

BARBADOS 2035

June 2024

A PLAN FOR INVESTMENT IN PROSPERITY & RESILIENCE



FOREWORD



“

The climate crisis is our biggest threat. But in crisis there is also opportunity. Investing now to adapt to the climate crisis not only fosters resilience, but also unlocks huge potential for economic growth and job creation.

”

**The Hon. Mia Amor
Mottley S.C., M.P.**
Prime Minister of
Barbados

Over the past four years, Bajans have been put to the test time and again. The Covid-19 pandemic hit our tourism sector hard – impacting tens of thousands of citizens who depend on it for their livelihoods. It also affected the wider economy and healthcare system, reversing gains that we had made in terms of reducing unemployment and national debt. As if this was not enough to contend with, our homes, infrastructure and agriculture suffered a tremendous hit from the ashfall following the eruption of St. Vincent's La Soufriere volcano.

Challenging as these crises have been, the climate crisis remains our biggest threat. Hurricane Elsa was just a taste of a future in which island nations such as ours will be at increasing risk of more frequent and severe storms. Already water scarce, with seawater seeping into our precious aquifers, droughts are growing longer. The rising and warming ocean is eroding our shorelines and killing off reefs.

But in crisis there is also opportunity. Investing now to strengthen the structures that support social wellbeing, diversify our economic base, protect our invaluable natural assets and adapt to the climate crisis not only fosters resilience, but also unlocks huge potential for growth and exciting job opportunities for our highly educated people.

This document maps a way forward to a prosperous and resilient Barbados. It presents an integrated pipeline of projects that build on our country's unique strengths to improve the lives of our citizens.

Our goal is to transform Barbados from a small island state to a large-ocean state. With a world-class deep water port, positioned at the centre of the shortest trade route connecting Africa and Central-and-South America, Barbados will become a major logistics and transshipment hub supporting the region's resilience. By restoring coastal infrastructure and ecosystems, we will transition our tourism industry to a more sustainable footing and spur investment into new industries.

But first and foremost, we must go back to basics. We will ensure that every Bajan has access to high-quality basic services – water, roads, housing, education and healthcare. Our infrastructure will become more climate-resilient, and support the inclusion and empowerment of all Bajans.

Delivering on this hugely ambitious agenda will take resources – both highly skilled and motivated people, and adequate and affordable financing coupled with grants for specific initiatives.

This Plan is our roadmap for investors to direct their resources into the sectors and projects that best serve Bajans. It is my sincere hope that it informs the work of domestic project developers, foreign private investors, and international development partners, to better channel the resources at their disposal to our country. I hope that it also serves as an example for how vulnerable countries are charting their own futures. Time waits for no one. The time for action is now.

ABOUT THIS INVESTMENT PLAN

This Plan for Investing in Barbados' Prosperity and Resilience has been developed by the Bridgetown Initiative Unit, within the Prime Minister's Office.¹

The purpose of the Investment Plan² is not to cover every project Government will undertake, but to define priority investments for which it will focus significant effort on delivering over the coming decade – until 2035 – through the:

- allocation of financial and human resources;
- implementation of enabling conditions such as policy and legislation;
- development of strategic and operational partnerships;
- monitoring of progress at the highest level; and
- removal of bottlenecks.

Building on the six missions adopted by the Government, this Plan defines specific targets and investment opportunities across strategic areas. It also lays out Government's priority actions for the coming 3-5 years that will catalyze Barbados' ability to deliver on its wider vision over the coming decade.

The foundation of the Investment Plan rests on a comprehensive consultation process, drawing insights from more than 70 interviews with Ministries, agencies and other key stakeholders. Each consulted Government Ministry and agency identified their top priorities for investment over the 10 years to 2035. These projects were scored based on four criteria: feasibility, contribution to targets for prosperity and resilience, existing Government commitment or Ministerial priority, and innovation. High scoring projects are included in the Plan.

Project costs were estimated using a diverse range of inputs: figures and insights from Government and the private sector where available, as well as data from sources such as the International Monetary Fund, World Bank, private sector and other public data on similar investments.



VISION

To transform Barbados into a sustainable, prosperous, inclusive and resilient society. **Barbadians must shift mindsets and engage as citizens** and stakeholders in collaborating, innovating, and investing to shape Barbados' future.

1. Become a clean and beautiful large ocean-state, championing sustainable development locally and globally – with the goal of all domestic activities becoming 100% sustainable by 2035.

4. Create a society that prioritizes wellness and happiness. Improve public health and safety, leading to a 50% reduction in new cases of non-communicable diseases and a 50% reduction in crime.



MISSION BARBADOS BY 2030

2. All Barbadians will feel empowered and engaged in the social, economic, and cultural development of the country as confident, creative, compassionate and entrepreneurial citizens.

5. Empower and enfranchise all Barbadian workers and families by creating opportunities for ownership and wealth creation that enable Barbadians to take better care of themselves and each other and reduce the rate of poverty by 50%.

3. Ensure that every Barbadian has equitable and reliable access to clean water and nutritious food that are affordable.

6. Transform Barbados to be a high-functioning, resilient society with seamless access to services and meaningful digital inclusion for all Barbadians.

Figure 1: Mission Barbados

1. The Bridgetown Initiative Unit led development of the Investment Plan, with support from Systemiq.
2. The Investment Plan does not constitute an anticipated budget for, or debt taken on by Government in the years ahead. Rather it is a conservative estimate of what will be needed from the private and public sectors to achieve a vision of Barbados' future.



THE BARBADOS PLAN IDENTIFIES A **US\$11.6 BILLION** **OPPORTUNITY** FOR PROSPERITY AND RESILIENCE BY 2035

We are battling to build a better future for our citizens. Since Covid-19 the trend of high interest rates has increased the cost of financing and made it more challenging to afford debt, curbing our ability to provide healthcare, education and infrastructure while undermining economic growth.

We know that Barbados is on the frontline of the climate crisis. Increasingly frequent and severe weather events are diverting scarce resources to repairs and recovery, increasing Government debt and delaying investment in basic services for our citizens like housing and roads.

But in crisis there is opportunity.

Investing now to adapt to become more resilient and build a thriving, sustainable economy represents an unprecedented opportunity to create jobs and build economic resilience.

Without clarity on a pipeline of bankable projects in our country, the private capital available in the markets often does not find a home.

At the same time, international development finance often goes to one-off projects without a long-term vision for channeling funds into cross-cutting sectors which build competitiveness and drive sustainable and inclusive growth.

That is why we have developed Barbados 2035: A Plan for Investment in Prosperity and Resilience. Our Plan aims to give public and private investors an economy-wide, medium-to-long term roadmap for a prosperous and resilient Barbados. The Plan sets out our national priorities by area and project, specifying the amount and type of capital needed to finance them.

Total funding needs for the Plan is estimated at US\$11.6 billion by 2035 of which the majority - over US\$6.6 billion - would be an opportunity for private investors. Public funding requirements are estimated at US\$5 billion over the next 10 years.

In sequencing these investments, Government will focus on projects that are low-hanging fruits and can deliver tangible results quickly, and interventions that are in the critical path for other projects. Implementing the Plan has the potential to generate an additional US\$350 million in government revenue alone from an additional 4-5% GDP growth linked to the Plan.

Individually, each of the priorities in the Investment Plan have value. However, implementing these priorities as part of a coordinated package will help leverage synergies which generate outsized economic growth across sectors and improve our ability to recover from shocks and shift the country onto a higher and more stable growth trajectory (See Figure 2).

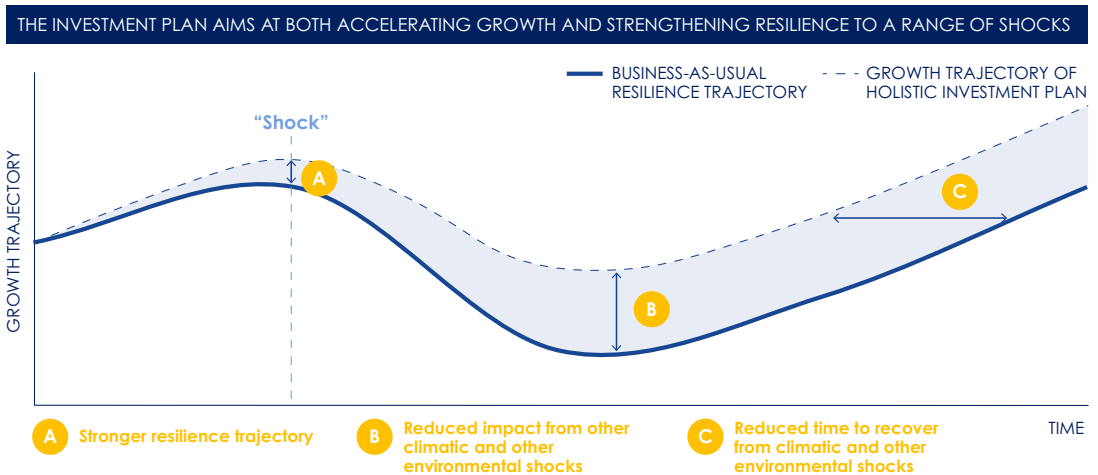


Figure 2: Resilience and Growth Trajectory

For potential investors, the Plan presents a significant pipeline of strategic national projects that build on our country’s unique assets and improve the lives of our citizens.

Presenting an integrated Plan with a longer time horizon will help shift negotiation with investors and development partners towards longer-term, coordinated investments with lower transaction costs. Simultaneously, the Plan focuses attention across the whole-of-Government, maximising the impact of limited public resources and capacity.

The Investment Plan builds on the existing policies and frameworks. While rooted in the Government’s Missions, it also reflects critical elements of Barbados’ Economic Recovery and Transformation 2022 Plan (BERT2) -as well as our flagship Roofs to Reefs Programme (R2RP), our Nationally Determined Contributions (NDCs) under the Paris Climate Agreement, and international commitments, notably the United Nations’ Sustainable Development Goals (SDGs).

For example, in line with Barbados’ NDC, one of the plan’s 12 investment priorities is to achieve 100% renewable power generation by 2035 and reduce greenhouse gas emissions across all sectors to as close to zero as possible. Another priority is to replenish and upgrade Barbados’ housing stock to become more climate resilient through a combination of private and public investments.

The plan also aligns with BERT2’s eight pillars, which aim to achieve inclusive and sustainable growth, while also maintaining fiscal and debt sustainability. To scale up investment sustainably, the Plan matches individual investment projects with the most appropriate sources of finance, using fiscal resources and development finance catalytically to unlock private investment.



MACRO-ECONOMIC CONTEXT

Consistent with the targets in BERT2, the Investment Plan is not only designed to move Barbados to a higher rate of sustainable growth but is also aligned with preserving fiscal and debt sustainability and achieving Barbados's long term debt target. The public investment path envisaged in the Plan will ensure spending is not accelerated too rapidly to avoid running up against capacity constraints contributing to "overheating", inducing inflationary pressures, undermining competitiveness, and depleting foreign reserves.

The Plan is part of an integrated macroeconomic strategy, guided by BERT2, that not only maintains internal balance but also protects external stability and supports the fixed exchange rate. Investment spending in small, open economies with limited domestic production generates a strong demand for investment-related imports. In Barbados' integrated framework this is accounted for, and the Plan is consistent with maintaining Barbados' import cover target - the number of months of imports that can sustain imports - typically over 3 months and ensuring external stability is maintained.

Strengthening capacity in public investment management and execution of public sector projects will be complementary actions undertaken to ensure the efficient implementation of the Plan's evidence-based public investments.

RISKS

There are macroeconomic risks to the implementation of the Investment Plan that must be identified and monitored over the next decade. Barbados' medium-term economic outlook is vulnerable to potential global economic and financial shocks and natural disasters. A sharp downturn in economic activity in key source markets—notable the United States, United Kingdom, and Canada—could slow tourism and weaken growth. A worsening in regional conflicts could increase global commodity prices, particularly oil prices, and raise inflation, reducing real incomes in both the main tourism source markets and Barbados. A tightening in global financing conditions and an increase in global risk aversion with high fiscal deficits and elevated debt levels in major economies increasing the cost of external financing, affecting the external and fiscal accounts.

The economy is also vulnerable to climate crisis and natural disasters with profound impacts on economic activity, increasing the fiscal deficit and public debt.

Therefore, assessing the impact of higher financing costs on fiscal-debt dynamics will be an important aspect of managing risks to the public investment path envisaged in the plan and maintaining economic stability.

Other internal risks can be assessed and tackled in economic management over the plan's delivery horizon, e.g. delays in project implementation and cost slippages. These risks will be mitigated as policymakers will closely monitor implementation of the plan and take decisive actions to ensure the efficient and timely completion of public sector projects.

DEFINING RESILIENCE

Below we set out how resilience is defined in Barbados' context, along with how the Investment Plan works, the types of financing it requires,

and what it will take to deliver efficiently and effectively on this vision.

The Plan delivers across three linked definitions of resilience (See Figure 3):



SOCIAL RESILIENCE

All Bajans are empowered by and engaged in the social, economic and cultural development of Barbados. They have equitable access to job opportunities, dignified housing, reliable utilities, healthy food, clean water and efficient Government services.



ECONOMIC RESILIENCE

Barbados has a diverse, robust economy supported by a strong digital backbone which attracts the right capital to drive strong, inclusive growth and recovers quickly in the event of climate disasters and other global, regional and local shocks.



CLIMATE RESILIENCE

Barbados has the systems, processes and infrastructure, including digital, it needs to adjust to and absorb the impacts of climate crisis. Our economy accurately values Barbados' unique natural assets, which underpin its sustainable and inclusive growth.

THREE LINKED DEFINITIONS OF RESILIENCE



Figure 3: Three Linked Definitions of Resilience





HOW THE PLAN WORKS

We take five steps to translate our ultimate goal – a prosperous and resilient Barbados – into a cohesive and actionable development pathway, with well-defined investment priorities (See Figure 4).



Figure 4: Five Step Methodology

STEP 1

The Plan identifies key impact areas to achieve social, economic and climate resilience for Barbados and prioritises investment across three impact areas:

- **A vibrant economy and thriving communities**, meaning a wide variety of industries providing high-quality jobs and opportunities for local-ownership which improve the wellbeing of all Bajans.
- **Robust natural and physical infrastructure**, meaning a healthy natural environment and world-class, resilient infrastructure that supports long-term prosperity for Barbados.
- **Fit-for-purpose institutions**, meaning well-run, responsive institutions that make transparent, accountable and timely decisions and provide effective Government services, enabling all Bajans' to thrive.

STEP 2

For each impact area, the plan sets out **15 quantifiable and measurable targets** on the pathway to success for 2025, 2030 and 2035 (See Figure 5).

IMPACT AREA	 QUALIFIED TARGET	TARGET YEAR		
		2025	2030	2035
 A VIBRANT ECONOMY & THRIVING COMMUNITIES	50% reduction in poverty			✓
	100% of citizens have access to affordable, healthy food ³		✓	
	Every Barbadian in the lower income bracket has access to affordable housing ⁴		✓	
	5% GDP growth each year on average		✓	
	10,000 new quality jobs created			✓
	44% GHG emissions reduction ⁵		✓	
 ROBUST NATURAL AND PHYSICAL INFRASTRUCTURE	30% of land and oceans under protection		✓	
	50% reduction in new cases of non-communicable diseases ⁶		✓	
	85% of housing stock and key infrastructure is resilient to Category 3 hurricane		✓	
	100% of Bajans have access to reliable clean water and modern sanitation ⁷	✓		
	100% renewable energy generation and resilient power grid			✓
 FIT-FOR-PURPOSE INSTITUTIONS	100% access to quality primary & secondary health care for Bajans		✓	
	All Bajans can revert to basic living standards within 3-7 days after an extreme weather event ⁸		✓	
	100% of students have access to preprimary to tertiary education locally		✓	
	100% government budgets and structures are aligned with Barbados' resilience targets ⁹	✓		

Figure 5: Investment Plan Targets

3. Mission Barbados target III.

4. Expansion of Mission Barbados target V – translates opportunities for ownership and poverty reduction into low-income housing opportunities.

5. Nationally Determined Contribution 2021 Update. Compared to Business-as-Usual 2030 scenario. Base year is 2008.

6. Mission Barbados target IV.

7. UN SDG 6.

8. Developed in consultation with various Ministries and agencies. Except access to municipal water, which will resume within 14 days. Queen Elizabeth Hospital and all polyclinics remain operational throughout any extreme weather event. Access to main roads will resume within 3-5 days. Bridgetown Port services will resume within 3-5 days.


























9. All investment areas contribute to achievement of this target.

STEP 3

The plan presents **12 investment priorities** needed to meet the targets. Each investment priority includes a set of component projects, which are listed in Figure 6.

The investment priorities do not cover all actions needed to meet the targets – they have been identified based on their outsized impact, but this is not an exhaustive list of all areas in which government focuses on a day-to-day basis.



BARBADOS IS...					
 A VIBRANT ECONOMY & THRIVING COMMUNITIES	1		Global test-bed for research and development in oceans health and climate resilience	Transform Barbados from a small island to a large-ocean State, by using significant marine protected area to catalyse investment in new 'blue economy' industries and by promoting sustainable fisheries.	 E
	2		A community-centric and sustainability-driven tourism destination¹⁰	Elevate Barbados into a nature and people-positive tourism hub through carbon-neutral and climate-resilient facilities, and elevated, eco-conscious experiences.	 E
	3		A place with equitable access to resilient housing	Build 10,000 new resilient homes, fit 30,000 low-income single-family homes with hurricane straps, and upgrade and expand housing for vulnerable people.	 H
	4		A producer and processor of nutritious food	Produce affordable, nutritious food and agricultural products and become a niche exporters of higher value agricultural products.	 W L
	5		A safe home for empowered communities	Deliver efficient and impactful social services tailored to meet the needs of the most vulnerable, empowering them to lead dignified and secure lives within their communities.	 E
 ROBUST NATURAL AND PHYSICAL INFRASTRUCTURE	6		A healthy, functional and rehabilitated ecosystem	Rehabilitate Barbados' environment to enhance ecosystem services and mitigate the impacts of the climate crisis while underpinning sustainable and inclusive growth.	 E W
	7		An island supported by resilient infrastructure	Upgrade Barbados' key infrastructure - major roads, drainage systems, international airport and Bridgetown Port - to serve Bajans and new industry and develop best-in-class data and resilience standards that inform planning and (re) development of the built environment, and disaster preparedness.	 W L
	8		A fully renewable and energy independent island	Deliver an energy-resilient and energy-independent Barbados by increasing renewable generation and storage, driving low-carbon vehicle uptake, and electrifying industry and buildings.	 E
	9		The Caribbean's gold-standard for safe and secure water¹¹	Ensure all Bajans have access to reliable, clean drinking water and dignified sanitation, through upgraded water infrastructure that also enables re-use and protects coastal environments.	 W
 A VIBRANT ECONOMY & THRIVING COMMUNITIES	10		A leader in Caribbean healthcare	Deliver a world-class healthcare system for Bajans with resilient facilities that serve the population's needs efficiently.	 E
	11		A country in which every student thrives	Reshape Barbados' education system to enhance student outcomes by delivering smart and resilient school infrastructure, universal pre-primary and curriculum reform.	 E
	12		A digital nation powered by data and technology	Transform government service delivery to be digital, deliver a first-class and sustainable Tier 3 data centre, and institute a National Cybersecurity Unit.	 E

ROOFS 2 REEFS PROGRAMME

W Water

E Ecosystem

L Land Use

H Housing

E Energy

W Waste

Figure 6: 12 Investment Priorities

10. 'Community-centric and sustainability driven tourism' means a tourism industry that works in harmony with the local community and environment and which works towards giving more than it takes to secure the long-term prosperity of the industry and wider community.
 11. 'Gold-standard' is used to describe a water system that showcases best practice in terms of resource management, sanitation and access.

STEP 4

The plan estimates the **investment needs** associated with each investment priority at a project level and indicates the type of financing needed – public (including philanthropic) or private.

Details on the 12 investment priorities, including their key component projects, cost estimates split by public and private sources and delivery leads are outlined in Figure 8.

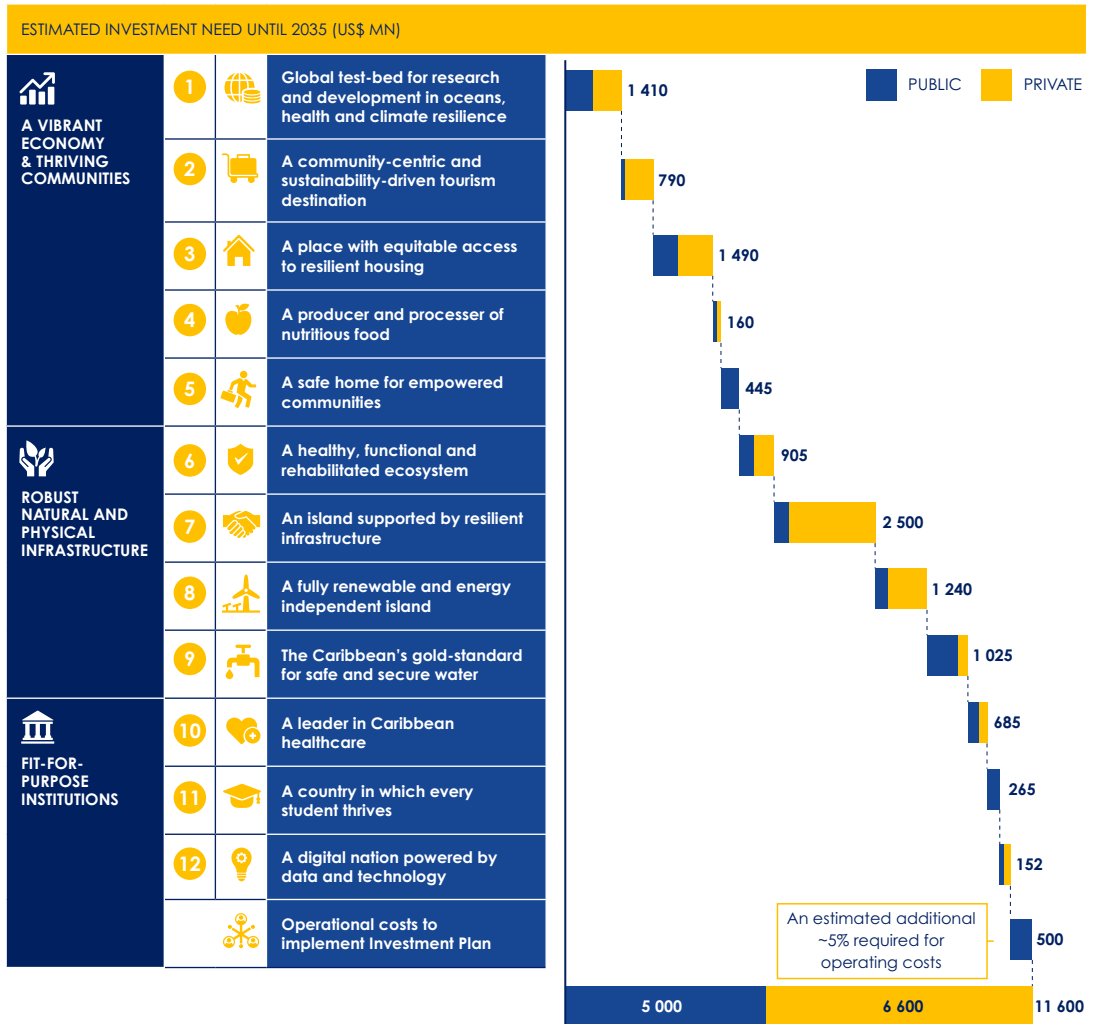
















Figure 7: Estimated Investment need to 2035




	INVESTMENT PRIORITY	KEY COMPONENT		SIZE (US\$)	DELIVERY LEAD	
 <p>A VIBRANT ECONOMY & THRIVING COMMUNITIES</p>	<p>1. </p> <p>Global test-bed for research and development in oceans health and climate resilience</p>	Transform Barbados from a small island to a large-ocean State, by using significant marine protected area to catalyse investment in new 'blue economy' industries and by promoting sustainable fisheries.		\$1,410m	<p>Environment and National Beautification</p>	
		<p>1.1 Marine conservation</p>	<p>A.</p>	<p>Marine protected area (MPA) development – (fisheries) expedite MPA development by gazetting a default MPA (e.g. 20-30% of EEZ), with later adjustments starting with south and west coast (Phase 1), southeast and north coast (Phase 2), east coast (Phase 3).</p>		\$20m
		<p>1.2 Sustainable fishing / mariculture and aquaculture</p>	<p>B.</p>	<p>Fleet size expansion, resilient fisheries complex and boat yard – double the fleet size to 2,500, supported by a 15,000 strong workforce. Ensure facilities are resilient to Category-3 hurricane and include boat haul-out facilities.</p>		\$310m
			<p>C.</p>	<p>Digital transformation of the fisheries industry – data-driven solutions drive innovation and efficiencies, and inform sustainable fisheries management.</p>		\$20m
			<p>D.</p>	<p>Marine product processing facilities and operations – establish in Barbados, with products designed for export and sustainable aquaculture and/or mariculture to support.</p>		\$70m
		<p>1.3 Blue innovation and industry</p>	<p>E.</p>	<p>Digital transformation of integrated coastal zone management – regional coastal wave tank modeling facility, 3 remote in situ ecosystem coral reef habitat monitoring systems, slope instability inclinometer monitoring stations in Scotland District, island-wide ground water borehole and stream gauge monitoring networks.</p>		\$40m
			<p>F.</p>	<p>Ocean monitoring and repository – phased deep water monitoring and bathymetric surveying of the EEZ and open oceanographic monitoring network and storing of that data in an ocean data repository.</p>		\$175m
			<p>G.</p>	<p>XPRIZE Coral Restoration – competition to restore marine life and catalyse a new coral technology sector.</p>		\$20m
		<p>1.4 Pharmaceuticals</p>	<p>H.</p>	<p>Pharmaceutical industry – phased establishment of distribution hub, fill and finish facilities and manufacturing facility.</p>		\$450m
		<p>1.5 Biotechnology</p>	<p>I.</p>	<p>Biotechnology industry – establish enabling environment for innovation, patent regulations, research institute, and health innovation district.</p>	\$305m	




	INVESTMENT PRIORITY	KEY COMPONENT	SIZE (US\$)	DELIVERY LEAD		
 <p>A VIBRANT ECONOMY & THRIVING COMMUNITIES</p>	<p>2. </p> <p>A community-centric and sustainability-driven tourism destination</p>	<p>Elevate Barbados into a nature and people-positive tourism hub through carbon-neutral and climate-resilient infrastructure, and elevated, eco-conscious experiences.</p>	<p>\$790m</p>	<p>Ministry of Tourism and International Transport</p>		
		<p>2.1 Sustainable and resilient facilities</p>	<p>A.</p>		<p>Sustainable and resilient facilities funding – through BEST 2.0 or Blue Green Bank, to upgrade existing tourism facilities to be energy efficient and adapted to climate change.</p>	<p>\$95m</p>
		<p>2.2 Sustainable and circular tourism experience</p>	<p>B.</p>		<p>Investment in new tourism initiatives, including sustainable and innovative business models such as adventure travel, ecotourism, cultural and culinary experiences, and wellbeing trips; development of new experiences and attractions; restoration of nature; and promotion of local cuisine through training of chefs and supporting local supply chains.</p>	<p>\$135m</p>
		<p>2.3 Expand luxury and eco hotel portfolio</p>	<p>C.</p>		<p>Five new luxury sustainable hotels to drive high-revenue and lower concentration tourism.</p>	<p>\$550m</p>
			<p>D.</p>		<p>Branding Barbados as a global sustainable tourism leader.</p>	<p>\$10m</p>
	<p>3. </p> <p>A place with equitable access to resilient housing</p>	<p>Build 10,000 new resilient homes, fit 30,000 low-income single-family homes with hurricane straps, and upgrade and expand social housing for vulnerable people.</p>		<p>\$1,490m</p>	<p>Housing, Lands and Maintenance</p>	
		<p>3.1 New resilient housing supply</p>	<p>A.</p>	<p>HOPE program scale-up – build 1,000 new low-to-middle income houses a year for the five years to 2027 (requires program redesign) – including on vacant lots.</p>		<p>\$625m</p>
			<p>B.</p>	<p>Private housing scale-up – build 1,000 new private houses a year for the five years to 2027 – including on vacant lots.</p>		<p>\$410m</p>
			<p>C.</p>	<p>Low-income homes retrofit – retrofit 30,000 vulnerable houses with hurricane straps (at a minimum) to be resilient to Category-3 hurricanes.</p>		<p>\$30m</p>
		<p>3.2 Dignified and resilient social housing</p>	<p>D.</p>	<p>Divested rent-to-own upgrades – upgrade 3,000 to-be-divested rent-to-own units to be dignified and resilient.</p>		<p>\$45m</p>
<p>E.</p>	<p>Rental stock replenishment – build 600 new dignified and resilient rental housing units a year over 5 years to replenish divested stock (under rent-to-own program).</p>		<p>\$380m</p>			
<p>4. </p> <p>A producer and processor of nutritious food</p>	<p>Produce affordable, nutritious food and become a niche exporter of higher-valued agricultural products.</p>		<p>\$160m</p>	<p>Agriculture & Food Security</p>		
	<p>4.1 Climate-smart & regenerative tropical agriculture</p>	<p>A.</p>	<p>National soil health programme and compost facility to convert green waste into soil organic matter and improve soil health.</p>		<p>\$5m</p>	
<p>B.</p>		<p>Fertiliser bulk blending plant to deliver fertilizers tailored to Barbados' environment and export to CARICOM.</p>	<p>\$5m</p>			

	INVESTMENT PRIORITY	KEY COMPONENT		SIZE (US\$)	DELIVERY LEAD
 <p>A VIBRANT ECONOMY & THRIVING COMMUNITIES</p>			<p>C. Research extension infrastructure – research and farm support services focused on digital and innovative technologies suitable to the Barbadian industry (small scale, tropical climate), tissue culture lab.</p>	\$80m	
		<p>4.2 Local production of nutritious food</p>	<p>D. Commercial greenhouses and hydroponic systems to support local fruit and vegetable production during the wet season.</p>	\$10m	
			<p>E. National packhouse with post harvest storage and cold storage facilities to minimise fruit and vegetable spoilage and support a national fresh food stockpile, resilient against Category 5 hurricane winds.</p>	\$15m	
			<p>F. National modern abattoir and butchery with cold storage to produce premium cuts and high valued meat products.</p>	\$15m	
		<p>4.3 Local production of nutritious food</p>	<p>G. Portvale Sugar Cane Factory upgrade into a co-generation facility (biomass energy) to allow year-round production of premium sugars and to maximise production of molasses to supply the rum industry.</p>	\$30m	
<p>5.  A safe home for empowered communities</p>		<p>Deliver efficient and impactful social services tailored to meet the needs of the most vulnerable, empowering them to lead dignified and secure lives within their communities.</p>		\$455m	<p>People Empowerment and Elder Affairs</p>
	<p>5.1 Holistic social services</p>	<p>A. One Family Programme – a holistic, 2-year psycho-social support intervention for the 5,000 most vulnerable families across Barbados (technical training and human resource development, counseling, healthcare, improving housing, employment and other relevant social services e.g. welfare), on an on-going basis.</p>	\$375m		
		<p>B. One-stop shop for social services – set up 21 satellite services to deliver social services to citizens within their communities.</p>	\$10m		
		<p>C. Cultural sensitization program – using arts and music to encourage self-expression and confidence in vulnerable individuals while promoting public awareness of the importance of protecting and respecting every single Bajan, and dismantling stigmas.</p>	\$5m		
	<p>5.2 Residential and treatment facilities</p>	<p>D. Secure treatment facility for vulnerable children – residential psychosocial treatment facility for 25 children with extreme behavioural problems.</p>	\$10m		
		<p>E. Residential facilities and employment training programs for people with disabilities – 8 residential facilities accommodating 100 residents, with employment training programs for 100 students per year (both at educational institutions and targeted internal training exercises).</p>	\$10m		
		<p>F. Residential facilities and community-based care for older people – 300 cottages accommodating 1-2 elderly each and 2 respite care facilities (St George and St Peter).</p>	\$30m		

	INVESTMENT PRIORITY	KEY COMPONENT		SIZE (US\$m)	DELIVERY LEAD
 <p>ROBUST NATURAL AND PHYSICAL INFRA-STRUCTURE</p>			<p>G. Shelter and community-based care for homeless people – increase the number of shelters in line with the Policy on Homelessness.</p>	\$5m	
	 <p>6. A healthy, functional and rehabilitated ecosystem</p>	<p>Rehabilitate Barbados' environment to enhance ecosystem services and mitigate the impacts of the climate crisis while underpinning sustainable and inclusive growth.</p>		\$905m	<p>Ministry of Environment and National Beautification</p>
		<p>6.1 Coastal Infrastructure</p>	<p>A. Coastline rehabilitation – programme for south coast, southeast coast, Ginger Bay to Crane Beach, East Coast Road Sand Dune revegetation and stabilisation, Tent Bay basin protection, slipway and haul out facility.</p>	\$340m	
			<p>B. Land reclamation and island development – subject to environmental assessments.</p>	\$500m	
			<p>C. Leachate Treatment Plant – treat leachate generated at Mangrove Pond Landfill.</p>	\$40m	
		<p>6.2 Blue innovation and industry</p>	<p>D. Wetlands rehabilitation and expansion – rehabilitate degraded wetlands and develop small wetlands in appropriate areas, particularly along the coastline.</p>	\$5m	
			<p>E. Seagrass bed rehabilitation and replanting – rehabilitate degraded seagrass beds in suitable locations.</p>	\$5m	
			<p>F. Coral culture facility and reef restocking program – development of a coral culture facility and laboratory will produce corals sustainable, with strategic restocking of degraded coral reefs with cultured corals.</p>	\$5m	
			<p>G. Gully rehabilitation – rehabilitate degraded gullies in suitable locations.</p>	\$10m	
	 <p>7. An island supported by resilient infrastructure</p>	<p>Upgrade Barbados's key infrastructure – major roads and Bridgetown Port – and leverage nature-based coastal infrastructure to serve Bajans and new industry and develop best-in-class data and resilience standards that inform planning and (re)development of the built environment, and disaster preparedness.</p>		\$2,500m	<p>Transport, Works and Water</p>
<p>7.1 Roads</p>		<p>A. Major road surface and drainage resilience upgrades (incl. utility infrastructure replacement) – ABC Highway (from Graeme Hall to Tom Adams Roundabout), Highway 1, Mighty Gryner Highway, Ronald Mapp Highway, East Coast coastal road.</p>	\$130m		
		<p>B. Comprehensive bridges upgrade.</p>	\$60m		
		<p>C. Asset maintenance management system – geographically-based system which collects data on assets, monitors projects and drives earlier interventions.</p>	\$1m		
		<p>D. Electrification of infrastructure – EV infrastructure, and E-Bike network with chargers, alongside the development of electric water taxis and dedicated jetties.</p>	\$125m		

	INVESTMENT PRIORITY	KEY COMPONENT	SIZE (US\$)	DELIVERY LEAD		
 <p>ROBUST NATURAL AND PHYSICAL INFRA-STRUCTURE</p>		7.2 Barbados Port	E. New aggregate berth – to handle, store and distribute aggregate materials to support industrial development.	\$95m		
			F. New container terminal – to capture increased transshipment business to Guyana.	\$875m		
			G. Drydocking facilities – provide drydocking facilities for cruise, tanker and container vessels.	\$635m		
			H. Logistics and warehousing – distribution centre, container freight station and central container examination, and land acquisition adjacent to Barbados Port to support logistics and warehousing.	\$360m		
			I. Renewable power and green equipment – waste-to-energy plant (using port/municipal waste) and hybrid/fully-electric cargo handling equipment.	\$60m		
		7.3 Airport Upgrade	J. Airport upgrade – develop airport into hemispheric hub for cargo, expand and enhance passenger facilities to increase airlift.	\$150m		
		7.4 Planning and Resilience	K. Best-in-class data and resilience standards.	\$10m		
	 <p>8. A fully renewable and energy independent island</p>	Deliver an energy-resilient and energy-independent Barbados by increasing renewable generation and storage, driving low-carbon vehicle uptake, and electrifying industry and buildings.		\$1,240m		Energy and Business
		8.1 Power	A. A mix of solar, wind, hydrogen, gas and storage to meet domestic power needs.	\$475m		
		8.2 Industry	B. Electrify industrial processes for decarbonisation.	\$55m		
8.3 Transport		C. Low-carbon vehicles expansion – passenger cars, buses, trucks and motorcycles.	\$500m			
8.4 Buildings		D. Electrify cooking, water heating, lighting and cooling.	\$210m			
 <p>9. The Caribbean's gold-standard for safe and secure water</p>	Ensure all Bajans have access to reliable, clean drinking water and dignified sanitation, through upgraded water infrastructure that also enables re-use and protects coastal environments.		\$1,015m	Barbados Water Authority		
	9.1 Water access and reliability	A.	Island-wide mains replacement – replace 400km, annually of 2,500km to reduce water losses.		\$430m	
		B.	Household rainwater harvesting and potable water storage <ul style="list-style-type: none"> 800 rainwater harvesting systems for residences, farms and schools Potable water storage for 1,500 vulnerable homes 		\$80m	
		C.	Desalination plants – St James (containerised), and two permanent.		\$75m	

	INVESTMENT PRIORITY	KEY COMPONENT		SIZE (US\$)	DELIVERY LEAD	
 <p>ROBUST NATURAL AND PHYSICAL INFRA-STRUCTURE</p>		9.2 Waste water management	D.	Force main and outfall repair – South Coast to Needham’s Point.	\$5m	
			E.	Tertiary level Bridgetown Sewage Treatment Plant, with distribution re-use network for reclaimed water – for irrigation, industry and groundwater recharge.	\$55m	
			F.	Tertiary-level South Coast Sewage Treatment Plant, with distribution re-use network for reclaimed water – for irrigation, industry and groundwater recharge.	\$105m	
			G.	Sewage system expansion <ul style="list-style-type: none"> Sewer 25% of Zone A island-wide Sewer the Bellevue, Belle Tenantry, Bailey’s Alley, Chapman Lane and environs Sewer all major population centres 	\$80m	
			H.	Provision of waterborne facilities – for 4,700 houses.	\$120m	
		9.3 Stormwater capacity	I.	Household stormwater management – suck wells for aquifer recharge and island-wide flood alleviation.	\$40m	
			J.	West coast grey and green stormwater management – incl. check dams, water impoundments, earthen berms, grass swales, culverts, channels and outlets along key water courses.	\$5m	
 <p>FIT-FOR-PURPOSE INSTITUTIONS</p>	 <p>10. A pioneer in Caribbean healthcare</p>	Deliver a world-class healthcare system for Bajans through sustainable and resilient healthcare facilities, a whole-of-Government response to non-communicable disease, and digital transformation.		\$685m	Health and Wellness	
		10.1 Healthcare infrastructure	A.	Queen Elizabeth Hospital infrastructure upgrade – including operating theatre ventilation systems, Lions Eye Care roof repairs, oncology upgrades, and flood defence.		\$190m
			B.	Geriatric and psychiatric hospital upgrade.		\$40m
			C.	Primary healthcare facilities upgrade and relocation - retrofit and upgrade 7 existing Government-operated facilities to be "smart and green" and relocate 2 facilities (rebuilt to be "smart and green").		\$40m
			D.	Private hospitals – three additional private hospitals for specialised care.		\$300m
		10.2 Tackling non-communicable disease	E.	NCD screening technologies – strengthen system capacity to screen and treat common NCDs in primary care.		\$45m
			F.	Mental health care services – increase psychiatric hospital staff and integrate mental health services into primary care facilities.		\$40m
			G.	Surveillance and epidemiological capacity strengthening.		\$5m

	INVESTMENT PRIORITY	KEY COMPONENT		SIZE (US\$)	DELIVERY LEAD
 <p>FIT-FOR-PURPOSE INSTITUTIONS</p>		10.3 Digitising the healthcare system	H. Digital transformation of healthcare – healthcare information system governance reform (including standardised data management); procurement and maintenance systems and applied technology for improved diagnostics.	\$5m	
	 <p>11. A country in which every student thrives</p>	Reshape Barbados' education system to enhance student outcomes by delivering smart and resilient school infrastructure, universal pre-primary and curriculum reform.		\$265m	Education and Training
	11.1 Smart and resilient infrastructure	A. Existing school upgrade – upgrade 8 secondary schools to have adequate broadband capacity, technological infrastructure, water tanks and rooftop solar.	\$200m		
		B. New secondary schools construction – one Junior College of Excellence and one Senior College of Excellence.	\$50m		
	11.2 Universal pre-primary	C. Universal pre-primary education – making this available to all children.	\$10m		
		D. Curricula redesign and improved teacher training – to ensure curricula meets the needs of key growth sectors and foster social cohesion, ensure best-practice assessment of students and improve special education.	\$5m		
	 <p>12. A digital nation powered by data and technology</p>	Transform government service delivery to be digital, deliver a first-class and sustainable Tier 3 data centre, and institute a National Cybersecurity Unit.		\$152m	Planning and Development / Emergency Management / Prime Minister's Office
	12.1 Digital transformation of Government service delivery	A. Finalisation of the Digital ID through rollout of Mobile ID , establishing a single unique identifier for citizens to 'live online'.	\$3m		
	12.2 GovTech Barbados	B. Integrated e-services platform to improve the business environment and increase individual productivity and well-being of citizens and digital solutions across sectors to improve efficiency and service delivery.	\$11m		
	12.3 Provision of adequate computing power	C. Drive data and tech start-ups and scale-ups and a global, data and tech R&D industry, and strengthen the use of AI in evidence-based policymaking.	\$10m		
D. Phased build-out of a sustainable Tier 3 data centre.		\$110m			
12.4 National Cyber security Unit	E. Build robust capacity to develop cyber resilience.	\$13m			
12.5 Data and Analytics	F. Transition of Barbados Statistical Service to a Statistics and Data Analytics Authority.	\$5m			

*Figures may not add due to rounding, noting overall investment priority size is rounded to US\$25 million
 **Figures exclude the delivery costs, which is estimated at an additional ~5% of total costs.

Figure 8: Detailed Project List and Estimated Cost Allocated by Funding Source, to 2035

STEP 5

Over the next 3-5 years, Government will focus its efforts on projects that have ability to unlock the rest of the Plan, including attracting private investment.

INVESTMENT COMPONENT	DESCRIPTION	CATALYTIC IMPACT	ESTIMATED 5 YEAR COST/INVESTMENT OPPORTUNITY
3.1 NEW RESILIENT HOUSING SUPPLY	Build 5,000 new HOPE houses and 5,000 new private houses.	Public investment and regulatory/administrative support unlocks private investment, increasing housing supply and reducing social housing waitlists.	\$150m in public investment, catalysing \$895m in private investment.
4.1 CLIMATE-SMART AGRICULTURE TO SUPPORT FOLD SELF-SUFFICIENCY	Drive agricultural productivity, including through research and farm support services focused on new technologies.	Drive local production and reduce food import bill and unlock resources for investment.	\$80m in public investment, including \$55m from philanthropic sources.
5.1 LEAVING NO ONE BEHIND - HOLISTIC SOCIAL SERVICES	One Family Programme, one-stop shop for social services and cultural programs.	Breaks the cycle of intergenerational poverty for 5,000+ families, driving economic and social inclusion.	\$185m in public investment including from philanthropic sources.
6.1 RESILIENT COASTAL INFRASTRUCTURE	Coastline rehabilitation programme.	Beautiful, restored and protected coastlines and beaches drive resilience, serve the tourism industry and protect the built environment.	\$170m in public investment.
7.1 MODERNIZING AND ELECTRIFYING TRANSPORTATION SYSTEMS	Major road and bridge upgrades, policy frameworks for electric vehicle charging, and private vehicles.	A resilient road network and modern transportation fleet drives economic growth, attracts investment, improves Bajans' daily lives, and ensures that the country bounces back quickly after a climatic event.	\$75m in public investment catalysing \$250m in private investment.
7.3 PORT AS REGIONAL RESILIENCE HUB AND AIRPORT UPGRADE TO SUPPORT GROWTH	Upgrade Barbados Port including with potential new aggregate berth, container terminal, drydocking facilities and logistics and warehousing facilities. Enhance airport facilities, expanding airlift and developing it into a hemispheric hub for cargo.	Public enabling environment unlocks private investment; sets Barbados up as a regional resilient logistics hub given geographical position versus Miami, which is more prone to more frequent and severe storms.	\$75 million in public investment catalysing \$1 billion in private investment delivered through public-private partnerships.
8.1 UNLEASHING RENEWABLE ENERGY POTENTIAL	Government-led tendering of battery storage and onshore wind sites, with minimal public funding for enabling actions to crowd in private investors. Development of offshore wind-to-hydrogen/ammonia plan leverages blue economy for growth.	Low-cost renewable energy supports competitiveness and also reduces import bill and vulnerability to external oil shocks.	\$160m in public investment (largely through grants for battery storage) catalysing \$315m in private investment.
9.1 WATER SECTOR RESILIENCE	Replace 40km mains annually.	Water security, climate resilience, financial sustainability, and reduced greenhouse gas emissions.	\$200m (\$40m annually for next 5 years) in public investment.

INVESTMENT COMPONENT	DESCRIPTION	CATALYTIC IMPACT	ESTIMATED COST/ INVESTMENT OPPORTUNITY
9.2 WASTEWATER MANAGEMENT	South Coast Water Reclamation Project for agriculture, food security and recharge ground water reserves.	Addresses critical water shortage issues in the agriculture sector, strengthening food security and recharging groundwater.	\$70m in public investment all repaid from debt swap (zero cost to Government) + US\$40m grant.
10.1 ROBUST HEALTHCARE SYSTEM	Queen Elizabeth Hospital, geriatric and psychiatric hospital and primary healthcare facilities upgrade, and three new private hospitals.	Smart and resilient healthcare facilities are essential to public health, and drive productivity and wellbeing.	\$270m in public investment catalysing \$300m in private investment.
11.1 SMART, RESILIENT EDUCATION SYSTEM	Upgrade of existing schools, construction of junior and senior college of excellence.	State of the art curriculum and modern facilities enhance quality of education, and prepare and inspire Barbados' young people for the future, supporting fit-for-purpose labour force over the long term.	\$250m in public investment.
12.1 A DIGITAL NATION	Digital transformation of Government service delivery; GovTech Barbados; Provision of adequate computing power; National Cybersecurity Unit; and transition of Barbados Statistical Service to a Statistics and Data Analytics Authority.	Positions Barbados for a rapidly evolving digital era, supporting Government service delivery, strengthening competitiveness of business sectors and creating desirable jobs.	\$37m in public investment, catalysing \$110m in private investment delivered through PPP

Figure 9: Investment components prioritized for first five-year period, 2025-2030





HOW THE PLAN WILL BE FINANCED AND DELIVERED

FINANCING

The 12 priorities collectively require an estimated investment of US\$11.6 billion in Barbados by 2035.

We estimate that approximately 60% (US\$6.6 billion) of the total investment can come from the private sector – both domestic and international – into low-carbon, nature-positive and circular solutions which generate a financial return. This is a significant opportunity for companies to support Government's strategic priorities over the long term.

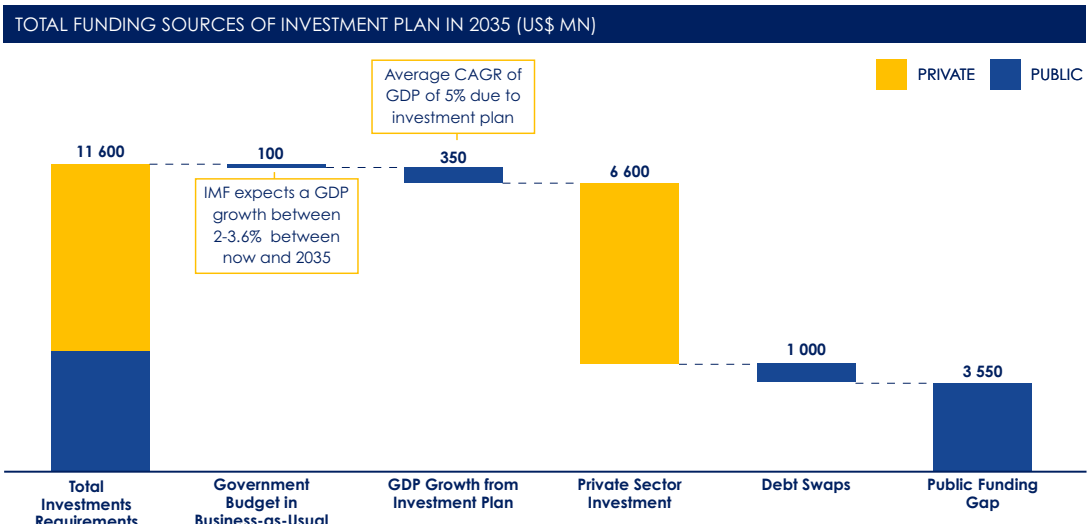


Figure 10: Overview of Funding Sources

The remaining US\$5 billion of funding for the Investment Plan must come from public sources. Government expects to be able to finance about US\$450 million, including through approximately US\$100 million of additional revenue over the period from “business-as-usual” GDP growth, and US\$350 million in revenues from a higher level of GDP growth linked (4-5%) to carrying out the Investment Plan. A further estimated US\$1 billion could potentially come from debt swaps.

This still leaves an estimated approximately US\$3.6 billion gap in public financing to deliver the investment priorities and unlock private capital. We will need support from development partners, especially to scale blended finance solutions for projects which are currently not attracting private investment at scale.

Blended finance mechanisms use public money to tackle specific risks which currently prevent commercial investment (resulting in a “blend” of public and private capital in one transaction or financing structure).

Blended instruments include guarantees on project revenues, political risk insurance, first loss equity, currency hedging and technical assistance for project development. These mechanisms are often critical to unlock commercial capital; they must be scaled and streamlined to reach their full potential and reduce historically high transaction times and costs.

The volume of capital needed from public and private finance to deliver the Investment Plan is set out in Figure 11, including the estimated amount which will need to be deployed through these blended structures.

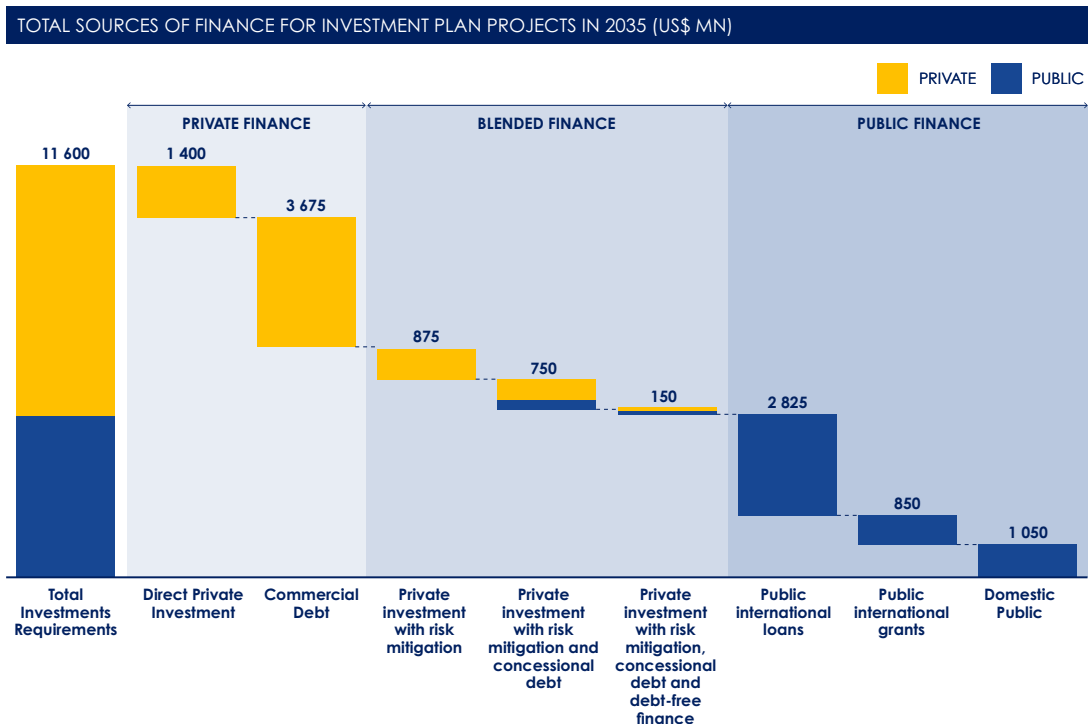


Figure 11: Detailed breakdown of funding sources

DELIVERY

Securing financing for the Investment Plan will be a significant milestone. But this alone will not suffice. Our public service is fully engaged in delivering its existing programs and initiatives, and will be complemented to ensure efficient and effective delivery on additional major commitments in the Investment Plan. Strengthened capacity is all the more critical as many projects are of considerable scale and complexity, and will require specific expertise that we will work to build within Government or through strategic partnerships.

We will put into place the following:

- **Upfront budgeting to strengthen institutional capacity** – our financial estimates have already allocated 5-10% for implementation costs. How implementation is done is extremely important and we believe firmly that this should center around building capacity in-house to support retention of institutional knowledge and ensure projects align with the specific needs of the Bajan community. As such, it is essential that development partners supporting the Investment Plan incorporate dedicated resources for local capacity-building within their financial offerings. Local capacity building can involve funding additional local staff, as well as strengthening skills, knowledge and systems directly within Government, and tailoring support specifically to the needs and capabilities that are already present within each government agency.

- **Instituting a strong enabling environment** – a robust governance structure is essential to drive continual advancement of the Investment Plan, ensure project alignment with its overarching strategy, and manage interdependencies between projects. We envision the following components:

1. **A Strategic Council and Public-Private Delivery Taskforce** at the ministerial and executive level to oversee operations, forge strategic partnerships, address bottlenecks, and drive implementation
2. **A Joint Economic Group** responsible for project prioritisation and setting the direction of travel
3. **Targeted support from institutions, initiatives and programs** that have similar objectives, such as the Growth Council (responsible for implementing the IMF's Barbados Economic Recovery and Transformation Plan) and the Roofs to Reef Programme
4. **Priority investment delivery** teams at the Ministry level, which will play a crucial role in driving implementation, including:
 - Daily oversight of individual investment areas
 - Alignment with the formulation of new policies
 - Regular reporting of progress and identification of bottlenecks
 - Enforcement of best practices and alignment with overarching strategies.

By incorporating these elements into the governance structure, we aim to enhance the plan's efficiency and responsiveness, ensuring a targeted and impactful approach to investment and development.



REFORMING THE FINANCIAL SYSTEM

Barbados is not alone in its fight to build a better future for its citizens. Investing in ways to adapt to the climate crisis, and to build a stronger, more resilient economy and drive climate-positive growth is being championed by many climate-vulnerable countries.

G20 research shows that emerging markets and developing economies (EMDEs) need US\$5.4 trillion of investment a year by 2030 to achieve all the SDGs; around half that amount needs to go to climate action. The world has a US\$3 trillion shortfall annually (Figure 12). The biggest gap is for adaptation: less than 10% of the capital needed for climate adaptation projects in EMDEs is actually reaching them.

The financial system is not fit-for-purpose – on average, low-income countries allocate more than twice as much money to servicing their debt as they do to social assistance, and 1.4 times more than to healthcare.

INVESTMENT NEEDS AND FINANCING COMMITMENTS FOR EMERGING AND DEVELOPING ECONOMIES ON CLIMATE AND THE SDGS IN 2030 (US\$ BN)

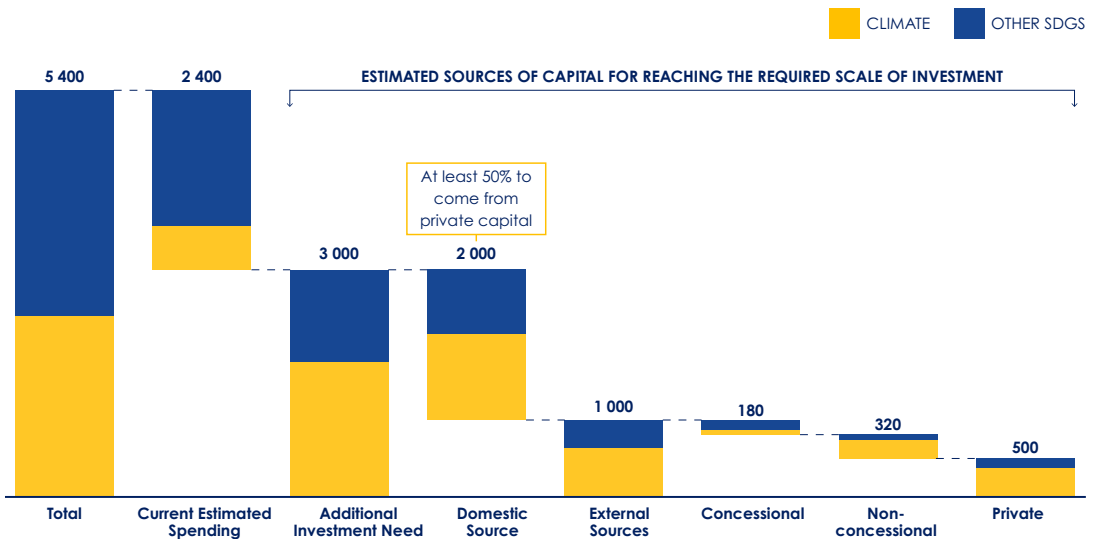


Figure 12: Investment needs and financing commitments for EMDEs

Unlocking finance at the pace and scale required to ensure sustainable and inclusive development, will need both leadership at home, and reform of the international financial system to enable and unlock fit-for-purpose climate finance.

Through the Bridgetown Initiative, Barbados is advocating to:

- **Unlock long-term, affordable finance.** The investment plan will help shift financing from short-term, one-off projects to supporting integrated, economy-wide investment programmes which require more, cheaper and longer term finance to become a reality. Better coordination is also needed amongst development partners and with national and local stakeholders on key priorities to ensure finance is designed and deployed in a way which is efficient, catalytic and responsive to the most urgent needs.
- **Use development finance catalytically** to attract private investment. We need to replicate financial innovation which works to mobilise the full private sector component of the Investment Plan and leverage de-risking mechanisms like green guarantees and insurance which can crowd in institutional capital at scale.

- **Rethink how debt is viewed.** We need debt that is taken on to build resilience to be treated differently, so countries like Barbados are not penalized by the international finance system when we invest in adapting to a climate crisis not of our making.

Effectively deploying the trillions of dollars of investment needed in EMDEs requires specificity at the country level to know how and where to finance which sectors and projects, over what time horizons and with what type of capital. We believe that our Investment Plan offers compelling evidence of how to get there based on one country's commitment to prosperity and resilience.

Most importantly, we hope that our Investment Plan shows that climate finance solutions should be country-owned and country-led – helping build economic, social and environmental resilience and responding to the needs of countries and communities not the rules of an unequal system. And we hope that all countries on the frontlines – especially other island nations – can benefit from this vision to make climate finance work for climate-vulnerable countries. We look forward to working with our partners to make this happen.



BARBADOS 2035

A PLAN FOR
INVESTMENT IN
PROSPERITY
& RESILIENCE

June 2024