



GOVERNMENT OF BARBADOS

*Senator The Hon. Chad J. Blackman*

**Minister – Economic Affairs and Investment**  
**Ministry of Finance, Economic Affairs and Investment**  
3<sup>rd</sup> Floor East Warrens Office Complex,  
Warrens, St. Michael, Barbados, West Indies

**Our Ref.:** 7096/177/1 Vol. I

**Tel.:** (246) 535-1302/17

November 28, 2024

Mr. Ilan Goldfajn  
President  
Inter-American Development Bank  
1300 New York Avenue, N.W.  
Washington, D.C. 205771  
**UNITED STATES OF AMERICA**

Dear President Ilan Goldfajn,

**Policy Letter Program to Strengthen Social Services in Barbados II**

Following the successful implementation of the first operation, *Program to Strengthen Social Services in Barbados I*, and the advancement of the policy reforms required in it, all while taking into account the current economic status of Barbados, I hereby inform you of the commitment of the Government of Barbados (GoB) to strengthen the regulatory framework for the effectiveness and sustainability of its social policies through the *Program to Strengthen Social Services in Barbados II*.

In this second operation of the series, the GoB will aim to solidify the reforms initiated in the first phase by transitioning from Parliamentary approval of legislative changes to their implementation. This transition involves restructuring contributory social security (CSS) and non-contributory social protection (NCSP) services and advancing their digital transformation. Furthermore, the GoB will propose paternity leave legislation for Cabinet review. This second phase will also facilitate the approval of an updated National Action Plan for Disaster Social Relief for 2024-2025, preparing social protection for climate change-induced emergencies. Finally, the second phase will allow for the implementation of parametric reforms to strengthen the long-term sustainability of social security.

As such, the GoB will demonstrate its firm commitment to the reform agenda in the execution of the operation by the maintenance and enforcement of the policy actions articulated under the four (4) components of the policy matrix, namely:

1. Macroeconomic stability;
2. Improving the administrative efficiency of contributory and non-contributory social protection;
3. Strengthening the institutional and normative framework to improve coverage and quality of policies to promote gender equality, inclusion of Persons with Disabilities (PwD), and the protection of vulnerable groups; *and*
4. Strengthening the long-run sustainability of social security.

#### Component 1: Macroeconomic stability

As you are aware, the Barbados Economic Recovery and Transformation (BERT) Plan 2022 is a medium-term strategy aimed at restoring macroeconomic stability and putting the economy on the path of sustainable and inclusive growth. Improving the operational and administrative efficiency of contributory social security (CSS) and non-contributory social protection (NCSP) programs aligns with the fifth pillar of the BERT Plan 2022, which aims to “make government an enabler to improving productivity, boosting competitiveness and exports, and enhancing service excellence.” Moreover, enhancing gender equity and protection for vulnerable groups aligns with the eighth pillar to “support stronger, resilient growth together”.

The GoB is committed to ensure and maintain an economic framework consistent with the objectives set forth in the operation policy matrix.

#### Component 2: Improve the administrative efficiency of contributory and non-contributory social protection.

The activities will also encompass contributory and non-contributory social protection, focusing on improving administrative efficiency of social security by consolidating all contributive schemes in the National Insurance and Social Security Service (NISSS), granting more independence to NISSS and promoting its digital transformation; improving management of the Ministry of People Empowerment and Elder Affairs (MPEA) by integrating programs for vulnerable groups in one unit and promoting its digital transformation.

For this, the GoB will promote and approve the following policies:

- Implementation of the National Insurance and Social Security (Amendment) Act, 2023 and the Pensions (Miscellaneous Provisions) Act by transferring National Insurance Department (NID) staff to the newly created NISSS and having the NISSS administer the public service employees' pensions;
- Approval of the NISSS digital transformation, inclusive of a new organizational chart for a unit dedicated to the implementation of digital transformation of the NISSS;
- Cabinet's approval of the new organizational structure in charge of amalgamated social services;
- Implementation of a Management Information Service (MIS) in all of the departments under MPEA, which are to be amalgamated, based on the previously submitted roadmap; and
- Approval of the 2024-2025 National Action Plan for Disaster Social Relief.

Component 3: 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

The GoB is committed to enhancing the institutional and normative framework to improve the effectiveness of policies to promote gender equality and the protection of vulnerable groups, through the development of multiple initiatives that includes:

- Submitting to Cabinet a proposal for paternity leave legislation;
- Approval by Cabinet of the 2023-2028 National Policy on Ageing;
- Submission to Parliament of legislation supporting the 2023-2030 National Policy for Improving the Lives of PwD; and
- Publication of the executive summary of the Evaluation Report on the progress of the One Family Programme and ensuring budget allocation by MPEA in the 2024-2025 budget to continue the implementation of the One Family Programme.

Component 4: Strengthen the long-run sustainability of social security.

In line with the previous component, the GoB will act to improve the long-term sustainability of social security for both public and private-sector employees through parametric reforms, the replenishment of the Unemployment Fund and improvements in the investments framework for NISSS.

These include the following activities:

- Issuing of regulation implementing additional parametric reforms to promote the financial sustainability of the general pension scheme;
- Approval by the Cabinet of new regulation that offers more flexibility of the contributions made by self-employed persons to the NISSS;
- Development of a project plan for the Digitalization Process to improve the management of the Unemployment Fund Platform; and
- Consideration of a revised Investment Policy Statement by the NISSS Board.

The Government of Barbados' Commitment

It is anticipated that the reforms promoted by this Program will strengthen the effectiveness of social policies and sustainability of social security in Barbados to: make more efficient contributory social security and non-contributory social protection, which is central to make better use of resources assigned to protect our citizens; improve social protection support for disaster relief; improve support to families in extreme poverty; and improve long term sustainability of social security to ensure protection of citizens against risks.

The Government of Barbados and the Inter-American Development Bank's technical team have cooperated closely throughout the entire process of designing the regulatory reforms and public policy instruments, consistent with the purposes of the operation.

Thank you in advance for the IDB's support for the actions outlined above and the process of implementing the Program under consideration.

Yours sincerely,



**SENATOR THE HON. CHAD J. BLACKMAN, LLB, LLM, ACI Arb, JP**  
Minister