Early Warning System

IADB-BA-T1050

Business Facilitation in Barbados

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Quick Facts

Countries	Barbados
Financial Institutions	Inter-American Development Bank (IADB)
Status	Proposed
Bank Risk Rating	U
Investment Amount (USD)	$ 0.08 million
Loan Amount (USD)	$ 0.09 million
Project Cost (USD)	$ 0.17 million

Project Description

In 2009, the Bank partnered with the Government of Barbados (GoB) with the objective to increase the competitiveness of Barbados through a series of initiatives. For this purpose, on March 21, 2010, both parties entered into loan contract No. 2278/OC-BA, for the execution of the Barbados Competitiveness Program (BCP). The instrument used was an investment loan consisting mainly of technical assistance activities, but also including an investment sub-component in the trade logistics (Electronic Single Window) area.

The original Program objectives were to: (i) rationalize the incentive system and regulations to ensure a coherent framework to support business development; (ii) rationalize the institutional architecture of business development services (BDS) and introduce a framework for clustering initiatives; (iii) improve logistics and trade facilitation, lowering the cost of the movement of goods and people, and enhance access to infrastructure through Private Public Partnerships (PPPs), among other modalities; and (iv) strengthen public-private dialogue (PPD) to develop and implement a medium-term competitiveness strategy.

During the execution, the involved agencies faced a number of challenges which led to delays in the implementation of activities related to, among others, the complexity of program design, staffing issues (specifically with hiring the required personnel as well as capacity issues) within the Program Coordination Unit (PCU) as well as lengthy government procurement processes. This, together with a shift in government priorities, lead to a restructuring of the original project, namely the cancellation of the remaining activities under Component 2 aimed at strengthening productive sectors through firm-level intervention. The resources allocated under this component amounted to little more than ten percent of the total financing amount and, given its very delimited nature, the cancellation of the activities had only a very limited impact on the overall program objective.

Despite these challenges, the Program has led to a number of important results such as the finalization of the conceptual design for the Cargo Examination Facility (CEF), the development of a Computable General Equilibrium (CGE) model, the development of a National Competitiveness Strategy (NCS) and Action Plan and the design of the institutional structure for the Commission on Competitiveness. In addition, the Borrower has also developed a new institutional framework for public-private dialogue that has been key in building consensus and maintaining momentum around critical reforms and policy actions.

The purpose of the Technical Cooperation (TC) is to continue the Bank's support to improve productivity and innovation of the private sector in view of the new progress made to date and help the country tackle some of the remaining challenges it is facing in the area of business facilitation. Since efforts to increase the capabilities of the private sector must be constant and adapt to the dynamism of the global economy based on knowledge, it is important for the Bank to continue supporting the country on these issues so that the impact of the progress made is not diluted. Furthermore, the activities and knowledge generated under this TC will provide a very valuable basis for a potential new loan.

Investment Description

- Inter-American Development Bank (IADB)

The instrument used was an investment loan consisting mainly of technical assistance activities, but also including an investment sub-component in the trade logistics (Electronic Single Window) area.

The indicative IADB budget for each component of the TC is:

Component 1/Fostering the dialogue with the public and private sector/ USD 20,000
Component 2/Dissemination of new tools generated by the loan/ USD 20,000
Component 3/Updating of diagnostics on the challenges of competitiveness and productivity/ USD 50,000
Component 4 /Strengthening the functionality and sustainability of the Electronic Single Window (ESW) / USD 80,000

Total USD 170,000

Contact Information

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Bank Documents

- TC AbstractBA-T1050.pdf [Original Source]