

MOPAN ASSESSMENT REPORT

Caribbean Development Bank (CDB)



MOPAN

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For any questions or comments, please contact:
The MOPAN Secretariat
secretariat@mopan.org
www.mopan.org

For more
information:



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Caribbean Development Bank (CDB)



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ABOUT MOPAN

The Multilateral Organisation Performance Assessment Network (MOPAN) comprises 20 members that promote an effective multilateral system, trusted to deliver solutions to evolving global goals and local challenges.

MOPAN is a network of members who assess multilateral organisations, shape performance standards, and champion learning and insights to strengthen development and humanitarian results and promote accountability. Capitalising on the Network’s unique cross-multilateral system perspective and expertise, MOPAN members work together to deliver relevant, impartial, high-quality and timely performance information as a public good through an inclusive and transparent approach.

MOPAN’s performance information mitigates risks, informs decision-making and supports change, helping to increase knowledge and trust amongst all stakeholders, and ultimately to achieve a stronger and better performing multilateral system.

FIGURE 1: MOPAN MEMBERS (AS OF 1 JANUARY 2026)



ACKNOWLEDGEMENTS

The MOPAN assessment of the Caribbean Development Bank (CDB) was conducted under the overall strategic guidance of Suzanne Steensen, Head of the MOPAN Secretariat. It was managed and led by Erika MacLaughlin, who co-authored the report, with support from Camille Hewitt, who helped finalise the report.

MOPAN is very grateful to CDB Board Director Philippe Hall and Alternate Director Katie Birks from the Government of Canada for championing this assessment on behalf of the MOPAN membership as Institutional Leads.

The assessment was conducted in co-operation with Centennial Group International. Rakesh Nangia led the assessment and is co-author of the report. A team of Gaiv Tata and Ieva Vilkelyte supported the assessment and contributed to the final report. The report also benefited from an external peer review conducted by Walter Kolkma.

Corentin Beudaert-Ugolini managed the external partner survey from the MOPAN Secretariat. The report was prepared for publication by Camille Hewitt, and graphic designed by Baseline Arts Ltd.

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Finally, MOPAN is grateful to all Steering Committee representatives for supporting the CDB assessment, and to its member countries for their financial contributions, which have made the report possible.



**Caribbean
Association of
Bankers Meeting**

November 2025 –
Trade Finance;
Guarantee
Programme;
Sensitisation.
Photo: © CDB

PREFACE TO THE REPORT

INTRODUCING MOPAN

The Multilateral Organisation Performance Assessment Network (MOPAN) comprises 20 members that share a common interest in assessing the performance of the major multilateral organisations they fund, in light of their mandate, operating model and the contexts in which they work. A MOPAN assessment report provides a diagnostic assessment, or snapshot, of an organisation and tell the story of an organisation's current performance, within its mandate.

MOPAN's mission and vision is described in Box 1 below.

Box 1. MOPAN mission and vision

MOPAN is a network of members who assess multilateral organisations, shape performance standards, and champion learning and insights to strengthen development and humanitarian results and promote accountability.

Capitalising on the Network's unique cross-multilateral system perspective and expertise, MOPAN members work together to deliver relevant, impartial, high-quality and timely performance information as a public good through an inclusive and transparent approach.

MOPAN's performance information mitigates risks, informs decision-making and supports change, helping to increase knowledge and trust amongst all stakeholders, and ultimately to achieve a stronger and better performing multilateral system.

MOPAN's shared vision is to promote an effective multilateral system, trusted to deliver solutions to evolving global goals and local challenges.

MOPAN's assessments provide a comprehensive overview of organisational effectiveness, including how an organisation is positioned to address its current and future challenges. These assessments support MOPAN members in their governance and decision-making for the multilateral organisations they fund. They also support the leadership of multilateral organisations in implementing reforms that reflect multilateral good practices.

MOPAN also produces a range of analytical insights into the multilateral system. MOPAN's full range of performance evidence and analysis can be found on the MOPAN website (www.mopan.org).

ASSESSMENT PROCESS AND STRUCTURE OF THE REPORT

MOPAN assessments are conducted through a rigorous and collaborative process to ensure that the findings are supported by a strong evidence base and resonate with an organisation and its stakeholders. MOPAN assessments draw upon multiple lines of evidence (documentary, survey, and interviews) from sources within and outside an organisation. These evidence sources are triangulated to identify findings and ratings against MOPAN's indicator framework, developed by MOPAN's members based on international best practice. This assessment applies a hybrid framework that reflects key issues for International Financial Institutions (IFIs), including public and private sector operations. Additional information about the assessment process is provided in Chapter 4 of this report and in MOPAN's methodology manual.

This assessment report includes 5 Sections:

- *Executive Summary*, which provides an overall summary of the assessment.
- *Chapter 1: CDB at a Glance*, which provides key information about the organisation, including its mandate, governance structure, business model and operations.
- *Chapter 2: Assessment Conclusion and Future Trajectory*, which lays out the overall conclusions of the assessment and identifies considerations for the organisation and its governing body.
- *Chapter 3: Assessment Findings*, which describes the findings of the assessment against MOPAN’s framework and Key Performance Indicators; and
- *Chapter 4: About this Assessment*, which provides additional information about the methodology and approach, including timelines for implementation and key activities.

The report is complemented by a set of Technical Annexes available on MOPAN’s website. Annex A describes the underlying analysis feeding into the assessment ratings. Annex B provides the overall list of documents used. Annex C provides an overview of results from MOPAN’s partner survey.

This assessment applied MOPAN 3.1 methodology; however, elements under selected KPIs have been adjusted to reflect CDB’s sovereign and non-sovereign (private sector) operations. Direct comparisons with ratings from earlier MDB assessments should be treated with caution.

HISTORY OF MOPAN ASSESSMENTS FOR THE CARIBBEAN DEVELOPMENT BANK

This is the first MOPAN assessment of the Caribbean Development Bank.



CDB FRLD Workshop

TABLE OF CONTENTS

Disclaimer	ii	Chapter I. CDB AT A GLANCE	17
About MOPAN	1	Introducing the Caribbean Development Bank	19
Acknowledgements	2	Business Model and Operations	23
		References	29
PREFACE TO THE REPORT	3		
Introducing MOPAN	3	Chapter II. ASSESSMENT CONCLUSIONS AND FUTURE TRAJECTORY	31
Assessment Process and Structure of the Report	3	Navigating an increasingly complex operating environment in the Caribbean	33
Abbreviations and acronyms	8	Resilience as an Organising Principle: Positioning CDB as the Preferred Partner in the Caribbean	34
EXECUTIVE SUMMARY	9	Building on a strong foundation for resilience: CDB's areas of strength	36
Introducing the Caribbean Development Bank	11	Driving a culture of resilience: Addressing CDB's institutional challenges	39
Positioning to drive regional resilience	11	Paving the way for institutional "rebirth:" Five lessons and considerations for the Ten-Year Strategy	46
Building on a strong foundation for resilience: CDB's areas of strength	11	References	50
Driving a culture of resilience: Addressing CDB's institutional challenges	12		
Paving the way for institutional "rebirth:" Considerations for the TYS	13		
About the Assessment	13		
About MOPAN	14		
CDB's performance rating summary	15		

Continued on next page...



Chapter III. ASSESSMENT FINDINGS**Strategic management**

KPI 1: Organisational architecture and financial framework enable mandate implementation and achievement of expected results

KPI 2: Structures and mechanisms support the implementation of global frameworks for cross-cutting issues at all levels, in line with the 2030 Sustainable Development Agenda principles

Operational management

KPI 3: Operating model and human and financial resources support relevance and agility

KPI 4: Organisational systems are cost- and value-conscious and enable transparency and accountability.

Relationship Management

KPI 5: Operational planning and intervention design tools support relevance and agility in partnerships

KPI 6: Working in coherent partnerships directed at leveraging and catalysing the use of resources

53	Performance management	79
55	KPI 7: Strong and transparent results focus, explicitly geared to function.	79
55	KPI 8: Evidence-based planning and programming applied.	81
	Results	83
58	KPI 9: Development and humanitarian objectives are achieved and results contribute to normative and cross-cutting goals.	83
63	KPI 10: Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate.	84
63	KPI 11: Results are delivered efficiently.	85
67	KPI 12: Results are sustainable.	86
71	References	87

Chapter IV. ABOUT THIS ASSESSMENT

71	The MOPAN Approach	93
	Applying MOPAN 3.1 to CDB	93
74	Assessment Process	95



Methodology for scoring and rating	95	TABLES	
Limitations	96	Table 1. Member ordinary capital resource shares	19
<hr/>		Table 2. Country groups and terms of lending for SDF 11	22
Annex	97	Table 3. Operational trends 2020-2025 (USD Millions)	24
<hr/>		Table 4. CDB annual budget (USD million 2020-2025)	28
FIGURES		Table 5. Performance areas and key performance indicators	93
Figure 1. MOPAN Members (as of 1 January 2026)	1	Table 6. Assessment timeline	95
Figure 2. CDB's Performance rating summary	15	<hr/>	
Figure 3. CDB's OCR and SFR resources	21	BOXES	
Figure 4. CDB's Organisational model	26	Box 1. MOPAN's mission and vision	3
Figure 5. Key findings on CDB's Strategic Management	55	Box 2. Main Strengths and Areas of Opportunity	14
Figure 6. Key findings on CDB's Operational Management	63	Box 3. The Bridgetown Initiative: Reforming Global Finance for Vulnerable States	35
Figure 7. Key findings on CDB's Relationship Management	71	Box 4. Key insights from Engagement with BMC Stakeholders	41
Figure 8. Key findings on CDB's Performance Management	79	Box 5. Main Strengths and Areas of Opportunity	46
Figure 9. Key findings on CDB's Results areas	83		
Figure 10. CDB performance overview	97		



ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank	MDB(s)	Multilateral Development Bank(s)
AI	Artificial Intelligence	MIC(s)	Middle-Income Country(ies)
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism	MOPAN	Multilateral Organisation Performance Assessment Network
ARPP	Annual Report on Portfolio Performance	MSME(s)	Micro, Small and Medium-sized Enterprise(s)
BMC(s)	Borrowing Member Country(ies)	NPL(s)	Non-Performing Loan(s)
BNTF	Basic Needs Trust Fund	OCR	Ordinary Capital Resources
CABEI	Central American Bank for Economic Integration	OECD	Organisation for Economic Co-operation and Development
CARICOM	Caribbean Community	OECS	Organisation of Eastern Caribbean States
CDB	Caribbean Development Bank	OIE	Office of Independent Evaluation
CDEMA	Caribbean Disaster Emergency Management Agency	OP365	Operational platform/system used by CDB
CES	Country Engagement Strategy	OSF	Other Special Funds
CRF	Corporate Results Framework	PBL(s)	Policy-Based Loan(s)
CSPE(s)	Country Strategy and Programme Evaluation(s)	PCR(s)	Project Completion Report(s)
DEC	Development Effectiveness Committee	PSEA	Protection from Sexual Exploitation and Abuse
DFI	Development Finance Institution	RAC	Risk-Adjusted Capital
ECLAC	Economic Commission for Latin America and the Caribbean	RAF	Risk Appetite Framework
ECAP	Economic Capital Approach	RBM	Results-Based Management
EBRD	European Bank for Reconstruction and Development	RCI	Regional Cooperation and Integration
EEA(s)	Exposure Exchange Agreement(s)	SDF	Special Development Fund
ERP	Enterprise Resource Planning	SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
ERMF	Enterprise Risk Management Framework	SFR	Special Funds Resources
GDP	Gross Domestic Product	SIDS	Small Island Developing States
HIC(s)	High-Income Country(ies)	SPU	Strategic Plan Update
HR	Human Resources	TA	Technical Assistance
IAD	Internal Audit Division	TYS	Ten-Year Strategy
ICA	Integrity, Compliance and Accountability	UKCIF	United Kingdom Caribbean Infrastructure Fund
IDB	Inter-American Development Bank	UMIC(s)	Upper Middle-Income Country(ies)
IFI(s)	International Financial Institution(s)	UN	United Nations
IMF	International Monetary Fund	UNDP	United Nations Development Programme
IT	Information Technology	UNOPS	United Nations Office for Project Services
KPI(s)	Key Performance Indicator(s)	USD	United States Dollar
		VPO	Vice-President for Operations
		WPB	Work Programme and Budget

**CARIBBEAN
DEVELOPMENT BANK**
EXECUTIVE SUMMARY





INTRODUCING THE CARIBBEAN DEVELOPMENT BANK

The Caribbean Development Bank (CDB) is the Caribbean’s only indigenous development bank. It has a distinctive mandate to promote economic growth, poverty reduction, sustainable development, and regional cooperation and integration, with particular attention to the region’s less developed members. Established in 1970, CDB now comprises 28 members, including 19 Borrowing Member Countries (BMCs) and 9 non-borrowing members. CDB supports its BMCs through a country-driven approach, providing loans, policy-based lending, emergency finance, grants, technical assistance, blended finance and, increasingly, guarantees. Its portfolio is concentrated in transport, education, water and sanitation, energy, agriculture, social protection and public sector reform. CDB is headquartered in Barbados, with a country office in Haiti.

Each of CDB’s BMCs are Small Island Developing States (SIDS), resulting in a challenging operating context.

This context is characterised by small populations, limited economies of scale, narrow production bases, high infrastructure costs, small financial sectors and exposure to frequent natural hazards. CDB is distinctive in its ability to channel concessional and blended resources to all BMCs, including middle- and high-income countries, based on multidimensional vulnerability. This aligns closely with the Bridgetown Initiative’s call for more affordable, flexible and shock-responsive development finance. Institutionally, CDB remains small and lean compared with other International Financial Institutions (IFIs) with a staff complement of 268 staff as of December 2025. However, its footprint in the Caribbean is larger than that of other IFIs working in the region.

POSITIONING TO DRIVE REGIONAL RESILIENCE

CDB operates in a complex context characterised by intensifying and compounding vulnerability. The COVID-19 pandemic produced one of the sharpest economic contractions in the Caribbean’s history, disrupting key sectors, increasing import costs and placing severe strain on already constrained public finances. The social consequences of the pandemic have been deep and persistent, including increased poverty, education disruption, heightened inequality, unemployment, gender-based violence, mental health pressures and crime. At the same time, climate-related shocks have become more frequent and severe, with hurricanes, flooding, drought, sea-level rise and coastal degradation repeatedly damaging infrastructure - reversing development gains and increasing public debt. These dynamics have increased the region’s financing needs and reinforced the importance of resilience as a core development objective.

CDB has taken important steps to align its institutional vision with the region’s resilience agenda. Its Ten-Year Strategy (TYS; 2026-2035), framed around “Transforming the Caribbean for Resilience,” addresses social, economic and environmental resilience objectives. Youth, institutions and climate action are addressed as operational priorities and are supported by a cross-cutting focus on gender, digital transformation, innovation and regional integration. The TYS builds on several sources of evidence, including extensive stakeholder consultations and this MOPAN assessment. The TYS also reflects CDB’s wider reform agenda and President Daniel Best’s vision of institutional “rebirth” through innovation, transformation and long-term resilience.

BUILDING ON A STRONG FOUNDATION FOR RESILIENCE: CDB’S AREAS OF STRENGTH

CDB’s role and unique comparative advantage in the Caribbean have become more central. CDB is widely recognised by BMCs and other partners as a trusted institution with deep knowledge of the region. Furthermore, it has strong relationships with governments and communities and a distinctive ability to channel concessional and blended finance to debt-constrained countries, including middle- and high-income small island developing states. This comparative advantage is particularly important in sectors where other financing options may be too costly. BMC

partners note CDB's important role in enabling larger investments in infrastructure, education, water and sanitation, disaster response and community-led poverty reduction.

CDB's financial position provides a strong platform for delivering the TYS and scaling up support for BMCs.

CDB has maintained strong credit ratings, robust capital and liquidity ratios, low non-performing loans and prudent exposure management. Recent and planned reforms to its Capital Adequacy Framework and Risk Appetite Framework align CDB with good practice among leading IFIs. Innovative financial partnerships, including exposure exchange agreements and potential portfolio guarantees, are helping expand lending headroom. These strengths are complemented by improvements in accountability and oversight, including a strengthened independent evaluation function, expanded risk management capacity, reinforced integrity and compliance functions, and progress on results-based management.

Digital transformation has supported institutional resilience. Investments under CDB's IT Strategy have introduced more cloud-based, integrated systems such as OP365, improving operational management and enabled evidence-based decision making. Planned client and procurement portals offer further potential to streamline engagement with countries and partners, increase transparency and reduce processing times. CDB is introducing a number of dashboards to facilitate stronger portfolio management.

DRIVING A CULTURE OF RESILIENCE: ADDRESSING CDB'S INSTITUTIONAL CHALLENGES

Despite these strengths, pervasive institutional challenges limit CDB's ability to deliver efficiently and demonstrate results. Implementation delays are widespread, operational policies are outdated, decision making is hierarchical, and roles and accountabilities are often unclear. BMCs report uneven responsiveness, cumbersome processes and long decision times. Monitoring, supervision and data quality remain inconsistent, limiting CDB's ability to demonstrate the efficiency, effectiveness and sustainability of their operations. Gaps in human resources contribute to fragmented supervision, uneven follow-up on operational risks and weak monitoring. These gaps have also limited CDB's ability to deliver on operational priorities such as youth, digital transformation and regional integration. Finally, despite its ambitions, CDB lacks critical frameworks needed to support scaled-up private sector engagements.

Human resources management systems are a central constraint. Staffing has not grown in line with CDB's portfolio, workloads are high, there is a limited understanding of skills needs, and investment in learning and development has declined. These pressures have contributed to staff disengagement, turnover and weakened continuity in client relationships. Beyond staff numbers, there are ongoing concerns about workforce alignment, ensuring that CDB staff possess the skills needed to deliver the TYS. There is a critical disconnect between human resources management, strategy and budgeting - strategic ambitions have not reflected the institutional reality and have not been adequately resourced. These challenges have a profound impact on CDB's responsiveness, operations and results.

CDB's comparative advantage is not reflected in its country engagement. BMC engagement remains fragmented and often project-based rather than strategic. CDB lacks country focal points with clear authority to manage portfolios, build pipelines, address bottlenecks and deepen policy dialogue. Partnerships, including for regional cooperation, are also insufficiently strategic, with limited demonstration of how they contribute to spillovers and results. Knowledge management remains fragmented, meaning CDB is not fully leveraging its regional expertise to support policy advice, learning and innovation. Furthermore, CDB needs a more strategic approach to delivering Technical Assistance, including through partnerships, to mitigate the impact of systemic institutional and contextual constraints.

PAVING THE WAY FOR INSTITUTIONAL “REBIRTH:” CONSIDERATIONS FOR THE TYS

The TYS provides a critical opportunity to address these issues. In delivering on the TYS and CDB Forward, a forthcoming institutional reform initiative, CDB should address five key priorities:

- strengthening its country engagement and adopting a more strategic approach to managing country portfolios;
- reforming the human resources management system, workforce alignment and key operational processes, building a clearer understanding of skills and staffing needs while positioning staff to deliver effectively;
- embedding a stronger results culture and treating operational and supervision data as institutional assets;
- positioning itself more deliberately as a regional convenor and strategic partner, particularly for shared challenges such as procurement and regional integration; and
- deepening accountability to beneficiaries through stronger community engagement, grievance mechanisms and institutional transparency.

To succeed, the reform process will need to be pragmatic, sequenced, appropriately resourced and closely monitored. CDB must be selective and strategic in implementing both the TYS and accompanying institutional reforms to control growth in its administrative budget, take note of absorptive capacity and avoid reform fatigue. Furthermore, it will be important to ensure CDB Forward draws upon external perspectives, advice and analysis, similar to the approach taken to developing the TYS itself. It should be accompanied by a clear institutional reporting framework that captures not only the actions taken but progress toward clear operational targets.

CDB is positioned to play a pivotal role in advancing resilience across the Caribbean. This will ultimately depend on CDB’s ability to translate strategic ambition and lending headroom into more agile, efficient and results-oriented delivery. The TYS is a critical opportunity to deliver on CDB’s comparative advantage as a preferred partner in the region, leveraging its unique knowledge, experience and business model to forge innovative partnerships across the public and private sectors and advance sustainable development in the Caribbean.

ABOUT THE ASSESSMENT

MOPAN’s assessments consider whether multilateral organisations are positioned to deliver results in line with their mandates, adhere to the highest standards of ethics and integrity and work coherently across the multilateral system. MOPAN assessments are conducted through a rigorous and collaborative process to ensure that the findings are supported by a strong base of evidence and resonate with the organisation and its stakeholders. Assessments draw on multiple lines of evidence (documentary, survey, and interviews) which are triangulated to identify findings and ratings against MOPAN’s indicator framework, developed by MOPAN’s members, based on international best practice.

This MOPAN assessment covers CDB’s performance between January 2020 and March 2026. The MOPAN assessment of CDB was undertaken in collaboration with Centennial Group International under the oversight of Erika MacLaughlin from the MOPAN Secretariat.

ABOUT MOPAN

MOPAN is a network of 20 members who are committed to promoting an effective multilateral system, trusted to deliver solutions to evolving global goals and local challenges. MOPAN members work together to deliver relevant, impartial, high-quality and timely performance information as a public good through an inclusive and transparent approach. MOPAN's performance information mitigates risks, informs decision-making and supports change, helping to increase knowledge and trust amongst all stakeholders, and ultimately to achieve a stronger and better performing multilateral system.

Box 2. Main Strengths and Areas of Opportunity

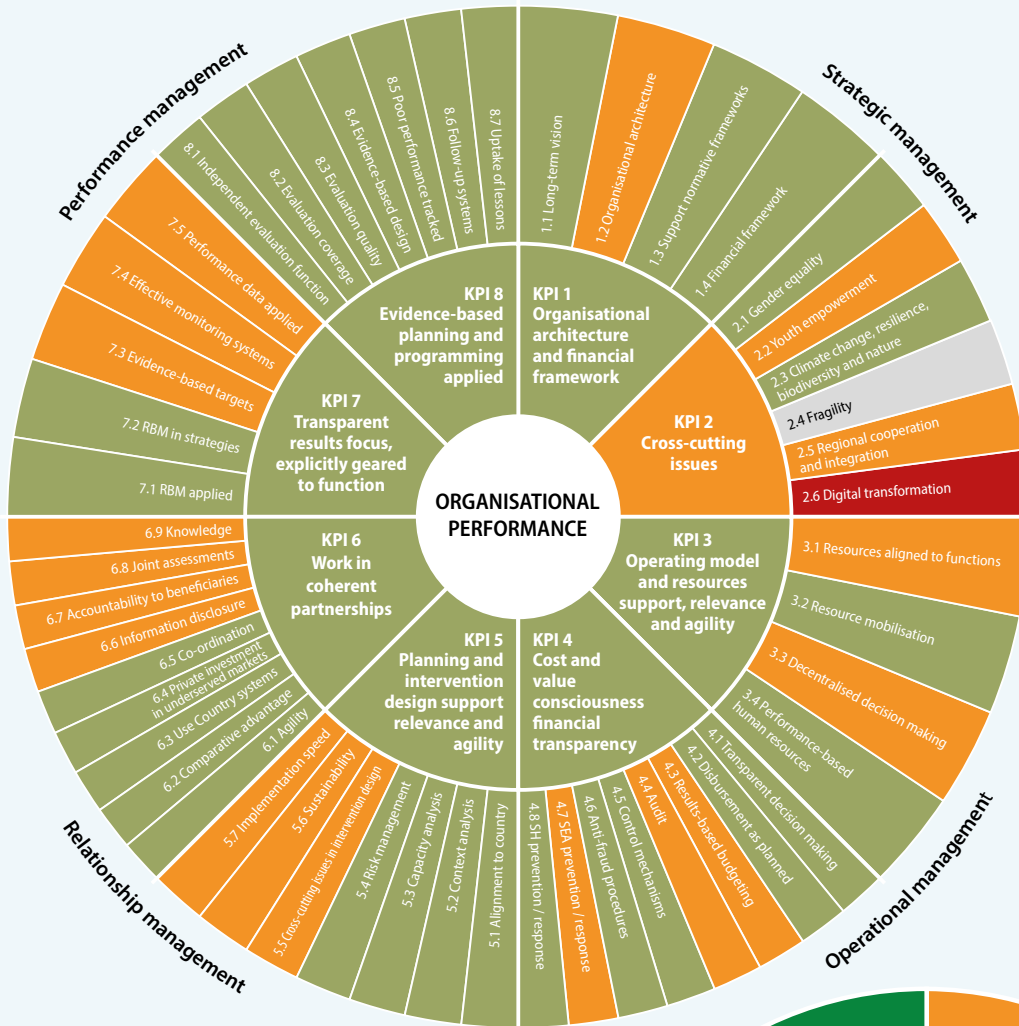
Main strengths

- CDB has a clear comparative advantage for working in the region that is recognised by its partners. This is reflected in CDB's positioning as the Caribbean's indigenous development bank, deep knowledge of the region and ability to channel concessional resources to its members.
- A strong financial framework, risk framework and capital position provides a foundation for growth in future operations and responsiveness to BMC needs.
- Key accountability and oversight functions have been strengthened, including independent evaluation, risk management, integrity and compliance.
- Digitalisation of processes, including the introduction of OP365, has been a key driver of change.
- CDB has adopted an inclusive, evidence-based approach to developing its Ten-Year Strategy.

Areas of opportunity

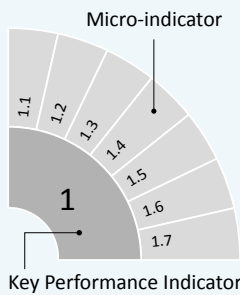
- Implementation delays are widespread across CDB's operations and data gaps limit CDB's ability to demonstrate the cost-efficiency, effectiveness and sustainability of operations.
- CDB's comparative advantage is not fully operationalised nor sufficiently leveraged through partnerships. CDB needs to cultivate a more strategic and programmatic approach to technical assistance, including through regional partnerships, to address shared challenges.
- Gaps in human resources management create significant workload and staff engagement challenges, undermining CDB's accountability and delivery. The link between budgeting and human resources management is weak and CDB has limited understanding of skills and staff numbers needed to deliver its strategic vision.
- Hierarchical decision-making and lack of clear roles and responsibilities contribute to weak responsiveness, implementation delays and gaps in accountability.
- CDB lacks sufficient institutional frameworks to support the scaling up of private sector engagement.
- Previous change initiatives have been fragmented, lack institutional leadership and are undermined by human resources gaps.

FIGURE 2. CDB'S PERFORMANCE RATING SUMMARY

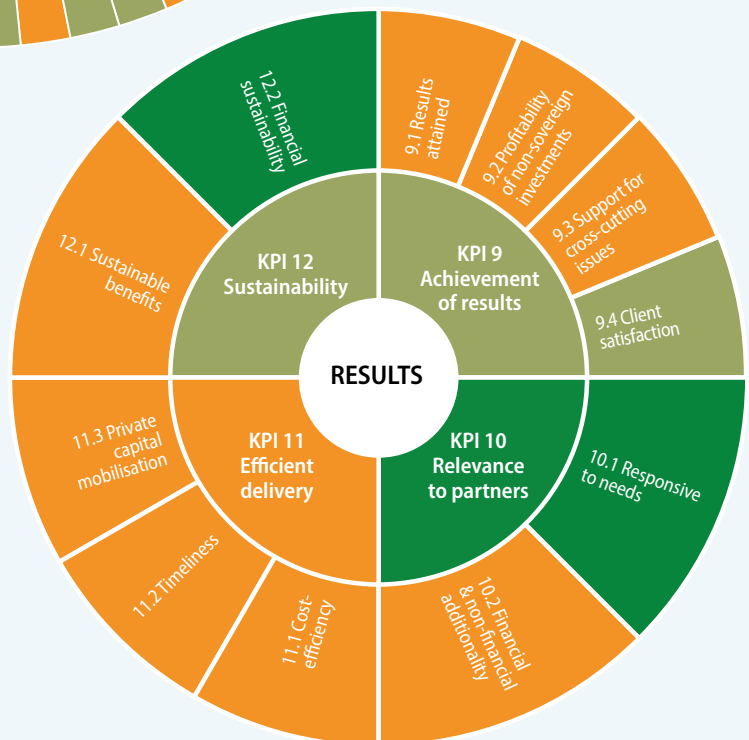


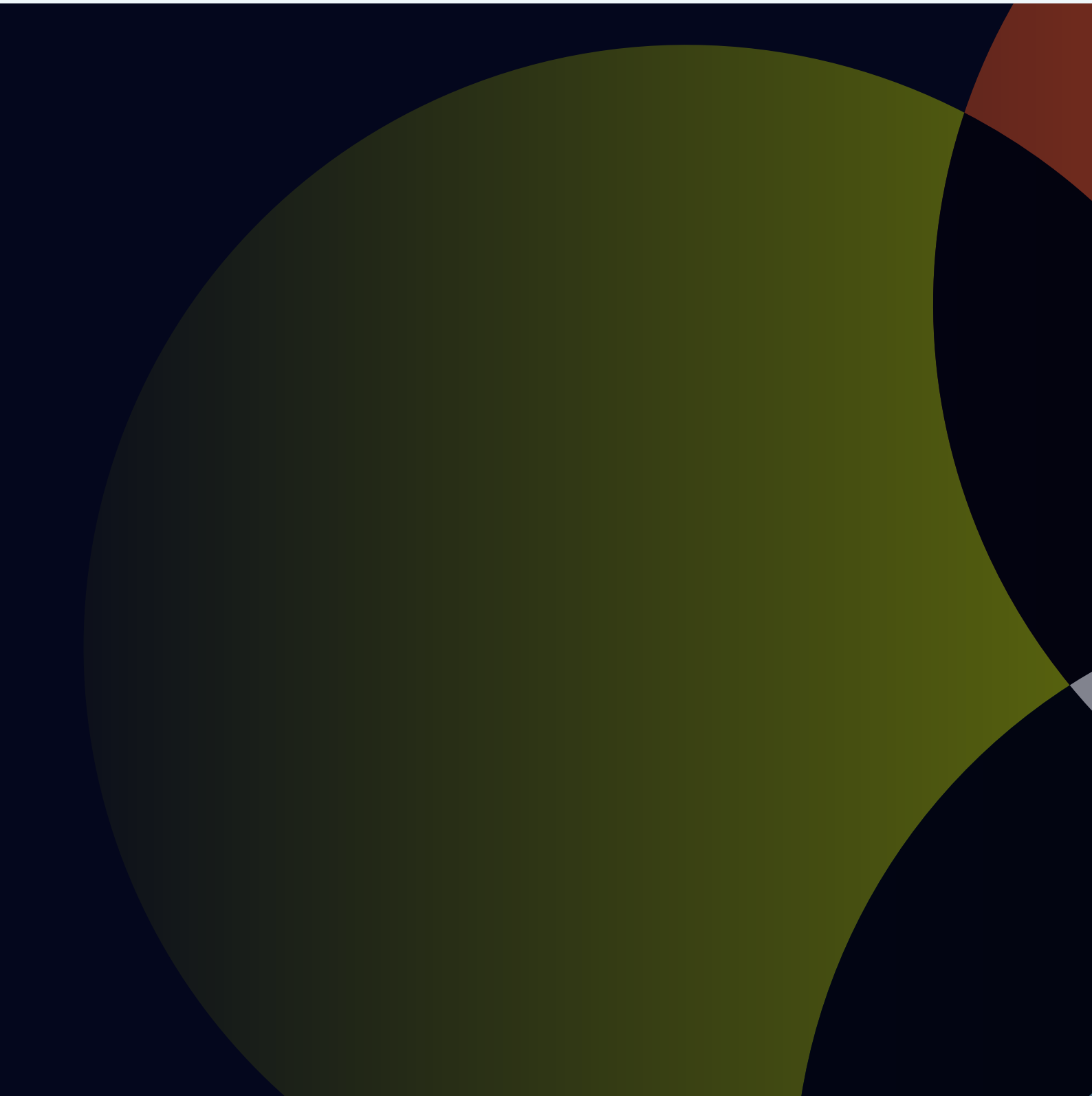
Disclaimer: Each organisation MOPAN assesses has a unique mandate, business model and operating environment. The context of multilateral development and cooperation is dynamic, with expectations and good practices changing over time. The MOPAN framework reflects this unique context and evolution across different types of multilateral organisations. As such, comparison across assessments is strongly discouraged. More information on the rationale underlying MOPAN's assessment ratings can be found in Chapter 4 of this report or the online technical annexes.

How to read these charts



- **Highly satisfactory** (3.51-4.00)
- **Satisfactory** (2.51-3.50)
- **Unsatisfactory** (1.51-2.50)
- **Highly unsatisfactory** (0-1.50)
- **No evidence / Not applicable**





CDB AT A GLANCE





INTRODUCING THE CARIBBEAN DEVELOPMENT BANK

Mission and mandate

The Caribbean Development Bank (CDB) was established in 1970 in Kingston, Jamaica. It has a mandate to promote economic growth and development in its Caribbean member countries and to encourage regional cooperation and integration, with a particular focus on supporting the less developed members of the region. In achieving this mandate, CDB provides loans, grants, guarantees, technical assistance, and policy advice to help reduce poverty and foster sustainable growth in the Caribbean (CDB 2007).

CDB's 28 member countries include 19 borrowing and 9 non-borrowing countries from the Caribbean region and internationally, reflecting a strong partnership that connects regional needs and priorities with global support (See Table 1). Membership in the Bank is open to: (i) States and Territories of the Caribbean region; (ii) Non-regional states that are members of the United Nations or its specialized agencies; (iii) Institutions.

TABLE 1. MEMBER ORDINARY CAPITAL RESOURCE SHARES

Borrowing Members	Shares (% of total)	Non-Borrowing Members	Shares (% of total)
Anguilla	0.2	Brazil	1.1
Antigua and Barbuda	0.7	Canada	9.3
Barbados	3.2	China	5.6
Belize	0.8	Colombia	2.7
British Virgin Islands	0.2	Germany	5.6
Cayman Islands	0.2	Italy	5.6
Dominica	0.8	Mexico	2.8
Grenada	0.7	United Kingdom	9.3
Guyana	3.7	Venezuela	2.8
Haiti	0.8		
Jamaica	17.3		
Montserrat	0.2		
Saint Kitts and Nevis	0.8		
Saint Lucia	0.8		
Saint Vincent and the Grenadines	0.8		
Suriname	1.5		
The Bahamas	5.1		
Trinidad and Tobago	17.3		
Turks and Caicos Islands	0.2		

Source: CDB Statement of Financial Position (Unaudited) For the Period Ended September 30, 2024, <https://www.caribank.org/sites/default/files/publication-resources/FinancialStatementSeptember2024.pdf>

Governance Arrangements

The highest authority of the CDB is the Board of Governors, composed of one governor and one alternate appointed by each member country - except for the five Overseas Territories, which are represented by a single governor.¹ The Board of Governors holds all powers of the Bank and may delegate its authority to the Board of Directors, with the exception of key decisions such as admitting new members, amending the establishing Agreement, and electing the President (CDB 2018).

CDB's non-resident Board of Directors is responsible for the general operations of the Bank.² The Board consists of 19 Directors—14 selected by regional members and 5 by non-regional members. Directors are selected for two-year terms and may be reappointed. The Board makes decisions on key strategies and policies, approves loans, guarantees, investments, technical assistance, and approves the Bank's budget. Each member has 150 basic votes plus one vote per share of capital stock held. Board meetings strive to reach decisions by consensus. Where it is not possible to reach consensus, decisions are made by a majority of the voting power represented at meetings.

Operating Context

CDB is the Caribbean's only indigenous IFI, serving a wider range of Caribbean countries than any other Bank. CDB is unique among IFIs in that each of its Borrowing Member Countries (BMCs) are Small Island Developing States (SIDS), providing a unique and challenging operating context. IFIs and other development partners face numerous challenges working in SIDS countries due to limited economies of scale, small financial sectors and high costs of infrastructure and service delivery, making projects more challenging to deliver and sustain than in other geographic regions.

Caribbean countries face complex vulnerabilities and development challenges. The region's exposure to increasingly frequent and severe climate-related hazards—such as hurricanes, floods, and droughts—and non-climate related hazards—such as earthquakes and volcanic eruptions—poses a significant threat to lives, livelihoods, and long-term development gains. Moreover, they are small countries with small populations. Many are highly globalized and trade-dependent and reliant on a narrow range of economic sectors, with primary sources of foreign exchange that include tourism, agriculture and remittances. As such, CDB's BMCs are particularly vulnerable to external shocks, including fluctuations in global commodity prices, geopolitical risks, downturns in tourism demand, and disruptions in global supply chains.

Beyond these challenges, several BMCs face structural challenges such as high public debt, weak financial markets and limited institutional capacity. Overall, 10 of 19 BMCs have debt to GDP ratios higher than 65%. These issues result in greater risk in lending and limited fiscal space for governments to address development challenges. Furthermore, several governments demonstrate gaps in administrative and technical capacity to design and implement development projects and manage large portfolios, slowing down project implementation and increasing the cost of IFI engagement. Procurement is a systemic challenge in the region due to institutional capacity gaps across CDB's member countries, small markets and weak competitive pressure, raising costs and creating important challenges for the implementation of development projects.

Despite the fact that nearly all countries in the region are classified as Middle-Income or High-Income, several of CDB's BMCs face persistent multi-dimensional poverty and inequality. Across the Caribbean as a whole, poverty rates vary from country to country but average between 26 and 30% of the population.³ Even High-Income Countries such as Barbados experience significant pockets of poverty and vulnerability. Despite these challenges, Caribbean states often face difficulty accessing concessional resources to address poverty and respond to frequent natural disasters and other hazard events.

1. [Board of Governors | Caribbean Development Bank](#)

2. [Board of Directors | Caribbean Development Bank](#)

3. [Poverty Alleviation | Caribbean Development Bank; Poverty and Governance | United Nations Development Programme](#)

These myriad challenges contributed to the Bridgetown Initiative, a 2022 proposal led by the Prime Minister of Barbados to reform the international development finance architecture and enable developing and climate-vulnerable countries to access more affordable finance for climate action and development. Key proposals include faster debt restructuring mechanisms, the inclusion of disaster clauses in loans that pause debt repayment after natural hazard events, expanded concessional loans and grants for climate-vulnerable countries and dedicated financing for climate mitigation, adaptation and rebuilding (Government of Barbados, 2022). CDB has been a strong advocate for these reforms based on their experience working across the region.

Financial Model

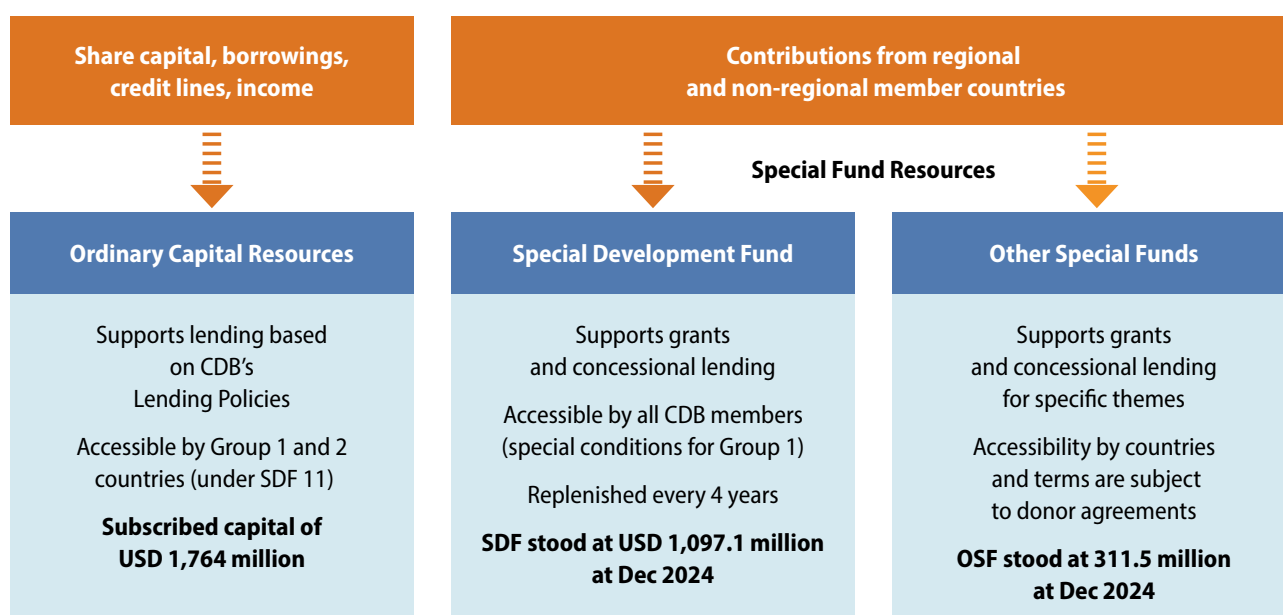
CDB's operations are financed through two resource categories: Ordinary Capital Resources (OCR) and Special Funds Resources (SFR) (See Figure 3).

CDB's OCR is funded by the Bank's share capital, borrowings from capital markets, credit lines from commercial banks and other multilateral institutions, and internally generated funds. These resources are used primarily to provide non-concessional loans to public sector clients. As of December 31, 2024, CDB reported a total subscribed capital of \$1,764 million, of which \$1,375 million is callable capital and \$389 million is paid-in capital (CDB 2025d). All but one BMC, Haiti, are eligible to receive OCR.

The Bank's SFR comprise its pool of concessional resources. These resources include: (i) the Special Development Fund (SDF), which is supported by contributions from both regional and non-regional countries; and (ii) Other Special Funds (OSF), which are financed through both reimbursable and non-reimbursable contributions. These funds are used to support projects in less developed and/or vulnerable BMCs on more favourable financial terms.

CDB's SDF is replenished every four years through formal negotiations with its contributors. Donor negotiations help establish the total size of the replenishment, individual donor contributions and policy priorities and operational guidelines. Notably, CDB's Lending Policies identify eligibility for SDF resources across three groups of countries based on income status and vulnerabilities.

FIGURE 3. CDB'S OCR AND SFR RESOURCES



Source: CDB (2024) "Sources of Funds – Key Terms and Conditions" (internal document).

As an example, the Country Groups and Terms of Lending for SDF-11, negotiated among CDB members, are presented in Table 2, below. For SDF-11, Group 1 countries are able to access SDF grants for programming pertaining to capacity building (if part of regional programming), environmental resilience, private sector development (if part of regional programming) and gender equality. Group 1 countries are able to access SDF loans for programming pertaining to environmental resilience. Additionally, SDF 11 includes a USD 4 million set-aside for programming involving regional entities which may include Group 1 countries. These allocations demonstrate CDB's comparative advantage in channelling concessional resources to all BMCs, particularly to support environmental resilience.

Beyond the SDF, CDB administers a range of Programmes and Funds that support investments in sustainable infrastructure, sustainable energy, climate resilience, disaster response, food security, MSME development and poverty reduction among vulnerable communities.

The SDF and OSF are primarily channelled to CDB's less developed member countries, offering concessional financing with lower interest rates and longer maturities. However, CDB is unique in being able to channel concessional resources to all of its members, including Middle-Income (MICs), Upper Middle-Income (UMICs) and High-Income Countries (HICs). This is based on an allocation formula that considers the multidimensional vulnerability faced by CDB's BMCs (CDB 2024e).

This ability to channel concessional resources to its BMCs, including through blending with OCR resources, is a key aspect of CDB's comparative advantage to address development challenges across the Caribbean region. Furthermore, this capability aligns to the Bridgetown Initiative by increasing access to low-cost, long-term financing for vulnerable countries, regardless of income status, including to address climate resilience and rapid countercyclical support during shocks.

TABLE 2. COUNTRY GROUPS AND TERMS OF LENDING FOR SDF 11

Country Group	Countries	Terms of Lending
Group 1 (Mainly OCR)	Anguilla Antigua and Barbuda The Bahamas British Virgin Islands Cayman Islands Guyana Montserrat St Kitts and Nevis Turks and Caicos Islands Trinidad and Tobago	Interest Rate – 1% Max Grace Period – 5 years Max Overall Maturity – 25 years
Group 2 (Blend of SDF and OCR)	Barbados Belize Dominica Grenada Jamaica Saint Lucia Saint Vincent and the Grenadines Suriname	Interest rate – 0.75% Max Grace Period – 5 years Max Overall Maturity – 35 years
Group 3 (Mainly SDF)	Haiti	5.6

Source: https://www.caribank.org/sites/default/files/publicationresources/ContributorsReportSDF11_redacted.pdf

BUSINESS MODEL AND OPERATIONS

CDB partners with its BMCs through a country-driven business model. CDB convenes multi-year Country Engagement Strategies (CES) with its BMCs to guide the development of its pipeline of operations.

Development of each CES is based on a country diagnostics and analysis, including an assessment of macroeconomic conditions, fiscal space, sector challenges and key vulnerabilities. A review of national priorities and dialogue with BMC counterparts helps ensure alignment of the CES with each BMC's development plan, sector strategies and policy frameworks. Stakeholder consultations are undertaken with a number of partners, including with government counterparts, private sector, civil society and development partners.

CDB supports BMCs through a range of instruments, including: (i) sovereign investment lending; (ii) policy-based lending (budget and sector support); (iii) emergency and contingent financing, including emergency loans and grants following natural hazard events; (iv) grants and concessional financing, particularly through its SDF; (v) technical assistance grants and loans; (vi) non-sovereign (private sector) financing, including direct loans and lines of credit for financial institutions and unfunded risk participation agreements; and (vii) blended finance to mobilise capital. CDB is increasingly exploring the use of guarantees, contingent financing and climate-resilient debt clauses to scale-up its support for regional resilience in line with its recently approved TYS.

Following approval, the Bank works with each BMC to translate the CES into an operational programme and a rolling pipeline of operations. CDB supports the preparation and appraisal of projects, including feasibility studies, technical design, safeguards analysis and institutional capacity assessments. Following loan structuring and approval by the Board of Directors, CDB conducts regular supervision of projects to support implementation, address risks and bottlenecks and monitor progress towards results. Following completion, Project Completion Reports assess performance, results and lessons learned.



2025 Annual News Conference

Daniel Best, CDB president during the 2025 Annual News conference at the SDF Replenishment Discussion.

Photo: © CDB

CDB's portfolio centres on six broad sectors of operations:

- **Transport:** including roads, airports and ports;
- **Education and human capital:** including school infrastructure, skills development and TVET;
- **Water, sanitation and urban development:** including water supply and wastewater systems, urban infrastructure and flood mitigation;
- **Energy:** including renewable energy, power generation, transmission and energy efficiency;
- **Agriculture and rural development:** including agricultural value chains, food security and rural livelihoods;
- **Multi-sector and social protection:** including policy-based operations, public sector reform and social protection and community development.

Beyond these sectors, CDB also provides support through non-sovereign operations. CDB's non-sovereign operations have predominantly involved lines of credit; however, CDB is actively seeking to scale up private sector engagement, including through project finance.

CDB's dominant sectors of operation by proportion of the ongoing portfolio include transport (30-35%), education (15-20%) and water support and sanitation (15-20%) (CDB 2021a, 2022a, 2023a, 2024b, 2025a).

Following a record-breaking level of approvals in 2020, CDB's annual commitments decreased during the aftermath of the pandemic but have been returning to pre-pandemic levels and are growing steadily, supporting consistent growth in the portfolio under implementation.

TABLE 3. OPERATIONAL TRENDS 2020-2025 (USD MILLIONS)

Indicator	2020	2021	2022	2023	2024	2025 (est)
Approvals	557.2	161.4	174.5	461.6	303.5	464.6
OCR Loans	223.9	36.5	58.7	285.2	132.2	325.8
SFR Total	333.3	124.9	115.8	176.4	171.3	139.1
SFR Loans	173.0	34.7	41.7	102.8	112.7	38.8
SFR Grants	38.4	59.9	42.1	52.8	58.6	89.8
SFR equity investment	–	–	–	–	–	10.5
UKCIF Grants	121.9	30.3	32.0	20.8	–	–
Portfolio under Implementation (including PBLs)	1552.8	1665.0	1583.6	1820.9	1860.2	2138.7
Disbursements	132.7	141.7	256.5	405.4	312.3	462.4

Source: CDB Annual Reports (2020-2025)

Organisational Structure

CDB is Headquartered in Bridgetown, Barbados and opened a country office in Port-au-Prince Haiti in 2018. As of December 2025, CDB has a relatively small number of staff at 268. This number accounts for 7% of the staff complement of the African Development Bank and 1% of the staff complement of the World Bank Group. Although CDB's overall staff complement is smaller than other IFIs, it has a larger staff presence in the Caribbean region than other institutions. CDB's leadership structure is also lean compared to other IFIs, which typically have multiple Vice



Presidents covering different regions, sectors and functions. Each of CDB's Vice Presidents oversee a wide range of functions and activities.

CDB's organisational structure is anchored around two Vice Presidents who report to CDB's President. The Vice-President for Operations (VPO) oversees the Bank's overall strategic plan, lending operations and economic programming (See Figure 4). This office is responsible for the Strategy and Development Effectiveness Department (SDED),⁴ the Economics Department, the Projects Department and Infrastructure Partnerships programme. The Private Sector Division, formerly part of the Project Department, now reports to the Office of the VPO. Together, these units drive the Bank's development agenda, manage project implementation, and support the delivery of technical and financial assistance and policy advice to BMCs.

The Vice-President for Corporate Services is responsible for strategic planning, development, and delivery of the Bank's corporate and financial services. This includes oversight of the Finance Department, the Legal Department, the Information and Technology Solutions Department, Human Resources and Administration Department, the Communications and Corporate Affairs Department, and the Content Management and Disclosure Unit. These departments collectively support the Bank's internal operations and with the objective of ensuring sound financial stewardship, and efficient deployment of institutional resources.

The Office of Independent Evaluation (OIE), the Internal Audit Division (IAD), and the Office of Integrity, Compliance and Accountability (ICA) report directly to the Board with a reporting line to the President for certain administrative matters only.⁵ The Office of Risk Management and the Bank Secretariat Unit also report directly to the President. These units play an important role in maintaining transparency, accountability, and risk mitigation across the Bank's operations.⁶

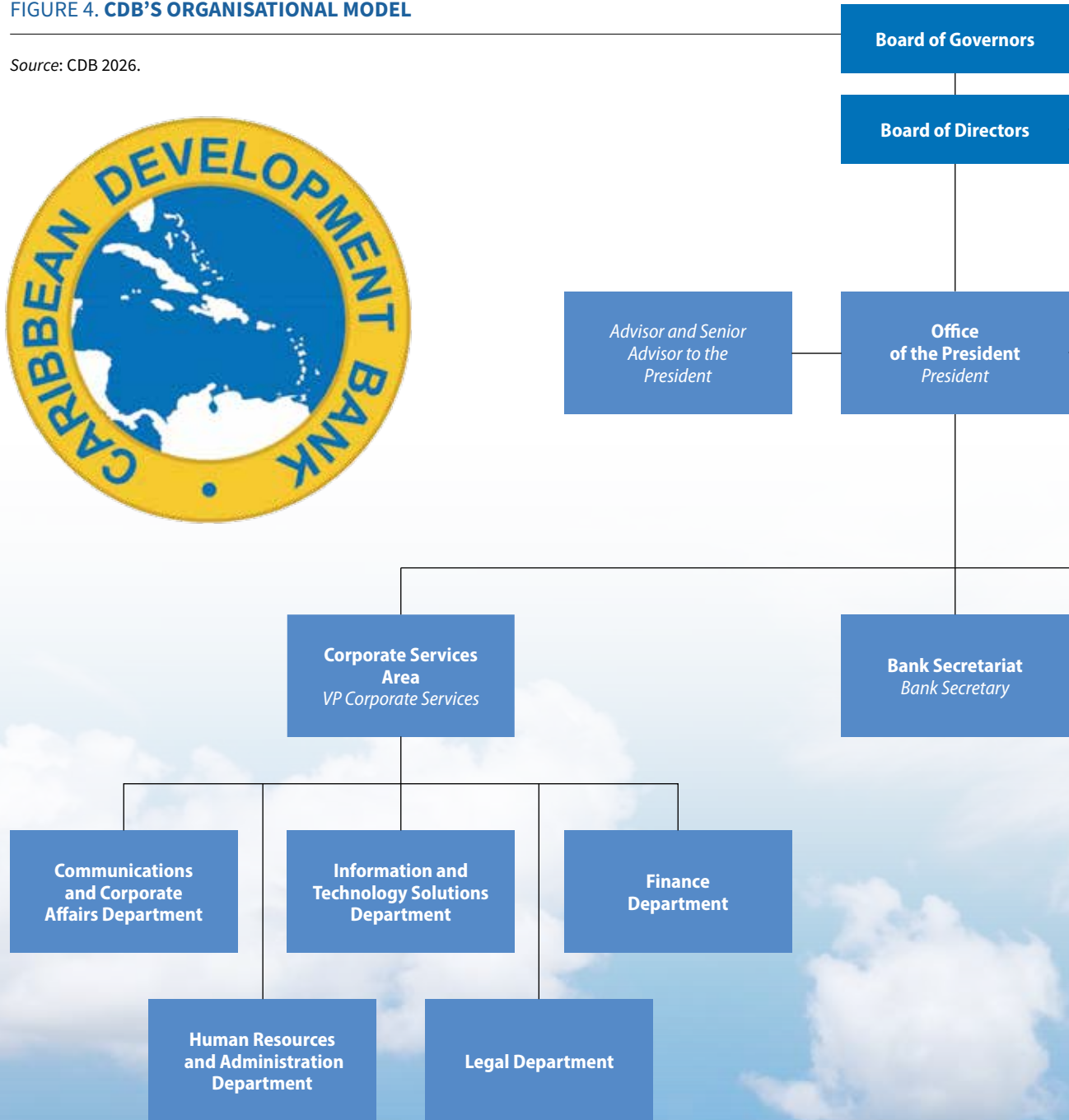
4. This office was previously the Strategy and Accountability Office prior to 2026.

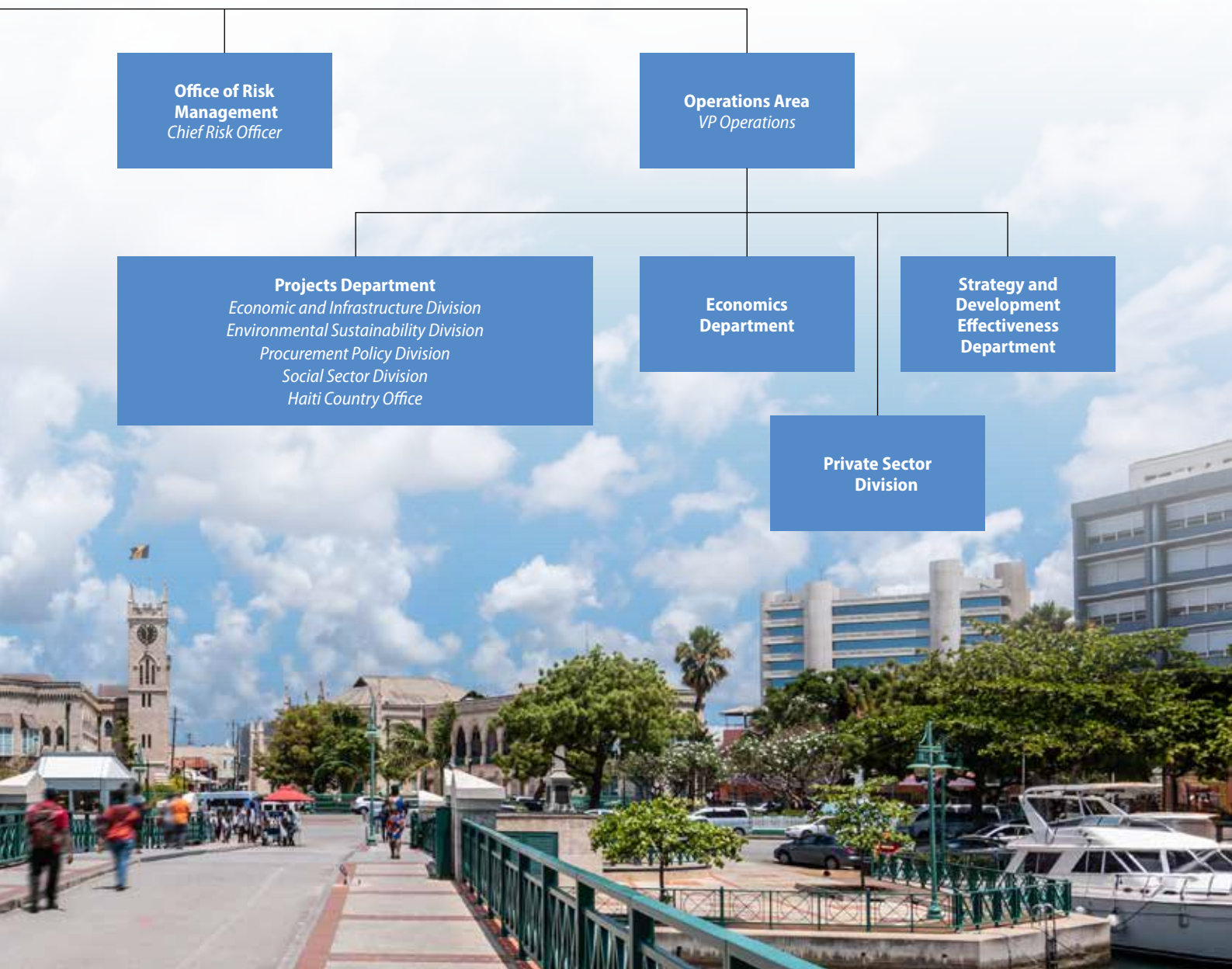
5. In 2025, it was concluded that performance evidence for the heads of independent functions would be addressed by the Board's Development Effectiveness Committee and the Oversight and Assurance Committee (OAC). However, this decision has not yet been actioned in the Terms of Reference for either Committee. The independent functions continue to report to the President for administrative purposes.

6. [Bank Organisation | Caribbean Development Bank](#)

FIGURE 4. CDB'S ORGANISATIONAL MODEL

Source: CDB 2026.





Budget

Each year, CDB submits an annual two-year rolling budget proposal to the Board of Directors (CDB 2021c, 2023c, 2024d, 2025c).

The annual budget includes: (i) an internal administrative budget that covers operational and administrative expenses, including staff-related costs, staff and external consultants, business travel, communications and office supplies and (ii) a capital expenditure budget that includes IT systems investment, headquarters and the Haiti Office. Other expenses include costs related to the Board of Governors and Directors and the budgets of OIE, IAD and ICA (Table 4).

TABLE 4. CDB ANNUAL BUDGET (USD MILLION 2020-2025)

	2020	2021	2022	2023	2024	2025	2026
Total Administrative Budget	36.25	31.09	34.29	39.21	47.28	53.56	63.17
of which Staff Budget	21.91	20.24	22.75	25.33	28.54	31.20	36.87
of which Board Budget	0.63	0.55	0.35	0.62	0.87	0.81	0.99
of which Other Administrative Expenses	8.47	8.75	9.87	11.96	14.00	14.27	17.09
of which Independent Functions	–	–	–	–	2.07	4.06	4.72

Source: Caribbean Development Bank, Work Programme, and Administrative and Capital Budgets (2022-2024, 2024-2025, 2025-2026, 2026-2027).

CDB's administrative budget grew at an annual rate of 2.90% (Compound Annual Growth, USD, real numbers) between 2019 and 2025, roughly in line with the growth of its portfolio under implementation. However, CDB's staff budget only grew at a rate of 0.8% annually until 2025 and 2026 when an intervention was made to increase the proposed budget based on workload concerns. Prior to 2023, CDB did not identify a separate budget for its independent functions (OIE, IAD and ICA).



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ASSESSMENT CONCLUSIONS AND FUTURE TRAJECTORY





4.99

6.69

6.69

Cabbage

Fresh CABBAGE

Cabbage

This chapter reflects upon CDB’s operating context and its current and future challenges. It highlights the strengths and good practices that have been demonstrated throughout the assessment period and identifies opportunities for further strengthening. The chapter concludes with lessons and considerations for CDB’s future trajectory. These insights build upon a more detailed analysis against MOPAN’s assessment framework, presented in Chapter 3.

NAVIGATING AN INCREASINGLY COMPLEX OPERATING ENVIRONMENT IN THE CARIBBEAN

CDB is confronted with an increasingly complex and risk-prone operating context. This shift reflects the intensification of pre-existing structural challenges and vulnerabilities across the Caribbean. The COVID-19 pandemic resulted in one of the sharpest economic contractions in the region’s history, with some countries experiencing a double-digit fall in GDP in 2020 (ECLAC, 2021a; CDB, 2021d). Key sectors such as tourism, transport and construction were heavily impacted while supply chain disruptions markedly increased the cost of imports, including food and energy. The pandemic placed significant strain on public finances as declining revenues were accompanied by increased expenditure needs, including for emergency financing. For many Caribbean countries already facing heavy debt burdens, these developments further constrained fiscal space and increased vulnerability to shocks alongside the cost of ongoing debt service and financing (ECLAC, 2024; OECD, 2025).

The aftermath of the pandemic has had pervasive and long-lasting impacts on social development and multi-dimensional poverty. Poverty rates increased in several countries, particularly among informal sector workers, women, youth and other vulnerable groups. Prolonged disruption of education systems and uneven access to remote learning has exacerbated existing inequalities (ECLAC, 2021). This has contributed to increasing severity of other social challenges, including gender-based violence, mental health issues, unemployment and crime rates, placing further strain on countries’ GDP. Over time, these challenges are creating a risk of entrenched vulnerability (OECD 2025, IDB, 2024, UNDP 2025). Following the pandemic, the region’s financing needs increased significantly, reaching USD 10 billion annually as of 2020 with an expectation that financing needs will remain elevated through to 2030 (CDB 2026).

Climate-related risks across the Caribbean have materialised with greater frequency and severity. Successive hurricane seasons have included stronger and more erratic storms with repeated impacts (OECD, 2023; Climate Analytics, 2024). These events have caused widespread damage to critical infrastructure, often reversing development gains. Furthermore, they have shortened recovery windows between disasters, reducing countries’ capacity to rebuild and contributing to cumulative disaster impacts. Beyond hurricanes, Caribbean countries have contended with greater incidence of flooding and drought conditions, accelerated sea-level rise and coastal degradation. The economic impacts of these events have been substantial and recurrent, further contributing to rising public debt, discouraging private investment and increasing insurance costs. On average, climate-related events are estimated to impose annual socio-economic costs equivalent to 2.13% of GDP across the Caribbean, but for the hardest hit economies, this figure can reach 20% for a single year (OECD 2025, UNDP, 2025).

The Caribbean private sector remains constrained by structural and systemic barriers that limit its contribution to sustainable development. Weak private sector ecosystems result in low productivity and elevated cost structures that limit investment opportunities and exacerbate vulnerability to external shocks (OECD, 2025). Firms also face persistent constraints including limited access to finance, skills mismatches, infrastructure gaps, and high informality. While there is growing potential in areas such as renewable energy, digitalisation, and regional integration, the investment environment remains uneven. There is a need for stronger policy frameworks, improved competitiveness, and better coordination to enable the private sector to effectively support a sustainable and resilient development transition.

Vulnerabilities characteristic of Caribbean countries also contribute to implementation challenges for development partners. Institutional capacity constraints among BMCs create challenges for project preparation, procurement, implementation and monitoring. Implementation delays are common (OECD, 2025; CDB, 2025h). Limited

economies of scale make it challenging to identify cost-effective interventions. Logistical constraints and limited size and capacity of regional companies, compounded by institutional capacity gaps among public administrations, contribute to lengthy, complicated and expensive procurement processes relative to the overall scale of risk. With high debt loads and limited access to concessional financing, Caribbean countries face challenges in accessing finance with limited capacity to borrow on the typical terms offered to Middle and High-Income Countries by most IFIs. At the same time, the nature of the contextual challenges these countries face call for flexible engagement that is sustained over the long-term.

Resilience has become a central feature of development policy across the region. This shift includes renewed recognition that the Caribbean faces persistent and compounding vulnerabilities. Governments have increasingly prioritised resilience as not only a response to repeated shocks, but as a core objective of national development strategies (CDB 2026). This focus includes whole-of-government approaches that seek to build resilience across sectors. At the regional and international level, Caribbean countries have advocated for resilience-oriented reforms, most notably through the Bridgetown Initiative and establishment of the Loss and Damage Relief Fund (See Box 2).

The perception of insufficient responsiveness to these proposals in terms of scale, speed and ambition has driven increased reliance on regional partnerships and institutions, including CDB. Caribbean leaders have repeatedly highlighted gaps in the pace and scale of reforms to the international financial architecture, noting limited progress on concessional financing, debt relief, and climate finance commitments. In this context, regional institutions are seen as more attuned to local vulnerabilities and better positioned to provide tailored, flexible support. As a result, CDB's role as a trusted, regionally anchored development partner has become increasingly central in advancing resilience-focused investments and policy responses aligned with regional priorities.

RESILIENCE AS AN ORGANISING PRINCIPLE: POSITIONING CDB AS THE PREFERRED PARTNER IN THE CARIBBEAN

CDB's institutional vision has increasingly placed resilience at the centre of its work, aligning to the broader regional context. In the aftermath of the pandemic, CDB released a 2022-24 update of its Strategic Plan (2022-2024 SPU) to place resilience more centrally in its strategic and operational approach. In contrast, resilience was positioned as a cross-cutting principle of its 2020-24 Strategy (CDB, 2019a). However, the pandemic highlighted the extent to which BMCs face compounded and inter-related risks. There was a clear need for development partners to support not only sustainable development, but also crisis response, recovery and preparedness in a more integrated way. The SPU placed greater emphasis on strengthening countries' ability to anticipate, absorb, adapt to and recover from shocks by addressing the social, environmental, economic and institutional dimensions of resilience (CDB, 2021a).

Resilience has also become a central pillar of CDB's internal reform trajectory. In 2019, CDB launched an IT Strategy and Transformation Programme to roll out integrated digital systems and support more efficient processes, improved data management and enhanced institutional resilience and oversight (CDB, 2019b; CDB 2021c). The SPU positioned "operational resilience" as a critical enabler of CDB's ability to respond to the needs of BMCs in a more volatile and shock-prone environment. Additionally, CDB expanded its use of instruments such as policy-based lending, emergency financing, rapid-disbursing support and more adaptive programmatic approaches to help countries manage crises. Emphasis was placed on addressing long-standing challenges with the speed and efficiency of project processing and implementation, recognising that greater flexibility and responsiveness and deeper country engagement would be a critical requirement. This involved the launch of an in-depth implementation study to diagnose internal and external implementation bottlenecks and identify potential solutions.

CDB's new President has signalled a vision of "rebirth" for the institution. Delivery of measures to enhance operational resilience were stymied by the early departure of its previous President Dr Hyginus Leon in 2024. Mr. Daniel M. Best was elected as President of CDB in December 2024 and assumed office in February 2025. In assuming

Box 3. The Bridgetown Initiative: Reforming Global Finance for Vulnerable States

The **Bridgetown Initiative** emerged in response to mounting global crises—particularly the intersection of climate vulnerability, rising sovereign debt, and insufficient development finance affecting small island and developing states. In July 2022, Barbados Prime Minister Mia Mottley convened a high-level retreat in Bridgetown, where proposals to reform the global financial system coalesced into a broader agenda, later formally launched at COP27. These ideas were shaped by preceding shocks, including COVID-19, escalating climate disasters, and structural inequities in the post-1940s international financial architecture, which many argued had become “unfit for purpose” for today’s risks.

The initiative’s central objective is to **reform the international financial architecture** to better support climate-vulnerable and debt-constrained countries. Core proposals include expanding concessional financing, mobilising large-scale public and private capital (including up to \$1 trillion from multilateral development banks), introducing debt relief and “debt pause” clauses after disasters, reallocating IMF Special Drawing Rights, and establishing mechanisms such as a loss-and-damage fund and climate mitigation trust. More broadly, the initiative aims to align global finance with climate resilience, sustainable development goals, and greater equity between the Global North and South.

Since its launch, the Bridgetown Initiative has influenced global policy debates and driven partial reforms. Notable outcomes include the creation of the IMF’s Resilience and Sustainability Trust, commitments to re-channel Special Drawing Rights, the introduction of disaster clauses in lending, and the establishment of a Loss and Damage Fund at COP28. While progress remains incremental and key proposals - such as large-scale debt restructuring and expanded concessional finance—are still evolving, the initiative has become a major catalyst for rethinking global development and climate finance systems.

Source: <https://pmo.gov.bb/wp-content/uploads/2022/10/The-2022-Bridgetown-Initiative.pdf>

this role, he articulated a vision for CDB’s “rebirth” around three pillars: (i) innovate, including through financial, operational and digital innovation; (ii) transform, by driving structural change in Caribbean economies and societies and within CDB; and (iii) thrive, by ensuring that both CDB and its member countries are resilient and sustainable over the long term.¹

This journey has culminated in the launch of CDB’s Ten-Year Strategy (2026-35; TYS). The TYS is framed around “Transforming the Caribbean for Resilience” and sets an ambitious long-term vision that integrates development, climate and institutional priorities under a unified framework (CDB, 2026). The Strategy identifies social resilience, economic resilience and environmental resilience as integrated strategic objectives, accompanied by three operational priorities: (i) investing in youth; (ii) strengthening institutions; and (iii) accelerating climate action. Gender, digital transformation and innovation and regional integration are identified as cross-cutting themes. The TYS includes a comprehensive – and resourced – reform agenda to enable its delivery.

This MOPAN assessment was positioned to support the finalisation of CDB’s TYS. MOPAN worked closely with CDB focal points throughout the delivery of the assessment to support the development of the strategy. The assessment’s emerging findings were timed to support critical discussions between CDB’s management and Board of Directors. The assessment has helped shape institutional priorities for the TYS, including an institutional reform trajectory, and the rolling budget for 2026-27. This report reflects CDB’s opportunities and challenges and provides additional insights into how CDB and its members can better position the institution to deliver its new strategic vision.

1. [CDB President Daniel Best Unveils Bold Vision to Drive Caribbean Transformation | Caribbean Development Bank](#)



The development of CDB's TYS has built upon multiple external evidence-based reviews to set the future direction. Beyond the MOPAN assessment, CDB has conducted market studies, client surveys a governance review and an in-depth implementation study to build a robust base of evidence for its strategy and related institutional reforms. These analyses have contributed to a stronger understanding of: (i) CDB's perceived comparative advantage among its BMCs; (ii) areas where its BMC clients would like CDB to strengthen its performance; (iii) how the external and institutional context contribute to implementation challenges; and (iv) opportunities to enhance alignment to good practice for governance and accountability functions. The strategy process has been participatory with a clear focus on identifying and responding to the diverse needs of CDB's members.

BUILDING ON A STRONG FOUNDATION FOR RESILIENCE: CDB'S AREAS OF STRENGTH

CDB's institutional strengths underpin its relevance to the region and institutional sustainability. Whatever other challenges multilateral organisations face, having a clear comparative advantage and strong financial sustainability are essential features that underpin the rationale for a continued mandate. These features provide a foundation for members to continue to invest and engage in addressing other institutional challenges.

CDB's partners recognise its comparative advantage in the region as the Caribbean's indigenous IFI.

CDB is recognised among its partners as a preferred partner with a unique understanding of the Caribbean context. This advantage has been confirmed on multiple occasions through external surveys of CDB's BMCs and consultations feeding into the development of the TYS. In particular, CDB is recognised for its understanding of the local development context and the lived realities of beneficiaries across the region. BMCs stakeholders consulted during country visits noted that CDB has a deeper understanding of the implementation context and challenges across the region compared to other partners. In particular, stakeholders note that CDB has a better understanding of government and community contexts, including more realistic and community-driven project designs. Partners, including other IFIs, noted CDB's strong government relationships with an ability to "open doors," connecting them to the right stakeholders in BMC governments. For example, partnering with CDB enables the Inter-American Development Bank (IDB) to work with OECs states that are otherwise not members of the institution.

Additionally, CDB has a unique capability to channel concessional resources to its debt-constrained members.

Through its Basic Needs Trust Fund (BNTF) and blending of SDF, OSF and OCR resources, CDB is able to support its BMCs on more favourable terms than other partners – including in MICs (CDB, 2016; CDB, 2021b; CDB, 2024b). CDB's lending policies enable all CDB members to access SDF resources under specific circumstances, including enabling some High-Income Countries (HIC), to access concessional funds to address climate change resilience and disaster responses. As noted above, this capability to channel concessional resources is particularly relevant to CDB's operating context, as several of its BMCs carry significant debt burdens. Some stakeholders raised concern that CDB may be crowded out by other IFIs whose footprint in the region is expanding. However, BMC partners consulted through country visits emphasised CDB's role in enabling large infrastructure investments that would otherwise not move forward by enhancing the overall financing terms of the project.

CDB's partners recognise its comparative advantage in supporting disaster response, capacity development and holistic, community-led approaches.

Alongside its enhanced understanding of the regional context, partners recognise CDB's positioning to deliver investments that address both infrastructure gaps and underlying social issues that contribute to multidimensional poverty. CDB is known for implementing community-led project designs and monitoring arrangements that promote inclusion and ownership. Because of this unique ability to channel concessional finance to their MIC and HIC partners, they are better able to engage in sectors such as water and sanitation and education where the financing terms of other partners are seen as prohibitively costly.

CDB's TYS provides a more comprehensive analysis of its role in promoting resilience in the region.

Building upon CDB's role as the Caribbean region's sole indigenous DFI, the TYS identifies its comparative advantage in terms of: (i) its reputation as a trusted partner mandated to serve the entire region; (ii) its regional proximity and institutional credibility, including its access to BMC governments and deep understanding of development challenges, culture, political economy and institutional realities; (iii) its track record of convening stakeholders to address regional challenges and sharing lessons from operating in the region; and (iv) its catalytic role in mobilising resources for the region, linked to a unique ability to channel blended and concessional resources to its members.

CDB's strong financial position provides a foundation for growth.

CDB's financial framework and capital position helps position them to deliver on its ambitious vision. CDB's strong capital position is central to its ability to scale up lending and respond to increasing financing needs of its BMCs. CDB has maintained ratings of AA+/Stable (S&P, 2025), Aa1/Stable (Moody's, 2025) and AA+/Stable (Fitch, 2025), even in the aftermath of the pandemic. This performance is notable for a smaller financial institution. Beyond these ratings, CDB has maintained consistently strong capital and liquidity ratios and has maintained its credit exposures in line with its prudential limits. This has included implementation of strong treasury borrowing and balance sheet optimisation strategies (e.g. Exposure Exchange Agreements (EEAs) and an upcoming First Loss Portfolio Credit Guarantee) with the aim of reducing credit and concentration risk and expanding new financing headroom. CDB has a very low rate of non-performing loans (NPLs) at less than 1% of its portfolio (CDB, 2025g).

An enhanced Capital Adequacy Framework and Risk Appetite Framework (RAF), reflect best practice among AAA-rated IFIs and G20 MDB Reform priorities.

Over the assessment period, CDB has consistently implemented leading capital management practices to manage financial and non-financial risks and enhance lending headroom. In 2021, CDB moved to a Risk Adjusted Capital (RAC) methodology aligned to Standard & Poor's ratings methodology (CDB, 2025a; 2025g). CDB is now taking steps to enhance the RAC methodology by adopting an Economic Capital approach (ECAP) that considers a broader range of institutional and market risks with greater precision alongside a new Risk Appetite Framework (RAF). These new approaches will enable CDB to implement rigorous stress testing, obtain a more detailed picture of its deployable strategic capital and challenge rating agencies' assessments (CDB 2025a). This system, approved in 2025, places CDB on par with AAA-rated MDBs to help further strengthen its agency ratings and enable it to provide financing on beneficial terms.

Innovative financial partnerships have been leveraged to expand CDB's financing capacity. In May 2025, CDB and the Central American Bank for Economic Integration (CABEI) signed an EEA for a USD 450 million synthetic exchange of sovereign loan exposures, helping to reduce CDB's concentration risk and further expand its financing headroom (CDB, 2025g). Further EEAs are being envisaged in future depending on the evolution of CDB's sovereign portfolio. CDB is also negotiating a USD 200 million first loss portfolio guarantee with Canada expected to unlock up to USD 400 million in sustainable lending capacity.

Key accountability and oversight functions have been strengthened.

CDB's independent evaluation function has been reinforced to align with good practice. CDB's OIE provides its reports directly to the Board of Directors and its independence has long been enshrined in the Evaluation Policy. However, at the outset of the assessment period, OIE faced several limitations to its functional and operational independence. Important resource gaps constrained OIE's ability to deliver timely and relevant evaluations and follow-up on recommendations (CDB, 2024a). OIE's budget was subsumed within the broader institutional budget, masking the seriousness of under-resourcing that limited full coverage of CDB's portfolio. Completed evaluations have not always been delivered to the Board in a timely way, preventing subsequent public dissemination.

Recent changes have strengthened OIE's positioning to deliver its mandate effectively. OIE's budget is now approved separately by the Board's Development Effectiveness Committee (DEC). A new Evaluation Policy reinforces OIE's independence, strengthening its ability to access data and share its reports with the Board and general public (CDB, 2025d). Important efforts have been made to streamline evaluation reports, enhance their timeliness and strengthen the quality of recommendations, contributing to enhanced engagement with management. OIE is now in a stronger position to deliver its mandate to strengthen accountability and support learning across the institution.

CDB has taken important steps to strengthen its risk management and accountability ecosystem. A new Enterprise Risk Management Framework (ERMF) and Risk Appetite Framework (RAF) clarifies roles and responsibilities across all three lines of defence, including upgraded risk reporting systems and analytics (CDB 2025f; 2026). The Office of Risk Management (ORM) has been expanded from 2 staff to 10 staff to strengthen its second-line accountability role. Comprehensive reforms are underway to further strengthen operational risk management practices and cultivate a risk management culture across the institution. CDB also has a robust policy framework underpinning its compliance, ethics and integrity functions, including Whistleblower Protections (CDB 2015a; 2015b). The Office of Integrity, Compliance and Accountability (ICA) is in the process of being reinforced, including a planned increase of its staff complement in 2026 and the ongoing recruitment of a dedicated ethics officer (CDB, 2025e).

Good progress has been made in strengthening results systems, yet more work remains in cultivating a results culture. Important steps have been taken to strengthen CDB's systems and approaches for Results Based Management, including: (i) the recruitment of a dedicated expert to advise operational teams; (ii) scaling-up of staff training and guidance, including for self-evaluation; (iii) efforts to improve the availability of baseline and aggregated data; (iv) more systematic project completion reports; and (v) strengthening of the corporate results framework and harmonisation of indicators with other IFIs. Going forward, CDB has promising plans to support regional capacity development for stronger RBM – an important constraint to demonstrating the results of CDB's operations. Greater uptake of remote and digital monitoring methods, including AI-powered tools is being explored to enhance supervision quality.

Digitalisation of processes have promoted agility, resilience and collaboration.

The adoption of integrated information management systems has served as a driver of change. CDB has undertaken a transformation of its digital systems under its 2019 IT Strategy (CDB, 2019b). This initiative was intended to: (i) position data as a strategic asset; (ii) support staff productivity, client relationship management and collaboration; and (iii) support business resilience through systems integration, cloud adoption and enhanced cyber

security. These investments carried a central aim of supporting efficient processes, evidence-based decision-making and organisational performance. A notable example includes the roll out of OP365, an integrated end-to-end system that has digitised the management of CDBs ongoing engagement with BMCs and enabled real-time operational and management dashboards to support evidence-based decision-making. These changes are part of a gradual cultural shift toward enhancing results-based and data-driven management.

CDB is further advancing its digital transformation by introducing a client portal and procurement portal to streamline engagement with BMCs and partners. These platforms are designed to centralise communication, document exchange, and workflow management, improving transparency and reducing processing times across the project cycle. The client portal enables real-time access to project information, facilitating more responsive collaboration and decision-making. In parallel, the procurement portal supports more efficient, standardised, and transparent procurement processes, including bidding, contract management, and supplier interaction. The roll-out of these initiatives remains nascent, but they provide important opportunities to enhance efficiency and responsiveness.

These changes have helped position CDB for institutional resilience; however, implementation of further institutional reform remains critical. CDB has the strategic vision, systems and financial stability to deliver on the TYS. The reform programme that accompanies the TYS promotes the adoption of good practices in the areas of human resources management, budget, partnerships, results and knowledge management (CDB, 2026). As explored in the next section, CDB now must move to implement this ambitious vision, creating a culture of resilience so that it fully delivers on the promise of CDB’s “rebirth.”

DRIVING A CULTURE OF RESILIENCE: ADDRESSING CDB’S INSTITUTIONAL CHALLENGES

Despite the progress noted above, CDB demonstrates complex and diffuse challenges across the institution. These challenges are interconnected, mutually reinforcing and limit CDB’s ability to deliver sustainable results efficiently. Observed challenges include the following issues:



- The operational policy framework is outdated and has not been officially revised since 2014, with stakeholders identifying that it no longer guides practice across the institution (CDB, 2014).
- Operations take considerable time to be processed and experience significant implementation delays following approval.
- Stakeholders in BMCs report uneven responsiveness from CDB, rigid policy frameworks, cumbersome processes and long decision times.
- Despite having robust policy frameworks for environmental and social safeguards and stakeholder engagement, follow-up remains uneven during implementation due to human resources gaps.
- CDB needs to reinforce its institutional capacity and approaches for addressing Sexual Exploitation and Abuse and Sexual Harassment in its operations, including more consistent follow-up of projects that demonstrate material risks.
- Progress in strengthening results-based management has been undermined by gaps in monitoring and supervision and data quality.
- Cross-cutting issues such as gender equality and climate resilience, as well as strategic priorities such as youth and regional integration, are not fully embedded in operations in line with institutional strategies.
- CDB does not systematically identify, curate and disseminate operational lessons nor apply these tangibly in the design of new operations.

These challenges erode CDB's ability to deliver on its unique comparative advantage in the region (See Box 3). Processing and implementation delays create important costs for debt-constrained BMCs and erode the benefits realised from concessional financing. In some cases, these challenges impact CDB's reputation and the willingness of BMC ministries to engage with them versus other partners. Despite being recognised for having a unique understanding of the Caribbean region, there are several opportunities for CDB to better capture, document, consolidate and disseminate this knowledge for the benefit of BMCs and other partners, including by strengthening learning loops for new operations.

Institutional challenges are exacerbated by a difficult implementing context. As highlighted by CDB's ongoing Implementation Study and consultation with stakeholders, BMCs face important challenges related to limited staffing, skills gaps and weaknesses in project management and procurement capacity. These contextual issues compound the impact of institutional challenges around implementation timeliness and responsiveness to bottlenecks, further exacerbating delays (CDB, 2025h). Furthermore, consultations with BMC stakeholders suggested that these challenges were more severe in Group 2 countries, which tend to be more vulnerable and have a higher reliance on CDB for blended finance.

CDB needs to address the underlying drivers of these challenges to fully deliver on its ambitions. The gap between the strategic vision and the institutional reality has widened over the assessment period. Enhanced headroom alone will not be sufficient to deliver on CDB's strategic vision and ambition. Delivering results will require the right processes, tools and accountability structures to ensure relevance and quality alongside sufficient human resources to manage implementation. This involves ensuring that the human resources complement is realistic to deliver the strategic vision but also that staff retained by CDB possess the necessary skills. Furthermore, institutional systems and processes must enable CDB to provide agile and responsive support. These changes can only be achieved through

Box 4. Key Insights from Engagement with BMC Stakeholders

As part of this assessment, MOPAN engaged with government stakeholders in five BMCs: (i) Belize; (ii) The Bahamas; (iii) Saint Vincent and the Grenadines; (iv) Barbados; and (v) Guyana. These stakeholders were asked to reflect on their experience working with CDB in the past five years. Common themes emerging from these discussions reflect the strengths and key challenges identified in this Chapter.

Across all discussions, stakeholders recognised CDB's deep knowledge and understanding of the Caribbean context, including cultural alignment, understanding of local realities, high levels of trust and strong relationships with governments. Other positive feedback included a focus on community-driven, holistic approaches to programming that promote ownership among beneficiaries and help address systemic development challenges underlying multi-dimensional poverty.

However, the consultations also revealed six common challenges BMCs face when engaging with CDB:

- **Speed, efficiency and responsiveness:** CDB was widely perceived by partners to be slow in approvals, no-objections, procurement and disbursement, with related processes seen as bureaucratic and requiring multiple layers of approvals – even in the context of emergency response. This limited responsiveness reduces agility, increases project costs and undermines impact.
- **Procurement-related delays:** Despite wide appreciation for the procurement training CDB provides, procurement systems are seen as overly complex, and poorly adapted to small markets, limiting local participation, raising costs and causing delays. BMC partners called for increased flexibility, simplified procedures and facilitating participation of local contractors to help better position CDB's fiduciary and procurement standards to reflect a challenging implementation context.
- **Weak implementation support:** BMCs noted CDB's rigid and outdated policy frameworks and lack of in-country presence as factors contributing to perceived lack of responsiveness. Furthermore, CDB is not as active as other partners in managing its portfolio of projects in BMCs with a limited track record of implementing portfolio reviews to address implementation bottlenecks. Fragmentation of focal points across projects was similarly noted as a factor which constrains portfolio-level coordination. BMCs require additional guidance and support in using new systems such as the client portal for these to fully contribute to enhanced engagement and implementation.
- **Capacity and institutional limitations:** All stakeholders reflected that the workload of CDB staff was a major challenge contributing to lack of responsiveness. In the absence of systemic processes supporting engagement, stakeholders noted that high rates of staff turnover exacerbated these challenges, contributing to the loss of relationships and institutional memory.
- **Selectivity and focus:** In recognising critical capacity gaps, some partners encouraged CDB to take a more selective approach, focusing on sectors where they have an established track record and comparative advantage, including transport and water supply and sanitation. This approach was also proposed as a means of enhancing efficiency and impact and fostering economies of scale for procurement activities.
- **Weak support for knowledge and policy reform:** CDB was not regarded as a prominent source of operational learning among partners with limited engagement around policy reform. Stakeholders felt that knowledge tended to be embedded in operations with respect to enhanced understanding of the implementation context but was not shared regionally. Demand was expressed for CDB to strengthen its role as a knowledge broker in areas such as climate resilience, infrastructure and social development, including by facilitating peer exchange among BMCs.



a broader institutional reform that is planned, resourced, sequenced and monitored. Should these challenges go unaddressed, they will increasingly limit CDB's ability to scale up its portfolio and deliver in a sustainable way.

CDB's comparative advantage is not being fully operationalised or leveraged through partnerships.

Engagement with BMCs has been fragmented rather than strategic. CDB produces Country Engagement Strategies (CES) which set out priority areas for engagement aligned to national priorities. However, CDB has limited regional presence aside from its Headquarters in Barbados and a country office in Haiti. Unlike other IFIs, CDB does not have country focal points or managers responsible for overseeing its portfolio in different countries. Interaction with BMCs tends to occur on a project-by-project basis with infrequent portfolio-level reviews to identify and address bottlenecks. Mid-term review of projects and annual reviews of country portfolios are not systematic. Neither projects nor CES are typically adjusted to respond to changes in context. CDB has made progress in implementing more regular country portfolio reviews. However, BMCs noted that the absence of a portfolio focal point contributes to disjointed support, long response times and weak follow-up of implementation challenges.

CDB lacks a clear strategy to guide how it realises additionality in partnerships. CDB has a track record of supporting regional initiatives alongside CARICOM, CDEMA and OECS in areas such as disaster response, trade facilitation and education. These initiatives have positioned CDB as a leader in promoting regional resilience through South-South collaboration. However, CDB's partnership approach has remained somewhat ad hoc. Work is under way to develop a resource mobilisation strategy, but there is limited strategic direction to guide other types of partnership. CDB's CES and sector strategies do not systematically address the role of partnerships, regional collaboration, in delivering results in BMCs. Similarly, although regional cooperation and integration (RCI) is part of CDB's mandate, CDB lacks a clear strategic vision, approach and dedicated resources to address this issue (CDB 2007). Finally, there is limited measurement of partnership outcomes, including mobilisation, cofinancing or regional spill-over effects.

Knowledge management remains fragmented and does not leverage CDB's unique understanding of the region.

As a preferred partner, agile delivery of relevant and impactful knowledge should be part of CDB's comparative advantage. There are positive examples of sector studies and other knowledge pieces taken up by BMCs and other IFIs. However, CDB does not systematically produce or disseminate knowledge products nor measure their uptake and use. Knowledge products rarely feature in CES or country pipelines, including to address potential gaps in policy or regulation. BMC stakeholders acknowledged this as an important gap in CDB's engagement that limits their potential contribution to transformative policy dialogue. Knowledge remains an important missed opportunity for operationalising CDB's unique understanding of the region, particularly to support national policies and planning.

Gaps in human resources management undermine delivery of CDB’s vision and ambition.

CDB’s human resources management systems do not support delivery of its strategic vision. The overall staff budget and staff numbers have not grown at a commensurate pace with annual approvals nor the portfolio under implementation (CDB, 2025e). Limited growth in staff numbers is reflective of broader challenges across HR management systems, limiting CDB’s ability to ensure human resources are positioned to deliver on strategic priorities. CDB has not completed a skills audit nor a strategic review of job descriptions. There is little visibility of the skills complement of its staff relative to emerging requirements. Investment in learning and training has decreased over the assessment period. Crucially, there is a limited understanding of the time required to perform critical operational tasks, an essential component of robust budgeting assumptions. In the absence of these foundational aspects of strategic staffing, CDB will continue to face important challenges in ensuring its resources are sufficient to deliver its strategic vision.

Human resources deficits contribute to delivery challenges across several organisational functions. Staff workload is recognised by CDB’s staff and partners as a critical challenge contributing to reduced responsiveness in operations. This issue has had a notable impact on the operationalisation of cross-cutting issues and strengthening of results-based management:

- Thematic experts working with issues such as gender, climate and youth face extremely heavy workloads. Sometimes, a single expert is responsible for engaging across CDB’s entire portfolio of 90 projects. Staffing gaps have further limited CDB’s ability to mature its approach to emerging cross-cutting and strategic priorities such as youth and digital transformation.
- High workloads and weak incentives have limited the systematic documentation of implementation challenges and risks that threaten the achievement of results. As a result, many operations face challenges in demonstrating cost-efficiency and achievement of results at completion.

These challenges are known to BMC stakeholders who regard staffing gaps and turnover as important drivers of sub-optimal engagement. Beyond this, key business processes that are perceived by partners as rigid, hierarchical and cumbersome exacerbate these issues and create further challenges for existing staff to perform their roles effectively.

Workload challenges have contributed to systemic staff engagement issues and high turnover. Staff engagement surveys and MOPAN’s Partner Survey demonstrate persistent dissatisfaction with workload, contributing to “leavism,” “presenteeism” and other workplace environment issues (Kamwell, 2024; McLean and Company, 2024 and 2025). Beyond heavy workloads, CDB faces important challenges in linking staff performance to rewards, learning and career development, ultimately limiting staff incentives. CDB has a relatively high rate of turnover that threatens the continuity of client relationships. This institutional churn creates a systemic problem that is compounded by long recruitment processes and weak competitiveness of CDB’s compensation package (Mercer, 2024). Ultimately, CDB faces challenges in recruiting and retaining the right staff to deliver its vision. The staff that remain express dissatisfaction with opportunities for learning, mobility and reward for good performance.

Hierarchical decision-making and lack of clear accountabilities contribute to delays.

Multi-level approvals are channelled through a limited number of senior managers, constraining efficiency and adaptive management. CDB’s structure has not changed substantially over the course of the assessment period. The institutional structure revolves around two Vice President Complexes – Operations and Corporate.² These two Vice Presidents are responsible for overseeing a wide range of functions, creating a high span of control across the organisation. Although CDB has made progress in expanding delegated authority for Technical Assistance and other

2. [Bank Organisation | Caribbean Development Bank](#)

functions, several operational decisions still require multiple layers of approval up to Senior Management and the Board. BMC partners note that these layers of approval reduce CDB's responsiveness to implementation challenges and result in unnecessary delays and costs. In particular, project changes often need to be approved by the Board, limiting incentives for adaptive management that could enhance the delivery of results.

Unclear delegation of decision-making authority creates challenges for project quality, readiness and oversight.

Like other IFIs, CDB establishes multi-functional project teams, including sector, thematic, procurement, risk, legal and safeguards experts. However, these experts are often mapped to the same Operations Vice-Presidency and there is little differentiation between first and second-line functions. Because CDB does not have an accountability and decision-making matrix, the role of these different experts in supporting decision-making at critical stages of project design and appraisal (e.g. approval, endorsement, concurrence) is unclear – ideally some colleagues responsible for compliance functions (e.g. finance, risk, procurement, integrity, safeguards) would need to at least endorse a project before it advances to the next stage.

Absence of a formal delegation of authority framework poses risks for accountability. This situation creates a degree of conflict of interest for compliance-related functions. These experts contribute to project design and approval yet are also responsible for ensuring policy compliance. Lack of clear roles and responsibilities further exacerbate staff workloads, contributing to implementation bottlenecks. Some compliance functions are situated within the Operations VP structure - where performance is linked to approvals and disbursement. This creates a disincentive to block projects that are not ready to proceed. Furthermore, a lack of formal roles and clear documentation around decision-making creates potential gaps in accountability and follow-up. In particular, there is a need for clearer documentation of minutes and outcomes from review and management meetings.

Uneven quality at entry, supervision and collection of implementation data limits CDB's ability to demonstrate results. CDB lacks a means of rigorously assessing the quality at entry of new operations before they are approved. Although CDB staff are in regular contact with project teams, supervision records in OP365 are typically recorded only annually. These supervision reports meet minimum requirements but do not always meaningfully capture project implementation challenges, risks and follow-up. There is limited monitoring of data quality, making it challenging to identify meaningful trends across the portfolio. The collection and monitoring of results data is uneven and does not inform decision-making, including for adaptive management. Most importantly, these gaps pose important challenges for demonstrating the performance of CDB's operations, with many closed projects unable to draw firm conclusions on efficiency and contribution to outcomes.

CDB lacks sufficient institutional frameworks to support expanded private sector engagement.

CDB is seeking to scale up its private sector operations; however there remain important gaps in operational frameworks. CDB has an established track record of providing lines of credit that support MSMEs. However, it lacks standard frameworks that underpin private sector engagement on a larger scale (e.g. project finance, corporate finance and trade finance). These gaps include transparent processes for assessing financial and non-financial additionality. CDB's results frameworks and tools are largely designed for sovereign operations and have not been adapted to a non-sovereign context. The design of suitable tools to support the initial structuring and risk appraisal of projects is in process but has not yet been finalised. CDB also lacks a tailored supervision and watch-listing function to manage risk and limit potential credit loss. Moreover, non-sovereign operations are not considered systematically in CDB's CES and ongoing country engagement.

Change initiatives have been fragmented and take considerable time to implement.

Incoherent management of change processes have created barriers for institutional reform. Several different change processes have been initiated over the course of the assessment period. These include initiatives to enhance digitalisation of operational processes, address implementation bottlenecks, strengthen risk management and scale



up private sector engagement. Transformation initiatives have been led and managed by different teams across the organisation in a fragmented way with limited allocation of additional resources. As a result, change processes have taken considerable time to implement while staff attempt to simultaneously manage their existing workloads and targets.

These challenges also make it difficult to demonstrate how change processes have contributed to enhanced organisational effectiveness. The existing context makes delivering lasting change extremely challenging. The absence of a single point of oversight and management of change processes have contributed to weak prioritisation and implementation bottlenecks. There has been limited measurement and transparent reporting to the Board of how change has contributed to organisational efficiency, effectiveness and results. CDB will need to fundamentally change its approach to planning and implementing institutional transformation to position itself to deliver the TYS.

The institutional reform agenda highlighted in CDB's TYS provides an opportunity to properly position CDB for transformational change. Many of these proposed initiatives directly address the areas of opportunity highlighted in this report. This change agenda includes initiatives such as:

- A workforce analysis, skills analysis and review of the institutional structure and key operational processes;
- A review of the workforce budget process that aims to strengthen the link between priorities, resources and strategic results;
- A review and modernisation of the operational policy framework;
- Implementation of a digital pipeline management framework;
- Modernisation of the procurement policy framework, processes and digital tools; and
- Introduction of a knowledge and analytics platform within OP365 to capture and disseminate operational learning.

Overall, these change initiatives are highly relevant and reflect the critical steps CDB needs to take to enhance its institutional resilience and deliver on the ambition of the TYS.

Box 5. Main Strengths and Areas of Opportunity

Main strengths

- CDB has a clear comparative advantage for working in the region that is recognised by its partners. This is reflected in CDB's positioning as the Caribbean's indigenous development bank, deep knowledge of the region and ability to channel concessional resources to its members.
- A strong financial framework, risk framework and capital position provides a foundation for growth in future operations and responsiveness to BMC needs.
- Key accountability and oversight functions have been strengthened, including independent evaluation, risk management, integrity and compliance.
- Digitalisation of processes, including the introduction of OP365, has been a key driver of change.
- CDB has adopted an inclusive, evidence-based approach to developing its Ten-Year Strategy.

Areas of opportunity

- Implementation delays are widespread across CDB's operations and data gaps limit CDB's ability to demonstrate the cost-efficiency, effectiveness and sustainability of operations.
- CDB's comparative advantage is not fully operationalised nor sufficiently leveraged through partnerships. CDB needs to cultivate a more strategic and programmatic approach to technical assistance, including through regional partnerships, to address shared contextual challenges.
- Gaps in human resources management create significant workload and staff engagement challenges, undermining CDB's accountability and delivery. The link between budgeting and human resources management is weak and CDB has limited understanding of skills and staff numbers needed to deliver its strategic vision.
- Hierarchical decision-making and lack of clear roles and responsibilities contribute to weak responsiveness, implementation delays and gaps in accountability.
- CDB lacks sufficient institutional frameworks to support the scaling up of private sector engagement.
- Previous change initiatives have been fragmented with lack of coherent institutional leadership and are undermined by human resources gaps.

PAVING THE WAY FOR INSTITUTIONAL “REBIRTH:” FIVE LESSONS AND CONSIDERATIONS FOR THE TEN-YEAR STRATEGY

CDB's newly approved Ten-Year Strategy (2026-35) is an important step forward in addressing systemic institutional issues, including several issues raised by this assessment. Proposed initiatives, such as a strategic review of the human resources function and efforts to enhance country presence and engagement, are positioned to enable CDB to better deliver on its comparative advantage and respond to the needs of BMCs. Most importantly, the institutional action plan is resourced, including additional human resources, to support implementation (CDB, 2026).

There is strong demand for CDB's support and its portfolio is expected to continue growing. CDB is taking on more diverse and complex challenges in BMCs. At the same time, CDB is a small institution, and its staff complement is not expected to grow significantly in the short-term. CDB's structure and processes need to evolve to address inefficiencies, reflect the growth and complexity of its portfolio, and enhance its operational maturity and ways of

working. Furthermore, CDB needs to identify the contexts where it will deliver on its TYS objectives directly versus when and how it will deliver through partnerships.

CDB’s institutional reform will need to be incremental, pragmatic and sequenced. In view of its size and limited institutional resources, CDB must be selective and strategic in implementing both the TYS and accompanying institutional reforms. Selectivity will also be critical to ensuring that growth in its administrative budget remains conservative. Any forward-looking reforms should be cognisant of limitations to absorptive capacity – CDB has already been on an ongoing change trajectory and care must be taken to avoid reform fatigue and potential impacts on staff engagement. This may involve identifying reform phases that provide opportunities to take stock and recalibrate.

CDB should address its forward-looking institutional transformation through an evidence-driven approach. The design of CDB Forward, a comprehensive institutional reform strategy currently under development, should draw upon external perspectives, advice and analysis, similar to the approach taken to developing the TYS itself. Furthermore, CDB Forward should be accompanied by a clear institutional reporting framework that captures not only the actions taken but progress toward clear operational targets. Other IFIs, including IFC and EBRD, have benefitted from such results-driven approaches when implementing large-scale institutional reforms, including after-action exercises, audits and evaluations geared toward accountability and learning.

MOPAN offers considerations to support successful implementation of the TYS. The considerations below offer reflections on what institutional reforms should target and deliver.

Promote more responsive, agile and strategic client relationships.

CDB should empower country focal points to make critical decisions. In its TYS, CDB commits to strengthening its BMC engagement. Identifying country focal points would help CDB move from a “project-by-project” approach in its engagement with BMCs to a more strategic country portfolio approach. This would include clear responsibilities for leading regular portfolio reviews with BMCs and partners to identify and address implementation bottlenecks. It is not absolutely necessary that these focal points be based in BMCs to be effective; it is more critical that appropriate delegated accountabilities are established to empower these focal points to be responsive to BMCs’ needs.



CDB should manage its technical assistance support more strategically to address regional challenges. As noted in the TYS, country focal points will play a critical role in deepening dialogue with BMC ministries. This would enable CDB to play a more proactive role in addressing systemic institutional capacity gaps and identifying opportunities for partnership. This should involve more programmatic engagement in building BMCs' institutional capacity – towards addressing implementation challenges that are pervasive across SIDS. Furthermore, CDB should consider leveraging its strong financial position and earnings to support the development of a flexible, own-income Technical Assistance Fund, possibly with a reimbursable arrangement, to enhance the efficiency and availability of these resources.

Stronger country engagement is an opportunity to strengthen delivery of knowledge and policy advice. Building on good practices from the World Bank and the Asian Development Bank (ADB), country focal points should play a critical role in delivering timely and impactful knowledge and policy advice that operationalises CDB's deep understanding of regional dynamics (ADB, 2021; World Bank, 2024; MOPAN, 2023 and 2025). For example, as noted in MOPAN's recent assessment, the ADB has helped strengthen portfolio management through its New Operating Model, positioning country offices to manage pipeline development, delivery of knowledge and policy advice and country relationships, while HQ-based teams provide technical inputs and support oversight. Delivery of knowledge in partnership should be a key means through which CDB operationalises its comparative advantage. This will require additional human resources, clear roles and incentives and elaboration of a strategic approach to deliver knowledge through partnerships.

Understanding CDB's skills complement, enhancing workforce alignment and allocation of staff time.

The proposed strategic review of the human resources function should enable CDB to clearly evidence its resource needs and potential trade-offs. Successful implementation of the planned Enterprise Resource Planning (ERP) System will be essential to understand and demonstrate the true cost of delivery. The ERP will also support constructive discussions between CDB and its members to manage resource trade-offs more transparently and strategically (CDB 2025e). CDB should consider what changes are needed to its existing Work Programme and Budget process to facilitate this transparency.

Urgent investments in human resources are needed to deliver on CDB's TYS priorities. This is particularly true for key operational focus areas and cross-cutting priorities, including regional cooperation, youth and digitalisation. The absence of dedicated human resources to support these issues has thus far limited the operationalisation of these priorities in terms of mainstreaming approaches, targeted programming, training and results monitoring. These investments should be considered alongside efforts to optimise CDB's skills complement, operational processes and delegation of authority, positioning staff to deliver efficiently and effectively.

CDB requires a strategic vision for how it will access required skills through different channels, including through a “build, borrow, buy, bot” approach. As CDB navigates new priorities and increasingly complex operating context, there will be pressure to acquire new expertise, quickly. CDB's planned workforce analysis will be critical for understanding its existing skills complement and skills gaps (CDB, 2026a). As a small institution, CDB is unlikely to be able to acquire all skill sets needed to deliver on the TYS effectively. An updated human resources strategy should define how and when CDB will engage needed skills through internal staff development, institutional secondments and recruitment of consultants – and when it will replace or streamline existing functions with technology and process improvements. Foundational to this is renewed investment in staff learning and development, which declined markedly throughout the assessment period as has been a driver of staff disengagement.

Embedding a culture of results-driven operational management.

Client engagement and supervision data should be positioned and managed as an institutional asset to drive results. Although CDB staff were frequently in contact with BMCs and project teams, information from these exchanges has been documented inconsistently. Beyond existing plans to strengthen pipeline management and

enhance integrated digital solutions across the project cycle, CDB needs to promote a cultural shift among its staff to manage operational data as a tool to promote the achievement of results. An enhanced focus on quality at entry will help ensure project designs set a strong foundation for results, helping to enhance the uptake of lessons from past projects. CDB should also: (i) review existing templates; (ii) set clear expectations and standards for supervision reporting; (iii) make more systemic use of data to identify operational lessons; and (iv) assess the quality of its supervision and project completion reporting. Updated performance management approaches should establish clear incentives and accountabilities in this area – beyond the approval of projects and disbursements.

Deliberate actions are needed to ensure sufficient data quality. Poor data quality is a critical barrier and risk for the adoption of integrated digital systems and prevents the use of data to drive decision-making. Poor quality of supervision data is a key reason why CDB faces challenges in monitoring operational risks and measuring the results of operations. Borrowing on good practices from the World Bank, CDB should establish a data quality charter and identify a dedicated function to monitor and assure the quality of its institutional data (MOPAN, 2023). This function should ideally involve identifying how operational data will support decision-making, setting clear requirements for data capture and follow-up and ensuring data quality is reviewed by operational experts.

Positioning CDB as a regional convenor and strategic partner.

CDB needs to establish a strategic framework to guide its engagement in regional partnerships. This assessment highlights key challenges CDB has faced in scaling up programming for RCI. Building on these lessons, a new strategic framework should identify key priorities, principles for engagement, operational support, accountabilities for results, and dedicated resources to fully embed RCI and partnerships into CDB's operations in a strategic way. CDB would benefit from a similar approach to that of the ADB in promoting RCI (MOPAN, 2025). Notably, ADB has identified dedicated funds and focal points to support RCI operations, including a network of sectoral experts and an institutional scorecard for identifying potential RCI opportunities and spillover effects.

Regional partnerships can be leveraged to address pervasive challenges such as procurement. BMCs and other partners, including other IFIs, each raised important challenges around navigating procurement in the Caribbean context. CDB is active in providing procurement training and market engagement, including alongside other development partners. However, across development partners, there remain fundamental challenges in matching fiduciary standards to contextual realities (CDB, 2025h). There is a need for more flexible and risk-balanced approach to navigating procurement in the Caribbean. Such an approach should reflect local markets and the capacities of local contractors, including through facilitating consortia and regional economies of scale – also drawing on lessons learned from good practices for operations in fragile contexts. CDB is well-positioned to spearhead partner coordination to address this issue, including in collaboration with UN entities such as UNOPS (UNOPS, 2025).³

Invest in deeper accountability to beneficiaries and community engagement.

CDB should invest in deepening community engagement throughout the project cycle. Strong community engagement is part of – and further reinforces – CDB's comparative advantage. CDB can play a leadership role in this area, including by promoting the establishment of culturally appropriate grievance mechanisms and services. Work is already ongoing in these areas through initiatives such as Gender-Based Violence centres to provide support to survivors in Saint Lucia. CDB is known for community-led project designs that build ownership; however, community engagement and management of environmental and social risks have been uneven during implementation. Drawing on good practices from the ADB, CDB should set clear standards for community engagement throughout the project cycle, explicitly resource these activities in the implementation of projects and assess the quality of stakeholder engagement across the project cycle (MOPAN 2025, ADB, 2025).

3. This includes the use of regional Long-Term Agreements and Emergency Procurement Procedures.

Project Accountability Mechanisms and information disclosure should be better positioned to support accountability to beneficiaries. CDB has a strong Integrity, Compliance and Accountability function (ICA) – notably ICA’s ability to conduct proactive investigations of suspected wrongdoing regardless of whether a specific complaint has been received (CDB, 2015a; 2015b).⁴ This assessment confirms that ICA delivers on its institutional mandate effectively, including with respect to institutional integrity, ethics, compliance and protection of whistleblowers in addition to addressing project complaints. However, many IFIs also have fully independent and external project complaints mechanisms that do not have any reporting line (administrative or otherwise) to the institutional leadership. This independence is important to support the credibility of this function and promote trust among vulnerable beneficiaries. Should a fully independent mechanism be established, ICA could instead be positioned as an internal grievance redress mechanism in line with good practices across IFIs.

Access to information is a critical enabler of accountability. Among IFIs, CDB makes relatively limited information available in the public domain.⁵ Its Information Disclosure Policy is outdated and procedures for requesting access to information are vague and obsolete (CDB, 2011). A key barrier to the raising of complaints by affected beneficiaries is an inability to access needed information about operational activities. Beyond being a communications challenge, CDB’s restrictive access to information policy and practices are a genuine reputational risk.

CDB enters its Ten-Year Strategy period with a strong mandate, clear regional relevance and renewed ambition. Its comparative advantage, financial strength and reform commitments provide a credible foundation for institutional “rebirth.” Yet realising this ambition will depend on translating strategy into disciplined, sequenced and well-resourced change. CDB will need to strengthen responsiveness, clarify accountabilities, invest in people and systems, and make fuller use of knowledge, partnerships and beneficiary engagement. These reforms are not ancillary to delivery; they are central to ensuring that CDB can scale up support without compromising quality, agility or accountability. By embedding resilience in both its operations and its institutional culture, CDB can better meet the evolving needs of its BMCs. This will be essential for positioning CDB as a trusted, effective and transformational partner for the Caribbean’s future.

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4. Beyond Project Accountability, ICA is responsible for a range of other institutional accountability functions, including: (i) institutional integrity (detecting and preventing and investigating fraud, corruption, collusion, coercion and other prohibited practices); (ii) ethics, including promoting high standards of professional behaviour; (iii) compliance, including ensuring that the Bank conducts appropriate due diligence; and (iv) whistleblowing, including protecting whistleblowers from retaliation.

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ASSESSMENT FINDINGS





This chapter provides a more detailed assessment of CDB’s performance across the five performance areas – strategic management, operational management, relationship management, and performance management and results – and the KPIs that relate to each area, accompanied by their score and rating.

MOPAN PERFORMANCE SCORING AND RATING SCALE

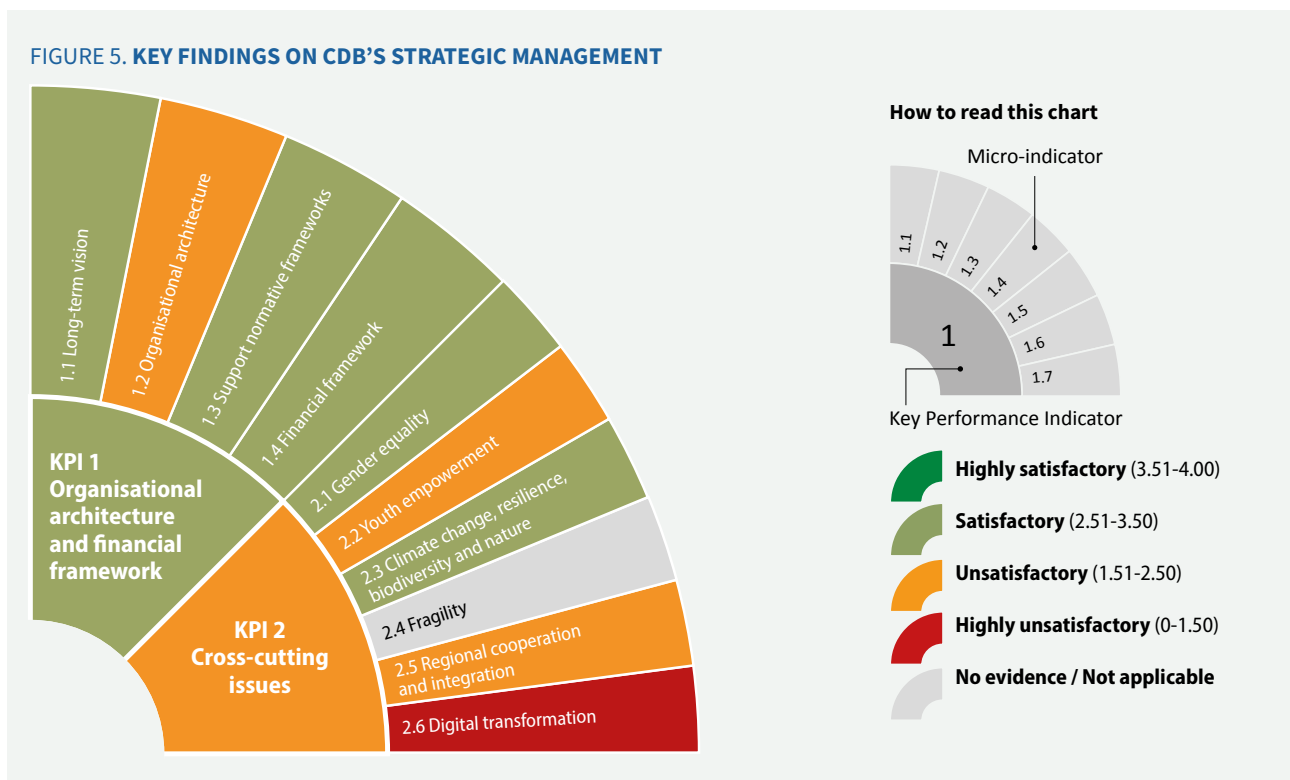
- Highly satisfactory (3.51-4.00)
- Satisfactory (2.51-3.50)
- Unsatisfactory (1.51-2.50)
- Highly unsatisfactory (0.00-1.50)
- No evidence / Not applicable

Assessment findings draw on information from the two evidence sources (document reviews and interviews – see Chapter 4 for more information). Further analysis per micro-indicator and detailed scoring can be found in Annex A. For the full list and citation details of the documents referred to, please see Annex B.

STRATEGIC MANAGEMENT

Clear strategic direction geared to key functions, intended results and the integration of relevant cross-cutting priorities.

FIGURE 5. KEY FINDINGS ON CDB’S STRATEGIC MANAGEMENT



KPI 1: Organisational architecture and financial framework enable mandate implementation and achievement of expected results.

Performance rating: Satisfactory	2.77
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This KPI assesses CDB’s strategic management arrangements with respect to: (i) clarity of its mandate and comparative advantage; (ii) strategic architecture and planning; (iii) the extent to which its operational model is geared towards delivering on its priorities and driving collaboration; (iv) alignment of priorities and results with global commitments; and (v) its financial framework.

CDB has a clear strategic vision that reflects the needs of the Caribbean region and a strong financial framework. However, there is room to enhance CDB's operating framework and organisational structure to promote collaboration, strategic engagement with BMCs and accountability. Overall, CDB is rated **satisfactory** for this indicator.

CDB has a clear strategic vision and comparative advantage, aligned to delivery of the Sustainable Development Agenda.

CDB has maintained a clear institutional vision, culminating in the recent approval of its Ten-Year Strategy (TYS). The Strategic Plan 2020–2024 and the 2022–24 Strategic Plan Update provided a coherent medium-term vision aligned to the needs and challenges of the region (CDB 2019a, 2021d). This vision centred on building resilience across social, economic, environmental, and institutional dimensions in BMCs. CDB's comparative advantage—as a trusted, regionally embedded partner with deep contextual knowledge—is clearly articulated, including evidence from stakeholder engagement and market analysis.

The TYS establishes a more selective institutional vision focusing on a narrower range of strategic issues and cross-cutting themes. The TYS was approved in 2026 following an inclusive and consultative process, including market analysis and consideration of BMC's financing and development needs. Under the TYS, CDB's strategic objectives are centred around three resilience pillars:

- **Social resilience** refers to the ability of individuals, households and communities to anticipate, withstand, adapt to and recover from shocks while maintaining or improving well-being, equitable access to essential services and opportunities for inclusion.
- **Economic resilience** refers to the capacity of economies to anticipate, withstand, and recover from environmental, financial, and geopolitical shocks while sustaining inclusive growth, macroeconomic stability and productive participation.
- **Environmental resilience** is the capacity of human and natural systems to anticipate, resist, absorb, adapt to, and recover from environmental and climatic shocks without compromising long-term sustainability, and well-being.

Furthermore, the TYS identifies three operational priorities, framed as areas the Bank will emphasise in its programming: (i) **Investing in youth** to drive skills, inclusion, and future competitiveness; (ii) **Strengthening institutions** to improve governance, implementation, and service delivery; and (iii) **Accelerating climate action** to enhance resilience, protect livelihoods, and support green growth. Finally, the strategy includes three cross-cutting themes, which will provide a lens through which all interventions are designed and implemented: (i) **Gender equality** (inclusive growth and empowerment); (ii) **Innovation and digital transformation** (productivity, governance, and connectivity); and (iii) **Regional cooperation and integration** (shared solutions and competitiveness) (CDB 2026a).

The Bank operationalises its strategy through a clear institutional framework. This includes the Corporate Results Measurement Framework (RMF), Country Engagement Strategies (CES), sector strategies, and the Work Programme and Budget. However, it is not always clear how strategic priorities are linked to resource allocation and approved operations. Progress is reviewed regularly through Development Effectiveness Reviews (DERs) and the (internal) Annual Report on Portfolio Performance (ARPP), providing a structured approach to planning, results management, and learning. CDB's Annual Meetings provide a platform for its Board of Governors, BMCs, and development partners to regularly review institutional performance, financial statements, and strategic direction. These meetings also facilitate high-level dialogue on regional development challenges and inform strategic adjustments. CDB's TYS will undergo a mid-term evaluation in 2030, in line with good practice across IFIs.

CDB’s institutional strategies and reporting is well aligned with the Sustainable Development Goals (SDGs) and other global commitments. The Bank’s institutional strategies, Climate Resilience Strategy (CDB 2018a), and Corporate Results Framework (CRF) all show clear alignment with the SDGs as well as global commitments such as the Paris Agreement and the Sendai Framework. CDB reports annually on aggregated progress on SDG-aligned CRF indicators through annual Development Effectiveness Reviews, including for indicators on climate finance, resilience, education, and governance results (CDB 2021b, 2022b, 2023b, 2024c, 2025d). Furthermore, CDB has made progress in strengthening climate screening and Paris alignment efforts. However, CDB relies mainly on proxy indicators rather than official SDG indicators, does not yet systematically tag projects to SDGs, and provides limited transparency on the share of operations that are Paris-aligned. As a result, alignment is strong at the strategic and reporting levels, but weaker for operations-level tracking.

CDB’s existing structure, budget and operating framework do not support strategic engagement with BMCs, transparency in resource allocation and accountability for results.

CDB’s existing organisational structure and operating framework is not fit for purpose to support strategic engagement with BMCs. The Bank’s architecture broadly supports delivery through core operational and corporate functions, a country-driven model and a range of financing instruments well suited to Caribbean vulnerabilities, including concessional finance, policy-based loans and crisis-response tools. However, the structure has not been substantially reviewed over the assessment period and remains driven more by existing processes than by strategic priorities. CDB has a high span of control concentrated in two Vice-Presidencies – Operations and Corporate Services. Key sector, thematic, procurement and environmental and social safeguards functions are housed within the same departments under the same Vice Presidency, creating potential challenges for compliance and conflicts of interest during project design. A key gap in CDB’s operating model is the absence of country focal points responsible for facilitating ongoing strategic engagement with BMCs in line with good practices from other IFIs.

CDB has a clear integrated budget framework with strong oversight, but it is unclear whether the resources allocated are sufficient to deliver on strategic priorities and how any necessary trade-offs are made. The annual rolling Work Programme and Budget (WPB) provides a consolidated view of operational plans, funding sources, capital position, and budget outturn, and is supported by scenario analysis and annual Board review (2021c, 2023c, 2024e, 2025g). However, the framework does not clearly show how administrative and human resources are aligned to strategic priorities, where trade-offs are being made, or whether resourcing is adequate to deliver expected results. These gaps weaken transparency around prioritisation, especially given the central role of staff costs and the absence of a stronger link between budgets, staffing, and outcomes.

CDB’s operating framework promotes collaboration, but the absence of a delegation of authority matrix leaves gaps in accountability for results. The Bank convenes multi-disciplinary teams and committees for CES preparation, project appraisal, supervision, and management review, supporting collaboration across functions. Digital tools, including the introduction of OP365, have further supported collaboration across teams. However, stakeholders report that coordination remains heavily reliant on informal relationships rather than clearly defined structures, terms of reference, delegated authorities or decision rights. Responsibilities for results are not fully codified across functions through a delegation of authority matrix,¹ creating potential accountability challenges for key technical and oversight functions such as safeguards, finance and procurement. This situation creates a potential conflict of interest where key members of project teams are both responsible for designing and implementing projects while ensuring compliance with safeguards and fiduciary requirements.

1. A delegation of authority matrix defines the decision-making roles of key actors across institutional processes (deciding, concurring, reviewing, etc.). This becomes very important in the context of operational decisions and is typically used to enforce the decision rights of project team members who address compliance functions such as risk, financial management, environmental and social safeguards, procurement and integrity. These roles help ensure projects do not move forward toward approval unless key compliance issues are addressed. CDB lacks such a matrix.



CDB has a robust financial framework supporting strong management of capital adequacy and concessional funds that help CDB support vulnerable BMCs.

CDB has a robust and fit for purpose financial framework that is reviewed regularly by its governing body. The Board regularly reviews the WPB, capital adequacy, and SDF replenishments. CDB has undertaken substantial reforms to strengthen its capital adequacy framework in line with good practice, most recently moving from a Risk-Adjusted Capital approach to an Economic Capital Approach (ECAP) to consider and model a broader range of financial and non-financial risks and promote sustainable lending (CDB 2025a). Capital risk management is supported by a clear Enterprise Risk Management Framework (ERMF), Risk Appetite Statement (RAS) and Risk Appetite Framework (RAF) aligned to best practices from AAA-rated peer IFIs (CDB 2025i, 2026a). These ongoing enhancements have helped maintain a strong financial position and continued access to concessional finance for strategic priorities.

CDB uses concessional and partnership resources to complement lending and support thematic priorities, but blended finance frameworks remain only partly developed. The SDF provides a structured and well-governed platform for concessional finance, grants, technical assistance, and thematic support to CDB's members, including Middle-Income and High-Income Countries. The SDF is replenished every four years through a formal review and negotiation process across CDB's members, including the identification of an allocation framework that considers multi-dimensional poverty and vulnerability (CDB 2021f, 2024f). These funds are used to address key themes such as poverty reduction, resilience, climate, gender, and regional integration. CDB also manages a range of trust funds, special facilities and initiatives, including the Basic Needs Trust Fund (BNTF),² that expand its ability to support advisory services, project preparation, and global public goods. However, the Bank lacks a standalone own-income framework for technical assistance. It also lacks a formalised approach to blended concessional finance that clearly demonstrates additionality and minimum concessionality in line with emerging good practice.

KPI 2: Structures and mechanisms support the implementation of global frameworks for cross-cutting issues at all levels, in line with the 2030 Sustainable Development Agenda principles.

Performance rating: Unsatisfactory

2.13

This assessment examined CDB's support for six strategic and cross-cutting issues: (i) gender equality; (ii) youth empowerment; (iii) climate change, biodiversity and nature; (iv) fragile and conflict affected states; (v) Regional Cooperation and Integration (RCI); and (vi) digitalisation.

2. The BNTF is a subcomponent of the CDB's SDF allocation.

For each issue, MOPAN assesses the extent these issues are: (i) reflected in policy and strategy documents; (ii) integrated into accountability frameworks; (iii) mainstreamed across operations; (iv) supported by human and financial resources; and (v) supported by staff training programmes.

Of note, the status of youth empowerment in CDB's strategic planning has fluctuated over the assessment period in line with leadership changes. The 2020-24 Strategic Plan and the Youth Policy and Operational Strategy (YPOS) position youth as a cross-cutting consideration to be mainstreamed into operations. However, since 2022, this issue has been considered a strategic issue under social resilience rather than a cross-cutting theme. Under the TYS, youth will be given more emphasis as an operational priority.

For its more established strategic and cross-cutting issues, CDB tends to have strong policy frameworks and accountability structures for embedding these issues into operations and measuring results. In contrast, CDB has made much more limited progress operationalising accountability frameworks and operational approaches for new strategic and cross-cutting issues identified in the 2022-24 SPU. Some issues such as fragility and Regional Cooperation and Integration (RCI) have not been established within institutional strategies as cross-cutting approaches despite being relevant to CDB's mandate and portfolio.

There are important challenges in ensuring the mainstreaming of cross-cutting issues is supported by sufficient staff, resources and training. CDB receives an overall rating of **unsatisfactory** for cross-cutting issues.

Although CDB has robust policy and operational framework promoting gender equality, implementation has been constrained by inadequate resourcing.

CDB has a comprehensive and well-articulated policy and results framework for gender equality, though implementation remains uneven. The Bank has established a robust policy architecture through the GEPOS 2019 and successive Gender Equality Action Plans (GEAP) (CDB 2019c, 2020a). These initiatives are aligned with international standards and SDG 5 and are grounded in a dual-track approach that combines mainstreaming with gender-specific interventions. Gender equality is embedded as a cross-cutting priority in institutional strategies and supported by clearly defined indicators and targets across results frameworks. The evolution of these frameworks reflects learning and adaptation over time, including strengthened targets, revised indicators, and increased emphasis on evidence-based approaches. However, despite this strong design, past evaluations and recent performance data highlight gaps between policy ambition and implementation.

CDB applies standard approaches for integrating gender equality into operations and tracking and reporting on results; however, gaps remain in implementation. Gender indicators are systematically tracked through corporate systems such as the RMF and Development Effectiveness Review, and the Gender Marker provides a structured, quality-at-entry tool applied across all projects (CDB 2021b, 2022b, 2023b, 2024c, 2025d). These mechanisms help link corporate commitments to operational performance in promoting gender mainstreaming. However, the fact that the gender marker does not differentiate between projects that address gender outcomes versus those that include gender activities and outputs weakens accountability for results. In addition, performance against targets has been mixed, and stakeholders point to the need for stronger evidence of impact and more consistent mainstreaming across operations.

Inadequate resourcing and institutional capacity for promotion of gender equality has constrained the implementation of the GEAPs. While GEAPs outline dedicated budgets, staffing arrangements, and extensive training programmes, actual financial allocations have been limited. A more robust financial allocation of USD 9 million has been identified under SDF-11 to support the 2025-27 GEAP. However, human resources remain markedly insufficient relative to demand. A small gender team carries a heavy workload for providing advice on integrating gender in operations, limiting its ability to support operations and deliver planned capacity-building activities. They are supported by CDB's social analysts, but these staff do not play the same role in implementing the GEAP

and advising on the integration of gender into projects. Although training initiatives and institutional strengthening measures are well designed, their rollout has been uneven, contributing to continued reliance on specialists and limited staff-wide ownership. These resource and capacity constraints remain key barriers to fully realising the Bank's gender equality vision.

CDB has made strong progress in embedding climate change and resilience considerations into its operations. It is currently in the process of strengthening its approach to addressing biodiversity.

CDB addresses climate change and resilience through a clear strategic framework and integrated corporate objectives with substantial evidence of application. Climate resilience is embedded in the Strategic Plan, Strategic Plan Update, and the Climate Resilience Strategy 2019–2024 (CDB 2018a). These strategies are aligned with major global frameworks and supported by defined outcomes, targets, and operational priorities. CDB has also integrated resilience across sectors, scaled up climate finance, and is actively updating its strategy direction to reflect evolving needs in the region. Climate indicators are well defined and embedded in corporate results frameworks, and annual reporting through the DER provides a reasonably clear picture of progress against targets.

There are clear means of screening operations, integrating climate resilience in line with good practice; however, ensuring adequate institutional capacity and resourcing remains a challenge. The Bank's climate and disaster risk screening system is robust, mandatory, and consistently applied across projects (CDB 2021g). This system is supported by climate vulnerability assessments and use of the Joint MDB climate finance methodology and a defined approach to addressing Paris alignment. CDB has increased climate financing and mobilised resources through partnerships with global funds and regional institutions such as CDEMA, OECS and CARICOM making climate resilience a growing priority. The Bank has dedicated climate staff, growing climate finance commitments, and access to technical partnerships that strengthen delivery on climate resilience. However, CDB recognises that the number of climate experts is inadequate to keep pace with programming requirements. Staff also have some access to training and external expertise on climate-related issues, although this training is uneven and not mandatory.

Relative to climate change and resilience, less progress has been made in operationalising biodiversity and nature as a cross-cutting theme. Biodiversity and nature are less fully institutionalised, with a dedicated strategy still under development and related action remaining embedded mainly within broader climate and resilience work. Currently, CDB addresses biodiversity through: (i) the Natural Habitats and Biodiversity Conservation Performance Requirement of its ESRP; and (ii) the Climate Resilience Strategy in terms of co-benefits and nature-based solutions. Beyond this, biodiversity and nature-based solutions are not yet supported by dedicated screening tools, standalone indicators, or a specific accountability framework. As a result, ecosystem-related results are tracked only indirectly and remain fragmented in reporting.

Biodiversity and nature capacity has been limited, with no fully established in-house expertise and no dedicated funding window. CDB is in the process of recruiting a dedicated biodiversity expert. CDB's Climate Change Project Preparation Facility (CCPPF) and SDF were noted by stakeholders as a means through which BMCs can access support for biodiversity projects; however, they do not identify dedicated funds for biodiversity. Beyond this, CDB maintains partnerships with the Adaptation Fund, EU and the Green Climate Fund (GCF), which provide other potential sources of financing for adaptation on a project-by-project basis, albeit with additional transaction costs.

CDB is currently working to strengthen its approach for addressing biodiversity in operations. The gaps noted above constrain CDB's ability to move from conceptual recognition of biodiversity and nature to systematic implementation in operations. CDB is currently working to develop a systematic approach for implementation and recruiting a biodiversity and nature expert to support its work. Provisions on biodiversity will also be strengthened in the Bank's updated Environmental and Social Review Framework, currently under consultation, to address biodiversity offsets (CDB 2025h).

Unlike other IFIs, CDB does not have a dedicated institutional approach for working in fragile contexts.

CDB's approach to fragility is reflected primarily through its context-specific approach to working in Haiti (the only fragile state among its BMCs) rather than a formal institutional framework.³ Its engagement in Haiti reflects a nuanced and evolving understanding of fragility across political, security, economic, social, environmental, and migration dimensions, supported by analytical work such as the “From Fragility to Resilience in Haiti” as part of the SDF replenishment process and tailored country strategies (CDB 2021f, 2024f). Programming in sectors like education, agriculture, energy, and climate resilience shows evidence of adaptation to fragile conditions. However, this approach remains confined to Haiti and has not been codified into a Bank-wide fragility policy or operational framework. As a result, fragility considerations are applied pragmatically rather than systematically across the organisation. Due to this context, CDB has not been rated for this indicator. However, considering CDB's approach to fragility relative to other IFIs continues to be a source of potential lessons.

Should pockets of fragility emerge among CDB's BMCs, the institution may face challenges in scaling and sustaining the approach it has cultivated in Haiti. Broader institutional systems, tools, and capacity to address fragility remain underdeveloped across the institution. Fragility is not integrated into corporate results frameworks, and there are no dedicated indicators, screening tools, or consistent reporting mechanisms to track performance across fragile contexts. While Haiti's country strategy includes relevant indicators, these are not reflected at the corporate level, constraining institutional learning and accountability (CDB 2023e). Although some resources and staffing are allocated to Haiti, there is no broader institutional architecture, including specialised staff, training programmes, or dedicated funding, to support fragility more widely. Overall, CDB has not yet established a coherent, scalable, and institution-wide capacity to respond effectively to fragility.

CDB should consider how lessons learned from working in Haiti can be applied to other countries within the portfolio. Because Haiti is CDB's only fragile BMC, the need for a scaled-up approach to fragility has been limited to date. However, there may be relevant lessons to draw around country presence, procedural flexibility, strengthening institutional capacity, proactive risk management and partnerships. Beyond cultivating an approach that can be applied as emerging pockets of fragility arise, there are opportunities for deeper consideration of lessons from working in fragile contexts that could be relevant to other BMCs. Procedural flexibilities applied in fragile contexts by other IFIs, such as the Asian Development Bank, have proven relevant to address implementation challenges in non-fragile SIDS countries.

Despite its positioning as part of CDB's mandate, RCI is not well reflected in CDB's strategic agenda and operational framework.

CDB lacks a coherent institutional vision and strategic agenda for its support to RCI. RCI is reflected in CDB's mandate and is embedded as a cross-cutting priority in the Strategic Plan (CDB 2007, CDB 2019a, 2021d). RCI is also reflected in CDB's operations policy framework and supported by operational guidance, reflecting its importance to the Bank's mandate and regional development objectives (CDB 2014a). The Bank actively supports regional public goods, trade facilitation, and partnerships with CARICOM and OECS, and has a track record of delivering regional initiatives. Although CDB has two core indicators within its corporate results framework and a diffuse set of indicators that reflect RCI in the context of specific sectors, CDB lacks a coherent institutional strategy and theory of change to guide its support to RCI.

CDB has relatively few tools and structures in place to address RCI systematically as a cross-cutting issue. Formal screening tools to identify and assess RCI dimensions and opportunities at project design are absent. This has led to ad hoc identification of regional linkages and challenges in identifying and measuring spillover effects.

3. Although Haiti is currently the only fragile state among CDB's BMCs, EBRD was in a similar position until the start of Ukraine, demonstrating that fragility or pockets of fragility can emerge unexpectedly.



Institutional responsibilities are fragmented, with no dedicated unit, focal point, or training programme to drive the RCI agenda. Staff rely primarily on informal collaboration and existing sectoral roles to deliver regional initiatives. These gaps limit strategic coherence, reduce visibility of results, and constrain CDB's ability to fully leverage its comparative advantage as a regional institution.

Accountability gaps and lack of dedicated resources have hindered the operationalisation of more recent cross-cutting strategic priorities.

CDB has faced challenges in operationalising some of its more recent strategic focus areas, including youth empowerment.⁴ On one hand, CDB's focus on youth is supported by a strong policy framework through the Youth Policy and Operational Strategy (YPOS) 2020 (CDB 2020b). It is well integrated into the Bank's strategic vision, addresses key regional youth challenges and adopts a comprehensive approach. However, implementation has been uneven due to the absence of an action plan, dedicated funding, clear accountability, and specialised staff. While YPOS includes a detailed results framework and youth indicators are partially reflected in corporate strategies and reporting systems, there is limited evidence of systematic monitoring and corporate-level tracking. Youth-related results are mainly captured indirectly through sectoral indicators in areas such as education, employment, and social protection.

Institutional capacity and resourcing for youth empowerment remain key constraints. The Bank lacks dedicated youth specialists, structured training, and a clear budget for implementation of the YPOS, with responsibilities concentrated among a few focal points. The absence of a dedicated screening or marker system and accountabilities further constrains the consistent integration of youth considerations at the design stage. These gaps hinder consistent application across operations and prevent the strategy from translating into sustained, measurable results. Overall, accountability systems for youth remain at an early stage of development, and performance reporting does not yet provide a comprehensive picture of outcomes (OIE 2025d). Given that youth is framed as an Operational Priority in the TYS, addressing these barriers to operationalising the YPOS has become critical.

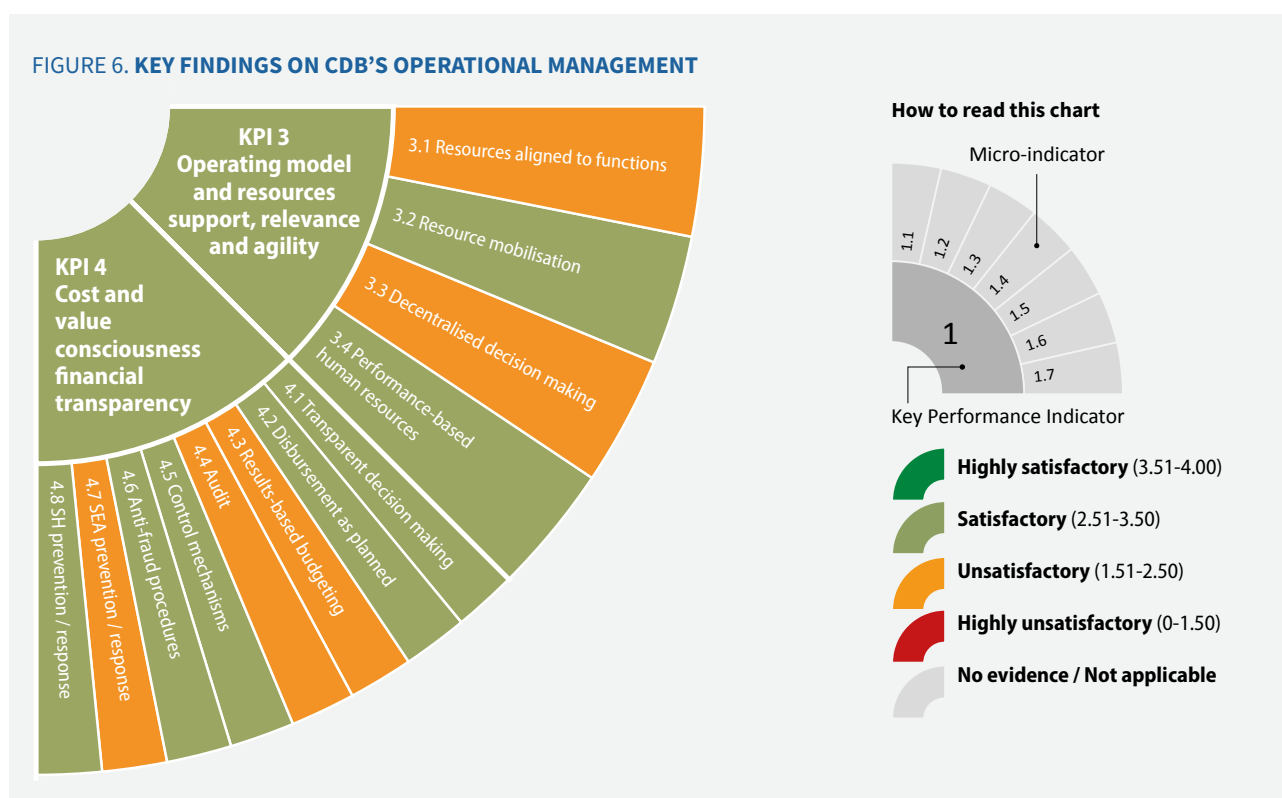
Similarly, there has been limited progress in operationalising digitalisation as a cross-cutting priority. CDB lacks a dedicated policy, strategy, or corporate results indicators that address digitalisation. Indicators related to digitalisation are indirect and are not tracked systematically. Accountability through the DER remains weak, with

4. As noted above, whereas the 2020-24 Strategic Plan frames youth empowerment as a cross-cutting issue, the 2022-24 frames youth empowerment as an operational focus area under supporting the social resilience pillar of CDB's operations. Investing in Youth is framed as an Operational Priority in CDB's TYS.

limited or missing data on key indicators. There are also no formal screening tools to integrate digital considerations into project design, and human, financial, and training resources are insufficient to support implementation. As a result, despite growing attention and some progress in specific initiatives, digital transformation remains unevenly applied and not yet embedded as a coherent institutional priority.

OPERATIONAL MANAGEMENT

Assets and capacities organised behind strategic direction and intended results, to ensure relevance, agility and accountability.



KPI 3: Operating model and human and financial resources support relevance and agility

Performance rating: Satisfactory	2.67
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This KPI examines how CDB's organisational structure, capital management and human resources support the delivery of its institutional vision. It considers the extent to which CDB has: (i) aligned its operating model, budget and staffing structures to operational priorities and needs; (ii) enhanced its management of capital, borrowings and pricing; (iii) identified clear roles, responsibilities and ways of working across teams; and (iv) managed the performance of staff.

CDB has been rated **satisfactory** for this indicator. Despite strong capital management practices, the organisational structure is not fit for purpose and serious challenges remain with respect to delegation of authority and management of staff performance.

CDB's organisational structure and resource allocation are not aligned to support the delivery of strategic priorities. CDB's organisational structure broadly aligns with its strategic vision and has evolved through targeted reforms to strengthen governance, operational effectiveness, and alignment with good practices. Key changes—such

as establishing the Office of Integrity, Compliance and Accountability, restructuring the Economics Department, and elevating the Private Sector Division—reflect efforts to enhance accountability, enhance engagement around knowledge and research, and scale up private sector activities. While stakeholders generally view the structure as fit for purpose given the Bank’s size, CDB’s structure is rooted in processes rather than strategic priorities. Concerns remain around a high span of control among senior management and the concentration of decision-making, which pose risks for responsiveness and strategic focus.

Significant gaps exist in CDB’s human resources strategy and systems for resource allocation. CDB lacks the systems and data needed for strategic workforce planning, including skills audits, workload tracking, and forward-looking recruitment aligned to evolving priorities. As a result, staff are often overextended, with limited time for skills development and change management. These constraints are compounded by limited transparency in how administrative budgets, particularly staffing costs, are allocated and linked to strategic priorities. Despite incremental improvements in budget reporting, it remains unclear whether human and financial resources are sufficient or optimally aligned to deliver on the Bank’s ambitions.

CDB has undertaken multiple reform and transformation initiatives aimed at improving efficiency, innovation, and resilience. These include notable digitalisation efforts implemented through CDB’s IT Strategy, such as OP365 and support for remote working and collaboration through new technology (CDB 2019d). However, change management has been fragmented, lacking central coordination, clear metrics, and sustained oversight, contributing to delays and limited visibility of results. While progress has been made in digital tools and innovation support, operational processes remain slow and rigid, with challenges in data quality, timeliness, and adaptive management. Overall, stronger coordination of change efforts, clearer integration of innovation into results frameworks, and more agile, data-driven processes are needed to fully align internal systems with the Bank’s strategic vision.

CDB’s strong capital and treasury management is helping to expand headroom and sustainable lending.

CDB has significantly strengthened its approach to capital adequacy over the assessment period. After transitioning to a Risk-Adjusted Capital (RAC), CDB is now moving toward an Economic Capital Approach (ECAP) in line with good practices across IFIs (CDB 2025a). The ECAP model introduces a risk-sensitive, forward-looking approach that incorporates a broader range of risks, preferred creditor treatment, and dynamic adjustments to lending, improving its usefulness as a strategic planning tool. Ongoing reforms, including enhanced risk governance structures, and expanded use of balance sheet optimisation such as Exposure Exchange Agreements, portfolio guarantees and other risk transfer instruments, are expected to further increase lending headroom and align the framework with evolving best practices, particularly as private sector operations grow (CDB 2024a).

On the funding side, CDB maintains a strong investment policy and high-quality treasury portfolio and is taking steps to enhance pricing. CDB’s Treasury activities are supported by prudent asset-liability management and risk management guidelines and diversified bond issuances across multiple currencies. The introduction of a Sustainable Finance Framework has enhanced CDB’s ability to attract ESG-focused investors and align financing with SDGs (CDB 2022d). A move to medium-term Euronotes will further expand funding while limiting transaction costs (CDB 2025j). Beyond this, CDB has taken steps toward modernising its loan pricing policies in line with peer organisations to enhance earnings and predictability (CDB 2025k). A forthcoming Resource Mobilisation Strategy aims to expand concessional and non-concessional funding sources, deepen partnerships, and increase co-financing opportunities, strengthening the Bank’s overall financing capacity.

CDB actively monitors capital adequacy through regular measurement, reporting, stress testing, is Risk Appetite Framework and its Policy Ratios Dashboard. It has demonstrated responsiveness when thresholds are breached, as seen in 2022 through hedging measures, Board engagement, and recovery actions. While mechanisms to manage capital constraints are in place, further measures are underway to enhance resilience and forward planning,



ensuring capital adequacy remains aligned with the Bank's long-term strategic vision. These include the development of an early-triggered Callable Capital Framework and real-time risk dashboards.

Delegation of authority continues to be limited, creating challenges for operational efficiency and accountability.

All investment projects are approved by the Board of Directors and undergo three levels of internal review—divisional, departmental, and the Adjudication and Review Committee—before submission. These layers bring together operational and corporate perspectives and help assess quality, compliance, and strategic alignment. Project teams include a range of specialists, but the specific responsibilities and authorities of these functions in approving or endorsing project decisions are not formally defined. The absence of a clear delegation-of-authority matrix and documented procedures for handling non-concurrence from critical oversight functions and specialists (e.g., financial management, procurement, safeguards, gender, and results) weakens contestability and accountability.

There is greater delegation of authority for resource reallocation and minor operational adjustments during implementation. The Operational Policy Framework establishes clear approval levels for reallocations and changes to financial terms, allowing different levels of management to approve adjustments depending on their scale and nature (OPPM 2014a). This includes reallocations within projects, extensions of disbursement periods, and cancellation of loan amounts. The President also has authority to reallocate balances from existing projects to support rehabilitation and reconstruction operations, enabling the Bank to respond quickly to emergencies. These mechanisms support operational flexibility while maintaining fiduciary oversight.

While CDB has taken steps to expand delegated authority, overall delegation remains limited compared with peer institutions, affecting operational efficiency. The President and senior management may approve smaller Technical Assistance operations up to USD 750,000 and certain emergency assistance instruments through streamlined procedures. Furthermore, authority to approve extensions of the Terminal Disbursement Date have been delegated to different levels of Operational staff. CDB's president may approve all UKCIF projects that do not involve blending with OCR or SDF resources. However, all other investment projects and most substantive changes to project scope continue to require Board approval. Evaluations and project reviews indicate that this limited delegation and multi-layered approval structure can slow decision-making and constrain adaptive management during implementation. Compared with other IFIs that apply risk-based or dual-track approval processes, CDB's delegation framework remains relatively centralised and contributes to uneven responsiveness to BMC needs.

Performance management is not being used as a strategic tool to guide incentives, support mobility and learning, and exit poor performers.

CDB implements a formal performance management process, but full and timely compliance is not achieved. All staff and managers undergo an annual Performance Development and Review (PDR) process requiring objective setting, interim discussions and an end-of-year assessment (CDB 1998). In practice, the system is not implemented

in line with documented procedures. The review process is often opened late in the year due to delays in completing previous cycles, meaning objectives and mid-year reviews may not be recorded systematically. A multi-layered appeals process allows staff to contest performance assessments with their Director and the Director for Human Resources. If a mutually agreed solution cannot be found for contract-related disputes, staff have recourse to arbitration conducted in line with UNCITRAL rules.

The performance management system aligns staff objectives to corporate priorities. The Staff Manual and Performance Development Review Guidelines require that staff objectives are linked to corporate and strategic priorities. Objectives are set by senior management and cascaded through departments and divisions to guide individual staff targets. Stakeholders confirm that this approach is generally applied through alignment with the Annual Work Programme. This provides a clear link between staff performance and institutional results.

There is a weak linkage between performance assessment and rewards, incentives and learning. Although a merit-based compensation framework exists, stakeholders report weak connections between performance and reward. Compensation challenges include non-competitive salary levels, limited transparency in salary adjustments and clustering of staff at lower salary ranges (Mercer 2024). While the Bank offers an e-learning platform and external training linked to competencies, it lacks a corporate training programme aligned with organisational priorities. MOPAN Partner survey respondents highlight concerns about fairness and the impact of compensation practices on morale and retention and describe learning opportunities as limited, unevenly distributed and insufficiently strategic.

Performance management is not leveraged to inform promotions, staff mobility and exits. Policies allow termination for unsatisfactory performance and the use of Performance Improvement Plans, but these are reportedly rare (CDB 1998). The organisation lacks a formal policy on staff mobility or promotion and has limited advancement opportunities due to a relatively flat organisational structure. Furthermore, infrequent allocation of low performance ratings and uneven compliance reduce the system's effectiveness as a tool for managing underperformance. Stakeholders and survey respondents describe talent management processes as opaque and inconsistent.



Whereas progress has been made in promoting non-discrimination and gender equality, CDB faces important challenges with respect to staff engagement and the workplace environment. The Bank has established policies supporting non-discrimination and gender equality, achieved EDGE Move certification, and monitors gender representation in management (CDB 2024g). However, progress toward gender parity targets remains incomplete. Staff engagement surveys highlight strong commitment to the organisation’s mission but also reveal concerns regarding workload, burnout, fairness and career opportunities. While management has taken steps to address these issues—such as updated workplace policies, well-being initiatives and flexible working arrangements—the irregular implementation of staff surveys and ongoing concerns about workload and retention suggest that broader HR system challenges continue to affect staff performance management and engagement.

KPI 4: Organisational systems are cost- and value-conscious and enable transparency and accountability.

Performance rating: Satisfactory	2.55
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This KPI reflects the extent to which CDB’s institutional structures and processes promote transparent and accountable use of resources. This includes: (i) clear criteria for allocating resources to BMCs; (ii) internal control functions that ensure resource allocation processes are working effectively; (iii) mechanisms for promoting integrity and addressing fraud, corruption and misconduct; and (iv) preventing and responding to Sexual Exploitation and Abuse and Sexual Harassment.

CDB is rated **satisfactory** overall. CDB has a strong policy and control framework guiding resource allocation, disbursement, auditing, and integrity, but faces persistent challenges in implementation due to capacity and resource constraints. Key gaps include delays in project execution, limited results-based budgeting, and insufficient linkage between spending and outcomes. Audit and integrity systems are well established; however, under-resourcing, limited transparency, and weak follow-up on action plans reduce their effectiveness. Although CDB addresses the risk of Sexual Exploitation and Abuse in operations, there is a need for stronger institutional capacity and frameworks and more systematic follow-up of operations.

CDB has comprehensive policy frameworks and guidance for resource allocation to BMCs and disbursement of funds.

CDB has a comprehensive policy framework guiding allocation of resources to BMCs. This includes criteria underlying investment decisions across Ordinary Capital Resources (OCR), Special Development Fund (SDF), Technical Assistance, Policy-Based Operations, and Private Sector Operations (OPPM 2014a). These policies collectively emphasise development impact, financial sustainability, and alignment with strategic priorities. They are supported by criteria such as borrower creditworthiness, economic returns, project readiness, and environmental and social safeguards. The OCR lending framework uses country classifications to tailor financing terms and instruments based on development needs and creditworthiness, ensuring a balanced approach to risk and impact (CDB 2016, 2025k).

The SDF allocation system is key to CDB’s ability to channel concessional resources to its BMCs. All of CDB BMCs are eligible to receive SDF financing to different degrees, particularly to address climate change and disaster risk (CDB 2021f, 2024f). The SDF system uses a transparent Performance-Based Allocation (PBA) formula to guide concessional resource distribution that is adjusted with each SDF Resolution. This formula combines measures of country need—such as income levels, population, and vulnerability (including the Caribbean Multidimensional Vulnerability Index)—with indicators of country performance, including governance quality and portfolio effectiveness. Together, these factors ensure that resources are directed toward countries where they can achieve the greatest development impact while maintaining financial discipline and incentivising strong institutional performance, accountability, and resilience.

Despite this robust framework, gaps remain in the private sector operations. While the Private Sector Strategy highlights principles such as additionality, selectivity, and catalytic impact, CDB lacks a formal methodology or scoring system to assess financial and non-financial additionality in line with the practices of other IFIs.

CDB has established clear timelines, conditions, and multi-layered clearance processes for disbursement. These requirements are identified in the Operations Manual and embedded in systems such as OP365, including conditions precedent, Terminal Disbursement Dates, and structured verification procedures to ensure fiduciary integrity. However, despite this robust framework, recurring delays persist—largely driven by contextual implementation bottlenecks such as procurement issues, limited capacity in project implementation units, and slow project start-up rather than weaknesses in the disbursement system itself. While disbursement performance has improved in recent years, with efficiency rates exceeding targets in 2023 and remaining strong in 2024, large undisbursed balances and a high proportion of aging projects indicate ongoing systemic challenges (2021a, 2022a, 2023a, 2024b, 2025c).

CDB consistently reports and explains variances in disbursement performance through its annual reporting. ARPPs identify both external shocks (e.g. COVID-19, natural disasters) and internal constraints (e.g. weak readiness, staffing gaps, procedural inefficiencies) that contribute to disbursement variances (2021a, 2022a, 2023a, 2024b, 2025c). Although mechanisms exist to monitor performance and capture lessons—such as supervision reports, portfolio reviews, and risk monitoring—evidence suggests that corrective actions remain largely reactive. Persistent reliance on extensions and recurring implementation issues indicate that these insights have not yet been fully translated into sustained, system-wide improvements in project execution or disbursement efficiency.

The institutional budget process is not positioned to ensure that CDB has sufficient staff and skills to deliver on its strategic priorities.

CDB's budgeting process does not yet provide a full picture of resources needed to deliver on strategic priorities. CDB's budget links financial allocations to operational areas and planned activities through the Work Programme and Budget (WPB) (CDB 2021c, 2023c, 2024e, 2025g). The WPB outlines projected lending by sector and identifies resource needs, including staffing, to support delivery of strategic priorities. While the process has become more robust over time, the alignment between the WPB and resource allocation remains indicative rather than precise. The budget does not provide detailed costing by department, unit, or strategic priority, and workforce planning is incremental rather than being based on a comprehensive skills audit and skills requirements. Decision-making on resource allocation is not linked to evidence-based assumptions to ensure allocations are truly sufficient to deliver on the WPB and institutional priorities. As such, the connection between financial resources and intended development results is mostly descriptive rather than promoting a structured results-based budgeting approach.

While CDB has systems in place to track budget execution and overall efficiency, its ability to link spending to specific outcomes or strategic priorities is limited. Administrative expenditures - dominated by staff costs - are tracked reliably at an aggregate level but are not systematically mapped to outputs or results within the Results Monitoring Framework. Although efforts to improve efficiency through digitalisation and process reforms are underway, there is limited evidence of progress in developing more robust cost-to-result tracking or performance-based resource allocation over time. As a result, despite some improvements, CDB's budgeting system does not yet provide a clear or comprehensive picture of how resources are allocated to achieve development results or adapt to evolving operational needs. These gaps, combined with several years of zero-growth budgeting, have contributed to widespread under-resourcing of operational areas across the Bank.

CDB has a robust internal control policy framework and functions, but the independence of these functions and follow-up on issues have been constrained by under-resourcing.

CDB demonstrates strong alignment with international standards in its external audit arrangements. Its financial statements are audited annually by independent, internationally qualified auditors in accordance with

International Standards on Auditing (ISAs) and International Financial Reporting Standards (IFRS), as mandated by its founding Agreement and By-Laws. The 2024 external audit confirms full compliance, with auditors affirming that the Bank's financial statements present a true and fair view of its financial position and performance.

CDB's internal audit function (IAD) broadly meets internationally accepted standards for independence, transparency, and quality assurance but resourcing is an important risk. The IAD operates in line with the Institute of Internal Auditors' (IIA) standards, reports functionally to a Board-level committee, and applies a risk-based approach to audit planning. It produces comprehensive annual reports, maintains a quality assurance programme, and demonstrates appropriate technical capacity (CDB 2025m). However, the function is significantly under-resourced, with limited staff, budget, and access to analytical tools, which constrains its ability to cover the full range of critical institutional risks and conduct more proactive engagements. These resource limitations, alongside broader organisational capacity challenges, pose a growing risk to the effectiveness and sustainability of CDB's internal assurance framework.

Follow-up on issues identified through internal and external audit have been constrained by resource gaps across the institution. CDB has structured processes to follow up on audit findings through Management Action Plans (MAPs), monitored by the Internal Audit Division (IAD). However, a significant backlog of open and overdue audit issues—some dating back several years—highlights challenges in timely implementation. Delayed follow-up on audit recommendations is largely due to capacity constraints, staffing gaps, and internal coordination issues. CDB is currently in the process of implementing a Governance, Risk and Compliance system designed to enhance follow-up in addressing audit recommendations and institutional risks.

CDB has established a strong and comprehensive framework governing ethical behaviour, integrity, and misconduct. This framework is rooted in CDB's 2009 Code of Conduct and the 2015 Strategic Framework for Integrity, Compliance and Accountability (CDB 2009, 2015b). These frameworks articulate core principles such as integrity, transparency, accountability, and zero tolerance for fraud and corruption, and apply across staff, contractors, and partners. Complementary policies, including the Integrity and Ethics Policy and the 2025 Procedures on a Professional Working Environment, further reinforce standards on workplace behaviour, harassment, sexual harassment and disciplinary processes, providing clear guidance on expected conduct, complaint handling, and sanctions (CDB 2015c, 2024h).

This policy framework is operationalised through the independent Office of Integrity, Compliance and Accountability (ICA). ICA plays a central role in investigations, whistleblowing, compliance, and sanctions under a "three lines of defence" model (CDB 2015b). Roles and responsibilities are clearly defined, with management responsible for prevention and internal controls, and staff required to report misconduct and comply with policies within specified timelines. The system is supported by risk-based due diligence, AML/CFT controls, and strong whistleblower protections with multiple confidential reporting channels, ensuring both accessibility and protection against retaliation.

CDB also places significant emphasis on prevention through training and awareness. ICA leads mandatory annual training programmes for staff and management, complemented by orientation sessions, targeted thematic training, and the use of case studies and digital tools such as the Case Management System and Conflict of Interest Portal. Monitoring mechanisms—including annual reporting, and systematic case tracking—support oversight of integrity risks, sanctions, and trends, contributing to a structured approach to promoting an organisational culture of integrity and compliance.

However, as with audit, resource constraints have historically contributed to implementation challenges. Limited staffing, budget, and data analytics capacity, have at times affected ICA's ability to keep pace with a growing



and increasingly complex portfolio. Some gaps have historically limited the consistency and transparency of processes, such as lack of clear firewalls between ethics and investigation, unclear service standards for case handling and limited coordination between ICA and HR on disciplinary follow-through. Additionally, the overall framework has not been subject to independent assurance, and institutional learning from case data remains an area of opportunity. Despite resource constraints, ICA has successfully delivered annual integrity training for all staff.

There are opportunities to enhance the transparency of reporting on integrity incidents. CDB promotes transparency through annual public reporting on integrity cases, investigations, and sanctions. However, reporting remains largely aggregate and lacks detailed insights on timelines, root causes, and follow-up actions. There is limited evidence of systematic Board or management oversight to ensure that findings translate into organisational reforms, time-bound action plans, or strengthened preventive systems. Overall, despite a solid policy and institutional foundation, strengthening resourcing, analytics, transparency, and feedback loops would enhance the effectiveness, accountability, and maturity of CDB's integrity framework. CDB is moving toward more disaggregated public reporting on integrity incidents for its future annual reports.

CDB needs to address the prevention of sexual exploitation and abuse and sexual harassment more systematically. **CDB does not have a dedicated PSEA policy, instead addressing SEA risks through different policy frameworks (e.g. integrity, gender, and environmental/social safeguards).** These frameworks only partially align with good practice. Furthermore, CDB lacks an institutional action plan to enhance its approach to address SEAH-related risks supported by systematic monitoring. Some progress has been made—such as integrating SEA considerations into gender strategies, updated safeguard frameworks, contractor requirements, and participating in international initiatives. However, implementation remains inconsistent due to limited resources, weak coordination, limited numbers of dedicated experts, and the absence of SEA-specific risk screening tools, training, and survivor-support systems. Reporting and oversight are also limited, with no disaggregated SEA data or clear tracking of allegations and responses. The absence of specific SEA reporting limits transparency and reduces the Bank's ability to demonstrate effective prevention, response, and compliance with emerging global PSEA standards.

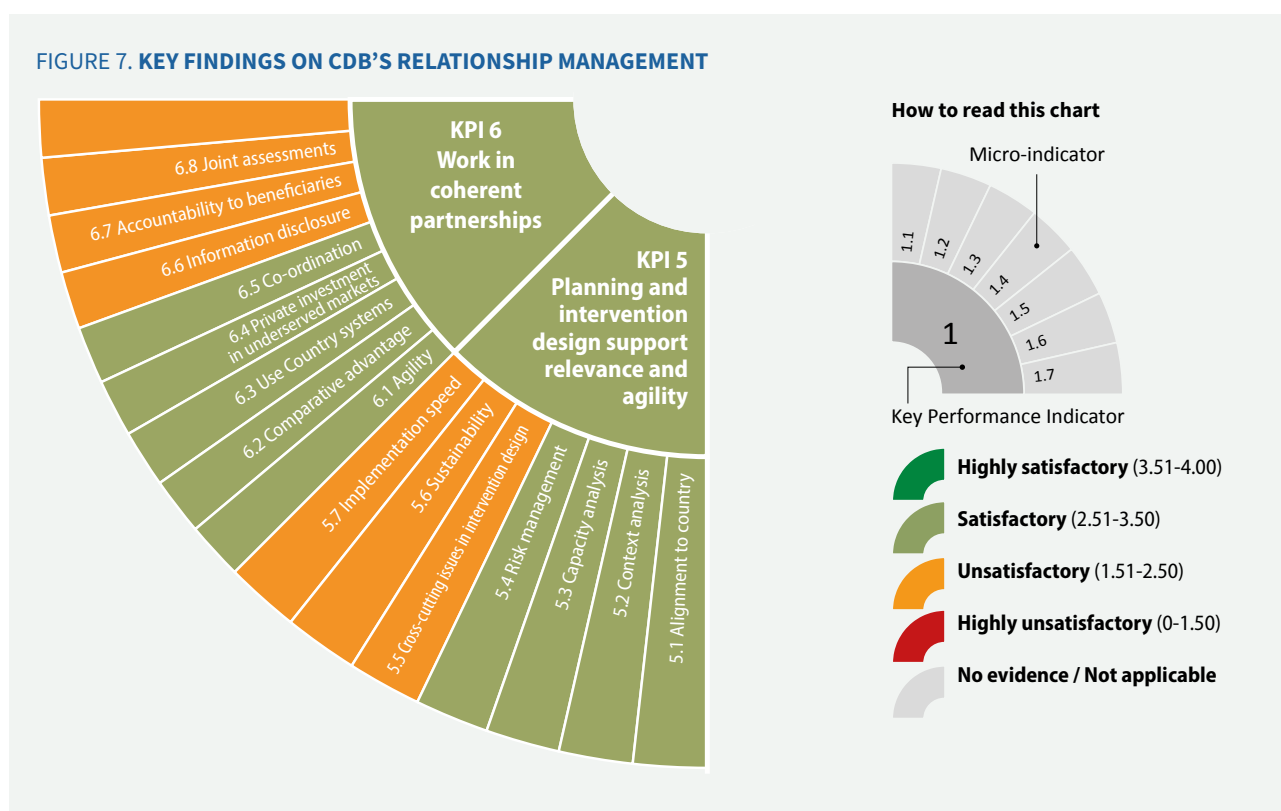
By comparison, CDB has a stronger policy and operational framework for addressing sexual harassment (SH). These policies are embedded across its Code of Conduct, Gender Equality Policy and Action Plan and the 2025 Procedures on a Professional Working Environment (CDB 2009, 2020a, 2023f, 2024h, 2025l). These policies clearly define

SH, prohibit inappropriate conduct, and establish expectations for staff and managers, including reporting obligations, training requirements, and disciplinary processes. Multiple confidential reporting channels are available through ICA’s whistleblower system, and mechanisms exist to investigate complaints and protect complainants from retaliation. However, there are gaps in coordination with HR on disciplinary issues as well as gaps in resourcing, and transparency. Challenges include the absence of dedicated focal points, unclear timelines for case resolution, and lack of disaggregated reporting on SH cases and outcomes, which constrains the Bank’s ability to systematically track, assess, and strengthen its response to SH. ICA has now moved toward annual integrity and ethics training for all staff, identification of staff champions and disaggregated reporting of sexual harassment cases for its forthcoming public reporting.

RELATIONSHIP MANAGEMENT

Engaging in inclusive partnerships to support relevance, leverage effective solutions and maximise results.

FIGURE 7. KEY FINDINGS ON CDB’S RELATIONSHIP MANAGEMENT



KPI 5: Operational planning and intervention design tools support relevance and agility in partnerships

Performance rating: Satisfactory	2.58
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This KPI reflects how CDB partners with BMC governments, private sector clients and other stakeholders to ensure that: (i) operations align to national priorities and cross-cutting issues; (ii) key risks are identified and addressed in project design and monitored throughout implementation; and (iii) clearly articulated processes are in place for navigating the implementation of operations.

Overall, CDB is rated as **satisfactory**, though performance is uneven. CDB demonstrates stronger performance for: (i) the alignment of interventions and strategies to BMCs’ needs and priorities; (ii) the extent to which strategies and operations reflect this implementation context; and (iii) the use of capacity analysis and technical assessment to strengthen partners’ implementing capacity. CDB demonstrates weaker performance in addressing sustainability

risks in operations and implementing systems to promoting streamlined and transparent externally-facing processes that affect partner relationships (e.g. disbursement). There is limited tailoring of operational processes to the context of non-sovereign operations.

CES and operations are based on robust contextual analysis and consultation with BMCs, but there are opportunities for CDB to be more responsive to changes in context.

CDB's Country Engagement Strategies (CESs) are aligned systematically with national and regional development priorities. CESs are designed as strategic instruments that link CDB's financing and expertise to BMCs' national development plans, sector strategies, and policy objectives, while also integrating cross-cutting themes such as gender equality, climate resilience, and poverty reduction (CES). They also reflect coordination with regional frameworks and partners—such as CARICOM strategies and global commitments like the SDGs and Paris Agreement—ensuring coherence, avoiding duplication, and reinforcing CDB's role within the broader development architecture. This alignment was demonstrated consistently across recent CES and independent evaluations. It was also emphasised by stakeholders consulted in BMC Ministries.

CDB generally ensures that its intervention designs are grounded in a clear understanding of the operating context. Country Engagement Strategies (CESs) and projects draw on analytical tools such as Enhanced Country Poverty Assessments, Country Economic Reviews, and sector diagnostics to position interventions within country-specific socioeconomic, institutional, and macroeconomic conditions. CESs consistently articulate how strategies respond to national challenges—such as economic shocks, climate vulnerability, and structural constraints—while aligning with government priorities and development frameworks. Project design processes, including Theory of Change development and required contextual analysis in appraisal documents, further reinforce this approach. However, the depth and quality of contextual analysis vary across operations.

CDB demonstrates more limited agility in adapting strategies and operations to evolving contexts. Although CDB conducts mid-term reviews of its CES, there is limited evidence that these are conducted in collaboration with BMCs and partners nor that they are used to update CES. Evidence from evaluations indicates that structured reflection with partners is largely absent, and adjustments tend to be reactive and insufficiently documented. Similarly, although CDB has a wide range of financing instruments—such as policy-based operations, emergency loans, and disaster response mechanisms—to mitigate shocks and protect investments, their use is not always proactive or flexible. While these tools have supported responses to crises like natural disasters and COVID-19, stakeholders highlight constraints related to procedural rigidity, limited restructuring of ongoing projects, and insufficient adaptive management, resulting in a mixed overall assessment of responsiveness.

There are opportunities for CDB to enhance how it addresses operational risks and addresses capacity gaps, including tailored approaches for private sector operations.

CDB incorporates assessments of partner capacity into its CES and project designs. These assessments identify gaps in areas such as institutional coordination, project management, procurement, and technical expertise. CES and project appraisals highlight these constraints and often propose capacity-building measures—including technical assistance, training, and institutional strengthening—to address them. While these efforts are widespread and supported by tools such as institutional assessments and fiduciary risk analyses, their depth and consistency vary. Quality-at-entry issues, such as weak capacity diagnostics, unrealistic timelines, and insufficient market analysis, can undermine both implementation and results. Although many projects include capacity development components, their effectiveness is uneven, with sustainability affected by factors such as staff turnover and limited systemic approaches.

CDB tends to take a project-specific rather than programmatic approach to capacity development. CDB's broader approach to capacity development includes governance, financial management, procurement, and safeguards assessments, as well as increasing collaboration with regional and international partners on institutional

strengthening initiatives. However, capacity analyses are rarely co-developed with BMCs and development partners. Capacity-building support tends to take a project-by-project approach, with limited evidence of long-term, sustainability-focused programmatic approaches that are essential to promote sustainable results in SIDS contexts. In non-sovereign operations, while technical assistance is sometimes used to address client capacity gaps, there is no tailored or consistent process for assessing and managing these risks, highlighting an area for further development as the portfolio expands.

CDB has established comprehensive frameworks for identifying and managing risks across its operations, but implementation has been uneven. Operational policies require systematic identification, categorisation, and prioritisation of risks—such as governance, fiduciary, macroeconomic, institutional, and environmental risks—during project preparation, with mitigation measures integrated into design and supervision. Tools such as OP365 and the Environmental and Social Review Procedures (ESRP) support structured risk analysis, and recent reforms aim to strengthen risk-informed decision-making, reporting systems, and ESG integration (CDB 2014b). However, implementation has been uneven: risk assessments have not always been carried through into project execution, monitoring remains weak, and risk management is often reactive rather than proactive, partly due to human resource constraints, workloads and limited data quality. The Office of Risk Management (ORM) recently introduced a new Enterprise Risk Management Framework and Risk Appetite Framework (RAF), including an updated approach, staff training and identification of risk champions (CDB 2025i, 2026a). Work is ongoing to update the existing approach to address Development Risk in operations. CDB has recently scaled up the implementation of country-wide portfolio reviews, which is another positive step toward a more strategic approach.

Important gaps remain in specific areas of risk management. While non-sovereign operations are subject to general risk assessment requirements, CDB lacks tailored tools and systems to adequately assess commercial viability, monitor financial performance, and manage risks across the investment cycle as this portfolio grows. CDB is currently in the process of developing an end-to-end governance and risk process cycle for non-sovereign operations which will play an important role in addressing this gap. Political and reputational risks are recognised as part of CDB's risk taxonomy and considered within broader processes for assessing development and credit risk, but are not treated as distinct or systematically managed categories, typical of the approach taken by most IFIs. Additionally, processes for identifying and mitigating risks related to sexual exploitation and abuse and harassment (SEAH) are underdeveloped, with a lack of standardised approaches and uneven institutional capacity. While CDB has a solid risk management architecture, strengthening consistency, specialised tools, and proactive implementation remains a key priority.

CDB does not consistently address sustainability risks or policy and legislative constraints in its engagement with BMCs.

CDB considers sustainability risks systematically in the design of operations but these risks are not addressed systematically in implementation. Analysis of factors underlying sustainability is systematically integrated into intervention designs, covering institutional capacity, financial and human resources, social ownership, technical viability, and market conditions, including through the RAF (CDB 2025i). CES and projects generally identify key sustainability risks—such as institutional weaknesses, climate vulnerability, and fiscal constraints—and propose mitigation measures. However, the depth and consistency of this analysis varies, and evaluations show that sustainability risks are not always adequately addressed during implementation. Weak institutional capacity, insufficient provision for operation and maintenance, limited in-country presence, and gaps in supervision and feedback loops further undermine long-term sustainability of results. While sustainability assumptions are identified during design, they are rarely embedded in results frameworks or monitoring systems. CDB's strengthened approach to assessing development risk under the new RAF is expected to contribute to addressing these challenges.

CDB does not engage consistently in policy dialogue to promote an enabling environment for sustainable results. CDB recognises the importance of an enabling policy and legal environment for sustaining results. This is

particularly true in CDB’s efforts to scale up the use of Policy-Based Operations (PBOs), which more consistently address regulatory and institutional reforms. However, outside of PBOs, policy gaps are not addressed systematically. Support for policy reform tends to be project-specific rather than programmatic, with limited follow-through or influence on national policy. Partners in BMCs confirmed that CDB does not typically provide upstream knowledge and advisory support to identify necessary policy or legislative changes.

Management of operations is supported by a robust framework of policies and processes.

Although CDB has robust internal procedures, these are perceived by clients as outdated, cumbersome and untransparent. CDB has well-defined internal procedures for approving investments and managing disbursements. These procedures are grounded in its Operations Manual, and the OP365 system, ensuring that all operations follow a structured cycle—from appraisal to approval and implementation—with strong controls linking disbursements to legal agreements, compliance conditions, and performance milestones. Recent digital reforms, including electronic procurement and disbursement systems, have improved efficiency and transparency. However, stakeholders in BMCs and other partners continue to perceive processes as slow, complex, hierarchical and insufficiently transparent, partly due to outdated guidance (e.g. the 2014 OPPM) and inconsistent application in practice (CDB 2014a).

CDB tends to apply its operational policies and procedures rigidly, at odds with the flexibility and agility required to mitigate implementation challenges in the Caribbean. While CDB’s policies allow for flexibility to adapt to country contexts—particularly in emergency operations and policy-based lending—this adaptability is unevenly applied across the portfolio. Implementation is often constrained by rigid procedures, limited responsiveness to local conditions, and inconsistent compliance with internal policies and timelines, especially in complex or capacity-constrained environments. Although systems exist to monitor compliance and track processing timelines, performance remains mixed, with persistent delays in approvals, disbursement, and project execution (CDB 2021a, 2022a, 2023a, 2024b, 2025c). Overall, CDB has a strong procedural framework, but greater modernization, flexibility, and consistency in implementation are needed to improve efficiency and responsiveness.

KPI 6: Working in coherent partnerships directed at leveraging and catalysing the use of resources.

Performance rating: Satisfactory

2.53

The KPI reflects how CDB engages in partnerships with BMCs, donors, civil society and project affected peoples to deliver sustainable and inclusive results. It addresses CDB’s support to country-led development, including through promoting use of country systems, regional cooperation and South-South cooperation. It reflects how CDB positions knowledge for uptake and impact and how it coordinates with development partners to harmonise processes, deliver operations and measure results.

CDB’s activities align with good practices in many areas, yielding a rating of **satisfactory** overall. Strong performance is demonstrated in supporting country-led development, convening and partnerships, and harmonised approaches with development partners. Areas of opportunity include strengthening information disclosure, accountability to beneficiaries and strategic management of knowledge.

CDB engages regularly with partners to support operations but does not engage partners proactively to adapt operations as conditions change.

CDB engages regularly with partners to support operations and regional collaboration. CDB supports joint planning and programming with Borrowing Member Countries (BMCs) and development partners through CES, technical assistance, and policy-based operations. These processes emphasize consultation, alignment with national and regional priorities, stakeholder participation, and coordination with other donors, including through co-financing and joint missions. There is also strong evidence of effective collaboration at the regional level—such as in education,



energy, and social protection initiatives—where CDB has partnered with organisations like CARICOM, OECS, IDB, and the World Bank. However, evaluations indicate that joint planning could be more systematic in managing the country portfolio, with portfolio reviews that engage BMC clients conducted on an ad hoc basis.

There are opportunities for CDB to use country level collaboration more strategically to support adaptive management. CDB has policies that allow for programmatic adjustments in response to changing conditions, including scope changes, budget reallocations, additional financing, and adaptive instruments such as policy-based loans. OP365 procedures and the operations manual provide structured pathways for revising projects, conducting mid-term reviews, and ensuring flexibility during implementation. Despite these provisions, evidence from evaluations shows that adaptive management is inconsistently applied, with most adjustments occurring reactively in response to crises rather than through embedded, forward-looking mechanisms. Partners in BMCs confirm that mid-term reviews and portfolio reviews are not used systematically to support adaptive management.

Working in partnership at the country and regional level and promoting South-South dialogue is a key part of CDB's comparative advantage in the region - but can be approached more strategically.

CDB's strategies and policies clearly articulate its comparative advantage as a trusted regional institution. This comparative advantage is based on CDB's deep contextual knowledge, strong government relationships, and a focus on technical assistance. However, while these strengths are well recognised by CDB's partners in BMCs, evaluations show that they are not consistently leveraged strategically to support stronger coordination and partnerships. CES and sector strategies often identify potential synergies with development partners and emphasize collaboration across areas such as climate resilience, education, and disaster risk management. In reality, coordination with partners is often ad hoc or crisis-driven, with limited systematic joint programming or identification of synergies at the country level. Structured joint reviews are not institutionalised consistently, and collaboration often remains informal or ad hoc, limiting opportunities to promote adaptive management and shared accountability.

CDB has a track record of successful partnerships, but there are opportunities to implement a more strategic approach. These initiatives include regional initiatives addressing areas such as renewable energy, education reform, and poverty analysis—where CDB combines its financing and convening role with partners' technical expertise. Donor partnerships have been used strategically to pool resources, align cross-cutting priorities (e.g. gender and climate resilience), and de-risk investments through concessional financing and co-financing arrangements. However, country-level evaluations indicate that collaboration opportunities are not consistently embedded in strategies, knowledge work, or project pipelines. In general, partnerships often emerge opportunistically rather than strategically. CDB has a wide range of MOUs with various partners that provide arrangements for co-financing. CDB lacks a coherent strategy to support co-financing with partners, which is not tracked systematically.

CDB has established processes and modalities for supporting collaboration through government-led platforms, including participation in regional and national coordination mechanisms. Nonetheless, implementation is inconsistent, with limited systematic mapping of donor activities, weak integration of partnerships into CES design, and variable engagement in country-led coordination forums across countries. While stakeholders acknowledge CDB's strong collaboration with governments and regional bodies, they also highlight gaps in visibility, coherence, and proactive engagement with other development partners. Strengthening institutional approaches to partnership-building, co-financing, and participation in coordination platforms will be critical to fully leveraging CDB's comparative advantage and enhancing development impact.

CDB has a strong track record of supporting country-led development and the use of country systems, but there are opportunities to adopt a more programmatic, strategic approach. Activities include support for public financial management, procurement reform, statistical capacity development, and disaster risk management. This support has been provided through multiple channels, including technical assistance, policy dialogue, and policy-based operations. CDB's safeguard and procurement policy frameworks allow use of country systems where capacity is sufficient or can be strengthened; however, country systems are often still bypassed because of capacity and fiduciary concerns (CDB 2014b, 2019b, 2021e). Development Effectiveness Reviews and country evaluations show positive examples, such as stronger financial systems, e-procurement adoption, and regional statistical initiatives (CDB 2021b, 2022b, 2023b, 2024c, 2025d). However, they also point to uneven implementation, long delays, weak institutional capacity, and fragmented rather than programmatic support. Across countries, evaluations consistently recommend a more strategic, longer-term, and better coordinated approach to technical assistance and institutional strengthening.

CDB has also supported several regional initiatives and South-South collaboration, reflecting its comparative advantage as a regional partner. These initiatives have supported regional public goods, trade facilitation, climate resilience, and peer exchanges through partnerships with CARICOM, OECS, and others, and. However, there is room for a more coherent and strategic approach: Support to regional cooperation and integration (RCI) lacks consistent leadership and dedicated staff while South-South collaboration is promoted mainly through regional events and initiatives rather than being systematically embedded in country strategies and operations.

CDB actively participates in joint mechanisms with development partners to promote alignment with good practices. These activities include active participation and leadership of IFI working groups addressing risk management, procurement, gender equality, climate finance, legal functions, integrity, privacy and results measurement. Beyond this, CDB actively contributes to global and regional initiatives aligned with the 2030. Participation in joint mechanisms provides opportunities to support knowledge sharing and harmonised reporting frameworks, including joint monitoring for climate finance and procurement mutual reliance arrangements. However, while these efforts are strong at the institutional level, their application in country strategies and operations is uneven, with limited systematic integration of joint monitoring, reporting, and blended finance practices across the portfolio.

CDB has a track record of supporting MSME and inclusive growth, but CDB's private sector activities are not yet embedded in country engagement.

Despite robust policy frameworks, CDB's private sector engagement remains nascent. CDB's OPPM and Private Sector Strategy emphasise the Bank's catalytic role in crowding in private capital through instruments such as loans, guarantees, equity investments, and technical assistance, with a strong focus on MSMEs and inclusive growth (CDB 217b, 2023d). While there has been progress—particularly in expanding access to finance for MSMEs and delivering technical assistance—overall performance remains mixed, with gaps in achieving targets, limited uptake of innovative financing instruments, and weak measurement of additionality and private capital mobilisation. Importantly, private sector engagement is not yet systematically embedded in CES, which remain largely sovereign-focused and insufficiently responsive to evolving market opportunities.

Scaling-up of CDB’s private sector engagement is hindered by operational constraints, limited coordination, and insufficient integration into country-level programming. In practice, CDB deploys a range of financial and non-financial tools—including lines of credit, capacity building, and initiatives such as SheTrades and the Caribbean Technological Consultancy Services—but their impact is constrained by fragmented implementation and limited strategic coherence (SHETRADES, CTCS). Co-financing arrangements and innovative financing structures exist but are not widely or systematically applied, and institutional processes for private sector operations remain underdeveloped and not well tailored to private investment dynamics. Technical assistance, while extensive, is often ad hoc and not effectively integrated into broader market development objectives.

CDB has strong policy frameworks and functions supporting accountability for beneficiaries but challenges remain in promoting accountability throughout the project cycle.

Despite having a well-defined policy framework and track record of strong stakeholder engagement during project design, CDB’s accountability to beneficiaries during implementation is uneven. Stakeholder engagement requirements are embedded in CDB’s Environmental and Social Review Procedures (ESRP) and operational tools such as OP365 (CDB 2014b). These tools require early, inclusive, and continuous consultation throughout the project cycle in line with international standards. Requirements include stakeholder analysis, disclosure of accessible information, Environmental and Social Impact Assessments, and grievance redress mechanisms. However, implementation is uneven: while some projects demonstrate strong, inclusive engagement, overall practice tends to be stronger during preparation and appraisal and weaker during implementation. Follow-through during implementation is inconsistent due to capacity constraints and insufficient prioritisation of engagement as a formal performance requirement.

Although there is clear ownership of stakeholder engagement processes, resource constraints limit systematic implementation. Institutional responsibilities for stakeholder engagement are primarily assigned to the Environmental Sustainability Unit and Social Sector Division, supported by Community Liaison Officers at the project level. These units provide technical guidance, training, and oversight, but limited staffing and unclear accountability for continuous monitoring weaken follow-up during implementation. Although training on ESRP requirements is



provided, gaps remain—particularly among contractors and Borrowing Member Countries—affecting consistent application of safeguards (CDB 2014b; OIE 2024). Approval processes include requirements for consultation and accountability mechanisms, such as screening tools and appraisal checks, but accountability to beneficiaries is not consistently maintained beyond the design phase. These requirements are expected to be reinforced in CDB's forthcoming Environmental and Social Review Framework (CDB 2025h).

CDB also has mechanisms to support accountability and oversight and access to complaints mechanisms for beneficiaries. These include independent review requirements for high-risk projects and both project-level grievance redress mechanisms and a central Project Complaints Mechanism (PCM) aligned with good practice (CDB 2015, 2022c). While these align with international good practice and are widely implemented, challenges remain in ensuring the functionality and effectiveness of grievance mechanisms through regular monitoring, transparency, and feedback to affected communities. The independence of the PCM and public reporting on complaints and grievance outcomes could be strengthened through the removal of the administrative reporting line to the President. While CDB demonstrates a strong policy framework for stakeholder engagement and accountability, implementation gaps and resource constraints reduce effectiveness in practice.

CDB's transparency practices fall short of good practice due to gaps in implementation, accessibility, and accountability – posing an important challenge for accountability to beneficiaries. CDB has an Information Disclosure Policy (CDB 2011) grounded in principles of transparency and presumption of disclosure, and it reports fully to international platforms such as IATI and OECD-DAC. However, the policy is outdated, is not fully aligned with current IATI standards, and lacks independent external scrutiny. In practice, transparency is uneven. While CDB reports project data, key operational documents—such as appraisal reports, budgets, and portfolio performance reports—are not consistently published, and data quality issues further limit accessibility. Mechanisms for public information requests are weak, with limited guidance on how to submit requests, no public reporting on how requests are handled, and unclear or inactive appeals processes.

CDB is not realising a potential comparative advantage in promoting operational learning and strategic knowledge management.

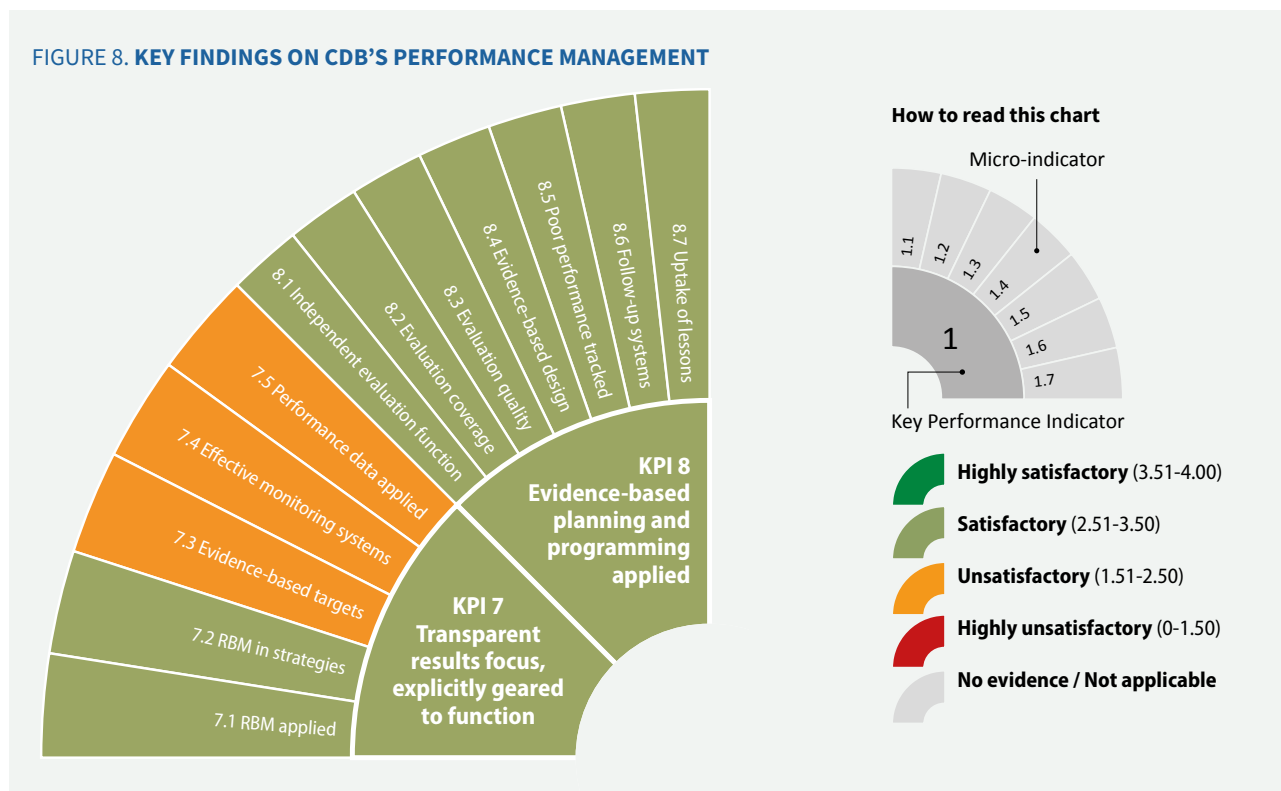
CDB lacks a defined strategy and approach to support knowledge management. CDB increasingly recognises its role in knowledge production within its corporate strategies, positioning knowledge, innovation, and evidence-based decision-making as central to its mandate. Initiatives such as the KIDS approach and partnerships with regional organisations support the generation and dissemination of policy-relevant knowledge, particularly in areas like climate resilience, digital transformation, and gender (CDB 2021d). However, this strategic emphasis is not matched by institutional systems: there is no standalone knowledge management strategy, no clear operational procedures, and no corporate indicators to measure the production, quality, or use of knowledge products. Evidence of how knowledge informs partner action is limited and largely anecdotal, with knowledge activities often described as unsystematic and weakly linked to country strategies, project design, or policy reform.

Despite strong examples of knowledge work, limited systematic approaches and capacity gaps constrain CDB's potential impact in this area. There are positive examples of collaboration with regional and international partners to produce knowledge products that support advocacy, regional public goods, and capacity building. These include tools, frameworks, and platforms in areas such as agriculture, education, gender, and trade, often delivered with organisations like CARICOM, OECS, and other development partners. Despite generally positive perceptions of quality, there are notable gaps in timeliness, strategic planning, dissemination, and consistency. Limited staff capacity, weak integration of knowledge into country strategies, and the absence of formal quality review and feedback mechanisms constrain effectiveness. While CDB uses diverse formats to share knowledge—such as reports, toolkits, training, and forums—stakeholders highlight challenges in visibility, accessibility, and the systematic use of knowledge to inform operations and decision-making.

PERFORMANCE MANAGEMENT

Systems geared to managing and accounting for development and humanitarian results and the use of performance information, including evaluation and lesson-learning.

FIGURE 8. KEY FINDINGS ON CDB’S PERFORMANCE MANAGEMENT



KPI 7: Strong and transparent results focus, explicitly geared to function.

Performance rating: Satisfactory	2.51
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This KPI examines the extent to which CDB demonstrates an enabling environment for results-based management, including a strong policy and strategic commitment, implementation of a clear results architecture throughout the organisation.

Although CDB has made good progress has been made in strengthening RBM practices and structures, important challenges remain around data quality, use of results data for learning and dialogue and demonstrating contribution to outcomes. Overall, CDB is rated as **satisfactory** for this indicator.

CDB demonstrates a clear corporate commitment to results. This commitment is anchored in CDB’s Results Monitoring Framework (RMF), which is aligned with the Strategic Plan and cascaded to country strategies and projects (CDB 2021b, 2022b, 2023b, 2024c, 2025d). The RMF, annual Development Effectiveness Review, ARPP, and independent evaluations together provide a structured basis for accountability, learning, and performance monitoring. Results frameworks are required for CESs and most operations, and CDB has clear guidance, tools, and a dedicated results advisor to support their design. In its TYS, CDB proposes an updated C-RMF that reflects good practice, including streamlined indicators supported by transparent methodologies and adoption of more outcome-driven indicators that are harmonised with other IFIs (CDB 2026a).

CDB has strengthened its RBM architecture in recent years, but important gaps remain in implementation, systems, and capacity. Evaluative evidence shows persistent weaknesses in the quality of indicators, baselines, targets, and results chains, as well as limited use of results data during supervision and completion. Investment in RBM has been uneven, with training only recently expanding and included in staff onboarding. Although new tools, advisory support, and onboarding modules are improving practice, OP365 data quality issues, incomplete institutionalisation of quality assurance, and uneven staff understanding of RBM continue to limit full realisation of a results culture.

Results frameworks are embedded across organisational strategies and create linkages between projects, CES and corporate results frameworks. Beyond the corporate RMF, most sectoral and thematic strategies include results frameworks, and corporate indicators are cascaded into operations and CESs to support alignment. However, the quality and specificity of these frameworks vary, particularly in the use of baselines, targets, and theories of change. While the results architecture is conceptually coherent, implementation challenges and the absence of a formal tagging system reduce visibility on how operations contribute to corporate priorities.

CDB reports regularly on results to its Board, including through publicly available reports. Annual reporting through the DER, ARPP, and Annual Report provides the Board with regular analysis of development results, portfolio performance, and operational bottlenecks, and the DER publicly tracks progress over time against corporate targets (CDB 2024a). These reports identify both achievements and deviations from plan and increasingly point to corrective actions. However, concerns remain about the timeliness, transparency, and strategic presentation of results reporting, and several important operational policies and strategies have not been updated regularly, limiting their usefulness in driving institutional results and responsiveness to changing needs.

Important gaps remain in how indicators and targets capture causal pathways to higher-order outcomes. While guidance clearly defines results chains from outputs to outcomes, in practice most indicators focus on outputs, with limited measurement of behavioural or institutional changes (CDB 2014a, 2017a). Corporate and project-level reporting relies heavily on ex-ante projections, and outcome data are often missing due to weak design, limited monitoring capacity, and data gaps. Although efforts are underway to strengthen outcome orientation and harmonise indicators, current reporting still emphasises outputs over demonstrated impact.

CDB has clear standards and guidance in place for indicator design, baselines, and participatory target setting, but implementation remains inconsistent. Objectives and targets are not always SMART, baselines are frequently missing or not gender-disaggregated, and quality assurance is uneven across projects. Results frameworks are rarely revised during implementation despite available guidance, reflecting weak incentives and rigid approval processes that discourage adaptation. While stakeholder consultation is embedded in design processes and generally supports relevance and ownership, limited follow-through in supervision, data systems, and knowledge management constrains CDB's ability to track progress, adjust interventions, and fully demonstrate achievement of development outcomes (OIE 2021).

CDB faces challenges in generating results data that demonstrate its contribution to outcomes. While monitoring systems and reporting processes generate data across outputs and, to a lesser extent, outcomes, they remain heavily output-focused, reliant on projections, and constrained by data gaps, uneven system uptake, and inconsistent reporting quality. Persistent challenges in data availability, timeliness, and quality—driven in part by a compliance-oriented culture and weak supervision practices—limit the effectiveness of corporate reporting and the Bank's ability to demonstrate and manage for development outcomes.

Performance data are used to inform corporate planning, resource allocation, and strategy development. The DER and ARPP findings clearly influence the Work Programme and Budget, country strategies, and concessional

resource allocation (CDB 2021c, 2023c, 2024e, 2025g). However, the use of performance data at the operational level is less consistent, with limited integration of lessons into project design and weak application of evidence to adjust ongoing operations or country strategies. CDB has recently moved toward using performance data more systematically to develop institutional action plans targeting processing and implementation bottlenecks, with some evidence of implementation.

The use of performance data to support partnerships and strategic dialogue remains underdeveloped. Although policies and frameworks emphasise evidence-based engagement with stakeholders, results information is typically used for accountability and reporting purposes rather than for learning, decision-making, or collaboration. Data are not consistently leveraged to inform dialogue with BMCs or development partners, and mechanisms to track and apply lessons across the project cycle are weak. Strengthening the systematic use of performance evidence for adaptive management, institutional learning, and partnership engagement will be critical for enhancing CDB’s development effectiveness.

KPI 8: Evidence-based planning and programming applied.

Performance rating: Satisfactory	2.78
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This KPI assesses the effectiveness and independence of the CDB’s independent evaluation function (Office of Independent Evaluation, OIE) and the processes that support the uptake of lessons to inform new operations. It considers numerous perspectives, including: (i) structural, financial and operational independence; (ii) evaluation planning, implementation and coverage; (iii) evaluation quality and credibility; (iv) implementation of management responses; and (v) mechanisms to promote learning and uptake of evaluation findings. This KPI also reflects processes for operational learning that implicate both the independent evaluation function and management.

CDB is rated **satisfactory**, reflecting important changes made throughout the assessment period to strengthen the policy framework and resourcing for independent evaluation and enhance the quality and timeliness of self-evaluation.

CDB has strengthened the independence of evaluation function through the approval of the 2025 Evaluation Policy. The new policy reinforces OIE’s operational and structural independence, including direct reporting of the Head of Evaluation to the Board through the DEC and improved budget autonomy. OIE has full discretion over its work programme and broad access to information (CDB 2025e). Recent reforms—such as separate budget approval, a more consultative, agile planning approach and greater control over the dissemination of evaluations—align more closely with good practice. However, some constraints remain, including lack of full control over staff recruitment, limited use of evaluation findings in Board-level discussions and a relatively lower level of seniority of the Head of Evaluation compared to peers. OIE is currently working to strengthen the use of evaluation findings in Board discussions.

OIE has taken important steps to enhance the coverage, quality and use of evaluation. These include new independent and self-evaluation manuals to accompany the 2025 Evaluation Policy (CDB 2025e). The evaluation function now reflects a broader and more modernised set of products, alongside a shift to a costed three-year rolling work programme developed in consultation with management and aligned to strategic priorities (OIE 2025a). Evaluation coverage and quality have historically been constrained due to inconsistent Project Completion Report (PCR) completion and limited PCR validation due to resource constraints. However, recent progress includes improved PCR completion rates and a commitment to move toward 100% validation of PCRs, supported by clearer guidance and enhanced quality standards. Despite these improvements, challenges remain in ensuring PCR quality and coverage and clarifying the timing of PCR completion. This is expected to be addressed by the introduction of a Self-Evaluation Manual (CDB 2025f)

The introduction of an independent evaluation manual has established clearer processes, roles, and quality assurance mechanisms aligned with international standards. New practices—such as Evaluation Reference Groups and an external Evaluation Advisory Committee—enhance stakeholder engagement, methodological rigor, and upstream review of evaluation approaches. Evaluations generally apply mixed methods and present balanced findings, with clear acknowledgement of methodological limitations and mitigation strategies (CDB 2024d). While overall quality is considered adequate, past evaluations have faced challenges related to overly broad scope, limited causal analysis, and recommendations that were not consistently SMART. Weak project-level data, inconsistent project monitoring and limited availability of outcome data continue to affect the depth and reliability of evaluations.

While lessons are consistently identified across the project cycle, their actual integration into new operations is uneven, often limited in depth, and not systematically enforced. CDB has established formal requirements and processes to capture and apply lessons from past operations, with appraisal reports, PCRs, and Country Engagement Strategies expected to demonstrate how prior experience informs new designs. Mechanisms to collect and disseminate lessons, including OP365, and an AI-powered database and synthesis reports, are still maturing. Furthermore, teams implementing these mechanisms face ongoing challenges related to data quality and accessibility (OIE 2025c). Although requirements exist, incentives to apply lessons meaningfully remain weak, with limited scrutiny, accountability, or performance incentives to ensure lessons are effectively translated into improved project design and implementation.

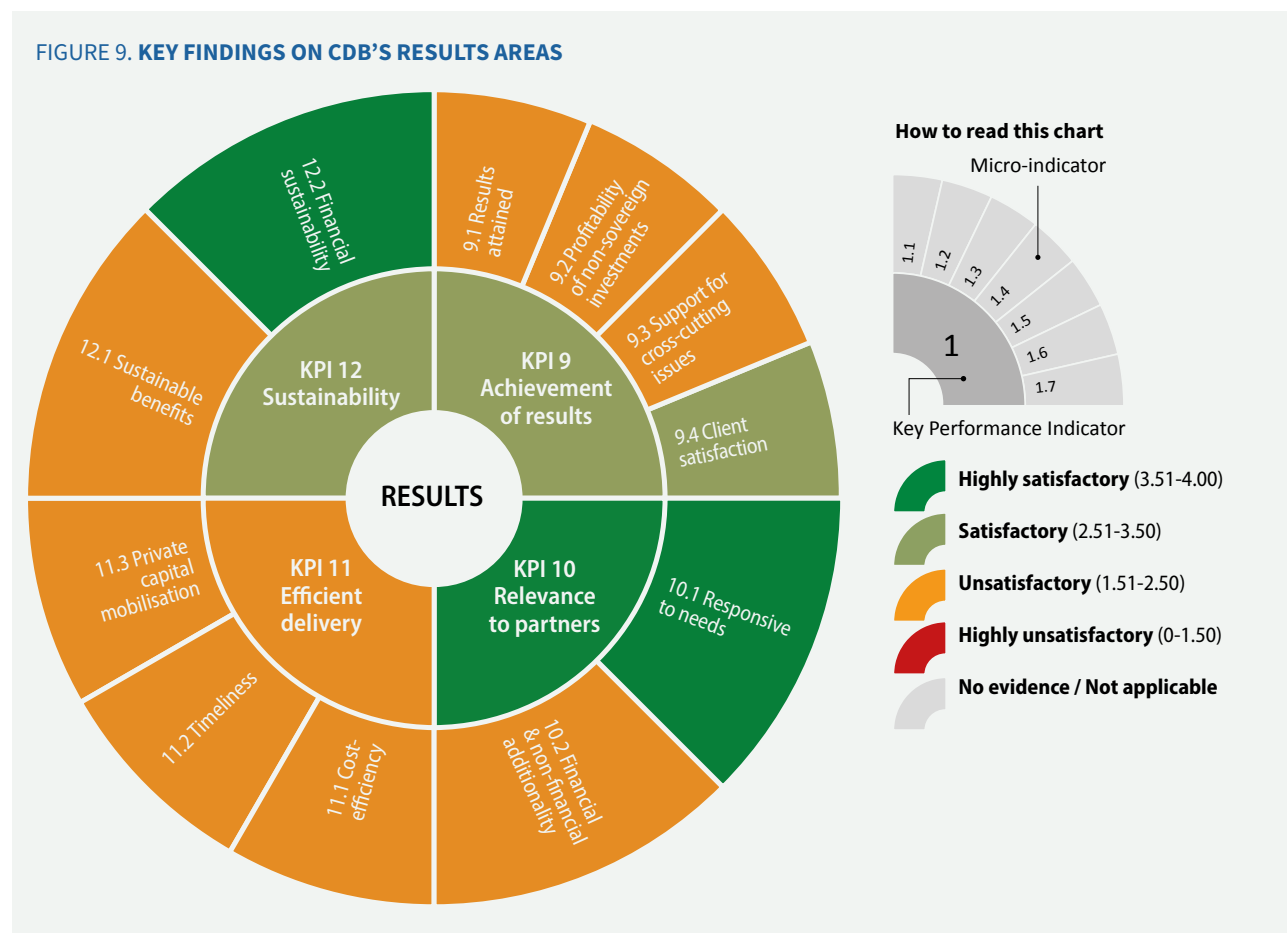
CDB has established systems to identify and manage poorly performing projects. Key entry points include annual project supervision, Project Supervision Reports in OP365, and an Implementation Progress Score based on key performance criteria. Projects “at risk” are tracked through the RMF and ARPP, with enhanced supervision and periodic reviews applied, and recent plans to introduce more proactive portfolio and country-level reviews (CDB 2021a, 2022a, 2023a, 2024b, 2025c). While processes exist to address poor performance—such as revising project scope, reallocating resources, or extending timelines—these are often constrained by data quality issues, infrequent supervision, and governance structures requiring Board approval for major changes. Although responsibilities for corrective action are defined, limited flexibility and incentive structures may discourage adaptive management, potentially affecting timely responses and overall project effectiveness.

OIE ensures that all evaluation reports include management responses with agreed actions, responsibilities, and timelines. Recent policy updates have improved timeliness by introducing a 40-day deadline, reducing previous delays that affected independence (CDB 2025e). The quality of past management responses was uneven, with actions often lacking specificity, measurable outcomes, and clearly timebound commitments, and some reinforcing existing processes rather than driving change. However, new templates and approaches are helping to improve the quality of management responses in line with SMART principles (OIE 2025b). While mechanisms exist to track implementation, including a new dashboard that improves visibility of progress and delays, reporting is not yet fully public. Delays in implementing recommendations persist due to capacity constraints.

CDB has made progress in improving access to and dissemination of evaluation findings. Reports and management responses are publicly available and recent policy changes have strengthened OIE’s independence in publishing outputs and expanding dissemination tools, including planned dashboards and enhanced webpages (CDB 2025e). Internal mechanisms such as PCRs, synthesis reports, and an emerging AI-powered lessons database will support the capture and sharing of knowledge, while expanded stakeholder engagement, training, and new products like Real-Time Evaluations aim to promote learning across the region (OIE 2025a). OIE has significantly improved the timely dissemination of evaluations on their website. However, there remain opportunities to strengthen dissemination, awareness and use among stakeholders. Uptake of evaluation findings in new strategies and operations has historically been modest and there is scope to strengthen systematic learning, visibility, and integration of lessons into decision-making.

RESULTS

Achievement of relevant, inclusive and sustainable contributions to humanitarian and development results in an efficient manner.



KPI 9: Development and humanitarian objectives are achieved and results contribute to normative and cross-cutting goals.

Performance rating: Satisfactory	3.12
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This KPI examines the extent to which CDB is delivering its expected operational results from several perspectives. This includes: (i) the extent to which operations achieve their intended objectives; (ii) the extent to which results for cross-cutting themes are delivered; and (iii) the extent to which clients are satisfied with CDB’s support.

Overall, CDB is rated **satisfactory**. There are important challenges in reflecting on CDB’s performance across its portfolio due to pervasive data gaps that prevent meaningful analysis of contribution to outcomes. Profitability indications for CDB’s non-sovereign operations have mostly been negative, due in part to the high-risk nature of CDB’s operations in this space. However, clients report being largely satisfied with the support they receive from CDB.

CDB’s results picture is mixed. Most evidence suggests projects generally deliver planned outputs, and the Bank is on track for many output-related RMF targets, but evidence of contribution to outcomes is much weaker and more uneven. A full picture of portfolio performance is not possible because PCR validations over the assessment period

have not been conducted for a representative sample of projects. Furthermore, there is no similar validation exercise for CES.

Available PCR validations and evaluations suggest a moderate majority of projects achieve satisfactory ratings for effectiveness but important challenges remain in reflecting contribution to outcomes. This is especially where results frameworks are clear, implementation capacity is strong, and adaptive management is applied. Weaker performance is linked to unrealistic design, weak monitoring and evaluation, procurement and approval delays, fragmented coordination, and limited implementation capacity. Portfolio performance under implementation has also been uneven and below target, with satisfactory implementation ratings falling over time and projects at risk remaining above or around target levels.

Most private-sector-related RMF targets are on track, but profitability has often been weak. This is especially among financial institutions. Broader development outcome data such as jobs, business creation, and market effects are largely missing. CDB's non-sovereign portfolio remains small, and the Bank lacks suitable tools to assess private sector development outcomes consistently. As CDB expands into direct project finance and equity, stronger frameworks for measuring additionality and development impact will be essential.

CDB demonstrates progress toward results for cross-cutting themes through its RMF, but outcome level data from projects are often not available. Most reporting through the corporate RMF remains at output level (CDB 2021b, 2022b, 2023b, 2024c, 2025d). Gender shows the strongest progress in mainstreaming and some participation-related results, while climate and regional cooperation show tangible gains in institutional strengthening, policy reform, and knowledge sharing. Even so, project and evaluation evidence rarely demonstrates quantified outcome-level contributions for gender, climate, RCI, youth, biodiversity, or digitalization. This issue is mainly due to the fact that results frameworks, monitoring systems, and project completion reports do not yet capture these issues consistently through the full results chain.

KPI 10: Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate.

Performance rating: Highly satisfactory

4.00

This KPI addresses the extent to which CDB's operations are relevant. For sovereign operations, this concept reflects the extent to which operations respond to beneficiaries' needs and priorities. For non-sovereign operations, this concept reflects the extent to which operations demonstrate financial and non-financial additionality.

CDB is rated as **highly satisfactory** for relevance in spite of some uneven performance. This rating reflects the high proportion of sovereign operations and CES that are assessed as being aligned to countries' development priorities. However, CDB does not assess the financial nor non-financial additionality of its private sector operations ex-ante nor ex-post. Although CDB seeks to avoid crowding out the private sector, it lacks a clear methodology for assessing how it enables investments to proceed that would not proceed otherwise and how it contributes to improved standards and practices.

Sovereign Operations are aligned to the needs and priorities of BMCs.

Nearly all of CDB's operations are independently assessed as relevant. Nearly 90% of independently validated PCRs and all CSPEs produced over the assessment period conclude that CDB's operations are relevant to the needs and priorities of BMCs. Drivers of relevance included evidence-based designs, clear alignment with national development goals and policy priorities, institutional anchoring in government-led strategies and flexibility in adapting to changing operations to changing priorities and circumstances. These drivers support sustained policy alignment and

government ownership of operations. This finding was reinforced by government stakeholders interviewed during country visits, noting that CDB's support is relevant and responsive to national needs.

CDB should start to consider the extent to which its operations are coherent and complementary with the operations of other development partners. Aside from reflecting the updated OECD-DAC criteria for development evaluation, coherence and complementarity is a potentially important strategic issue for CDB. As a small partner, CDB increasingly needs to work through partnership to expand its reach and impact and remain selective while addressing the diverse needs of its BMCs.

CDB does not systematically assess the financial nor the non-financial additionality of its non-sovereign operations ex-ante nor ex-post.

CDB has not yet established a methodology for demonstrating the financial and non-financial additionality of its non-sovereign operations. This finding reflects broader institutional challenges around the adaptation of results measurement systems for non-sovereign operations. The nature of the finance provided, including blending using SDF resources for financial institutions, suggests that CDB likely does provide enhanced financial terms for borrowers but it is not clear that transactions would not proceed but for CDB's support. Similarly, there is some evidence that CDB's support to enhance risk management among national financial institutions has contributed to reductions in Non-Performing Loans (NPLs) and enhanced financial performance. As CDB seeks to grow its private sector portfolio, establishing a clear methodology to assess additionality in line with good practice will become critical.

KPI 11: Results are delivered efficiently.

Performance rating: Unsatisfactory

2.00

This KPI addresses the extent to which CDB delivers results efficiently. Efficiency is considered from three perspectives reflecting the extent to which: (i) operations are resource and cost-efficient; (ii) operations and implemented efficiently and results are achieved on time; and (iii) CDB has used its capital efficiently by enhancing mobilisation.

CDB is rated **unsatisfactory** overall. This rating reflects the fact that operations tend to experience significant implementation delays and analysis of economic efficiency is often limited by poor data availability for outcomes, problems that are common among several MDBs. CDB does not currently track the extent to which operations are cofinanced by governments or other development partners and does not currently measure or track its private capital mobilisation.

CDB's operations face challenges for economic and implementation efficiency.

The economic efficiency of operations is rarely demonstrated ex-post. Although most operations calculated the Economic Rate of Return (ERR) at entry, most operations do not recalculate the ERR following implementation. This gap makes it challenging to assess the extent to which anticipated economic returns were realised from CDB's operations. Rather than evidence that economic returns were not realised, the major challenges have been linked to data quality and availability. Project ratings of efficiency often did not properly consider economic efficiency where it was a relevant consideration.

An increasing share of CDB's operations face both processing and implementation delays. The average time from the appraisal mission to Board approval has been on an upward trajectory, increasing from 169 days in 2020 to 191 days in 2025. Beyond this, the median time between approval to effectiveness (signing of the loan agreement) rose to 250 days in 2024 before falling to 220 in 2025. The majority of projects under implementation during the assessment period have been subject to an extension, rising from 55% of projects in 2020 to 77% of projects in 2024 before falling to 44% in 2025 (CDB 2021a, 2022a, 2023a, 2024b, 2025c, 2026b). Across the portfolio, average implementation delays exceed 3 years, creating additional costs for BMCs.

Whereas implementation delays are partly reflective of CDB's operating context, they are exacerbated by CDB's institutional weaknesses. Implementation delays are a well-known and documented challenge shared across IFIs operating in the Caribbean due to institutional capacity constraints. In particular, country visits identified procurement for works as a particular challenge. This issue reflects both shortcomings in CDB's policy framework and processes as well as serious contextual challenges that affect all partners in the region. However, the visits also confirmed other institutional causes of delays, including weak portfolio management, poor responsiveness and challenges related to turnover and staff availability. Regardless of the cause, implementation delays pose additional costs to countries that already face debt sustainability challenges and should be addressed.

Neither cofinancing nor private capital mobilisation are tracked or measured consistently.

CDB does not consistently track cofinancing from other development partners nor the extent to which its operations crowd in private capital. Other MDBs calculate these metrics both for individual projects and as a portfolio performance metric in the corporate scorecard. Only a limited number of CDB's PCRs speak to cofinancing from other development partners. Whereas CDB has taken important steps toward balance sheet optimisation by entering into Exposure Exchange Agreements (EEAs) and pursuing portfolio guarantees, it will be important for CDB to align to good practices across MDBs by adopting and reporting against the MDB harmonised approach to measuring private capital mobilisation.

KPI 12: Results are sustainable.

Performance rating: Satisfactory	3.00
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This KPI addresses the sustainability of CDB's operational results in terms of: (i) the extent to which benefits are assessed as continuing or likely to continue after interventions are completed; and (ii) the extent to which CDB's portfolio is financially sustainable.

CDB is rated **satisfactory**, reflecting the strong financial sustainability of the portfolio and a stable outlook, including efforts to align the Capital Adequacy Framework with G20 MDB Reform priorities and best practice. However, whereas most of the portfolio is assessed as satisfactory for the likelihood that outcomes will be sustainable, there are important challenges around the quality of data. These challenges are consistent with other issues concerning the quality of results evidence across CDB's portfolio.

The results achieved through the majority of operations are assessed as sustainable; however, the quality of evidence is variable.

CDB regularly assesses the likelihood that its completed operations will deliver sustainable results. CDB's PCRs consider financial, institutional and operational risks to sustainability alongside any outstanding issues to be addressed by the BMC. Country Strategy and Programme Evaluations also provide an indication of the sustainability of results across CDB's portfolio in specific BMCs. However, gaps in the completion of PCRs over the assessment period make it difficult to obtain a complete picture.

A small majority of operations are rated as being sustainable. Whereas 71% of PCRs rate operations as satisfactory or higher for the sustainability of outcomes, CSPEs and PCR Validations completed by independent evaluation provide a more nuanced picture. Institutionalised reforms in BMCs, maintenance budgets, capacity development programmes and use of community-driven approaches were strong drivers of sustainability. However, several projects have faced challenges related to dependence on external funding, insufficient revenue generation, fragile institutional arrangements and limited local capacity.

Important data quality concerns cast doubt on the true sustainability of operations. Many of the operations were rated satisfactory for sustainability despite the achievement of outcomes being rated as unsatisfactory or where data to support an analysis of contribution to outcomes was missing. CDB has since sought to address these data quality challenges through guidance provided in an updated self-evaluation manual.

CDB has a strong capital position and has operated within its key prudential limits.

CDB demonstrates strong financial sustainability across its portfolio. CDB has remained well within its Charter-based limits requiring that outstanding loans, equity investments and guarantees through the Bank’s OCR operations shall not at any time exceed its subscribed capital, reserved and surplus (CDB 2025b) CDB’s has maintained strong credit rating from major agencies with a stable outlook. CDB’s stable AA+/Aa1 rating is based on sound capitalisation, strong liquidity and strong asset quality with credit exposure and concentration in line with key limits (Moody’s 2025; Fitch 2025)

CDB has a strong, positive and stable outlook for its capital adequacy, which is expected to be bolstered further by new initiatives. CDB’s move to incorporate an Economic Capital approach (ECAP), stress testing and callable capital as part of its Capital Adequacy Enhancement initiative will further align the institution with good practices endorsed by the G20 MDB Roadmap (CDB 2025a). Furthermore, CDB has sought to further bolster its headroom through a USD 450 million Exposure Exchange Agreement (EEA) signed with the Central American Bank for Economic Integration (CABEI) and is in the process of negotiating a CAD 200 million portfolio guarantee from Canada, expected to unlock USD 300-400 million in sustainable lending capacity (CDB 2024a).

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ABOUT THIS ASSESSMENT





THE MOPAN APPROACH

The approach to MOPAN assessments has evolved over time to adjust to the needs of the multilateral system. The MOPAN 3.1 Approach, applied in this assessment, is the latest iteration. Starting in Q3 2026, all MOPAN assessments will be conducted under the MOPAN 4 Methodology, currently under development.

The MOPAN 3.1 Methodology was endorsed by MOPAN members in early 2020. The framework draws on the international standards and references points, as described in the MOPAN Methodology Manual. Table 5 lists the performance areas and indicators used in MOPAN 3.1.

TABLE 5. PERFORMANCE AREAS AND KEY PERFORMANCE INDICATORS

Performance area	Key performance indicator (KPI)
Strategic management	KPI 1: Organisational architecture and financial framework enable mandate implementation and achievement of expected results
	KPI 2: Structures and mechanisms support the implementation of global frameworks for cross-cutting issues at all levels in line with the 2030 Sustainable Development Agenda principles
Operational management	KPI 3: Operating model and human and financial resources support relevance and agility
	KPI 4: Organisational systems are cost- and value-conscious and enable financial transparency and accountability
Relationship management	KPI 5: Operational planning and intervention design tools support relevance and agility in partnerships
	KPI 6: Working in coherent partnerships directed at leveraging and catalysing the use of resources
Performance management	KPI 7: Strong and transparent results focus, explicitly geared towards function
	KPI 8: Evidence-based planning and programming applied
Results	KPI 9: Development and humanitarian objectives are achieved, and results contribute to normative and cross-cutting goals
	KPI 10: Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate
	KPI 11: Results are implemented efficiently
	KPI 12: Results are sustainable

Source: MOPAN 3.1 Methodology Manual, 2020 Assessment Cycle,

http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf

APPLYING MOPAN 3.1 TO CDB

Interpretations and adaptations to the methodology

This assessment applied MOPAN 3.1 methodology; however, elements under selected KPIs have been adjusted to reflect CDB's sovereign and non-sovereign (private sector) operations. These changes incorporate aspects of MOPAN's adapted frameworks for International Financial Institutions (IFIs) and for non-sovereign operations.

The broad performance areas of the MOPAN framework (Strategic, Operational, Relationship, and Performance Management, and Results) have been maintained, but the elements for selected KPIs/MIs were adapted. The

adaptations arise from differences in the business model for IFIs. In particular, adaptations reflect the country-driven business model of IFIs and the fact that operations involve lending to countries based on an agreed pipeline of operations. One of the most important considerations for non-sovereign operations is that they involve lending to private sector companies rather than governments and are expected to provide a financial return.

Additional details about these adapted frameworks can be found on MOPAN's website.

Lines of Evidence

This assessment relies on three lines of evidence: a document review, a partner survey and interviews with key stakeholders across the CDB, its resident missions and its country partners. Beyond these lines of evidence, country visits were conducted in five countries: (i) Belize; (ii) The Bahamas; (iii) Barbados; (iv) Guyana; and (v) Saint Vincent and the Grenadines.

The assessment team was able to collect and review a significant body of evidence on this basis:

- **Document review:** Both publicly available and non-public institutional documents were reviewed as part of the assessment. Emphasis was placed on documents published between 2019 and 2026, as well as older documents that remain in force. Documents reviewed included institutional strategies and policies, budgets and financial statements, annual reports and corporate scorecards, results reporting and evaluations. Over 400 institutional documents were reviewed.
- **Partner Survey:** Overall, the survey comprises responses from 247 partners representing CDB's Board, Borrowing Member Countries, bilateral partners, civil society, peer organisations and staff with a response rate of 28%. Survey data were assessed against a similar benchmark CDB applies for its own client surveys – an expectation that at least 70% of respondents agree that CDB demonstrates key characteristics. The overall respondent feedback was triangulated with other lines of evidence to identify areas of relative strength and weakness. Open text responses were coded to provide additional insights. Additional information about the survey results and country sample are available in Annex C.
- **Interviews and consultations:** Multiple consultations were undertaken with functional teams at CDB's Headquarters in Barbados and its regional office in Haiti. These discussions were undertaken both in person and virtually during the inception phase and throughout implementation. These interviews included:
 - Interviews with 52 senior managers and staff.
- **Country Visits:** In-person consultations were held with the Ministries of Finance and other ministries implementing CDB-financed projects in Belize, The Bahamas, Barbados, Guyana and Saint Vincent and the Grenadines. These discussions focused on CDB's partnership with its BMCs, including the Country Engagement Strategy process, CDB's track record of implementation support and CDB's comparative advantage in the region. These discussions were complemented by discussions with CDB's regional partners, including representatives from the United Nations and the Inter-American Development Bank.
- These lines of evidence were complemented by multiple discussions held with MOPAN's Institutional Lead, CDB's Senior Management team and CDB's Board of Directors to obtain feedback and guidance at critical points throughout the assessment.

General information about the sequence and details related to these evidence lines, the overall analysis, and scoring and rating process as applied to CDB can be found in the MOPAN 3.1 methodology.

ASSESSMENT PROCESS

The Assessment consisted of four phases: Inception, Evidence Collection, Analysis, and Reporting. The Inception Phase was conducted from May 1 to August 1, 2025. Evidence collection, conducted from August 1, 2025 to November 1, 2025, included the document review, partner survey and interviews. Some evidence collection activities continued until March 2026 to address evidence gaps and incorporate feedback provided by CDB. The analysis phase, conducted from November 2025 to April 2026, consisted of the triangulation of the evidence collected and drafting of the report. Emerging Findings were presented to CDB Management in November 2026 and to CDB’s Board in December 2026 to support discussions around CDB’s updated strategy. Country visits were conducted between February 16th and 27th, 2026 to further validate the Emerging Findings with external partners. The Reporting stage started in March 2025 and ended in May 2025 with a finalised report. A timeline for the assessment is provided in Table 6.

TABLE 6. ASSESSMENT TIMELINE

Assessment Phase	Inception (May-September 2025)	Evidence collection (August-November 2025 – continuing to March 2026)	Analysis (November 2025- March 2026)	Reporting (March-May 2026)
Key activities	<ul style="list-style-type: none"> Preparation of evidence collection, including identification of key informants and documents for review Inception Interviews Inception Report 	<ul style="list-style-type: none"> Key informant interviews Document Review Partner Survey 	<ul style="list-style-type: none"> Triangulation of evidence Evidence Documentation Scoring Quality Assurance Draft Report 	<ul style="list-style-type: none"> Report finalisation Quality Assurance Launch
Timeline	Draft Inception Report: (July 2025) Final Inception Report: (September 2025)	Key informant interviews: (October 2025) Document Review: (August 2025-November 2025)	Draft Summary Analysis Table (Annex A): (November 2025) Preliminary Findings: (November 2025)	Draft Assessment report: (March 2026) Final Assessment report: (May 2026)

METHODOLOGY FOR SCORING AND RATING

The approach to scoring and rating under MOPAN 3.1 is described in the 2020 Methodology Manual.¹ MOPAN rates each element on a scale from 1-4, with a score of 4 reflecting best practice. In scoring the assessment, MOPAN considered good practice standards across the IFIs. A score of satisfactory (3) indicates that an IFI’s systems and performance is aligned with good practices. A score of highly satisfactory (4) indicates that the organisation demonstrates a notable or leading practice, beyond shared good practices among IFIs.

Scoring of KPIs 1-8

The scoring of KPIs 1-8 is based upon an aggregated scoring the MIs, with each MI containing several elements. MI score is calculated based on the average score across elements with the KPI score reflecting the average score across MIs.









1. MOPAN 3.1 Methodology Manual, 2020 Assessment Cycle, http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf

Scoring of KPIs 9-12

The scoring of KPIs 9-12 is based upon a meta-analysis of evaluations and performance information, rated at the MI level and aggregated to the KPI level. KPIs 9-12 assess results achieved as assessed in evaluations and annual performance reporting from the organisations. Other sources of information are reviewed and included as needed.

Rating scales

Whenever scores are aggregated, rating scales are used to translate scores into ratings that summarise the assessment across KPIs and MIs. The rating scale used under MOPAN 3.1 is shown below.

 Highly satisfactory (3.51-4.00)	 High evidence confidence
 Satisfactory (2.51-3.50)	 Medium evidence confidence
 Unsatisfactory (1.51-2.50)	 Low evidence confidence
 Highly unsatisfactory (0.00-1.50)	
 No evidence / Not applicable	

A score of “N/E” means “no evidence” and indicates that the assessment team could not find any evidence but was not confident of whether or not there was evidence to be found. The team assumes that “no evidence” does not necessarily mean that the element is not present (which would result in a zero score). Elements rated N/E are excluded from any calculation of the average.

A significant number of N/E scores in a report indicates an assessment limitation such that insufficient evidence is available to conclusively rate the element. A note indicating “N/A” means that an element is considered to be “not applicable”. This usually reflects the specific nature of an organisation’s mandate and business model.

LIMITATIONS

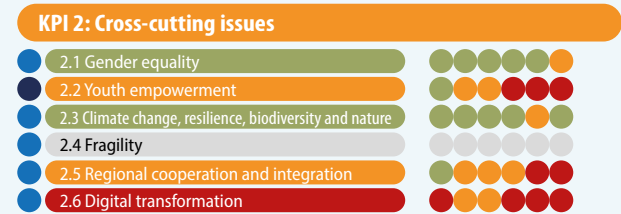
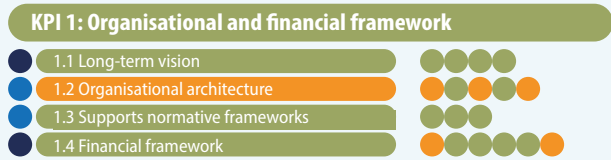
The MOPAN 3.1 methodology provides an indication of the general strengths and limitations of MOPAN assessments. In addition, there are a few limitations specific to MOPAN’s assessment of CDB, including:

- CDB is highly restrictive in terms of the information it shared publicly relative to other MDBs. Access to specific project appraisal documents and other information about the ongoing portfolio was limited.
- CDB’s policy architecture is over a decade old and in some cases does not guide practice. To address this gap, MOPAN consulted extensively with CDB to identify where documented practices and policy no longer reflected the operating reality.
- CDB is currently undergoing a transformation in its activities. The assessment covers new initiatives undertaken up to April 2026, but may not capture more recent activities undertaken by CDB to enhance its institutional effectiveness.

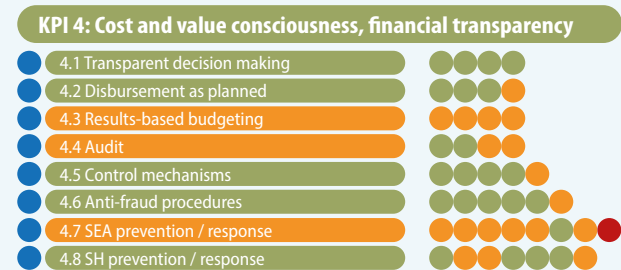
ANNEX

FIGURE 10. CDB PERFORMANCE OVERVIEW

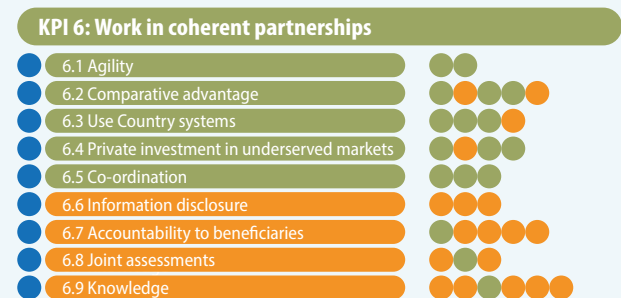
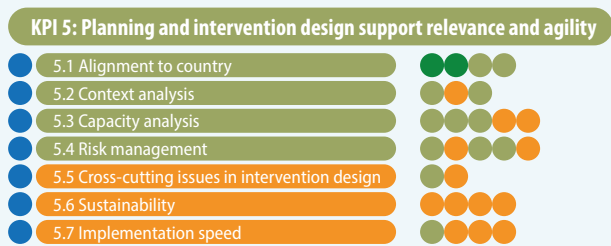
Strategic management



Operational management



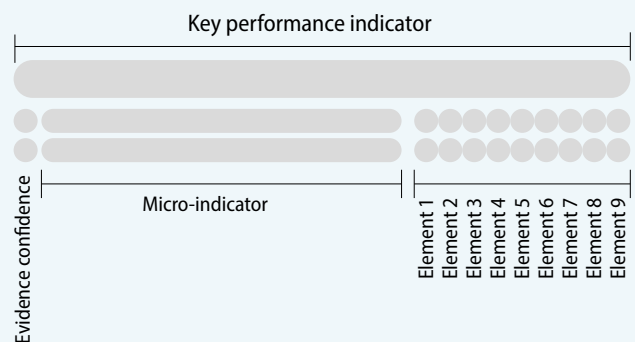
Relationship management



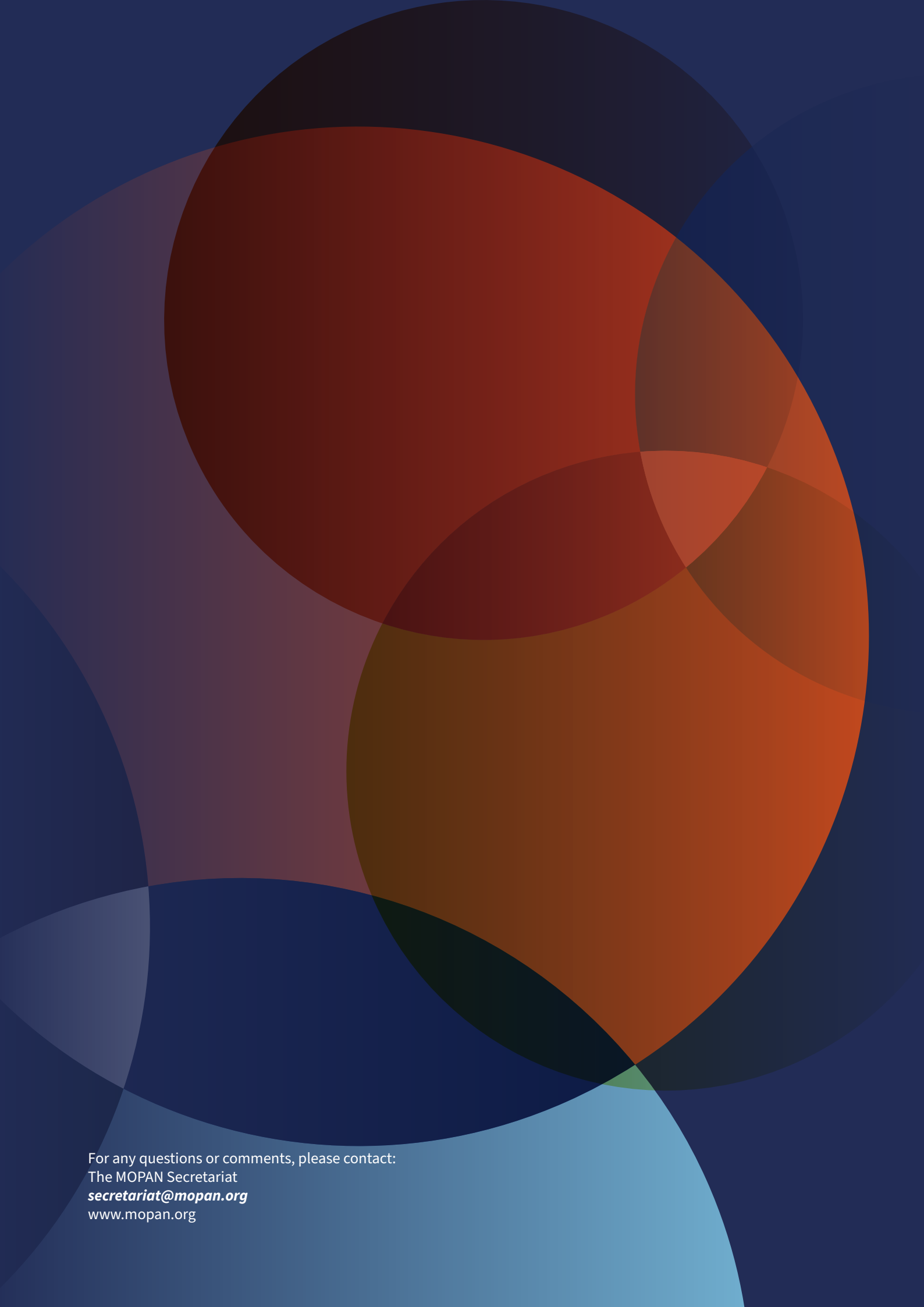
Performance management




Results







For any questions or comments, please contact:
The MOPAN Secretariat
[**secretariat@mopan.org**](mailto:secretariat@mopan.org)
www.mopan.org



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