

Donor Matrix

Barbados

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Chapter 1: Description of the Donor Community

DESCRIPTION OF DONOR COMMUNITY

Regional and international donors have provided invaluable funding, training and advice to support the development of Barbados over the last twenty-five years. Table 1 below provides a list of the donors operating in Barbados.

Table 1: List of Regional and International Donors

Association of Universities and Colleges of Canada (AUCC)
<i>Association of Canadian Community Colleges (ACCC)</i>
<i>Caribbean Development Bank (CDB)</i>
<i>Caribbean Export Development Agency</i>
<i>Caribbean Community (CARICOM) Secretariat</i>
<i>Canadian School of Public Service</i>
<i>Canadian International Development Agency (CIDA)</i>
<i>CCAF-FCVI Inc. (The Canadian Comprehensive Auditing Foundation)</i>
<i>Delegation of The European Union to Barbados and the Eastern Caribbean</i>
<i>Department for International Development (DFID)</i>
<i>Government of Italy</i>
<i>European Investment Bank (EIB)</i>
<i>International Development Association (IDA)</i>
<i>International Monetary Fund (IMF)</i>
<i>Inter-American Development Bank (IDB)</i>
<i>International Bank For Reconstruction and Development (IBRD)</i>
<i>International Finance Corporation (IFC)</i>
<i>Japan International Cooperation Agency (JICA)</i>
<i>Multilateral Investment Fund (MIF)</i>
<i>Norwegian Agency for Development Cooperation (NORAD)</i>
<i>Republic Of China</i>
<i>World Bank</i>

<i>World Trade Organization (WTO)</i>
<i>United Nations Development Programme (UNDP)</i>
<i>United States Aid (USAID)</i>

Both multilateral and bilateral donors provide support for private sector development in Barbados. The main multilateral donors include:

- Inter-American Development Bank;
- Caribbean Development Bank;
- World Bank;
- International Finance Corporation;
- European Investment Bank; and,
- Delegation of the European Union to Barbados and the Eastern Caribbean.

Some bilateral assistance is also obtained from USAID, Caribbean International Development Agency (CIDA), the Government of Italy and the Government of China and the Department for International Development (DFID).

At present there are 68 active programmes/projects with 6 programmes/projects in preparation. These programmes/projects mainly provide financing and span a wide range of objectives such as supporting business, developing the business environment, coordination and developing infrastructure. Out of the 68 donor projects identified in this report, more than 50 percent provided finance.

World Bank

The World Bank (WB) has been a major donor to Barbados for the last 25 years assisting the government and also the private sector with various projects. The World Bank is comprised of five different agencies:

- 1) The International Finance Corporation (IFC);
- 2) The International Bank for Reconstruction and Development (IBRD);
- 3) The International Development Association (IDA);
- 4) The Multilateral Investment Guarantee Agency (MIGA); and,
- 5) The International Centre for Settlement of Investment Disputes (ICSID).

The IFC is the largest global development and financial institution focused on developing the private sector in Barbados and other developing countries. Over the last 15 years, the IFC has financed the development and construction of the Crane Residential Resort (US\$20 million) and the 118-guest room Marriott Courtyard hotel (US\$78 million), which is part of the existing project Courtyard

Caribe. The IFC also funded the construction and operation of thirteen PriceSmart discount and membership-shopping warehouses in the region. One of the warehouses is located in Barbados with the remainder in Costa Rica (3), El Salvador (2), Honduras (2), Dominican Republic (3) and Trinidad and Tobago (2). IFC provided funding through three loans of US\$22 million, US\$40 million and US\$10 million. Digicel has also received IFC funding – to the tune of US\$120 million – to support its expansion into five Eastern Caribbean countries.

WB is an organization that was instrumental in the development of Barbados from as early as the 1970's. Its objectives are to help stimulate development and reduce poverty in middle-income countries through loans and guarantees, among other things. The WB has helped finance numerous projects in Barbados, including the Tourism Project (1979), Road and Rehabilitation Project (1984) Agriculture Development Project (1987), and Road Maintenance and Rehabilitation Project 2(1992).

Over the last decade, WB has concentrated finances in the fight against HIV and AIDS. In 2001, the WB financed a project called Caribbean HIV/AIDS I-Barbados. Some of the aims of the project were to help prevent the spread of HIV/AIDS by reducing transmission among high-risk groups and improve access for people living with the disease in Barbados and Dominican Republic. The project had an overall budget of US \$ 23,650,000 with the WB committing US\$15,150,000 in financing. The project was officially approved on 28th June, 2001 and closed on 31 December, 2007. The WB again in 2008 financed another AIDS/HIV project called Barbados Second HIV/AIDS Project. The aims were to increase, (1) access to prevention, treatment and social care for persons who were of higher risk, and (2) the exercising of safer sexual behaviour by individuals who were susceptible of catching the disease.” The project closing date has been revised to November 30, 2014. . Based on the implementation status report¹ provided by the World Bank, this initiative look set to meet all Project Development Objectives by the closing date. The total cost of the project is US\$94,490,000.

Caribbean Development Bank

The Caribbean Development Bank (CDB) has provided funding for both the Government of Barbados and, most importantly, the private sector with

¹ http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/LCR/2014/11/17/090224b082868b8c/1_0/Rendered/PDF/Barbados000Bar0Report000Sequence012.pdf

funding. These funds have been used on various types of projects. In 2006 the CDB funded the expansion of the Cave Hill School of Business of University of the West Indies. This project not only assisted with the expansion of the school, but also enabled the institution to potentially increase its market share of the post-graduate businesses education market. CDB has also provided funding of US\$16.87 million to the Caves of Barbados Limited for the Harrison's Cave Redevelopment Project. This project was aimed at redeveloping the facilities of Harrison's Cave and upgrading the roads and infrastructure and is expected to boost Barbados's overall tourism product.

Inter-American Development Bank

With Barbados trying to compete globally, the the Inter-American Development Bank (IADB) initiated a program called the Barbados Competitiveness Program in December 2009. The program would seek to the address areas that were affecting the inefficiency of the movement of goods in Barbados. This would assist the private sector in being more competitive. Additionally, it will contribute to private sector enhancement via the development of key benchmarks and statistics as it relates to productivity. Another project funded by IADB is Skills For Future project, which was approved on June 21, 2012. The project falls under the Government of Barbados' Human Resource Development Strategy (HRDS) and will focus on educating and training the work force. The HRDS is aligned with the general needs of the economy, but with specific focus on the competitiveness of the private sector. The project will cost US\$20,506,572 in total.

The public sector has also drawn on the IADB. For example, the Ministry of Education and Human Resource Development recently obtained US\$20 million for the Skills For The Future project. The main objective of this project is to make the work force in Barbados more competitive globally. In addition, the World Bank finances a project entitled Entrepreneurship Program for Innovation in the Caribbean, which is aimed at developing a regional network of business incubators and using them to grow small and micro businesses in the Caribbean. Grant funds have also been secured for a variety of purposes such as supporting regional integration and providing trade and technical assistance for the IT equipment in the public service.

In line with Barbados's focus on a green economy strategy, the Government secured financing from IADB for the Public Sector Smart Energy Program (PSSE). The program is aimed at promoting and implementing the use of Renewable Energy (RE) and Energy Efficiency (EE) measures in Barbados.

With the continuous increase in fossil fuel prices, such a strategy would reduce the island's fossil fuel dependency and enhance competitiveness. IDB will provide US \$17 million, while the European Commission will provide US \$7.6 million in additional funding. The Division of Energy and Telecommunications of government will be the executing agent for the program. More recently, Grant funded by the European Union (EU) and managed by the IDB under a bilateral agreement was provided in order to support the PSSE in the following areas: (i) Retrofitting of government buildings with RE and EE technologies and public lights with EE technologies; (ii) A pilot project and studies for encouraging the use of renewable energy; (iii) Capacity building, institutional strengthening and public awareness.

MULTILATERAL INVESTMENT FUND (MIF)

The Multilateral Investment Fund is a member of the IDB group that supports economic growth and poverty reduction in Latin America and the Caribbean through encouraging increased private investment and advancing private sector development. It has been funding private sector development in Barbados since the 1980s. Early projects were in the area of institutional strengthening and technical cooperation for key private sector support institutions such as the Barbados Industrial Development Cooperation (US\$305,000) and the National Development Foundation (US\$310,000) and Support for the Tourism Industry in the area of worker skills development and certification (US\$2.2 million, 1998). In recent years the MIF has supported Cooperatives (US\$840,000), a mentoring model to develop young entrepreneurs (US\$490,000), support for green business Barbados (US\$150,000) and the revitalisation of the City of Bridgetown through the implementation of a coordinated strategy between public and private actors.(US\$145,000), and a sustainable value chain model which centers on partnering farmers, with supermarkets and the cruise tourism industry.

This year, they will launching project that is expected to increase linkages between local suppliers and the tourism industry (hotels and restaurants) in Barbados by establishing an ICT platform as a communications hub, training suppliers and assisting hoteliers with integrating and managing local purchasing into their procurement policies.

COMPETE CARIBBEAN PROGRAM

The Compete Caribbean Program has provides technical assistance grants and investment funding to support development policies, business climate reforms,

clustering initiatives and Small and Medium-Size Enterprise (SME) development activities in the Caribbean. To date Barbados has benefitted from several major projects on the Compete Caribbean Programme: (1) Immigration Reforms centred around a diagnostic and policy recommendations for ports of entry in the country; and (2) improvement in local access to affordable renewable energy and energy diversification on a national scale. (3) Impact Investment in the Caribbean; and (4) Identifying Sustainable Agricultural Initiatives in the Caribbean. The island also benefitted from various other regional projects funded by Compete Caribbean such as Measuring Competitiveness for Private Sector Development in the Caribbean.

THE EUROPEAN UNION

The European Union (EU), formerly known as the European Economic Community, created a formal relationship with Barbados in July 1976. The aim of EU funding is to help improve the quality of inhabitants within recipient countries. At the time of this report, the EU was Barbados' largest development grant aid partner. The EU provides support through the EU Delegation to Barbados and the Eastern Caribbean, the European Development Fund, the European Commission and the European Investment Bank. In 2010, the EU Delegation to Barbados and the Eastern Caribbean distributed 130 million euros in development aid. The European Development Fund (EDF) has provided grants for programmes and projects not only to Barbados but also to the region. The European Commission manages the funds from the EDF but also helps to implement the projects and programmes. There have also been numerous projects and programmes that the EU has directly funded, such as the construction and establishment of the Barbados Hospitality Institute (Pommarine) and the expansion of the Barbados Language Centre at the Barbados Community College. The EU has also provided funding to the Barbados Human Resource Development Strategy as well as budget support for the re-development of the Sugar Cane Industry.

The European Investment Bank has (EIB) also provided financing that has helped further the EU's cooperation and developmental policies outside of the EU. The EIB has provided these funds through loans to entities in the private sector as well as the government. In line with the EU's greater emphasis on alternative energy, they provided financing to the Barbados Light and Power Company Ltd. to help fund the BLPC IV Wind Power Project. The project seeks to replace the fuel and reduce CO2 emissions through the construction and operation of a wind farm in Barbados. The total cost of the project was estimated at US\$ 16,700,000 with the EIB providing US\$12,500,000 in financing.

Another project that was funded by EIB was the Caribbean Financial Services Corporation Global Loan III. The objective of this loan was to help with the development of the financial sector in Barbados and other Caribbean countries. Additionally, the loan will stimulate the development of the private sector. The EIB would provide funding up to US \$9,845,972.42 for this loan. The EIB provided finances to upgrade and extend the Grantley Adams International Airport.

Furthermore.

Department of Foreign Affairs, Trade and Development (DFATD) , Canada Department of Foreign Affairs, Trade and Development (formerly the Canadian International Development Agency (CIDA)) has provided financial assistance to Barbados and some other countries located within the Caribbean region. DFATD seeks to enhance economic management in Barbados and other Caribbean countries. This goal is being championed through the Economic Management in the Caribbean Project, whose objectives include improving revenue generation through taxes and collection and creating more efficient budget expenditure programs. DFATD has provided US \$24,216,371.60 for this project, with the World Bank being the executing agency. To date, Barbados has received 8.33% of the funds (US\$2,017,223.75). DFATD is also currently funding a project that gives a platform for promoting growth of the private sector. The project is called 'Promoting Private Sector Growth-Compete Caribbean'. "The objectives of the project are to enhance sustainable economic growth by improving competitiveness within the private sector in Barbados and other countries." The overall project will cost US \$19,901,289.60. Barbados will receive approximately 6.75% of the funds, US \$1,343,337.048. The IDB, through the Compete Caribbean Program, will be the executing agency and funds are given as a grant. In addition, The IDB and DFATD have also partnered to develop the Canadian Climate fund for the Private Sector in the Americas. This initiative aims to support projects across the Caribbean that are focused on renewable energy, energy efficiency, reducing greenhouse gas emissions, and that help countries to adapt to the adverse impacts of climate change.

International Monetary Fund

The International Monetary Fund (IMF) has provided support to Barbados through different executing agencies. The IMF helped fund the Caribbean Regional Technical Assistance Centre (CARTAC) Project with the Caribbean Development Bank and United Nations Development Programme. The purpose was to help assist Caribbean countries' capacity in terms of

macroeconomic management, strengthen financial supervision and development, and continued support for economic growth and the IMF is the executing agency.

United Nations

The United Nations' Charter has six key organs, General Assembly, Security Council, Economic and Social Council, Trusteeship Council, International Court of Justice and the Secretariat. In addition to these principal organs, the Charter also encompasses 15 agencies and many programmes and bodies². United Nations Development Programme's (UNDP) objective is to help build countries that can withstand crises as well as drive and maintain growth. However, the UNDP does not only provide funding to help with competitiveness, but also with poverty reduction, democratic governance and disaster risk reduction to name a few. One such example of UNDP support is the "Strengthening Economic and Financial Management in the Caribbean Region" project. The project seeks to improve the regulations and supervision of the financial sector, with special emphasis on non-financial institutions. Additionally, this project aims to improve the revenue policy in Barbados and other Caribbean countries and deliver more effective revenue administration. This project will cost US \$25,139,844 in total. The cost will be shared among UNDP, IMF, CDB and each host country.

EFFORTS TO COORDINATE DONOR ACTIVITIES

United Nations Sub-regional Team Sub-regional Common Assessment

There have been many attempts at coordinating donors operating in Barbados and the entire Caribbean. The United Nations Sub-regional Team (UNST)³

² These include the Food and Agricultural Organisation, International Civil Aviation Organisation, International Fund for Agricultural Development, International Labour Organisation, International Maritime Organisation, International Telecommunications Union, United Nations Educational, Scientific and Cultural Organisation, United Nations Industrial Development Organisation, Universal Postal Union, World Health Organisation, World Intellectual Property Organisation, World Meteorological Organisation and World Tourism Organisation.

³ The UNST for Barbados and the OECS includes the following operational agencies and funds: United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO), Pan American Health Organization/World Health Organization Eastern Caribbean Countries (PAHO/WHO ECC), Pan American Health Organization/World Health Organization Caribbean Programme Coordination (PAHO/WHO CPC), United Nations Children's Fund (UNICEF), United Nations Entity for Gender Equality and Women's Empowerment (UN WOMEN), International Telecommunication Union (ITU), United Nations Human Settlements Programme (UN-HABITAT), Joint United Nations Programme on HIV/AIDS (UNAIDS), all based in Barbados; Universal Postal Union (UPU) based in Saint Lucia; United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), International Labour Organization (ILO) and United Nations Information Centre (UNIC) in Trinidad and Tobago; and United Nations Education, Scientific and Cultural Organization (UNESCO) and United Nations

developed its first Sub-regional Common Assessment (SCA) for the programming period 2008 and 2011. This first attempt at regional coordination lacked broad stakeholder consultation, resources and indicators to support monitoring and evaluation.

United Nations Development Assistance Framework

Learning from these earlier attempts at coordination, the United Nations Development Assistance Framework (UNDAF) for Barbados and the Organisation of Eastern Caribbean States (OECS) has explicitly attempted to encourage development cooperation (UNST, 2011). The framework attempts to coordinate the efforts of the 15 UN Agencies, Funds and Programmes (UNST) that comprise the UN System for Barbados and the OECS⁴ as well as the three additional UN agencies that have agreed to collaborate with the UNDAF. Detailed consultations were held in programme countries with government, private sector, civil society and other development institutions.

The framework has six strategic objectives:

1. Enhance the capacity of national, sub-regional and regional institutions and stakeholders to better manage natural resources, develop resilience to extreme events and improve resource efficiency;
2. Strengthen the enabling environment for effective and inclusive governance and security at the national and sub regional level;
3. Strengthen the enabling environment and social protection services and systems to reduce poverty and inequality, and increase economic participation and social inclusion, with an emphasis on vulnerable groups;
4. Strengthen policy, legislative framework and food production environment to enhance food and nutritional security;
5. Establish an enabling environment for a reduction in the incidence, morbidity and mortality from HIV and non-communicable diseases;
6. Harmonise and increase access to social, environmental and economic data to support policy and decision-making processes at the sub regional and national level.

Population Fund (UNFPA) in Jamaica. UN organizations external to this group that are collaborating on the UNDAF planning, implementation, monitoring and evaluation are: United Nations Office on Drugs and Crime (UNODC), United Nations Environment Programme (UNEP) and United Nations Industrial Development Organization (UNIDO).

⁴ These include the six independent countries, namely Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines and the three British Overseas Territories: the British Virgin Islands (BVI), Anguilla and Montserrat. The six independent countries and Montserrat are full members of the OECS; Anguilla and BVI are Associate Members.

The UNDAF is aiming to mobilise US\$35 million over the 5-year implementation period to support these objectives. A breakdown of these funds by UNDAF priorities is provided in Table 1. The table suggests that most of the funds will be targeted at enhancing the capacity of national, sub-regional and regional institutions and stakeholders to better manage natural resources, develop resilience to extreme events and improve resource efficiency, largely due to the vulnerabilities the region face in this regard.

Table 2: UNDAF Priorities and Allocation of Funds

<i>UNDAF Priorities</i>	<i>Millennium Development Goals</i>	<i>Total (US\$)</i>
<i>Environment, energy, climate change and disaster risk reduction</i>	<i>MDG 7 on the integration of the principles of sustainable development into country policies and programmes; MDG 8c addressing the special needs of landlocked developing countries and small island developing states</i>	<i>\$26.7 million</i>
<i>Enabling environment of effective economic and social governance and enhanced security</i>	<i>MDG Goal 8 on developing a partnership for development</i>	<i>\$2.6 million</i>
<i>Social protection and poverty reduction with a focus on vulnerable groups</i>	<i>MDG Goal 1 on eradication of extreme poverty and hunger; Goal 2 on Universal primary education especially its quality; Goal 3, promote gender equality and empower women; Goal 4 reduction of child mortality</i>	<i>\$2 million</i>
<i>Food and nutrition security</i>	<i>MDG Goal 1, eradicate extreme poverty and hunger</i>	<i>\$1.3 million</i>
<i>Public health within the context of the development agenda using rights based approach, maintaining focus on HIV/AIDS and non-communicable diseases</i>	<i>MDG Goal 6 on combating HIV/AIDS, malaria and other diseases</i>	<i>\$1.3 million</i>
<i>Capacity building and institutional strengthening</i>	<i>MDG Goal 8, a global partnership for development</i>	<i>\$1.6 million</i>

Source: UNDAF

The UNDAF will be jointly implemented by Government Ministries, Non-Governmental Organisations (NGOs), International Non-Governmental Organisations (INGOs) and the UN System for Barbados and the OECS. This coordination effort will involve the harmonisation of programme cycles as well as the development of joint programmes, which will be aligned to the country programmes, projects and activities of the UN Agencies, Funds and Programmes. The UNDAF will also have a high-level Steering Committee responsible for leading the implementation process, monitoring overall progress and evaluating outcomes. Five UNDAF Outcome Groups will also be established under the oversight and guidance of the UNST to support implementation. These groups will comprise staff from all participating agencies. Support for the UNST and the six UNDAF Outcome Groups will be provided by the Office of the UN Resident Coordinator. The UNDAF monitoring and evaluation framework will be based on a results-based management approach and will help guide stakeholders in determining how well the objectives are being met, improvements that may be required and capacity needs.

Delegation of the European Union to Barbados and the Eastern Caribbean

The Delegation of the European Union to Barbados and the Eastern Caribbean attempts to coordinate the donor activities of EU member states in the island. The Delegation has the expressed goals of:

- Promoting the values and policies of the European Union;
- Implement development and trade policies focussing on poverty alleviation and on the promotion of democracy, human rights and the rule of law as well as the smooth and gradual integration of the countries into the world economy;
- Deepen the political dialogue on all issues of mutual interest and to strengthen the partnership; and to support CARICOM regional integration.

The Delegation liaises with the European Commission headquarters in Brussels, Government agencies and non-state actors. The European Development Fund (EDF) is the main instrument of development aid to Barbados. In the past, Barbados has used these funds to support the construction of the Barbados Community College Language Centre, equipping the Forensic Science Laboratory, construction of the Hospitality Institute, upgrading of fishing

facilities at Consett Bay and Skeete's Bay as well as the upgrading of the Barbados Health Sector. Under the 10th EDF National Indicative Programmes (2008-2013) the island has been allocated 9.75 million euros in programmable resources, with a particular emphasis on human resource development.

Eastern Caribbean Donor Group

Other coordinating mechanisms include the Eastern Caribbean Donor Group (ECDG) that attempts to coordinate the activities of various donors, humanitarian aid and development agencies (UNDP, DFATD, DFID, IADB, USAID/OFDA, CDB, WB, Organisation of American States (OAS), Caribbean Disaster Emergency Response Agency, Regional Security System, FAO, International Telecommunications Union, PAHO, UNICEF, UNDP, World Food Programme, International Federation of the Red Cross, OXFAM, EU and UNRC) in six key thematic areas (poverty and social sector development, macroeconomic and public financial management, private sector development, governance, environment, energy and climate change as well as disaster management. These international donors also coordinate their disaster management activities under the umbrella of the Eastern Caribbean Donor Group for Disaster Management (ECDGDM). The main objectives of the group are:

- To conduct initial assessments after the event;
- Assist affected governments in coordinating the assistance response; and,
- Enhance and support for Caribbean Disaster Emergency Management Agency (CDEMA) as the regional mechanism for disaster response.

A number of donors do integrate gender into their programs and projects including CIDA and DFID (USAID, 2010). One area, which needs to be addressed, however is in terms of monitoring and evaluation. In many cases indicators are not usually disaggregated by sex, making the evaluation of the gender impact of programmes and projects somewhat difficult. There are also several forums aimed at harmonizing donor activities in relation to gender including the Regional Advisory Group on Gender and Development, Poverty Social Sector and Development Donor Working Group, and the Working Group on Masculinities, Gender Equality and Social Policy. A description of these groups can be obtained from USAID (2010).

Inter-American Investment Corporation

In addition to these regional coordinating mechanisms, stakeholders in Barbados have also developed strategic partnerships with key international donors. GREENPYME, an initiative of the Inter-American Investment

Corporation and provides technical assistance to small and medium-sized enterprises with advisory services in the areas such as training and energy audits and has an expressed core mission of promoting sustainable SME development in Latin America and the Caribbean. The entity has strategic partnerships with the Barbados Coalition of Service Industries, the Barbados Manufacturers' Association, the Barbados Chamber of Commerce and Industry, the Barbados Investment and Development Cooperation and the Barbados Small Business Association. The Initiative receives donor support from the Austrian Trust Fund, the Danish Trust Fund, the Italian Trust Fund, the Korea Trust Fund, the Belgium Trust Fund, the Nordic Development Fund, the Swiss Technical Cooperation Trust Fund for Consulting Services and Training Activities, the French Technical Cooperation Trust Fund for Consulting Services and Training Activities, the Spanish General Cooperation Fund and the Norwegian Consulting Services Trust Fund. A sister initiative FINPYME Export provides technical assistance so that SMEs can better access export markets particularly in the area of certification, operational processes and process management. FINPYME in the Caribbean and Central America is funded by the Government of the Republic of Korea through the Korea-IIC SME Development Trust Fund.

Assessments of the impact of these projects are usually undertaken via consultant impact assessment reports and the achievement of specific targets. UNDP (2010) provides an assessment of the various programmes and projects aimed at helping the island cope with the rising price of fossil fuels. Since 1999 there were an identified 40 new energy interventions, with 80 percent targeted at renewable energy and the remainder at energy efficiency. The document outlined the main benefits of these programmes, beneficiary groups, barriers to interventions, strategies to overcome barriers as well as lessons learnt from these interventions. In terms of programme targets, USAID provides a good of the use of this approach. The Job Opportunities for Business Start-up (JOBS) supports the development of a partnership between Indiana University and the University of the West Indies (Cave Hill School of Business). The programme targets graduates through short-term and long-term training and will attempt to build an entrepreneurial curriculum at the Cave Hill School of Business, equip faculty to deliver these new programmes, enhance linkages with the business community (through business incubator development), provide mentoring and internships to candidates and develop case studies and the research capability of the School. Key programme targets identified were the number of persons receiving training, mentorship and internships, number of fellowships provided and the number of case studies developed.

There have been numerous efforts aimed at coordinating the donor community in the Caribbean, most notably the UNDAF. There are still, however, two main weaknesses identified in relation to coordinating donor efforts. First, while the private sector and NGOs were consulted in the development of the UNDAF much of the funds coordinated by this mechanism will be directed at addressing overall macroeconomic vulnerabilities. Such an effort has all the characteristics of a public good and would likely benefit the entire society, including the private sector. However, the programme budget of the UNDAF has a relatively modest focus on private sector development. Second, much of the coordination efforts occur at the programme level with little emphasis placed at the country level. It is therefore possible that duplication could occur as coordinated programmes duplicate efforts at the country level.

Chapter 2: Description of Local Stakeholders

PUBLIC SECTOR

There is a somewhat fragmented approach to private sector development involving a number of government ministries, including:

- Ministry of Finance and Economic Affairs;
- Ministry of Tourism;
- Ministry of Education and Human Resource Development;
- Ministry of International Business and International Transport;
- Ministry of Agriculture, Food, Fisheries and Water Resource Management;
- Ministry of Commerce and Trade;
- Ministry of Foreign Affairs and Foreign Trade;
- Ministry of Labour, Social Security and Human Resource Development;
- Ministry of Industry, Small Business and Rural Development; and,
- Ministry of Social Care and Constituency Empowerment

These Ministries usually delegate their private sector development efforts to some quasi-government agency. Furthermore, there is limited coordination between ministries/agencies, resulting in a high level of confusion within the private sector about sources of funding and other forms of support.

Ministry of Finance and Economic Affairs

The Barbados Productivity Council was conceptualised to implement a Prices and Incomes Policy signed by Government, employers and workers representatives. Since this early period the council has evolved and now provides support to the private sector in the following areas:

- the creation and development of methodologies for productivity measurement;
- technical advice and assistance for devising productivity-related payment schemes;
- promote and monitor all aspects of productivity growth;
- assist in the development of improved methods of work organisation geared to the enhancement of productivity levels;

- design, advise on, and conduct educational programmes on productivity; and
- disseminated information to stimulate public awareness and promote understanding of the need to improve work standards.

Fiscal incentives for manufacturing enterprises are captured under the Fiscal Incentives (Amendment) Act 2001. The Act provides for a maximum of a 15-year tax holiday to any manufacturer of an approved product. Manufacturers may fall within one of five classifications listed in Table 3. Benefits under the act include exemption from customs duties on equipment, spare parts and raw materials from outside CARICOM. Dividends and other distributions to shareholders are also exempt from the payment of income tax during the tax holiday.

Table 3: Classification of Companies under the Fiscal Incentives Act

<i>Classification</i>	<i>Criterion</i>	<i>Tax Holiday</i>
<i>Group 1 Enterprise</i>	<i>Local value added is equal to or greater than 50%</i>	<i>15 years</i>
<i>Group 2 Enterprise</i>	<i>Local value added is between 25% and 50%</i>	<i>13 years</i>
<i>Group 3 Enterprise</i>	<i>Local value added is between 10 and 25%</i>	<i>11 years</i>
<i>Enclave Enterprise</i>	<i>Enterprise produces exclusively for export to countries outside of CARICOM</i>	<i>15 years</i>
<i>Highly capital intensive industry</i>	<i>Capital investment of at least US\$25 million</i>	<i>15 years</i>

The Barbados Investment and Development Corporation (BIDC) maintains a list of Green Business incentives on their website⁵ relevant to manufacturers and small businesses while Invest Barbados has a similar listing aimed at foreign investors and exporters⁶ on their website⁷. The InvestBarbados website

⁵ http://www.bidc.com/index.php?option=com_content&view=article&id=145:green-business-incentives&catid=80:news-current&Itemid=169

⁶ <http://www.investbarbados.org/docs/Incentives%20Table.pdf>

⁷ <http://www.investbarbados.org/incentives.php>

also supplies information on pro-business legislation⁸, which may also be obtained from the World Law Guide⁹.

Ministry of Tourism and Other Tourism Agencies

The Barbados Tourism Investment Inc. helps potential investors identify opportunities, identify service providers, explain incentive legislation and benefits, liaises with government departments and agencies plus reviews of investment proposals.

Ministry of Education and Human Resource Development

In addition to the Productivity Council, two other agencies aim to develop labour productivity and fall under the aegis of the Ministry of Labour: The Barbados Vocational Training Board (BVTB) and the Technical and Vocational Education and Training Council (TVET). The BVTB has the goal of ensuring an adequate supply of trained manpower in occupations in all branches of economic activity. This mandate is carried out via the supervision of a national apprenticeship system, training programmes and testing and certification. The TVET Council supports the mission of the BVTB by planning, coordinating as well as establishing standards and qualifications for technical and vocational education and training.

Ministry of International Business and International Transport and Related Agencies

Overall responsibility for attracting international investment is coordinated by InvestBarbados. The agency also promotes the export of services, monitor competitor domiciles, clients and markets for new trends and legislative change and work with other stakeholders to develop the Barbados business brand. The agency fulfils its mandate by:

- promoting and winning export deals for service providers;
- providing technical assistance funding support to service providers;
- developing new investment products;
- promoting foreign direct investment; and
- collaborating with stakeholders to manage the Barbados brand.

Ministry of Agriculture, Food, Fisheries and Water Resource Management

The Barbados Agricultural Development and Marketing Corporation (BADMC) delivers advisory extension services to farmers and governs the land

⁸ <http://www.investbarbados.org/legislation.php>

⁹ <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxwebar.htm>

for the landless programme to farmers who would not be able to access lands. The Ministry itself also offers numerous support for farmers, primarily in the area of rebates and other incentives as well as technical assistance.

Ministry of Commerce and Trade

The Ministry of Commerce and Trade has overall responsibility for the Barbados National Standards Institute and attempts to build international competitiveness by helping local companies achieve international certification. The Department of Commerce and Consumer Affairs facilitates the development of commerce, enforce trading standards and protect consumers to ensure that goods are safe. One of the main functions of the department is the formulation and implementation of import policy and export policy through the licensing system.

Ministry of Foreign Affairs and Foreign Trade

The Council for Investment, Exports, Foreign Exchange and the Diaspora (CIEX) coordinates the efforts of all foreign exchange earning industries and explores new avenues for attracting investment. The Ministry also has responsibility for the CARIFORUM-EU Economic Partnership Agreement (EPA) in Barbados. The main objectives of the EPA include

- assisting the private sector to identify EPA-related needs and possible sources of development assistance;
- working with private sector institutions to exploit market access opportunities;
- liaising with EU-associated institutions responsible for providing funding and other technical assistance to support development and growth;
- interfacing with regional and locally-based institutions involved in managing and disbursing resource; and,
- the development of a set of benchmarks to monitor EPA implementation.

Ministry of Industry, Small Business and Rural Development

The Barbados Investment and Development Corporation (BIDC) is tasked with developing the manufacturing and small business sectors. For small businesses the agency provides technical assistance (training, marketing, plant upgrade consultation, operational redesign, product development and international standards certification), mentorship, incubator, advisory services (confidential business counselling, planning promotional activities, identification of sources of raw materials, market information as well as assistance with product and packaging design). The BIDC also owns and

manages 70 industrial buildings, 8 craft shop buildings, 27 craft units and 1 restaurant (amounting to 1.7 million sq. ft. in floor space). The corporation leases factory space and by doing so aims to develop clusters in information technology, manufacturers, distributors as well as some suppliers. For exporters, the agency usually conducts trade missions, certification and overall market development services.

BARBADOS YOUTH BUSINESS TRUST (BYBT)

The Barbados Youth Business Trust is a registered charity that helps individuals between the ages of 18 and 35 years old form their own business. Overall objectives include fostering the concept of self-employment, provide financial assistance, and provide young entrepreneurs access to an advisory network. Recipients of grant and loan funding from the BYBT have been a wide variety of industries including music, cosmetology, computer repair, decorating, art, to name a few.

Ministry of Social Care and Constituency Empowerment

The Bureau of Gender Affairs in the Ministry of Social Care and Constituency Empowerment is Government's key focal point for the implementation and monitoring of policies and programmes pertaining to Gender and Development. Women have equal property rights, including in a divorce settlement. Women participate in all aspects of national life and are well represented at all levels of the public and private sectors. Barbados has attempted to address many of the gender barriers to doing business. Progress in relation to the gender gap can be assessed using the World Economic Forum's Global Gender Gap Report (WEF, 2011). The report provides an index that benchmarks overall gender gaps as well as in relation to economic, political, education and health-based criteria (WEF, 2011) provides the rankings for the overall index for 2010 and 2011, with rankings close to 1 indicating that the country has relatively low gender-based disparities. The island had one of the lowest rankings among the group of comparator countries, with only Trinidad and Tobago and the Bahamas ahead of Barbados. There is also a government poverty eradication fund focused on encouraging entrepreneurial activities to increase employment for women and youth.

PRIVATE SECTOR

The Barbados Private Sector Association (BPSA) is the umbrella agency representing the private sector in the island's Social Partnership agreement. The Association represents:

- Barbados Agricultural Society (BAS);

- Barbados Bankers' Association (BBA);
- Barbados Chamber of Commerce and Industry (BCCI);
- Barbados Employers' Confederation (BEC);
- Barbados Hotel and Tourism Association (BHTA);
- Barbados International Business Association (BIBA);
- Barbados Manufacturers' Association (BMA);
- Barbados Small Business Association (SBA); and,
- Institute of Chartered Accountants of Barbados (ICAB).

The BCCI is one of the largest private sector entities in Barbados lobbying on the behalf of the business community. The BCCI, established under an Act of Parliament (BCCI Act, 1983-10), attempts to foster an enabling environment for business prosperity, participates in policy development and implementation and manages the Duty Free Scheme¹⁰ on the island. The Chamber represents more than 250 businesses in legal services, international business, retail, manufacturing, banking and consulting, among others. Members of the BCCI benefit from the promotion and marketing activities of the Chamber and networking opportunities with businesses in Barbados and the wider Caribbean. Other general umbrella bodies largely involved in lobbying include the Barbados Small Business Association and the Barbados Employers' Confederation.

In addition to the BCCI, which has a fairly broad-based membership, there are also various sector-specific associations. The BHTA represents the interests of accommodation establishments, attractions, airlines, restaurants, real estate agents, tour representatives, retailers, local and international trade and consumer press, advertising and public relations agencies, technology providers, consultants, suppliers, cruise service providers and tourism students. The BHTA lobbies on the behalf of its members, seeks to foster good labour relations for its members, provide training opportunities for employees in the tourism and related industry, disseminates information on market developments as well as help its members market and upgrade their product offerings. The BHTA has key strategic partners at both the national and regional level, including the Barbados Tourism Authority, the Caribbean

¹⁰ The Duty Free Scheme was established in 1959 and allows businesses that are set up as a duty free entity to sell goods and services to visitors free of any duties. The overall objective of the Scheme was to provide greater shopping alternatives for tourists and at the same time increase the economic impact of the tourist industry.

Tourism Organisation¹¹ and the Caribbean Hotel and Tourism Association¹². Notable achievements of the BHTA include securing VAT and Land tax concessions, establishment of the \$30 million Tourism Investment Fund, the \$20 million Small Hotels Fund and the BHTA Training Fund, which seeks to upgrade the skills of staff in the tourism industry. In addition to the BHTA, the BMA helps manufacturers adhere to proper standards of safety, product promotion, source raw materials, lobbies on the behalf of the industry, as well as technical, mentoring and consulting services tailored to suit micro, small and medium-sized producers. Numerous bodies represent agriculture including the BAS, the Barbados Cotton Growers Association, Floral Association, the Barbados Association of Pig Farmers, the Barbados Egg and Poultry Producers Association, the Barbados Dairy and Beef Producers Association, the Barbados Fruit and Vegetable Growers Association and Sheep Farmers.

In the area of international trade and investment, BIBA lobbies on the behalf of the international business and financial services industry, while the Barbados Private Sector Trade Team (BPSTT) represents and promotes the interests of the private sector in the arena of international trade negotiations. BPSTT evaluates the competitiveness of Barbadian businesses, assesses the impact of trade agreements and identifies opportunities arising from trade agreements. Regional support for exporters in Barbados can also be obtained from the Caribbean Export Development Agency.

The Cave Hill School of Business (CHSB) and the Barbados Institute of Management and Productivity (BIMAP) both offer management training and consulting services to businesses. In terms of business development, BIMAP has a Business Development and Entrepreneurship Division, which attempts to cater to the needs of small business by providing counselling, training, accounting, and general advisory services. Specific services include preparation of feasibility studies, market research, business plans, loan proposals, financial statements, tax returns and advice on marketing and pricing. CHSB, part of the University of the West Indies-Cave Hill Campus, also provides training, certification and consulting services. The Business School hosts the Centre for Enterprise and Entrepreneurship, which attempts to promote a more innovative type of entrepreneur through:

- ideas and policy forums;

¹¹ The CTO provides market intelligence, human resource development, tourism education and training, support sustainable tourism development.

¹² Among other areas of support the CHTA operates a Caribbean Tourism Investment Fund, offers insurance, market intelligence and lobbies at the regional and international level for the industry.

- providing information hubs; and
- the organisation of entrepreneurship best practice series.

The Cave Hill Campus also hosts the Institute for Gender and Development Studies (IGDS). The IGDS attempts to build Caribbean scholarship on masculinity and femininity, build awareness among women and men regarding pervasiveness and outcomes of unequal gender relations, and produce research that supports policies to create a just society for Caribbean children, women and men.

Chapter 3: Description of Information Available for the Analysis of Private Sector Characteristics, Development of Initiatives and Results

Information on private sector activities is not collated in a single location. The BIDD database is perhaps the best source of information that can be used to evaluate the impact of various private sector development initiatives. The database is not comprehensive, as it focuses only on BIDD-assisted enterprises. Information on employment in the firm (disaggregated by gender), investment and exports is provided. Table 4 provides information the level of job creation based on their quarterly report on the employment and investment in the manufacturing and services industry.

Table 4: Example of Information Available from BIDD Database

JOB CREATION FOR THE PERIOD APRIL 2013 TO MARCH 2014						
SUB-SECTOR	Quarter Jan-Mar	Quarter Apr- June	Quarter July- Sept	Quarter Oct-Dec	PERIOD Jan-Dec	PERIOD BIDD YTD
	2013	2013	2013	2013	2013	Apr13- Mar14
MANUFACTURING						
FOOD, BEVERAGES & TOBACCO	257	21	100		378	121
TEXTILES, APPAREL & LEATHER	3	5	10		18	15
WOOD, WOODEN PRODUCTS &	10	8	3		21	11
PAPER PRODUCTS & PRINTING	0	4	11		15	15
CHEMICALS & CHEMICAL PRODUCTS	10	0	2		12	2
PLASTIC PRODUCTS	1	1	1		3	2
NON METALLIC MINERAL PRODUCTS	0	2	10		12	12
FABRICATED METAL PRODUCTS	15	7	8		30	15
PRECISION INSTRUMENTS	0	1	0		1	1
ELECTRONIC COMPONENTS	0	0	0		0	0
HANDICRAFT	3	1	1		5	2
OTHER MANUFACTURING	7	0	2		9	2

Sub Total	306	50	148		504	198
SERVICES						
ACCOUNTING & INTERNATIONAL	7	9	16		32	25
ADVERTISING & PUBLIC RELATIONS	0	3	0		3	3
GRAPHIC ART & PHOTOGRAPHY	0	0	0		0	0
ARCHITECTURAL SERVICES	0	2	3		5	5
CONTRACT & CONSTRUCTION	31	10	1		42	11
TECHNICAL & GENERAL CONSULTING	0	0	12		12	12
ENGINEERING SERVICES	1	2	0		3	2
INFORMATION SERVICES	4	5	14		23	19
REPAIRS & REFABRICATION	0	0	0		0	0
Sub Total	72	31	51		154	82
TOTAL	378	81	199		658	280
SMALL BUSINESSES NOT	3	1	4		8	5
GRAND TOTAL	381	82	203		666	285

Source: BIDC

The Business Surveys Division of the Barbados Statistical Service also maintains a fairly useful database on the industrial sector in Barbados. The database maintains monthly production and sales data on enterprises, which is used in the calculation of the national index of industrial production. The monthly survey is also supplemented by an annual survey that covers a wider variety of information including employment, income and expenses. The BSS also collects information on sales and employment in order to provide National Accounts estimates. This data is only published in a highly aggregated form, and would only allow for the evaluation of changes in industry development, rather than firm-level development.

An alternative source of information that can be used to monitor private sector development is data from the Barbados Productivity Council's Macro-Productivity Indicators project. The Council conducts a national survey of productivity and captures data on output, labour hours and compensation within the accommodation, manufacturing, wholesale and retail trade and financial services industries. Collected data is used to provide industry-level assessments of productivity change, but useful information on employment, hours worked and sales is also provided. The main limitation of the database is the limited coverage of enterprises.

BusinessBarbados.com, a privately owned and run website, maintains a directory of businesses on the island. Each business listed on the website has information on the general background, awards and product or services offered. Some larger companies list information on the number of employees, services or goods and sales. The list is not normally updated on a regular basis, as it was developed primarily for promotional purposes. It would be difficult to use this source to evaluate the effectiveness of private sector development initiatives.

Other notable databases include that of the Central Bank of Barbados that maintains information on all financial institutions (primarily commercial banks, mortgage and trust companies, and offshore banks) regulated by that institution. The Financial Services Corporation maintains a similar database for the non-bank financial sector.

Chapter 4: Identification of Opportunities to Increase Efficient Design and Execution of Programmes

There are a wide variety of institutions providing support for private sector development in Barbados. From the side of the donor community there is currently a coordinated approach spelt out under the UNDAF. However, this only covers part of the funds that are currently provided or available for private sector development. In addition, the UNDAF has an overriding focus on reducing vulnerabilities of small island states and not specifically on private sector development. It is possible that the UNDAF could act as a model that international donors could adopt to tackle the issue of private sector development in Barbados. Such an approach would address potential overlaps and duplication of private sector development efforts. The UNDAF works well since it brings together a number of UN agencies under the aegis of the UN resident representative for Barbados and the Eastern Caribbean. However, coordinating the activities of USAID, the European Delegation to Barbados and the Eastern Caribbean, among others would be more challenging. Perhaps one low hanging fruit that can be pursued is simply the sharing of information with regards to projects and programmes associated with private sector development. This donor matrix report produced a database of projects supporting private sector development, but this database should be updated on

a regular basis for it to have any impact on harmonising private sector development.

The donor community tends to channel support either directly to the enterprise, through the government or some private sector association. Within the public sector, the investment division of the Ministry of Finance and Economic Affairs usually oversees Government's investment programme, but many other Ministries also have their own forms of support for the private sector. This creates a level of overlap and duplication of private sector development efforts from the side of Government. While ideally it would be useful to have all these funds channelled through the Investment Division, such an approach is unlikely to be sustainable and characterised by delays in accessing support – one of the main hurdles identified by those individuals interviewed to help prepare this report. This overlapping effort could be addressed if agencies providing government support for businesses had a consistent strategy. In this regard, tremendous benefits could be obtained via the organisation of a committee that includes all ministries involved in private sector.

During the process of conducting interviews with members of the donor community it was highlighted that programming is usually done at the regional level rather than at the country level. This level of planning obviously implies that there would be a degree of overlap in relation to programmes and projects at the country level. However, this regional approach to planning used by most donors also provides an opportunity for coordination and planning at the regional level. For example, many donors have programmes aimed at enhancing entrepreneurship. Some regional coordination in relation to the issue of supporting entrepreneurship in the region could potential yield some benefits in terms of impact.

At the country level, donors also mentioned the lack of capacity at the NGO level. Most NGOs have limits in terms of their capacity to execute projects. As a result, donors would have to find creative ways to distribute funds to meet their target group. The view was therefore expressed that there was a need to strengthen NGOs in Barbados. The Government of Barbados already provides significant support to a number of NGOs on the island, therefore some consolidation among local NGOs couple potential allow them to benefit from economies of scale and scope, given that the possibility of addition public funds might be limited in the short to medium-term.

While stakeholders in the donor community lauded the region's achievements in relation to integration, it was noted that there is still need to further deepen

commitment and cooperation on this front. This integration would reduce difficulties arising from differences in laws and requirements in each country and facilitate learning from experiences in other countries.

Chapter 5: Identification of Opportunities to Address Omitted Priority Problems

The PSAR, prepared in conjunction with this report, identified a number of challenges facing private sector development on the island including, *inter alia*, small size of the domestic market, high cost of energy inputs, prohibitive shipping costs for inputs, limitations on the availability of skilled labour, timely access to adequate financing and the slow speed of business interactions with government.

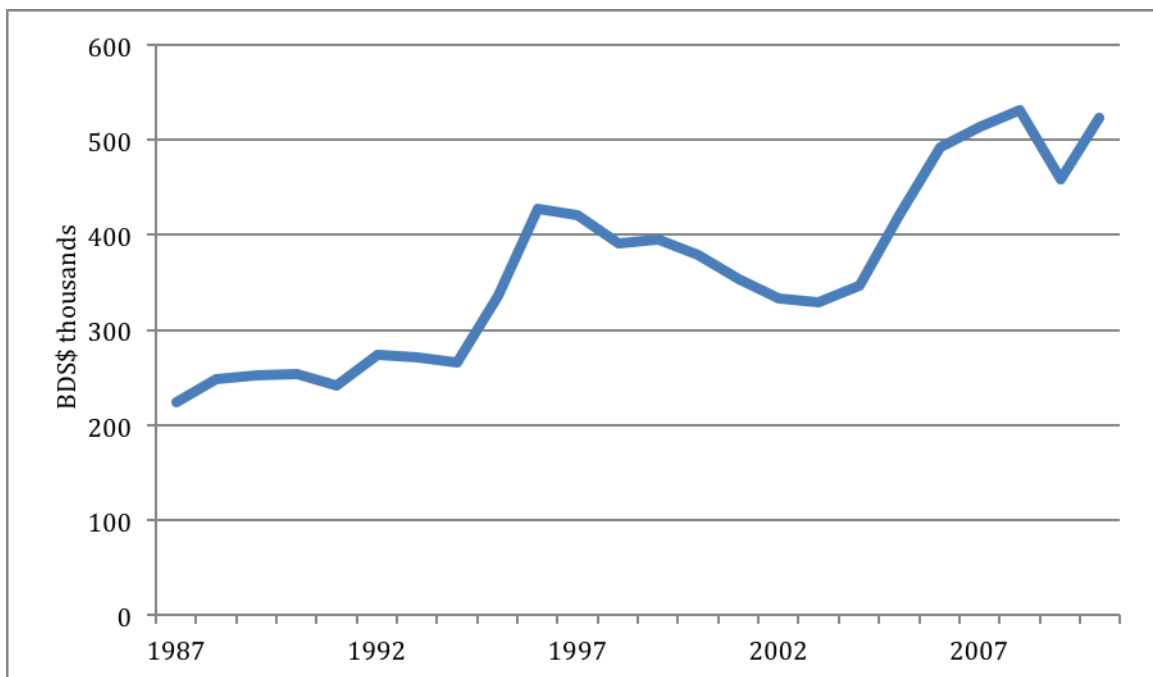
Donor funds have been used to address some of the problems raised above, but there are still some opportunities to lend greater support to the private sector on the island. Some of these opportunities include market research to identify potential export markets, innovative investments in renewable energy to lower the cost of energy inputs, training assistance and technical assistance on best practice in relation to regulating the private sector.

Agriculture in Barbados has historically been dominated by agriculture. However, given increases in food prices experienced in recent years, agriculture and agro-processing are likely to become quite feasible options over the short- to medium term. Donor efforts to date have focussed on the revitalisation of the sugar industry, but there are potential opportunities for agriculture that donors and policymakers may consider supporting in the future. Additionally, the Government of Barbados is pursuing a National Agriculture Health and Food Control Programme in an attempt to modernize its Agricultural Health and Food Control System (AHFCS) to promote internationally recognized export- quality agricultural practices, hygiene practices and manufacturing practices in Barbados' Primary sectors.

Over the last twenty-five years, Barbados' export experience has been somewhat erratic. After a relatively long period of growth between 1987 and 1996, the industry deteriorated significantly after 1996 due to the trade liberalisation and a steep depreciation in its main competitor in the region Trinidad and Tobago (Griffith, Lewis-Bynoe, & Moore, 2000). Between 1997 and 2003, exports fell from BDS\$420,955 in 1997 to just BDS\$329,422 in 2003, largely due to product obsolescence in the exports of electronic components and unfavourable market conditions for apparel. After 1996, however, the

industry recovered largely on the back of the rum exports, which doubled over the period under review, as well as the export of chemicals. Greater emphasis will have to be placed in the future on diversifying the nation's export base in order to reduce the concentration/dependence on any one industry and reduce the volatility of exports. Such an exercise will require greater investment in R&D in order to carve out lucrative niches. The BIDC reports that most supported enterprises tend to under-invest in plant and equipment, largely due to uncertainty surrounding the outlook for the enterprise. The typical wooden furniture manufacturer, for example, only invested \$18,000 in new plant and equipment between 2005 and 2006.¹³ This under-investment is typical of most businesses in the export industries; supporting investment and R&D efforts of firms in the export industries therefore offers tremendous opportunity for donors to address a major structural constraint to growth and sustainable development.

Figure 1: Barbados' Domestic Exports, 1987-2010



Source: Central Bank of Barbados Online Statistics

The further growth and development of exports in niche markets will largely depend on these firms containing their energy costs. For most businesses in

¹³ Only available information. Lashley, J. (2006) Final Report on Wooden Furniture/Architectural Millwork Industry in Barbados, BIDC, Bridgetown.

Barbados, energy inputs represent almost 40 percent of overall input expenses. Reducing the dependence of firms in the island on fossil fuels, which is characterised by significant price volatility could significantly enhance the competitiveness of firms in Barbados. With the exception of solar water heaters, investment in renewables has been slow to date, partly due to the large upfront costs, long payback periods and lack of finance for such initiatives. High energy costs are also a significant constraint for most tourism establishments. However, most establishments are highly leveraged and will find it difficult to make the necessary investments to upgrade their facilities.

Barbados has a large number of educational institutions involved in developing the islands' human resource capacity including the Samuel Jackman Prescod Polytechnic, the Barbados Community College, BIMAP, the University of the West Indies and the Barbados Vocational Training Board, among and others. Assistance is, however, required to help these institutions upgrade their curricula to offer relevant training in areas required by the private sector and enhance the productivity of the labour force. This effort could be enhanced via the expansion of the national apprenticeship programme. At present, the programme is focussed on a few traditional areas, an interview with the BVTB, which oversees the programme suggests that there are tremendous opportunities that could be obtained from expanding the programme, but this would require investment in the training and human resource capacity of the BVTB.

One of the main issues raised by the private sector representatives interviewed were the delays experienced when interacting with government departments. To address the issue the Office of Public Sector Reform was established in The Office of Public Sector Reform (2003) reported that the average length of wait for service in most government departments was between 15 minutes and 1 hour a figure that most respondents thought was unreasonable. In the interviews conducted as part of this project, many businesspersons indicated that the wait and the attitude of most public servants interacting with the public sector had not changed. Office of Public Sector Reform (2003) also noted that when participants did have a problem that they needed to be resolved most persons were disappointed with how the issue was resolved. The Office of Public Sector Reform has a number of modernisation and reform initiatives going, however, there is a need to monitor progress and highlight successes. Greater investment in technology is also required in order to reduce bureaucratic hurdles.

Chapter 6: Recommendations

Even though Barbados has graduated from developing country status, the donor community still plays an import role in relation to private sector development in Barbados. In recent years donors have directly supported private sector development via a mixture of loans and grants. The programmes/projects span a wide range of objectives including development of the business environment as well as coordination and infrastructure development.

By and large, most donors programme at the regional level with little coordination at this broad macro level of planning. Coordination, when it does take place, tends to be driven by relationships developed overtime between programme managers in key donor agencies. In recent years, however, there have been some attempts at donor coordination at the regional level. Examples of these include the United Nations Development Assistance Framework (UNDAF), which coordinates the activities of the 15 UN agencies, Funds and Programmes, as well as the Easter Caribbean Donor Group that coordinates the activities of six donors around key thematic areas. While these attempts at regional coordination are laudable, many of the stakeholders interviewed suggested that there is a significant level of overlap taking place in relation to support that could be better managed via greater donor coordination.

The analysis of the donor community conducted and the preparation of the PSAR highlighted a number of areas to enhance coordination in the donor community, stakeholders, sector representatives and systems to monitor and evaluate progress. These include:

- the establishment of a UNDAF-styled initiative for coordinating private sector development initiatives in Barbados;
- capacity enhancement for local NGOs;
- greater dissemination of information on what each donor agency is working on;
- helping domestic firms access the private sector development programmes and projects made available by donors;
- deepening regional integration to reduce the differences in laws and regulations within the region;
- assistance in expanding the national apprenticeship system; and
- greater investment in institutional strengthening in Government departments that interface with the private sector.

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