



GOVERNMENT OF BARBADOS

DRAFT



**Prepared
By
The Research and Planning Unit
Economic Affairs Division
Ministry of Economic Affairs, Empowerment, Innovation, Trade,
Industry and Commerce**

DECEMBER 2009



MEDIUM TERM DEVELOPMENT STRATEGY (MTDS)

OF

BARBADOS

2010 - 2014

“RECOVERY, ADJUSTMENT AND SUSTAINABLE DEVELOPMENT”

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CHAPTER I INTRODUCTION

The Medium Term Development Strategy (MTDS) sets out a broad framework of policies and programmes, which the government will seek to pursue over the period 2010 – 2014. The MTDS gives support to the country’s long-term vision of becoming **“A Fully Developed and People-centered Society, through New Development Pathways”**. The plan will serve as an important recovery tool that will be used to guide the country as it emerges from the current global recession. In this respect, the theme “Recovery, Adjustment and Sustainable Development” adequately speaks to the policy framework that has to be put in-place if Barbados is to remain on an upward growth and development path.

As a strategic planning document, the MTDS will provide just the broad blueprint and will leave the finer details to individual plans of ministries and agencies. The MTDS also embraces the key strategies contained in the **Short and Medium Term Action Plan** which was formulated by the Special Working Group on the economy.

An important feature of the plan is its focus on maintaining macroeconomic stability through sustainable fiscal and debt management. The plan also promotes the need for new areas of growth using foreign and domestic savings. These new areas will most likely be found in services such as health, education, sports, culture etc.

On economic sectoral matters, in the area of **tourism**, the plan outline measures to further develop and expand the tourism product with focus on the development of special areas, market expansion and airlift will be critical. In **agriculture**, emphasis will be placed on greater use of technology and ensuring food security. In terms of **energy**, this sector will be targeted for the advancement of alternative forms of energy such as wind, waste to energy and solar.

In the **international business sector**, government will be seeking to expand its double taxation treaty arrangements with countries within the various continents while also engaging in other initiatives to expand the sector. As an important pillar of development, there will be increased effort to further develop the **small business sector** through technical support and ensuring that the necessary policies are put in place to assist small business persons and create employment. Regarding **trade and investment**, the plan speaks to the need to attract new investors and create new enterprises that can earn foreign exchange through higher exports.

On **environmental** matters, the water mains replacement programme and sanitation, development of special waste management projects, and coastal zone management and climate change adaptation, will be key projects. As it relates to **infrastructure development**, roads enhancement and the expansion of the Bridgetown port will be part of the main priorities going forward.

Concerning social issues such as **housing**, the programme of “housing every last citizen” will be a major initiative going forward. In the area of **education, health and poverty reduction**, the plan outlines a number of key strategies which government will pursue over the medium term. The further enhancement of these services will be the principal focus. Finally, the plan speaks to a number of special development issues such as **culture and sports, competitiveness and productivity, science and technology and foreign and trade policy**.

An important part of this strategy will be its implementation. In this regard, the building out of detailed sectoral plans will be critical in carrying forward the MTDS. While the role of the Ministry of Economic Affairs will not be to implement the plan, it will however be required to monitor and report on the implementation process and give guidance where necessary.

In addition, given the current fiscal constraints it is expected that many of the major policy initiatives contained in the MTDS will have to be vigorously pursued after the fiscal year 2010/11. This is when growth is expected to resume.

Based on the current strategies outlined within the plan and the possibility for further amendments, the broad objectives going forward are to:

1. Become a globally competitive and productive economy capable of sustaining a rate of growth of 3.0 per cent and over. This growth will be export-led with focus paid to traditional and non-traditional sectors. It will also be driven by increased focus on science and technology.
2. Generate adequate levels of foreign exchange to help finance our development needs through an export led policy while also seeking to attract greater investment by ensuring that the correct fiscal, legal, and human resource environment is in place.
3. Keep the unemployment rates in single digits, by among other things, creating a cadre of entrepreneurs and small business persons and ensuring that the right investment climate is maintained.
4. Preserve a stable macroeconomic environment by:
 - a) ensuring a comfortable rate of inflation while seeking to have a more sustainable fiscal and debt position;
 - b) maintaining a sustainable external current account position by preventing to high a growth in imports and seeking to develop greater export potential; and
 - c) maintaining the fix exchange rate peg by ensuring that foreign exchange reserves are at adequate levels.

5. Work towards the alleviate of existing pockets of poverty through the improvement in governance of our resources, while ensuring that other social services such as - health, housing and education/training, are adequately provided.
6. Ensure environmental sustainability while seeking to address issues relating to climate change.

CHAPTER II CURRENT ECONOMIC SITUATION

A. Recent Domestic Economic Performance

The performance of the Barbados economy at the end of 2009 reflected the on-going downturn in the global economy. As a result of the negative shocks to the performance of key economic sectors, mainly tourism, real growth in 2009 fell to 5.4 per cent as compared to a decline of 0.2 per cent at the end of 2008. The declines in both 2009 and 2008 were reflective of similar downward business cycle patterns seen in 2001, when real GDP growth stood at negative 2.6 per cent, and the early 1990s when growth fell by an average of 4.8 per cent between 1990 and 1992 (See Figure 1).

Figure 1



Contributing to the economic downturn during 2009 was an estimated 6.7 per cent and 4.9 per cent decline in the traded and non-traded sectors respectively. In the traded sector tourism output fell by 6.6 per cent owing mainly to an 11.0 per cent drop in long-stay arrivals. In the manufacturing sector, activity fell by 13.7 per cent, which was significant when compared to the marginal decline of 2.2 per cent the year before. There was however positive growth in the areas of sugar (1.2 per cent) and non-sugar agriculture (1.6 per cent). The decline in the traded sector was somewhat smaller when compared to the decline during the 2001 recessionary period when overall activity declined by 7.6 per cent. With the decline in tourism activity, particularly building related, the non-traded sectors of mining and quarrying and construction fell significantly by 34.0 per cent and 22.6 per cent respectively. Similarly, activity in the wholesale and retail sector declined by 5.2 per cent compared to just 0.8 per cent in 2008.

Reflective of the economic decline the annual rate of unemployment rose to 10.2 per cent at the end of 2009 compared to 8.1 per cent in 2008 and 9.9 per cent at the end of 2001. As a result of the higher unemployment

rate, labour force productivity (as measured by the number of persons employed and nominal estimates of real GDP) is estimated to have fallen by 4.1 per cent. This is comparable with the level seen during the 2001 recession when labour productivity declined by just under four percentage points. On account of a return to normalcy of international commodity prices, the 12 month moving average inflation rate at the end of 2009 fell to 3.3 per cent from a high of 8.1 per cent for the same period 2008. This rate was slightly above the rate at the end of 2001 when it stood at 2.8 per cent.

In the face of the global economic and financial turbulence, financial sector activity during 2009 remained fairly strong as liquidity in the banking system continued to edge upwards and commercial bank's holdings of treasury securities expanded. To this end, the excess liquidity ratio rose from 8.9 per cent to 10.7 per cent at end-December 2009. Notwithstanding these positive trends, demand deposits of commercial banks declined marginally while credit accumulation was constrained.

For the fiscal period April 1, 2009 to December 31, 2009, the overall fiscal deficit stood at \$480.4 million or 6.6 per cent of GDP at market prices. This represent a worsening of the fiscal position when compared to the corresponding period 2008-2009 when the deficit stood at 3.3 per cent of GDP. This fiscal outturn reflected a marked slowdown in revenue intake, on account of the weakened domestic economy and increased Government expenditure. Information on tax revenues revealed that receipts from goods and services declined by \$136.7 million or 16.7 per cent to \$685.4 million of which earnings from VAT totalled \$503.4 million, a decreased of \$121.4 million. The decline in VAT receipts represented a run down in inventory. On the other hand taxes on incomes and profits increased by \$35.5 million or 7.0 per cent.

Government current expenditure, exclusive of amortization, increased by \$87.8 million or 4.7 per cent over 2008-2009 figure. Wages and salaries increased by \$46.3 million while goods and services grew by \$13.7 million. Alternatively, expenditure on current transfers fell by \$3.4 million. Interest payments also increased by \$29.0 million whereas amortisation decreased by \$137.5 million. The ratio of government debt to GDP for the period January to December 2009 rose from 90.8 per cent in 2008 to 110.2 per cent at the end of review period. However, net of NIS holdings, the government debt to GDP ratio stood at 82.7 per cent.

During 2009, the Net International Reserves (NIR) registered an increase of \$124.7 million, following a \$191.3 million fall-off in 2008. The external current account position improved also as the deficit stood at an estimated 6.0 per cent of GDP compared with 11.9 per cent at the end of 2008. This improved position was as a result of a 22.5 per cent decline in retained imports, largely due to the decrease in oil prices. Net private capital inflows slumped during 2009 by \$295.3 million, as project financing was considerably lower than in 2008.

TABLE 1: Leading Economic Indicators for Barbados (2000– 2009)
(per cent change unless otherwise stated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008P	2009E
GDP Per Capita at Factor Cost (BDS\$'000)	15.8	15.8	15.0	15.9	16.9	18.2	19.3	20.6	20.7	19.3
Nominal GDP at Market Price	-3.4	-0.2	-3.1	8.8	5.1	5.4	6.9	6.8	7.6	-2.2
Real GDP	2.3	-2.6	0.7	1.9	4.8	3.9	3.6	2.9	0.2	-5.4
Inflation Rate	2.4	2.8	0.2	1.6	1.4	6.1	7.3	4.0	8.1	3.3
Unemployment Rate	9.4	9.9	10.3	11.0	9.8	9.1	8.7	7.4	8.1	10.2
Fiscal Balance (per cent of GDP)	-1.5	-3.5	-6.4	-3.0	-2.2	-4.3	-2.0	-1.8	-5.9	-9.6
External National Debt (per cent of GDP)	37.2	44.4	47.0	46.0	43.0	45.1	47.0	45.3	42.6	48.7
Central Government Debt (per cent of GDP)	63.7	72.6	80.1	75.9	75.1	82.5	78.8	82.6	90.8	110.6
B.O.P. Current Account (per cent of GDP)	-4.4	-4.5	-6.5	-4.4	-9.4	-12.3	-7.8	-5.2	-11.9	-6.0
Net International Reserves (millions)	1080.8	1533.7	1711.2	2087.1	1746.5	1608.4	1691.0	2247.6	1748.7	1926.9
Reserve Cover (Weeks of Retained Imports)	22.2	36.7	35.6	35.2	23.7	22.4	23.7	30.3	23.5	30.5
Excess Liquidity Ratio	7.7	10.7	17.8	21.8	18.4	12.7	6.6	9.0	8.9	n.a

Source: Central Bank of Barbados

B. Regional Economic Overview

The current crisis, which originated in the advanced financial markets of the developed countries, has generated alarming ripple effects throughout the world. The impact on countries within the Caribbean region has been severe and its consequences are currently being felt across all sectors of our societies. It is projected that economic growth in the region could contract by 0.25 per cent at the end of 2009, due to falling exports of goods and services, particularly tourism. Tourism, which represents between 22.0 per cent and 75.0 per cent of the GDP of various Caribbean countries, has been severely impacted. The sector is the main earner of foreign exchange and largest employer in most of these economies; hence its downturn will have negative spin-off effects on critical sectors such as construction, retailing, and agricultural. In addition, foreign direct investment to the region has declined sharply with estimates showing it to decline by between 35.0 per cent and 45.0 per cent at the end of 2009. Remittances, a major source of financing to people and governments in Latin America and the Caribbean, are expected to fall by 7.0 per cent or US\$4.0 billion in 2009.

The drop in economic activity has resulted in rising rates of unemployment. ILO data for the first quarter of 2009 showed that the crisis is affecting employment in the LAC region with urban unemployment up by 0.6 percentage points when compared to 2008. Overall, it is expected that on average, unemployment could rise to 8.5 per cent – 9.0 per cent by the end of 2009¹. This could mean that the region, which has achieved much of the internationally agreed development goals, could see some reversal of these achievements if the crisis continues beyond 2010.

The Caribbean region has not been passive with respect to the economic and financial crisis. However, efforts by some of the governments within the region to introduce countercyclical measures have been undermined by the limited fiscal policy space of CARICOM Member States, most of which are highly indebted and are facing declining tax revenues. Notwithstanding the various constraints, countries in the regions have engaged in fiscal, monetary and other policy measures. According to ECLAC², countries have adopted policies that looked at legal reserve adjustments, liquidity injections in national currency, and changes to their monetary policy rate. Also, countries undertook tax cuts, increased benefits and subsidy allocations, and increased or engaged in early disbursement of public spending allocations. A few countries engaged in policies targeting increases in import duties and import restrictions, and tariff reductions. On the social front, countries acted to protect vulnerable social and economic sectors by engaging in policies and programmes that focused on small and medium size enterprises, agriculture, tourism, and industry.

C. The International Context

According to the IMF October 2009 Outlook, the current global rebound will be sluggish, credit constrained, and, for quite some time, jobless. Global growth is projected to reach about 3.0 per cent in 2010, following a contraction in activity of about 1.0 per cent in 2009 (See Table 2). During 2010–14, global growth is forecast to average just above 4.0 per cent, appreciably less than the 5.0 per cent growth rates in the years just ahead of the crisis. Financial and corporate restructuring will continue to exert considerable downward pressure on activity, and wide output gaps will help keep inflation at low levels. Demand is likely to be dampened by the need in many advanced economies to rebuild savings. On a slightly positive note, world commodity prices have started to recover and global trade has stabilized after the severe decline in the first part of 2009. This argues well for developing countries that would have seen substantial erosion in earnings.

Looking forward, the pace of recovery will depend not only on how fast

¹ ECLAC estimates

² ECLAC publication “The reaction of the Government of Latin America and the Caribbean to the international crisis: an overview of policy measures up to 31st May 2009”

the financial markets can recover but also on how fast investor's confidence can return. All this will have to be considered as cuts in interest rates, credit easing, bank recapitalization and fiscal injections continues. Much of this recovery will rest with what happens in the United States which is now showing signs of recovery after hitting bottom in the second half of 2009. With unemployment looking to stabilise, as shown by fewer jobs being lost, and with the housing market smoothing out and sales picking up, the expectations are that the U.S. market should grow by 1.5 per cent in 2010 and 2.1 per cent by the end of 2014. The spill-off from this growth should positively effect developing markets who depend on the U.S. for the exports of there goods and services. Other advanced markets such as Canada, Japan, the EU and others, are projected to grow by 1.3 per cent and 2.4 per cent during 2010 and 2014 respectively.

Emerging and developing economies are generally further ahead on the road to recovery. The recent rebound in commodity prices and supportive policies has also helped many of these economies. In these markets, real GDP growth is forecast to reach almost 5.0 per cent in 2010, up from 1.8 per cent in 2009. This rebound is being driven by China, India, and a number of other emerging Asian economies. Other emerging economies are staging modest recoveries, supported by policy stimulus and improving global trade and financial conditions.

The general outlook is that global growth will turn positive in 2010 following the deep recession in 2009. This projection is based on the fact that in the somewhat recent pass, recessionary periods have not been long. If the case of the USA is examined we see that after the 1974 and 1975 recessionary periods growth of 4.9 per cent occurred the year after. Then in 1983, just after the 1982 recession, growth bounced back at 4.5 per cent and again after the 1991 slump there was strong economic expansion of 3.3 per cent, which continued and only weaken during 2001.

Fuelling the projected recovery has been a wide-range of public intervention that has supported demand and lowered uncertainty and systemic risk in financial markets. While the recovery is expected to be slow, as financial systems remain impaired, support from public policies should be maintain even though the reality is that these will have to be gradually withdrawn. It is expected that households in developed and developing economies will look to rebuild savings even though high unemployment still remains a risk. Over the medium term, the key policy requirements will be to restore financial sector health while maintaining supportive macroeconomic policies until the recovery is on a firm footing.

Table 2: Projections of Key Macroeconomic Variables

	Real GDP Growth			Inflation			Current Account Balance		
	2009	2010	2014	2009	2010	2014	2009	2010	2014
World	-1.1	3.1	4.5	n.a	n.a	n.a	n.a	n.a	n.a

Advanced Economies	-3.4	1.3	2.4	0.9	1.0	1.6	-0.7	-0.4	-0.3
Developing Asia	6.2	7.3	8.5	3.0	3.4	2.8	5.0	5.2	5.4
Western Hemisphere	-2.5	2.9	4.0	6.1	5.2	5.2	-0.8	-0.9	-0.5
Africa	1.7	4.0	5.3	9.0	6.5	4.7	-3.1	-1.7	-0.2

Source: IMF's World Economic Outlook (October 2009)

CHAPTER III

MEDIUM TERM POLICY FRAMEWORK

OVERVIEW

The Medium term prospects for Barbados remains mixed given the current global economic climate. However, with prudent economic management there is the optimism that Barbados can benefit from the opportunities that will emerge from this crisis. Like other developing countries Barbados now have to plan within an environment that remain increasingly unstable as demonstrated during 2007 and 2008 when high global food and energy prices were some of the main issues confronting developing countries. What was to follow soon after was deterioration in the international financial markets that led to one of the worst recession in the post-war era.

As a result of these challenges, the proposed planning framework will have to be guided by principles of sound macroeconomic management which, among other things, promotes fiscal sustainability through controlled spending and increased efficiency in the collections of revenues; continued structural reform; social development, and governance; and environmental protection and enhancement. In addition, there must be a development framework that seeks to transform the Barbados economy from one of low productivity to one that is globally competitive and which offers high quality goods and services. We must continue to expand our efforts at encouraging targeted social and economic investments that address Barbados' development needs. In addition, improving business facilitation, reducing food and energy cost through enhanced food security and the adoption of renewable forms of energy, must all be part of the broad strategy going forward. We need also to give greater focus to science and technology as a way of creating more innovative ideas. This must be done through the strengthening of our academic facilities and targeted investment in our human resources.

As it stands, the Medium Term Plan provides a five (5) year instalment of the vision of government. It outlines the major initiatives, which government will be pursuing, over the medium term, which spans issues relating to housing, the environment, health, poverty, energy and industrial development. Other special development areas such as productivity and competitiveness, and technological improvement will also be areas of focus. In addition, a short discussion of the public sector investment programme is included. A major element of the MTDS will be its implementation. In this

regard, the Ministry of Economic Affairs will partner and work with all stakeholders to build out detailed strategic documents if none exist and also work with those ministries who have a plan and are in the process of implementation.

Medium Term Macroeconomic Prospects

With reference to Table 3 below, the expectations are that the economy will see a strong recovery at the end of 2011 where growth is estimated at 2.6 per cent. Following this, it is projected that growth will return to its historic trend of 3.0 per cent and over, driven by strong tourism demand and construction. This growth will be supported by increased activity in the international business and financial services sector and special activities in agriculture and manufacturing. Inflation should remain moderate, but this will depend on the strength of the global recovery and rather this will have any adverse impact on commodity and non-commodity prices.

On the fiscal front, government's medium term fiscal strategy will be to lower the fiscal deficit and ambitiously look to have a balanced budget by 2014/15 and a small surplus by 2015/16. While outside the planning period, the government will also seek to further reduce the debt to GDP ratio to around 70.0 per cent by 2017/18. Part of the measures in doing this will be to firstly reduce the fiscal deficit to sustainable levels and seek to benefit from more concessionary type loans and grants, and technical assistance from our development partners. In addition, the use of more Public-Private Sector Partnerships will be explored.

A major plank of Barbados' macroeconomic stability lies in its ability to maintain the fix exchange rate. This arrangement has served us well overtime and has been responsible for a level of stability which has been welcomed by investors. To protect this, the government over the planning period will seek to maintain adequate levels of foreign exchange reserves that will cover more than three months of imports.

Table 3: Projections of Selected Economic Indicators for Barbados (2010-2014)

(per cent change unless otherwise stated)	2009P	2010P	2011P	2012P	2013P	2014
Selected Indicators						
Real GDP	-5.4	-0.2	3.2	4.4	3.7	3.9
Inflation rate	3.3	3.0	3.0	3.0	3.0	3.0
Unemployment rate	10.2	8.1	7.7	7.6	7.5	7.8
Fiscal Balance (per cent of GDP) – fiscal adjustments	-9.6	-7.3	-5.2	-4.0	-2.1	0.0
Central Government Debt (per cent of GDP) – fiscal adjustment	110.6	109.6	108.1	105.3	99.5	90.5
External Current Account (per cent of GDP)	-4.8	-5.9	-7.4	-6.8	-6.5	-6.2

(per cent change unless otherwise stated)	2009P	2010P	2011P	2012P	2013P	2014
Capital and Financial Account (millions BDS\$)	229.7	148.0	422.2	543.3	444.8	492.8
Net International Reserves (millions BDS\$) – Summary	1810.3	1678.0	1790.6	1885.8	1946.6	2055.1
Import Reserve Cover (weeks)	31.7	29.2	30.8	32.7	33.7	35.8

Source: Central Bank of Barbados Projections

Social Outlook

On the Social Front, the Government of Barbados has crafted a vision for our society that will seek where necessary to build social and economic equity, based on cooperation, participation, sustainability and respect. Among the different social groups, (children, women, persons with disabilities, the elderly, young people, and displaced persons), there are those who are affected by impoverishment. Their descent into the mire of poverty creates conditions of vulnerability inversely proportional to their ability to defend themselves and to react. It is for this reason that protection of vulnerable groups constitutes an important pillar of the medium term strategy.

The Government will therefore set in motion, the necessary actions to reduce exposure to vulnerabilities, in favour of poorer segments of society whose capacities for action are affected by their particular circumstance, so that these groups may have the same chances and potential as the other players to take advantage of economic opportunities to create wealth and to enjoy access to social services. In the areas of housing, education and health, government will continue to ensure that these social goods are adequately provided for. While there are fiscal and other challenges, it is expected that government over the medium term will seek to address these with the intention of further improving the delivery of these services. This will be done in light of the necessary cuts in expenditures, over the planning period, to ensure fiscal sustainability.

1. MACROECONOMIC DEVELOPMENTS

With negative growth projected for 2009 and deteriorations in major macroeconomic indicators, the task of maintaining economic stability while seeking growth will be challenging. Our ability to grow will depend on the strength of the recovery in developed economies on whose markets we depend for the export of our goods and services. Any false recovery, particularly in the USA and the UK, could mean further deterioration in our economic position. As it stands, if we are to ride out the current economic downturn and pave the way for future recovery and growth then we must ensure that the basic fundamentals are sound and structural changes are made to the domestic economy. In this regard we must work to ensure that:

- a) Fiscal and debt sustainability is maintained;
- b) Wage increases are in line, not only with fiscal and monetary policy objectives, but also with increase levels of productivity and competitiveness;
- c) A low unemployment rate is preserved.
- d) Improvement in the external current account balance is kept through higher exports while controlling the level of imports of consumer goods;
- e) There is continued support for traditional sectors while focusing on new growth industries;
- f) Greater focus is given to accessing those non-traditional markets as a means to expand output and earn greater foreign exchange;
- g) The cost of living is kept reasonably low and the spending power of the poor and vulnerable is not eroded;
- h) A high level of foreign reserves is maintained so that more of our growth can be self-finance.

1.1 Fiscal Policy Framework

Over the medium term, a major policy aim of government will be to reduce the fiscal deficit to a more sustainable level. Global economic developments have placed increase pressures on government resources as evident by the significant increase in central government's fiscal balance from a deficit of 1.9 per cent in 2007 to 6.2 per cent at the end of 2008 and a estimated 9.6 per cent at the end of 2009. Revenues which have declined sharply have not been met by similar decreases in expenditures as government has had to engage in counter cyclical fiscal policies, so as to protect jobs and ensure that some satisfactory level of economic activity is maintained.

However, if the current pattern prevails then government's fiscal position can become unsustainable and this will have implications for debt and macroeconomic stability. In this regard Government's medium term fiscal strategy that will seek to have a balanced budget by 2014 and a lower debt to GDP ratio. To attain a balanced budget by 2014, it is projected (see Table 4 below) that government would have to cut expenditures from a current position of 43.5 per cent of GDP to 36.8 per cent and raise revenues to a similar amount. This would have a positive impact on debt, which is projected to fall from a high of over 100.0 per cent to 90.5 per cent of GDP by 2014 and 72.8 per cent by 2017.

Table 4: Fiscal Adjustment Scenario

Fiscal Indicators	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total Debt % GDP	110.6	109.6	108.1	105.3	99.5	90.5
Overall Budget Balance % GDP	-9.6	-7.3	-5.2	-4.0	-2.1	0.0
Primary Balance % GDP	-1.4	-1.1	1.0	2.1	3.7	5.4
Current Account Deficit as % GDP	-5.3	-3.7	-1.0	0.2	1.8	3.6

Fiscal Indicators	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total Revenues % GDP	38.2	35.3	36.5	36.9	37.1	36.8
Total Expenditures % GDP	45.8	42.6	41.7	40.9	39.2	36.8
Total Debt Interest % GDP	6.2	6.2	6.2	6.1	5.8	5.4
Total Debt Interest % Revenue	16.3	17.5	17.0	16.5	15.7	14.6

Source: Ministry of Finance, Economic Affairs and Central Bank of Barbados

To achieve these outcomes government's fiscal objectives will be:

- i. Put Barbados's public finances back on a more sustainable footing.
- ii. Ensure that a balance budget is obtained by 2014/15 and a small fiscal surplus by 2015/16.
- iii. Reduce central government's debt to GDP ratio to near 70.0 per cent by 2017/18.
- iv. Maintain an investment grade rating for Barbados.
- v. Provide a stable fiscal framework that will enable the Government to better achieve national goals and the objectives of its Medium Term Development Strategy.
- vi. Maintain macroeconomic stability through sustainable management of the fiscal deficit and debt.
- vii. Increase productivity and international competitiveness.
- viii. Return real GDP growth to the sustainable annual average rate of approximately 3.0 per cent by 2012.
- ix. Ensure that Government's social policy objectives are not compromised in anyway that will jeopardised the social welfare and well-being of citizens, and the most vulnerable persons/sectors in the society.

Strategies

Expenditure Management

- Contain personal emoluments cost by allowing total growth to be the equivalent of the sum that would normally be paid as increments.
- Reduce the level of spending on goods and services (in government official travel through the use greater technology).
- Increase the efficiency of procurement of goods and services.
- Re-evaluate current programmes of ministries and government agencies.

- Place caps on the transfers to the Queen Elizabeth Hospital, Transport Board, Barbados Agricultural and Development Marketing Corporation and the University of the West Indies.
- Eliminate transfers to the National Housing Corporation and the Barbados Water Authority.
- Facilitate greater use of Public-Private Sector Partnership (PPP) arrangements in financing capital projects, where Government will make savings in expenditure or earn additional revenues to cover the lease payments on such arrangements.
- Place greater emphasis on the foreign exchange sectors of the economy, such as tourism and international business, with the objective of raising the growth level.
- Reduce transfers to the Barbados Agricultural and Marketing Company (BAMC) by Bds\$40.0million to Bds50.0 million by 2013.
- Review government procurement procedures and related legislation to ensure that entities awarded contracts have the technical, financial and management capacity to efficiently and effectively execute the contract.

Revenue Management

- Have CARTAC review the domestic tax system.
- Establish by 2010/2011 the Central Revenue Authority in which all revenue collection agencies are brought under one umbrella.
- Adopt a more aggressive approach to the collection of taxes, non-tax revenue and arrears through greater efforts by the departments of Land Tax, Value-Added Tax, Inland Revenue and the Licensing Authority to collect outstanding arrears.
- Modernise the programme of the Customs and Excise Department inclusive of VAT.
- Strengthen and modernise legislation to give the revenue collecting agencies greater authority to enforce compliance.
- Broaden the VAT base by restructuring fiscal incentives.
- Increase excise taxes to capture the loss in import duties due to the EPA. This will be revenue neutral.
- Increase dividend yields from commercially focussed government corporations.

- Keep licenses and fees constant in real terms.

Debt Management

- Establish a strong debt management capacity within the Ministry of Finance that will ensure debt sustainability.
- Make greater use of IFI sources of concessionary and grant funds. Over the medium term, it is expected that government will access approximately €40 million Euros in grant funds.
- Debt service bunching will continue to be avoided, thereby minimizing unnecessary pressure on either revenue or foreign reserves.
- Making greater use of amortized payment schedules rather than bullet loans.
- Seek to re-finance debt at lower interest rates where possible.
- Greater use of Public-Private Sector Partnership (PPP) arrangements in financing capital projects which are mainly of an economic nature.

1.2 Monetary and Financial Policy

Monetary policy over the medium term will be aim at maintaining the fix exchange rate parity and ensuring reasonably low inflation. At present and with inflation moderately low, monetary policy has been loose with the Central Bank making various adjustments to interest rates in an attempt to encourage borrowing and increase investment. Between the period October 2008 and August 2009, the minimum deposit rate was reduced three times with the current rate now at 2.5 per cent. This policy stance, while currently appropriate, will nonetheless have to be adjusted when economic growth returns so as not to place any undue stress on the fix exchange rate. In this regard, the policy of government going forward will be to:

- Ensure that fiscal and monetary policy is in line with each other through the reduction in the fiscal deficit.
- Maintain a level of inflation which does not rise above the rate of interest, hence making Barbados more attractive to external capital.
- Maintain adequate levels of foreign reserves to cover 21 weeks of imports and to cover all foreign debt payments.
- Ensure that an accommodating and flexible monetary policy is

maintained.

Financial Sector Initiatives

- Continue to examine the idea of consolidation of regulators of non-bank financial institutions.
- Consider the idea of introducing reserve requirements for deposit taking non-bank financial institutions.

1.3 External Sector Policy

The external current account deficit has seen a decline from a critical level of 10.7 per cent in 2008 to a projected 4.8 per at the end of 2009. Falling international prices and a weakened domestic economy, due to the global recession, has meant a significant reduction in the price and quantity of imports. However, it is the expectation that the deficit could widen as the domestic and global economy recovers. Hence, it is important that government remains cognisant of the possible risk which this can have on its plans for stable economic growth. The issues of domestic credit will have to be managed by the Central Bank with the option to apply credit tightening and any other appropriate policies to control any unsustainable increase in consumer imports. On the external front, while we have no control over world prices, the internal drive for food security and reducing the level of imports must continue over the plan period. This however, must not be done at the expenses of growth.

We must seek to substantially increase the volume, range and foreign exchange value of Barbadian exports. This should be facilitated through enhanced marketing, development and diversification of the export sectors in the areas of tourism; international business and financial services; manufacturing; agriculture and fisheries; and new and existing export service areas. In the short to medium term, as is currently the case, government should tap into the liquidity programmes of the IFIs to shore-up its international reserves.

With an expected 3.3 per cent fall in foreign reserves at the end of 2009, the focus on the capital side of the BOP will be to implementing measures aimed at stimulating the foreign exchange earning sectors, while simultaneously reducing foreign borrowing. In this regard, it is vital that government, as stated in its Fiscal Strategy, reduces its fiscal deficit to more sustainable levels and hence reduce its level of domestic borrowing. This will help to protect the BOP and the foreign reserves, which is especially important in a small open economy that is foreign exchange constrained.

1.4 Inflation and Unemployment

Part of maintaining a stable macroeconomic environment will be ensuring a reasonably low level of inflation and unemployment. As it relates to prices a major objective of government is to reduce the cost of living and ensure that the vulnerable persons in the society are protected. Part of the effort in doing this is the use of moral suasion and if necessary intervention in the market to correct the failing of the market system. Government will also allow new players into the markets in ways that will not disadvantage existing players but will create greater competition and possibly lead to lower prices. The issue of lower energy prices via alternative forms of energy, and food security, are all factors that must be address, particularly given the impact of import prices on the cost of living.

While the current economic climate has slowed the growth in inflation, it has however resulted in a higher unemployment rate, which stood at 10.5 per cent at the end of the third quarter 2009. The policy of government has been to protect jobs and this was reflected in the policy measure brought in the 2009 Financial Statement and Budgetary Proposals. However, since these measures are short term, the best way of ensuring that unemployment remains low is through broad base economic growth and development. Therefore, the aim of government over the medium term will be to return the economy back on a positive growth path by exploring new growth areas while expanding on existing ones. It will also put in place the measures to spur small business development and entrepreneurship.

Strategies

Inflation

- Create a State Trading Agency in the effort to reduce prices through the option of government being able to import a chosen set of essential products and in so doing pass on lower prices to the consumers.
- Seek out alternative forms of energy and hence reduce the country's dependence on hydrocarbon energy sources and the exposure to raising prices.
- Create an enabling environment where persons can grow more food through the use of technologies and hence ensure that the country can to some extent supply its basic food requirements.

Employment

- Equip the labour force with the skills to function in the global economy through the provision of high quality and targeted education and training.
- Continue to work towards the implementation of major government capital infrastructural programmes that will create significant amount of jobs.

- Accelerate job-based labour market reform.
- Facilitate the access of Barbadians to regional, hemispheric and global labour markets.
- Ensure that fiscal and other policies are correct to attract investment and hence propel growth in the economy.
- Create employment opportunities through training and other incentives for small business development and the growth of innovative ideas that will empower persons.

Start here (show the current account of the fiscal deficit)

MACROECONOMIC DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
Fiscal Policy:				
➤ Overall Fiscal Balance - % of GDP	➤ -9.6 per cent	➤ 0.0 per cent (fiscal adjustments)	➤ Ministry of Finance (MOF)	None
➤ Central Government debt - % of GDP	➤ 110.6 per cent	➤ 90.5 per cent (fiscal adjustments)		
➤ Total revenue - % of GDP	➤ 35.2 per cent	➤ 38.3 per cent		
➤ Total expenditure - % of GDP	➤ 42.8 per cent	➤ 37.9 per cent		
➤ Real GDP Growth - %	➤ 0.2 per cent	➤ 3.9 per cent		
➤ Key fiscal policy initiative:	➤ Central Revenue Authority established by end of 2010	➤ Authority fully operational		
i. Reduction in arrears	➤ At present arrears are high (over Bds\$500.0million)	➤ Arrears reduced by 20.0 to 30.0 per cent		

MACROECONOMIC DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
ii. Review of tax system	➤ Review of tax system started	➤ Tax system review complete on or before 2014		
Monetary and Financial Policy:				
➤ Net International Reserves – Bds\$ millions	➤ \$1,678.0	➤ \$2,055.1	➤ Central Bank of Barbados (CBB)	None
➤ Inflation rate - %	➤ 3.0 per cent	➤ 3.0 per cent		
➤ Domestic debt - % of GDP	➤ 77.1 per cent	➤ 70.7 per cent		
External Policy:				
➤ Current Account Balance as % GDP	➤ -6.0 per cent	➤ -5.3 per cent	➤ CBB	None
➤ Capital and Financial Account – Bds\$ millions	➤ \$229.7	➤ \$492.8	➤ Barbados Statistical Service (BSS)	
➤ Domestic Exports (goods and services) – Bds\$ millions	➤ \$2,425.7	➤ \$3,159.4	➤ Ministry of Trade	
➤ Retained Imports – Bds\$ millions	➤ \$2,551.3	➤ \$3,217.1	➤ Barbados Industrial Development Corporation (BIDC)	
			➤ MOF	
Inflation and Unemployment:				
➤ Inflation Rate-%	➤ 3.0 per cent	➤ 3.0 per cent	➤ Ministry of Economic Affairs (EAD)	None
➤ Unemployment Rate-%	➤ 8.1 per cent	➤ 7.8 per cent		
➤ New jobs created as a % of GDP			➤ BSS	

2. ECONOMIC SECTOR DEVELOPMENTS

2.1 Tourism

The Government's principal objective with regard to the tourism sector is the attainment of sustainable growth in the sector. This will be done through the optimal use of human resources and services, and through the conservation and managed use of our cultural, built and natural heritage. We will ensure that the tourism product is of the highest quality such that it improves the life and economic development of the people of Barbados. The tourism sector remains the main driver of economic activity with linkages through out most sectors, particularly construction, retail and wholesale and small business. It creates jobs and hence wealth and social development for many. While the sustainable development of this sector remains a priority, the current fiscal constraint requires that resources be used wisely and that efficiency gains be sort for various elements within the sector.

Overtime the sector has faced major challenges. The current global economic crisis has seen a weakening of Barbados' key markets such as the UK and USA. As a result, tourism real value-added declined by an estimated 9.8 per cent, marking the largest nine-month decline in the sector since 1990. All markets, with the exception of Canada, performed poorly. However, there is the optimism that as the global economy recovers and jobs returns to our key markets then more persons will start to travel again. Other threats also faced the sector, a major one being the recent travel tax announced by the UK, which will penalise long haul travellers. Also, the issue of climate change and the negative impact which this can have on coastal tourism remains a concern. These are just some of the issues which must be tackled if the sector is to survive and grow.

In this respect, the Ministry of Tourism has recognised that several programmes and policies must be put in place if the industry is to remain sustainable into the future. These include research into areas which are critical to the future sustainability of the industry, and product development programmes which will seek to contribute to the strengthening and enhancement of the competitiveness of the industry. In this regard, efforts to re-start and complete the Four Seasons project and to attract other international brands will be major priorities over the planning period.

Strategies

Research

- Develop a Tourism Master Plan that will enable government, along with other agencies, to make adequate provision for tourism development, in such a way that meets the needs of Barbados' residents and visitors, while protecting and improving the

opportunities available to future generations.

- Host tourism stakeholder consultations in conjunction with other public and private sector organisations in the industry, to examine the issues and challenges which affect the industry and conduct the research necessary to guide the sector and keep it on a sustained growth path.
- Conduct Tourism Awareness Surveys to measure, and thus increase, the awareness of the general population of the tourism industry in Barbados.
- Work with national, regional and international agencies to develop a system for the collection of data to have an accurate estimation of the contribution of the tourism industry to the economy.

Product Development

- Inform and sensitise the general public on the various elements relating to the tourism industry through a tourism awareness programme.
- Seek to differentiate the tourism product from that of competing destinations by focusing on, among other things, Barbados' unique cultural heritage.
- Continue the development of standards for the tourism sector.
- Seek to meaningfully involve Barbadians in the tourism process at all levels through community tourism programmes. This includes the home accommodation programme which provides additional visitor accommodation, while allowing Barbadians to have a greater stake in the industry.
- Promote and facilitate new investment to preserve, improve and expand the built and natural environment, increase the carrying capacity of tourism sites and key tourism-related infrastructure and preserve Barbados' heritage.
- Strengthen linkages between tourism and other sectors to assist in the reduction of economic leakages.
- Continue to work with agencies involved in the prevention, education and awareness of HIV/AIDS so as to mitigate the impacts of the disease on the industry.

- Continue to work with the industry to develop plans to ensure visitors' safety and security and to mitigate against any disasters which the industry might face.
- Continue to work with airlines to develop new markets and expand into new gateways of existing markets.
- Work with the industry to develop strategies to reduce the energy costs of the industry and to encourage the use of renewable sources of energy.

Other Initiatives

- Seek to defend airlift while also increasing investment, especially in plant renewal.
- Provide fiscal and other incentives for distributors.
- Renew, intensify and re-define promotional programmes, including targeting meetings, incentives, conferences and events (MICE).
- Seek to target non-traditional markets such as Brazil, Panama, China and other Asia countries.
- Expand tourism product by, among others, promoting heritage tourism, promoting Barbados as a fly-stay-cruise hub and health and wellness centre, and pushing the concept of sports tourism.
- Develop Barbados as a hub for southern Caribbean cruises.

2.2 Agriculture

The agricultural sector has undergone and will continue to undergo significant changes in order to combat the challenges inherent in the domestic and external environment. On the domestic front, agriculture continues to compete with other sectors for scarce resources such as land, labour and capital. In light of this, how the agricultural sector addresses these macroeconomic issues will largely depend upon the type of policy measures that will be formulated.

Undoubtedly, the current external environment has posed new challenges to an already vulnerable agriculture sector. These challenges are evident in a high import food bill, high global energy costs, rapid climate change and the decrease in agriculture exports by some major food suppliers. These realities have the tendency not only to threaten global food supply but more importantly, expected to seriously impact upon the food security objectives of Barbados, a net food importing country (NFIDC). In response, Government has increased its call for greater domestic food

production through new and improved methods of farming. The aim is to substantially reduce the importation of food by the end of the planning period.

Nevertheless, there are a number of strategies and areas for intervention to facilitate the repositioning of the sector in order to effectively combat the aforementioned challenges. These strategies will further provide a framework for the agriculture sector to compete in a globalised environment whilst capitalising on any potential opportunities.

Strategies

- Support the introduction of new technologies to expand the production of food for domestic and external consumption and to add value to the sector through product development.
- Contribute to the food and nutrition security of the nation through the production of nutritious food at reasonable prices and on a consistent basis.
- Protect and reduce the risk to agricultural health and facilitate food safety through the provision of the requisite infrastructure and services for testing, monitoring, inspection, as well as the attainment of certain minimum standards, for the country's animal, plant and fish stocks.
- Facilitate access to domestic and export markets for agricultural commodities, through the implementation of projects and programmes focused on providing the infrastructure and enabling environment necessary for the sale of agricultural produce, in order to increase the returns to farmers.
- Enhance the competitiveness and productivity of the agricultural sector to better enable it to compete in both the domestic, as well as the international markets, and to increase output.
- Promote sustainable agricultural development.
- Ensure the sustainable availability and production of fish and fish products by assuring the efficient management and development of the fisheries resources.
- Facilitate an enhanced level of participation in agricultural production, by providing access to critical means of production e.g. land, water, capital and inputs.
- Develop strong, vibrant rural communities.

- Enhance the capacity of the sector to assist in transforming and repositioning the sector, through the provision of the requisite enabling environment, including the creation of the appropriate legislative framework.

2.3 Trade and Investment

Trade and investment are essential to job creation and economic growth and development. In the past, trade (goods) was a major contributor to GDP but in recent times this has change as its contribution to growth has fallen significantly in favour of trade in services (tourism). This is reflected by the fall in new investments (BIDC Assisted Manufacturing Companies) over the last five year as compared with expansions of existing manufacturing companies, which has risen by some 15.7 percent. The fall in new foreign direct investments in manufacturing related trade has been due primarily to our lack of competitiveness, as the high cost of doing business has been a deterrent for manufacturing related investors who look for low cost destinations such as China and India.

The effects of globalisation and trade liberalisation has also meant that more local manufacturer have had to face increased competition and in some case being forced out of business. While it is impossible to reverse this process, the protection of sensitive industries is still needed and is allowed under WTO rules. Government however will need to create an enabling environment and look to identify those niche areas where it has a competitive advantage. Suggestions have been in the areas of special agricultural by-products that offer value added, also art and craft, apparels etc. It is accepted that we need to look more to attract new investors and create new enterprises that can earn foreign exchange by exporting to new markets.

Strategies

Trade and Commerce

- Seek to create a new industrial enterprise culture that will promote and enhance the country's potential to be an export leader in areas where it has a competitive advantage.
- Explore more aggressively the opportunities to new markets within the CSME and the wider global market through the creation of a more enabling environment.
- Make it more efficient for businesses to benefit from the various venture capital facilities by consolidating these facilities into one agency.

- Explore the idea of creating an Export-Import Bank by 2011.
- Engage in certification and training to meet EU quality standards.
- Create a clear and coordinated export development thrust that ties internal production initiatives with export promotion strategies and market seeking activities.
- Expand the export base and the value of non-sugar exports through the development of a special Export Expansion Project that will provide targeted assistance to a number of companies.
- Continue to pursue the policy of alternative energy resources which can be used in the manufacturing process to reduce cost and increase competitiveness.
- Develop an Industrial Policy with the guidance of the Industrial Development Commission.
- Work towards the creation of a State Trading Agency.
- Assist through BIDD the manufacturing and small business sectors in achieving at least BDS\$300M in exports and thereby reducing the rate of decline of non-sugar, non-oil domestic exports to less than 10% by 2011.
- Facilitate the formation (development) of at least one cluster through BIDD.
- Develop a Barbados brand strategy for the export market to raise buyers/consumer awareness

Investment Expansion and Facilitation

- Place greater emphasis on research in markets, to establish what new products, what service and facilitation requirements are needed and which industry segment has the ripest opportunities.
- Seek to determine, through enhanced market research, where the investment flows and wealth creation is taking place and who are the main players.
- Pursue opportunities for adding value to the industrial sector through capacity building and new areas for growth and expansion.
- Upgrade and expand the BIDD industrial estates.

- Intensify the marketing development programme to facilitate greater penetration into major markets such as USA, UK and Canada.
- Encourage an innovation driven entrepreneurial culture through the intensification of research and development efforts with the University of the West Indies and other stakeholders.
- Seek to remove any burdensome fiscal measures and institutional red tape so as to attract new investments.
- Seek to have the implementation process of the Barbados Competitiveness Programme start within the first year of the planning period.
- Identify new areas of growth, through fiscal and other incentives, in services sectors such as health, education, tourism, culture, sports etc.

2.4 International Business and Financial Services

The challenge facing the International Business sector is the realization of the Government's renewed vision for the development of Barbados as a first world services economy based on the expansion and diversification of the international business sector with particular emphasis on the creation of a new class of export-oriented indigenous service-providers capable of competing in a knowledge-based economy through offering high-quality services in the global market. The focus will be on developing Barbados into an international services 'hub' thereby supporting a services export culture of entities operating both within the domestic and international business sectors.

The development of Barbados as the regional hub for local, regional and international businesses will be substantially based on increased opportunities for cross-border trade through the aggressive expansion of the country's tax and investment treaty network and the enhancement of its internal infrastructure (social, legal, political and economic) in support of the increased international competition of its commercial clients. This construct of a developed Barbadian economy therefore demands legislative and institutional machinery that facilitates a dynamic and buoyant constituency of economic actors interested and able to export services in a variety of new and sophisticated ways, exploiting tax efficiencies and emerging market opportunities and optimizing growing public sector/private sector synergies.

The Ministry's medium term plan illustrates the point that planned initiatives must reflect its cognisance of market place realities and with the certain knowledge of what is required for private sector lead economic activity.

Strategies

- Seek to maintain the International Business Sector as a key plank of economic growth while also positioning it for full exploitation of new opportunities in the post-crisis period through the review of fees, tax incentives and the capturing of better statistical data to make more informed decisions.
- Preserve the integrity and reputation of the Barbados business brand by ensuring the coordinated implementation of a marketing strategy for the sector, identifying and retaining key foreign partners, and implementing systems to better understand the operational environment of Barbados' international business clients.
- Ensure that Barbados' product and service offering continues to be relevant for existing and potential new clients while supporting the research and development of new products.
- Seek to reframe and reform the various systems, processes and practices that currently facilitate the establishment and viability of Barbados' international clients through enhanced business facilitation, greater use of technologies, and the establishment of a financial services commission.
- Provide greater support to the International Business Sector through the deployment of a well equipped and able workforce.

2.5 Small Business Development

In an age of rapid technological change and global competition, the capacity to innovate and adapt to change is crucial for the success of the Barbados economy. New enterprise provides a source of competition and new ideas that lead to greater efficiency, enhanced productivity and economic performance. However, for such enterprises to flourish there needs to be a culture where people with the initiatives, skills and drive can start and run a successful business and have the confidence that it is a realistic career choice. To facilitate this type of environment over the medium and long-term, the vision will be to develop the environment for business that engenders an innovative and flexible private sector and which seeks to expand the growth of the domestic business sector.

In order to develop the environment for business in Barbados, the Ministry of Economic Affairs, Empowerment, Innovation, Trade, Industry and Commerce has embarked on an ambitious four (4) year medium term programme that has as one of its major components, the promotion of a culture of entrepreneurial excellence within the business sector. This will be accomplished within the pursuit of two broad strategic goals, these are: (1) improving the economic environment of the small business sector; and (2) influencing the success of approved small businesses through a reduction in their competitive gaps. These goals will be pursued via the following

objectives and strategies.

Strategies

- Sensitize other Government departments and agencies with respect to the concerns, views and interests of the small business sector.
- Continue the monitoring of inter-agency relationships with the small business sector and government in an effort to reduce the cost of doing business.
- Explore franchising opportunities for persons who are unemployed and those wanting to start their own business. These opportunities should be tied into trade and tourism.
- Facilitate through B IDC the creation, development and growth of at least 100 micro, small and medium sized enterprises (MSMEs) through the range of business development services by 2011. **s**

Promotion of an Entrepreneurial Culture

- Advance the dialogue process with relevant stakeholders to further promote a culture of entrepreneurial awareness across the Barbadian landscape through the establishment of the National Small Business Development Council.
- Examine the business life cycle of SMEs with a view to segmenting the types of business support required.
- Appoint a National Industry Training Co-ordinator to address the issue of continuous business training for small enterprises.

Eliminate the stigma towards business failure

- Work closely with the Office of the Supervisor of Insolvency to effectively use the Bankruptcy and Insolvency legislation as a means of reducing the stigma attached to business failure.
- Promote strategies highlighting the success stories of business persons who have overcome the challenges of business failure.
- Promote a more cooperative approach to doing business, including the embracing of an effective strategy that identifies and eliminates any emerging skill gaps.

Promote the need for greater access to finance by SMEs

- Promote greater access to sources of finance, particularly equity and venture capital.
- Develop a policy for promoting the securitization of businesses.
- Continue effort to bolster the performance of small businesses through capacity building and institutional strengthening programmes such as the Special Technical Assistance and other programmes.

Promote greater utilization of Information Communications Technologies among the small business sector

- Advocate the use of ICT with respect to business to business; business to customer; and Government to business activities.
- Advocate promotional activities geared toward the effective use of ICT in the small business sector.
- Advocate that the implementation of CSME Protocols and the resulting institutional framework be built on ICT platforms.

Promote an export culture among the SME sector

- Facilitate SME access to business information that would assist their efforts towards being export-ready.
- Seek to have an e-commerce programme which will be designed specially for the small business sector.
- Further promote the Small Business Development Act Cap. 318 C as part of Government's legislative framework to facilitate small business development.
- Establish strategic relationships with agencies such as the proposed Export Barbados Inc. to assist SMEs with export-readiness.
- Utilize the Technical Assistance Programme under the Small Business Act Cap. 318 C, including the facilitation of SME attendance at regional and international trade shows.

Promote competitiveness among SMEs.

- Encourage SMEs to form cooperatives to gain economies of scale and to benefit from special technical assistance through programmes such as the Barbados Transport Cooperative Pilot Project.

2.6 Energy

Barbados has taken steps to mitigate recent developments in the global energy markets by creating progressive pricing mechanisms and developing creative alternative energy policies as stated in the Throne Speech of 2008. The aims of these new policies are to ensure security and stability of supply, maximise energy efficiency, reduce the burden of energy imports on the economy and achieve environmental sustainability by promoting greater use of alternative sources of renewable energy.

Over the past five years, the price of oil, the primary source of energy in the world, has seen great fluctuations. The government of Barbados recognises that the high level of international market prices for oil may redound to the benefit of our economy if we are able to exploit the possible and proven oil and gas reserves which lay offshore Barbados. Therefore, at this time a strong effort is being made to allow for the exploration of the offshore acreage with a view to production of commercial quantities of oil and gas within the next ten to twelve years.

However, in seeking to reduce the negative impact that higher oil prices can have on our economy, and to ensure that some of our energy supply is secure and stable, Barbados must continue to support alternative renewable sources of energy to ensure our future sustainable development. It is therefore necessary to facilitate the development of a green economy that embraces - wind, sun, bio-mass, ocean/water and solid and liquid waste forms of energy. This approach will not only ensure greater energy security but it will also make certain that we keep our moral and legal obligation to contribute to the reduction of Green House Gases.

STRATEGIES

A. Electricity Generation from Alternative Sources

- Develop a plan for the partial or complete liberalization of the electricity generation market:
 - a. The preparation of legislation for the sale and purchase of electricity from renewable energy sources
 - b. The development of technical assessments with respect to the sale of electricity to the grid from independent power producers
 - c. The development of Purchase Power Agreements for the purchase and sale of electricity from independent power producers from and to the electricity grid

- d. The development of renewable energy portfolios and targets
 - e. The generation of electricity from solar, wind, waste and biofuels for on-site use and sale to the national grid
- Continue to support the Ministry of the Environment, Water Resources and Drainage in the development of a Request for Proposals Document for the waste-to-energy project at Vacluse.

B. Renewable Energy

- Review of the renewable energy electricity feasibility study and implementation plan to be completed in 2010
- Assess the potential for renewable energy with particular emphasis on solar, wind and bio-fuel applications
- Prepare a social, economic, technical and environmental assessment that would indicate the best methods to produce bio-energy and power through cogeneration, in order to substitute part of the imports of gasoline and provide power to the grid
- Access the technical/scientific capacities to produce reliable feedstock to achieve a competitive bio-energy industry.
- Develop a project for blending ethanol and gasoline.
- Examine the feasibility of solar powered electric vehicles and if feasible, implement a programme to introduce such vehicles, starting with government fleets
- Design a Smart Energy Fund and financial instruments to promote renewable energy
- Strengthen the government renewable energy unit through capacity building and training

C. Energy Conservation Programmes

- Develop and implement a long-term public education and awareness strategy for sustainable energy policies
- Implement building standards and incentives to encourage conservation of energy
- Prepare an energy audit format and procedures to standardize energy audits in Barbados
- Perform energy efficiency surveys, audits and retrofits for public buildings

- Provide guidelines energy efficiency surveys, audits and retrofits for residential sector and small and medium sized enterprises
- Develop an incentive schemes to ensure use of energy efficient equipment will be developed and implemented.
- Design a Smart Energy Fund and financial instruments to promote energy efficiency
- Strengthen the government energy conservation unit through capacity building and training

D. Offshore and Onshore Oil and Gas Exploration and Production

- Continue work on the quest for offshore oil and gas and look to award contract by 2010. Government support of this initiative by way of job-creation and training within the Public Service in all areas relevant to the Sector will continue.
- Encourage the use of local goods, services and people in the new areas of offshore oil and gas production. In this regard, government will provide fiscal, technical and financial assistance to companies providing local goods and services to the offshore.
- Ensure a comprehensive approach to the management of revenues from the oil and gas sector by implementing a fully functioning petroleum heritage and stabilization fund.
- Continue work to increase on-shore oil and gas production through the drilling of more wells in locations with high potential. Recent exploration has yield positive results but this work is continuing.

E. Reduce GHG Emissions

- Continue to increase domestic natural gas consumption by expanding the NPC's subsidiary distribution that connects to the main lines that now exist to allow more households and business to connect.
- Reduce carbon dioxide emissions from the burning of fossil fuels.
- Reduce the disposal of organic material at landfills.
- Diversify the types and quantities of fuels imported by BNOG.

F. Achieve Environmental Sustainability and Energy Security

- Continue the policy for the phasing out of the gasoline additive MTBE.

- Develop a National Energy Information System which will provide:
 - a. Economic Forecasts for the oil and gas sector, renewable and alternative energy sectors
 - b. Research and data on alternative energy options locally and international
 - c. Financial analysis of the Sector
 - d. Physical energy usage coefficients for each industry/sector.
- Continue to provide support for all areas of renewable and alternative energies to ensure a fully functioning enabling environment.
- Prepare and co-ordinate a disaster emergency plan for the energy industry.

ECONOMIC SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
Tourism:				
➤ Long-Stay Tourist Arrivals – 000's persons	➤ 568,873 ³	➤ 625,760 ⁴	➤ Ministry of Tourism	➤ Budgetary support - marketing and research
➤ Travel Credit- Bds\$ millions	➤ \$1957.9	➤ \$2623.1	➤ BHTA	
➤ Tourism contribution to real GDP – Bds\$ millions	➤ \$151.0	➤ \$180.3 (near 20.0 per cent increase by 2014)		
➤ Jobs created – 000's	➤ 14.0	➤ 15.4 (10.0 per cent increase by 2014)		
➤ Public expenditure on	➤ 2.9 per cent	➤ 1.0 to 3.0		

³ This represent total stay-over arrivals at the end of 2008.

⁴ A targeted 10.0 per cent increase in tourism arrivals by 2014.

ECONOMIC SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
tourism as a % of total expenditure	(2009-2010 estimates)	per cent increase each year in the tourism marketing and promotion budget starting 2011/12.		
Agriculture:				
➤ Agriculture contribution to real GDP – Bds\$ million	➤ \$36.3	➤ \$72.6	➤ Ministry of Agriculture	➤ Budget Support
➤ Total Agriculture Production – per cent change	➤ 1.5 per cent	➤ 3.0 per cent		➤ Technical support – International Development Partners
➤ Public expenditure on agriculture as % of total expenditure	➤ 1.0 per cent (2009/10 estimates)	➤ 1.0 to 3.0 per cent increase in expenditure each year starting 2011/12		
Trade and Investment:				
➤ Domestic Exports – Bds\$ millions	➤ \$467.8	➤ \$536.3	➤ BIDC	➤ Budgetary Support
➤ Manufacturing contribution to real GDP – Bds\$ millions	➤ \$51.7	➤ \$57.1	➤ Ministry of Trade	
➤ Manufacturing output – per cent change	➤ -14.7 per cent	➤ Over 2.0 per cent	➤ CBB	
➤ Long-term Capital inflows – Bds\$ million (all this will not relate to trade investments)	➤ \$229.7	➤ \$492.8	➤ Invest Barbados	
➤ Jobs created – 000s	➤ 0.5 (number of jobs created in the manufacturing sector in 2008)	➤ 10.0 per cent increase in the number of new jobs created each year	➤ MOF	

ECONOMIC SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
<ul style="list-style-type: none"> ➤ Public expenditure on manufacturing as a % of total expenditure ➤ Number of new major investments 	<ul style="list-style-type: none"> ➤ 0.7 per cent (2009/10 estimates for investment industrial and export development) 	<ul style="list-style-type: none"> ➤ 1.0 to 3.0 per cent increase in expenditure each year starting 2011/12 ➤ 2 to 3 major new investments each year to 2014 		
International Business and Financial Services:				
<ul style="list-style-type: none"> ➤ New Entities Registered ➤ Contribution to GDP ➤ Number of new tax treaties ➤ Tax revenue collected from the sector ➤ Number of Jobs created 	<ul style="list-style-type: none"> ➤ 579 (end of 2008) ➤ 1.7 per cent (estimate) ➤ Five (2) new treaties signed between 2008 and 2009 (March) ➤ Currently, over 60.0 per cent of tax revenue collected comes from the sector ➤ Approximately 3,000 persons work in the sector 	<ul style="list-style-type: none"> ➤ 869 (50 per cent increase in new entities registered) ➤ 3.4 per cent (Double the contribution to GDP) ➤ 15 new tax and investment treaties by 2012. ➤ 50.0 per cent increase in tax revenues collected ➤ 600 new jobs created per annum over the planning period 	<ul style="list-style-type: none"> ➤ International Business Division ➤ MOF ➤ BSS 	Budgetary support
Small Business				

ECONOMIC SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
Development:				
➤ Number of new start-ups (BIDC assisted small businesses)	➤ Fifteen (15)	➤ Ten (10) to twenty (20) new start-ups each year over the planning period	➤ Ministry of Economic Affairs (Fund Access) ➤ Business Development Unit	➤ Budgetary support ➤ Technical assistant funds
➤ Number of new jobs created (BIDC assisted small businesses)	➤ Thirty-eight (38)	➤ Twenty (20) to forty (40) new jobs created each year	➤ BIDC	
➤ Loans approved (Business Development Unit – Ministry of Economic Affairs)	➤ \$72.4 million	➤ 50% increase in approved loans		
➤ Number of Clusters created	➤ none	➤ Two (2) to three (3) clusters created		
➤ Data sets collected	➤ none	➤ Database completed		
Energy:				
➤ Oil sales – number of barrels	➤ 289,252	➤ 2.0 to 5.0 per cent increase each year	➤ Ministry of Energy ➤ Petroleum Cooperation (MPC)	➤ Budgetary support
➤ Natural gas sales – mcf	➤ 474,952	➤ 2.0 to 5.0 per cent increase each year		
➤ Electricity, gas and water contribution as % real GDP	➤ 3.8 per cent (end of 2008)	➤ 2.0 to 5.0 per cent increase in yearly contribution to GDP		
➤ Energy (fuels) imports – Bds\$	➤ \$728.0m	➤ 5.0 to 10.0 per cent reduction in fuel imports (use of more renewable energy sources and		

ECONOMIC SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
<ul style="list-style-type: none"> ➤ Fuel import cost as a % GDP (energy intensity) - % ➤ CO2 emission 	<ul style="list-style-type: none"> ➤ 10.5 per cent (for 2008) 	<ul style="list-style-type: none"> increase domestic production) ➤ A 1.0 to 3.0 per cent yearly reduction in ratio (to be compensated by increased domestic production and use of alternative energy sources) 		

3. SOCIAL SECTOR DEVELOPMENTS

3.1 Education and Training

Education is the vehicle on which we have relied to improve our economic and social development. More than 20 per cent of the National Budget goes towards education but the returns from this have been less than satisfactory. We are seeing too many persons now leaving school lacking basic skills for the job market and for effective living. Greater effort is needed in making education more relevant to the country's development needs. It is recognised that education must be organised for the enlargement of knowledge and also for the improvement and empowerment of human life. This country cannot and should not try to escape the impact of technology and change on the lives of its citizens. It must provide opportunities for training and continuous development for all citizens according to their aptitude and the needs of the economy.

To this end the Ministry of Education and Human Resources (MEHR) remains cognizant of the potential threats to the local economy, present and future labour market and other human resource requirements, and likely changes in the demand for labour as well as the type of labour required in the post recession period. In this regard, the Ministry will continue to collaborate with the public and private sectors to ensure that sufficient and desirable, post-secondary avenues are created to facilitate "maximum

employment” opportunities for school leavers.

Strategies

Human Resource Development Plan

- **Engage in the creation and implementation of a national Human Resource Development Plan which will place significant emphasis on the development of our human resources.**

School to Work Initiative

- Embarked on a programme to increase the number of students leaving secondary school with adequate certification by placing particular emphasis on increasing the number of school leavers who have the appropriate knowledge, skills and competencies to successfully enter the job market or to embark on some form of economic enterprise.
- Ensure that all students leaving the secondary system are certificated by restructuring the certification framework through the implementation of the Barbados Certificate of Secondary Education (BCSE) and the Caribbean Vocational Qualification (CVQ).

Expansion of Sixth Form Education

- Expand access to Sixth Form education with the introduction of CXC CAPE Programmes at two additional secondary schools.

Technical and Vocational Education and Training

The Ministry of Education and Human Resource Development has placed special emphasis on expanding the provision and quality of technical and vocational education and training and skills development which specifically targets secondary school students. The MEHR views the implementation of the Caribbean Vocational Qualification framework as a major initiative to bolster human resource development with concomitant economic and social development benefits. In this regard the MEHR will:

- Implement the Caribbean Vocational Qualification (CVQ) programme through the retrofitting and physical upgrade of the schools offering the CVQ programme as well as the replacement of outdated machinery and equipment with modern technological equipment and machinery.
- Seek to retrain and train teachers in competency-based education methods as well as training in the use of the cutting-edge equipment and machinery being used in industry.

- Upgrade and expand the facilities at the Samuel Jackman Prescod Polytechnic (SJPP) in light of the implementation of the Caribbean Vocational Qualifications framework and also seek to establish a fully functional National Vocational Qualification (NVQ) Centre at the SJPP during the plan period.

ICT in Education

In the area of information and communication technology, it should also be noted that the Ministry of Education and Human Resource Development is on the verge of concluding the implementation of the Education Sector Enhancement Programme (ESEP) which was financed through a Loan Agreement with the IDB, CDB and GOB. This project has been the driving force behind the reform of the education system since 1998. The culmination of the ESEP in December 2009 ushers in the need for the development of new policy initiatives, which will further strengthen the foundation laid by the current reform initiative and continue to build on the achievements obtained thus far. To this end, the MEHR is seeking to:

- Establish the Education Technology Management Unit to continue to manage the significant investment made through the distribution of ICTs across the education sector and continue to provide new technology to the sector.
- Ensure that the unit play a pivotal role in facilitating the continued training of teachers and educators in the effective integration of ICT across the curriculum and in various administrative and management processes.

ICT Maintenance

- Establish an effective ICT maintenance programme that includes:
 - a. The categorisation of schools into ICT maintenance zones;
 - b. The hiring of small contractors to conduct ICT repairs;
 - c. The assignment of contractors to the appropriate school zones;
 - d. The establishment of a partnership with the Samuel Jackman Prescod Polytechnic and the Barbados Community College to provide valuable practical experience to students involved in the ICT programmes of these institutions; and
 - e. The accurate & timely capturing of maintenance information (requests, equipment details, solutions, costs and duration)

Teacher Training

- Threat teacher training as a major priority with particular attention

being paid to correcting a number of weaknesses in the area of skills development such as:

- a. Technology integration across the curriculum
 - b. Infusion of life skills
 - c. Competency-based teaching methods
 - d. Alternative student assessment methods
- Embarked on a major initiative to expedite the training of over 800 untrained teachers at the primary and secondary levels so as to maintain the quality and high percentage of trained teachers required to effectively deliver education services across the system.

Infrastructural Works (Hospitality Institute)

- Expand the BCC Hospitality Institute with the aim of increasing the physical training facilities, the number of guest rooms, and expand the conference and meeting facilities to reduce the number of students who are unable to gain a place in the institute.

Alternative Residential Rehabilitative School Facility

The Edna Nicholls Centre was established in 1998 as an out-of-school suspension centre to provide short term intervention and remediation strategies for deviant students. However, in recent times, there has emerged a growing trend of students who have developed very dysfunctional behaviours that require more long term intervention and rehabilitation strategies. In some instances, there are some students within the compulsory school attendance age who are either expelled from school or by the deviant behaviours displayed are no longer able to remain in the regular school setting. The Ministry of Education will therefore:

- Establish an Alternative Residential Rehabilitative School Facility to accommodate a maximum number of students 150-200 who will follow a diversified curriculum that will include technical and vocational education and skills development as well as having access to psychological and other intervention services.

School Expansion Initiative

Improving equity in education is a high priority for the Government of Barbados. Education and skills are increasingly valued in our society and therefore nothing should be done to limit the capacity for our economy to produce, grow and innovate. Reducing educational failure is therefore a critical dimension of improving equity in education. It is acknowledged that there was a considerable infrastructural component which originally aimed at comprehensive upgrading of all primary and secondary schools. Further, it has been recognized that fifteen of the secondary schools on the island have enrolments exceeding their capacity. This is proving to be a major

challenge to effectively monitor, supervise and manage such large numbers of students. In this respect, government will:

- Rationalize the student rolls of all public secondary schools so that none would exceed 900 students through the construction of two additional secondary schools. It is noted that in light of government's current fiscal constraints and objectives, this proposal will be reviewed and possibly extended beyond the planning period if necessary.
- Seek to retrofit, physical upgrade and outfit, fifteen secondary schools to ensure that their Industrial Arts Laboratories meet the standards required for the delivery of the regional Caribbean Vocational Qualifications programme.
- Given the fiscal resources, construct a number of new primary schools to facilitate future amalgamations and to reduce overcrowding.

School Maintenance

- Include at the primary level those schools which have not benefited from the civil works component of the ESEP be will also be included in the new infrastructural upgrade, maintenance and redevelopment programme. Major redevelopment infrastructural works will be carried out on St. Martin's Mangrove Primary, Wesley Hall Junior, Welches Primary, Vauxhall Primary, St. Mark's Primary, Belmont Primary, Chalky Mount Primary and St. Giles' Primary.

Erdiston Teachers' Training College (ETTC) Physical Expansion and Upgrade

- Conduct extensive physical upgrade and modernization of the facilities at the Erdiston Teachers' Training College with a view to developing a "community of learners" and revitalizing teacher education and preparation in Barbados.

Other Initiatives

- Establish an Agricultural Training Institute in the north of the island.
- Implement the policies and programmes derived from the recommendations of the National Advisory Commission on Education.
- Facilitate and continue legislative reform to ensure the existence of relevant education policies and practices.
- Continue further work towards the achievement of Universal Early Childhood Education through the establishment of two (2) additional Nursery Schools.

3.2 Health Care

Due to the increasing complexity of the health care system, the Ministry of Health had proposed in the ***Barbados Strategic Plan for Health 2002-2012***, that it would adopt “a more regulatory” role within the health sector. This meant strengthening the stewardship function of the Ministry, which, *inter alia* would have led to assuming the leadership in setting the health policy agenda, enacting and enforcing regulations, monitoring and evaluating the performance of the sector, and strengthening collaboration with the private sector and non-governmental organisations.

In 2009, the Cabinet agreed to the establishment of a National Healthcare Quality Council as the national coordinating agency for quality management in the health sector (both the public and private). Its mandate will include: advising the Minister of Health on issues pertaining to health care quality; the establishment of performance standards, protocols and measurable indicators across all programmes and institutions; and the provision of annual reports on quality in the health sector.

Trends show that expenditure on health services, both in the private and public sectors, has been increasing steadily. Hence, modernisation of the health sector will have to involve reform of the health financing mechanisms, as well as reform of the management and accountability mechanisms within institutions. Currently, the Ministry of Health has a service level agreement with the QEH and a contract with the Heart and Stroke Foundation of Barbados for the provision of cardiovascular care and cardiac rehabilitation respectively. In light of the ranking of cardiovascular disease as the number one cause of death, this initiative is anticipated to impact significantly by promoting health, reducing the death rate, and improving the quality of life of Barbadians.

There is a clear need to develop health information systems in a number of institutions and for the sector as a whole, encompassing among other things human resource, financial information and patient health record. Such an information system is expected to enhance evidence-based decision making and research, and will allow for the dissemination of health status information at the local as well as community levels. Issues pertaining to data quality will also be strengthened through this process.

The physical infrastructure throughout the publicly-funded health care system is very old and in some instances, in dire need of renovation and rehabilitation. A number of physical infrastructure projects in the pipeline or in the planning phase include the construction of the St. John Polyclinic, the amalgamation of the public health laboratories, the constructions of kitchens at the Geriatric and Psychiatric Hospitals, the development of rehabilitation services, and the redevelopment of the QEH.

In light of the changing morbidity patterns, the ageing population, and

rising prices on the world market for pharmaceuticals, the expenditure of the Barbados Drug Service has continued to rise annually. Barbadians who seek medication in the public sector are prescribed formulary drugs which are provided free of charge at public pharmacies. The issue to be addressed by the Ministry is how to contain costs while maintaining access, particularly by the poor to essential drugs. Going forward important issues such as - institutional services (Queen Elizabeth Hospital); family health; food, nutrition and physical activity; communicable diseases; mental health; health and the environment; and Human Resource Management will all be addressed.

Strategies

The protection of the health of the population is central to ensuring a satisfactory level of national productivity. The Ministry of Health places emphasis on a reform agenda that is based on the fact that Barbados has the oldest population in the Caribbean and continues to experience health care challenges because of lifestyle related diseases. The Ministry of Health remains committed to ensuring that health care is available and accessible to all in Barbados. In this regard, the Ministry of Health will pursue the following policies:

Health Systems Development

- Undertake a detailed assessment and analysis of the various administrative and organisational practices, which affect decision-making in the health system and prepare a policy and implementation strategy for reorganization.
- Commission health services through the use of service level agreements and contracts. This will lead to the development of best practices for models of care and will also improve accountability; strengthen leadership of the health service; enhance regulatory functions; facilitate the delivery of customer focussed care through a mix of private/public collaborative initiatives; enhance strategic planning and develop performance management mechanisms.
- Implement programmes such as cost accounting systems and a system of satellite accounts, in support of cost containment initiatives.
- Investigate options for alternative financing of health care services, including health insurance.
- Implement health promotion strategy to support capacity building at all levels of the health sector for the delivery of health education, and strengthen the activities to address the risk factors associated with the Chronic Non-Communicable diseases.

- Develop policies to re-orientate health services from an institutional based care model towards a health promotion based model of care in the community.
- Establish a programme of continuous quality improvement in all health institutions, to enhance customer satisfaction.

Health Information Systems

- Continue to develop a fully integrated and comprehensive health information system, in support of evidence-based decision making and research.

Family Health

- Reorganise family health services ensuring that appropriate types of care are available to every age cohort to improve the quality of life for every member of the family.
- Strengthen rehabilitation services to address issues of equitable provision and improved accessibility.
- Establish implementation plan for oral health policy.
- Develop a policy framework for establishing adolescent health programmes in all primary health care institutions.
- Develop a comprehensive reproductive health policy.
- Undertake a reform programme for the care of the elderly addressing policy formulation and coordination of service delivery, institutional care, management structures, community and home care, rehabilitation and interagency collaboration.

Institutional Services – QEH

- Continue the recapitalisation programme in which critical aspects of the QEH plant are being upgraded and equipment is procured.
- Strengthen clinical and management systems and implement key performance standards and monitoring systems for service delivery.
- Implement the Accelerated Improvement Programme (AIP) which consists of short term projects inpatient care, management systems, cost improvement, communications and public relations.
- Implement the Care Excellence Programme which consists of the clinical services strategy, the QEH redevelopment and the setting up

of a new cardiac catheterisation suite.

Food, Nutrition and Physical Activity

- Strengthen the nutritional surveillance for the under-five age group.
- Develop, promote and maintain nutritional and physical fitness standards.

HIV/AIDS

- Universal access provided to comprehensive treatment including anti-retroviral therapy for all persons living with HIV.
- Improve access to HIV care services, as well as STI services.
- Strengthen HIV and STI prevention initiatives with particular focus on behaviour change communication, monitoring and gender-awareness research among critical population groups.

Chronic Non-communicable Diseases (CNCDs)

- Strengthen the management of chronic non-communicable diseases such as heart disease, strokes, cancer, diabetes mellitus and hypertension.
- Implement programs and projects to manage CNCDs that have been approved by the National CNCD Commission.

Communicable Diseases

- Strengthen immunization control programmes and enhance the clinical management of vector borne diseases.
- Strengthen surveillance systems for rash and fever.

Mental Health

- Reposition mental health care from institutional to community-based care.
- Develop mental health promotion programmes to sensitise the public to issues related to mental health and to reduce the stigma and discrimination associated with mental illness.
- Strengthen treatment and rehabilitation services for persons with drug-use problems.

Health and the Environment

- Strengthen surveillance systems to ensure wholesome food is available to consumers; strengthen integrated vector control programme; and continue the international health surveillance systems.

Human Resource Management

- Improve the capacity of the health system to train, manage and measure the competency of health professionals.
- Improved policies, plans and procedures for the management of human resources, as well as a supporting environment.
- Introduce policies for the development of specialisation in nursing, and other health professions, including training, remuneration and career development opportunities.

Health Medium Term Public Investment Programme 2010-2014

The medium term public investment programme consists of the recapitalisation programme at the QEH; strengthening primary care services with the construction of the St. John Polyclinic; feasibility studies for the expansion of the other polyclinics; the amalgamation of public health laboratories; and the reform of care of the elderly and mental health services. During to fiscal and other constraints, the implementation of some of these projects is expected to occur beyond the 2014.

Queen Elizabeth Hospital Recapitalisation Programme

Objectives: To improve access to medical care services; to improve quality of patient care services, in particular, reducing risks for medical, nursing and other errors; and to reduce the number and frequency of complaints and possible law suits.

Costs: The recapitalisation programme started during the 2009/10 fiscal year at an estimated cost of BDS \$60.0 M.

Development of Cardiovascular Services - QEH

Objective: To provide appropriate diagnostic and therapeutic cardiovascular services for at least 200 public patients annually at the QEH.

Project Cost: The capital investment to acquire and install the new catheterization lab is \$7.2 M, which is being financed from the 9th EDF.

Construction of the St. John Polyclinic

Objective: To provide a centralised facility for the delivery of a wide range of primary health care services to the people of St. John.

Amalgamation of the Public Health Laboratories

Objectives: To rationalize Barbados' current public health laboratory services, with a view to strengthening and repositioning these services to meet international, regional and local challenges.

Project Cost: The Ministry of Health is currently undergoing contract negotiations for the design services for the new laboratory. The budget for the project will be determined after the design phase of the project has been completed.

Reform Programme for the Care of the Elderly:

(a) Provision of a New Kitchen at the Geriatric Hospital

Objective: To improve the quality of care for all elderly persons in Barbados with emphasis on equity, access, efficiency and full stakeholder participation across the following areas: policy formulation, institutional care and rehabilitation services.

Project Costs: The cost to construct and equip the new kitchen is estimated at \$5.3 million.

(b) Institutional Strengthening

Objective: The Ministry has recently developed a draft paper on rationalisation of the Care of the Elderly Programme, which has been submitted to other Social Sector Ministries for comment. The proposals place emphasis on the Ministry role in caring for "sick" elderly, strengthening the management structures at the Geriatric and District Hospitals, and reorientation of the Geriatric Hospital toward the delivery of acute medical care for the elderly.

Mental Health Reform

Objectives: To provide for equitable access to mental health services; to reposition mental health care from institutional to community-based care; to fully integrate community mental health care into the Primary Health Care System and; to improve the efficiency in the delivery of mental health care.

Project Costs: The estimated cost to refurbish the kitchen is \$ 640,000; and estimated cost to refurbish the psycho-geriatric ward is \$875,000

Upgrade and Expansion of Polyclinics

Objectives: To rationalise the current primary health services, with a view to strengthening and reposition them to meet the emerging challenges within the health care system over the following two decades.

National Rehabilitation Centre

Objective: To create a National Rehabilitation Centre, as part of establishing a modernised and integrated rehabilitation services in Barbados, and entrench the vast majority of rehabilitation services within a primary health care setting.

3.3 Housing

Over the past two decades Barbados has undergone significant demographic changes reflected in a growing population, a longer lifespan of residents, improved health care and quality of life, better educational opportunities and the concomitant gravitation towards higher quality jobs and wages. The overall economy has recorded strong growth during the past ten years and the net effect of this scenario has been increased employment and a higher demand for housing. The Government of Barbados, being acutely aware of the population dynamics and the need to match these with the stock of housing, is committed to its main housing namely:

- i. The provision of adequate shelter for all, that is: improving, and maintaining acceptable, living and working conditions on a sustainable basis; and
- ii. Home ownership for the majority of the population by providing the opportunity for the widest majority of Barbadians to own property.

The Government however recognizes that high land prices and construction costs have placed these goals out reach of those persons with moderate incomes. Whereas, the upper income groups are better able to meet their obligations, the greater challenge lies in the supply of affordable housing. Hence, the Government through the Ministry of Housing and Lands and the National Housing Corporation (NHC), together with the private sector will embark on vigorous affordable and adequate housing.

The housing programmes and policies will focus on facilitating access to land at affordable prices, creating an increase in the provision of housing to lower, middle and upper middle income persons; the use of institutional strengthening of public sector agencies in the delivery of services especially relating to security of tenure; the implementation of legislation to accommodate affordable housing solutions by way of planning obligations; the provision of fiscal incentives to spur housing construction; the wider incorporation of modern technologies in the design and construction of houses with special concentration on environmental and energy use considerations relevant for our climate and geographical belt.

Strategies

500 Lot Programme

- The provision of 500 lots of land in five months at \$5 per sq. ft. for first time home owners. These lots have been identified and the process of acquisition has commenced.

H.E.L.P (Housing Every Last Person)

- Place emphasis on providing a greater number of housing solutions to low income earners to meet the ever-increasing demand. The cost of the houses is projected to range from \$130,000.00 to \$175,000.00. The houses are of stone and timber comprising or two (2) and three (3) bedrooms with sizes varying from 476 to 820 square feet.

Rent to Own Programme

- The Cabinet of Barbados considered and approved a recommendation from the Ministry of Housing and Lands to provide a viable option for persons who otherwise would not qualify for a solution under the HELP programme; hence the launch of the “**RENT TO OWN**” programme. These persons earn less than three thousand (\$3000) dollars monthly and thus do not qualify for mortgages to purchase the most basic house being built under the programme.

Zero Lot Line Concept

- This concept is for single-family dwellings, designed to promote more efficient land use; permit a more energy efficient arrangement of structures; provide more usable community open space; and reduce perimeter land space/cartilage resulting in less maintenances cost and less initial land cost.

Transfer of Terrace Units

- Under the Sale of Terrace Units programme, NHC tenants residing in their rental units for 20 years or more will be given the opportunity to own their units free of cost. Beneficiaries will only have to pay the legal fees.

Low and Middle Income Housing

- The provision of 2,500 house spots for sale to low and middle income wage earners.

Housing Solutions

- The Government of Barbados is committed to building 2,000 housing solutions per year, inclusive of rental units and starter homes.

Assisting the needy

- Commit to building and maintaining a pool of rent-to-purchase units for low-income earners, pensioners, and the disabled who may not qualify for mortgages and loans.

Starter Homes

- Promote the concept of starter home projects and partner with private sector companies (through tax incentives) in promoting the concept of “build and live”, a Barbadian tradition.

3.4 Poverty Reduction and Social Care

An excellent social service system defines a decent and caring society. Many Barbadians rely on social services at any one time, and especially in times of crisis, social services are there to provide the necessary care and support. While some social services are already innovating, with new ways of delivering services and promoting individual choice and independence, it is not happening everywhere. To achieve this, we need to make changes. The Government therefore intends to build a social services system across the whole island that:

- i. Promotes independence, by supporting people to achieve their potential.
- ii. Strengthens families and households, by supporting parental responsibility.
- iii. Improves the life chances of children in need, including children in care.
- iv. Tackles inequality and promoting inclusion.

The Government will therefore modernise on three fronts; by evidence-based policymaking, by tackling inconsistencies in services, by delivering excellence at local level via a new quality framework, and by improving workforce training and capacity. It will utilise a four pronged approach in the execution of its mandate namely:

- The Identification/Assessment of vulnerable (who are they and what their needs are).
- The Stabilisation of such persons (where the immediate need is addressed).
- Their Enablement (where the skills to survive are imparted).
- Their Empowerment (where persons are imbued with the capacity to succeed and excel in this society).

This four-pronged approach will allow social sector agencies to actively support, and, where appropriate, lead action, to address priority social issues, including but not limited to: Affordability (including food, transport, housing, child care); Family wellness, (including children, youth and seniors); the alleviation/eradication of poverty and the empowerment of

individuals, communities and constituencies.

Poverty Reduction

The containment and reduction of poverty will be paramount over the medium term. Given that there has not been any assessment of Barbados' social landscape since 1995, and no comprehensive system being put in place to take stock of Government's progress in assaulting poverty and other social needs, the Government will be undertaking a Country Assessment of Living Conditions (CALC) which will among other things utilize qualitative and quantitative research and investigation to assess the current conditions affecting the welfare of Barbadians.

Presently, initiatives to eradicate/alleviate poverty are largely indicative as they lack the guidance of sound empirical data. There is also the absence of proper monitoring and evaluation systems due to previously lacking social sector cohesion. In light of these facts, there is a clear need for a consistent and sustained programme of data collection to make informed decisions about poverty and other social needs of the society. This is currently a focus of Government. It is expected that the planned activities of the CALC will engender and deliver appropriate and effective policies, strategies, projects and action programmes. This assessment will deliver the following activities:

- A Survey of Living Conditions
- A Participatory Poverty Assessment
- A Macro Social Economic Assessment
- An Institutional Analysis

This exercise will allow for a clear identification of who and to what magnitudes Barbadians are experiencing critical vulnerabilities so that Government can target poverty in a more coordinated and systematic manner that will lead to the design and implementation of specialised programming that will positively impact the lives of poorer Barbadians.

Eradicating poverty, which is one of the eight United Nations Millennium Development Goals (MDGs), is an objective which the GOB is committed to achieving well before 2015. Indeed, current efforts by Government to enhance the quality of Barbados' social statistics will give social policy the focus and legitimacy necessary to successfully improve the plight of its poor and vulnerable citizens. It will also ensure that the relevant social needs and goods are properly targeted and distributed and that results in the efficiencies in the use of resources.

Strategies

Main Strategies

- Empower communities through; inter alia, the development of partnerships between Government agencies and Civil Society, especially community-based and faith-based organisations.
- Empower individuals and families with the intention of breaking the cycle of dependency and increasing self-reliance.
- Seek to empower persons with disabilities, the aged, the poor and the indigent.
- Rationalise the social services to ensure the efficient, effective and seamless delivery of services.
- Ensure that the efficient and effective delivery of services is driven by evidence-based policies.
- Create a national poverty database through a Country Poverty Assessment which forms a part of an entire Assessment of Country Living Conditions.
- Finalise the new local governance structure under the Constituency Empowerment Programme, including the establishment of a Constituency Empowerment Department, Constituency Empowerment Centres and Constituency Councils.
- To build capacity of the Constituency Councils and their members and staff to effectively deliver their services in accordance with the legislation.
- Comprehensive Reform of every programme of the agencies providing Urban and Rural Renewal and Development services.

Empowerment of Constituencies, Individuals and Families

- Expand the Welfare to Work Programme to allow for the national development of a culture of behavioural change, empowerment and self-reliance, in relation to the treatment of poverty.

Social Protection of the Elderly, Persons with Disabilities and the Homeless

- Finalise policy initiatives in the areas of ageing and elder abuse in the form of a White Paper.
- Prepare a Plan of Action with respect to the White Paper on Disabilities.
- Prepare and implement a plan of action with respect to the Policy on Disability to facilitate the ratification of the Convention on the Rights of Persons with Disabilities

- Upgrade the Disaster management plan, the National Disaster relief plan and the Evacuation of Vulnerable Persons plan.
- Develop and implement a Plan of Action with respect to the elderly as part of the White Paper on Ageing and on Elder Abuse.
- Facilitate equal opportunities for persons with disabilities in the area of employment and education in partnership with all stakeholders.
- Review legislation to strengthen the social safety net through, inter alia, the adoption of a rehabilitative approach to the problem of homelessness.
- Pursue a national policy on homelessness in conjunction with the ministry responsible for housing.

Rationalisation of the Delivery of Social Services

- Introduce a new operational framework for service delivery.
- Coordinate and manage the Personal Social Services Delivery System.
- Create a National Social care Information Management System (NASCIMS) within the Personal Social Services sector to facilitate efficient coordination and delivery of social service.
- Introduce an Electronic Transfer Payment System for National Assistance Grants.
- Introduce a system of continuous surveys of household conditions to monitor the level of poverty in Barbados.
- Improve the management of the agencies delivering social services.
- Create an integrated strategy in the delivery of social services and make it easier for persons to access the various social/welfare agencies.
- Apply information and communication technologies to assist in the poverty eradication, constituency empowerment, and urban planning efforts.

3.5 Culture and Sports

Culture Issues:

The enormous impact of cultural on the economy and development is

a reality that many people do not see. However, in recent years, there has been an increasing acknowledgement of the pivotal role of Culture in national development. Cultural and creative expression is significant to all nations not only in terms of its impact on social development, but also because of the potential contribution of the cultural industries to national economies. Barbados, in its efforts to stimulate and nurture the innate creativity of its people, will implement various policies to strengthen national pride and identity, individual and national confidence, *inter alia*. An outpouring of creative activity would be reflected not only in pursuits in the arts but also on the level and quality of productivity in all areas.

Government is therefore committed to implementing policies which, while seeking to highlight and preserve the positive elements of traditional Barbadian culture and values, will also encourage the development of the cultural and creative industries. The cultural sector has the potential to be a catalyst for sustained economic development in the 21st century in much the same way as the tourism sector in the 20th century. It must no longer be looked on as a “soft” sector, but as one which can contribute significantly to the economy, similar to countries like Jamaica, Canada and the United States.

There are however, challenges which will have to be confronted if this potential is to be realised. The industry needs a stronger public awareness programme that can speed up public recognition of the fact that the creative industries can have a positive impact on all other sectors, and can act as a stimulus for enterprise and entrepreneurial development. Another challenge is limited access to finance, as business houses are loath to invest in what they see as a high-risk industry. In addition, the high cost of production, particularly that of materials, and the absence of adequate facilities have all been issues of concern. To overcome these and the many other challenges, government’s commitment to the industry is critical. This commitment should be seen in the design of policies that will help to guide the development of the sector. However, while the role of government is critical, true success for the sector can only be found in a collaborative effort powered by both the public and private sectors.

Strategies

Over the medium term it is proposed that the Ministry responsible for Culture will:

- Organize a series of consultations with various stakeholders and carry out an aggressive public education campaign aimed at sensitizing the public to the nature and the significance of the cultural industries.
- Create a national infrastructure which will encourage and sustain creative expression. This will involve, *inter alia*, institutional adjustments including the re-structuring of National Cultural Foundation (NCF).

- Strengthen the existing legislative framework so as to make the cultural sector comparable to other economic sectors. This will make provision for fiscal incentives, income tax concessions and assistance through loans and grants.
- Establish a National Art Gallery, a National School for the Performing Arts (in collaboration with the University of the West Indies, Cave Hill Campus) an Arts Integration Programme, and a Film and Media Commission.
- Re-develop the Empire Theatre and the facilities in Queens Park as centres for the performing arts.
- Increase joint public/private sector partnerships through greater dialogue.
- Participate in the negotiation of and monitor the standard-setting instruments that affect the development of the creative and cultural industries in UNESCO, UNIDO, WIPO and other relevant agencies and sensitize persons active in the cultural industries as to the provisions of these instruments.
- Collaborate with the Ministry of Foreign Affairs in relevant training and sensitization activities to equip them to properly promote cultural industries overseas.

Sports Issues:

With its tradition of excellence, sport is an important part of the history and culture of Barbados. The island's greatest athletes and so many more have made Barbados proud. However, those were simpler times when natural talent and a physical lifestyle were enough to reach the top in sport. Today, things have changes and the development of our athletes to the highest possible levels of performance has become an industry that is driven by considerable funds, effort and time. Notwithstanding these facts, it should be noted that the health of the nation is dependent on a well thought out and well implemented plan for sports.

Everyone needs to be aware of the contribution that sports can make to social and economic development and to the mental and physical well-being of the nation.

It should be noted that sport is not the responsibility of one ministry but rather the responsibility of the entire nation. If the future of sport in Barbados is to be safeguarded then it is necessary to focus on the contribution of sport in a strategic manner taking into consideration its economic, social and educational impact.

Strategies

Over the Medium Term period, a number of activities will be carried forward by various government agencies. Some of the related strategies to be pursued by these agencies will be:

- Reorganised the National Sports Council to reach out more effectively to schools and communities.
- Establish secretariats for all the major mass sports.
- Upgrade existing sporting facilities and build a new sporting complex to international standard.
- Develop a menu of sports development programmes designed to inspire the nation to begin and continue to participate in sports/physical activities.
- Improve standards of corporate governance in sports administration across the country to promote greater efficiency and effectiveness.
- Offer National Development Scholarships to budding athletes.
- Complete the National Sports Policy and draw up a Sports Development and Strategic Plan.

3.6 Labour Market Development

A guiding principle of Barbados' labour policy is one which seeks to provide decent and productive work for all. This means that workers should have the right to adequate income and job protection which should be guaranteed through tripartism and social dialogue. While much has been achieved in the labour market over time, there are some issues which must be addressed, particularly given the evolving economic climate across the world.

There are concerns that globalization and economic liberalization could erode some of the gains made by workers. Indeed, with the opening up of markets and increased labour mobility, existing remuneration levels will likely come under pressure. Moreover, multi-national corporations establishing operations in Barbados may seek to impose their work cultures on the local worker, thereby increasing the potential for conflict within the industrial relations climate. These developments are further compounded by the fact that the labour force is aging and with a declining birth rate, challenges lie ahead.

Other challenges to be addressed include, inter alia, the critical need to implement a managed migration policy and the need to continue to tackle the stigma of and discrimination against persons with HIV/AIDS in the

workforce. Continuous training and embracing of the concept of lifelong learning is essential if the Barbados workforce is to successfully meet the challenges of the changing global environment.

Strategies

- Continue to expand the Labour Ministry's programme of assisting in employment generation, through the sourcing of job opportunities for Barbadians in both local and overseas markets.
- Increase the enrolment of trainees involved in the Skills Training Programme, through the expansion of the apprenticeship scheme and other programmes offered by the Barbados Vocational Training Board.
- Continue the development of the TVET programme as the principle engine of workforce development through:
 - a. Development of the infrastructure of the TVET system, making it more competence based.
 - b. Increased participation in TVET by promoting the concept of lifelong learning.
 - c. Raising the quality of TVET and ensuring that outcomes meet expectations.
 - d. Improving the quality of the labour market information used to support the employment and training fund decisions.
 - e. Continue the development of the system of national and Caribbean vocational qualifications. (NVQs and CVQs)
- Continue to ensure the maintenance of a stable industrial relations climate by enforcing and promoting labour and safety standards and good IR practices throughout the public and private sector. This strategy will be achieved through:
 - i. Modernisation of labour legislation;
 - ii. Prevention and resolution of industrial conflicts through the promotion of social dialogue and
 - iii. The enforcement of standards
- Enhance the Barbados Labour Market Information System to deliver reliable, accurate and relevant information to the key agents in the labour market such as students, job seekers, workers and employers.
- Introduce policies to manage immigration in the interest of protecting both local and foreign workers.
- Seek to help reduce the incidence of HIV and raise the level of awareness amongst workers in the formal and informal sectors.

3.7 Governance, Justice and National Security

An important factor in improving the quality of life in Barbados is to

reduce the incidence of crime and the fear of crime within its citizens. This was highlighted in the draft Plan on Justice, Peace and Safety, which along with the Report of the National Commission on Law and Order provides a sound basis for proposals in this sector for the next Medium Term period. While evidence shows that Barbados has one of the lowest crime rates in the World, the perennial problem of drugs and crime involving firearms has increased most markedly over the last twenty years. A key factor in these increases is the incidence of robberies and burglary which have been largely drug-related.

As a framework going forward for the reform of the criminal justice system, it is the view that Government must help the public it serves to live in civil peace and harmony by continuing its efforts to ensure that the justice system is fair, effective and timely.

While recognising the various factors surrounding crime and justice such as the breakdown in extended families, informal social control and marginalisation of sectors of the community, the solutions to these issues must be holistic and driven by a national effort. More emphasis must be placed on prevention, coupled with strategic law enforcement strategies, with the view of having an efficient, modern, effective, fair and timely criminal justice system, including effective rehabilitation for errants.

Many of the strategies outlined in the Draft National Plan on Justice, Peace and Security, and the recommendations of the Report of the National Commission on Law and Order, deal with crime prevention, effective penal reform and justice reform and are reflected in the strategies outlined below.

Strategies

Crime Prevention

Culture and Crime

There is growing concern about the prevalence of antisocial behaviour and the rise in the level of violent crime threatening the well-being of our society. Inextricably, these crimes have been linked to changing cultural values seen in the growing drug trade, the "ZR culture", increased lawlessness on the roads and music and other media. Some values which were once cherished are now being subverted to foster criminal activity. Individualism, excessive competition and achievement have all helped to promote higher crime rates.

Our progress and rapid economic development of recent years has not always brought positive social change. This development has seen a breakdown of the extended family and the abandonment of the traditional

communities and villages. In this regard, we are in danger of creating a society of individuals who may seek to remain on the periphery rather than return to make a contribution to these communities. In this state of separation, persons become victims to the powerful agents of alien culture and values, spread by television, film, popular music and radio.

Crime prevention goes beyond the confines of the justice sector, and the vision for Barbados must therefore be one which, among others, supports the development of sound character, a keen sense of responsibility to self and family, a sense of duty and obligation, and non- violence. To accomplish these over the medium term and beyond, the following strategies will be encouraged and pursued throughout the nation:

- Develop and expand structured training programmes in cultural disciplines at both primary and secondary school levels.
- Expand crime prevention programmes in the school system.
- Implement measures to more closely monitor the content of material provided through local media.
- Make owners of public transport assume greater liability and responsibility for the conduct of their vehicles and crew.
- Develop a Violence Prevention Programme that caters to the perpetrators of domestic violence as well as youth at risk.
- Develop interactive programmes in schools to address issues such as bullying, drugs, alcohol use and conflict resolution.
- Increase public education programmes through public service announcements and the creation of an interactive website to allow access to current research, crime prevention tips and information on the judicial system
- Create a research “Think Tank” to identify priority areas for criminology research.
- Provide assistance for stakeholders with the creation of adequate data collection and research concerning the incidence of crime.
- Conduct literacy testing and risk assessment programmes in the penal system.
- Provide training in the area of Primary, Secondary and Tertiary crime prevention strategies to persons who work with children and at risk groups. These include teachers, coaches, Police Officers, Probation

Officers, Prison Officers, Youth Commissioners, community workers and Government Industrial School Personnel.

Youth and Crime

One of the most effective ways to reduce crime are to reduce the propensity or willingness of people to commit crime and to have strong communities where people know each other and feel a responsibility for stopping anti-social and criminal behaviour. The government will act at a strategic level to encourage actions and activities which will help to build strong communities and reduce the willingness of people to commit crime. The following strategies will be pursued:

- Strengthen the number, power and presence of school attendance officers.
- Utilise the power of Principals to call on the assistance of police where criminal acts are committed on the school premises.
- Focus on caring and empowerment as means of creating a self-disciplined group of young citizens.
- Develop support mechanisms at the community level to assist young people in preparing for job interviews, skills training, needs assessments, intervention and conflict resolution.
- Establish mentorship pairing with juveniles on the block and in the new Young Offender's Institution.
- Provide regular fora to facilitate discussion and exchanges among youth.
- Strengthen counselling and peer mediation programmes in schools.
- Early identification and treatment of children presenting with behavioural problems, drug and alcohol abuse and learning disabilities.

Law Enforcement and Crime

The Royal Barbados Police Force is the principal law enforcement agency in Barbados, and the Government is committed to improving its effectiveness and efficiency. It will do so by providing better conditions of service and strengthening the Police Force's human, technological, scientific, and mechanical resources. In this regard the following strategies will be pursued:

- Move to the problem solving and intelligence led approaches to policing.

- Improve the capability of the police force by maintaining adequate numbers of personnel and by focussing on training and retraining.
- Provide additional police stations and improve the accommodation and security at existing stations.
- Create an anti-corruption unit and re-activate the Police Complaints Authority.
- Make full use of modern technology and scientific developmental aids.
- Maintain a robust presence in the maritime environment as a counter measure to the increase in regional illicit trafficking in drugs, arms, persons and human smuggling.
- Enhance regional and international cooperation intelligence- sharing capacity through partnership initiatives with regional and international agencies.

Reducing Opportunities for Crime

Crimes are committed because, among other causes, the opportunity to commit them exists. If opportunities are reduced then crime will decrease. Properly organised opportunity-reduction and prevention programmes have proven to be the most cost-effective way to reduce crime. Strategies to deal with this will be:

- Encourage citizens to increase home and business security through a range of crime prevention initiatives, including Operations Safe Home.
- Promote the firearm reduction strategy.
- Improve the use of technology as a crime prevention tool.
- Broadcast public education programmes and public service announcements aimed at reducing crime.
- Install close circuit TV (CCTV) cameras and monitors at our stations located in remote areas.
- Control the issue of motor vehicle licence plates.
- Expand the Alternative Dispute Resolution and Conflict Mediation Programme in the school system.

Effective Penal Reform

The treatment of offenders is central to the criminal justice system. The Government, over the planning period, will continue placing great efforts

into preventing crime and criminality. However, some persons will continue to offend and hence the system must treat them in a way which is seen as just, and which maximizes the chances of preventing them from offending in the future. Strategies to be pursued over the medium term and beyond will include:

Corrections

- Coordinate the amalgamation of all the institutions of punishment so that there is a coordinated and uniform approach to the whole matter of corrections.
- Create remand homes or a form of supervised housing for persons on remand so that they are not exposed to hardened criminals even before they face trial.
- Create a Parole System.
- Review the policy of imprisonment using it only for very serious and most appropriate cases.

Prisons

- Expand the Psychological testing of inmates and improve their security classification.
- Create new and expand on existing programmes dealing with: training in functional literacy; structured cognitive-behaviour; drug treatment; skills marketing; rehabilitation; and after care services for all prisoners on release from prison.
- Reform management and administration of the prison, paying particular attention to welfare and development through training.
- Train all officers of the prison in correctional matters and ensure fairness and transparency in the treatment of staff.
- Continue the provision of a reliable programme of HIV / AIDS treatment for all infected inmates.
- Create drug specific courts for non-violent offenders who are there primarily due to substance addiction and sentence all drug offenders to rehabilitation outside of the new Prison.

Young Offenders' Institution

- Create a new Young Offender's Institution and increase the age limit for the admission of students to this facility.

- Reform the Young Offender's Institution programme based on education and rehabilitation programmes.
- Create a detention and training order where teenagers with sentences of less than two years will spend the second half of their sentence as a resident of a revamped National Youth Service Programme.

Probation/Community Sentencing

- Increase probation opportunities.
- All pre-sentence reports should have a recommendation identifying prognoses.
- Increase emphasis on community service for certain offences, including agricultural work.
- Use week-end sentences for certain offences.
- Have community rehabilitation orders for young offenders who are supervised as they carry out community duties~ especially related to repairing the harm they would have done.
- Create referral orders where an offender is required to attend meetings with a panel, including volunteers and their parents or guardians. The offender will be given specific chores and tasks and be required to report over the period of the sentence.
- Institute curfew orders requiring young persons to remain for set periods of time at a specified place.

Effective Justice Reform

The Government will finalise its reorganization of the administration of justice to ensure the delivery of speedy, efficient and accessible justice for all who use the system. It will reform the justice sector through improvements to court administration, access to justice and reduction of the social costs associated with criminal behaviour. Some of the strategies to accomplish this reform are as follows:

- Significant increase in Alternative Dispute Resolution (ADR) and conflict resolution mechanisms within communities.
- Create new, and expand on existing programmes dealing with rehabilitation.
- Create a new Young Offenders' Institution (YOI).
- Incorporate the innovations and best technological practices of

information technology into the following:

- a) The creation of an Integrated Justice Information System that will result in the linkage of the Police, Prosecution Service, Courts, Corrections Services and the Immigration Service.
- b) The creation of a Court Management Information System to provide improved information management in all courts.
- c) The creation of a Case Management System for the Courts to help Judges and Magistrates and staff of the Courts to reduce the inconvenience that adjournments and delays cause to victims, witnesses and Attorneys-at-Law.
- d) The maintenance of the high standard of Court Reporting systems which have been reached in recent years.

Regional, Hemispheric and International Cooperation

- Within the new CARICOM Security Architecture, to work closely with the Council responsible for National Security and Law Enforcement and the CARICOM security agencies, namely the Regional Security System (RSS), the Implementation Agency for Crime and Security (IMPACS), the Regional Intelligence Fusion Centre (RIFC) and the Joint Regional Communication Centre (JRCC) to increase regional cooperation, and the development of effective instruments and measures against crime and to provide enhanced security in all the countries in the CARICOM region.
- Work closely with hemispheric and international partners to combat the threats posed by illicit trafficking in drugs, arms, persons, money laundering, terrorism and human smuggling.

3.8 Environmental Sustainability: Building the Green Economy

The national Sustainable Development Policy (2004) and the more recent National Strategic Plan (NSP) 2006-2025 serve as the primary references that shape the programming direction for the Ministry of the Environment, Water Resources and Drainage (MEWD). Specifically, articulated at Goal 4 of the NSP, “The Green Economy: Strengthening the Physical Infrastructure and Preserving the Environment” while speaking to a vision for the future, is also a recognition of past actions taken to embrace a “green ideal”.

The constituent divisions of the Ministry are as follows:

- Barbados Water Authority
- Caves of Barbados Ltd.
- Coastal Zone Management Unit
- Drainage Division

- Environment Protection Department
- National Botanical Garden
- National Conservation Commission
- Natural Heritage Department
- Policy Research, Planning and Information Unit
- Sanitation Service Authority
- Solid Waste Project Unit

The Government of Barbados has been pursuing various elements of a Green Economy throughout the country's development. The Green Economy has been defined as an emerging global marketplace model that seeks to respond to the world's major environmental problems by optimizing social, economic and environmental value- this is most commonly referred to as the "triple bottom line" or the three pillars of Sustainable Development.

Greening the economy requires the reconfiguring of business and infrastructure to deliver better returns on natural, human and economic capital investments, while at the same time reducing greenhouse gas emissions, extracting and using less natural resources, creating less waste and reducing social disparities.

Significant achievements at the national level in this respect include:

1. The design of our finance and institutional structures to support environmental management and restoration. Most notable is the annual Estimates process that provided in excess of \$140,000,000.00 to support programmes geared towards the preservation of the environment in the 2009-2010 Estimates via the Ministry of Finance;
2. The establishment of a successful fiscal regime to mainstream the use of renewable energy technologies in Barbadian households;
3. The development of a Greening of Government project and subsequent Public Sector Energy Conservation programme to establish government as a lead partner in "Greening Barbados";
4. The locating of public buildings and spaces to foster congregation, consultation and "community economic development". Examples include the General Post Office and its amphitheatre used for community cultural performances as well as the many public markets;
5. The commitment to 'true' bottom-up, localized, long-term integrated development planning in milestone green investment projects such the GOB-CDB funded Harrison's Cave Redevelopment Phase III, the GOB-IADB funded Integrated Coastal Zone Management Programme and follow-up Coastal Infrastructural Programme;
6. The refinement of the country's Storm Water Drainage Plan to facilitate the capture of a greater percentage of the storm water run-off so that it can be utilised in the replenishment of the aquifers;
7. The regular, systematic cleaning and clearing of our watercourses, canals , drains and gullies;

8. Large-scale investment in protecting ecological infrastructure via the Soil Conservation Programme for the Scotland District;
9. The establishment of a network of managed zones, parks and the preservation of coastal seascapes maintained under the aegis of the National Conservation Commission;
10. Instituting Environmental Impact Assessment Tools into the development planning and control process;
11. The national consensus among government, the private sector and members of civil society to adopt core principles for sustainable development as articulated by the National Commission on Sustainable Development in the 2004 Barbados Sustainable Development Policy;
12. The development and implementation of an Integrated Solid Waste Programme built of the 4 Rs tenets- reuse, reduce, recycle and recover;
13. Commitment to global environmental partnerships via bilateral cooperation programmes, multilateral environmental agreements and intergovernmental sustainable development governance processes;
14. The continued investment to meet diverse community needs via public health, education, sanitation, recreational and pedestrian infrastructure systems; and
15. The articulation, debate and approval of the financial and economic statement in 2007 to stimulate private sector involvement in the pursuit of the Barbadian Green Economy.

Together with a multi-pronged legislative regime, institutional support, education and training and a plethora of fiscal incentives, the Government of Barbados continues to affirm its commitment to a path of people-centred, sustainable economic growth and development.

In addition to broad, long-term objectives, the MEWD has identified strategies and resource requirements necessary to address environmental issues within this national framework for growth and development, and in the context of Barbados' five core sustainable development principles as outlined below:

1. **Quality of Life:** This principle is composed of a conglomeration of economic, environmental, social, cultural and personal factors. Improvements to national "Quality of Life" has resulted in changing consumption patterns (leading to increased waste generation, pollution and demands for energy) and changing community culture (as evidenced by increasing numbers of gated communities). To achieve true environmental sustainability, policies and plans have to be 'of the people' embracing all sectors and effecting overall improvements in the welfare of society. They should also be developed to bring about change in behaviour and the way people operate whether at the household, business or national level with the net result of environmental conservation.

2. **Conservation of Natural Resources:** As a small island state, Barbados remains vulnerable to natural and man-made disasters which have the potential to bring about significant environmental damage. Policies and programmes therefore have to focus on building increased resilience to the effects of these phenomena.
3. **Economic Efficiency:** Barbados's small size has direct implications for the availability and distribution of its limited natural resources in the wider context of its economic development programme. Water, land, and coastal and marine resources provide the underpinning for decision making within key development sectors. The NSP 2006-2025 while articulating the country's development path will necessitate regulatory controls of these natural resources in addition to sectoral trade-offs and phased development policies to ensure optimal efficiency in a sustained manner.
4. **Equity:** The existence of a comprehensive albeit multi-sectoral environmental regulatory system has ensured sound development to the betterment of all sectors of the society. The constant need to generate foreign direct investment and to heighten competitiveness of domestic industry as a means of sustaining social development will however continue to challenge natural resource systems and management regimes now and in the future. Environmental management in the present must champion inter generational equity, in other words, the legacy we leave for future generations.
5. **Participation:** Good governance of natural resource use will require new approaches to engage the interest of the general public and key stakeholders in decision making and management processes. A rethink to engagement is critical as community geography and demographics continue to change particularly in the context of the "developed country" thrust, the movement towards a regional village and the implications for cohesion and tolerance in a new pleural society. To date traditional approaches such as town hall meetings, roundtables, and technical committee meetings, though moderately successful, have been of fundamental importance to the dialogue on national sustainable development. Stakeholder fatigue, lack of newness in ideas and solutions, conservatism in adjusting processes of engagement and the disconnect between policy and practice are now the challenges to overcome if public participation is to be stimulated in the fight to achieve environmental sustainability.

One tenet upon which Barbados has accepted in the drive to achieve environmental sustainability is the recognition that environmental management functions, traditionally and at present, lie beyond the institutional mandate of the Ministry responsible for the Environment, and in fact is the responsibility of several agencies within the Government Sector. The Ministry, however, provides policy focus, development direction

and specific regulatory functions in this national drive.

Strategies

The MEWD through its constituent agencies will give special focus over the medium term (2010-2014) towards the further attainment of environmental sustainability: in the context of the principles of sustainable development described above.

Quality of Life

- Facilitate the protection of the island's groundwater resources and coastal waters from contamination.
- Regulate solid waste disposal via the management of sanitary landfill sites, waste transport mechanisms and through the review of planning applications to ensure that adequate facilities for waste collection and disposal are incorporated into development plans.
- Monitoring and regulation of emissions to the air, water and terrestrial environments of Barbados. These include, but are not limited to, noise, dust, chemicals, green house gases, ozone depleting substances, industrial and domestic waste.
- Seek and implement efficient and effective methods to alleviate the projected effects of climate change on the country.

Conservation of natural resources and Economic Efficiency

- Identify and promote protection of those environmental attributes and areas sensitive to development pressure.
- Ensure that the integrity of natural features and linkages, wildlife habitat, significant flora and fauna, and important landscape features, significant vistas and parks is maintained during the process of development through active participation in the National Physical Planning Process.
- Facilitate the ability of Barbados to adhere to its commitments under International Conventions and Treaties relating to management of natural environments and resources, while mitigating the adverse impacts.
- Build strategic alliances with UNEP and other key UN agencies via the UNEP-Green Economy Initiative and UN-Led Marrakech Process.
- Establish a fiscal framework to support R&D, and to stimulate private sector investment in the Green Economy

Equity

- Provide an enhanced and forward-looking legislative and regulatory framework within which the roles and responsibilities of Government can be discharged.
- Provide an enhanced and forward-looking environmental legislative and regulatory framework within which the roles and responsibilities of MEWD can be discharged and as guidance for compliance by the private sector and general citizenry.
- Establish a national governance regime to support Barbados' green economic thrust
- Access technical cooperation, international partners and grant financing to support the green thrust
- Establish a facility to provide indigenous environmental services to Small Island developing States (SIDS) and economies in transition;
- Promote Barbados as the environmental training and meeting hub in Latin America and the Caribbean (LAC).

Participation

- Promote the school's awareness and engagement of the essential linkages between the environment, quality of life, and sustainable development.
- Promote greater environmental stewardship by the people of Barbados in the management of our natural resources.
- Facilitate enhanced participation of non-governmental organizations (NGOs), industry, developers and community based organisations (CBOs) in the overall management of Barbados' environmental and natural resources assets in partnership with the Government.
- Encourage linkages between community management committees and agencies concerned with research on environmental management.
- Ensure the public is given opportunity to contribute to shaping the Green Economy policy framework via a structured awareness and educational programme
- Harmonise Barbados' participation in international environmental fora to promote national green achievements in a synergistic manner

3.9 Transport Management

The significant increase in economic activity has given rise to changes

in traffic patterns, evidenced not only by the existence of larger axle loads, but also the rapid growth in the number of motorcars on the roads. Combined with rising expectations of the public and private sector, these changes have demanded a quantitative improvement in the road network and traffic management systems.

Notwithstanding that Barbados has one of the most comprehensive road networks of all the countries in the Caribbean, it continues to be plagued by the effects of a rapid change in traffic patterns over the last ten years. An increase in the number of road accidents increased cost and associated costs for road repairs and high levels of traffic congestion in and around the island's town centres, have been the resultant effects of the significant increase in the number of motor vehicles on the roads over the last decade. Indirectly, productivity through the loss of man-hours and the general ambience has all been affected by these changes.

Emphasis must therefore be placed on improving traffic management and the flow of traffic, as well as improving the quality of the road network and the aesthetics associated with travel.

Strategies

The Ministry of Transport and Works will continue to improve the design of roads and related infrastructure to meet society's changing needs and rising expectations. There will be a focus on institutional strengthening and process re-engineering to maximise the effectiveness of the application of our finite resources. In addition, the Ministry of Transport, Works and International Transport will continue to develop a more reliable public transport system that will encourage greater use of mass transport systems to alleviate traffic congestion. It will also facilitate access for business and social purposes.

To this end, the Ministry of Public Works and Transport will continue to undertake a number of specific initiatives over the planning period. These are to:

- Re-examine the feasibility of the construction of footbridges along the ABC Highway.
- Continue to carry out improvements to dangerous junctions to enhance visibility thereby eliminating accidents and possible fatalities.
- Undertake traffic experiments in traffic design aimed at enhancing flows in specific areas.
- Complete the feasibility study of the extension to the Ernie Bourne Highway.
- Encourage the use of low emission vehicles by using emission test metres on vehicles which are being inspected as well as on the road.

- Continue the process of establish the Barbados Building Standards Authority.
- Continue with the development of Permanent Park and Ride Facilities.
- Develop and refurbish buildings to house various government departments.

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
Education and Training:				
➤ Adult literacy rate - %	➤ Over 95 per cent	➤ 100.0 per cent	➤ Ministry of Education	➤ Budgetary support
➤ Gross Enrollment: Primary - %	➤ High	➤ Maintain high ratio		
Secondary - %	➤ High	➤ Maintain high ratio		
Tertiary - %	➤ High	➤ Maintain high ratio		
➤ Public expenditure on education as % of total expenditure	➤ 8.2 per cent (2009/10)	➤ 1.0 to 3.0 per cent annual increase in targeted areas after 2010/11		
➤ Barbados Vocational Training Board Enrolments		➤ 5.0 to 10.0 per cent increase in enrolments over the planning period		
➤ School-life expectancy - %	➤ High – over 95.0 per cent	➤ Maintain ratio over 95.0 per cent		
➤ Pupil-teacher ratio - %	➤ Relatively high	➤ 2.0 to 5.0 per cent reduction in ratio by 2014 and beyond		

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
➤ Educational attainment of the population age 25 yrs and above - %	➤ High – over 95.0 per cent	➤ Maintain ratio over 95.0 per cent		
Health Care:				
➤ Life expectancy rate	➤ High – over 75.0 per cent	➤ Maintain ratio over 75.0 per cent	➤ Ministry of Health	➤ Budgetary support ➤ Technical assistance – European Union (EU)
➤ Mortality rate	➤ Relatively low – under 10.0 per cent	➤ Maintain ratio under 10.0 per cent		
➤ Infant mortality ratio	➤ Under 20.0 per cent	➤ Maintain ratio below 20.0 per cent		
➤ Maternal mortality ratio	➤ Very low – under 1.0 per cent	➤ Maintain ratio under 1.0 per cent		
➤ Public Expenditure on health as % total expenditure	➤ 8.3 per cent (2009/10)	➤ 1.0 to 3.0 per cent annual increase in targeted areas after 2010/11		
➤ Number of death from chronic non-communicable diseases	➤ Relatively high	➤ Significantly reduce the number of deaths by 2014		
➤ Number of deaths from communicable diseases	➤ Low	➤ Maintain low rate		
➤ HIV/AIDS deaths	➤ From over 100 to under 20 at the end of 2008	➤ Maintain low HIV mortality rate and reduced HIV incidence by 5.0 per cent.		
Housing:				
➤ Demand for new housing and land	➤ High demand	➤ 2,000 housing	➤ Ministry of Housing	➤ Budgetary support

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
<ul style="list-style-type: none"> ➤ Public expenditure on housing as % of total expenditure ➤ Number of affordable housing units 	<ul style="list-style-type: none"> ➤ 1.6 per cent (2009/10) 	<p>solutions per year</p> <ul style="list-style-type: none"> ➤ 2,500 house spots for sale to low and middle income wage earners provided over the planning period ➤ 1.0 to 3.0 per cent annual increase in targeted areas after 2010/11 ➤ 10.0 to 20.0 per cent increase in affordable housing under the H.E.L.P (Housing Every Last Person) Programme 		<ul style="list-style-type: none"> ➤ Inter-American Development Bank (IADB) Funding
Poverty Reduction and Social Care:				
<ul style="list-style-type: none"> ➤ GDP per capita – 000s Bds\$ ➤ Poverty database – data collected ➤ Number of key policies started and implemented 	<ul style="list-style-type: none"> ➤ \$20.7 ➤ None exist ➤ Formulation of policies 	<ul style="list-style-type: none"> ➤ An average increase of 5.0 per cent by 2014 (\$21.7) ➤ Database completed and in use by 2011 ➤ Over 90.0 per cent of key policies started and implemented by 2014 	<ul style="list-style-type: none"> ➤ Ministry of Social Care ➤ Other Social Agencies 	<ul style="list-style-type: none"> ➤ Budgetary support ➤ Caribbean Development Bank (CDB) Funding (specific programmes) ➤ Technical Support (UNDP) – specific programmes

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
<ul style="list-style-type: none"> ➤ Public expenditure on social care as % of total expenditure - % 	<ul style="list-style-type: none"> ➤ 2.2 per cent (2009/10) 	<ul style="list-style-type: none"> ➤ 1.0 to 3.0 per cent annual increase in targeted areas after 2010/11 		
Culture and Sports:				
<u>Culture</u>				
<ul style="list-style-type: none"> ➤ Persons employed in the sector 	<ul style="list-style-type: none"> ➤ Moderate 	<ul style="list-style-type: none"> ➤ Significant increase in sector employment 	<ul style="list-style-type: none"> ➤ Ministry of Community Development and Culture 	<ul style="list-style-type: none"> ➤ Budgetary support
<ul style="list-style-type: none"> ➤ Public expenditure on the cultural sector (development and training) 	<ul style="list-style-type: none"> ➤ \$731,248 	<ul style="list-style-type: none"> ➤ 10.0 to 20.0 per cent increase by 2014 		
<ul style="list-style-type: none"> ➤ Number of key policies implemented 	<ul style="list-style-type: none"> ➤ Policies formulated 	<ul style="list-style-type: none"> ➤ Over 90.0 per cent of policies started and implemented 		
<ul style="list-style-type: none"> ➤ Sectors contribution to GDP - % 	<ul style="list-style-type: none"> ➤ Currently not being measured 	<ul style="list-style-type: none"> ➤ Measurement of the sector's contribution to GDP completed 		
<ul style="list-style-type: none"> ➤ Number of major cultural events held 	<ul style="list-style-type: none"> ➤ Moderate but has potential for growth 	<ul style="list-style-type: none"> ➤ 5.0 to 10.0 per cent increase in major sporting events 		
<u>Sports</u>				
<ul style="list-style-type: none"> ➤ Persons employed in the sector 	<ul style="list-style-type: none"> ➤ Moderate 	<ul style="list-style-type: none"> ➤ Significant increase in sector employment 	<ul style="list-style-type: none"> ➤ Ministry of Youth, Family and Sports 	<ul style="list-style-type: none"> ➤ Budgetary support
<ul style="list-style-type: none"> ➤ Public expenditure on the cultural sector as a % of total expenditure 		<ul style="list-style-type: none"> ➤ 10.0 to 20.0 per cent increase by 2014 		

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
➤ Number of key policies implemented	➤ Policies formulated	➤ Over 90.0 per cent of policies started and implemented		
➤ Sectors contribution to GDP - %	➤ Currently not being measured	➤ Measurement of the sector's contribution to GDP completed		
➤ Number of major sporting events held.	➤ Moderate but has potential for growth	➤ 5.0 to 10.0 per cent increase in major sporting events		
Labour Market Development:				
➤ Labour force participation rate	➤ 67.6 per cent (end of 2008)	➤ Over 70.0 per cent	➤ Ministry of Labour	➤ Budgetary support
➤ Employment-to-population ratio	➤ 48.1 per cent	➤ Over 50.0 per cent		
➤ Unemployment rate - %	➤ 10.2 per cent	➤ 7.8 per cent		
➤ Number of persons participating in TVET training	➤ Relatively high	➤ 5.0 to 10.0 per cent increase		
➤ Labour productivity - % change	➤ 2.1 per cent (end of 2007)	➤ A doubling of the productivity growth rate by 2014		
➤ Absenteeism rate - %	➤ 7.5 per cent ⁵ (end of 2007)	➤ 5.0 per cent		

⁵ This represents an average of the rates calculated for the tourism, financial services, manufacturing and wholesale & retail sectors.

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
➤ Number of strikes and work stoppages	➤ Relatively low	➤ Maintain low numbers		
Governance, Justice and National Security:				
➤ Total number of reported crime – 000s	➤ 8,982	➤ 5.0 to 10.0 per cent reduction	➤ Attorney General Office and Home Affairs	➤ Budgetary support
➤ Corruption perception index (Transparency International)	➤ Rank number 20 out of 180 countries(2 009)	➤ Maintain rank of 20 and below		
Environmental Sustainability: Building the Green Economy:				
➤ Water leakages as a percentage of water pumped or withdrawn.		➤ Reduce unaccounted for water by 25 per cent relative to 2009 levels.	➤ Barbados Water Authority ➤ Environmental Protection Department (EPD)	➤ IADB financing ➤ Budgetary resources ➤ Budgetary Resources
➤ Compliance with world health organisation water quality guidelines at all public supply wells (Water samples collected monthly at all public supply wells)		➤ No more than 2% of samples analysed on a monthly basis exceed the any of the WHO guidelines	➤ Coastal Zone Management Unit ➤ Drainage Division ➤ EPD	➤ Budgetary resources ➤ IADB financing ➤ International Funding (Latin America Energy Org.)
➤ Coastal erosion and accretion		➤ Measurable improvement of specific coastal sites where engineering solutions were applied under the Coastal Infrastructure Programme	➤ EPD ➤ Natural Heritage Department ➤ Sanitation Services Authority/Solid Waste Project Unit	

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
<ul style="list-style-type: none"> ➤ Area annually affected by erosion or water-logging. ➤ Number of pollution incidences (groundwater, ambient air, indoor air, noise pollution and marine water complaints) ➤ Compliance with recreational water quality standards (Water samples collected weekly at all popular beaches) ➤ Protected area as a percentage of total area (terrestrial and marine). ➤ Solid waste generated per capita ➤ Percent diversion of 	<ul style="list-style-type: none"> ➤ Baseline data provided by the 2010-2011 Drainage Study 	<ul style="list-style-type: none"> ➤ 10 per cent reduction compared to area identified in 2010-2011 Study, through the construction of appropriate drainage structures. ➤ 2.0 per cent reduction in environmental pollution complaints ➤ No more than 20 per cent of samples analysed on a monthly exceed the marine pollution control standard ➤ At least 10 per cent of the country's biological resources that support sustainable livelihoods, local food security and health and well being are maintained and effectively conserved ➤ Reduce waste generated per capita by 	<ul style="list-style-type: none"> ➤ Energy Division 	

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
solid waste		10% by 2014, relative to 2009 levels		
<ul style="list-style-type: none"> ➤ Energy use per capita ➤ Green house gas emissions from energy production and use per capita and per unit of GDP ➤ Percent Share of the renewable energy supply in the total energy supply for given period (%) 	<ul style="list-style-type: none"> ➤ BL&P has projected that per capita energy consumption will increase by 4%annually 	<ul style="list-style-type: none"> ➤ To be verified with BL&P ➤ 5-10 per cent reduction in emissions (use of greener energy) ➤ 10 per cent electricity generation from renewable sources 		
Transport Management:				
<ul style="list-style-type: none"> ➤ Public expenditure on the transport sector as a % of total expenditure ➤ Paved road quality ➤ Transport sector as a % of real GDP ➤ Road safety - number of vehicular accidents ➤ Accessibility to public transport – total 	<ul style="list-style-type: none"> ➤ Moderate ➤ 9.4 per cent ➤ High (end of 2009) ➤ High 	<ul style="list-style-type: none"> ➤ 1.0 to 3.0 per cent annual increase in targeted areas after 2010/11 ➤ Higher paved road quality ➤ Over 10.0 per cent ➤ 50.0 per cent reduction by 2014 ➤ Maintain high level 	<ul style="list-style-type: none"> ➤ Ministry of Transport and Works 	<ul style="list-style-type: none"> ➤ Budgetary support

SOCIAL SECTOR DEVELOPMENTS				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
number of public vehicles				
➤ Number of persons injured in road accidents	➤ Rank number 12 th in the world (Economic Intelligence Unit – EIU)	➤ Significant improvement in ranking by 2014		
➤ CO2 emissions	➤ Low to moderate	➤ 5.0 to 10.0 per cent reduction in emissions (use of greener energy)		

4. SPECIAL DEVELOPMENT ISSUES

4.1 Competitiveness and Productivity

As a small island developing state Barbados is facing new challenges derived from regional integration, eroding trade preferences, increasing global trade liberalisation, and other adverse external and internal shocks. All these have contributed to fragile growth and limited export diversification. As a result there is a need to review and evaluate existing policies, instruments and institutions that are in-place to support the productive sectors. Also, there is a need to remove constraints to investments and trade if Barbados is to compete successfully, particularly given the new challenges. Although Barbados ranks 44th (out of 131 countries) in the World Economic Forum’s latest Global Competitiveness Index (GCI), it ranks considerably lower with regard to goods market efficiency (72nd), market size (126th), and business sophistication (58th). These rankings denote that Barbados still faces a number of issues which, if not corrected, could reduce its competitive position.

Strategies

The government of Barbados currently provides support to the productive sectors in the form of financial and non-financial incentives and instruments to promote production, exports and investments. However, the government has identified the need for more to be done to enhance business development and by extension increase competitiveness and productivity in

both the private and public sector. In this regard, the government, partnering with the Inter-American Development Bank (IADB) has developed a Barbados Competitiveness Programme with the broad objectives to:

1. Rationalize the incentive system and regulations to ensure a coherent framework to support business development;
2. Rationalize the institutional architecture of business development services (BDS) and introduce a framework for clustering initiatives;
3. Improve logistics and trade facilitation thereby lowering cost; and
4. Strengthen public-private dialogue to develop and implement a medium-term competitiveness strategy.

The programme, which will be implemented during the planning period and beyond, will have four strategic components. These are:

1. Ensure a coherent framework for business development through the development of tax policy analysis tools, and providing support in facilitating the approval process for domestic and international investment and the expansion of access to credit through the rationalization of government-sponsored development funds.
2. Ensure a coherent Business Development Service (BDS) architecture for business development by improving BDS and innovation and the piloting of a cluster program.
3. Improve trade logistics and trade facilitation and enhancing access to infrastructure through - the modernization of trade logistics and trade facilitation by the implementation of a cargo examination facility and risk assessment mechanism, and an electronic single window; transportation sector improvement; and the enhanced access to infrastructure through public private partnerships (PPPs).
4. Strengthen public-private dialogue on competitiveness by the design and strengthening of the commission on competitiveness and establishment of a technical unit; and the creation of a national competitiveness strategy and action plan.

Other Initiatives:

- Continue to accelerate public sector reform and identify critical areas for the initial impetus.
- Further empower the National Productivity Council to build out productivity measures for the public sector through the establishment of pilot programmes within selective departments.
- Establish service standards.
- Introduce service standards in private and public sector.

- Seek to review and reform all institutions, legal and otherwise, which provide services to investors.

4.2 Science and Technology

Information and Communications Technology

The world is in the midst of rapid transformation. The revolution in digital ICT, in progressive countries, is creating dramatic shifts in traditional ways of acting. Competition and markets are fierce and unforgiving. Threats are numerous and relationships are complex. However, opportunities are everywhere and with collaboration, success for small-island states is certainly achievable. In order to fulfil its unrealised potential, Barbados must change the way it functions in the world. This means that innovation and the ability to turn new ideas into successful business opportunities must be strong if Barbados is to compete successfully in the global market. Barbados must better position itself by creating an advanced information society which can unleash the potential of Barbadians through effective use of new digital information and communications technology.

Barbados has a significant amount of ground to cover to raise its level of competitiveness in areas of high-value-added IT and other related services. In this regard, the country is seen as an embryonic information or knowledge-based society in which the new digital ICTs and associated services are not effectively diffused throughout the economy and society. Associated with this is the fact that policy/regulatory structures that support ICT development and diffusion are weak due to deficiencies in the country's science and technology culture. While these challenges exist, Barbados must exploit the opportunities which ICTs offers for social, economic and cultural development. Action must be taken to develop the country as a knowledge-based society that has access to the new technologies and where ICTs are fully integrated into the daily lives of citizens, operations of businesses and the activities of government.

Strategies

- Establish an efficient national ICT infrastructure throughout the country with easy and reliable access to regional and international networks.
- Deploy affordable, high speed, broadband telecommunication service throughout the country.
- Provide an effective legal and regulatory framework to facilitate and encourage the development of ICTs.
- Promote and facilitate the use and application of ICTs by all segments of society for economic, social and cultural development.

- Integrate ICTs fully into environmental disaster management plans and programmes.
- Encourage the business community, especially SMEs, to utilize ICTs for improving competitiveness and productivity.
- Promote and facilitate establishment of a culture of innovation and entrepreneurship within Barbadian society.
- Provide a secured national environment for the use of ICTs and establish benchmarks for measuring its development.

Science and Technology

The ability of a country to engage in research and adopt and create new technologies is critical for sustainable economic growth and improved quality of life. Today, a handful of the world's richest countries produce the overwhelming majority of new scientific and technological knowledge and they derive great benefits from its use. Meanwhile, most of the world, particularly those in developing countries like Barbados, struggle with some degrees of success to establish scientific and technological research systems that can invigorate their economies and provided solutions to the country's social needs.

Despite the various challenges facing developing countries, there is hope that aspiring countries can close the gap that separates them from scientifically-advanced countries. We see this happening through new information and communication technologies, which is helping to close this gap by providing greater access to existing knowledge, thus erasing the disadvantage of physical distance. Also, education and training is exposing more persons to innovative ideas, while also Governments are investing more in S&T.

For Barbados the strategic objective will be to realize increases in efficiency and productivity in order to create high value added products, create and attract new businesses and compete in knowledge-based industries. To do this we need to promote and strengthen the application of science and technology in all sectors of the economy.

Strategies

- Strengthen and enhance Barbados' capacity to develop and adapt science and technology for use in all spheres of economic development through:
 - i. Developing a cadre of highly skilled researchers, scientist and other such persons capable of undertaking research in areas critical to development and who are capable of developing and adapting new and existing technologies.
 - ii. Promoting the education and the professional development of

- existing local scientists, technologists and engineers.
 - iii. Disseminating information on S&T to all Barbadians to garner support and engender greater understanding of its role.
 - iv. Cooperating with likeminded institutions of learning to develop the capacity to teach the skills needed in the new knowledge-based society and build research capacity.
 - v. Working along with businesses involved in targeted research as it relates to building and/or developing new and existing technologies, concepts and products.
 - vi. Developing and accessing funding to acquire technological resources, equipment and other forms of capital for both public and private research institutions.
- Create an environment conducive to the development of conditions which nurture scientific innovation and self-reliance in technology choice by:
 - i. Increasing public awareness of the importance of science and technology particularly as it relates to its application in everyday life, including the potential for job and business opportunities.
 - ii. Provide assistance to enhance education in Science and Technology in primary and secondary schools. Emphasis will be given to providing students with opportunities to stimulate and encourage the understanding of scientific and technological problems.
 - iii. Develop programmes which unleash and reward the creative and innovative potential within Barbadians.
 - iv. Conduct innovation promotion programmes through seminars, workshops and symposia.
 - Enhance and Develop Science and Technology as a Major Tool for Development in Barbados.

4.3 Coordination of Foreign and Trade Policy

Foreign Policy

International relations may be broadly characterized by a set of contending processes across the globe that embrace, on the one hand, rapid changes and power rivalries and, on the other, countervailing efforts to maintain stability and rules for orderly interaction and coexistence. Against such a backdrop, it is important to treat to the systemic or enduring issues while not neglecting current developments that could trigger long term effects.

Therefore, responses to the present global financial crisis, ethnic conflicts, petro-politics and so on must be balanced with the ongoing need to participate in the regular processes of international relations that require the continuous defence of human rights, the equality of nations and other

principles. In many, if not most cases, these said principles will provide a basis upon which to address the various international crises and problems that will arise during the period covered by this strategic Framework.

Barbados will continue the leadership roles that it has developed over time in matters related to human rights and the development agenda, small island developing states and small vulnerable economies (SVE's), global environmental issues, sustainable management of the Caribbean Sea, reform of international financial institutions, the multidimensional nature of security, inter alia.

Priority Policy Areas

Over the mid-term 2010-14, Barbados' diplomatic effort will prioritise support to the external trade and investment agenda of the Government. Within this context, the expansion of foreign market access for Barbados' goods and services will be a principal objective. The Ministry's advocacy role in responding to the 'harmful tax' lobbies, which re-emerged in October 2008, will be vital to protecting Barbados financial services regime. The Foreign Service will also be required to work more assiduously to identify alternative sources for development financing and to lobby for support to reform the major international financial institutions. No less importance will be attached to Barbados' sustainable development interests in international fora, especially as they relate to climate change.

Sustained and vigorous operationalization of bilateral arrangements for cooperation such as joint commission structures will be targeted as well so as to maximize win-win opportunities for market penetration, capacity building and other technical assistance. Equally, priority attention will be given to defending and promoting Barbados' political ideals that are of greatest relevance in the current multipolar environment. These include the rule of law, human development and social justice, constructive engagement, special and differential treatment for small vulnerable states, regional integration, the principle of functional cooperation as a building block for inclusiveness, and the principle of multilateralism.

The policy imperative to identify new economic markets has implications for forging new alliances. This will lend urgency to the traditional and fundamental remit of the Foreign Service to manage Barbados' international political relationships.

Priority Project Activities

The establishment of a philanthropy centre is a key element in Government's plans to ensure that there is a proper and effective vehicle for grant-giving for social investment. Responsibility for the creation of this centre has been entrusted to the Ministry of Foreign Affairs and it is proposed that this project be brought to fruition by or before June 2010. Other projects will include new initiatives to foster relations with non-state

actors, especially the Diaspora, for the attainment of certain foreign policy objectives.

The role of the **Diaspora** and the role of the **marine environment** are two areas which have traditionally been important to the work of the Foreign Service but the full extent of their significance is now evolving to make them special new foci in the work programme. A **cultural diplomacy** programme will be undertaken in a structured way and will encompass all Barbados' overseas missions in full collaboration with the departments and agencies with executive responsibility for culture.

Barbados' prioritization of ocean affairs will continue into the mid-term. Barbados' authority extends over a considerable area of maritime space which, inter alia, is home to several living and non-living resources. Given the economic, environmental and security implications of our marine space, the Government will continue its programme of maritime delimitation and will also maintain its active role in CARICOM and the ACS to establish sustainable development policies and standard-setting regimes for the Caribbean Sea.

The Ministry will be enhancing its representational efforts in the promotion of Barbados' cultural interests and will be proactive in implementing cultural cooperation agreements signed with other governments. This will be done within a programme of cultural diplomacy.

Barbados' overseas offices have organized ad hoc cultural promotion initiatives over the years since the establishment of the Foreign Service. One regular activity has been the biennial promotion of the visual arts in continental Europe since 1999. The Ministry will build on these efforts and experiences to create a cultural diplomacy programme, beginning from the financial year 2010-11, for the purpose of promoting cooperation and better understanding between itself and its foreign partners and to give exposure to Barbados' cultural industries. Seed funds will be identified for reciprocal activities.

Strategies

Equip Barbados to Secure its future in the Global Economy

- Design and implement an Action Plan to promote Barbados' 'white-listing' and to respond to the 'harmful tax' lobby.
- Advance the restructuring of the Foreign Service through the establishment of dedicated departments for research, international law and boundaries delimitation which are organizational changes required for the modernization of the service.
- Enhance the training arrangements in the Foreign Service to ensure that there is capacity to respond to the increasing demands of the

global agenda. The remit of the Foreign Service dictates that its portfolio will be multisectoral and cross-cutting. Project management, human rights reporting, the promotion of cultural industries, language training beyond the Latin languages, and law of the sea are amongst the areas of training that are of priority interest for 2009-2011.

- Provide representational support for initiatives in export, investment or cooperation to secure revenue or development financing.
- Participate in standard-setting initiatives and processes to gain legitimacy for policy approaches of importance to Barbados and CARICOM, especially at the UN, the WTO and UNESCO.
- Strengthening the Foreign Service's exploratory role to identify in international institutions and bilateral arrangements untapped opportunities for funding and technical assistance in respect of projects in innovation, research and development, and science and technology.
- Coordinate in a structured manner Barbados' relationship with the Diaspora to facilitate the incorporation of their skills and investment potential into the pool of resources required for the advancement of the country's commercial and entrepreneurial agenda

Enlarge Barbados' Regional Economic Space

- Continue to deepen economic relations with other CARICOM Member States especially in the sectors of agriculture, fisheries, tourism and joint venture investments.
- Continue the programme for delimitation of Barbados' maritime boundaries
- Maintain active support and involvement in the sub-regional negotiations for a Common Fisheries Regime
- Strengthen active support for transportation cooperation within the ACS and other relevant agencies to enhance air and sea linkages as a prerequisite for increased tourism and commercial activity.
- Design diplomatic initiatives to sensitize the Barbadian private sector about market access opportunities in South America for Barbadian goods and services
- Strengthen economic relations with Latin America, especially in financial, educational and cultural services

Promotion and protection of the political, economic and cultural interests of

Barbados in other countries and in international organizations

- Use the structures of the CIEX for efficient promotion of Barbados' economic interests abroad.
- Maximise the representational network which has been strengthened with the addition of new locations for resident diplomatic and consular offices in Beijing, Brasilia and Havana.
- Maximize Barbados' membership of multilateral institutions or organs with a strategic role in these areas, noting in particular, the OAS, UNESCO, its Executive Board and its World Heritage Committee, and the ACS.
- Maximise representation in the EU-LAC.
- Broaden the contexts of partnership by enlisting the support of like-minded states, the Diaspora and academia to support and promote concerns of Barbados.
- Strengthen efforts within the ACS and in the UN on the matter of the sustainable development of the Caribbean Sea
- Create a structured programme of cultural diplomacy.
- Give active support to the lobby to reform IFIs

Establishment and preservation of harmonious relations with foreign governments

- Advance preparations for closer relations with Eastern Europe Africa and Asia
- Follow through vigorously the outcome of the Conference on the Caribbean to strengthen relations with the range of stakeholders in the USA
- Support CARICOM-Canada initiatives to maintain the momentum for revitalization of the relationship

International Trade Policy

The trade policies which Barbados will pursue in the coming years to promote its economic development, will have to be fashioned within the context of its current and future obligations arising from multilateral,

hemispheric, regional and bilateral trade agreements. Over the period 2010-2014, Barbados will continue to be actively involved in negotiations aimed at the progressive liberalisation of trade. It will also work to earn the maximum foreign exchange from the export of Barbados' goods and services and to fully and successfully integrate the Barbadian economy into the globalised world economy within the context of trade.

DOHA Trade Talks (WTO)

At the international level Barbados and other developing countries remain concerned with the collapse of the seven year DOHA round of trade negotiations at the WTO. This is seen as a set-back on world trade and the development agenda of some countries. Going forward the next step would be for developed and developing countries to look towards a new model of trade, one which will work to the benefit of all countries.

Regional Economic Partnership Agreement (REPA) with the European Union (EU)

Barbados' economic/trade relationship with the European Union is expected to undergo a marked change with the signing of the CARIFORUM/EU Economic Partnership Agreement. Barbados is currently in the process of planning the establishment of an Implementation Unit, which will study the agreement and determine how best the country can benefit from the EPA.

Regional Trade Negotiations

Barbados, as a member of CARICOM, has either partial scope or Free Trade Agreements with Venezuela, Colombia, Cuba, the Dominican Republic and Costa Rica. As part of CARICOM, it is contemplating the conclusion of similar agreements with other countries in the Americas, including Canada, MERCOSUR, Central America, and the USA. These agreements are expected to bring new market opportunities for Barbados' goods in non-traditional markets, and will also allow for the export of a number of non-traditional services.

Aid for Trade

Barbados' strategy in respect of aid for trade is to provide the productive sectors with the means necessary to fully exploit the opportunities enshrined in the trading arrangements which it has forged. This is in keeping with the Division's objectives to assist in establishing a framework in which goods and services are produced on an internationally competitive basis. The strategy requires financial and technical assistance from our developmental partners.

There are major efforts afoot at the multilateral level in order to improve the levels and efficiency of Aid for Trade. In this respect the World

Trade Organisation is playing a coordinating role by encourage additional flows of Aid for Trade from bilateral, regional and multilateral donors to support requests for trade-related capacity building from beneficiary countries. It is also encouraging the mainstreaming of trade into national development strategies by partner countries.

Aid for Trade includes:

- Technical assistance — helping countries to develop trade strategies, negotiate more effectively, and implement outcomes;
- Infrastructure — building the roads, ports, and telecommunications that link domestic and global markets;
- Productive capacity — investing in industries and sectors so countries can diversify exports and build on comparative advantages; and
- Adjustment assistance — helping with the costs associated with tariff reductions, preference erosion, or declining terms of trade.

To date Barbados, as part of CARICOM, has been successful in including such elements in the EPA. All efforts are being made to ensure that similar provisions are secured in the ongoing negotiations between CARICOM and Canada for a successor arrangement to The Caribbean-Canada Trade Agreement (CARIBCAN).

Strategies

To earn the maximum foreign exchange from the export of Barbados' goods and services and to successfully integrate into the world economy within the context of liberalised trade, the following strategies over the medium term and beyond will be pursued.

- Establish a framework in which goods and services are produced on an internationally competitive basis. This will be done by:
 - a. Strengthening the Foreign Trade Division to undertake greater and more in-depth research and development work to improve Barbados' international trade competitiveness.
 - b. Promoting strict adherence by industries to internationally recognised standards in the production of goods and services.
 - c. Assisting with the mobilisation of resources for investment in the productive sectors.
 - d. Undertaking on-going consultations with the private sector aimed at orienting them towards production for export.
- Work with other ministries and agencies to secure and maintain

effective market access for Barbados' goods and services through:

- a. Actively participating in regional efforts aimed at designing and negotiating beneficial trade arrangements between CARICOM and other countries or groups of countries, particularly in the Hemisphere.
 - b. Fully exploiting the opportunities provided under the ACP-EU Economic Cooperation Agreement as well as the Economic Partnership Agreement between CARIFORUM countries and the EU.
 - c. Actively participating in the work of the WTO to ensure the establishment of multilateral trade rules which recognise and accommodate the interests of Barbados as a small state and which provide concrete benefits for Barbados.
- Promote and facilitate a viable and vibrant export trade for Barbados by:
 - a. Vigorously applying the country team approach in the promotion and facilitation of Barbados' export trade in goods and services.
 - b. Orienting Barbados' overseas offices to the active promotion and facilitation of Barbados' export trade in goods and services.
 - c. Further tapping into the international financial resources being made available for "Aid for Trade".
 - Vigorously promote and defend Barbados' regional, hemispheric and global trade interests through:
 - a. Conducting research and development work within a strengthened Foreign Trade Division which will form the basis for informing Barbados' position on international trade issues.
 - b. Establishing an International Trade Investigations/Compliance Unit within the Foreign Trade Division to ensure that Barbados' rights as a party to regional, hemispheric and multilateral trade agreements are not breached.
 - Implement on a timely basis Barbados' regional, hemispheric and global trade obligations by:
 - a. Continuing to work closely with all Government Ministries and Agencies.
 - b. Consulting on a regular and structured basis with the social partners in Barbados.

c. Informing producers of goods and services of Barbados' rights and obligations as a party to the various international trade agreements.

- Undertake the necessary institutional strengthening to enable the timely development of an international trade policy that can effectively respond to global challenges.

SPECIAL DEVELOPMENT ISSUES				
INDICATORS	TARGETS		RESPONSIBLE AGENCIES	FINANCIAL RESOURCES
	2010	2014		
Competitiveness and Productivity:				
➤ Global Competitiveness Index	➤ Rank 44 out of 133 countries (2009)	➤ Seek to improve the ranking to 30 or less	➤ Ministry of Economic Affairs, Empowerment, Innovation, Trade, Industry and Commerce – Division of Economic Affairs	➤ Budgetary support ➤ IADB Funding – Barbados Competitiveness Programme
➤ Productivity growth - %	➤ 2.1 (2007 latest data)	➤ A doubling of the productivity growth rate by 2014		
Science and Technology:				
➤ Government spending on research and development as a % of total expenditure	➤ Low	➤ 5.0 to 10.0 per cent increase in spending	➤ Ministry of Economic Affairs, Empowerment, Innovation, Trade, Industry and Commerce – Division of Science and Technology	➤ Budgetary support
➤ Total government personnel in science and technology	➤ Low	➤ 50.0 per cent increase		
➤ Higher education expenditure on research and development – Bds\$	➤ Moderate	➤ 5.0 to 10.0 per cent increase		
➤ Number of educational programmes on science and technology	➤ Moderate	➤ Significant increase in programmes at the secondary level		
➤ Share of research and development in industries (agriculture and	➤ Low	➤ 10.0 to 20.0 per cent increase		

manufacturing) ➤ Number of graduates in science and technology ➤ Internet penetration ratio	➤ Low ➤ High	➤ Significant increase by 2014 ➤ Maintain high ratio		
Coordination of Foreign and Trade Policy: ➤ Number of foreign policy and trade initiatives implemented	➤ High	➤ Maintain high implementation of policy initiatives		

CHAPTER V PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP)

STRATEGIC MEDIUM-TERM PSIP 2010/11 TO 2014/15

The Public Sector Investment Programme (PSIP) is faced with a number of administrative and structural challenges that serve to retard the rate of implementation of projects thereby reducing the level of disbursements available from the International Financial Institutions. Hence, a central focus over the medium term will be to enhance public sector institutional capacity in particular and Barbados' capacity in general to better implement investment programmes, which in turn will improve competitiveness. This strategy will be executed throughout the period of the fiscal strategy.

The Medium Term Public Sector Investment Programme (MPSIP) will

continue to implement key projects and programmes started in previous plan periods. The current plan period should also see several key interventions currently being planned and developed proceeding into the implementation phase. At the same time there will be some increase urgency in the conceptualization of strategic projects and programmes that are in keeping with national objectives and priorities as Government seek to bridge the public investment gap. In this endeavour, it is anticipated that significant technical and financial assistance will be forthcoming from development partners in key target areas.

INTERNATIONAL COOPERATION

The Inter-American Development Bank (IADB) will be instrumental in several of the national institutional capacity building efforts and also with enhancing competitiveness in accordance with the Country Strategy Programme 2009-2013. The European Union (EU) will continue to provide support in the adaptation of the economy to the loss of preferential markets and access to sugar within the framework of the Barbados Sugar Adaptation Strategy. Strategic support is expected to continue from the Caribbean Development Bank (CDB) in the form of a Country Strategy Programme, which will address a cross section of areas. Cooperation is also likely from the Peoples Republic of China mainly in the area of infrastructure.

MEDIUM TERM PSIP 2009/10 – 2011/12

Flowing from the strategies referred previously are specific projects and programmes with objectives that are consistent with those within national strategic priority goals and strategies outlined in chapter 3. Table 1 represents a summary of the Medium Term PSIP by programme and funding agencies. These activities, if implemented successfully, will contribute significantly to the achievement of national development objectives. While activity will continue on major programmes in the areas of housing and energy, there will be new projects over the medium term such as – the Water and Sanitation Upgrade; the Barbados Competitiveness Program; Coastal Infrastructure Program Phase II etc.

Overall, the projects and programmes to be carried forward into the medium term will be developmental in scope and will result in the following benefits:

- Efficiency and productivity gains for Barbados (the proposed Barbados Competitiveness project with the IADB will deliver on this)
- Employment generation
- Technological enhancement
- Development of entrepreneurship
- An increased foreign exchange earnings
- Increased prospects and opportunity to realise sustainable real GDP growth.

FINANCING OF THE MEDIUM-TERM PSIP 2010/2010 TO 2014/2015

The overall financing of the MPSIP will be through a combination of external loans (IADB, IBRD and CDB), grants (EU) and domestic sources. Domestic sources will comprise a range of financing instruments including treasury bills, bonds, debentures, current government revenues and or loans from local financial institutions. Additionally, it is anticipated that further financing of the MPSIP during this plan period would be increasingly through entering into PPP arrangements.

Over the planning period 2010/11 to 2014/15, Government's planned capital investment programmes will realise an estimated injection of loans and grants totalling Bds1,336.1 million or US\$668.1 million from the following international and regional finance development institutions and region:

- (i) Inter-American Development Bank – Bds\$516.1 million or US\$258.1 million
- (ii) World Bank – Bds\$370.0 million or US\$185.0 million
- (iii) Caribbean Development Bank – Bds450.1 or US\$225.0 million
- (iv) European Unions (European Development Fund) – Bds\$120.0 million or Euros 40.3 million/US\$60 million (Grants).

MANAGEMENT OF THE PSIP

Greater efforts will be made to accelerate the process between the conceptualisation, implementation and execution stages of projects. This will be facilitated by undertaking a comprehensive review of the structure and procedure of the Public Sector Investment Programme. In addition, efforts geared towards reducing interest rate cost, commitment fees and other costs will be pursued. This review will also seek to find optimal approaches and solutions to accelerate the rate of disbursements and reimbursements of project funds.

Table I
PUBLIC SECTOR INVESTMENT PROGRAMME
Status of Undisbursed Monies on Projects
2010-2011 to 2014-2015
(\$ BDS Millions)

Name of Project/Financing Agency	Loan Amount	Disbursements To Come					Total
		2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	
Inter-American Development Bank (IDB):							
Modernisation of the Barbados National Procurement System	10,000,000	1,995,267	1,995,267	1,995,267	1,995,267	-	7,981,067
Modernisation of Customs, Excise and Value Added Tax	8,800,000	4,929,316	-	-	-	-	4,929,316
Modernisation of the Barbados Statistical Service	10,000,000	4,500,000	1,200,000	72,818	-	-	5,772,818
Agriculture Health and Food Control Project	2,184,000	2,184,000					2,184,000
Administration of Justice	11,080,000	3,730,668					3,730,668
Housing and Neighbourhood Upgrading Program	60,000,000	14,991,906	24,913,050	15,732,094	-	-	55,637,050
Modernisation of the Barbados National Standards Institute	10,000,000	3,000,000	3,000,000	3,000,000	-	-	9,000,000
Sustainable Energy Framework for Barbados	2,000,000	850,000	850,000	-	-	-	1,700,000
Global Energy Fund	2,000,000	1,000,000	1,000,000	-	-	-	2,000,000
<i>Water and Sanitation Upgrade</i>	100,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	100,000,000
<i>Barbados Competitiveness Program</i>	20,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
<i>Energy - PBL 1 & 2*</i>	100,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	100,000,000
<i>Energy - Smart Fund*</i>	20,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
<i>Coastal Infrastructure Program - Phase 2*</i>	60,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	60,000,000
<i>Education *</i>	60,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	60,000,000
<i>Agriculture Health and Food Control Project</i>	40,000,000	6,200,000	8,450,000	8,450,000	8,450,000	8,450,000	40,000,000

Table I
PUBLIC SECTOR INVESTMENT PROGRAMME
Status of Undisbursed Monies on Projects
2010-2011 to 2014-2015
(\$ BDS Millions)

Name of Project/Financing Agency	Loan Amount	Disbursements To Come					Total
		2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	
Subtotal IDB	516,064,000	115,381,156	113,408,317	101,250,179	82,445,267	80,450,000	492,934,919
Caribbean Development Bank (CDB):							
Harrison's Cave Redevelopment	50,000,000	25,000,000	-	-	-	-	25,000,000
Country Strategy Programme 2010-2014*	400,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	400,000,000
Subtotal CDB	450,000,000	105,000,000	80,000,000	80,000,000	80,000,000	80,000,000	425,000,000
European Union:							-
2006 Accompanying Measures to Sugar Protocol		-					-
2007 Accompanying Measures to Sugar Protocol		1.8 mil (Euros)	1.8 mil (Euros)	1.8 mil (Euros)	-	-	-
2008 Accompanying Measures to Sugar Protocol		1.9 mil (Euros)	1.9 mil (Euros)	1.9 mil (Euros)	-	-	-
2009 Accompanying Measures to Sugar Protocol & 10TH EDF (6.2 mil Euros + 8.33 mil Euros)			3.9 mil (Euros)	3.9 mil (Euros)	3.9 mil (Euros)	3.9 mil (Euros)	-
Subtotal EU							80,000,000
International Bank for Reconstruction and Development (IBRD):							-
HIV/AIDS Project	70,000,000	15,200,000	15,200,000	15,200,000	15,200,000		60,800,000
World Bank New Funding Programme*	300,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	300,000,000
Subtotal IBRD	370,000,000	75,200,000	75,200,000	75,200,000	75,200,000	60,000,000	360,800,000
GRAND TOTAL	1,336,064,000	295,581,156	268,608,317	256,450,179	237,645,267	220,450,000	1,358,734,919

Table I
PUBLIC SECTOR INVESTMENT PROGRAMME
Status of Undisbursed Monies on Projects
2010-2011 to 2014-2015
(\$ BDS Millions)

Name of Project/Financing Agency	Loan Amount	Disbursements To Come					Total
		2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	
<p>(B) The loan amount from the specific donor agency excluding local counterpart funds</p> <p>Items in italics show the projects upcoming for 2010-2015</p> <p>*Local Counterpart funding needs to be added</p>							

CHAPTER VI IMPLEMENTATION AND FINANCIAL RESOURCES

Creating sustainable national development required that government carry out its responsibilities in a collaborative manner that includes other members of the society working together to achieve the overarching goal of Barbados becoming a developed nation. It is expected that over the medium term, the implementation strategy will be to ensure full commitment from these various players to drive the various programmes forward and meet the identified targets.

The Ministry of Economic Affairs will have the responsibility of monitoring the progress of the Plan and ensure that strategies and targets are being met. To this end, **a report will be prepared at the end of each year**, over the planning period, to capture the evolution of the plan and make recommendations for smoother implementation. It is envisaged that this report will form part of the annual exercise of reporting on the economic and social climate of the country. In addition, the implementation of the MTDS will form part of the annual Financial and Budgetary Statement and the Estimate of Revenue and Expenditures. These documents will serve to outline in more detail the policies and financial resources of government.

An important part of the monitoring process will be the continual feedback and dissemination of information by the entities involved. In this regard, building the appropriate communication channels will also be important.