

Approach Paper

Extended Country Program Evaluation: Barbados, 2015-2023

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ACRONYMS AND ABBREVIATIONS

BERT	Barbados Economic Recovery and Transformation
CCF	Contingent Credit Facility
CDC	Country Development Challenges
CP	Country Program
CPE	Country Program Evaluation
CS	Country Strategy
EEF	Extended Fund Facility
EO	Expected Outcome
GDP	Gross Domestic Product
GOB	Government of Barbados
GOO	Group of Objectives
HDI	Human Development Index
ICPR	Independent Country Program Review
IDB	Inter-American Development Bank
IMF	International Monetary Fund
INV	Investment Loan
LAC	Latin America and The Caribbean
NSG	Non-Sovereign Guaranteed
OVE	Office of Evaluation and Oversight
PBL	Policy-Based Loan
PBP	Programmatic Policy-Based Loan
SDL	Special Development Loan
SG	Sovereign-Guaranteed
SO	Strategic Objective
TC	Technical Cooperation
UNDP	United National Development Programme

I. INTRODUCTION

- 1.1 **The Inter-American Development Bank’s Office of Evaluation and Oversight (OVE) produces two types of complementary country products that are presented to the Board of Executive Directors at the end of the Country Strategy period and prior to their consideration of new Bank country strategies.** Independent Country Program Reviews (ICPRs) and Extended Country Program Evaluations (XCPEs) are prepared based on the “Updated Proposal: OVE Country Product Protocol – Final version” (document [RE-348-8](#)). ICPRs are reviews of the most recent Bank strategy with a given country and country program, and they focus on accountability. They provide aggregate information on the relevance and implementation of the country program, as well as on effectiveness, where available information allows. XCPEs, meanwhile, are independent evaluations covering the last two Bank strategies with a country and the corresponding country program, and they evaluate relevance, effectiveness, and sustainability. Their scope is broader than ICPRs; they focus not only on reporting results but also on identifying lessons learned during the period. Their purpose is to provide an evaluation of the IDB Group’s performance in the country to the Boards and Management of the IDB and IDB Invest,¹ issuing recommendations that aim to improve the next Bank country strategy and program.
- 1.2 **This will be the fifth OVE evaluation of the IDBG’s program with Barbados.** Previous country program evaluations (CPEs) covered the periods 1989-2004 (document [RE-313](#)) when Barbados’ brand as a tourism destination was driving the country’s economy; the second (document [RE-369](#)) covered 2005-2009, a period characterized by an increasing fuel import bill; the third (document [RE-460](#)) covered 2010-2013, a period marked by a substantial increase in central government debt and decreasing tourism receipts; the fourth (document [RE-525-1](#)) covered 2014-2018, coinciding with ongoing fiscal consolidation efforts and declining net international reserves.
- 1.3 **The Barbados XCPE will cover the period 2015-2023, corresponding to the CS 2015-2018 and CS 2019-2023.** This will be the first extended evaluation for Barbados produced under the new Protocol. In accordance with it, OVE will independently evaluate the relevance, effectiveness, and sustainability of the IDB strategies and program in Barbados. The analysis will cover the financial and non-financial support made available to the country (detail in section II.C). The objective is that the findings and recommendations derived from the evaluation will be an input for preparing the new IDBG strategy with Barbados for 2024-2027.
- 1.4 **This approach paper describes the evaluation methodology and criteria, evaluation questions, and the team and indicative timeline for preparation of the XCPE.** The document is structured into five sections and one annex that provide supplementary information. Following this introduction, Section II describes the country’s context, its development challenges, and the government’s priorities, while Section III describes the country strategies approved by the IDB Group over the 2015-2023 period, together with the country program or portfolio under evaluation. Section IV describes the evaluation methodology and criteria, and Section V provides details of the team and timeline.

¹ The IDB Group comprises the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IIC/IDB Invest) and the Multilateral Investment Fund (MIF/IDB Lab). The evaluation will cover IDB and IDB Invest.

II. COUNTRY CONTEXT

- 2.1 **Barbados is a small, high-income service economy.** It has a surface area of 431 square km and about 280,000 inhabitants in 2022. Independent since 1996, in 2021, the country transitioned from a parliamentary constitutional monarchy to a parliamentary Republic within the Commonwealth with an elected president as head of state. The country is classified as a high-income economy, with a Gross Domestic Product (GDP) per capita of about US\$20,000 in 2022, and a relatively high standard of living compared to some of its Caribbean counterparts.² Barbados' economy greatly depends on tourism (accounting for 30% of GDP) and suffers from a lack of economic diversification and a strong dependency on imports (mainly food, oil, and inputs for production), making the country highly vulnerable to external shocks.
- 2.2 **The country has experienced a sluggish economic performance since the 2008 global financial crisis (GFC).** Real GDP fell on average 0.5% annually between 2008 and 2019. The COVID-19 pandemic worsened the situation due to the imposition of mobility restrictions around the globe. Barbados suffered a halt in tourism arrivals since April and during the rest of 2020 and by 2022, tourist arrivals represented only half of pre-pandemic levels (IDB, 2023). In 2020 and 2021, GDP per capita fell an additional -13.5% and -0.4%, respectively, and only partially recovered in 2022, increasing by 9.8%. As a result, the real GDP per capita in 2022 was 13% below the level achieved in 2008.
- 2.3 **After the GFC, continued current account deficits, declining international reserves, and persistent fiscal deficits led to increasing debt levels which resulted in an unsustainable situation.** Government expenditures regularly exceeded revenues (which are highly dependent on tourism) across the period. As a result, public debt level was above 100% of GDP since the GFC. Moreover, international reserves fell steadily and reached a historic low by 2017. After several credit rating downgrades, Barbados entered into selective default (SD) in June 2018. This prompted the implementation of the Barbados Economic Recovery and Transformation (BERT) plan in 2018. To support this plan, the International Monetary Fund (IMF) provided assistance through a four-year Extended Fund Facility (EFF) program, which included a debt restructuring component. Fiscal performance improved after implementing the IMF EFF program, with a gradual reduction of the debt level and recovery of the international reserves. However, the pandemic resulted in additional expenditures and subdued revenues. Public debt levels remain high, and adverse trade shocks have further deteriorated the current account balance. In December 2022, the country signed a new 36-month EFF/Resilience and Sustainability Facility (RSF) agreement.³

² Barbados is a member of the Small Island Development States (SIDS) UN group of 38 States that face unique social, economic, and environmental vulnerabilities due to their size and geographical characteristics. Barbados' GDP per capita is about 60% larger than the Caribbean SIDS' average (US\$12,400). Only The Bahamas and St. Kitts and Nevis had a higher GDP per Capita in 2022. World Bank Open Data.

³ The EFF program is a lending arrangement that provides longer program engagement—to help countries implement medium-term structural reforms—including policies needed to correct structural imbalances over an extended period. The RSF complements the existing IMF lending toolkit by helping low-income, small states (population under 1.5 million), and vulnerable middle-income countries address longer-term challenges, including those related to climate change and pandemic preparedness.

- 2.4 **Low returns to economic activity and low productivity growth are the main obstacles to economic performance.** Together with a high cost of finance, low returns to economic activity cause low investment and entrepreneurship, which hampers growth. In turn, the main factor behind low returns was low appropriability due to government failures, especially macro risk because of long-lasting fiscal imbalances. These imbalances, resulting in critical economic vulnerabilities, have been signaled as the primary binding constraint to short- and medium-term growth (IDB 2023). On the other hand, an aging infrastructure, transportation problems, and a weak business climate have mainly constrained productivity in Barbados. The country still faces many obstacles to business operations, with red tape and bureaucracy as well as difficulties in registering property being the issues highlighted by companies.
- 2.5 **Barbados is highly vulnerable to climate change.** 25% of the population and most tourism locations are in coastal areas. Annual economic losses due to coastal erosion caused by sea level rise, tidal changes, and storms account for about US\$30 million (IDB, 2022). The country's readiness to face severe climate hazards is limited, which was evidenced in 2021 when Category 1 Hurricane Elsa hit Barbados, causing damage to powerlines and disruptions in tele-communications and water provision (IDB 2023).⁴
- 2.6 **Barbados is classified in the high human development category.** It ranked 70th out of 191 countries in the UNDP's Human Development Index (HDI, UNDP 2022).⁵ With an HDI value of 0.79 in 2022, Barbados is among the best-performing countries of the Latin America and the Caribbean (LAC) region and scores above the regional average of 0.74. Nevertheless, The COVID-19 pandemic has had a tremendous impact on livelihoods, causing severe stress on pension and unemployment funds. Finally, the country has made progress in gender indicators; however, work still needs to be done to achieve gender equality.
- 2.7 **To address these challenges, the country produced one medium-term development strategy and two economic programs during the analysis period (Section VI, Annex).** In August 2013 the GOB approved the Barbados Growth and Development Strategy 2013-2020 (BGDS), which included GOB's main medium-term priorities. The BGDS set out four goals⁶ and 20 specific objectives to boost output in key sectors, such as tourism, energy, and infrastructure, as well as to improve private sector competitiveness. In June 2018, the GOB announced the first phase of the BERT⁷ in response to the worsening fiscal and external liquidity position. The Plan set out four areas of focus and six goals that aimed to restore macroeconomic stability and place the economy on a path of strong, sustainable, and inclusive growth while safeguarding the financial

⁴ On mitigation, Barbados is building a strong pathway towards decarbonization. The country's current National Determined Contributions (NDC) aims to become the first 100% green and fossil-fuel free island-state in the world by 2030 (Government of Barbados, 2021)

⁵ The Human Development Index combines indicators of health (life expectancy at birth), education (expected and mean years of schooling) and standard of living (gross national income per capita).

⁶ These are: (i) return to sustainable growth rate of 3% by 2017 and 4.5% by 2020 while maintaining macroeconomic stability; (ii) facilitate broad-based adjustments and reforms in the economy; (iii) enhance social and human development; and (iv) enhance energy and environmental sustainability in the context of a green economy.

⁷ The 2018 Framework builds on the BGDS 2013-2020 in seeking to address the phases of adjustment and reform necessary for a sustainable economic and socially responsible recovery.

and social sectors.⁸ Subsequently, BERT 2022 -approved in September 2022- aims to preserve the gains achieved under BERT 2018 and advance the reforms which were delayed because of the COVID-19 pandemic. It lays out the GOB's economic and financial program for the next four years through eight pillars and it focuses on achieving inclusive and sustainable growth while maintaining fiscal and debt sustainability.

III. COUNTRY STRATEGIES AND PROGRAM

A. IDB Group country strategy with Barbados

- 3.1 **The IDB's 2015-2018 Country Strategy with Barbados aimed to address binding constraints to growth by improving private sector competitiveness and efficiency of public services.** The strategy set objectives in four priority sectors: (i) tourism; (ii) transportation and logistics; (iii) energy; and (iv) integrated coastal zone management and climate resilience. It set four strategic objectives (SO)⁹ and ten expected outcomes (EO), and it included gender as a crosscutting theme and two dialogue areas (public sector modernization and social protection and labor markets). (Table 3.1).

Table 3.1. Strategic objectives, Country Strategy with Barbados 2015-2018

Strategic Objectives	Expected Outcomes
Priority sector 1: Tourism	
1. Tourism growth and reinvigoration	1.1 Increase of tourism receipts
Priority sector 2: Transportation and logistics	
2. Improving logistics sector	2.1 Improved performance of export logistics infrastructure and services 2.2 Improved condition of the road network
Priority sector 3: Energy	
3. Increase the % of RE in the energy matrix and increase energy efficiency (EE)	3.1 Decrease in electricity tariff 3.2 Increased percentage of energy from RE in country energy matrix 3.3 Reduction in electricity consumption/customer
Priority sector 4: Integrated Coastal Zone Management (ICZM) and Climate resilience	
4. Strengthen capacity for ecosystem based ICZM and increase coastal resilience	4.1 Improved understanding of the value of coastal and marine ecosystems in coastal protection and other economic uses 4.2 Coastal protection infrastructure expanded, and essential ecosystem services maintained. 4.3 Coastal resilience mainstreamed in sector policies and in plans of strategic partners and community programs. 4.4 Enhanced tourism private sector investment in sustainable coastal management

Source: IDB Group Country Strategy with Barbados 2015-2018 (document [GN-2812](#)).

⁸ Four thematic areas of focus (fiscal sustainability, growth; foreign exchange, and social services) for achieving the six goals of the plan: (i) build a comfortable net international reserves level by 2020; (ii) achieve fiscal sustainability through a balanced budget by 2020/21; (iii) accelerate real GDP growth to reach 3% by 2021; (iv) establish a credible and sustainable debt management plan; (v) enhance and safeguard the provisions for social development; and (vi) reduce the unemployment level on average to 8% by 2020.

⁹ The structure of country strategies was altered after 2016 due to the creation of new guidelines. Bank country strategies prior to this were structured around strategic pillars, sectors, objectives, and expected outcomes. The country strategy for 2015-2018 did not include pillars and was based on broad priority sectors and strategic objectives. With the rollout of the new guidelines in 2016, the new country strategies began to focus on priority areas and, within these, strategic objectives, and expected outcomes.

3.2 **The IDB Group’s CS with Barbados 2019-2023 shifted its priorities with respect to the previous CS in order to support the country’s economic reform program and bolster up economic recovery.** The second CS sets out nine strategic objectives in three priority areas: (i) fostering fiscal sustainability and a more efficient public sector; (ii) safeguarding social outcomes; and (iii) promoting higher productivity. Two of the three priority areas of this CS (fiscal sustainability and social outcomes) were not present in the previous one and were included to address the change in country priorities caused by the unsustainable fiscal situation and the resulting IMF 2018 EFF. The third strategic area (promoting higher productivity) includes two new SO (strengthen the regulatory environment and facilitate access to finance for the private sector) and gives continuity to two SO from the previous CS (in the areas of tourism and energy). The CS 2019-2023 also envisaged the crosscutting themes of climate change and natural disasters and gender and diversity. The dialogue areas are urban management and health. (Table 3.2).

Table 3.2. Strategic objectives, Country Strategy with Barbados 2019-2023

Strategic Objectives	Expected Outcomes
Strategic Area 1: Fostering fiscal sustainability and a more efficient public sector	
1. Support fiscal consolidation through expenditure-curbing and revenue-enhancing measures.	1.1 Lower expenditures
	1.2 Higher revenues through greater tax collection
2. Strengthen the institutional framework by supporting public sector management and public financial management systems	2.1 Improved public financial management structures
	2.2 A more efficient civil service
3. Promote greater digitization of government	3.1 greater digitalization of public services
Strategic Area 2: Safeguarding social outcomes	
1. Strengthen the performance of social programs	1.1 Reduce vulnerability, highlighting female-led households
2. Better align workers’ skills to the needs of the market	2.1 Improve workers' skills' supply and demand match
Strategic Area 3: Promoting higher productivity	
1. Strengthen the regulatory environment for a more open and better business climate, promoting innovation and a greater use of technologies	1.1 Ease the process of setting up a business
	1.2 Increase the economy's openness
	1.3 Increase the number of innovative firms
2. Facilitate access to finance for the private sector	2.1 Increase access to finance for firms, particularly for female-led businesses
3. Reduce the country’s dependence on imported fossil fuel	3.1 Increased contribution of clean energy sources
4. Promote private sector engagement that encourages greater productivity, as well as in resilient infrastructure investments	4.1 Increase investments in resilient infrastructure
	4.2 Improved tourism sector productivity

Source: IDB Group Country Strategy with Barbados 2019-2023 (document [GN-2953](#)).

3.3 **In addition, the country’s strategies presented indicative scenarios for sovereign-guaranteed financing, as well as identification and mitigation measures of potential risks.** The 2015-2018 country strategy proposed an indicative financial envelope for sovereign-guaranteed approvals of US\$200 million¹⁰ (a figure that was expected to meet 20% of the financing needs of the Government’s public sector

¹⁰ This figure included programming in 2014, which was the transition period between the CS from 2009-2013 and the CS 2015-2018.

investment program during that period). In addition, the 2019-2023 strategy projected an indicative lending framework of US\$300 million in approvals. With that, it was projected that by the end of the strategy, the IDB group debt would amount to 8% of gross public debt and 26% of public external debt. In terms of the risks that might affect implementation, the first country strategy highlighted six issues: (i) macroeconomic and political risks; (ii) capacity to secure donor resources; (iii) existing portfolio execution; (iv) disaster risk management and climate change adaptation; (v) changes in international oil prices; and (vi) changes in tourism demand. The second country strategy projected three main issues: macroeconomic risks and natural disasters and adverse effects of climate change, as in the previous strategy, and added execution as a risk.

3.4 **Finally, the XCPE will evaluate the contribution of the IDB Group’s program to a combined country strategy for the 2015-2023 period consisting of ten group of objectives in three priority areas.** The XCPE groups the objectives of the two CSs by thematic affinity into group of objectives (GOO) and under the more generic umbrella of "priority areas" that contain the priorities in the EBPs 2015-2018 and 2019-2023. The SOs grouped by theme (or group of objectives), remain linked to expected results and follow-up indicators defined in their respective CS. The matrix of country strategies for the 2015-2023 period (Table 3.3), combines the 13 strategic objectives of both CS and groups them into ten GOOs¹¹ within the priority areas of productivity, fiscal and social (Section V, Annex)

Table 3.3. Preliminary Combined Strategic Objectives matrix: CS 2015-2018, 2019-2023

CS 2015-2018 Strategic objectives	CS 2019-2023 Strategic objectives	IDB Group of Objectives
Productivity area: Promoting higher productivity		
1. Tourism growth and reinvigoration	5. Promote private sector engagement that encourages greater productivity, as well has in resilient infrastructure investments	Tourism
		Resilient infrastructure
2. Improving logistics sector		Transportation and logistics
3. Increase the % of RE in the energy matrix and increase energy efficiency (EE)	6. Reduce the country’s dependence on imported fossil fuel	Energy
	7. Strengthen the regulatory environment for a more open and better business climate, promoting innovation and a greater use of technologies	Business climate
	8. Facilitate access to finance for the private sector	
4. Strengthen capacity for ecosystem based ICZM and increase coastal resilience		Climate resilience

¹¹ These are: (i) Tourism; (ii) Resilient infrastructure; (iii) Transportation and logistics; (iv) Energy; (v) Business climate; (vi) Climate resilience; (vii) Fiscal sustainability; (viii) Public sector efficiency; (ix) Social protection and (x) Labor markets.

CS 2015-2018 Strategic objectives	CS 2019-2023 Strategic objectives	IDB Group of Objectives
Fiscal area: Fostering fiscal sustainability and a more efficient public sector		
	9. Support fiscal consolidation through expenditure curbing and revenue enhancing measures.	Fiscal sustainability
	10. Strengthen the institutional framework by supporting public sector management and public financial management systems	Public sector efficiency
	11. Promote a greater digitization of government	
Social area: Safeguarding social outcomes		
	12. Strengthen the performance of social programs	Social protection
	13. Better align workers' skills to the needs of the market	Labor markets

Sources: ^a Barbados CS 2015-2018 (document [GN-2812](#)). ^b Barbados CS 2019-2023 (document [GN-2953](#))

B. Country program

- 3.5 **The country program is defined according to the criteria set out in the OVE Country Product Protocol (document [RE-348-8](#)).** The Barbados Country Program (CP) comprises all operations approved between the date of approval of the first strategy under review (June 11, 2015), and June 30, 2023.¹² In addition, the CP included legacy operations from previous periods (i.e., inherited operations approved before June 11th, 2015, but which still had undisbursed balances).¹³
- 3.6 **Sovereign-guaranteed (SG) approvals during the whole period totaled US\$839.4 million in reimbursable and non-reimbursable funds.** During the strategic period (2015-2023), approvals with reimbursable funding included eight investment loans (INV), four policy-based loans (PBLs), one special development loan (SDL), and one guarantee policy-based Loan (GUP). On the other hand, with non-reimbursable funds, three investment grants (IGR) and 38 technical cooperations (TCP) were approved. Approvals almost matched the lending framework projected in the first Country Strategy. However, they more than doubled the lending framework in the second Country Strategy. Overall, PBLs and SDLs accounted for 60% of the approved amounts. In addition, 83% of the approvals are concentrated in three group of objectives: fiscal sustainability (46%), climate resilience (29%), energy (9%). (Table 3.4).
- 3.7 **The SG legacy portfolio consisted of 23 operations approved before June 11, 2015, but with balances to be disbursed as of that date.** The 23 operations were approved for a total of US\$188 million and had undisbursed balances of US\$124 million at the beginning of the XCP analysis period. 87% of the balances were concentrated in four group of objectives: business climate (35%), energy (25%), climate resilience (14%), and social protection (3%). (Table 3.3)

¹² The second CS will be in effect from its approval date until April 30, 2023, and will be valid throughout the final year of its coverage and within that year. This evaluation will include the program approved until June 30, 2023.

¹³ For country evaluations, OVE also includes IDB Invest operations that have achieved early operating maturity (i.e., those for which Management has formally submitted, or should have submitted, an expanded supervision report (XSR) to OVE during the period). However, there were no IDB Invest operations with XSR during the analysis period for Barbados.

- 3.8 **Non-sovereign guaranteed (NSG) approvals between June 11, 2015, and June 30, 2023, totaled US\$90 million.** The portfolio comprised two senior loans, both in the transportation and logistics group of objectives. In addition, during the period, IDB Invest offered eight advisory services which totaled US\$0.4 million to clients in the energy, transportation, manufacturing, and infrastructure sectors. Finally, there were no legacy NSG operations for the period of analysis.

Table 3.4. Barbados 2015-2023 Country program

Group of objectives		Legacy ^a		Approvals 2015-2023			Total
		SG ^b	NR ^c	SG	NSG	NR	
Productivity							
Tourism	#	-	5	1	-	-	6
	US\$M	-	1.3	20	-	-	21.3
Resilient Infrastructure	#	1	-	-	-	-	1
	US\$M	9.6	-	-	-	-	9.6
Transportation and Logistics	#	-	-	1	2	-	3
	US\$M	-	-	25	90	-	115
Energy	#	2	4	2	-	5	13
	US\$M	23.1	8.2	64	-	17.1	112.4
Business climate	#	2	-	1	-	5	8
	US\$M	43.4	-	30	-	0.9	74.3
Climate resilience	#	1	1	2	-	7	11
	US\$M	16.3	0.4	180	-	3.8	200.5
Fiscal							
Fiscal sustainability	#	-	-	5 ^d	-	1	5
	US\$M	-	-	420	-	0.0	420
Public sector efficiency	#	2	-	1	-	4	7
	US\$M	5	-	40	-	4.6	49.6
Social							
Social protection	#	1	1	1	-	6	9
	US\$M	16.1	0.1	10	-	1.3	27.5
Labor markets	#	-	-	1	-	2	3
	US\$M	-	-	20	-	0.5	20.5
Other	#	-	3	-	-	11	14
	US\$M	-	0.4	-	-	2.2	2.6
Total	#	9	14	15	2	41	81
	US\$M	113.5	10.4	809	90	30.4	1053.3

Source: OVE, based on 2023 IDB and IDB Invest data.

Notes: ^a There are no NSG legacy operations in the Country Program; ^b Includes investment loans (INV), Policy-based loans (PBL), Guarantee policy-based loan (GUP), and Special development loans (SDL). ^c Includes all non-reimbursable operations (TCP and IGR); ^d The CCF is included in the number of operations, but not in the total amount approved.

- 3.9 **In addition to the country program, the XCPE will consider other forms of IDB Group support to Barbados.** The IDB Group can potentially contribute to its borrowing member countries through additional forms of support that are not necessarily included in the operational program. As part of its functions in the country, the IDB Country Office can provide a series of products (e.g., advisory support, training, presentations, and events) or play a coordinating role (e.g., support missions or policy dialogues at the national or regional levels), even though these do not necessarily form part of the activities under specific country program operations mentioned above. These activities represent part of the support provided by the IDB Group to the country and can complement the operations in the country program. Accordingly, even though these activities are not part of the supported program, the XCPE will record them so that they can be included in the analysis.

IV. METHODOLOGY AND EVALUATION CRITERIA

A. Methodology

- 4.1 **The evaluation will follow the methodological guidelines stipulated in the OVE Country Product Protocol (document [RE-348-8](#)).** The protocol establishes evaluation criteria for XCPEs relating to the relevance, effectiveness, and sustainability. The protocol also includes the description of the program implementation during the period. The evaluation dimensions and questions that will guide the analysis will provide a comprehensive picture of the program and country strategies for the 2015-2023 period, together with the contributions made and the means used to achieve them. They will also facilitate the identification of lessons learned that will be useful for future programs. The evaluation design matrix (Section III, Annex) links the evaluation questions to sources of information, scopes, and methods for answering them. The evaluation will analyze the entire program and prepare in-depth assessments (see paragraph 4.8) to answer questions regarding implementation, effectiveness, sustainability and the IDB Group's contribution, all with the aim of establishing actionable conclusions and relevant recommendations.

B. Evaluation questions

- 4.2 **The XCPE has a dual focus on accountability and learning.** Their purpose is to provide both the Board and Management of the IDB and IDB Invest with an evaluation of the performance of the IDB Group in the country and its CP as well as to provide recommendations that aim to improve the next Bank country strategy and program. The evaluation intends to answer: to what extent has the IDB Group's country program contributed to the achievement of its strategic objectives and what lessons can be drawn from the implementation of the Banks program with the country during the 2015-2023 period?

1. Relevance

- 4.3 **The evaluation will verify the relevance of the Country Strategies and the complete Program for the period.** The relevance analysis comprises, on the one hand, the verification that the CS is consistent with the country's development needs and priorities, as well as corporate objectives and the IDB Group's comparative advantages and, the assessment of its Development Effectiveness Matrix, among other aspects. On the other hand, the alignment of the CP to the objectives of the CS. The CS and the CP comprise the global theory of change that the IDB Group adopts for its actions in the country. The use of a theory of change approach makes it feasible to analyze the coherence between the CS and the CP and to assess the contribution of the CP to the achievement of the proposed objectives. The Strategies define "what" should be prioritized and the CP reflects "how" IDB Group support is being operationalized.
- 4.4 **The analysis of the Country Strategies will appraise whether its strategic areas, objectives and expected results were relevant to the country's context, needs and priorities.** The evaluation will compare the CS's stated overall objectives with: (a) the needs of the country (e.g., identified in the CDC), (b) the national priorities (established in the government, development or sectoral plans of the country), (c) the demonstrated capacities of the IDB Group to contribute to the objectives of the CS (derived, among other elements, the analysis of past contribution to similar objectives), and (d) synergies with the country and other development actors.

4.5 **An important aspect of the evaluation is the assessment of CS's Development Effectiveness Matrix (DEM), in line with the CS guidelines (document [GN-2468-9](#)).** The review of the quality of the DEM design considers: (a) the robustness of the vertical logic that connects the different levels of objectives of the CS, so that the more specific level objectives (expected results) contribute to the intermediate level objectives (strategic objectives) and in turn this contributes the highest level of formulation of objectives (priority areas); (b) the evaluability of the DEM, as determined by the adequacy of the selected indicators of achievement in terms of both their thematic coverage and their formulation (clear, sufficiently concrete, etc), as well as the availability of information on its baselines and the feasibility that its progress can be monitored in a timely manner; and (c) the risk management foreseen in the CS, determined by the identification of the main risks that could affect the contribution of the CP to the objectives of the CS and the formulation of effective mitigation measures.

4.6 **The analysis of the CP's relevance considers its alignment to the CS objectives as well as other aspects that may affect the feasibility of attaining its results.** The alignment of the CP refers to the feasibility that it contributes to the objectives of the CS if implemented as expected. The analysis begins with the assessment of the logical connection between the individual operations of the CP and the different levels of objectives of the CS, i.e. with its expected results (ER), strategic objectives (SO) and priority areas (PA). Other elements that support the relevance of the CP are the type, mix, and anticipated sequence of operations, the estimated size of the CP, the expected third-party resources or cooperation with other development actors, synergies between IDB and IDB Invest, or any other design element of the CP that promotes (or hinders) the achievement of its objectives.

a) *Country Strategy relevance*

- **Consistency with the country's challenges:** To what extent are the strategic objectives and expected results set out in the country strategies consistent with the development challenges faced by Barbados and the objectives of the government's plan?
- **Consistency with IDBG objectives:** To what extent did the strategic objectives consider the IDB Group's institutional priorities?
- **Cross-cutting issues:** To what extent did the Country Strategy incorporate the cross-cutting themes (institutional strengthening, gender and diversity approach, climate change adaptation and environmental sustainability, and innovation)?
- **Design of the DEM:** Was the results framework based on sound vertical logic? To what extent did the results framework have adequate indicators for measuring progress at the end of the period?
- **Synergies:** Did the Country Strategy outline coordination with other development partners to enhance the program's potential contribution? To what extent was progress made in identifying synergies and establishing coordinating mechanisms between IDB and IDB Invest?
- **Risks / Adaptation:** Did the CS identified potential risks and adequate mitigation measures?

b) *Country program relevance*

- **Program alignment:** To what extent was the Country Program in Barbados aligned with the priority areas, strategic objectives and expected results of the country strategy? Was it feasible that the approved program would support the objectives?
- **Synergies:** To what extent did the IDB Group seek to deepen coordination with other development partners in Barbados and leverage external resources to enhance the program's potential contribution? What was the progress made in coordinating the program between the IDB and IDB Invest?
- **Cross-cutting issues:** To what extent did the program incorporate crosscutting themes (institutional strengthening, gender, and diversity approach, climate change adaptation and environmental sustainability, and innovation)?
- **Mix of instruments:** Was the combination of instruments used by the program (financial and non-financial) adequate for promoting the objectives?
- **Risks / Adaptation:** Did the program adequately consider the risks identified in the country strategies (macroeconomic, execution and institutional capacity, and natural disasters)? How did the program adapt to changes during the period? What was the IDB Group's response to the COVID-19 health crisis?

2. **Implementation**

4.7 **This analysis addresses operational considerations regarding how resources provided through the country program were applied, as well as the factors that affected program implementation during the period.** The first focuses on the resources applied to the program and its operations. To this end, country program execution timelines and costs will be analyzed and compared to performance in earlier periods and relevant regional comparators. The second seeks to understand the factors that hindered or assisted the implementation of the country program (including support not included in the operations).

- **Timeframes and costs:** What were the timelines and costs of the program, bearing in mind the projects' different stages in the life cycle?
- **Benchmarks:** How do implementation timelines and costs compare with relevant measures, such as the averages for previous periods or for the IDB Group, the Caribbean, and other subregions?
- **Proxies for efficiency:** Based on available analyses of the efficiency of the operations (e.g., cost-benefit or impact studies), what conclusions can be drawn from the subset of the program for which some efficiency analysis is available?
- **Factors affecting implementation:** What factors affected costs and timelines during implementation? What lessons can be learned from execution arrangements, portfolio management, and the level of use of country systems and IDB Group technical support? How did the program adapt to changes and risks during the period?

3. Effectiveness

4.8 **The effectiveness analysis will examine two related dimensions: whether progress was made to achieve the strategic objectives, and to what extent the IDB Group's country program has contributed to this.** The first will seek to determine the degree of progress toward the expected outcomes and whether the strategic objectives have been achieved. The second dimension of effectiveness seeks to establish to what extent the IDB Group program may have contributed to these achievements (i.e., beyond outputs), to understand what has worked and what not, thus helping to identify lessons for the future. The greatest challenge in this respect is that the program is usually implemented against a backdrop of interventions by numerous actors, making it difficult to establish a direct causal relationship between the program and the results observed. However, it is possible to analyze the contribution of the program (including nonoperational support) to the objectives of the country strategy considering the framework of the theory of change proposed therein.

- **Strategic achievements:** Based on the analysis performed, to what extent was progress made toward the strategic objectives that had been set?
- **IDB Group contribution:** To what extent did the IDB Group's program (including non-operational support) produce the outcomes expected by the Group, and to what extent did it contribute to the strategic objectives considering the theory of change proposed by the country strategy?
- **Unexpected effects:** Did any unexpected effects (positive or negative) emerge in relation to the program and IDB Group activities during the period?

4. Sustainability

4.9 **The sustainability analysis determines the likelihood that program outcomes will continue in the future.** To this end, OVE will assess whether achieved results have been maintained over the period covered by the XCPE and whether they are likely to endure in the future. Additionally, OVE will examine whether the program's design and implementation promoted the sustainability of future results.

- **Sustainability of outcomes:** To what extent are results achieved over the period covered by the XCPE likely to endure in the future? Which factors were associated to the sustainability of the results? To what extent were key sustainability factors incorporated into the design and implementation stages of operations?
- **Risk factors:** What risks (e.g., institutional, financial, environmental, and social, or capacity-related) might affect the sustainability of outcomes?
- **Lessons learned:** Considering the lessons learned during program implementation, which actions attributable to the IDB Group have helped or hindered the sustainability of operations?

C. Methodology and sources of information

4.10 **The XCPE will conduct a systematic mapping of the program's theory of change.** The XCPE will evaluate the contribution of the IDB Group's program to the strategic objectives (grouped in the group of objectives) proposed in the country strategy. The connection between the IDB Group's program and the

attainment of these objectives is established through a theory of change, and the country strategy and the projects describe this theory. The preliminary overall results framework (Section V, Annex) systematically reconstructs part of this theory, and this will be contrasted with the evidence regarding the results that have been achieved. The two country strategies included a total of 13 strategic objectives and 24 expected outcomes. These were to be measured with a Results Framework of 32 indicators.

- 4.11 **The evaluation will use a diverse set of methods for document-based research and data collection in relation to the country program.** To analyze the country strategies and country program, OVE will carry out document-based research (including, for example, the identification and selection of sources of documentation, review, and organization of materials, and identification of analytical categories). This research will also include selecting and analyzing data from internal and external databases. Data collection will be supported by structured and semi-structured interviews, surveys, focus groups, and observation guides. OVE will interview IDB Group specialists at both Headquarters and the Country Office, as well as other key stakeholders familiar with the country's development challenges and the different sectors in which the IDB Group set objectives or worked. These include current and former government officials, project executors, international development partners, academics, and civil society representatives.¹⁴
- 4.12 **The evaluation will also carry out a number of “deep dive” assessments aimed at understanding how results were achieved and what the challenges were.** These deep dives will answer XCPE questions on implementation, effectiveness, and sustainability, and their scope is broader than in the case of Independent Country Program Reviews. The thematic areas selected for the deep dives will seek to include diverse types of objectives in areas that were of long-term relevance for the country and in which the program implemented by the IDB Group was significant (irrespective of its degree of success). Accordingly, these thematic areas will be selected based on three criteria: (a) priority areas in the country strategies;¹⁵ (b) continuity of strategic objectives and expected outcomes across country strategies; and (c) country program aligned with this thematic area and have the potential, at least, to contribute to the strategic objectives.
- 4.13 **The use of technological tools for information gathering and analysis will support the evaluation.** OVE will employ tools such as online questionnaires and software for qualitative text analysis. In addition, the team will make use of the information available on project execution and results in the different IDB Group systems. Lastly, OVE will systematize the analysis of operations using a standardized analysis datasheet. This will help consolidate different sources of information and evaluation judgments concerning the operations, improving the analysis's efficiency, consistency, and transparency.
- 4.14 **To maximize the evaluation's usefulness, the process will include fluid interaction with Management, particularly with the Country Office.** The analysis will also examine qualitative dimensions, and to that end the team will organize working focus groups regarding the program and its crosscutting

¹⁴ The XCPE will also seek to use other sources of information such as executing unit reports, fiduciary reports, other development partners' data and impact evaluations.

¹⁵ Based on the overall results framework for the 2015-2023 period, in Annex, Section V.

objectives. These will involve Management (e.g., the Country Office, Management of the Country Department Caribbean (CCB), and key country counterparts. Lastly, the team will seek to examine issues relating to execution and the IDB Group's contribution by gathering information, for example, on portfolio reviews or activities carried out by the Country Office and CCB Management.

- 4.15 **Lastly, the recommendations of the previous CPE will be tracked.** The recommendations of the previous CPE have been incorporated into the IDB Group's Evaluation Recommendation Tracking System (ReTS) (see Section I, Annex). This XCPE will review to what extent these recommendations have remained relevant and been implemented.

D. Profile of expected results

- 4.16 **The product will be the extended country program evaluation report.** Despite the longer time period analyzed, the main findings, lessons learned, and relevant recommendations of the XCPE should be summarized in a document no longer than 30 pages, accompanied by annexes with supporting information. The evaluation is also expected to be of interest to both internal and external audiences, and its publication will therefore be planned in accordance with OVE's Dissemination Plan and in coordination, where necessary, with the Board of Executive Directors and IDB Group team for the country, as well as relevant government and civil society counterparts.

V. TEAM AND TIMELINE

- 5.1. **The XCPE will be produced by an OVE multidisciplinary team, potentially with the support of a consulting firm.** The team will be supervised by the OVE Director, Ivory Yong-Prötzel, and will be comprised of Lina Pedraza (Team Leader), Pablo Fleiss, Gabriela Perez, Anais Anderson, Diego Del Pilar, Elizabeth Salazar, Oscar Cuadros, and Julie King. Other OVE sector specialists will contribute in their fields of expertise and, where necessary, will be complemented by local evaluation resources in Barbados.
- 5.2. **The team will carry out a Field mission to Barbados.** The main tasks of the mission will be to: (i) identify and validate the main features of the relationship between the IDB Group and the country; (ii) collect data and validate project analyses; (iii) visit specific projects to gather information from their executing agencies and beneficiaries; and (iv) conduct interviews with key public officials and counterparts, as well as other stakeholders familiar with the country's development challenges and the different sectors in which the Bank operates.
- 5.3. **The XCPE timeline has been designed to coincide effectively with decision-making processes for the new IDB Group strategy with the country.** This XCPE falls within the transition period following the approval of the country products protocol, and its delivery date is therefore not yet consistent with the provisions of that document. Nonetheless, OVE will seek to deliver the XCPE in a way that still allows it to be used as an input for the preparation and approval of the next Bank country strategy. With this in mind, the indicative timeline for the XCPE is laid out in Table 5.1.

Table 5.1. Indicative timetable of activities

Deliverables	Date
Approach Paper submitted to the Office of the Secretary	September 2023
Field mission to Barbados	October 2023
Draft sent to management and the government of Barbados for consideration and comments	November 2023
Final document submitted to the Office of the Secretary	December 2023
Presentation to the Programming Committee of the Board of Executive Directors	February 2024

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