

TC Document

I. Basic Information for TC

▪ Country/Region:	BARBADOS
▪ TC Name:	Support to social policies in Barbados
▪ TC Number:	BA-T1104
▪ Team Leader/Members:	Dias Alvarenga Baptista, Dulce Benigna (SCL/LMK) Team Leader; Tejerina, Luis R. (SCL/SPH) Alternate Team Leader; Beatrice Fabiani (SCL/SPH); Ferrin Gaston (SCL/LMK); Gonzalez Herrera, Beatriz Maria (SCL/LMK); Heewan Noh (SCL/LMK); Libertad Siccha (SCL/LMK); Ofir Marer (SCL/SPH); Tome, Romina Eliana (SCL/SPH); Vila Saint Etienne, Sara (LEG/SGO)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	BA-L1060.
▪ Date of TC Abstract authorization:	03 Nov 2023.
▪ Beneficiary:	Government of Barbados
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$135,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months (including the Execution period)
▪ Required start date:	December 2023
▪ Types of consultants:	Firms
▪ Prepared by Unit:	SCL/LMK-Labor Markets
▪ Unit of Disbursement Responsibility:	SCL/LMK-Labor Markets
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Institutional capacity and rule of law; Productivity and innovation; Social inclusion and equality

II. Description of the Associated Loan

2.1 The Program to Strengthen Social Services in Barbados (BA-L1060) is expected to be approved by the board on November 29th, 2023. The general objective is to strengthen the effectiveness and efficiency of social policies and the sustainability of social security in Barbados. The specific objective is to: (i) improve the administrative efficiency of contributory and non-contributory social protection; (ii) strengthen the institutional and normative framework to improve coverage and quality of policies to promote gender equality, inclusion of PwD, and the protection of vulnerable groups; and (iii) strengthen the long run sustainability of social security.

III. Objectives and Justification of the TC

3.1 The overall objective is to support the Government of Barbados in strengthening the effectiveness and efficiency of social policies and sustainability of social security in Barbados. The specific objectives are to: (i) design a Survey of Living Conditions to gather and systematize information related to targeted social and labor programs and

- (ii) conduct studies necessary to comply with the conditions committed in the BA-L1060 policy program.
- 3.2 Barbados is a small developing island with a tourism-based economy. Its population is estimated at 290,000 and its Gross Domestic Product (GDP) per capita reached US\$19,579 in 2022. Growth has been slow since 2008's global financial crisis. Real GDP declined 13.3% in 2020, grew 0.2% in 2021, and then increased 9.8% in 2022 and is expected to grow 4.5% in 2023. The Government of Barbados has a history of extending contributory social security (CSS) and non-contributory social protection (NCSP)¹ to its citizens, with social spending representing 12%–16% of GDP annually. Effective pension coverage is 63.5%; 45.7% of people with severe disabilities collect disability benefits; 88% of unemployed receive unemployment benefits; and 9.6% of the vulnerable population are covered by social assistance. Several social policies' challenges related to their effectiveness and sustainability remain, mainly: (i) operational and administrative inefficiencies of the institutions charged with CSS and NCSP; (ii) regulatory and operational limitations in policies to promote gender equality and protection of persons with disabilities (PwD), older persons, children, youth, and families in poverty; and (iii) limited long-term sustainability of the Social Security System (SSS).
- 3.3 This TC will support the execution of the loan program BA-L1060 with activities focused on strengthening the effectiveness of social policies and the sustainability of social security in Barbados. This TC focuses on the design of an updated version of the Living Standard Survey to review and systematize the information on targeted social and labor programs and to consolidate and assess the household-level information available in Barbados.
- 3.4 The Monitor and Evaluation arrangements of the operation include the implementation of a new Survey of Living Conditions in 2024, where the IDB will provide technical support to the Government of Barbados, along with existing administrative records that will provide the data for the before and after assessment.
- 3.5 The Government of Barbados and the Bank need information on the behavior and characteristics of the population to choose design and implement the most effective targeted social and labor policies. In addition to reducing poverty, private sector development requires employer surveys to improve the quality and reliability of the analysis of labor market and education issues, like mismatch for labor supply and demand and the effectiveness of training programs.
- 3.6 The program is consistent with the Second Update of the Institutional Strategy (UIS) 2020-2023 (AB-3190-2) by focusing on two priority areas: (i) social policy for equity and (ii) productivity institutions for growth and social welfare, and with the Corporate Results Framework (CRF) 2020-2023 (GN-2727-12) by increasing institutions with strengthened management and digital technology capabilities. It is aligned with the challenges of (i) Social Inclusion and Equality by providing information on those vulnerable populations and addressing a data-driven approach to resolving it; and (ii) Productivity and Innovation by creating a methodical and systematic approach for assisting with a better understanding the problem and potential solutions on a national level. It is aligned with the crosscutting issue of Institutional Capacity and Rule of Law by emphasizing the enhancement of institutional capacity in collaboration with the government and MPEA and promoting evidence-based decision-making while fostering transparency and integrity. Furthermore, this TC is aligned with the two objectives of the OC SDP Window 2 - Social Development (W2E) (GN-2819-14): (i)

Inclusive Social Development and (ii) Effective, Efficient, and Transparent Institutions by strengthening the effectiveness and efficiency of social policies and sustainability of social security in Barbados.

- 3.7 The program aligns with IDB Group's strategy with Barbados (2019-2023) (GN-2953-1) on public sector efficiency, as well as cross-cutting issues such as institutional strengthening, adoption of new technologies, and greater use of data. It is also closely related to the National Strategic Plan of Barbados (2005-2025): (i) new governance for new times; and (ii) building social capital. The Caribbean Sector's strategic objective of strengthening the performance of social programs is also relevant to this TC. It is consistent with the Bank's following Sector Frameworks: (i) Labor (GN-2741-12) by promoting the creation of inclusive, equitable, and sustainable social insurance systems; (ii) Social Protection and Poverty Sector (GN-2784-12) by promoting the same approaches to the most vulnerable populations, under the MPEA propagative. The program is included in the Update of Annex III of the 2023 Operational Program Report (GN-3154-3).

IV. Description of activities/components and budget

- 4.1 **Component 1: Baseline mapping exercise (US\$35,000).** The objective of this component is to review and assess the household and labor surveys conducted in Barbados for the systematization of the information on existing targeted social and labor programs in Barbados. The activities included in this component are: (i) review and systematization of information on existing targeted social and labor programs, (ii) review and assessment of the household and labor surveys conducted in Barbados with the objective of identifying gaps related to the structure, sampling, and timing of the survey, and (iii) review and preparation of an exhaustive list of planned data collection activities and its corresponding timeline to be carried by the government and donor community and the identification of areas for potential collaboration with the IDB.
- 4.2 **Component 2: Design of the Survey of Living Conditions (US\$100,000).** The objective of this component is to relax the constraint of lack of data for policy and program design and evaluation by gathering and systematizing information related to targeted social and labor programs. The activities included in this component are:
- (i) Instrument design. Design of the specific instruments for data collection in Barbados, based on the analysis performed in Component 1. A complete household survey instrument will be designed based on best practices.
 - (ii) Sampling frame design, survey quality assurance, and pre-testing of the survey instrument. The activity encompasses sampling frame design, survey quality assurance, and pretesting of the survey instrument. It will also include the design of the training of supervisors and enumerators.
- 4.3 The total cost of the TC will be US\$135,000, financed entirely by the Inter-American Development Bank on a non-reimbursable basis. The funding source of this TC is the OC SDP Window 2 - Social Development (W2E) (GN-2819-14). The TC does not have a local counterpart. The disbursement and execution period will be 36 months. These funds will be used in the following components:

Indicative Budget

Activity/Component	Description	IDB Funding	Total Funding
Component 1: Baseline mapping exercise	<p>Review and systematization of information on existing targeted social and labor programs</p> <p>Review and assessment of the household and labor surveys conducted in Barbados</p> <p>Review and preparation of a list of planned data collection activities and its corresponding timeline to be carried by the government and donor community and the identification of areas for potential collaboration with the IDB</p>	US\$35,000	US\$35,000
Component 2: Design of the Survey of Living Conditions	<p>Instrument design</p> <p>Sampling frame design</p> <p>Design of the survey quality assurance</p> <p>Design of the training of supervisors and enumerators</p> <p>Pre-testing of survey instrument</p>	US\$100,000	US\$100,000
Totals		US\$135,000	US\$135,000

V. Executing agency and execution structure

- 5.1 The Executing Agency will be the Inter-American Development Bank (IDB), as requested by the Government of Barbados, through the Division of Labor Markets and Social Security (SCL/LMK) and the Division of Social Protection and Health (SCL/SPH), in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and in the TC Operational Guides (GN-2629-1). The supervision will be performed by the Labor Markets and Social Security Division (SCL/LMK), Social Protection and Health Division (SCL/SPH), and Country Department Caribbean Group (CCB/CCB).
- 5.2 This execution is justified given: (i) the Bank, through SCL/LMK and SCL/SPH has technical expertise in labor market and social protection programs, based on international best practices; (ii) administrative burdens can be reduced on the government, particularly in the identification and contracting of international experts; and (iii) the Bank has the necessary technical, operational, and institutional capacity to assist the Government of Barbados to duly and timely execute the activities proposed provided in the respective project (Annex II of OP-619-4). The supervision of this TC will be carried out by the project team.

- 5.3 Dulce Baptista, Senior Operations Specialist of the Labor Markets Division (SCL/LMK), and Luis Tejerina, Sector Lead Specialist of the Social Protection and Health Division (SCL/SPH) will carry out the supervision of this TC as co-team leaders, with the appropriate support from specialist and consultants from different sectors and the Country Office in Barbados (CCB/CBA) if needed. Adequate planning of transactional budgetary resources to guarantee the monitoring and fulfillment of activities and products included in this TC, will also be the co-team leaders' responsibility, always in coordination with the CCB/CBA.
- 5.4 Acquisitions and financial management. The activities to be executed under this operation have been included in the Procurement Plan (Annex 4) and will be carried out in accordance with the Bank's established procurement methods, namely: (a) Hiring of individual consultants, as established in the regulations AM-650; (b) Hiring of consulting firms for services of an intellectual nature according to GN-2765-4 and its associated operating guides (OP-1155-4) and (c) Hiring of logistics services and other services other than consulting, according to the policy GN-2303-28.
- 5.5 All knowledge products generated as part of this technical cooperation will be the property of the Bank and may be made available to the public under a Creative Commons license. However, at the request of a beneficiary, in accordance with the provisions of paragraph 5.5 of AM-331, the intellectual property of said products may also be licensed to one or more beneficiaries through specific contractual commitments that will be prepared with the advice of the Bank's Legal Department.

VI. Major issues

- 6.1 This is a fiduciary and governance low-risk project. Nonetheless, there are risks of inadequate quality of the data and analysis generated; and the government might not agree to grant public access to the data and studies supported by this operation. To mitigate the risk in the quality of data generation, the TC will work with experts in surveys both in the Caribbean region (mainly in executing the surveys) and extra-regional (mainly in design and quality control).

VII. Exceptions to Bank policy

- 7.1 None.

VIII. Environmental and Social Aspects

- 8.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client 71844.pdf](#)

[Results Matrix 50397.pdf](#)

[Terms of Reference 373.pdf](#)

[Procurement Plan 16868.pdf](#)