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INTERNATIONAL FINANCE CORPORATION

MULTILATERAL INVESTMENT GUARANTEE AGENCY

PERFORMANCE AND LEARNING REVIEW

OF THE REGIONAL PARTNERSHIP STRATEGY

FOR

THE ORGANISATION OF EASTERN CARIBBEAN STATES (OECS)

FOR THE PERIOD FY15-FY19

May 1, 2018

**The International Bank for Reconstruction and Development
Caribbean Country Management Unit
Latin America and Caribbean Region**

**The International Finance Corporation
Caribbean Regional Unit
Latin America and the Caribbean Region**

The Multilateral Investment Guarantee Agency

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FISCAL YEAR

January 1 – December 31 (Antigua and Barbuda, Grenada,
St. Kitts and Nevis, St. Vincent and the Grenadines)

April 1- March 31 (St. Lucia)

July 1 – June 30 (Dominica)

CURRENCY EQUIVALENTS

US\$ 1 = EC\$ 2.7

ABBREVIATIONS AND ACRONYMS

| | |
|---------|----------------------------------------------------------------|
| AML/CFT | Anti-Money Laundering and Combating the Financing of Terrorism |
| APL | Adjustable Program Loan |
| ASA | Advisory Services and Analytics |
| ATG | Antigua and Barbuda |
| BETF | Bank-Executed Trust Fund |
| CARCIP | Caribbean Regional Communications Infrastructure Program |
| CARICOM | Caribbean Community |
| CARPHA | Caribbean Public Health Agency |
| CAT-DDO | Catastrophe Deferred Draw-down Option |
| CBR | Correspondent Banking Relationships |
| CCRIF | Caribbean Catastrophe Risk Insurance Facility |
| CDB | Caribbean Development Bank |
| CVQ | Caribbean Vocational Qualification |
| DARP | Distressed Asset Recovery Program |
| DB | Doing Business |
| DeMPA | Debt Management Performance Assessment |
| DfID | Department for International Development |
| DMA | Commonwealth of Dominica |
| DO | Development Objective |
| DPC | Development Policy Credit |
| DPF | Development Policy Financing |
| DRM | Disaster Risk Management |
| DTF | Distance to Frontier |
| DVRP | Disaster Vulnerability Reduction Project |
| EC | Eastern Caribbean |
| ECCB | Eastern Caribbean Central Bank |
| ECCU | Eastern Caribbean Currency Union |
| ECERA | Eastern Caribbean Energy Regulatory Authority |
| ECDPG | Eastern Caribbean Donors and Partners Group |
| EPIC | Entrepreneurship Program for Innovation in the Caribbean |
| FY | Fiscal Year |
| GAC | Global Affairs Canada |
| GDP | Gross Domestic Product |
| GRD | Grenada |
| HD | Human Development |

| | |
|--------|-------------------------------------------------------|
| IBRD | International Bank for Reconstruction and Development |
| ICT | Information and Communications Technology |
| IDA | International Development Association |
| IFC | International Finance Corporation |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| IP | Implementation Progress |
| IPF | Investment Project Financing |
| KNA | Federation of Saint Kitts and Nevis |
| LAC | Latin America and the Caribbean |
| LCA | Saint Lucia |
| MFD | Maximizing Finance for Development |
| MIC | Middle-Income Country |
| MIGA | Multilateral Investment Guarantee Agency |
| MPA | Multiphase Programmatic Approach |
| MSMEs | Micro, Small and Medium-Sized Enterprises |
| MTDS | Medium-Term Debt Management Strategy |
| NC | Non-Communicable Disease |
| NLTA | Non-Lending Technical Assistance |
| NPL | Non-Performing Loan |
| NRA | National Risk Assessment |
| OECS | Organisation of Eastern Caribbean States |
| PA | Programmatic Approach |
| PCG | Partial Credit Guarantee |
| PDNA | Post-Disaster Needs Assessment |
| PFM | Public Financial Management |
| PLR | Performance and Learning Review |
| PPP | Public-Private Partnership |
| RETF | Recipient-Executed Trust Fund |
| RF | Results Framework |
| RPF | Regional Partnership Framework |
| RPS | Regional Partnership Strategy |
| SFC | Sagicor Financial Corporation |
| SEMCAR | Supporting Economic Management in the Caribbean |
| SRD | Systematic Regional Diagnostic |
| TA | Technical Assistance |
| TF | Trust Fund |
| TVET | Technical and Vocational Education and Training |
| UNDP | United Nations Development Programme |
| US | United States |
| USD | United States Dollar |
| VCT | Saint Vincent and the Grenadines |
| WBG | World Bank Group |

| | IBRD/IDA | IFC | MIGA |
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OECS

PERFORMANCE AND LEARNING REVIEW OF THE REGIONAL PARTNERSHIP STRATEGY (FY15-FY19)

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I. INTRODUCTION

1. **This Performance and Learning Review (PLR) assesses progress to date in implementing the World Bank Group (WBG) FY15-19 Regional Partnership Strategy (RPS) for the Organisation of the Eastern Caribbean States (OECS), discussed by the Board of Executive Directors on November 13, 2014.** The RPS covers six OECS countries – Antigua and Barbuda (ATG), Dominica (DMA), Grenada (GRD), Saint Kitts and Nevis (KNA), Saint Lucia (LCA), and Saint Vincent and the Grenadines (VCT) – with a total population of little over 600,000¹. The RPS was organized around three strategic areas in support of sustainable and inclusive growth: (i) *Competitiveness*; (ii) *Public Sector Modernization*; and (iii) *Resilience*. The Strategy was well aligned with OECS governments’ priority of tackling long-standing issues of low growth and high debt, exacerbated by heightened vulnerability due to frequent natural disasters. It placed special emphasis on potential regional synergies, recognizing the unique challenges associated with small island states.

2. **The PLR validates the overall strategic areas of the RPS, while introducing adjustments in response to recent developments, both of external and internal nature.** The main external development is the 2017 hurricane season, which left widespread devastation because of two unprecedented Category 5 hurricanes - Irma and Maria - within a two-week period. In the aftermath of this natural disaster, adjustments in the RPS are recommended taking stock of these developments, but also strengthening the WBG program support within an overarching resilience approach to cope with what is now perceived as the “new normal”: the impact of extreme weather events. In parallel, the content and size of the RPS financing program has undergone a major shift due to the more than three-fold increase in IDA 18 financing for four OECS countries² and the new strategic corporate vision to addressing the developmental challenges in small states. The PLR offers the opportunity to significantly enhance policy dialogue and reform engagement, complemented by much higher financial support for resilience building and sustainable growth, while continuing to leverage analytics and knowledge engagement in both IDA and IBRD countries. This heightened support is anchored in the “Small States Roadmap”, a document that articulates the Bank’s response to the core priority areas identified by 50 WBG member countries with a population of less than 1.5 million.³

3. **The PLR introduces adjustments that include flexibility in implementation of the regional approach while anchoring the strategic engagement in fewer consolidated areas.** The key shift relates to reducing the predominant dependence on the regional approach that had been deployed for the RPS to accomplish efficiency and economies of scale. While the approach led to engagement in a few areas - in strong partnership with regional institutions - it did not yield the extensive, and across-the-board, progress anticipated at the time of RPS formulation. This

¹ All 6 OECS countries are members of the International Bank for Reconstruction and Development (IBRD) and the Multilateral Investment Guarantee Agency (MIGA). Five OECS countries are members of the International Development Association (IDA) – all but Antigua and Barbuda – and the International Finance Corporation (IFC) is – all but St. Vincent and the Grenadines.

² Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines are eligible for concessional financing from IDA. The other two OECS countries – Antigua and Barbuda, and Saint Kitts and Nevis - are only eligible for borrowing from IBRD.

³ See WBG (2017); “Small States: A Roadmap for World Bank Group Engagement”; Operations Policy and Country Services.

experience and limited progress in delivery have led to a reassessment with a less exclusive focus on pursuing regional operations, and adopting more flexibility in balancing appropriate approaches for a more accelerated implementation. With respect to consolidation, the PLR proposes fewer engagement areas with deeper engagement on policy and institutional reforms, and a much stronger focus on macro-fiscal and climate change resilience areas. This engagement will be emphasized through budget support operations and advisory services. Finally, this PLR proposes to adopt more flexibility in exploring different approaches in delivery models to address implementation and capacity constraints that are far more pronounced in a small island state context. This includes exploring options such as: joining forces during project preparation and implementation with other multilateral and bilateral partners to reduce transaction costs for the small states operating under high capacity constraints; providing more direct hands-on and ongoing implementation support; and considering more engagement with regional institutions on areas of common interest across the OECS.

4. These adjustments are embedded within the three strategic areas of the RPS now consolidated into two pillars in this PLR. The original two strategic areas *Competitiveness* and *Public-Sector Modernization* are consolidated into Pillar 1: *Fostering Conditions for Growth and Competitiveness* thereby merging the private- and public-sector contributions to growth, and incorporating human capital areas of education and health. The major shift is a much sharper focus on macroeconomic and fiscal policies through enhancing support for macro-fiscal stability. *The third original* strategic area, *Resilience*, is expanded, deepened, and renamed as Pillar 2: *Enhancing Resilience*. This now incorporates a broader resilience agenda to include the blue economy, reflecting deeper engagement on climate change resilience also encompassing disaster risk financing and management areas, and social protection areas. The PLR's Results Framework (RF) is adjusted in line with these shifts, and appropriately updated to incorporate the slower-than-expected progress due to delays in program delivery.

5. The revised RPS reflects these adjustments and implementation experience. The PLR incorporates: (i) a combination of Bank instruments, including budget support operations that have innovative resilience-building components – e.g. pursuing Blue Economy agenda and use of the Catastrophic Deferred Draw-Down Option (CAT-DDO), including for WBG IDA-eligible countries; (ii) an increase in the size of investment operations for key sectors; (iii) a more selective approach to regional operations; and (iv) a consolidation of advisory services and analytics (ASA), as well as activities financed from Trust Funds (TFs). The PLR recognizes the need for a differentiated approach to engage in the two IBRD countries where WBG can better leverage its knowledge support and global experiences.

6. The PLR proposes an extension of one year in the RPS timeframe. A one-year extension would allow time to refine the Bank strategy in the aftermath of the hurricanes of 2017, also helping to align the end of the RPS with the current IDA18 cycle. Moreover, the next OECS Regional Partnership Framework (RPF) will benefit from the OECS Systematic Regional Diagnostic (SRD) currently under preparation.

II. MAIN CHANGES IN REGIONAL AND COUNTRY CONTEXT

A. RECENT POLITICAL DEVELOPMENTS

7. **The political situation has been stable in all six countries, with national elections held in all OECS countries leading to changes in government in two (Saint Kitts and Nevis, and Saint Lucia).** Political changes stemming from change in leadership led to some adjustments in country priorities. The impact on the RPS was however limited, as only Saint Lucia had a relatively large WBG-supported program. The change of government, in this case, was also followed by a rise in IDA financing, thereby leading the Government to redirect some of its priorities for WBG-financed programs. In addition, the leadership role of regional institutions of which the OECS countries are members – most notably the Caribbean Community (CARICOM), the Eastern Caribbean Central Bank (ECCB) and the OECS Commission - was evident in the aftermath of extreme weather events. The CARICOM-led donor conference for recovery and reconstruction in November 2017 served as a catalyst for mobilizing international support and financing. The OECS Commission, in collaboration with private international entities, is coordinating and facilitating the creation of a coalition of Caribbean countries for building the foundations for climate-smart resilience in the region. Stronger regional collaboration led by regional bodies presents a promising outlook for strengthening partnerships among these countries.

B. RECENT ECONOMIC DEVELOPMENTS AND PROSPECTS

8. **Economic recovery from the global economic and financial crisis of 2008, which had begun to take hold at the time of RPS preparation, has continued since, even improving the economic projections at the time** (See Annex 1, Table 1). Economic growth for the 2014-2016 period averaged 3.1 percent, although with marked variations among the six countries (see Annex 1, Table 2). Recovery was helped by strengthened tourism and construction, as well as a recovery in foreign direct investment flows, and the flagship ‘*Citizenship by Investment*’ programs in five of the six countries. However, the recent natural disasters – Category 5 Hurricanes Irma and Maria, which struck the region in September 2017 – have severely impacted macroeconomic projections, especially for Dominica, the hardest-hit country, according to the most recent growth estimates for 2017 and projections for subsequent years from the International Monetary Fund (IMF).

9. **The countries continued to face the structural rigidities and challenges inherent to small states, notwithstanding some improvement on the macroeconomic front over the past few years.** OECS governments contained overall public spending to about 29.0 percent of their Gross Domestic Product (GDP) in the 2014-2016 period, a 3.5 percentage point-improvement compared with the prior 3-year period (2011-2013), while total public debt-to-GDP ratios declined by about 11 percentage points for the average of the six countries (see Annex 1, Table 3).⁴ Debt reduction and debt sustainability were key objectives for all OECS governments since the start of the RPS, with notable performances in the cases of Grenada and Saint Kitts and Nevis, which

⁴ According to the latest 2017 estimates, total public debt to GDP ranges from about 62 percent in Saint Kitts and Nevis to about 88 percent in Dominica, averaging roughly 77 percent for the OECS region (i.e. the six OECS countries), more than twice the average for the Latin America and the Caribbean region (about 36 percent). For consistency purposes and methodology, IMF data are being used, even if different from official figures from countries.

reduced their debt-to-GDP ratio by 20 and 16 percentage points, respectively.⁵ Notwithstanding these improvements, available fiscal space in the OECS continues to remain sharply limited by inadequate revenue collection. With tax receipts averaging 13.6 percent of GDP between 2013-16, revenue generation in all six countries compares poorly with the Latin America and Caribbean (LAC) region average, hampered by high levels of informality, tax evasion, and tax exemptions. In addition, the wage bill, transfers and debt service remain key sources of expenditure pressure, with debt service (interest payments) averaging 3 percent of GDP in 2016.

10. The economies of the OECS are likely to remain un-diversified over the medium term, due to their small size and remoteness from their main markets. Dependent primarily on tourism and agriculture, and importing most food and fuel, they are subject to excessive terms of trade volatility. Reliance on imported fuel results in very high domestic electricity prices, averaging more than 0.30 United States Dollars (USD) per kilowatt/hour – more than 3 times the United States (US) average. The shift to renewables is taking root in several countries including Dominica and Saint Lucia, with WBG support.

11. The Eastern Caribbean Currency Union (ECCU) has been among the most affected jurisdictions for termination of Correspondent Banking Relationships (CBRs) in the past few years.⁶ In large part, this is due to international banks refocus on more established markets. While many affected banks have reportedly been able to find replacements, or rely on remaining CBRs, this has the potential to disrupt financial services, especially tourism and cross-border flows. It also impacts trade finance and remittances, undermines financial stability and growth. With support from the WBG, all six OECS countries have completed or are in the process of finalizing National Risk Assessments (NRAs) to help address this issue through appropriate de-risking measures. The NRAs are providing OECS with tools to bolster their effective implementation of international Anti-Money Laundering - Counter-Financing of Terrorism (AML-CFT) standards. Continued technical support to the ECCB on banking supervision standards and legislation is expected to further reinforce the countries' capabilities to deal with these issues.

12. The natural environment of these six island states, one of their most notable economic assets, is under increasing threat. Environmental degradation, including the impact of natural disasters, is in many cases exacerbated by inadequate disaster preparedness, poor land use planning, enforcement and management of their natural resources. The environmental quality of the waters surrounding most OECS islands is being degraded rapidly and risks compromising their reputation as an unspoiled tourist destination.⁷ In the last couple of years, countries are beginning to focus on the blue economy, with Grenada well advanced in instituting necessary safeguards to protect and harness ocean wealth.

⁵ All six OECS countries saw improvements in their debt ratios between 2014 and 2016. In the case of Grenada, its performance was anchored on a strong program of structural reforms with the IMF, supported also through the FY16/17 WBG budget support series under IDA17 financing.

⁶ For example, more than 75 percent of banks in Dominica and more than 50 percent of banks in Antigua and Barbuda and St. Kitts and Nevis lost their CBR during the last five years. See Alleyne et al, eds. (2018); "Unleashing Growth and Strengthening Resilience in the Caribbean", International Monetary Fund, Washington, DC, p.267.

⁷ See WBG (forthcoming); "Marine Pollution in the Wider Caribbean: Not a Minute to Waste", Washington, DC.

13. **Weather-related shocks continue to present major risks to the entire Caribbean region.** The small island economies of the OECS are especially vulnerable. In the event of a major disaster, their entire geographic area and population can be affected with a larger share of their economy wiped out. Such was the case of Dominica after the 2017 hurricane season, with damages and losses from Hurricane Maria estimated at over 220 percent of its 2016 GDP.⁸

14. **The region's vulnerabilities are further exacerbated by exogenous risks that affect the economic outlook.** In particular, risks have stemmed from: (i) uncertainty related to the US foreign and trade policy, which may affect remittances and exports (especially goods eligible for US tariff preferences or subject to US regulations); (ii) higher-than-anticipated oil prices, reversing recent trends, which would immediately worsen external balances; and (iii) the effects of a sharp USD appreciation and/or higher global interest rates, affecting the OECS' international borrowing costs. The USD appreciation also heightens debt-sustainability risks as an increasing portion of the countries' liabilities are denominated in USD.

C. UPDATE ON POVERTY, INEQUALITY AND GENDER ISSUES

15. **Official poverty rates in the OECS are estimated at between 22 and 38 percent, but data is limited and outdated.**⁹ In the absence of up-to-date statistics, the latest household surveys suggest that the OECS is a region where extreme poverty rates are low, but moderate poverty rates are high. The OECS Commission has launched a major data improvement initiative - the Enhanced Country Poverty Assessment Project - to address data deficiencies. WBG has been enhancing its engagement in this area to help towards reducing data deprivation in the OECS.

16. **Women in the OECS have made significant strides.** However, continued policy and operational support is required for maintaining and enhancing, where needed, women's participation in the economy. Whereas women in the OECS face no legal discrimination in business in areas measured by the Doing Business (DB) 2018 report, female labor force participation in the formal economy in the Caribbean is estimated by the International Labour Organization (ILO) to average 65 percent, compared to 73 percent for males. In a similar vein, unemployment is 24 percent higher for females when compared to males.¹⁰

17. **Youth unemployment rates in the OECS countries (except in St Kitts and Nevis) are estimated to be among the highest in the world.**¹¹ Young people, between the ages of 18 and 30 years old, are at a much higher risk of being unemployed, with their unemployment rates at least double the overall unemployment rate, thereby contributing to rising social issues including high levels of crime and violence. Issues with quality of education, together with lack of the right

⁸ See Government of the Commonwealth of Dominica (2017); "Post-Disaster Needs Assessment – Hurricane Maria – September 18, 2016".

⁹ Official estimates of moderate poverty are: ATG and KNA < 22 percent (2007); DMA 28.8 percent (2009); LCA 25 percent (2016); VCT 30 percent (2008); GRD 38 percent (2008). LAC comparisons ~30 percent (2008) and 25 percent (2015).

¹⁰ Statistics are calculated as simple averages for the 6 OECS countries from the latest surveys conducted by ILO in each of the countries, as follows: ATG and VCT (2015), GRD and LCA (2016), and KNA (2013).

¹¹ ATG 34.6 percent (2015); DMA 35.8 percent (2014); GRD 50.4 percent (2016); KNA 8.5 percent (2013); LCA 43.1 percent (2016); VCT 36.2 percent (2015). Source: World Bank staff estimates based on each OECS country's official definition (except DMA); Central Statistics Office "Report on Millennium Development Goal Achievements 2015" for DMA.

skills for the job, are considered as contributing factors. The small economies further reduce the scope to generate employment opportunities, even in more promising sectors like agriculture and tourism.

III. SUMMARY OF PROGRAM IMPLEMENTATION

A. PROGRESS TOWARD ACHIEVING RPS OBJECTIVES

18. **Progress towards achieving RPS objectives has been far slower than anticipated.** At the time of PLR, only two of the eighteen indicators in the original Results Framework (RF) have achieved their targets; six are on track while more than half are unlikely to be achieved within the RPS timeframe (see Annex 4 for details). Slower-than-expected progress was largely due to the following: (i) late delivery of the program, with all of the planned Investment Project Financing (IPF) operations delivered in the last quarter of FY17, much later than originally foreseen; (ii) gaps in the RF, with several targets not aligned to specific WBG support areas and some others left unspecified; (iii) high expectations from successful implementation of regional approach for delivery of multi-country and multi-sector operations, which complicated project design - in all cases requiring substantial project redesign, eventually splitting multi-sector into single-sector projects, and multi-country into single-country projects; and (iv) serious implementation constraints in a low capacity environment. While performance and results were not in line with expectations, there has been progress in several intermediate steps linked to institutional dimensions, with support from the WBG (see paragraphs 23-25).

19. **A lending program of eight projects was envisaged during the five-year period of the RPS, consisting of two country-specific Development Project Financing (DPFs) and six IPFs.** All IPFs were expected to be multi-country and multi-sectoral in line with the regional approach, but were eventually restructured into either single-country or single-sector projects. This delayed project preparation and approval, leading to delayed progress towards meeting RPS outcomes in tourism, agriculture, education and social protection. Some USD 71 million IBRD/IDA financing has been committed to date, 82 percent IDA (see Table 1). A special feature of WBG support to OECS has been leveraging considerable grant financing (USD 118.7 million) through both Recipient-Executed Trust Funds (RETFs) and Bank-Executed Trust Funds (BETFs) – see Annex 6. This contributed to deepening engagement in disaster vulnerability reduction areas as well as developing new areas of engagement. However, the increasing number of TFs during the RPS added further challenges in a low-capacity environment and led to proliferation of several small activities. Some 52 ASAs, mostly financed by TFs, complemented the operational portfolio; with 33 delivered to date (see Annex 6).

Table 1: Status of Planned RPS Financing

| Fiscal Year | Planned RPS Program | RPS Planned ⁴ | IBRD (USD million) | IDA (USD million) | Trust Funds (USD million) | Total committed (USD million) | Status |
|-------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------|--------------------|-------------------|---------------------------|-------------------------------|-------------------------------|
| FY15 | Regional – Regional Disaster Vulnerability Reduction Project (Additional Financing) | ✓ | | | 13.8 | 13.8 | Delivered |
| FY16 | Grenada - DPC II | ✓ | 5.0 | 10.0 | | 15.0 | Delivered |
| FY17 | Grenada - DPC III | ✓ | | 9.3 | | 9.3 | Delivered |
| | Regional - OECS Tourism Competitiveness Project | ✓ | 6.0 | 20.0 | 0.4 | 26.4 | Delivered ¹ |
| | Regional - OECS Agriculture Competitiveness Project | | 1.8 | 6.5 | | 8.3 | |
| | Regional – Regional Disaster Vulnerability Reduction Project (Additional Financing) | ✓ | | | 6.1 | 6.1 | Delivered |
| | St. Lucia - Disaster Vulnerability Reduction Project (Additional Financing) | | | 1.6 | 5.5 | 7.2 | Delivered |
| | St. Vincent and the Grenadines - HD Service Delivery Project ² | | | | 10.7 | 10.7 | Delivered ² |
| FY19 | St. Lucia - Health System Strengthening Project ² | ✓ | | 20.0 | | 20.0 | Under preparation |
| | St. Vincent and the Grenadines - Health Project ² | | | 10.0 | | 10.0 | |
| | Dominica - Geothermal Risk Mitigation Project ³ | ✓ | | 17.2 | 40.0 | 57.2 | |
| | St. Lucia - Renewable Energy Sector Devt. Project ³ | | | 5.0 | 25.5 | 30.5 | |
| Total Planned RPS Financing ³ | | | 12.8 | 110.3 | 91.3 | 214.5 | |

¹ Originally planned as one *multi-sector regional* project, finally split into two *single-sector regional* projects.

² Originally planned as one *multi-sector regional* Project, finally split into three separate *country-specific* projects: one *multi-sector* (Education and Social Protection) delivered in FY17 (VCT) and two *single-sector* (Health) on track to be delivered in FY19 (LCA, VCT).

³ Originally planned as one *single-sector regional* project, finally split into two *country-specific single-sector* projects.

⁴ Two projects originally programmed for RPS have been dropped: (i) the Caribbean Regional Communications Infrastructure Program (CARCIP) for Antigua and Barbuda; and (ii) a Regional Financial Sector Project.

⁵ Grant-funded portions of the Additional Financing for both Disaster Vulnerability Reduction Projects in FY17 were provided by the European Union. The Additional Financing operation for St. Lucia Disaster Vulnerability Reduction Project did not appear as planned in the RPS.

20. **As planned at RPS’s start, the International Finance Corporation (IFC) supported the program’s strategic objectives with selective support, given the specific challenges posed by the OECS.** The focus areas were tourism, infrastructure, and agribusiness, in addition to continually pursuing viable public-private partnership (PPP) opportunities. IFC currently has an active portfolio in both investment and advisory projects, with four active investment projects, focusing on tourism, insurance and distressed asset relief. IFC is currently investing in two tourism projects in the region. The first project was made possible through a USD 20 million equity stake in Portland Private Investment, a regional fund including OECS countries. The fund currently has one active investment in a tourism project in St. Lucia. The second project is a recent investment in Sunwing – Blue Diamond Hotels and Resort, a USD 70 million project with USD 35 million in mobilization. This project was approved by the Board in January 2018, and is expected to be fully committed by end-FY18.¹² With regards to insurance, IFC is

¹² Sunwing stands out as an example of effective cascade approach, as it comes out of several years of IFC Advisory and Trade and Competitiveness technical assistance to the government of St. Lucia in addressing the turnaround of non-productive hotels. Sunwing generated 1,300 direct jobs during construction phase, and currently employs 900 people for its operations, of which about 50 percent are female.

supporting the insurance sector in the OECS through Sagicor Financial Corporation (SFC), which is present in all OECS countries. IFC has been a shareholder in SFC and supported its operations since 2009. As for distressed asset relief, IFC is providing support for distressed assets in the retail sector and non-performing loans (NPLs) for small and medium enterprises through a USD 20 million investment in the Distressed Asset Recovery Program (DARP) Caribbean Platform. DARP was set up to purchase secured and unsecured NPLs in the Caribbean. Total investments in IFC portfolio for the OECS are roughly USD 50 million (see Annex 6).

21. **The sections below represent a summary assessment of progress in each strategic area and associated outcomes.** The overall assessment points to slow progress towards accomplishing outcomes in most areas. However, progress was achieved in improving processes and adoption of intermediate measures to help accomplish results. A more detailed assessment can be found in Annex 4.

Strategic Area 1. Competitiveness

22. **Overall progress has been quite slow, despite good progress on a few fronts.** The RPS envisaged WBG support to help create a more effective business environment and increased competitiveness in leading industries. The areas related to “improved investment climate” show moderately positive results, as indicated in Annex 4. A new banking regulatory framework covering all six countries was put in place in 2015. In addition, in several of the countries some barriers to cross-border trade have been removed; a new insolvency law, consistent with best practices, was adopted; and Governments made it easier to pay taxes, introducing electronic value-added tax filing, and reducing compliance time from days to a few hours. National energy sector regulatory bodies were established in Grenada and St Lucia, while common energy standards were set across the region. However, the planned regional energy regulator covering at least three countries did not happen due to a lack of necessary traction from countries, some of which – most notably Grenada and St. Lucia – preferred to prioritize first the creation of their national regulatory agencies. Moreover, the stated RPS goal of improving the aggregated Doing Business indicator has recorded little progress (see Annex 4 for details). Areas related to “increased tourism benefits, with stronger linkages to agribusiness” showed little progress mainly because the Regional Agriculture Competitiveness and Regional Tourism Competitiveness projects were approved late in FY17. In Grenada’s agriculture sector, with support from the DPF series, important reforms were achieved in the commercialization of agricultural estates and in the adoption of new phytosanitary rules.

Strategic Area 2: Public Sector Modernization

23. **Overall progress for this area has also been slow, while there were some process improvements.** Outcomes included strengthening: statistical capacity; capacity to manage PPPs; and budget management and transparency. Under the OECS Commission’s leadership, and in close partnership with the Global Affairs Canada (GAC), the United Nations Development Programme (UNDP) and the Caribbean Development Bank (CDB), the statistical capacity of all six countries is being strengthened. There is also progress in improving the overall PPP policy and institutional framework, as well as the PPP framework for Information and Communication

Technologies (ICTs). A Caribbean PPP toolkit was launched to complement country capabilities, while Grenada also established a PPP unit, supported by the DPF series. However, despite initial promising progress on a few IFC-led PPP operations, Governments subsequently chose not to pursue these transactions, including a Hospital PPP in Grenada and an Airport PPP in St Lucia. In terms of improving budget management and transparency, while multi-year budget programs are yet to be in place, some building blocks have been laid. St. Lucia and Grenada now use strategic tools in their budget planning, with incipient forms of rolling budget estimates and multiannual budgeting. In Grenada, the programmatic DPF series supported establishment of fiscal rules as part of a Medium-Term Debt Management Strategy (MTDS) framework for the 2016-2018 period, approved by the government in the context of an IMF-supported program.

Strategic Area 3: Resilience

24. **Overall progress for this area has been mixed, with some outcomes demonstrating strong performance.** Outcomes include: improved targeting of social protection system; establishment of quality education standards; and increased capacity to manage natural hazards. Grenada, St. Lucia and St. Vincent and the Grenadines each introduced objective targeting mechanisms for cash transfer programs, although only Grenada has so far introduced a unique registry of beneficiaries for its social protection support. With respect to education, quality standards for language, arts, math, social studies and science and technology were established in 2016, in line with the OECS Education Strategy 2012-2021. There has been limited progress on indicators for Non-Communicable Diseases (NCDs) as OECS countries currently do not submit such information to the Caribbean Public Health Agency (CARPHA). Good progress has been made in capacity-enhancement measures to manage natural hazards including support for Grenada and St. Lucia to formulate a draft National Disaster Risk Financing and Insurance Framework. With WBG support, both countries are considering the adoption of a more systematic approach to assess and quantify the direct contingent liabilities from natural hazards. The WBG has also helped to put in place coping mechanisms, notably through: (i) establishment of insurance mechanisms against disaster events, such as the Caribbean Catastrophe Risk Insurance Facility (CCRIF), mandated to payout within 14 days of disaster; and (ii) the use of new financing instruments, such as the CAT-DDO through IDA financing, which offers immediate liquidity in the event of a nationally declared state of emergency. Technical assistance for important policy reforms for resilience building are also ongoing.

B. PORTFOLIO PERFORMANCE

25. **Slow progress in the RPS strategic areas is also mirrored in portfolio performance.** The current IDA/IBRD portfolio consists of nine projects for a total of USD 197 million, 96 percent IDA, with an undisbursed balance of 50 percent, very high for a WBG-funded portfolio with an average age of 4.2 years. The pace of implementation did not improve significantly since RPS's start. As expected in a small state environment, public sector capacity is extremely restricted and hiring of skilled project staff remains a challenge. Often intra-government coordination arrangements are cumbersome further slowing project implementation. The average disbursement ratio of about 10 percent for OECS during the FY15-17 period was half that of LAC average. Slow project implementation often led to extensions and a longer project implementation

period. Four of the six IPFs active at the start of the RPS required restructuring with portfolio age averaging over 7 years.

26. **An increasing number of operations in the OECS are financed by Trust Funds.** Annex 6 provides the complete IBRD/IDA/TF portfolio. At RPS's start there was only one stand-alone TF-funded IPF for USD 8.7 million, whereas by end-Q3 FY18, there were nine free-standing TF-funded IPF for USD 24.1 million, averaging USD 2.7 million per operation. TFs amounting to about USD 100 million were used to significantly top-up three IDA-financed disaster vulnerability reduction projects enabling a deeper response to country needs. The TFs have provided much needed grant financing, with faster disbursement ratios seen in TFs compared to IDA/IBRD financed projects. However, overall the low implementation capacity of OECS remained evident during this period.

27. **Both IFC and the Multilateral Investment Guarantee Agency (MIGA) face challenges in the OECS due to the small size of markets.** The countries' high indebtedness and planned debt reduction strategies make them reluctant to borrow on commercial terms. All six OECS countries are members of MIGA and five are members of IFC (except St. Vincent and the Grenadines). IFC has been supporting the OECS through a variety of advisory services in the areas of financial markets, PPPs, Doing Business, and tax reform (see Annex 6). IFC is looking to engage with all OECS members as per the framework developed in the WBG's Small States Roadmap.¹³

IV. EMERGING LESSONS

28. **The WBG is considered a trusted partner, bringing global knowledge and expertise for small states.** Its role as a long-term partner was also highlighted by respondents in the 2017 Country Survey (see Annex 5 for details). It has demonstrated its convening skills in engaging a range of development partners around common objectives. In the wake of the 2017 hurricanes, the Bank brought its extensive global knowledge and experience leading to the fast-track preparation of post-disaster needs assessments for Antigua and Barbuda and Dominica in coordination with Government and development partners. WBG will continue to play a convening role on issues of importance for the OECS such as building resilience against shocks.

29. **The WBG has significant value addition in Middle-Income Countries (MICs) and the OECS demonstrate this amply as seen by the strong demand for ASA.** The Bank has provided support across the OECS in areas such as NRAs, DB reforms, and disaster risk management, among others. While IBRD countries - Antigua and Barbuda, and St. Kitts and Nevis - do not qualify for concessional financing, and their high debt levels preclude further non-concessional borrowing¹⁴, they derive benefit from the Bank's convening power, technical assistance, knowledge and capacity support. A few examples of this WBG value addition are the technical assistance support – through funding from GAC - to St. Kitts and Nevis in developing appropriate de-risking for its financial sector, or the business taxation reform work currently underway for Antigua and Barbuda. Working in these country contexts also provides valuable lessons and

¹³ See WBG (2017), Chapter III (Attracting Private Financing for Diversification), pp.13-20.

¹⁴ Examining the linkages between vulnerability and concessional financing is one of the core goals identified in the WBG's Small States Roadmap. See WBG (2017), pp.9-11.

experiences that the WBG can bring to bear in its work in other countries and regions – e.g. the Pacific region, which also presents small island states with similar challenges.

30. The high relative cost of natural disasters, their undiversified economies, and high debt of OECS countries underscores the need for a much stronger focus on macroeconomic and fiscal policies, and resilience building. While several regional institutions help OECS in cases of natural disaster, including with weather-related insurance, the WBG will play a more active role with regional bodies and countries in strengthening resilience-building across broader macro-fiscal, financial and climatic-resilience dimensions. The engagement will encompass financing and knowledge support, employing a broader mix of instruments – policy lending, CAT-DDOs, IPFs, and ASA.

31. Policy dialogue and continuity of engagement on reforms can produce long-term dividends in small states. The policy engagement in Grenada through the DPF series and associated technical support enabled the country to develop more prudent fiscal policies that are now being deepened through a next phase of reform engagement encompassing fiscal and blue economy areas. At RPS’s start, Grenada was the OECS country with the second largest debt-to-GDP ratio (101.8 percent) while, by RPS closure, Grenada is projected to be the OECS country with the second lowest debt-to-GDP ratio (65.0 percent) (see Annex 1, Table 3). Policy engagement will be enhanced in other IDA-eligible countries – most notably St. Lucia and St. Vincent and the Grenadines - with a strong emphasis on resilience building. In addition, technical and advisory support for resilience building is also expected to be stepped up in IBRD countries.

32. Capacities are severely constrained in small island states calling for greater consolidation, more selectivity and less complexity in Bank-supported interventions. While several approaches have been tested, the critical lesson is to employ greater selectivity, consolidate the program and develop deeper synergies with development partners. Fewer, albeit larger in size, operations can reduce transaction costs by avoiding multiple spread-out interventions. As the limitations to Bank’s field presence in small states will continue, there will be a greater need to examine a variety of options and reassess the existing delivery models. Several models are being examined for the program going forward including developing large investment operations together with partners such as the CDB, along with setting up joint project units; moving more to single-country operations; developing simpler investment operations; providing hands-on -- in-country -- implementation support to project units; pursuing the model of one central project implementation unit (PIU); developing targeting training programs, especially in the fiduciary areas; and instituting regular portfolio reviews complemented by high-level annual reviews. Among all these elements, a high priority will be accorded to the provision of more systematic and regular in-country support. To strengthen WBG’s footprint in the small states, cost-sharing arrangements with other institutions – e.g. CDB - for enhancing field presence in the OECS are being assessed. Furthermore, project readiness remains a chronic concern with several delays encountered after project effectiveness. Project readiness filters may also be considered that could contribute to relatively faster implementation.

33. Bank engagement will adopt flexibility in exploring options that promote economies of scale. RPS focused more exclusively on the regional approach and pursued multi-country

and/or multi-sector projects. However, implementation was far below expectations. Key lessons point to the need to tailor such approaches to the unique dynamics and challenges of small island states. These call for less complexity, some modicum of pre-existing inter-country alignment around components and objectives, presence of regional champions and existence of some inter-sector coordination mechanisms to build upon. Building on this lesson, and the extremely slow progress on regional operations, far more selectivity and flexibility is being adopted, moving to a regional approach when there is political traction and strong alignment among countries (e.g. around the issues of inter-island connectivity, as in the Regional Tourism Competitiveness Project), or championship by existing regional structures such as the ECCB – like in the case of the regional Micro-, Small- and Medium-Enterprise (MSME) Partial Credit Guarantee (PCG) Facility Project. The new Multiphase Programmatic Approach (MPA) is a promising operational instrument that could be tapped for building regional projects, with new countries entering successive stages of a single program.

34. Speed and coordinated support are essential when providing support to countries after severe natural disasters. The post-hurricanes' WBG engagement was a good example of the value of a speedy and coordinated response, where the Bank and development partners worked together to deliver the post-disaster needs assessments in record time, which formed the basis of subsequent recovery and reconstruction interventions. In addition, contingency emergency components within the ongoing Disaster Vulnerability Reduction Project (DVRP) for Dominica allowed the Bank to respond immediately to the Government's request for just-in-time financial support. This demonstrated the benefits of incorporating "contingency components" in operations for highly vulnerable regions, such as the Caribbean. The CAT-DDO operation for St. Lucia, a key operation for the LAC Region under IDA financing, is expected to provide contingent financing in the aftermath of future emergencies.

35. Strong partnerships with development institutions are critical for impact and reducing transaction costs for small states. There are good examples of close collaboration in key sectors with the main multilateral institutions - IMF, CDB - and the main donor community for the Eastern Caribbean based in Barbados – the Eastern Caribbean Donors and Partners Group (ECPCG). The joint WBG-CDB financing of the budget support series for Grenada under IDA17 (FY16-17), or the joint WBG-IMF Climate Change Policy Assessment for St. Lucia, are just two examples of concrete partnership in support of an improved adequacy and understanding of the needed macroeconomic framework in the face of new challenges. Likewise, the joint post-disaster collaboration with the UNDP in the aftermath of the 2017 natural disasters, led to significant harmonization efforts with key bilateral institutions – most notably, the United Kingdom (UK)'s Department for International Development (DfID), the European Union, and GAC – that helped to reduce duplication and enhance targeting. These examples provide a good basis to further deepen operational partnerships and reduce transaction costs in a low-capacity environment.

V. ADJUSTMENTS TO REGIONAL PARTNERSHIP STRATEGY

36. The strategic areas of the RPS remain valid. Proposed adjustments respond to the recent developments, most notably the 2017 natural disasters, the significant expansion in concessional

financing for IDA-eligible countries – spearheaded by the WBG’s Small States Roadmap,¹⁵ and the countries’ emerging priorities. The PLR strengthens the strategic focus on macro-fiscal issues due to these countries continued economic volatility and heavy debt burden, and deepens engagement to support resilience, incorporating a focus on the blue economy, environmental resilience and human capital resilience. In addition to consolidation of Strategic Areas 1 and 2 into a single Pillar, accompanying adjustments are made to outcomes and indicators in the RF, as noted in detail in Annexes 2 and 3. The sizeable expansion in the financing envelope for the four IDA-eligible countries enables a stepped-up response to the adjustments reflected in the PLR. The main adjustments to each of the now two RPS pillars are the following:

- **Pillar 1: Fostering Conditions for Growth and Competitiveness.** This pillar merges two previous strategic areas that dealt separately with public and private sector aspects of reform. This strengthens their interdependent focus around *five* key themes: (i) *macro-fiscal management* - stronger support to countries for improving fiscal and financial resilience, adding indicators on improved management of public expenditures and debt; (ii) *transparency and statistical capacity of the public sector*, exploring opportunities for building efficiency of public services through use of technology, openness of information systems and building institutional capacity for data management; (iii) *regulatory reforms for productivity and competitiveness*, with focus on banking, energy, and PPPs; (iv) *investment climate and female entrepreneurship*, measuring concrete improvement in overall business climate, and a special lens to the role of women in core areas of lending support (ICT, agriculture, tourism, and access to finance); and (v) *human capital accumulation*, focusing on building skills through appropriate quality standards for education at the regional level¹⁶ and enhancing health facility standards for NCD responsiveness. Support under this pillar will be provided through a combination of financing instruments, including budget support, investment financing and ASA.
- **Pillar 2: Enhancing Resilience.** This pillar underscores the criticality of building broader resilience. While financial, economic and human capital resilience are addressed in Pillar 1, this strategic area supports OECS Governments’ efforts to improve resilience in three key areas: (i) *disaster management preparedness* – in light of the region’s continued exposure to climatic shocks; (ii) *environmental management* – adding the blue economy agenda, which is now being captured in the RF, in line with the high relevance of the topic for the region and the substantive support from the RPS Program; and (iii) *social protection* – through continued support to the improvement of targeting of social safety nets and to the reduction of fragmentation in social programs. Opportunities for enhancing engagement in these areas will continue to be explored including through analytical support and knowledge exchanges for both IDA and IBRD countries.

37. **Based on these adjustments, the RPS program will explore opportunities to deepen engagement in the two strategic areas.** It will significantly expand the dialogue around policy

¹⁵ The expansion in concessional financing approved for the IDA18 cycle (July 2017 -June 2020) was one of the responses to enhance the value proposition of the WBG for small states. See WBG (2017), pp. 7-9.

¹⁶ Among other initiatives, the WBG is planning to set a high-level dialogue with key regional stakeholders, to be held in the last semester of 2018, around the issue of skills development, critical element to start curbing the steadily rising youth unemployment situation in the region. Such regional initiative complements the Human Capital Project launched by the Bank in October 2017.

and institutional reforms to support resilience-building, macroeconomic stability and fiscal sustainability in the face of shocks. Support measures include the establishment of contingency funds for disaster management, establishing fiscal responsibility frameworks, strengthening revenue-enhancement capacity, enhancing public financial management (PFM)'s transparency and efficiency, using technology for efficient delivery of public services, and reforms for promoting climate and disaster resilience (including through CAT-DDOs). A specific focus on developing the blue economy - protecting ocean resources and promoting economic activities that use ocean resources sustainably - is being incorporated in the proposed DPC for Grenada and being considered for the other IDA-eligible countries. Deeper reform engagement with Dominica will be explored to support its aspiration of being a Climate-Resilient country, possibly through a combination of policy lending and knowledge work. Potential use of policy guarantees will also be considered should there be an opportunity.

38. WBG support for building human capital and social resilience straddles across the program, while opportunities for deepening the engagement will be further explored. Jobs and education were cited as top priorities by respondents in the OECS Country Opinion Survey (see Annex 5). In education, the focus on quality and skills will continue through the ongoing regional project supporting the OECS Education Sector Strategy 2012-2021.¹⁷ Issues of education quality, skills and jobs will be reflected in policy dialogue with senior policy makers to examine areas for future engagement through deeper analytics and financing. In health, new work on St. Lucia and St. Vincent and the Grenadines aims at increasing health facilities' standards for NCD management. The area of health insurance reform will be the key aspect of support in the case of St. Lucia. In social protection, the ongoing support will be supplemented with ASA aiming to improve targeting and reduce fragmentation of social protection systems¹⁸.

39. The RPS RF has been significantly revised and updated to reflect the adjustments and program shifts. While the original RF was outcome-focused, the associated indicators were not always closely aligned with the WBG program, reducing the degree of attribution. The delayed delivery of operations and challenges encountered in implementing the regional approach also impacted the RF. Due to these, several key changes have been made to the RF, as follows: (i) revision/reformulation of three outcomes and eleven indicators to align better with the program; (ii) merging of seven outcomes into four and deletion of seven indicators in line with changes in the program, progress to date, and need for consolidation of the RF; and (iii) addition of two outcomes and five indicators to reflect the significant support through IDA18-financing including policy lending. Recognizing the unique needs of small states, the RPS engagement supported institutional improvements leading to a greater inclusion of process indicators in the original RF. The updated RF retains several of these indicators in view of the ongoing operational assistance, while other indicators have been incorporated reflecting the impact on outcomes.

¹⁷ This is the "Support to the Implementation of the Regional Education Strategy" Project, financed from a USD 2 million grant from the Global Partnership for Education.

¹⁸ Objective and well-designed targeting instruments will also help countries better target households with specific vulnerabilities, including *gender*, through identification of households with single mothers etc. With updated poverty household surveys to be implemented throughout the OECS over the RPS period, these instruments will be better linked to current data and gender-specific poverty trends for more effective response.

Table 2: New Planned RPS Financing for FY18-FY20

| Fiscal Year | Planned RPS Program | RPS Planned | IBRD (US\$M) | IDA** (US\$M) |
|--------------------------------------------------|-------------------------------------------------------------------------------------|-------------|--------------|---------------|
| FY18 | Regional - MSME PCG Facility Project | | 2.0 | 8.0 |
| | Dominica - Emergency Agriculture Resilience and Livelihoods Enhancement Project *** | | | 25.0 |
| | Dominica - Resilient Housing Reconstruction Project *** | | | 40.0 |
| | Grenada - Blue Growth DPC I | | | 30.0 |
| FY19/20 | Dominica - Additional Financing to Disaster Vulnerability Reduction Project | | | TBD |
| | Dominica - Geothermal Risk Mitigation Project* | ✓ | | 17.2 |
| | Grenada - Blue Growth DPC II | | | TBD |
| | Grenada - Digital Governance for Resilience | | | TBD |
| | St. Lucia - CAT DDO | | | 20.0 |
| | St.Lucia - Health System Strengthening Project * | ✓ | | 20.0 |
| | St.Lucia - Renewable Energy Sector Development Project * | ✓ | | 5.0 |
| | St. Lucia - DPC | | | TBD |
| | St.Vincent and the Grenadines - Port Modernization Project | | | 30.0 |
| | St.Vincent and the Grenadines - DPC | | | TBD |
| St.Vincent and the Grenadines - Health Project * | ✓ | | TBD | |
| Total New Planned RPS Financing FY18-20 | | | 2.0 | 330.0 |

TBD = To be determined

*These operations had originally been planned as part of Regional Projects (see Table 1).

** IDA Allocations for FY19 and FY20 are indicative.

*** These two operations were approved by the Board on April 13, 2018.

40. **The PLR projects a significant enhancement to the volume of the financing program.** Although the anticipated IDA18 allocations are still indicative for FY19 and FY20, the programmed envelope for the IDA18 cycle amounts to USD 330 million, of this USD 280 million is from IDA18 and USD50 million granted from the Crisis Response Window (CRW) for emergency-recovery operations in Dominica. The proposed financing program balances WBG financing instruments to include DPF operations potentially in all 4 IDA-eligible countries,¹⁹ as well as a CAT-DDO for St Lucia, an IDA-financed instrument for the LAC Region. The planned pipeline is estimated at USD 273 million – including the proposed USD 50 million from CRW. The PLR reflects the currently estimated amounts. As several proposed operations in FY19 and FY20 are at an early stage of dialogue with the countries, there could be variations in the actual and final amounts, and potentially some realignment of priorities by countries (see Table 2). A balance of close to USD 50 million will be allocated across a few remaining operations noted in the table, and a few others still under discussion with authorities. Based on strong country demand and the nature of policy and institutional reforms, a significant share of the IDA18 financing is earmarked for policy-based lending, with budget support operations planned already for three IDA-eligible countries. The remaining IDA includes emergency-recovery projects, financing for previous projects that were under preparation, and potential new operations in infrastructure and

¹⁹ Policy-based lending through Development Policy Credits is at various stages of preparation for delivery between FY18-FY20.

human development. A key shift from the RPS is the reduction in the share of regional projects. A targeted set of ASA, making full use of the WBG's comparative advantage and convening power, is expected to strategically support the engagement (see Annex 6).²⁰

41. **Technical and advisory services and knowledge support will remain high priority for IBRD countries.** WBG will continue its role as convener on issues of regional significance such as financial sector stability, climate-smart resilience, regional IT connectivity, doing business, and skills and jobs. These are key areas of importance for small island MICs where cross-learning among OECS, the wider Caribbean community and with small states in other regions will be explored, along with developing linkages with small states undergoing similar experiences in other regions. Further benefit would be derived from more relevant collaboration and closer technical engagement with regional entities to advance shared regional priorities.

42. **The PLR proposes a one-year extension to the current closing date from FY19 to FY20.** A one-year extension will fully align the RPS timeframe with the IDA18 cycle. In addition, this extra year will give more time to show results, accounting for the slow implementation pace since RPS's start, and to incorporate, as much as possible, emerging results from the IDA18 program, including the hurricane emergency response in Dominica. The next RPS will benefit from the lessons learnt through the adjustments in the PLR and from the SRD, currently under preparation.

43. **The strategic engagement also envisages a stronger stakeholder engagement and dialogue at country and regional level.** The OECS countries' and population's knowledge about the WBG's operations and analytic engagement will be enhanced through more systematic stakeholder engagement that would contribute towards raising awareness about the WBG strategy and the associated program. In-country engagement, and wider dissemination of WBG operations and analytics would assist the countries' efforts for promoting deeper stakeholder ownership of the programs.

44. **Corporate priorities will continue to receive focused attention in the new operations.** Attention to governance and accountability will be maintained, by building adequate social accountability mechanisms into new project design and program monitoring, e.g. grievance-redress mechanisms and citizen engagement indicators, thus aiming for greater transparency. This is also reflected in the emergency support operations. Gender will be mainstreamed for all new operations, with gender-disaggregated data to be included in their respective RFs. The gender dimension is also included in the RPS, through the addition of a new indicator on impact on female entrepreneurship measured across the four key regional lending projects (see Annex 2). Finally, climate change co-benefits will be documented in all new projects.

45. **IFC and MIGA will explore opportunities for deeper engagement via investment and advisory support.** The goal is to maximize finance for development by encouraging countries to support an enabling environment for private sector participation. Progress has already been made in introducing a suitable PPP toolkit for the Caribbean and proposed PPP policies and frameworks

²⁰ One of such areas is support for competitiveness and private sector-led growth, where the WBG will ramp up technical assistance to help OECS achieve reforms in key areas for improving the overall investment climate in the region.

for the OECS. With support from IFC, Grenada now has a PPP help desk. MIGA is open to considering investment opportunities in the OECS countries as they present themselves. IFC is keen on complementing the efforts of IDA/IBRD, especially within the Maximizing Finance for Development (MFD) framework²¹ and the ongoing work in the renewable energy sector.

VI. RISKS TO RPS PROGRAM

46. **The overall risk rating to the program remains high, unchanged from the RPS** (see Table 3). This evaluation is in line with the *three major risk factors* identified in the RPS: (i) fragile macroeconomic framework; (ii) low institutional capacity for implementation; and (iii) exposure to exogenous shocks and natural disasters.

Table 3. Risks to the Revised RPS

| Risk Categories | Rating |
|-----------------------------------------------------------------|---------------|
| 1. Political and governance | Moderate |
| 2. Macroeconomic | High |
| 3. Sector strategies and policies | Substantial |
| 4. Institutional capacity for implementation and sustainability | High |
| 5. Technical design of program | Substantial |
| 6. Fiduciary | Substantial |
| 7. Environmental and social | High |
| 8. Stakeholders | Substantial |
| Overall | High |

47. **Macroeconomic risks remain high, especially with respect to policy and structural reforms.** Small states’ disproportionately higher volatility/exposure to economic and physical shocks, compounded with the inherent stresses on public finances and limited concessional borrowing opportunities has led to a build-up of significant debt levels in several small states. The revised RPS is expected to mitigate these risks by working closely with OECS governments on core policy reforms that support prudent fiscal policies. The policy engagement with authorities, underpinned by analytical work and budget support operations, provides the opportunity to support Government programs for strengthening core governance areas and reducing macroeconomic volatility. Closer partnership with other institutions (IMF, CDB) will be maintained, especially in debt management. In the aftermath of Hurricanes Irma and Maria, countries could mobilize funding for post-disaster reconstruction. However, to mitigate debt sustainability risks and associated high risks of natural calamities, deeper work on debt management is anticipated. This work will build on the Debt Management Performance Assessments (DeMPAs) completed for five of the six OECS countries – all but Dominica – to date.

48. **Institutional risks remain high due to limited Government capacity, impacting project design and implementation.** Finding and retaining qualified project-related staff remains a major challenge in the Caribbean. Risks mitigation measures include: (i) partnership with other development actors in providing support and technical assistance to central PIUs; (ii) closer consultation and information sharing with regional institutions to shape design of engagement, and

²¹ The MFD is an approach, spearheaded by the WBG and the IMF, to leverage resources from the private sector for optimizing support for growth and sustainable development. See Development Committee (2017); “Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development”.

develop better understanding of synergies with regional and national priorities; (iii) collaboration with key development partners, notably the CDB, in parallel financing of larger operations with joint PIU and monitoring arrangements; (iv) exploring different delivery models more appropriate for a small state; and (v) continued training for PIU and Government staff as well as support for fiduciary-related training courses at the University of the West Indies.

49. **Risks associated with environmental and social aspects remain high, as already transpired.** To mitigate the risk of natural disasters affecting RPS outcomes, work is already underway to help these countries: (i) prepare better for national disasters through development of their National Disaster Risk Financing Strategies, together with policy reforms supported through policy-based lending, including CAT-DDOs; (ii) adopt a broader menu of support areas for resilience-building; and (iii) re-build better through the resilience-building approach in the ongoing series of Disaster Vulnerability Reduction Projects (DVRPs), and the emergency support operations for Dominica, recently approved.

50. **Risks for the “technical design of the program”, “sector strategies and policies” and “stakeholders” domains are all rated substantial.** To mitigate these risks, new operations during the remainder of the RPS period will seek simpler designs. Option of introducing readiness filters during preparation will be assessed. In line with the new Environmental and Social Management Framework recently approved by the Board (which will apply to all new IPF operations once it becomes effective), necessary stakeholders’ consultations will take place. In addition, due to the expanded RPS program potentially touching upon sensitive policy reforms, mitigation measures would include deeper consultations at country level, using regional forums and agencies to build support for reforms and programs.

51. **Fiduciary and safeguard risks remain respectively substantial and high.** Fiduciary risks related to procurement and financial management are related to the market size of OECS economies, a lack of capacity in these countries, and weak country systems, among other factors. Safeguard risks (social and environmental) have similar sources of weakness, although the assessment of gaps in country systems in this area are higher, hence the “high” risk rating in this case. To mitigate these risks, the WBG will seek to move from a transaction-based approach to a country systems-based support balancing with direct capacity building support for counterpart staff. WBG fiduciary teams – procurement, financial management, social safeguards and environmental safeguards – have been deeply engaged in supporting countries in their efforts for improving country systems. Recent capacity building work in financial management to strengthen the Caribbean Organisation of Supreme Audit Institutions or the ongoing work to raise the quality of public procurement regimes in the OECS to international standards are some examples of risk mitigating efforts. Deeper collaboration with development partners, most notably the CDB, is expected to further reinforce this engagement.

ANNEX 1: KEY MACROECONOMIC INDICATORS FOR THE OECS (CY14-CY19)

Table 1
Selected Economic Indicators for the OECS - CY14-CY19
Projected /Actual

| Indicators | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | 2019 | 2020 |
|------------------------------------------------------------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|------|------|
| | <i>Projected at RPS</i> | Actual | <i>Projected at RPS</i> | Actual | <i>Projected at RPS</i> | Actual | <i>Projected at RPS</i> | Actual | <i>Projected at PLR</i> | | |
| Real GDP growth (percent change) | 1.6 | 3.6 | 2.2 | 2.6 | 2.5 | 3.2 | 2.5 | 1.4 | -0.2 | 4.5 | 3.4 |
| General Government Total Revenue (percent of GDP) | 27.6 | 27.6 | 27.3 | 28.0 | 27.1 | 31.0 | 27.0 | 29.8 | 27.5 | 26.4 | 24.9 |
| General Government Total Expenditure and Net Lending (percent of GDP) | 33.5 | 29.1 | 30.8 | 28.4 | 29.8 | 29.4 | 29.7 | 29.2 | 29.4 | 28.5 | 27.9 |
| General Government Gross Debt (percent of GDP) | 88.8 | 85.8 | 89.6 | 80.4 | 88.0 | 76.8 | 86.3 | 76.7 | 76.8 | 74.6 | 74.3 |
| Current account balance (percent of GDP) | -18.9 | -6.1 | -17.8 | -2.8 | -16.9 | -5.2 | -16.3 | -9.7 | -14.0 | -9.3 | -8.5 |

Sources: WB (2014); “Regional Partnership Strategy for the Organisation of Eastern Caribbean States FY15-19”, Table 1, p.6; and IMF World Economic Outlook Database; Latest update (April 2018)

Note: Figures are calculated as the unweighted averages for the 6 OECS countries.

Table 2
Real GDP Growth* in the OECS - CY2014-2020
(percentage annual change – year to year)

| OECS Country | 2014 | 2015 | 2016 | 2014- 2016 (average) | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------------|------------|------------|------------|----------------------------|------------------|------------------|------------|------------|
| | Actual | | | | <i>Estimated</i> | <i>Projected</i> | | |
| Antigua & Barbuda | 5.1 | 4.1 | 5.3 | 4.8 | 2.8 | 3.5 | 3.0 | 2.5 |
| Dominica | 4.4 | -2.5 | 2.6 | 1.5 | -4.2 | -16.3 | 12.2 | 7.1 |
| Grenada | 7.3 | 6.4 | 3.7 | 5.8 | 3.5 | 3.6 | 3.6 | 2.9 |
| St. Kitts & Nevis | 5.1 | 4.9 | 3.1 | 4.4 | 2.6 | 3.5 | 3.2 | 3.0 |
| St. Lucia | -0.9 | 2.0 | 3.4 | 1.5 | 3.0 | 2.5 | 2.3 | 2.2 |
| St. Vincent & the Grenadines | 0.3 | 0.9 | 0.8 | 0.6 | 1.0 | 2.1 | 2.5 | 2.8 |
| Unweighted Average | 3.6 | 2.6 | 3.2 | 3.1 | 1.4 | -0.2 | 4.5 | 3.4 |

* Gross Domestic Product at constant prices (annual variation)

Source: IMF World Economic Outlook Dataset, latest update (April 2018)

Table 3
General Government Gross Debt in the OECS - CY2014-2019
(percentage of GDP)

| OECS Country | 2014 | 2015 | 2016 | 2014- 2016 (average) | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------------|-------------|-------------|-------------|----------------------------|------------------|------------------|-------------|-------------|
| | Actual | | | | <i>Estimated</i> | <i>Projected</i> | | |
| Antigua & Barbuda | 102.1 | 98.2 | 86.2 | 95.5 | 86.8 | 88.2 | 90.2 | 91.9 |
| Dominica | 81.1 | 77.2 | 74.9 | 77.7 | 87.6 | 93.6 | 87.3 | 89.7 |
| Grenada | 101.8 | 90.6 | 82.1 | 91.5 | 71.4 | 64.0 | 56.7 | 50.2 |
| St. Kitts & Nevis | 81.4 | 70.6 | 65.6 | 72.5 | 62.4 | 60.3 | 57.5 | 55.7 |
| St. Lucia | 69.2 | 66.7 | 69.2 | 68.4 | 71.3 | 73.1 | 74.9 | 77.3 |
| St. Vincent & the Grenadines | 79.5 | 79.4 | 82.9 | 80.6 | 80.8 | 81.4 | 81.2 | 80.9 |
| Unweighted Average | 85.8 | 80.4 | 76.8 | 81.0 | 76.7 | 76.8 | 74.6 | 74.3 |

Source: IMF World Economic Outlook Dataset, latest update (April 2018)

ANNEX 2: UPDATED RESULTS FRAMEWORK - RPS FY15-FY20

| RPS Outcomes and Indicators | WBG Program |
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| Strategic Area 1: Fostering Conditions for Growth and Competitiveness | |
| Outcome 1: Improved Macro-Fiscal Policies for Debt Management and Public Procurement | |
| <p>Indicator 1: Number of OECS countries that adopt a medium-term debt management strategy (MTDS)</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 3</p> <p><i>Source:</i> Official MTDS documents in OECS countries</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Support for Economic Management in the Caribbean Region (SEMCAR) Phase 1 (P123665) and Phase II (P160774) ✓ <i>DPC Series:</i> Grenada FY16-17 (completed) and Blue Growth DPCs ✓ <i>DPC</i> St. Lucia ✓ <i>DPC</i> St. Vincent and the Grenadines <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Debt Management Performance Assessment (DeMPA) Series:</i> Antigua and Barbuda (P157123); Grenada (P155980); St. Vincent and the Grenadines (P162230); St Kitts and Nevis (P163448); and St Lucia (P162330) ✓ <i>Regional:</i> Programmatic TA for SEMCAR, Phase 1 (P128874) and Phase II (P160774) |
| <p>Indicator 2: Number of OECS countries with legal public procurement regimes updated to international standards</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>Source:</i> New Public Procurement Bills approved in OECS countries</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> OECS Public Procurement Network (P166039) <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> OECS and Jamaica Public Expenditure Management and Digital Governance Project (P161942) |
| Outcome 2: Enhanced Transparency and Statistical Capacity of Public Sector Information Systems | |
| <p>Indicator 1: Number of OECS countries with Open Data policies approved and Open Data portals implemented</p> <p><i>Baseline:</i> 0</p> | <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Caribbean Open Data (P148056) ✓ <i>Regional:</i> OECS and Jamaica Public Expenditure Management and Digital Governance Project (P161942) |

| RPS Outcomes and Indicators | WBG Program |
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| <p><i>Target: 2</i></p> <p><i>Source: Open Data Policies and Open Data Websites for OECS countries</i></p> | |
| <p>Indicator 2: Number of OECS countries with new modules to measure multidimensional and monetary poverty piloted and implemented</p> <p><i>Baseline: 0</i></p> <p><i>Target: 2</i></p> <p><i>Source: Statistical Offices and Websites of the OECS countries</i></p> | <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional: Caribbean Poverty NLTA (P151093)</i> ✓ <i>Regional: OECS Statistics and Poverty NLTA (P151133)</i> ✓ <i>Regional: Caribbean: Poverty and Equity PA (P160347)</i> |
| Outcome 3: Strengthened Regulatory Frameworks for Competitiveness and Productivity | |
| <p>Indicator 1: New banking regulatory framework adopted</p> <p><i>Baseline: Outdated regulatory framework with insufficient range of banking supervision and resolution tools</i></p> <p><i>Target: New regulatory framework with regulations in line with international standards for supervision and resolution</i></p> <p><i>Source: Banking Acts passed in each of the OECS countries since RPS's start</i></p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional: MSME PCG Facility Project (P157715)</i> ✓ <i>Regional: IFC DARP Adamantine</i> <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional ASA:</i> <ul style="list-style-type: none"> ○ Continued Resilience of ECCU Financial System (P145745) ○ Asset Management Expertise for ECCU Financial System (P146727) ○ Financial Analysis and Dynamic Modelling Expertise (P150825) ○ Strengthening Financial Sector in the Eastern Caribbean (P150897) ○ OECS Diversifying the Financial System (P156396) ○ Caribbean PA: Development of Sound Financial Systems (P158320) |

| RPS Outcomes and Indicators | WBG Program |
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| <p>Indicator 2: Energy regulatory framework updated with renewable energy-specific regulations</p> <p><i>Baseline:</i> Only one country (Dominica) with an established independent regulatory commission, but no renewable energy-specific regulations in place</p> <p><i>Target:</i> At least 3 countries have fully functioning independent regulatory commissions, with renewable energy-specific regulations in place and enforced by regulator</p> <p><i>Source:</i> New energy regulatory frameworks approved in OECS countries since RPS's start and operational to date</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Eastern Caribbean Energy Regulatory Agency (ECERA) (P101414) ✓ <i>Regional:</i> Solar PV Demonstration and Scale-Up Project (P153404) ✓ <i>Regional:</i> Caribbean Energy Statistics Capacity Enhancement Project (P155034) ✓ Antigua and Barbuda Roadmap to Improve Water and Energy Services (P150338) ✓ Dominica Geothermal Risk Mitigation Project (P162149) ✓ Grenada DPC Series (FY16/17) ✓ Geothermal Resource Development in St. Lucia (P149959) ✓ St. Lucia Renewable Energy Sector Development Project (P161316) ✓ Potential IFC involvement in renewable energy concessions <p>ASA:</p> <ul style="list-style-type: none"> ✓ Geothermal Development in Dominica (P143708) ✓ Technical Assistance for Geothermal Development in Dominica (P156500) |
| <p>Indicator 3: Number of OECS countries with national public-private partnership (PPP) policies approved and PPP regulatory frameworks operationalized</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2 countries</p> <p><i>Source:</i> PPP policies and regulatory frameworks approved in OECS countries since RPS's start and operational to date</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>DPC Series:</i> Grenada FY16-17 (completed) and Blue Growth DPCs ✓ <i>DPC</i> St. Lucia ✓ <i>DPC</i> St. Vincent and the Grenadines <p>ASA:</p> <ul style="list-style-type: none"> ✓ St Lucia PPP Policy (P149915) ✓ Caribbean: Regional PPP Support (P151976) |
| Outcome 4: Improved Business Environment and Conditions for Female Entrepreneurship | |
| <p>Indicator 1: Number of OECS countries with increased capacity and geographical reach of regional broadband networks</p> <p><i>Baseline:</i> 0</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Caribbean Regional Communications Infrastructure Program (CARCIP) (P114963) |

| RPS Outcomes and Indicators | WBG Program |
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| <p><i>Target:</i> 3</p> <p><i>Source:</i> Country-specific contracts of OECS countries with regional network provider</p> | |
| <p>Indicator 2: Number of business climate reforms recorded since RPS's start</p> <p><i>Baseline:</i> 0</p> <p><i>Source:</i> Doing Business (DB) Report 2015</p> <p><i>Target:</i> At least 10</p> <p><i>Source:</i> DB (2016) - DB (2021)</p> | <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Caribbean Growth Forum – Phase 1 (P130208) and Phase II (P159034) ✓ <i>Regional:</i> Trade Support – Phase I (P146683) and Phase II (P159061) ✓ <i>Regional (IFC-funded):</i> <ul style="list-style-type: none"> ○ Indicator-Based Reform Advisory (IBRA) in LAC (P599907) ○ OECS Business Taxation Reform Project (P600212) ○ Caribbean Secured Transactions and Collateral Registries Project (P600729) |
| <p>Indicator 3: Percentage of female-led firms directly benefitting from WBG interventions in selected sectors (ICT, agriculture, tourism, and access to finance)</p> <p><i>Baseline:</i> 24 percent</p> <p><i>Source:</i> Compete Caribbean – PROTEqIN (2014)</p> <p><i>Target:</i> 30 percent</p> <p><i>Source:</i> WBG Regional Projects (2020)</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Caribbean Regional Communications Infrastructure Program (CARCIP) (P114963) ✓ <i>Regional:</i> OECS Regional Tourism Competitiveness Project (P152117) ✓ <i>Regional:</i> OECS Agriculture Competitiveness Project (P158958) ✓ <i>Regional:</i> MSME PCG Facility Project (P157715) |
| <p>Outcome 5: Improved Human Capital Results through Higher Quality Standards for Education and Health</p> | |
| <p>Indicator 1: Established quality standards for education in line with the OECS Education Strategy, including gender-disaggregated assessments of learning outcomes</p> <p><i>Baseline:</i> No regional quality standards for the OECS</p> <p><i>Target:</i> Quality standards established in all 6 OECS countries</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Support to the Implementation of the Regional Education Strategy (P158336) <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> OECS Social Resilience and Human Development TA (P157072) |

| RPS Outcomes and Indicators | WBG Program |
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| <p><i>Source:</i> Regional Strategy for Education in the OECS 2012-2021 and country-specific national strategies for OECS countries</p> | |
| <p>Indicator 2: Number of OECS countries with at least 25 percent of primary care health facilities equipped for NCD management</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2 (St. Lucia and St. Vincent & the Grenadines)</p> <p><i>Source:</i> Implementation Status Reports from IPFs in St.Lucia and St.Vincent & the Grenadines</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ St. Lucia Health System Strengthening Project (P166783) ✓ St. Vincent & the Grenadines Health Project (P167099) <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> OECS Social Resilience and Human Development TA (P157072) |
| Strategic Area 2: Enhancing Resilience | |
| Outcome 6: Improved targeting of social protection systems | |
| <p>Indicator 1: Number of OECS countries that establish objective poverty-based targeting mechanisms for cash transfer programs</p> <p><i>Baseline:</i> 1 (Dominica)</p> <p><i>Target:</i> 3 (Grenada, St. Lucia, and St. Vincent and the Grenadines)</p> <p><i>Source:</i> Ministries of Social Protection in OECS countries</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ Grenada - Safety Net Advancement Project (P123128) ✓ <i>DPC Series:</i> Grenada FY16-17 (completed) <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> OECS Social Resilience and Human Development TA (P157072) ✓ <i>Regional:</i> Building Blocks for Disaster-Responsive Social Protection Systems in Dominica and Grenada (P159285) ✓ <i>Regional:</i> Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines (P161103) ✓ <i>Regional:</i> Knowledge Exchange on Adaptive Social Protection Systems as a Disaster Risk Mitigation Mechanism (P165263) ✓ St.Lucia - Transforming Social Protection in St. Lucia (P149120) |

| RPS Outcomes and Indicators | WBG Program |
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| Outcome 7: Improved capacity to prepare for, respond to, and mitigate natural disasters | |
| <p>Indicator 1: Number of OECS countries that have formulated and adopted a National Disaster Risk Financing Strategy</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 3</p> <p><i>Source:</i> National Disaster Risk Financing Strategy for OECS countries</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ St.Lucia CAT-DDO (P154829) ✓ <i>DPC Series:</i> Grenada FY16-17 (completed) and Blue Growth DPCs ✓ <i>DPC</i> St. Lucia ✓ <i>DPC</i> St. Vincent and the Grenadines <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> 6R Programmatic Engagement in DRM & CCA (P129813) ✓ <i>Regional:</i> Caribbean Resilience Initiative PA (P152884) |
| <p>Indicator 2: Number of OECS countries with strengthened hydro-meteorological systems for disaster preparedness</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 6</p> <p><i>Source:</i> Caribbean Disaster Emergency Management Agency (CDEMA)</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional</i> Disaster Vulnerability Reduction Project (P117871) ✓ Dominica Disaster Vulnerability Reduction Project (P129992) ✓ St. Lucia Disaster Vulnerability Reduction Project (P127226) ✓ St.Lucia CAT-DDO (P154829) <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> 6R Programmatic Engagement in DRM & CCA (P129813) ✓ <i>Regional:</i> Caribbean Resilience Initiative PA (P152884) |
| Outcome 8: Better management of marine and coastal natural assets | |
| <p>Indicator 1: Number of OECS countries that have developed either marine spatial or coastal master plans</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>Source:</i> Oceans Governance and Fisheries Department (OECS Commission)</p> | <p>Financing:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Sustainable Financing & Management of Eastern Caribbean Marine Ecosystem Project (P103470) ✓ <i>Regional:</i> Caribbean Regional Oceanscape Project (CROP) (P159653) ✓ <i>DPC Series:</i> Grenada (FY18-20); St. Lucia (FY19-20); St. Vincent and the Grenadines (FY19-20) <p>ASA:</p> <ul style="list-style-type: none"> ✓ <i>Regional:</i> Caribbean Regional Oceanscape Program NLTA (P153427) |

ANNEX 3: SUMMARY OF PROPOSED CHANGED TO RESULTS FRAMEWORK

| Original RPS Outcomes and Indicators | Revision | Rationale for Change |
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| <p>Strategic Area 1: Competitiveness</p> <p>Strategic Area 2: Public Sector Modernization</p> | <p>Revised.</p> <p>Strategic Area 1: Fostering Conditions for Growth and Competitiveness</p> | <p>Original Strategic Areas (pillars) 1 and 2 are now merged under the <i>new Strategic Area 1</i> for consolidation purposes. The rationale is the emphasis on the <i>conditions for growth and competitiveness</i>, regardless of whether these are generated within the public or the private sector domains.</p> |
| | <p>New.</p> <p>Outcome 1: Improved Macro-Fiscal Policies for Debt Management and Public Procurement</p> | <p>A new Outcome 1 is added to emphasize the importance of the management of macroeconomic and fiscal policies, one of the key strategic shifts of the PLR, now supported through DPF series in at least three OECS countries and targeted ASA. Wording for Outcome 1 emphasizes the specific areas for improvement, directly linked to support under the RPS.</p> |
| | <p>New.</p> <p>Indicator 1: Number of OECS countries that adopt a medium-term debt management strategy (MTDS)</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 3</p> <p><i>Source:</i> Official MTDS documents in OECS countries</p> | <p>New indicator added in line with the addition of new outcome.</p> |
| | <p>New.</p> <p>Indicator 2: Number of OECS countries with legal public procurement regimes updated to international standards</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>Source:</i> New Public Procurement Bills approved in OECS countries</p> | <p>New indicator added in line with the addition of new outcome.</p> |

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| <p>Outcome 3 (Strategic Area 2: Public Sector Modernization): Improved budget management and transparency</p> <p>Outcome 4 (Strategic Area 2: Public Sector Modernization): Strengthened statistical capacity</p> | <p>Revised, and merged into Outcome 2.</p> <p>Outcome 2: Enhanced Transparency and Statistical Capacity of Public Sector Information Systems</p> | <p>Outcomes 3 and 4 under the former Strategic Area 2 (Public Sector Modernization) are now merged into a new Outcome 2. Wording for this new indicator revises the former formulations by: (i) deleting the “budget management” part of Outcome 3, which has now been incorporated into the new Indicator 2 (Outcome 1) on public procurement; and (ii) focusing the emphasis on specific characteristics (transparency and technical strength) of public sector information systems.</p> |
| <p>Indicator 2 (Outcome 3): Develop/ implement open budget index</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> at least 2 countries</p> | <p>Revised, and becomes Indicator 1 (Outcome 2).</p> <p>Indicator 1: Number of OECS countries with Open Data policies approved and Open Data portals implemented</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>Source:</i> Open Data Policies and Open Data Websites for OECS countries</p> | <p>The indicator was revised to emphasize the importance of both approving open data policies and operationalizing these policies through the implementation of Open Data Portals.</p> <p>The Open Budget Data Index, which appeared in the original indicator, is a metrics run by the International Budget Partnership and less impactful than the development and implementation of open data policies beyond budget data.</p> |
| <p>Indicator 1 (Outcome 4): The new modules to measure multidimensional and monetary poverty (enhanced Labor Force Surveys) are piloted and implemented in at least two member states.</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> St. Lucia pilots the new modules needed to measure multidimensional and monetary poverty by 2015; at least two member states implement the new modules to measure multidimensional and monetary poverty by 2019</p> | <p>Revised, and becomes Indicator 2 (Outcome 2).</p> <p>Indicator 2: Number of OECS countries with new modules to measure multidimensional and monetary poverty piloted and implemented</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>Source:</i> Statistical Offices and Websites of the OECS countries</p> | <p>Wording for this indicator was shortened and revised for clarity.</p> |
| <p>Indicator 1 (Outcome 3): Introducing strategic budgeting tools</p> | <p>Dropped.</p> | <p>Indicator was dropped for consolidation purposes. Budget management issues are now being captured through the new</p> |

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| <p><i>Baseline:</i> 0</p> <p><i>Target:</i> at least 2 countries with rolling forward budget estimates and multiannual budget ceilings.</p> | | <p>Indicator 2 (Outcome 1), with a focus on public procurement reforms.</p> |
| <p>Outcome 1 (Strategic Area 1: Competitiveness): Improved investment climate</p> <p>Outcome 5 (Strategic Area 2: Public Sector Modernization): Strengthened capacity to manage PPP</p> | <p>Revised, and merged into Outcome 3.</p> <p>Outcome 3: Strengthened Regulatory Frameworks for Competitiveness and Productivity</p> | <p>Outcomes 1 (Competitiveness) and 5 (Public Sector Modernization) are now merged into a new Outcome 3 that lumps together three original indicators with one common feature: the focus on regulatory frameworks that are key to enhanced competitiveness and productivity.</p> |
| <p>Indicator 2 (Outcome 1): New banking regulatory framework adopted</p> <p><i>Baseline:</i> Outdated regulatory framework and deficient supervision.</p> <p><i>Target:</i> Banking regulation consistent with international standards</p> | <p>Revised, and becomes Indicator 1 (Outcome 3).</p> <p>Indicator 1: New banking regulatory framework adopted</p> <p><i>Baseline:</i> Outdated regulatory framework with insufficient range of banking supervision and resolution tools</p> <p><i>Target:</i> New regulatory framework with regulations in line with international standards for supervision and resolution</p> <p><i>Source:</i> Banking Acts passed in each of the OECS countries since RPS's start</p> | <p>Wording for this indicator was revised for clarity.</p> |
| <p>Indicator 3 (Outcome 1): Improved market conditions for renewables by updated energy sector regulatory framework</p> <p><i>Baseline:</i> 2 countries part of the Eastern Caribbean Energy Regulatory Agency (ECERA) project (Grenada and St.Lucia)</p> <p><i>Target:</i> At least 3 countries part of the Eastern Caribbean Energy Regulatory Agency (ECERA) project.</p> | <p>Revised, and becomes Indicator 2 (Outcome 3).</p> <p>Indicator 2: Energy regulatory framework updated with renewable energy-specific regulations</p> <p><i>Baseline:</i> Only one country (Dominica) with an established independent regulatory commission, but no renewable energy-specific regulations in place</p> <p><i>Target:</i> At least 3 countries have fully functioning independent regulatory commissions, with</p> | <p>Wording for the indicator was slightly revised for clarity. Baseline and targets were significantly revised to focus on: (i) the operationalization of country-level regulators instead of the regional regulatory body (ECERA); and (ii) the importance of updating the regulatory framework with specific regulations for renewable energy.</p> |

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| | <p>renewable energy-specific regulations in place and enforced by regulator</p> <p><i>Source:</i> New energy regulatory frameworks approved in OECS countries since RPS's start and operational to date</p> | |
| <p>Indicator 1 (Outcome 5): Implementation of PPP policy and institutional frameworks</p> <p><i>Baseline:</i> 0 (2013)</p> <p><i>Target:</i> At least 2 countries have introduced national PPP policy and institutional framework</p> <p><i>IFC aims to support at least 3 successful PPP transactions over the RPS period.</i></p> | <p>Revised, and becomes Indicator 3 (Outcome 3).</p> <p>Indicator 3: Number of OECS countries with national public-private partnership (PPP) policies approved and PPP regulatory frameworks operationalized</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>1 successful PPP transaction closed by IFC</i></p> <p><i>Source:</i> PPP policies and regulatory frameworks approved in OECS countries since RPS's start and operational to date</p> | <p>Wording for the indicator was slightly revised for clarity.</p> <p>IFC target was reduced given performance to date and realistic assessment through revised closing date.</p> |
| <p>Outcome 1 (Strategic Area 1: Competitiveness): Improved investment climate</p> <p>Outcome 2 (Strategic Area 1: Competitiveness): Increased tourism benefits, with stronger linkages to agribusiness</p> | <p>Revised, and merged into Outcome 4.</p> <p>Outcome 4: Improved Business Environment and Conditions for Female Entrepreneurship</p> | |
| | <p>New, and becomes Indicator 1 (Outcome 4).</p> <p>Indicator 1: Number of OECS countries with increased capacity and geographical reach of regional broadband networks</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 3</p> | <p>This indicator was added as ICT is a core requirement for productivity and competitiveness. In addition, it has been a key regional focus for transformational impact throughout the RPS cycle.</p> |

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| | <p><i>Source:</i> Country-specific contracts of OECS countries with regional network provider</p> | |
| <p>Indicator 1 (Outcome 1): Improvement in Doing Business (DB) indicators</p> <p><i>Baseline:</i> DB (2014), Enterprise Surveys (2010), Product Market Regulations/ + other data sources will be used</p> <p><i>Target:</i> To be determined in diagnostic phase</p> | <p>Revised, and becomes Indicator 2 (Outcome 4).</p> <p>Indicator 2: Number of business climate reforms recorded since RPS's start</p> <p><i>Baseline:</i> 0 <i>Source:</i> Doing Business (DB) Report 2015</p> <p><i>Target:</i> At least 10 <i>Source:</i> DB (2016) - DB (2021)</p> <p>Indicator is to be measured as the cumulative number of positive reforms recorded in Doing Business:</p> <ol style="list-style-type: none"> in any of the 11 DB domains; achieved by any of the 6 OECS countries; during the RPS period (FY2014-20). <p>Baseline will be DB2015 but positive reforms recorded in that report will not be counted towards the total for that report, as the DB2015 report reported on information collected through March 2014 and got published in October 2014. Therefore, this baseline has not been impacted by the RPS.</p> <p>Target will be DB2021, which is expected to be published in October 2020 and will capture information through March 2020, 3 months prior to the revised closing date of the RPS.</p> | <p>Indicator was revised for comparability over time and simplicity compared to the DTF metrics.</p> |
| | <p>New, and becomes Indicator 3 (Outcome 4).</p> <p>Indicator 3: Percentage of female-led firms directly benefitting from WBG interventions in selected sectors (ICT, agriculture, tourism, and access to finance)</p> | <p>Indicator was added to incorporate the measurement of the gender dimension in the Results Framework, while capturing the essential role of women in the labor market for increasing productivity and competitiveness.</p> |

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| | <p><i>Baseline:</i> 24 percent <i>Source:</i> Compete Caribbean – PROTEqIN (2014)</p> <p><i>Target:</i> 30 percent <i>Source:</i> WBG Regional Projects (2020)</p> <p>This indicator will be calculated as the simple average of four sub-indicators directly related to regional financing support under the RPS, as follows:</p> <ul style="list-style-type: none"> a) Percentage of female-led ICT businesses receiving support (CARCIP Project); b) Percentage of female-led firms benefiting from private sector initiatives (Regional Tourism Competitiveness Project); c) Percentage of female-led business proposals approved and developed into an evaluated business plan (Regional Agricultural Competitiveness Project); and d) Percentage of female-led MSMEs receiving guaranteed loans (MSME Guarantee Facility Project). <p>Each sub-indicator will be collected as of end-June 2020, from which target will be calculated.</p> | <p>This indicator also attempts to strengthen the degree of attribution to RPS support through building an aggregate metrics that captures the bulk of RPS financing <i>for regional projects</i> targeting entrepreneurship and business development in the OECS.</p> |
| <p>Indicator 1 (Outcome 2): Increase in local currency spent per tourist arrival</p> <p><i>Baseline:</i> To be determined at the time of the diagnostic for the Regional Adaptable Program Loan (APL) on Tourism / Agriculture Competitiveness</p> <p><i>Target:</i> To be determined during diagnostic phase</p> | <p>Dropped.</p> | <p>This indicator was dropped in line with the delayed approval of the regional project (OECS Regional Tourism Competitiveness Project) from which indicators would be calculated. Significant impact from this project is not expected by the revised closing date for the RPS.</p> |
| <p>Indicator 2 (Outcome 2): Increased demand for food sourced locally by tourism sector</p> | <p>Dropped.</p> | <p>This indicator was dropped in line with the splitting of the original Regional Project referred in the baseline into two different Regional Projects, one for Tourism and one for Agriculture.</p> |

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| <p><i>Baseline:</i> 32% (WB, 2008) to be updated at time of the diagnostic for the Regional Project on Tourism / Agricultural Competitiveness</p> <p><i>Target:</i> To be determined during diagnostic phase</p> | | |
| <p>Indicator 3 (Outcome 2): # of organized agro-producers who have adopted promoted technology who sell their products to tourism sector</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2,000 (of which at least 30 percent²² are women)</p> | <p>Dropped.</p> | <p>This indicator was dropped in line with the delayed approval of the regional project (OECS Agriculture Competitiveness Project) from which indicators would be calculated. Significant impact from this project is not expected by the revised closing date for the RPS.</p> |
| <p>Outcome 7 (Strategic Area 3: Resilience): Establishment of quality education standards</p> <p>Outcome 8 (Strategic Area 3: Resilience): Enhanced data to support evidence-based policy to address NCDs</p> | <p>Revised, and merged into Outcome 5.</p> <p>Outcome 5: Improved Human Capital Results through Higher Quality Standards for Education and Health</p> | <p>Outcomes 7 and 8 from Strategic Area 3 (Resilience) are now subsumed under the new Outcome 5, in order to align the logic of human development (HD) interventions with the ongoing WBG Strategy for Latin America and the Caribbean (LAC).</p> |
| <p>Indicator 1 (Outcome 7): Established quality standards for education in line with the OECS Education Strategy</p> <p><i>Baseline:</i> None</p> <p><i>Target:</i> Quality standards established</p> | <p>Revised, and becomes Indicator 1 (Outcome 5).</p> <p>Indicator 1: Established quality standards for education in line with the OECS Education Strategy, including gender-disaggregated assessments of learning outcomes</p> <p><i>Baseline:</i> No regional quality standards for the OECS</p> <p><i>Target:</i> Quality standards established in all 6 OECS countries</p> | <p>Indicator's baseline and target were revised for clarity, adding the relevant feature of the assessments of student learning, per these new standards, to be collected and reported for boys and girls.</p> |

²² To be confirmed during the diagnostic phase of the Regional Competitiveness project.

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| | <i>Source:</i> Regional Strategy for Education in the OECS 2012-2021 and country-specific national strategies for OECS countries | |
| <p>Indicator 1 (Outcome 8): OECS countries annually submitting agreed-upon common set of NCD indicators to CARPHA using a standard form</p> <p><i>Baseline:</i> 0 countries</p> <p><i>Target:</i> At least three countries</p> <p><i>(Data Source: CARPHA reporting)</i></p> | <p>Revised, and becomes Indicator 2 (Outcome 5).</p> <p>Indicator 2: Number of OECS countries with at least 25 percent of primary care health facilities equipped for NCD management</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2 (St. Lucia and St. Vincent & the Grenadines)</p> <p><i>Source:</i> Implementation Status Reports from IPFs in St.Lucia and St.Vincent & the Grenadines</p> | <p>Indicator was revised to focus on NCD quality standards for responsiveness instead of NCD reporting, in line with new financing support under the RPS. The target was reduced from three countries to two as support is now envisaged to happen only in St.Lucia and St.Vincent & the Grenadines.</p> |
| <p>Indicator 2 (Outcome 7): Number of youth who receive the Caribbean Vocational Qualification</p> <p><i>Baseline:</i> 1800 (currently achieved through the OECS Skills and Jobs projects in Grenada and St.Lucia), of which females 1368 and males 432</p> <p><i>Target:</i> 2600 (including an additional 300 each for Grenada and for St. Lucia, and 200 for other OECS), of which females 1820 and males 780</p> | <p>Dropped.</p> | <p>Indicator was dropped since financial support for technical and vocational education and training (TVET) education is now specifically being earmarked only for St.Vincent & the Grenadines and not for any other OECS country.</p> |
| <p>Strategic Area 3. Resilience</p> | <p>Revised, and becomes Strategic Area 2.</p> <p>Revised Strategic Area: Enhancing Resilience</p> | <p>Wording for this Strategic Area was revised for emphasis.</p> |
| <p>Outcome 6: Improved targeting and reduced fragmentation of social protection system</p> | <p>Revised.</p> <p>Revised Outcome: Improved targeting of social protection systems</p> | <p>Wording revised for clarity and consolidated around the key outcome of improved targeting.</p> |

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| <p>Indicator 1 (Outcome 6): Number of countries that establish objective targeting mechanisms for cash transfer programs</p> <p><i>Baseline:</i> 1 (Dominica);</p> <p><i>Target:</i> 4 (Antigua & Barbuda, Grenada, St Kitts and Nevis, St Lucia)</p> | <p>Revised.</p> <p>Indicator 1: Number of OECS countries that establish objective poverty-based targeting mechanisms for cash transfer programs</p> <p><i>Baseline:</i> 1 (Dominica)</p> <p><i>Target:</i> 3 (Grenada, St. Lucia, and St. Vincent and the Grenadines)</p> <p><i>Source:</i> Ministries of Social Protection in OECS countries</p> | <p>Wording for the indicator was slightly revised. Target was revised downwards to focus only on the countries for which RPS support is ongoing or expected through the extended closing date (FY20).</p> |
| <p>Indicator 2 (Outcome 6): Number of countries where ministry in charge of social protection uses unique registry of beneficiaries</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 5 (Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia)</p> | <p>Dropped.</p> | <p>Indicator was dropped for consolidation purposes (only one indicator per thematic area/sector supported under the RPS).</p> |
| <p>Outcome 9: Increased capacity to manage natural hazards</p> | <p>Revised, and becomes Outcome 8.</p> <p>Revised Outcome: Improved capacity to prepare for, respond to, and mitigate natural disasters</p> | <p>Indicator was revised to make for a more comprehensive definition for the resilience to climate change shocks.</p> |
| <p>Indicator 1 (Outcome 9): Number of OECS governments that have formulated a National Disaster Risk Financing and Insurance Framework and associated Action Plan, taking account of gender consideration, where feasible</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> | <p>Revised, and becomes Indicator 1 (Outcome 8).</p> <p>Indicator 1: Number of OECS countries that have formulated and adopted a National Disaster Risk Financing Strategy</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 3</p> | <p>Indicator was reformulated to emphasize the importance of adopting, not only formulating, National Disaster Risk Financing Strategies. The gender consideration is being removed from the indicator as the gender dimension is being strengthened for other indicators in the RF.</p> |

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| | <i>Source:</i> National Disaster Risk Financing Strategy for OECS countries | |
| <p>Indicator 2 (Outcome 9): Number of OECS governments that assessed natural hazard related contingent liabilities</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 3</p> | <p>Revised, and becomes Indicator 2 (Outcome 8).</p> <p>Indicator 2: Number of OECS countries with strengthened hydro-meteorological systems for disaster preparedness</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 6</p> <p><i>Source:</i> Caribbean Disaster Emergency Management Agency (CDEMA)</p> | <p>Indicator was reformulated to emphasize the importance of adequate hydro-meteorological information systems. Target was increased to cover all 6 OECS countries.</p> |
| <p>Indicator 3 (Outcome 9): Number of days of interrupted traffic due to landslips, flooding, other climate-related events in selected areas</p> <p><i>Baseline:</i> 30</p> <p><i>Target:</i> 12</p> | <p>Dropped.</p> | <p>Indicator was dropped due to difficulty to track progress through end of revised closing date for RPS.</p> |
| | <p>New.</p> <p>Outcome 9: Conservation and protection of marine resources</p> | <p>Outcome was added to account due to enhanced relevance of the blue economy agenda and continued RPS support.</p> |
| | <p>New.</p> <p>Indicator 1: Number of OECS countries that have developed either marine spatial or coastal master plans</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> <p><i>Source:</i> Oceans Governance and Fisheries Department (OECS Commission)</p> | <p>Indicator was added in line with the addition of the new outcome.</p> <p>Support from RPS is being provided to a regional organization (the OECS Commission) and to 5 OECS countries (all but Antigua & Barbuda). All 5 OECS countries are expected to develop either marine spatial or coastal master plans, but the target is the realistic expectation through end of RPS period (FY20).</p> |

ANNEX 4: PROGRESS TOWARDS RPS OUTCOMES

| Outcomes | Indicators | Status | Comments | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Pillar 1: Competitiveness | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 1: Improved investment climate | <p>Indicator 1: Improvement in Doing Business (DB) indicators</p> <p><i>Baseline:</i> DB (2014), Enterprise Surveys (2010), Product Market Regulations/ + other data sources will be used</p> <p><i>Target:</i> To be determined in diagnostic phase</p> | On track | <p>The RPS Program has been supporting this Indicator through a series of ASA, notably the Entrepreneurship Program for Innovation in the Caribbean (EPIC), the Caribbean Investment Policy TA, the Analytical and Advisory Work EFO, the Caribbean Growth Forum TA series, and the IFC-funded Indicator-Based Reform Advisory (IBRA) Program. The latter two activities are expected to continue through RPS closure. These TA tasks were also supported by relevant ESW studies on Trade (Caribbean New Trade Environment) and Growth (OECS Growth Report).</p> <p>DB indicators underwent significant methodological changes to date – see http://www.doingbusiness.org/methodology/changes-to-the-methodology. This precludes meaningful comparability over time in the most-known metrics: the DB rankings. However, since DB 2015, the only metrics that can be compared over time is the Distance to Frontier (DTF) – for an explanation, see http://www.doingbusiness.org/methodology/distance-to-frontier-metrics.</p> <p>As shown in the table below, there were negligible changes in DB DTF scores between DB2015 and DB2018, with half the OECS countries experiencing slight improvements.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Country</th> <th>ATG</th> <th>DMA</th> <th>GRD</th> <th>KNA</th> <th>LCA</th> <th>VCT</th> </tr> </thead> <tbody> <tr> <td>DTF DB 2015</td> <td>58.88</td> <td>60.35</td> <td>53.25</td> <td>55.11</td> <td>62.81</td> <td>56.06</td> </tr> <tr> <td>DTF DB 2018</td> <td>59.28</td> <td>60.80</td> <td>53.30</td> <td>54.14</td> <td>62.81</td> <td>55.93</td> </tr> <tr> <td><i>% Improved</i></td> <td><i>0.7%</i></td> <td><i>0.7%</i></td> <td><i>0.1%</i></td> <td><i>-1.8%</i></td> <td><i>0.0%</i></td> <td><i>-0.2%</i></td> </tr> </tbody> </table> <p>Note that DB2015 DTF represents a better baseline than DB2014, the one suggested in the RPS, since the former collected information through March 2014, three months prior to the starting date of the RPS.</p> <p>Enterprise Surveys were not conducted for any of the OECS countries since 2010.</p> | Country | ATG | DMA | GRD | KNA | LCA | VCT | DTF DB 2015 | 58.88 | 60.35 | 53.25 | 55.11 | 62.81 | 56.06 | DTF DB 2018 | 59.28 | 60.80 | 53.30 | 54.14 | 62.81 | 55.93 | <i>% Improved</i> | <i>0.7%</i> | <i>0.7%</i> | <i>0.1%</i> | <i>-1.8%</i> | <i>0.0%</i> | <i>-0.2%</i> |
| | Country | ATG | DMA | GRD | KNA | LCA | VCT | | | | | | | | | | | | | | | | | | | | | | | | |
| DTF DB 2015 | 58.88 | 60.35 | 53.25 | 55.11 | 62.81 | 56.06 | | | | | | | | | | | | | | | | | | | | | | | | | |
| DTF DB 2018 | 59.28 | 60.80 | 53.30 | 54.14 | 62.81 | 55.93 | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>% Improved</i> | <i>0.7%</i> | <i>0.7%</i> | <i>0.1%</i> | <i>-1.8%</i> | <i>0.0%</i> | <i>-0.2%</i> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indicator 2: New banking regulatory framework adopted | Achieved | <p>The RPS Program has been supporting Indicator 2 mostly through many separate financial sector TA activities, including “Continued Resilience of the ECCU Financial System”, “Asset</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Outcomes | Indicators | Status | Comments |
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| | <p><i>Baseline:</i> Outdated regulatory framework and deficient supervision.</p> <p><i>Target:</i> Banking regulation consistent with international standards</p> | | <p>Management Expertise for the ECCU Financial System”, “Financial Analysis and Dynamic Modeling Expertise”, “Strengthening the Financial Sector in the Eastern Caribbean”, and “OECS - Diversifying the Financial System”. The ongoing “Caribbean PA - Development of Sound Financial Systems” expects to deepen reforms already achieved. A planned financial sector support project was dropped from the program early in the PRS as the enabling conditions had not been met, and risks for global financial crisis’ continuation diminished.</p> <p>New banking regulatory framework (Banking Act) consistent with international standards was adopted in each OECS country, except Dominica, between October 2015 and May 2016 (www.eccb-centralbank.org/p/legal-and-regulatory-framework). This harmonized framework improved the Regulator’s supervisory tools for dealing with problem banks and strengthened banks through higher capital requirements. In addition, all 6 OECS countries passed and operationalized the Asset Management Corporation Law, which has helped to improve management of delinquent bank assets and to restore balance sheets affected since the global financial crisis.</p> |
| | <p>Indicator 3: Improved market conditions for renewables by updated energy sector regulatory framework</p> <p><i>Baseline:</i> 2 countries part of the Eastern Caribbean Energy Regulatory Agency (ECERA) project (GRD, LCA)</p> <p><i>Target:</i> At least 3 countries part of the Eastern Caribbean Energy Regulatory Agency (ECERA) project.</p> | Not on track | <p>The RPS Program has been supporting this indicator both through lending, mainly the ECERA Project, complemented by the “Geothermal Resource Development in St. Lucia” ASA, and the regional Solar PV Demonstration and Scale-Up Project. Related TA included the TA series for geothermal development in Dominica.</p> <p>The market conditions for renewables improved in the region through the creation of national energy regulators in Grenada and St.Lucia. However, the emphasis in all countries remains on their national regulatory body rather than the Regional body authority (ECERA).</p> |
| <p>Outcome 2: Increased tourism benefits, with stronger linkages to agribusiness</p> | <p>Indicator 1: Increase in local currency spent per tourist arrival</p> <p><i>Baseline:</i> To be determined at the time of the diagnostic for the Regional APL on Tourism / Agriculture Competitiveness</p> <p><i>Target:</i> To be determined during diagnostic phase</p> | Not on track | <p>The RPS Program’s support to this indicator was expected to come mainly from the FY15 Regional Competitiveness project, covering tourism and agriculture. In the end, the project was split into two single sector regional projects: one on Tourism, one on Agriculture, and approved in late FY17, with implementation just starting. Complementary support was provided in FY15 through the “OECS Tourism Competitiveness” ASA and in FY16 through the ESW “Linking Farmers and Agro-processors to the Tourism Industry in the OECS”.</p> <p>Indicator on expenditure per tourist arrival in WBG’s database has not been updated since 2015 for any OECS country.</p> |

| Outcomes | Indicators | Status | Comments |
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| | <p>Indicator 2: Increased demand for food sourced locally by tourism sector</p> <p><i>Baseline:</i> 32% (WB, 2008) to be updated at time of the diagnostic for the Regional Project on Tourism / Agricultural Competitiveness</p> <p><i>Target:</i> To be determined during diagnostic phase</p> | Not on track | <p>The RPS Program’s support to this indicator was expected to come mainly from the FY15 Regional Competitiveness project, covering tourism and agriculture. In the end, the project was split into two single sector regional projects: one on Tourism, one on Agriculture, and approved in late FY17, with implementation just starting. Complementary support was provided in FY15 through the “OECS Tourism Competitiveness” ASA and in FY16 through the ESW “Linking Farmers and Agro-processors to the Tourism Industry in the OECS”.</p> <p>The recent hurricanes in Antigua & Barbuda and Dominica have extensively damaged tourism and agriculture infrastructure and results.</p> |
| | <p>Indicator 3: # of organized agro-producers who have adopted promoted technology who sell their products to tourism sector</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2,000 (of which at least 30 percent²³ are women)</p> | Not on track | Ditto Indicator 2 above. |

Pillar 2: Public Sector Modernization

| Outcomes | Indicators | Status | Comments |
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| Outcome 3: Improved budget management and transparency | <p>Indicator 1: Introducing strategic budgeting tools</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> at least 2 countries with rolling forward budget estimates and multiannual budget ceilings</p> | Not on track | <p>RPS Program’s support to public sector modernization in OECS has been provided mostly through Trust-funded Investment Project Financing (IPF) funded by Global Affairs Canada (GAC) -the “Support for Economic Management for the Caribbean Region” or SEMCAR - and the United Kingdom’s Department for International Development (DfID)-funded “OECS and Jamaica Public Expenditure Management and Digital Governance Project”, as well as the series of Development Policy Financing (DPF) operations for Grenada. Unused funding from SEMCAR was restructured into an Externally-Financed Output (EFO) to reflect emerging Public Financial Management (PFM) reform priorities in the region around the overarching theme of public sector resilience, with specific focus on PFM systems and state-owned enterprise (SOE) governance, among others.</p> <p>Several OECS countries, notably St.Lucia and Grenada, use more strategic tools in their budget planning with incipient forms of rolling forward budget estimates and multiannual budgeting. Grenada, in particular, now has a multiyear fiscal framework which informs the</p> |

²³ To be confirmed during the diagnostic phase of the Regional Competitiveness project.

| Outcomes | Indicators | Status | Comments |
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| | <p>Indicator 2: Develop/ implement open budget index</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> at least 2 countries</p> | On track | <p>establishment of rolling forward budget estimates. Introduction of a medium-term perspective in budgeting is, however, largely an area that other multilaterals have spearheaded across the region - e.g. the International Monetary Fund-led Caribbean Regional Technical Assistance Centers (CARTAC). TA support through the SEMCAR EFO and the DFID TF is expected to continue to build on the progress in this area through strengthening additional aspects of strategic budgeting, including public investment and public procurement management and incorporation of climate resilience considerations into PFM systems.</p> <p>RPS Program’s support has been provided mainly through two ASAs: the “Caribbean Open Data” and the “OECS and Jamaica Public Expenditure Management and Digital Governance” Projects.</p> <p>St.Lucia developed open budget data visualizations and its Ministry of Finance staff was trained on how to update them each year. The authorities have not yet launched their Open Data portal, so the visualizations have not yet been published. With support from Phase 2 of “Supporting Open Data in the Caribbean”, embedded within the DfID-funded ASA mentioned above, both the developing and the implementation of open data portals are expected in 3 OECS countries (Grenada, St.Lucia, and St.Vincent & the Grenadines).</p> |
| <p>Outcome 4: Strengthened statistical capacity</p> | <p>Indicator 1: New modules to measure multidimensional and monetary poverty (enhanced Labor Force Surveys) piloted and implemented in at least two member states</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> St. Lucia pilots new modules by 2015; at least 2 member states implement new modules by 2019</p> | On track | <p>RPS Program’s support has been provided through a series of ASA, like the “Caribbean Poverty NLTA”, the “OECS Statistics and Poverty NLTA”, and the “Caribbean: Poverty and Equity PA”. The recently approved <i>Human Development Service Delivery Project</i> for St.Vincent & the Grenadines is also providing support to the whole survey design, data collection and data analysis process in that country.</p> <p>All OECS countries, except Dominica, include the multidimensional poverty index module in their Labor Force Surveys. The revised consumption module, needed to estimate monetary poverty has been added to these countries’ Surveys of Living Conditions / Household Budget Surveys. St.Lucia piloted that type of survey in 2016. Currently, St.Vincent & the Grenadines has already started data collection; St.Kitts & Nevis is preparing for field work to pilot the same version of the survey; and Grenada is in the process of sampling and questionnaire design.</p> |
| <p>Outcome 5: Strengthened capacity to manage PPP</p> | <p>Indicator 1: Implementation of PPP policy and institutional frameworks</p> <p><i>Baseline:</i> 0 (2013)</p> | On track | <p>RPS Program’s support to this indicator has been provided mostly in the form of ASA through the Caribbean: Regional PPP Support and, in the case of St.Lucia, with a country-specific Reimbursable Advisory Service (RAS) – “St Lucia PPP Policy”. This support was complemented by targeted support from two operations: the FY16/FY17 DPC series for</p> |

| Outcomes | Indicators | Status | Comments |
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| | <p><i>Target:</i> At least 2 countries have introduced national PPP policy and institutional framework</p> <p><i>IFC aims to support at least 3 successful PPP transactions over the RPS period.</i></p> | | <p>Grenada and the Caribbean Regional Communications Infrastructure Program (CARCIP) Project. The latter provided specific support for PPPs in the area of ICT.</p> <p>PPP policy and institutional frameworks were recently introduced in Grenada, and across the OECS for ICT PPPs. St.Lucia is expected to be the next country to implement a PPP policy and institutional framework. In addition, a number of PPPs were developed with support from IFC, but failed to conclude to date. Prospects for a PPP operation in Grenada appear feasible by the revised closing date of the RPS.</p> |
| Pillar 3. Resilience | | | |
| Outcome 6: Improved targeting and reduced fragmentation of social protection system | <p>Indicator 1: # of countries that introduce objective targeting mechanisms for cash transfer programs</p> <p><i>Baseline:</i> 1 (Dominica)</p> <p><i>Target:</i> 4 (Antigua & Barbuda, Grenada, St Kitts and Nevis, St Lucia)</p> | Not on track | <p>RPS Program’s support to this indicator has been provided through both <i>financing</i> (e.g. Grenada’s Safety Net Advancement Project, Grenada’s FY16/17 DPC series, and St.Vincent and the Grenadines’s HD Service Delivery Project) and <i>ASAs</i> (e.g. “Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines”, “Transforming Social Protection in St.Lucia”, and “Building Blocks for Disaster-Responsive Social Protection Systems in Dominica and Grenada”).</p> <p>Grenada has already introduced objective targeting mechanisms for cash transfer programs. The targeting tool has also been developed in St.Lucia. St.Vincent and the Grenadines (not included as a target country, initially) is expected to achieve a similar outcome by the revised closing date. Similar programs have not yet been assessed in the two IBRD countries (Antigua & Barbuda and St.Kitts & Nevis).</p> |
| | <p>Indicator 2: # of countries where ministry in charge of social protection uses unique registry of beneficiaries</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 5 (Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia)</p> | Not on track | <p>RPS Program’s support has been provided to date through both financing and ASAs, as explained for indicator 1 above.</p> <p>The only OECS country to make progress on this indicator so far is Grenada, where the unique registry of beneficiaries for the flagship social program (known as SEED) is in place. A similar undertaking is planned to be developed under the financing project in St.Vincent and the Grenadines. In St.Lucia, the initial outline of the registry has been prepared, but the development and the population of the registry are on hold awaiting for earmarked financial resources.</p> |
| Outcome 7: Establishment of quality education standards | <p>Indicator 1: Established quality standards for education in line with the OECS Education Strategy</p> <p><i>Baseline:</i> None</p> | Achieved | <p>RPS Program’s support for this indicator has been provided through the “OECS Social Resilience and Human Development TA” ASA and also through the preparation of the Grant-funded operation “Support to the Implementation of the Regional Education Strategy”.</p> |

| Outcomes | Indicators | Status | Comments |
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| | <p><i>Target:</i> Quality standards established</p> | | Quality standards for language, arts, math, social studies and science and technology were established in 2016, in line with the OECS Education Strategy. |
| | <p>Indicator 2: # of youth who receive the Caribbean Vocational Qualification (CVQ)</p> <p><i>Baseline:</i> 1800 (achieved through OECS Skills and Jobs projects in Grenada and St.Lucia), of which females 1368 and males 432</p> <p><i>Target:</i> 2600 (including an additional 300 each for Grenada and St.Lucia, and 200 for other OECS), of which females 1820 and males 780</p> | Not on track | RPS Program’s support was expected to be provided from the originally planned Regional Social Resilience and Human Development Project, which would Grenada, St.Lucia, and St.Vincent & the Grenadines. Further preparatory support came from the “OECS Social Resilience and Human Development TA” and also through the preparation of the Grant-funded operation “Support to the Implementation of the Regional Education Strategy”. Eventually, the regional project would not materialize and only St.Vincent & the Grenadines would get sector-specific financing support through the Human Development Service Delivery Project, approved in May 2017. This project is supporting TVET leading to the CVQ for approximately 1,200 poor and unemployed at-risk youth. No further RPS Program’s support is expected for CVQ in Grenada and St.Lucia, thus making the original target not feasible. |
| Outcome 8: Enhanced data to support evidence-based policy to address NCDs | <p>Indicator 1: OECS countries annually submitting agreed upon common set of NCD indicators to CARPHA using a standard form</p> <p><i>Baseline:</i> 0 countries</p> <p><i>Target:</i> At least three countries</p> | Not on track | <p>RPS Program’s support was expected to be provided through the aforementioned Regional Social Resilience and Human Development Project. Due to the complexity of the OECS HD project and synergies in the health sector across countries, a decision was made to focus on public health emergencies through two country-specific projects in Saint Lucia and St. Vincent and the Grenadines, both of which are expected to incorporate some aspects of NCD management.</p> <p>Currently no country is submitting NCD indicators to CARPHA.</p> |
| Outcome 9: Increased capacity to manage natural hazards | <p>Indicator 1: # of OECS governments that have formulated a National Disaster Risk Financing & Insurance Framework & associated Action Plan, taking account of gender consideration, where feasible</p> <p><i>Baseline:</i> 0</p> <p><i>Target:</i> 2</p> | On track | <p>RPS Program’s support for this indicator has been provided from two core ASA: the “6R Programmatic Engagement in DRM & CCA”, which closed in FY15, and the ongoing “Caribbean Resilience Initiative PA”, one of whose subtasks provides targeted support for comprehensive disaster risk financing strategies.</p> <p>The Governments of Grenada and St.Lucia have already completed a draft framework and recommendations for a national disaster risk financing strategy. Both final reports are expected to be implemented by both countries by RPS closure.</p> |
| | <p>Indicator 2: Number of OECS governments that have assessed natural hazard-related contingent liabilities</p> <p><i>Baseline:</i> 0</p> | On track | As referred above, RPS Program’s support has taken the form of a succession of regional and country-specific financing, as well as TA. Support through these instruments led to the development of an innovative analytical approach to assess and quantify the direct contingent liability related to natural hazards, especially for Grenada and St.Lucia. |

| Outcomes | Indicators | Status | Comments |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <i>Target: 3</i> | | Both aforementioned countries have received the results of the assessment. A similar exercise for St.Vincent & the Grenadines is expected to be completed in FY19 as part of a separate TA. Assuming the countries concerned accept the WBG's assessment and quantification, this indicator will have been met. |
| | <p>Indicator 3: Number of days of interrupted traffic due to landslips, flooding, other climate-related events in selected areas</p> <p><i>Baseline: 30</i></p> <p><i>Target: 12</i></p> | Not on track | <p>As mentioned in the case of Indicators 1 and 2, RPS Program's support to the disaster risk management agenda was ample, and involved both a significant volume of financing through operations and continuous support through ASAs.</p> <p>This indicator, in that sense, was therefore supported through the same "package". However, in practice, WBG support has not succeeded in terms of actively measuring this indicator to track progress. The lack of comprehensive systems of information for capturing these data then precludes from assessing whether the target has been met, despite overall improvements in resilience in the OECS countries.</p> |

ANNEX 5: FINDINGS OF THE COUNTRY OPINION SURVEY

From April to May 2017, 423 stakeholders of the World Bank Group in four OECS countries were invited to provide their opinions on the Bank's assistance to the country by participating in a country survey. The Survey was fielded prior to September 2017's severe hurricanes. A total of 231 stakeholders participated in the survey, bringing the response rate to 55% compared to 79% response rate for the FY14 Country Survey²⁴. Respondents included government and public institutions (54%); judiciary and parliament (8%); PMUs and other WBG-supported activities (2%); private sector (19%); community based organizations; academia/research institutes/think tanks; youth groups; the media, and other organizations²⁵.

Overall Development Priorities. Stakeholders consider **growth** and **jobs** as top development priorities. The highest rank priority for achieving shared prosperity is **education and training to better ensure job opportunities**, with some country differences. **Crime and violence** was listed among the top three development priorities in St. Kitts and Nevis by more than 80% of respondents while it ranked high in Saint Vincent and the Grenadines and Saint Lucia. **Agriculture** is considered one of the top three priorities by nearly half the respondents in Dominica and Grenada, and less in other OECS. Overall respondents are *more* positive about their country's direction in FY17 than in FY14 (55% vs 42%).

Overall Perception of the WBG. Respondents' familiarity with WBG (6.7 out of 10) was close to that of CDB (6.9). Effectiveness rating of the WBG was 6.2 out of 10, compared to 6.9 for CDB. Respondents from Grenada gave significantly higher ratings of effectiveness. WBG is strongly regarded as a long-term partner (some of the highest ratings in the survey). The WBG's greatest value is considered its **financial resources** (55%), down from 65% in FY14, with **policy advice** and **capacity development** each at about 30%, down from 36% in FY14. Additional feedback for the WBG relate to how well the WB and IFC work together, with more than half responding the two institutions work well together. Trust funds, grants, followed by IFC's advisory services and DPFs are considered most effective instruments in supporting Government's efforts to reduce poverty. Among the six OECS, Saint Lucia respondents were the *most* familiar with the WBG, and Saint Vincent and the Grenadines the *least*. All countries gave positive responses to questions about the WBG's relevance and effectiveness.

More than a third of respondents cited the following two most important reasons for slow or failed WBG supported reform efforts: (i) Reforms are not well thought out considering country challenges; and (ii) poor coordination within Government. Other responses include, lack of capacity in Government (18%), the Government works inefficiently (17%).

Suggestions for the WBG going forward. The Survey suggests ways the WBG can add greater value in future: Collaborate more with the private sector and civil society organization to complement Government capacity; reduce complexity of WBG financing; increase support for capacity development; and support growth, jobs, agriculture, education, governance.

²⁴ Because of insufficient responses in some categories as well as methodological differences, data were weighted to reach similar stakeholder compositions across the survey years, allowing more statistically reliable comparisons.

²⁵ See *FY17 OECS Country Opinion Survey Report*, by Public Opinion Research Group, The World Bank Group

ANNEX 6: WORLD BANK GROUP PORTFOLIO

IDA/IBRD/TRUST-FUNDED ACTIVE OPERATIONAL PORTFOLIO

| # | Project ID | Project Name ¹ | Type | Countries involved | Approval Date | Closing Date ² | Project Age (years) ³ | Last DO | Last IP | Total value of the Project, by financing source (USD million) | | | | Disbursed (USD million) | Disbursed (percent of total) |
|------------------------------------|------------|----------------------------------------------------------------------------------------------------|----------------------|--------------------|---------------|---------------------------|----------------------------------|---------|---------|---------------------------------------------------------------|------------|--------------|-----------------|-------------------------|------------------------------|
| | | | | | | | | | | IDA | IBRD | Trust Funds | Total Committed | | |
| 1 | P101414 | Eastern Caribbean Energy Regulatory Authority (ECERA) | Regional | GRD; LCA | 16-Jun-11 | 30-Nov-18 | 6.8 | MS | MU | 5.6 | | 0.2 | 5.8 | 2.6 | 44.9 |
| 2 | P117871 | Regional Disaster Vulnerability Reduction Project APL I - Grenada and St. Vincent & the Grenadines | Regional | GRD; VCT | 23-Jun-11 | 31-Dec-18 | 6.8 | MU | MU | 56.5 | | 46.0 | 102.5 | 39.8 | 38.8 |
| 3 | P123128 | Grenada Safety Net Advancement Project | Country-specific | GRD | 5-Jul-11 | 30-Sep-18 | 6.8 | MS | MS | 5.0 | | | 5.0 | 3.7 | 73.2 |
| 4 | P114963 | Caribbean Regional Communications Infrastructure Program (CARCIP) | Regional | GRD; LCA; VCT | 22-May-12 | 1-Aug-18 | 5.9 | MS | MS | 25.0 | | | 25.0 | 13.7 | 54.6 |
| 5 | P129992 | Third Phase Disaster Vulnerability Reduction Project APL | Country-specific | DMA | 1-May-14 | 1-Jul-20 | 4.0 | S | MS | 17.0 | | 21.0 | 38.0 | 17.1 | 45.1 |
| 6 | P127226 | St. Lucia Disaster Vulnerability Reduction Project | Country-specific | LCA | 4-Jun-14 | 31-Dec-19 | 3.9 | MU | MU | 42.6 | | 32.5 | 75.2 | 19.6 | 26.1 |
| 7 | P131734 | Caribbean Climate Innovation Center ⁴ | Regional | All 6 | 27-Mar-15 | 30-Nov-18 | 3.1 | S | MS | | | 1.5 | 1.5 | 1.4 | 92.7 |
| 8 | P132570 | Caribbean Mobile Innovation Project ⁴ | Regional | All 6 | 10-Jul-14 | 30-Nov-18 | 3.8 | MS | MS | | | 1.5 | 1.5 | 1.4 | 94.7 |
| 9 | P149959 | Geothermal Resource Development in St. Lucia | Country-specific | LCA | 3-Dec-14 | 31-Dec-18 | 3.4 | MS | MS | | | 2.0 | 2.0 | 1.3 | 64.0 |
| 10 | P149670 | Central America & Caribbean Catastrophe Risk Insurance Project ⁵ | Regional | All 6 | 30-Jun-15 | 30-Jun-19 | 2.8 | S | S | | | 6.9 | 6.9 | 0.0 | 0.0 |
| 11 | P153404 | Solar PV Demonstration and Scale-up Project | Regional | GRD; LCA; VCT | 11-Mar-16 | 31-Dec-18 | 2.1 | MU | MU | | | 1.8 | 1.8 | 0.6 | 31.1 |
| 12 | P157484 | Caribbean Investment Facilitation Project ⁴ | Regional | All 6 | 18-Apr-16 | 31-Dec-18 | 2.0 | MS | MS | | | 1.6 | 1.6 | 1.5 | 91.9 |
| 13 | P158836 | Support to the Implementation of the Regional Education Strategy | Non-country entities | OECS Commission | 18-Jul-16 | 30-Sep-19 | 1.7 | MU | MU | | | 2.0 | 2.0 | 0.4 | 20.5 |
| 14 | P152117 | OECS Regional Tourism Competitiveness Project | Regional | GRD; LCA; VCT | 6-Apr-17 | 1-Sep-23 | 1.0 | S | S | 20.0 | 6.0 | 0.4 | 26.4 | 0.8 | 2.9 |
| 15 | P154253 | Human Development Service Delivery Project | Country-specific | VCT | 25-May-17 | 31-Jul-22 | 0.9 | S | S | 10.7 | | | 10.7 | 0.3 | 2.8 |
| 16 | P158958 | OECS Agricultural Competitiveness Project | Regional | GRD; VCT | 25-May-17 | 31-May-23 | 0.9 | S | MS | 6.5 | 1.8 | | 8.3 | 0.6 | 7.1 |
| 17 | P155034 | Caribbean Energy Statistics Capacity Enhancement Project | Regional | LCA | 21-Sep-17 | 16-Sep-19 | 0.6 | S | S | | | 0.5 | 0.5 | 0.1 | 10.0 |
| 18 | P159653 | Caribbean Regional Oceanscape Project (CROP) | Non-country entities | OECS Commission | 25-Sep-17 | 31-Dec-21 | 0.6 | S | S | | | 6.3 | 6.3 | 0.6 | 8.9 |
| TOTAL OECS ACTIVE PORTFOLIO | | | | | | | 4.5 | | | 188.9 | 7.8 | 124.2 | 321.0 | 105.2 | 32.8 |
| | | | | | | | | | | 59% | 2% | 39% | | | |

¹ Projects are sorted in chronological order of Bank approval.

² Closing date refers to the current closing date. This may differ from the original closing date for projects whose restructuring involved an extension of the closing date.

³ Average age of the portfolio is calculated as the weighted average of the portfolio, with weights given by the size of the financing of the project to the total portfolio. Simple average age of the portfolio is 3.2 years.

⁴ This Project is part of the Entrepreneurship Program for Innovation in the Caribbean (EPIC) Program (P124771).

⁵ CCRIF covers both Central America and the Caribbean. The total value of the Project is \$43.3 million. Value reported is the pro-rated estimation benefitting only the 6 OECS countries. Disbursement reported corresponds only to the Caribbean component, adequately pro-rated.

SUMMARY OF ONGOING ADVISORY SERVICES AND ANALYTICS

| Expected Delivery (Fiscal Year) | Task ID | Task Name | Product Line | ASA Coverage | OECS countries / regional organizations supported | Theme Name |
|----------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|----------------------------------------------------------|------------------------------------|
| 2018 | P152884 | Caribbean Resilience Initiative PA | PA | Regional | All 6 | DRM / Climate Resilience |
| 2018 | P153427 | Caribbean Regional Oceanscape Program NLTA | PA | Regional | All 6 | Blue Economy |
| 2018 | P156500 | Technical Assistance for Geothermal Development in Dominica | TA | Country-specific | DMA | Renewable Energy |
| 2018 | P158320 | Caribbean PA: Development of Sound Financial Systems | PA | Regional | ECCB | Financial Systems |
| 2018 | P159285 | Building Blocks for Disaster-Responsive Social Protection Systems in Dominica and Grenada | TA | Regional | DMA; GR | Social Protection Systems |
| 2018 | P160347 | Caribbean: Poverty and Equity PA | PA | Regional | All 6 | Statistical Capacity Building |
| 2018 | P161103 | Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines | TA | Country-specific | VCT | Social Protection Systems |
| 2018 | P161339 | AML/CFT National Risk Assessment EFO III | TA | Regional | DMA | AML/CFT |
| 2018 | P163897 | St. Lucia Joint IMF-WB pilot CCPA and Climate Change Macro-Model for St Lucia | TA | Country-specific | LCA | Climate Change Macro-Models |
| 2018 | P600212* | OECS Business Taxation Reform Project | TA | Regional | All 6 | Doing Business / Taxes |
| 2019 | P159034 | Caribbean Growth Forum Phase II PA | PA | Regional | All 6 | Private sector-led growth |
| 2019 | P159061 | Caribbean Trade Support PA | PA | Regional | CARICOM | Trade |
| 2019 | P162036 | Illicit Financial Flows (IFFs) - FMI-Led Activities | TA | Regional | GRD | AML/CFT |
| 2019 | P165263 | Knowledge Exchange on Adaptive Social Protection Systems as a Disaster Risk Mitigation Mechanism | KE | Regional | All 6 | Social Protection Systems |
| 2019 | P599907* | Indicator-Based Reform Advisory in LAC | TA | Regional | All 6 | Doing Business / Several |
| 2020 | P600729* | Caribbean Secured Transactions and Collateral Registries | TA | Regional | All 6 | Doing Business / Financial Markets |
| 2021 | P161942 | OECS and Jamaica Public Expenditure Management and Digital Governance Project | TA | Regional | DMA; GR; LCA; VCT | PFM; Open Data; Procurement Reform |
| 2022 | P160774 | Inclusive Economic Management in the Caribbean (SEMCAR - Phase 2) | TA | Regional | All 6 | Public Sector Reforms |
| 2022 | P164515 | Financial Market Integrity - Multi-Donor Trust Fund | TA | Regional | KNA; LCA | AML/CFT |

* IFC-funded ASA

ADVISORY SERVICES AND ANALYTICS DELIVERED TO DATE

| Fiscal Year | Task ID | Task Name | Product Line | ASA Coverage | OECS countries / regional organizations supported | Theme Name |
|-------------|---------|-----------------------------------------------------------------------------------------------|-------------------|------------------|------------------------------------------------------------|-------------------------------------|
| 2015 | P129813 | 6R Programmatic Engagement in DRM & Climate Change Adaptation (CCA) | TA | Regional | All 6 | DRM / Climate Resilience |
| | P130208 | Caribbean Growth Forum | TA | Regional | All 6 | Private sector-led growth |
| | P143708 | Geothermal Development in Dominica | TA | Country-specific | DMA | Renewable Energy |
| | P144730 | Caribbean Analytical and Advisory Work Externally-Financed Output (EFO) | PA | Regional | All, except ATG | Private sector-led growth |
| | P146683 | Caribbean New Trade Environment | ESW | Regional | CARICOM | Trade |
| | P149915 | LC (Latin America and the Caribbean) RAS (Reimbursable Advisory Services) St Lucia PPP Policy | TA | Country-specific | LCA | PPP |
| | P150087 | Caribbean Report on Observance of Standards and Codes - Accounting and Auditing | ESW | Regional | ICAC (Institute of Chartered Accountants in the Caribbean) | PFM |
| | P150107 | Investment Policy - Caribbean Region | TA | Regional | All 6 | Private sector-led growth |
| | P151093 | Caribbean Poverty NLTA | TA | Regional | All 6 + OECS Commission | Statistical Capacity Building |
| | P151133 | OECS Statistics and Poverty Non-Lending Technical Assistance (NLTA) | TA | Regional | All 6 + OECS Commission | Statistical Capacity Building |
| | P152118 | OECS Tourism Competitiveness | TA | Regional | All 6 | Tourism |
| 2016 | P148056 | Caribbean Open Data | TA | Regional | LCA | Open Data / E-Government |
| | P149120 | Transforming Social Protection in St.Lucia | TA | Country-specific | LCA | Social Protection Systems |
| | P150825 | Financial Analysis and Dynamic Modelling Expertise | TA | Regional | ECCB | Financial Systems |
| | P150897 | Strengthening the Financial Sector in the Eastern Caribbean | TA | Regional | ECCB | Financial Systems |
| | P154171 | Linking Farmers and Agro-processors to the Tourism Industry in the OECS | ESW | Regional | All 6 | Agri-business linkages with tourism |
| | P154718 | OECS Growth Report | ESW | Regional | All 6 | Growth |
| | P155980 | DeMPA Grenada | ESW | Country-specific | GRD | Debt Management |
| | P157123 | DeMPA Antigua and Barbuda | ESW | Country-specific | ATG | Debt Management |
| | P157361 | LC3 Caribbean Implementation Workshop | External Training | Regional | All 6 | Financial Management |

| Fiscal Year | Task ID | Task Name | Product Line | ASA Coverage | OECS countries / regional organizations supported | Theme Name |
|--------------------|----------------|----------------------------------------------------------------------------|---------------------|---------------------|----------------------------------------------------------|---------------------------------|
| 2017 | P145745 | Continued Resilience of the ECCU Financial System | TA | Regional | ECCB | Financial Systems |
| | P146727 | Asset Management Expertise for the ECCU Financial System | TA | Regional | ECCB | Financial Systems |
| | P153695 | OGE (US Office of Government Ethics): AML/CFT National Risk Assessment EFO | PA | Regional | ATG | AML/CFT |
| | P157072 | OECS Social Resilience and Human Development TA | TA | Regional | LCA; VCT | Education and Social Protection |
| | P162230 | St. Vincent and the Grenadines DEMPA | ESW | Country-specific | VCT | Debt Management |
| | P162330 | ECCB WB DEMPA St. Lucia | ESW | Country-specific | LCA | Debt Management |

| | | | | | | |
|------|---------|--------------------------------------------------------------------------------------------------|-----|------------------|-------|-----------------------------------|
| 2018 | P128874 | Programmatic TA for the Support for Economic Management in the Caribbean Region (SEMCAR) Phase 1 | TA | Regional | All 6 | Public Sector/Governance |
| | P149007 | Institutional Development Fund Grant for Strengthening Country Systems | TA | Regional | All 6 | Financial Management / Governance |
| | P151976 | Caribbean: Regional PPP Support | TA | Regional | All 6 | PPP |
| | P156111 | PA for Violence Prevention in the Caribbean | PA | Regional | All 6 | Violence Prevention |
| | P156396 | OECS #B052 Diversifying the Financial System | PA | Regional | ECCB | Financial Systems |
| | P156931 | Risks and Opportunities for the Caribbean of Cuba's Reintegration | ESW | Regional | All 6 | Tourism |
| | P163488 | St. Kitts Debt Management Performance Assessment (DeMPA) | ESW | Country-specific | KNA | Debt Management |

SUMMARY OF ONGOING TRUST FUNDS

| Project ID | Task Name | Proposal Approval | Grant Closing | Amount (USD thousands) |
|------------|-------------------------------------------------------------------------------------------------------------------|-------------------|---------------|------------------------|
| P117871 | Regional Disaster Vulnerability Reduction Project * | 6/23/2011 | 12/31/2018 | 46,020 |
| P129992 | Disaster Vulnerability Reduction Project * | 5/1/2014 | 7/1/2020 | 21,000 |
| P127226 | St. Lucia Disaster Vulnerability Reduction Project * | 6/4/2014 | 12/31/2019 | 32,530 |
| P149959 | Geothermal Resource Development in St. Lucia * | 12/3/2014 | 12/31/2018 | 2,000 |
| P153404 | Solar PV Demonstration and Scale-up Project * | 3/11/2016 | 12/31/2018 | 1,800 |
| P159285 | Building Blocks for Disaster-Responsive Social Protection Systems in Dominica and Grenada | 4/12/2016 | 5/1/2018 | 298 |
| P158836 | Support to the Implementation of the Regional Education Strategy * | 7/18/2016 | 9/30/2019 | 2,000 |
| P160774 | Inclusive Economic Management in the Caribbean (SEMCAR - Phase 2) | 8/12/2016 | 12/31/2021 | 1,183 |
| P161103 | Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines | 11/7/2016 | 6/25/2018 | 154 |
| P161942 | OECS and Jamaica Public Expenditure Management and Digital Governance Project | 11/10/2016 | 10/15/2020 | 4,900 |
| P156500 | Technical Assistance for Geothermal Development in Dominica | 1/23/2017 | 6/29/2018 | 359 |
| P165263 | Knowledge Exchange on Adaptive Social Protection Systems as a Disaster Risk Mitigation Mechanism | 9/11/2017 | 6/10/2019 | 200 |
| P159653 | Caribbean Regional Oceanscape Project (CROP) * | 9/25/2017 | 12/31/2021 | 6,300 |
| | Total | | | 118,744 |

* Recipient-Executed Trust Fund (TFs supporting specific investment project financing operations)

Note: Trust Funds are sorted in chronological order of approval by the Bank.

SUMMARY OF IFC PORTFOLIO

Statement of IFC's Committed and Outstanding Portfolio, in USD million

| Commitment | Institution | Loan | Loan | Equity | Quasi-Loan + Quasi-Equity | Guarantee | Risk Management | ALL | Loan | Equity | Quasi-Loan + Quasi-Equity | Guarantee | Risk Management | ALL |
|------------------------|----------------------------|-------------|------------|-------------|------------------------------|-----------|--------------------|-------------|-------------|-------------|------------------------------|-------------|--------------------|-------------|
| Fiscal Year | Short Name | Committed | Repayment | Committed | Committed | Committed | Committed | Committed | Outstanding | Outstanding | Outstanding | Outstanding | Outstanding | Outstanding |
| 2002 | Bel Air | 0.9 | 0.1 | 0 | 1.0 | 0 | 0 | 1.9 | 0.9 | 0 | 1.0 | 0 | 0 | 1.9 |
| 2013 | Portland Private | 0 | 0 | 19.3 | 0 | 0 | 0 | 19.3 | 0 | 13.7 | 0 | 0 | 0 | 13.7 |
| 2011 | Sagicor | 0 | 0 | 10.5 | 0 | 0 | 0 | 10.5 | 0 | 10.5 | 0 | 0 | 0 | 10.5 |
| 2018/ 2017 | DARP SPV Adamantine | 12.0 | 0 | 6.7 | 0 | 0 | 0 | 18.6 | 2.4 | 2.0 | 0 | 0 | 0 | 4.4 |
| Total Portfolio | | 12.9 | 0.1 | 36.4 | 1.0 | 0 | 0 | 50.3 | 3.3 | 26.2 | 1.0 | 0 | 0 | 30.5 |

Note: Portfolio includes the following OECS countries: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines. It also includes Caribbean-wide products where OECS countries are part.