Selection and Engagement of Consultants contracted by CDB under Use of Funds. | <ul style="list-style-type: none"> Work Programme and Budget Revised procurement guidelines | <ul style="list-style-type: none"> 2017 - 20 2017 |
| | <p>Structure and Process Improvements</p> <p>6.5 Further changes to the organisational structure will accommodate: (a) an Information Disclosure Unit to support the new disclosure function; and (b) a redefined IT structure and staffing which will be more fit-for-purpose and aligned to the Bank's IT needs. All of the changes implemented and planned, are or will occur, within the approved human resources establishment.</p> | <ul style="list-style-type: none"> Work Programme and Budget Mid-term Review | <ul style="list-style-type: none"> 2017 -20 2018/19 |
| | 6.6 Undertake a comprehensive review of the Bank's processes including the limits of, and other aspects relating to, the President's delegated authority in order to promote greater operational efficiency. | <ul style="list-style-type: none"> Revised policies and processes | <ul style="list-style-type: none"> 2017 |
| | <p>Engagement with BMCs</p> <p>6.7 The Bank will develop and implement a policy and strategy for country engagement.</p> | <ul style="list-style-type: none"> Policy and Strategy Document Mid-term Review | <ul style="list-style-type: none"> 2017 2018/19 |
| 7. Development Effectiveness | <p>MfDR</p> <p>7.1 Enhance capacity to develop and implement SDF 9 priorities and programmes.</p> | <ul style="list-style-type: none"> Work Programme and Budget SDF Annual Report | <ul style="list-style-type: none"> 2017 - 20 2017 - 20 |
| | 7.2 Undertake selected CSP, sector and country programme evaluations. | <ul style="list-style-type: none"> Work Programme and Budget Evaluation Documents SDF Mid-term Review | <ul style="list-style-type: none"> 2017 - 20 2017 - 20 |
| | 7.3 Replacement of PPMS to improve project monitoring and portfolio management. | <ul style="list-style-type: none"> SDF Mid-term Review SDF Annual Report | <ul style="list-style-type: none"> 2018/19 2017 - 20 |
| | 7.4 Implement a revised methodology for self-evaluation of project performance (the Performance Assessment System). | <ul style="list-style-type: none"> SDF Mid-term Review | <ul style="list-style-type: none"> 2018/19 |
| | 7.5 Improve design and active use of country strategy and project results monitoring frameworks. | <ul style="list-style-type: none"> Work Programme and Budget | <ul style="list-style-type: none"> 2017 - 20 |
| | 7.6 Increase the quality of internal reviews of CSPs. | <ul style="list-style-type: none"> SDF Mid-term Review | <ul style="list-style-type: none"> 2017 - 20 |

RESOLUTION OF CONTRIBUTORS TO SDF 9
SCHEDULE 3 - REPORT AND CONCLUSIONS OF NEGOTIATIONS FOR SDF 9

| OBJECTIVE | PROPOSED ACTIONS | MONITORING PARAMETERS | TARGET DATE |
|-----------|--|--|---|
| | 7.7 Support BMCs to develop more effective MfDR capacity. | <ul style="list-style-type: none"> • Work Programme and Budget • SDF Mid-term review | <ul style="list-style-type: none"> • 2018/19 • 2018 |
| | 7.8 Increase use of performance information for decision-making. | <ul style="list-style-type: none"> • SDF Annual Reports • SDF Mid-term Review | <ul style="list-style-type: none"> • 2017 - 20 • 2018 |
| | 7.9 Commission an assessment of the Bank's performance in MfDR based on the MOPAN methodology. | <ul style="list-style-type: none"> • Assessment Report | <ul style="list-style-type: none"> • 2018 |

SUSTAINABLE DEVELOPMENT GOALS, TARGETS AND MEANS OF ACHIEVEMENT

| | Sustainable Development Goals | Targets | Means of Achievement |
|--------------|--|--|---|
| SDG 1 | End poverty in all its forms everywhere | 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than USD1.25 per day. | 1a. Ensure significant mobilisation of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries (LDCs), to implement programmes and policies to end poverty in all its dimensions. |
| | | 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. | 1b. Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender sensitive development strategies, to support accelerated investment in poverty eradication actions. |
| | | 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters. | |
| SDG 2 | End hunger, achieve food security and improved nutrition and promote sustainable agriculture | 2.1 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment. | 2a. Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular LDCs. |
| | | 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality. | |

| | Sustainable Development Goals | Targets | Means of Achievement |
|--------------|--|---|---|
| SDG 4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. | 4a. Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all. |
| | | 4.2 By 2030, ensure that all girls and boys have access to quality ECD, care and pre-primary education so that they are ready for primary education. | 4c. By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially LDCs and SIDS. |
| | | 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. | |
| | | 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. | |
| | | 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations. | |
| | | 4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy. | |
| SDG 5 | Achieve gender equality and empower all women and girls | 5.1 End all forms of discrimination against all women and girls everywhere. 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation. | 5a. Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws. 5c. Adopt and strengthen sound policies and enforceable legislation for the promotion of GE and the empowerment of all women and girls at all levels. |
| SDG 6 | Ensure availability and sustainable management of water and sanitation for all | 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all. | 6a. By 2030, expand international cooperation and capacity-building support to developing countries in water and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies. |

| Sustainable Development Goals | | Targets | Means of Achievement |
|-------------------------------|--|---|--|
| | | 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. | 6b. Support and strengthen the participation of local communities in improving water and sanitation management. |
| | | 6.4 By 2030, substantially increase water use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. | |
| SDG 7 | Ensure access to affordable, reliable, sustainable and modern energy for all | 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services. | 7a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including RE, EE and advanced and cleaner fossil fuel technology, and promote investment in energy infrastructure and clean energy technology. |
| | | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. | 7b. By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular LDCs, SIDS and landlocked developing countries, in accordance with their respective programmes of support. |
| | | 7.3 By 2030, double the global rate of improvement in energy efficiency. | |
| SDG 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% GDP growth per annum in the LDCs. | 8a. Increase Aid for Trade support for developing countries, in particular LDCs, including through the Enhanced Integrated Framework for Trade-related TA to LDCs. |
| | | 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour intensive sectors. | |

| Sustainable Development Goals | | Targets | Means of Achievement |
|-------------------------------|---|--|--|
| | | 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of MSMEs, including through access to financial services. | |
| | | 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. | |
| | | 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training. | |
| | | 8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products. | |
| | | 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all. | |
| SDG 9 | Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation | 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all. | 9b. Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, <i>inter alia</i> , industrial diversification and value addition to commodities |
| | | 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets. | 9c. Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in LDCs by 2020. |
| | | 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. | |
| SDG 10 | Reduce inequality within and among countries | 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average. | |
| | | 10.4 Adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality. | |

| | Sustainable Development Goals | Targets | Means of Achievement |
|---------------|---|--|---|
| SDG 11 | Make cities and human settlements inclusive, safe, resilient and sustainable | 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums. | 11b. By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic DRM at all levels. |
| | | 11.3 By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. | |
| SDG 13 | Take urgent action to combat climate change and its impacts | 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. | 13b. Promote mechanisms for raising capacity for effective climate change-related planning and management in LDCs and SIDS, including focusing on women, youth and local and marginalised communities |
| | | 13.2 Integrate climate change measures into national policies, strategies and planning. | |
| | | 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. | |
| SDG 16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels | 16.1 Significantly reduce all forms of violence and related death rates everywhere. | 16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime. |
| | | 16.6 Develop effective, accountable and transparent institutions at all levels | 16b Promote and enforce nondiscriminatory laws and policies for sustainable development. |
| | | 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels. | |

| | Sustainable Development Goals | Targets | Means of Achievement |
|---------------|--|---|-----------------------------|
| SDG 17 | Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development | 17.1 Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection. | |
| | | 17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence. | |
| | | 17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development. | |
| | | 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the SDGs in all countries, in particular developing countries. | |
| | | 17.17 Encourage and promote effective public, public/private and civil society partnerships, building on the experience and resourcing strategies of partnerships. | |
| | | 17.18 By 2020, enhance capacity-building support to developing countries, including for LDCs and SIDS, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts. | |
| | | 17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement GDP, and support statistical capacity-building in developing countries. | |

SAMOA PATHWAYS PRIORITY ACTIONS

1. Against the backdrop of hindered growth prospects of SIDS on account of climate change, the impact of natural disasters, the high cost of imported energy and the degradation of coastal and marine ecosystems and sea-level rise, priority actions coming out of the Samoa Pathways include:

Climate Change

2. Support for the efforts of SIDS to:

- (a) build resilience to the impacts of climate change and to improve their adaptive capacity through the design and implementation of climate change adaptation measures appropriate to their respective vulnerabilities and economic, environmental and social situations;
- (b) improve the baseline monitoring of island systems and the downscaling of climate model projections to enable better projections of the future impacts on small islands;
- (c) raise awareness and communicate climate change risks, including through public dialogue with local communities, to increase human and environmental resilience to the longer-term impacts of climate change; and
- (d) address remaining gaps in capacity for gaining access to and managing climate finance.

SE

3. Support for the efforts of SIDS to:

- (a) develop a strategy and targeted measures to promote EE and foster SE systems based on all energy sources, in particular RE sources, in SIDS, such as wind, sustainable biomass, solar, hydroelectric, biofuel and geothermal energy;
- (b) facilitate access to existing financing mechanisms to increase capital flows for the implementation of SE projects in SIDS on RE and EE; and
- (c) support investment in initiatives by and for SIDS, in particular the “SIDS DOCK” indicative project pipeline of RE and EE and conservation projects, as well as in the areas of capacity-building and human resources development and public education and awareness.

DRR

4. In consideration of the special case of SIDS and their unique and particular vulnerabilities, we are committed to supporting their efforts to:

- (a) gain access to TA and financing for early warning systems, DRR and post-disaster response and recovery, risk assessment and data, land use and planning, observation equipment, disaster preparedness and recovery education programmes, including under the Global Framework for Climate Services, and DRM;

- (b) mainstream policies and programmes related to DRR, climate change adaptation and development, as appropriate; and
- (c) establish and strengthen risk insurance facilities at the national and regional levels and place DRM and building resilience at the centre of policies and strategies, where applicable.

Food Security and Nutrition

5. Support the efforts of SIDS to:

- (a) promote the further use of sustainable practices relating to agriculture, crops, livestock, forestry, fisheries and aquaculture to improve food and nutrition security while ensuring the sustainable management of the required water resources;
- (b) increase rural income and jobs, with a focus on the empowerment of smallholders and small-scale food producers, especially women;
- (c) end malnutrition in all its forms, including by securing year-round access to sufficient, safe, affordable, diverse and nutritious food; and
- (d) enhance the resilience of agriculture and fisheries to the adverse impacts of climate change, ocean acidification and natural disasters.

Water and Sanitation

6. Recognising that SIDS face numerous challenges with respect to freshwater resources, including pollution, the overexploitation of surface, ground and coastal waters, saline intrusion, drought and water scarcity, soil erosion, water and wastewater treatment and the lack of access to sanitation and hygiene. Furthermore, changes in rainfall patterns related to climate change have regionally varying and potentially significant impacts on water supply. Support the efforts of SIDS to:

- (a) provide and operate appropriate facilities and infrastructure for safe drinking water, sanitation, hygiene and waste management systems, including the exploration of desalination technology where economically and environmentally feasible; and
- (b) facilitate the expansion of wastewater treatment, recycling and reuse in the context of the sustainable and efficient use of water resources.

GE and Women's Empowerment

7. Support the efforts of SIDS to:

- (a) eliminate all forms of discrimination against women and girls;
- (b) integrate a gender perspective in priority areas for sustainable development;
- (c) strengthen women's economic empowerment and ensure equal access to full and productive employment and decent work; and
- (d) end all forms of violence against women and girls.

Financing

8. Recognise that financing from all sources, domestic and international, public and private, the development and transfer of reliable, affordable, modern technology on mutually agreed terms, capacity-building assistance and enabling institutional and policy environments at all levels are critically important means of advancing sustainable development in SIDS. As those States have unique and particular vulnerabilities that require dedicated attention, they will continue to make use of a wide range of available financing mechanisms to implement the Barbados Programme of Action, the Mauritius Strategy and the Samoa Pathway.

Data and Statistics

9. Data and statistics play an important role in development planning in SIDS and the UN system collects statistics from those States, irrespective of size and in the least burdensome way, by, *inter alia*, allowing electronic submission and, where appropriate, submissions through competent regional agencies. Improved data collection and statistical analysis are required to enable SIDS to effectively plan, follow up on, evaluate the implementation of, and track successes in attaining the internationally agreed development goals.

10. In this regard, we reaffirm our commitment to support the efforts of SIDS to:

- (a) strengthen the availability and accessibility of their data and statistical systems, in accordance with national priorities and circumstances, and enhance their management of complex data systems, including geospatial data platforms, by launching new partnership initiatives or scaling up existing initiatives; and
- (b) improve the collection, analysis, dissemination and use of gender statistics and data disaggregated by sex, age, disability and other relevant variables in a systemic and coordinated manner at the national level, through appropriate financial and technical support and capacity-building, while recognising the need for international cooperation in this regard.

APPENDIX 3**INDICATIVE CPA SCHEDULE FOR OECS BMCS 2015-2019**

| Country | Cycle Point | Year |
|--------------------------------|------------------------------|-------------|
| Anguilla | Core LFS | 2016 |
| | Full CPA | 2017 |
| | LFS/light consumption module | 2019 |
| | LFS/heavy consumption module | 2020 |
| Antigua and Barbuda | Core LFS | 2015 |
| | LFS/heavy consumption module | 2017 |
| | Full CPA | 2019 |
| | LFS/light consumption module | 2020 |
| British Virgin Islands | Core LFS | 2016 |
| | LFS/light consumption module | 2017 |
| | LFS/heavy consumption module | 2018 |
| | Full CPA | 2020 |
| Dominica | Full CPA | 2016 |
| | LFS/light consumption module | 2017 |
| | LFS/light consumption module | 2018 |
| | LFS/light consumption module | 2020 |
| Grenada | LFS/heavy consumption module | 2015 |
| | Core LFS | 2016 |
| | Full CPA | 2017 |
| | Core LFS | 2018 |
| | LFS/light consumption module | 2019 |
| Montserrat | Core LFS | 2016 |
| | LFS/heavy consumption module | 2017 |
| | LFS/light consumption module | 2018 |
| | Full CPA | 2020 |
| St. Kitts and Nevis | Core LFS | 2015 |
| | Full CPA | 2017 |
| | LFS/light consumption module | 2018 |
| | LFS/heavy consumption module | 2019 |
| | Core LFS | 2020 |
| St. Lucia | Core LFS | 2015 |
| | LFS/heavy consumption module | 2016 |
| | LFS/light consumption module | 2017 |
| | LFS/heavy consumption module | 2018 |
| | Full CPA | 2020 |
| St. Vincent and the Grenadines | Core LFS | 2016 |
| | LFS/heavy consumption module | 2017 |
| | LFS/light consumption module | 2018 |
| | Full CPA | 2020 |

RESTRUCTURING THE BNTF PROGRAMME – TRAJECTORY TOWARDS MORE EFFICIENCY

| BEFORE | AFTER | ACTIONS | INDICATORS MEASURING CHANGE |
|---|--|--|--|
| <i>Strategic Focus</i> | | | |
| <p>Grants for sub-projects in:</p> <p>Community (social) infrastructure: (investment projects).</p> <ul style="list-style-type: none"> • Access roads • Education • RE and EE • Water and Sanitation <p>Education and Human Resource Development (HRD):</p> <ul style="list-style-type: none"> • Entrepreneurship and market skills • Technical skills training, life skills, counselling • Youth Entrepreneurship and Empowerment Programme | <p>Grants for sub-projects in:</p> <p>Community (social) infrastructure: (investment projects).</p> <ul style="list-style-type: none"> • Access roads • Education • RE and EE • Water and Sanitation <p>Education and HRD:</p> <ul style="list-style-type: none"> • Entrepreneurship and market skills • Technical skills training, including agriculture, and life skills counselling <p>Livelihoods (assets, capabilities, self-efficacy, training).</p> <ul style="list-style-type: none"> • Asset distribution sub-projects • Entrepreneurship and market skills • Access to small grants for asset building skills • A greater focus on youth empowerment | <ul style="list-style-type: none"> • Introduce support for livelihoods stream. • Be proactive in seeking out and working on a continuous basis with partners (private sector dialogue from 2016). • Mobilise financial resources from partners for alleviating poverty. <p>Conduct Youth Entrepreneurship and Empowerment Pilot</p> | <ul style="list-style-type: none"> • The number of community infrastructure and livelihoods sub-projects approved. • The grant funding (\$) of community infrastructure and livelihoods sub-projects approved. • The total cost (\$) of community infrastructure and livelihoods sub-projects approved. • The estimated benefits of the community and livelihoods sub-projects approved e.g. households connected to water, additional sole trader businesses established, additional income earned. • No. of beneficiaries (male, female). • No of PCs utilising the Youth Employment Framework (could be implemented by partners). |
| <i>Operational Phase (including Project Cycle Management)</i> | | | |
| <p>The number of staff:</p> <ul style="list-style-type: none"> • on BNTF team in CDB is nine; and • at the nine IAs, the core positions are 27 (excluding TCD). <p>Problems with staff skills, employment conditions and performance at some IAs.</p> | <p>The number of staff:</p> <ul style="list-style-type: none"> • on the central BNTF Apex team in CDB, the core positions remain as nine (six with redefined roles); and • at the nine IAs, the core positions remain 27. Some IAs will be supported by Consultant Project Engineers. <p>BNTF pool of consultants drawn from CDB Register of Consultants (ROC) – nine (not full-time; on draw-down framework contracts).</p> <p>A package of measures to improve IA staff skills (including tailored training), motivation and performance, and knowledge transfer.</p> | <ul style="list-style-type: none"> • Improve quality of IA staff through training • Support sub-project preparation with assistance from technical experts (from CDB’s ROC) • Reduce timeline from identification to approval of sub-projects • Fund the BNTF Project Manager position | <ul style="list-style-type: none"> • Staff cost per grant disbursed (%) • Staff turnover rates • Total staff cost (\$) |

| BEFORE | AFTER | ACTIONS | INDICATORS MEASURING CHANGE |
|---|--|--|--|
| Funds committed in first two years of four-year cycle, and approved en bloc in sector portfolios. | New Process Flow leads to more countries committing funds in first year of four-year cycle, and approved en bloc in sector portfolios. | <ul style="list-style-type: none"> Promote BNTF and develop pipeline of sub-project early Discontinue preparation of two documents in the process flow and replace with simple Framework Paper with resource allocation Utilise new Application Form with decision grid within PPMS for more streamlined and faster preparation, appraisal and approval | <ul style="list-style-type: none"> The number of sub-projects processed and approved per annum. The average time lapse from sub-project identification to approval. |
| Staff cost per \$1 of Grant disbursed. Historic estimates indicate about 15.2 cents per \$1 of Grant for in-country costs. | Future estimates indicates 13 cents (staff cost) per \$1 of Grant for in-country costs. | <ul style="list-style-type: none"> Use of standard accounting software and PPMS by IAs to reduce inordinate amount of time Save time and money - reduce costs through leveraging external resources and having some tasks executed by partners 'Greening' in IAs and sub-projects to reduce energy usage and cut operating costs | % staff cost per \$ of Grant disbursed |
| Preparation Phase | | | |
| Time from Programme start to completion of Poverty Reduction Action Plan and Country Project Portfolio – approximately an average of 20 months. | Replace Poverty Reduction Action Plan and Country Project Portfolio with a Poverty Reduction Framework Paper based on mid-term development strategies, relevant policies and sector strategies - completed eight months after Programme start. | <ul style="list-style-type: none"> Reduce required Grant conditions (two preparation documents subsumed into one condensed record) Provide support to IAs to prepare Poverty Reduction Framework Papers. | 70% timeliness on completing start-up Grant conditions |
| Time from Programme start to first Sector Portfolio approval by country – approx. 30 months | Approx. 8 to 12 months | <ul style="list-style-type: none"> Reduce number of steps in BNTF Project Cycle, i.e. eliminate the Country Project Portfolio. Systematic support services/ quick draw down mechanism through ROC and rigorous screening process for BNTF. Devolution of some approval and signing authority. | <ul style="list-style-type: none"> Time for submission of first sector portfolio # of days from Programme start to first portfolio approval Approval by CDB in keeping with agreed project cycle timeframes |

| Implementation Phase | | | |
|---|--|--|--|
| Variance between projected completion time and actual completion time of sub-projects. | Reduction in variance between projected completion time and actual completion time of sub-projects. | <ul style="list-style-type: none"> • Systematic support services/quick draw down mechanism to improve quality of documents • Supervision and verification mechanisms • Use of design and standard reporting templates | Variance % between project and actual completion dates. |
| Disbursement of 2% in the first two years of implementation. | Disbursement of 20% by 2018 (within the first two years of the programme). | <ul style="list-style-type: none"> • Operation of Special Accounts/Floats • Provision of quick support services to speed up implementation | Disbursement rate and ratio. |
| Time from Grant approval to first disbursement on sub-projects – an average of 28 months. | First disbursement on sub-projects reduced to 11 months. | <ul style="list-style-type: none"> • Streamlined online PCM | |
| Financial Management | | | |
| Ad hoc control of budget performance and variances | Tightened control of budget performance and variances – improved | <ul style="list-style-type: none"> • Budgeting and Payments in PPMS • Monthly Fund and Disbursement reconciliation | <ul style="list-style-type: none"> • Cost variances - budget vs actual • % budget savings - actual costs to budgeted cost |
| Submission of Annual Work Plan and Budget (AWPB) by November 30 th annually (currently on track) | Submission of AWPB by November 30 th annually | <ul style="list-style-type: none"> • Continued close monitoring by CDB | <ul style="list-style-type: none"> • On-time submissions – 100% timeliness |
| Completion of audits within four months to 200 days after financial year | Completion of audits within four months or 120 days after financial year | <ul style="list-style-type: none"> • Performance and Financial Audit processes embedded in country systems | <ul style="list-style-type: none"> • On-time submission of Audits and management response • On-time creation of action list where required |
| Monitoring and Evaluation | | | |
| Completion of Sub-Project Monitoring and Completion Reports (SPCRs and SPMRs) – eight months to one-year delays | Completion of SPMRs – quarterly Completion of SPCR – less than four months after end of sub-project | <ul style="list-style-type: none"> • Reports will be tied to payments in PPMS • Continuous training in PPMS for IA staff | <ul style="list-style-type: none"> • On-time submissions – 100% timeliness |
| Operational (Risks) | | | |
| Project management skills required to lead and deliver the new BNTF mandate. | Governments support for terms and conditions for CDB-funded Project Managers | <ul style="list-style-type: none"> • Recruit Project Managers with adequate qualification and experience • CDB support through service groups of consultants and direct hand holding | <ul style="list-style-type: none"> • On-time delivery of project milestones |
| Low participation of partners in BNTF | Active participation of partners in and expanded programme | <ul style="list-style-type: none"> • Conduct outreach seminars with potential partners in selected PCs • Mobilise additional resources through partnerships | <ul style="list-style-type: none"> • \$ additional resources leveraged from partners |

CDB's RESULTS FRAMEWORK FOR SDF

RMF LEVEL 1: PROGRESS TOWARDS SUSTAINABLE DEVELOPMENT GOALS AND REGIONAL DEVELOPMENT OUTCOMES

| Grouping/Indicator | BMCs | | | SDF eligible BMCs | | |
|---|----------|-------|------------------|-------------------|-------|------------------|
| | Baseline | | Target (2019) | Baseline | | Target (2019) |
| | Year | Value | | Year | Value | |
| INCLUSIVE AND SUSTAINABLE GROWTH AND DEVELOPMENT | | | | | | |
| Economic inclusion: reducing poverty and inequality | | | | | | |
| 1. % of population below the national poverty line ⁽¹⁾ | 2012 | 44.0 | 34.0 | 2012 | 48.1 | 38.0 |
| 2. % of population below the indigence line | 2012 | 22.0 | 17.0 | 2012 | 23.0 | 18.0 |
| 3. Multidimensional Poverty Index (Headcount (%) ⁽²⁾ | 2012 | 14.9 | Reduction | 2012 | 18.2 | Reduction |
| 4a. Countries with high income inequality (no. of countries with Gini coefficient exceeding 0.4) | 2012 | 6 | Reduction | 2012 | 4 | Reduction |
| 4b. Share of national consumption, richest quintile vs. poorest quintile ⁽³⁾ | 2012 | TBD | Reduction | 2012 | TBD | Reduction |
| 5. GDP per capita growth rate (%) | 2013 | 1.5 | Increase | 2013 | 1.9 | Increase |
| Quality education, training and employment opportunities | | | | | | |
| 6. Net enrolment ratio in basic education (%): | | | | | | |
| (a) Primary | | | | | | |
| - Female | 2013 | 89.1 | 90.0 | 2013 | 89.6 | 95 |
| - Male | 2013 | 90.1 | 90.0 | 2013 | 89.7 | 95 |
| (b) Secondary | | | | | | |
| - Female | 2013 | 88.3 | 90.0 | 2013 | 82.2 | 87 |
| - Male | 2013 | 84.0 | 86.0 | 2013 | 77.8 | 84 |
| 7. Secondary school graduates achieving five CXC General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English (%) | | | | | | |
| - Female | 2013 | 29.8 | Improvement | 2013 | 27.9 | Improvement |
| - Male | 2013 | 24.0 | | 2013 | 23.1 | |
| 8. Proportion of students starting from Form 1 who reach Form 5 (Survival Rate) | | | | | | |
| - Female | 2013 | 88.2 | Increase | 2013 | 90.1 | Increase |
| - Male | 2013 | 81.3 | | 2013 | 79.8 | |
| 9. Students completing at least one Level 1 course in TVET (%) | | | | | | |
| - Female | 2013 | 70.1 | Increase | 2013 | 75.9 | Increase |
| - Male | 2013 | 70.0 | | 2013 | 77.4 | |
| 10. Unemployment rate (%) | | | | | | |
| - Female | 2013 | 12.9 | Reduction | 2013 | 17.3 | Reduction |
| - Male | 2013 | 10.3 | | 2013 | 16.0 | |

| Grouping/Indicator | BMCs | | | SDF eligible BMCs | | |
|--|----------|-------|---------------|-------------------|-------|---------------|
| | Baseline | | Target (2019) | Baseline | | Target (2019) |
| | Year | Value | | Year | Value | |
| Sustaining growth: building competitive economies | | | | | | |
| 11. Intra-regional trade as a percentage of total regional trade | 2013 | 12.0 | Increase | 2012 | 13.0 | Increase |
| 12. Doing Business average rank (out of 189 countries) | 2013 | 100 | Improvement | 2013 | 118.8 | Improvement |
| 13. Indicator discontinued | | | | | | |

(1) Includes Haiti. Weighted average of national poverty rates by population.

(2) This indicator describes the proportion of households who are deprived in several areas of economic and social wellbeing: education, health and living standards. The baseline is based on five BMCs: Belize, Guyana, Haiti, Suriname and Trinidad and Tobago.

(3) This indicator will be used to monitor inequality in BMCs, in the absence of consensus on the global indicator framework for the SDGs. It provides a more time-sensitive measure of changes in equality levels over time than the Gini.

| BUILDING RESILIENCE, SECURING SUSTAINABLE ENERGY AND ADAPTING TO A CHANGING ENVIRONMENT | | | | | | |
|--|-----------|------|----------------------|-----------|------|----------------------|
| Clean water and sanitation | | | | | | |
| 14. Population with access to an improved water source (%) | | | | | | |
| - Urban | 2014 | 96.2 | 95.0 | 2014 | 95.6 | 95.0 |
| - Rural | 2014 | 92.1 | 92.5 | 2014 | 89.5 | 92.5 |
| 15. Population with access to improved sanitation (%) | | | | | | |
| - Urban | 2014 | 86.0 | 88.0 | 2014 | 81.0 | 82 |
| - Rural | 2014 | 84.5 | 86.5 | 2014 | 77.4 | 80.5 |
| Affordable and clean energy | | | | | | |
| 16. Renewable energy as a % total energy mix produced | 2012 | 7.0 | 20.0 | 2012 | 18.0 | 20.0 |
| 17. Energy Use per Unit of GDP (barrels of oil equivalent 000s/ \$ mn GDP) | 2013 | 1.0 | Reduction | 2013 | 1.2 | Reduction |
| Climate action; life on land | | | | | | |
| 18. Reported economic losses resulting from natural disasters and climate variability (% of GDP, three-year average) | 2012-2014 | 0.5 | Reduction | 2012-2014 | 0.5 | Reduction |
| 19. Area protected to maintain biological diversity (%) | 2012 | 4.4 | Maintain or increase | 2012 | 5.2 | Maintain or increase |
| 20. Proportion of land area covered by forest (%) | 2014 | 49.4 | Maintain or increase | 2014 | 56.4 | Maintain or increase |

(1) Includes Haiti. Weighted average of national poverty rates by population.

(2) This indicator describes the proportion of households who are deprived in several areas of economic and social wellbeing. These are education, health and living standards. Currently, the indicator is based on five BMCs: Belize, Guyana, Haiti, Suriname and Trinidad and Tobago - as published in the Human Development Report 2014 (UNDP).

RMF LEVEL 2: CDB'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS, COUNTRY AND REGIONAL DEVELOPMENT OUTCOMES

| Grouping/indicator | Achieved 2013-2016 | Projected 2017-2020 |
|--|-------------------------------|--------------------------------|
| Economic and social infrastructure development | | |
| 1. Transport: Primary, secondary and other roads built or upgraded (Km) | 435 | 222 |
| 2. Transport: Beneficiaries of road projects (number) | 385,801 | 120,000 |
| - of whom female | 192,800 | 63,000 |
| 3. Sea defences/ landslip protection/ urban drainage (Km) | 20 | 8 |
| 4. Water: Installed water capacity (cubic metres/day) | 17,079 | 128,630 |
| - Urban | n.a. | 73,842 |
| - Rural | n.a. | 54,788 |
| 5. Water: Supply lines installed or upgraded (length of network in Km) | 1,057 | 950 |
| - Urban | 19 | 898 |
| - Rural | 1,038 | 52 |
| 6. Water: Households with access to improved sanitation and water supply (number) | 14,721 | 18,400 |
| - Urban | 500 | 11,040 |
| - Rural | 14,221 | 7,360 |
| 7. Communities: Beneficiaries of community infrastructure construction/ enhancement projects ¹ (number) | 469,746 | 125,780 |
| - of whom female beneficiaries | 233,467 | n.s. |
| Agriculture and rural development | | |
| 8. Agriculture: stakeholders trained in improved production technology (number) | 3,570 | 2,600 |
| - of whom female | n.a. | n.s. |
| 9. Land improved through irrigation, drainage and/or flood management (hectares) | 992 | 2,900 |
| Education and Training | | |
| 10. Classrooms and educational support facilities built or upgraded according minimum standards (number), of which | 585 | 1,299 |
| (a) ECD | n.a. | n.s. |
| (b) Primary | n.a. | n.s. |
| (c) Secondary and post-secondary/tertiary | n.a. | n.s. |
| 11. Teachers and principals trained/certified (number) | 4,830 | 9,286 |
| (a) ECD (total/female) | n.a. | n.s. |
| (b) Primary (total/female) | n.a. | n.s. |
| (c) Secondary and post-secondary/tertiary (total/female) | n.a. | n.s. |
| 12. Students benefiting from improved physical classroom conditions or enhanced teacher competence, or access to loan financing (number) | 124,950 | 198,900 |
| - of whom female | n.a. | n.s. |
| Citizen Security | | |
| 13. Beneficiaries of community based citizen security interventions (number) | 832 | 248,768 |
| - of whom female | 348 | n.s. |
| 14. Beneficiaries of youth at risk interventions (number) | 5,448 | 31,085 |
| - of whom female | 2,016 | n.s. |

| Grouping/indicator | Achieved 2013-2016 | Projected 2017-2020 |
|--|-------------------------------|--------------------------------|
| Environmental sustainability (climate change resilience, environmental management and disaster risk management) | | |
| 15. Energy: Conventional or renewable power generation capacity installed (MW) | 1.3 | 14 |
| - of which renewable (MW) | 1.3 | 8.5 |
| 16. Sustainable energy policy/legal/regulatory or capacity deficits addressed (number) | 6 | 8 |
| 17. Energy savings as a result of EE/RE interventions (GWh) | 0.44 | 15.9 |
| 18. Transmission or distribution lines installed or upgraded (length in Km) | 100 | 130 |
| 19. Communities with improved capacity to address Climate Change and DRM (number) | 0 | 8 |
| 20. National sector policies, strategies, plans or tools developed or implemented to improve capacity for climate resilience, conservation, rehabilitation or environmental management | 7 | 16 |
| Private sector operations and development | | |
| 21. Value of credit made available to the private sector (\$mn) (disaggregated by sector) | 11.8 | 43 |
| 22. MSMEs benefiting from credit (number) | 480 | 280 |
| - of whom female owned | 45 | n.s |
| 23. Beneficiaries of mortgage programmes (number) | 234 | 194 |
| - of whom female borrowers | 75 | n.s |
| 24. Indicator discontinued | | |
| 25. Beneficiaries of TA interventions targeted at MSMEs | 1,826 | 6,075 |
| - of whom female beneficiaries | 1,143 | 3,622 |
| Governance and accountability | | |
| 26. Financial institutions with enhanced capacity for credit delivery, business planning, or sustainability (number) | 2 | 5 |
| 27. Economic management systems upgraded and public sector investment programmes supported (including budget, treasury, accounting, debt, revenue, and procurement) | 16 | 10 |
| 28. Stakeholders trained in results-focused PCM or Public Policy Analysis and Management (number) | 500 | 1,500 |
| - of whom female | 225 | n.s |
| 29. Systems/processes/instruments supporting evidence-based policymaking and MfDR strengthened (number) | 1 | 7 |
| 30. Business climate and competitiveness enhancement projects implemented (number) | 10 | 3 |
| 31. BMCs with increased capacity to undertake PPP arrangements (number) | n.a | 12 |
| Regional Cooperation and Integration | | |
| 32. RPGs created or strengthened (e.g. statistical capacity, quality standards, procurement, and debt relief) (number) | 3 | 8 |
| 33. Certification or accreditation systems supporting the free regional movement of goods and persons, created, strengthened, or expanded (number) | 5 | 6 |

1. Target subject to pipeline change

n.s. Not specified. No target has been set. However, disaggregated data will be reported during the planning period.

n.a. Not available. Indicator is new, or, disaggregated data is not available for the full-time period.

RMF LEVEL 3: HOW WELL CDB MANAGES ITS OPERATIONS

| Grouping/Indicator | Baseline | | Target (2020) |
|--|-----------|-------|-------------------|
| | Year | Value | |
| Operational processes and practices, and portfolio performance | | | |
| 1. Portfolio performance rating for implementation (% rated excellent to satisfactory) | 2014 | 100 | 90 |
| 2. Projects completed in the last two years with PCRs (%) | 2014 | 53 | 95 |
| 3. Projects with supervision reports on PPMS (%) | 2014 | 100 | 100 |
| 4. Projects at risk (% of portfolio) | 2013 | 15 | 10 |
| 5. Average time taken from appraisal mission to approval (months) | 2014 | 2.8 | 3 |
| 6. Average time from approval to first disbursement (months) | 2014 | 9.1 | 6 |
| 7. Projects under implementation with extensions (revised final disbursement date) (%) | 2014 | 51 | 45 |
| 8. Average length of project extension (months) | 2014 | 36 | 18 |
| Resource allocation and utilisation | | | |
| 9. Concessional resources allocated according to performance-based allocation system (%) | 2014 | 58 | 60 |
| 10. Disbursement ratio | 2014 | 14 | 18 |
| 11. Disbursement (efficiency) rate | 2014 | 76 | 80 |
| Strategic focus | | | |
| 12. Financing directed to less developed BMCs (% , three-year average) | 2011-2014 | 48 | ≥51 |
| 13. Approved country strategies in use with results frameworks (number) | 2014 | 13 | 19 |
| 14a. Approved projects with a gender-specific or gender mainstreamed rating (as a % of total projects) | 2014 | 37 | 55 |
| 14b. Projects reporting on gender results during implementation (%) | n.a. | n.a. | TBD |
| 15. Approvals supporting (as a % of total financing): | | | |
| (a) Indicator discontinued | | | |
| (b) Environment, RE/EE and climate change | 2014 | 10.5 | 8-12 |
| (c) RCI | 2014 | 3.0 | 2-4 |
| 16. TA projects in support of: (% of all TA financing): | | | |
| (a) RCI | 2014 | 50 | ≥ 40 |
| (b) Private sector development and PPPs | 2014 | 23 | ≥15 |
| Disclosure, transparency and risk management | | | |
| 17. Evaluation reports and reviews uploaded on the website (number) | 2011-2014 | 17 | 50 |
| 18. CDB's external credit risk rating | 2014 | AA | Minimum of Stable |
| 19. Operational risk losses for any given event or combination of events (\$US mn) | 2014 | 0.05 | ≤\$US1mn |

RMF LEVEL 4: HOW EFFICIENT IS CDB AS AN ORGANIZATION?

| Grouping/Indicator | Baseline | | Target (2020) |
|--|----------|--------|---------------|
| | Year | Value | |
| Capacity utilisation | | | |
| 1. Budgeted professional staff in operations departments (%) | 2014 | 57 | ≥ 55 |
| 2. Ratio of professional staff to support staff | 2014 | 1.49:1 | 2.16:1 |
| 3. Vacancy rate at management and professional levels (%) | 2014 | 5 | ≤ 5 |
| 4. Staff in management positions who are women (%) | 2014 | 38 | 45-55 |
| Use of administrative budget resources | | | |
| 5. Administration expenses per US\$1mn of project disbursements (three-year average) \$000s | 2014 | 147 | Reduction |
| Harmonisation, alignment and partnerships | | | |
| 6. Projects using common arrangements or procedures (%) | 2014 | 33 | ≥ 65 |
| 7. Capacity development support provided through coordinated programmes (%) | 2014 | 32 | ≥ 35 |
| 8. Country Strategy Papers, other development partner missions, and project financings, conducted jointly with at least one other development partner (% annually) | 2014 | 76 | ≥ 65 |

n.s.: No target is set, monitoring the indicator only.

DOCUMENTS AND PRESENTATIONS DISCUSSED

Preparatory Meeting - December 2015

- Management's Response to the Conclusions and Recommendations of the Mid-Term Review of SDF 8 (SDF 9/1-PM-2)
- Discussion Paper: SDF 9 Replenishment Negotiations: Themes, Issues and Timeline (SDF 9/1- PM-3)
- Status Report on the Implementation of SDF 8 and CDB's Management for Development Results Action Plan (SDF 9/1-PM-4)
- Status Report on the Implementation of the Basic Needs Trust Fund 7/8 (SDF 9/1-PM-5)
- Status Report on Implementation of CDB's Gender Equality Policy and Operational Strategy(SDF 9/1- PM-6)

First Negotiation Meeting – March 2016

- Evaluation of the Sixth and Seventh Cycles of the Special Development Fund (Unified) (SDF 9/1-NM-2)
- SDF Nine Replenishment – Strategic Focus Paper (SDF 9/1-NM-3)
- Supporting the Achievement of the Sustainable Development Goals – The Role of the Special Development Fund (SDF 9/1-NM-4)
- Position Paper: Engagement with Haiti - The Way Forward (2017-20) (SDF 9/1-NM-5)
- Management Response to the Conclusions and Recommendations of the Programme Closing Report of the BNTF Sixth Programme and the Mid-Term Evaluation of the BNTF Seventh and Eighth Programmes (SDF 9/1-NM-6)
- Presentation - BNTF Governance Structure and Implementation Modality – Proposals to Move Forward
- Progress Report on CDB's Reform Agenda (2012 – 2016) (SDF 9/1-NM-7)

Second Negotiation Meeting – May 2016

- Management's Response to the Conclusions and Recommendations of the Multicycle Evaluation of SDF 6 and 7 (SDF 9/2-NM-2)
- Basic Needs Trust Fund Programme - New Governance Structure and Implementation Modality (SDF 9/2-NM-3)
- Presentation - Country Strategy and Programme Evaluation, Haiti – Update and Initial Observations
- Review of the Special Development Fund (Unified) Country Classification System (SDF 9/2-NM-4)
- Proposal to Modify Lending Rates and Investment Guidelines of the Unified Special Development Fund (SDF 9/2-NM-5)
- Draft Report of Contributors on SDF 9 (SDF 9/2-NM-6)
- Level of Resources and Commitment Authority for SDF 9

Third Negotiation Meeting – October 2016

- Draft Resolution and Report of Contributors on SDF 9

Fourth Negotiation Meeting – December 2016

- Resolution and Report of Contributors on SDF 9