

TC Document

I. Basic Information for TC

▪ Country/Region:	BARBADOS
▪ TC Name:	Support to the Ministry of Labour, Social Security and Third Sector for the Promotion of Green and Blue Jobs and Just Transition in Barbados
▪ TC Number:	BA-T1131
▪ Team Leader/Members:	Dias Alvarenga Baptista, Dulce Benigna (SCL/SPL) Team Leader; Casco, Mario A. (TTD/TTR) Alternate Team Leader; Gonzalez Herrera, Beatriz Maria (SCL/SPL); Rivera Herrera Sergio Andres (SCL/SPL); Angeles Aguilar Niwin Monserrat (SCL/SPL); Ramos De Alvarado, Paola Michelle (SCL/SPL); Christian, Janelle Natasha (CSD/CCS); Fostier De Moraes Gael (SCL/SPL); Hellman Carolina Franco (SCL/SPL); Penaherrera Proano, Sebastian (SCL/SPL); Blenman, Shamar (CCB/CBA); Vila Saint Etienne, Sara (LEG/SGO); Bryan, Christina (CCB/CBA)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	
▪ Date of TC Abstract authorization:	04 Mar 2025.
▪ Beneficiary:	Ministry of Labour, Social Security and Third Sector (MLST)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$230,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	September, 16th, 2025
▪ Types of consultants:	Individual; Firms
▪ Prepared by Unit:	SCL/SPL-Social Protection and Labor Markets Division
▪ Unit of Disbursement Responsibility:	SCL/SPL-Social Protection and Labor Markets Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Social protection and human capital development; Sustainable, resilient, and inclusive infrastructure; Institutional capacity, rule of law, and citizen security; Public sector policy and management

II. Objectives and Justification of the TC

2.1 **The objective of this Technical Cooperation (TC) is to strengthen the capacity of the Ministry of Labour, Social Security and Third Sector (MLST) to promote green and blue jobs¹.** The specific objectives are (i) to improve production and dissemination of labour market information about green and blue jobs and (ii) to strengthen policies that promote green and blue jobs.

¹ Green jobs are employment opportunities that contribute to reducing environmental risks and ecological scarcities while promoting sustainable development, while blue jobs encompass the sustainable use of ocean and coastal resources for economic growth.

- 2.2 **Barbados, a small island developing state (SIDS), has a service-based economy heavily reliant on tourism and international business services.** While GDP per capita fell sharply during the COVID-19 pandemic, the economy rebounded strongly—growing nearly 18% in 2022 and stabilizing at 3–4% in 2023–2024.² Despite its minimal contribution to global greenhouse gas emissions, Barbados is highly vulnerable to climate risks. Key sectors such as tourism, agriculture, and fisheries—dependent on healthy ecosystems—face increasing risks from sea level rise, extreme weather events, and natural disasters.³
- 2.3 **In response, Barbados has prioritized climate mitigation and adaptation at national and regional levels.** Transitioning to a carbon neutral and resilient economy offers the potential to reduce climate impacts, protect biodiversity, and create new jobs in sectors like marine ecosystem restoration and renewable energy. However, realizing this potential requires overcoming technical and policy challenges.
- 2.4 **Barbados is implementing its National Energy Policy (2019–2030) and has committed under its Nationally Determined Contribution (NDC) to reduce greenhouse gas emissions by 70% and achieve a carbon neutral economy by 2030.** In April 2024, the Government hosted a national forum—“*Just Transition and Job Creation in the Green and Blue Economy*”—to explore strategies for promoting decent work, social justice, and employment in renewable energy, sustainable transport, and the blue economy. The forum emphasized the need to address technical and institutional capacity gaps to fully harness the opportunities of the green and blue economy.
- 2.5 **While the labour market has largely recovered post-pandemic—with unemployment dropping from 14.1% in 2021 to 8.2% in 2022—structural challenges persist.** Labour force participation has declined, especially among women, driven in part by rising retirements. Since 2015, the labour force has shrunk by 8,600 people, with female participation rates falling to levels last seen in the 1980s. An aging population and increasing old-age dependency ratio further threaten long-term labour supply and economic growth.⁴
- 2.6 **Climate risks compound these demographic and labour market pressures.** Over 25% of Barbados’ population lives in low-lying coastal areas vulnerable to flooding, storm surges, and hurricanes.⁵ These realities have accelerated the country’s commitment to building green and blue economies as pathways to sustainable growth. According to a new IDB-commissioned study, 13.5% of workers are employed in green jobs, and 3.3% in blue economy sectors.⁶ The Government has taken steps to align labour and climate agendas, aiming to create enabling conditions for quality job

² Barbados Labor Market Profile: Characteristics and Employment in the Green, Blue, and Orange Economies. MIDE Development, 2025.

³ Barbados Green and Resilient Recovery DPL. World Bank, 2022.

⁴ Labour Market Developments in Barbados. Central Bank of Barbados, 2023.

⁵ Barbados Green and Resilient Recovery DPL. World Bank, 2022.

⁶ Barbados Labor Market Profile: Characteristics and Employment in the Green, Blue, and Orange Economies. MIDE Development, 2025.

creation while achieving environmental goals. To make this transition work, Barbados must strengthen its labour market institutions in line with international best practices.

- 2.7 First, improve Labour Market Information (LMI).** Reliable, timely data are essential for anticipating how climate risks and policy shifts affect job markets. While progress has been made, existing labour force and employer surveys do not adequately capture occupational and skills trends in green and blue sectors. This hampers policy planning and training alignment.⁷ The urgency is underscored by the fact that over 70% of firms cite an inadequately trained workforce as a major constraint to growth, and 60% say applicants lack awareness of sustainable practices.⁸
- 2.8 Second, strengthen labour market policies and governance.** Barbados should establish cross-sectoral coordination mechanisms and policies to align environmental, economic, and employment policies. Effective governance requires collaboration across ministries of Environment, Labour, and Economy to ensure that climate incentives and policies consider labour market implications.⁹
- 2.9 Third, labour regulations must be updated to address new climate-related risks—such as extreme weather—and to protect workers affected by economic restructuring.** Modernizing these regulations involves revising legal frameworks to ensure worker protection and promote decent work in a changing environment. This includes adapting occupational safety and health standards to reflect climate risks and establishing safeguards for workers displaced by the transition to a carbon neutral economy.¹⁰
- 2.10 Fourth, align training systems with labour market needs.** Structured coordination mechanisms—such as sector skills councils—can help bridge gaps between employers and training providers.¹¹ Given Barbados' goal of achieving a carbon neutral economy by 2030, renewable energy is a key priority for workforce development. To support this transition, a sector skills council in renewable energy is being established to foster dialogue, coordinate efforts, identify emerging skills needs, and ensure that training remains relevant and responsive to industry demands.
- 2.11 Fifth, expand social security among informal and self-employed workers.** With 66% of workers lacking formal contracts or benefits, informality threatens the inclusiveness of Barbados' social protection system. Although legal coverage is broad, effective participation remains low among the self-employed—only 15% contribute annually to social security and are excluded from unemployment insurance.¹² Increasing compliance and participation is essential to protect vulnerable workers during the transition.

⁷ Skills for Green Jobs in Barbados, International Labour Organization (ILO), 2019.

⁸ Innovation, Firm Performance and Gender Survey, 2020.

⁹ Labor Markets and Climate Change: How to Adapt Labor Market Policies and Improve Employment Opportunities?, IDB, 2024

¹⁰ World Employment and Social Outlook 2018: Greening with jobs. International Labour Organization (ILO), 2018.

¹¹ Sectoral skills council is key in providing skilled workers according to the need of the industry. International Labour Organization (ILO), 2024.

¹² NISSS, 2019.

- 2.12 **Strategic Alignment.** This TC aligns with IDB Group Institutional Strategy 2024-2030 ([CA-631](#)) through the following objectives: (i) reduce poverty and inequality by increasing coverage and effectiveness of labour intermediation and training, especially among women, youth and migrants; and (ii) addressing climate change by strengthening intermediation services for green and blue sectors. The program also aligns with the operational focus areas of: (i) biodiversity, natural capital and climate action; (ii) gender equality and inclusion of diverse population groups; (iii) institutional capacity and rule of law; and (iv) social protection and human capital development.
- 2.13 This TC is aligned with the Strategic Program for the Development Financed with Ordinary Capital (GN-2819-14), specifically with Window 2 - Priority Area 5 on Inclusive Social Development (W2E), which supports initiatives aimed at improving access to social protection, reducing inequality, and promoting labour inclusion for vulnerable groups in the region. The program is also consistent with the Sectoral Frameworks on Skills ([GN-3012-3](#)), Labor ([GN-2741-12](#)), Social Protection and Poverty Sector Framework Document ([GN-2784-12](#)), Gender and Diversity ([GN-2800-13](#)), and Environmental and Biodiversity ([GN-2827-8](#)). Additionally, it aligns with the country's strategy with Barbados 2025–2030 ([GN-3280-1](#)) by fostering public sector efficiency, by developing more efficient Public Employment Services (PES), fostering interinstitutional coordination and reforming regulation to respond to climate change effects. It is also aligned with cross-cutting issues such as climate change and natural disasters.

III. Description of activities/components and budget

- 3.1 **Component 1: Improving production and dissemination of labour market information about green and blue jobs (USD\$65,000).** Activities include: (i) design a survey to identify demand about occupational profiles and skills for green and blue jobs, which could be incorporated into existing labour force or employer surveys to capture emerging occupations and training needs in a comparable and sustainable way; (ii) dissemination activities and materials to raise awareness about green and blue jobs, through policy briefs, workshops, and communication tools that inform employers, training institutions, and jobseekers of opportunities in these sectors.
- 3.2 **Component 2: Strengthening policies that promote green and blue jobs (USD\$165,000).** Activities include: (i) preparation of a roadmap for a national just transition policy, including implementation of the toolkit to assess Barbados' social protection, labor market, and social security policies, analyzing the country's readiness to address climate effects while moving towards a more resilient economy; (ii) preparation of a roadmap to modernize labour regulations and standards to respond to climate-related risks and effects; (iii) design of an action plan for the implementation of the sector skills council of renewable energy, outlining governance and priority actions to align training with industry demand; and (iv) preparation of a roadmap to strengthen compliance with social security, with measures to increase participation of self-employed and informal workers and promote broader protection during the transition to a more resilient sector or job. All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property.
- 3.3 **Expected results:** The expected products of this TC include: (i) survey to identify demand about occupational profile and skills for green and blue jobs designed; (ii) dissemination activities and materials to raise awareness about green and blue jobs delivered; (iii) roadmap for a national policy on just transition developed; (iv) roadmap

to modernize labour regulations and standards to respond to effects of climate-related risks; (v) action plan for the implementation of the sector skills council of renewable energy; and (vi) roadmap to strengthen compliance with social security.

3.4 Total costs. The total cost of this TC is US\$230,000 and it will be financed by the OC SDP Window 2 – Social Development (W2E). The resources will finance individual consultants and consultancy firms. The disbursement period will be 36 months.

Indicative Budget

Activity / Component	Description	W2E Funding	Total Funding
Component 1	Improving production and dissemination of labour market information about green and blue jobs	\$65,000.00	\$65,000.00
Component 2	Strengthening policies that promote green and blue jobs	\$165,000.00	\$165,000.00
Total		\$230,000.00	\$230,000.00

3.5 Monitoring. Monitoring of the progress and quality of the activities financed by this TC will be carried out directly by the IDB, through the Social Protection and Labor Markets Division (SCL/SPL).

3.6 Supervision. The IDB, through the Technical Cooperation (TC) team leader (TL), will be responsible for supervising and monitoring the appropriate execution of the project. The Bank’s institutional systems will be used to support this process. The TL will also keep the CSD/CCS team member and Country Office (CBA) informed and work with them to align local priorities and needs.

IV. Executing agency and execution structure

4.1 The Inter-American Development Bank (IDB), through the Social Protection and Labor Markets Division (SCL/SPL), will be the Executing Agency, in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and the TC Operating Guidelines (OP-619-4) The execution of this TC by the IDB has been expressly requested by the Beneficiary.

4.2 All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.

4.3 This execution is justified given: (i) the Bank, through SCL/SPL, has technical expertise in social protection and labour markets 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 duly and timely execute the activities proposed under this TC.

4.4 Given the specialized and strategic nature of the activities foreseen in this Technical Cooperation (TC), it is proposed to directly hire individual consultants with proven experience in addressing the effects of climate change in labor market policies. This modality is in accordance with the provisions of regulation AM-650, which allows this type of contracting in situations justified by the specialized nature of the required service and the technical expertise of the proposed consultant. The selection of providers will be carried out based on their track record, specific knowledge, and added value, thus ensuring the effectiveness of the TC and the quality of the deliverables.

V. Major issues

5.1 This TC will support the Government of Barbados in promoting green and blue jobs and a just transition in the country. The TC is well-positioned for successful implementation, with manageable risks and proactive strategies in place to ensure effectiveness. Key risks include: (i) potential institutional silos and coordination challenges, which will be mitigated through early and sustained stakeholder engagement, joint planning sessions, and promotion of formal agreements between ministries; (ii) risks to data quality and consistency, to be addressed through robust validation processes, integration of qualitative insights, and standardized data management protocols; and (iii) limited country ownership and uptake of results, which will be managed through a comprehensive dissemination and communication strategy including user-friendly reports, interactive workshops, and sustained follow-up mechanisms to encourage adoption and long-term relevance.

VI. Exceptions to Bank policy

6.1 This TC does not anticipate any exceptions to Bank policy.

VII. Environmental and Social Aspects

7.1 Due to the scope and characteristics of this TC, it is anticipated that this TC does not intend to finance prefeasibility or feasibility studies for specific investment projects or environmental or 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_34129.pdf](#)

[Results Matrix_55555.pdf](#)

[Terms of Reference_183.pdf](#)

[Procurement Plan_57489.pdf](#)

