

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	BARBADOS/CCB - Caribbean Group	
▪ TC Name:	Capacity Building for Barbados in Alternative Dispute Resolution Systems	
▪ TC Number:	BA-T1056	
▪ Team Leader/Members:	STEVENSON, CLAUDIA (IFD/CTI) Team Leader; PILGRIM, VALARIE (IFD/CTI); PEREIRA, STEFANO (IFD/CTI); TORRICO DURAN, BLANCA PAOLA (IFD/CTI); GRANT, KAYLA SHAREE (IFD/CTI); FRANKLYN, RUSSELL LEVON (IFD/CTI)	
▪ Taxonomy:	Client Support	
▪ Number and name of operation supported by the TC:	N/A	
▪ Date of TC Abstract:	12 Apr 2018	
▪ Beneficiary:	Arbitration and Mediation Court of the Caribbean	
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK	
▪ IDB funding requested:		\$ 200,000.00
▪ Local counterpart funding:		\$ 88,300.00
▪ Disbursement period:		24 months
▪ Types of consultants:	Individuals	
▪ Prepared by Unit:	Competitiveness & Innovation	
▪ Unit of Disbursement Responsibility:	Institutions for Development	
▪ TC included in Country Strategy (y/n):	No	
▪ TC included in CPD (y/n):	No	
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law; Gender equality	

II. Objective and Justification

- 2.1 The objective is to increase access to arbitration and mediation services by the private sector in Barbados
- 2.2 The ability to enforce contracts and resolve disputes is fundamental for markets to function properly and efficiently yet substantial procedural delays affect the civil court system in Barbados and the Caribbean. The World Bank's Doing Business Report 2018 ranks Barbados 167 out of 190 countries in the enforcement of contracts. On average it takes 1,340 days to enforce contracts costing companies an average of 19.7% of the claim value, while the country scores only 6.5 out of 18 points on quality of the judicial processes index. Weak contract enforcement slows down trade, investment, economic growth and inhibits innovation and entrepreneurship. The sluggish resolution of commercial disputes disproportionately affects SMEs which comprise one of the greatest economic assets.
- 2.3 Alternative Dispute Resolution (ADR) offers a solution to firms, particularly SMEs. ADR offers a range of processes and techniques that help parties resolve disputes without going to court and usually involves the assistance of a neutral third party. It is often less formal, cheaper and quicker than litigation. ADR is also confidential and offers a discreet and neutral setting for the resolution of disputes. In 2004, the Bank's Multilateral Investment Fund (MIF/FOMIN) highlighted that ADR services were particularly important for smaller companies that are often unable to assume the costs of lengthy and uncertain legal procedures. In 2014, Compete Caribbean funded a "Feasibility Study for the establishment of an ADR Centre in Barbados" concluded that there was unanimous support for the establishment of such a centre amongst various

stakeholders in Barbados and the OECS region. A 2018 survey indicates that Barbadian and regional stakeholders continue to believe that an ADR Centre will provide more amicable resolution of disputes, protect privacy, help clear the backlog in the court system, improve the international business profile of the region, and be more affordable and timely, especially for SMEs.

- 2.4 In 2017, the Arbitration and Mediation Court of the Caribbean (AMCC) was established as a not-for-profit organization in Barbados to offer alternative methods of dispute resolution in Barbados and the wider Caribbean. The objective of this TC is to improve the service delivery capacity of the Arbitration and Mediation Court of the Caribbean (AMCC) thereby increasing access to arbitration and mediation services by the private sector in Barbados, the member countries of the Organisation of Eastern Caribbean States, and the wider Caribbean.
- 2.5 This TC is aligned with Goal 2 of the Government of Barbados' Medium-Term Growth and Development Strategy 2013-2020, to facilitate broad based adjustments and reforms in the economy. The TC is consistent with the IDB's Update to the Institutional Strategy 2010-2020 as it addresses the challenges of (i) productivity and innovation and (ii) economic integration as it hampers both competitiveness and SME engagement in more sophisticated, higher value-added production. It is also aligned with the cross-cutting concerns of (i) gender equality and diversity, and (ii) strengthening institutional capacity and the rule of law.

III. Description of Activities and Outputs

- 3.1 Component 1: Business Strategy Formulation and Implementation (US \$125,000). This component will finance (i) An updated feasibility study and financial sustainability strategy (ii) The development and implementation of a branding strategy and marketing and communications plan. (iii) The upgrade of the AMCC website to a more functional client-centered portal, and (iv) Support to the formal launch of the AMCC with a conference that includes experts and regional stakeholders to discuss key issues affecting ADR in the region and is targeted to SMEs.
- 3.2 Component 2: Training to Improve Service Delivery Capacity (US\$55,000). This component is intended to build capacity in ADR around the region and increase the rosters of experts that the Centre can call on when required. The component will finance (i) the design and delivery of training in arbitration and mediation for panel development in Barbados and the OECS. At least 50% of these trainees will be women. (ii) the training of trainers, who will improve AMCC's capacity to deliver training, at more affordable rates across the region. All training will be gender sensitive.
- 3.3 Component 3: Client Relationship Management System (US\$20,000). This component will finance the acquisition and installation of a client relationship management system and associated hardware.
- 3.4 Component 4: Institutional and Legal Framework (US \$0). This component will use counterpart resources to work closely with the Government of Barbados to promote the introduction of the updated Arbitration Bill in Barbados Parliament. This component will also use counterpart resources to establish a regional network with ADR associations in the region including the BVI Arbitration Centre, the Jamaica International Arbitration Centre, the Trinidad and Tobago Dispute Resolution Centre and the Chamber of Conciliation and Arbitration in Haiti. Additionally, the AMCC will establish collaborative MOUs with other international centres to facilitate access to knowledge, capacity building opportunities and markets.
- 3.5 Component 5: Coordination, and Monitoring and Evaluation (US\$0). AMCC's Director General will work closely with Compete Caribbean FCU's on the execution of the project including monitoring and evaluating progress towards achieving planned

results using the baseline data generated by the feasibility study, and AMCC’s planned and actual service delivery.

- 3.6 **Component I: Business Strategy Formulation and Implementation** . This component will finance an updated feasibility study and financial sustainability strategy and a communication strategy.
- 3.7 **Component II: Training to Improve Service Delivery Capacity** . This component is intended to build capacity in ADR around the region and increase the rosters of available experts. All training will be gender sensitive.
- 3.8 **Component III: Client Relationship Management System** . This component will finance the acquisition and installation of a client relationship management system and associated hardware.
- 3.9 **Component IV: Institutional and Legal Framework** . This component will promote the introduction of the updated Arbitration Bill in Barbados Parliament.
- 3.10 **Component V: Coordination, and Monitoring and Evaluation** . This component will finance monitoring and evaluation progress towards achieving planned results.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Business Strategy Formulation and Implementation	\$ 125,000.00	\$ 29,000.00	\$ 154,000.00
Training to Improve Service Delivery Capacity	\$ 55,000.00	\$ 25,000.00	\$ 80,000.00
Client Relationship Management System	\$ 20,000.00	\$ 15,300.00	\$ 35,300.00
Institutional and Legal Framework	\$ 0.00	\$ 15,000.00	\$ 15,000.00
Coordination, and Monitoring and Evaluation	\$ 0.00	\$ 4,000.00	\$ 4,000.00

V. Executing Agency and Execution Structure

- 5.1 The execution and disbursement period will be 24 months and the UDR will be IFD. The activities to be executed are included in the Procurement Plan (Annex III) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) The procurement of consulting services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policy (GN-2303-20). The procurement of goods and works will be carried out in accordance with “Policies for the procurement of works and goods financed by the IDB” (GN-2349-9). However, an exception to this policy GN-2349-9 has been granted by the Board of Executive Directors so that goods, works, and services from non IDB member countries may be eligible in the procurement processes for activities to be financed entirely with resources from the Facility, provided that the country of origin or nationality of such providers is recognized by the donors of the Facility as eligible.
- 5.2 The Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, was jointly designed with donors to be a Bank Executed Program, through the CCPF’s Facility Coordination Unit (FCU) established in COF Barbados. The Bank has demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels. The execution of this TC will be carried out by

the Bank through the Competitiveness and Innovation Division (IFD/CTI) in coordination with FCU. Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the CCPF. The project will be executed in coordination with AMCC.

VI. Project Risks and Issues

- 6.1 The major risks to achieving the planned results of the project are (a) lower than expected demand for arbitration and mediation services outside of Barbados limiting AMCC's revenue generation capacity and financial sustainability; and (b) delays in introducing the revised Arbitration bill, due either to the usually packed legislative agenda or government's preoccupation with establishing an agenda after the 2018 elections, thus limiting the capacity of AMCC to reduce the time and cost associated with enforcing contracts . Furthermore, still a fledgling organization, AMCC is building the capacity required for service delivery and market positioning in terms of operating strategies, systems, skills, and inter-institutional linkages. Financial sustainability is a major challenge for not-for-profit or private sector initiated Centres as opposed to Centres located within the court system. As such, the assistance with strategy formulation will include the development of a financial sustainability strategy.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".