Barbados Economic Recovery and Transformation Plan 2026

BERT 2026

[Government of Barbados Seal]

Prepared by

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Executive Summary

The Barbados Economic Recovery and Transformation Plan 2026 (BERT 2026) represents the third and most ambitious phase in the country's economic reform journey. It builds on the stabilisation gains of BERT 2018 and the growth momentum of BERT 2022, and now shifts decisively toward long-term transformation. BERT 2026 sets out a clear path to build a high-performing, inclusive, and climate-resilient Barbados.

From Stabilisation to Growth to Transformation

Barbados has made significant strides since 2018. The public debt-to-GDP ratio has fallen from 178.9 percent to 101.1 percent by end-September 2025. Reserves have rebounded from under four weeks of import cover to 31.6 weeks at end-September 2025, with international reserves at $3.3 billion. The economy has expanded for 17 quarters, social services have been protected, and investor confidence has returned, evidenced by the country's successful $500 million international bond issuance in 2025.

These achievements have restored macroeconomic credibility and created space for targeted investment. But significant challenges remain. Labour productivity growth is still weak. Investment gaps persist in infrastructure, housing, and innovation. Barbados continues to face exposure to climate shocks, contingent liabilities from state-owned enterprises, and external volatility. BERT 2026 addresses these challenges head-on.

Strategic Vision and Objectives

BERT 2026 articulates a bold and forward-looking vision: to transform Barbados into a high-performing, inclusive, and climate-resilient economy. The plan aligns with the Sustainable Development Goals (SDGs), the 2035 Net-Zero Target, the Medium-Term Fiscal Strategy, and the principles of the Bridgetown Initiative.

The fiscal anchor remains the long-term debt-to-GDP target of 60 percent by FY2035/36, underpinned by a sustained primary surplus of 4.4 percent of GDP through FY2027/28, tapering to 3.5 percent thereafter. By FY2028/29, the public debt ratio is projected to decline to 85.1 percent of GDP, while capital spending is ramped up to over 5 percent of GDP to support development goals.

Five Strategic Pillars

BERT 2026 is built on five interlocking strategic pillars:

1. Productivity and Competitiveness: Streamlining business regulations and trade logitics, digitalising public services, and fostering innovation to drive private investment and export diversification. BERT 2026 also recognises that workforce health and wellness are essential to sustaining productivity and reducing the burden of sickness-related costs.

2. Debt and Fiscal Sustainability: Reinforcing fiscal discipline through sustained primary surpluses, SOE rationalisation, implementation of the Medium-Term Debt Strategy, and enhanced oversight by the Fiscal Council.
3. Financial Market Deepening: Mobilising domestic savings and international capital through BOSS Plus, diaspora and USD-denominated bonds, credit market reforms, and modernized PPP governance. Implementation of a modernized national instant payment system. Strengthening SME governance and encouraging credit ratings will improve access to finance, deepen capital markets, and reduce risk perceptions.
4. Climate Resilience and Green Economy: Scaling renewable energy, electrifying public transport, climate-proofing infrastructure, and leveraging instruments such as the RSF, CCRIF, and the Resilience and Regeneration Fund. Expanding regional insurance and reinsurance capacity will safeguard infrastructure and climate investments against external shocks.
5. Human Capital and Inclusion: Reforming education, scaling skills training, promoting inclusive workforce policies, and delivering 10,000 affordable homes to improve opportunity and equity.

Implementation and Oversight
BERT 2026 will be executed through a robust institutional framework, including:

- High-level oversight by the Joint Economic Group (JEG).
- Technical coordination through cross-agency working groups.
- Transparent and independent monitoring by the Fiscal Council, Growth Council, and Social Partnership.
- Stakeholder engagement to ensure broad-based ownership and adaptability.
- Ministries will integrate BERT workplans into annual budgets, and quarterly public reporting will ensure transparency and accountability.
- Effective delivery of BERT 2026 requires strengthening capacity at the ministry and agency level. Many reforms will depend on timely and consistent information flows, which remain a structural weakness. Government will therefore invest in training, modern ICT systems, and cross-agency data platforms to ensure that ministries are equipped to implement reforms and report progress credibly.

Managing Risk and Ensuring Flexibility
BERT 2026 incorporates a fiscal risk heat map, disaster risk financing, and scenario-based stress testing. Contingent liabilities, particularly from SOEs and PPPs, will be actively monitored and mitigated. The programme retains flexibility in sequencing and design, with annual reviews and midterm evaluations to ensure responsiveness to external and domestic shocks.

Conclusion

BERT 2026 is not simply a reform plan. It is a national strategy for transformation. It reflects Barbados' continued commitment to fiscal responsibility, social investment, and climate leadership. With unity of purpose, institutional strength, and national ownership, BERT 2026 will deliver not just resilience, but results.

1. Introduction

1.1 From Stabilisation to Growth to Transformation

In 2018, Barbados embarked on one of the most ambitious economic reform programmes in its history. The first phase, BERT 2018, was grounded in the urgent need for stabilisation. At the time, the country faced unsustainable debt levels, critically low foreign reserves, and a loss of market access. BERT 2018 focused on restoring fiscal discipline, restructuring public debt, rebuilding policy credibility, and protecting essential social services.

With the successful stabilisation of the economy, BERT 2022 shifted focus toward growth and resilience. It aimed to consolidate the gains of fiscal reform while jump-starting economic activity following the COVID-19 pandemic and several climate-related shocks. Under BERT 2022, Barbados secured access to the IMF's Resilience and Sustainability Facility, launched a landmark debt-for-climate swap, and began the early stages of structural transformation.

Now, BERT 2026 represents the third and most ambitious phase, transformation. It moves beyond the foundation of stability and the momentum of recovery to reshape Barbados into a high-performing, inclusive, and climate-resilient economy. This phase targets deeper productivity gains, more robust private investment, and system-wide reform across institutions, infrastructure, and human capital.

1.2 Why BERT 2026?

The rationale for BERT 2026 is clear. Barbados has made significant progress, but the work is not yet complete. Public debt, while declining, remains above 100 percent of GDP. Labour productivity growth remains modest. Private investment, while improving, has not yet reached the scale or breadth required to drive a high-growth trajectory. The impacts of climate change are intensifying, requiring urgent adaptation and risk mitigation. And while social investment has resumed, disparities in access to opportunity persist.

BERT 2026 is designed to complete the journey, to translate macroeconomic stability into long-term economic transformation. It provides the roadmap to scale reforms, attract investment, empower people, and align national priorities with global sustainability objectives.

1.3 Achievements and Remaining Vulnerabilities

Since 2018, Barbados has:

- Reduced the public debt-to-GDP ratio from 178.9 percent to 101.1 percent
- Achieved 17 quarters of economic growth through September 2025
- Rebuilt gross international reserves to roughly 32 weeks of import cover
- Re-entered international capital markets with a $500 million bond issuance in 2025

- Established global leadership in climate-finance innovation, accessing the IMF's Resilience and Sustainability Facility and executing a debt-for-climate swap
- Protected social spending and restored free tertiary education, even through the pandemic

However, vulnerabilities remain. External shocks including economic, climatic, or geopolitical, pose ongoing risks. Contingent liabilities from state-owned enterprises, inflationary pressures, and infrastructure deficits continue to weigh on the national agenda. BERT 2026 responds to these challenges with clarity and resolve.

1.4 Vision for Barbados

BERT 2026 is guided by a singular vision: to build a high-performing, inclusive, and climate-resilient Barbados. It envisions a country where:

- Every citizen has access to opportunity, regardless of background
- Economic growth is driven by innovation, investment, and skills
- Public institutions are agile, transparent, and accountable
- The environment is protected and leveraged as a source of value
- Barbados is recognised globally as a model of small-state resilience and reform

1.5 Global Alignment

BERT 2026 aligns closely with Barbados' international and regional commitments, including:

- The Sustainable Development Goals (SDGs), particularly those related to economic growth, education, climate action, and governance
- The 2035 Net-Zero Target, which places Barbados among the most ambitious countries globally in climate leadership
- The Medium-Term Fiscal Strategy, which establishes clear fiscal anchors and spending priorities
- The goals of the Bridgetown Initiative, which advocates fairness, resilience, and financial justice for vulnerable nations

By integrating these commitments into its policy design and sequencing, BERT 2026 ensures that national transformation is aligned with the global development agenda.

1.6 Structure of the Document

This document outlines:

- Section 2: A review of performance under BERT 2018 and BERT 2022.

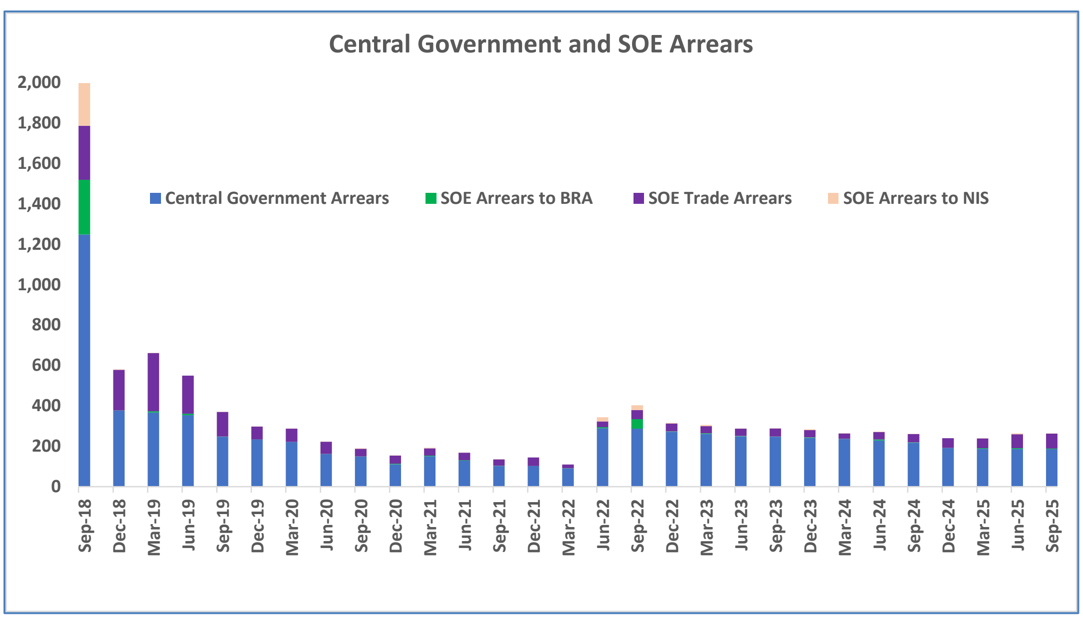
- Section 3: The macroeconomic framework and fiscal anchors for BERT 2026.
- Section 4: The five strategic pillars of the programme.
- Section 5: Implementation arrangements and governance.
- Section 6: Risk management and mitigation strategies.
- Section 7: Conclusion and next steps

BERT 2026 is a call to action for all stakeholders—government, private sector, civil society, and international partners—to unite behind a common vision. By adhering to its principles and adapting to emerging realities, Barbados will not only secure its economic future but also emerge as a global exemplar of resilience and transformation.

2. Review of Performance under BERT 2018 and BERT 2022

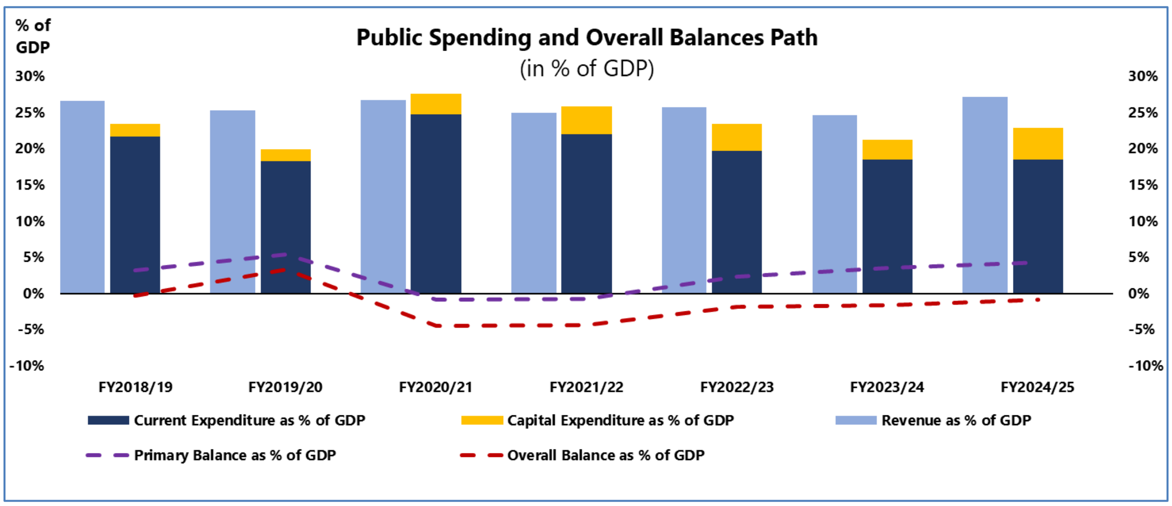
2.1 Introduction

The launch of the Barbados Economic Recovery and Transformation (BERT) programme in 2018 marked a turning point in Barbados' modern economic history. At the time, Barbados was grappling with one of the most severe macroeconomic crises in the region, characterised by stagnant growth, dwindling reserves, and an unsustainable debt burden. Gross public sector debt, including $1.9 billion in arrears to domestic suppliers, utilities, and external creditors, had reached $18.2 billion—equivalent to 178.9 percent of GDP by end-FY2017/18. The country had suffered multiple credit rating downgrades and had lost access to international capital markets. BERT 2018, supported by the International Monetary Fund (IMF) through a four-year Extended Fund Facility (EFF), sought to restore macroeconomic stability, rebuild confidence, and lay the foundation for durable and inclusive growth.

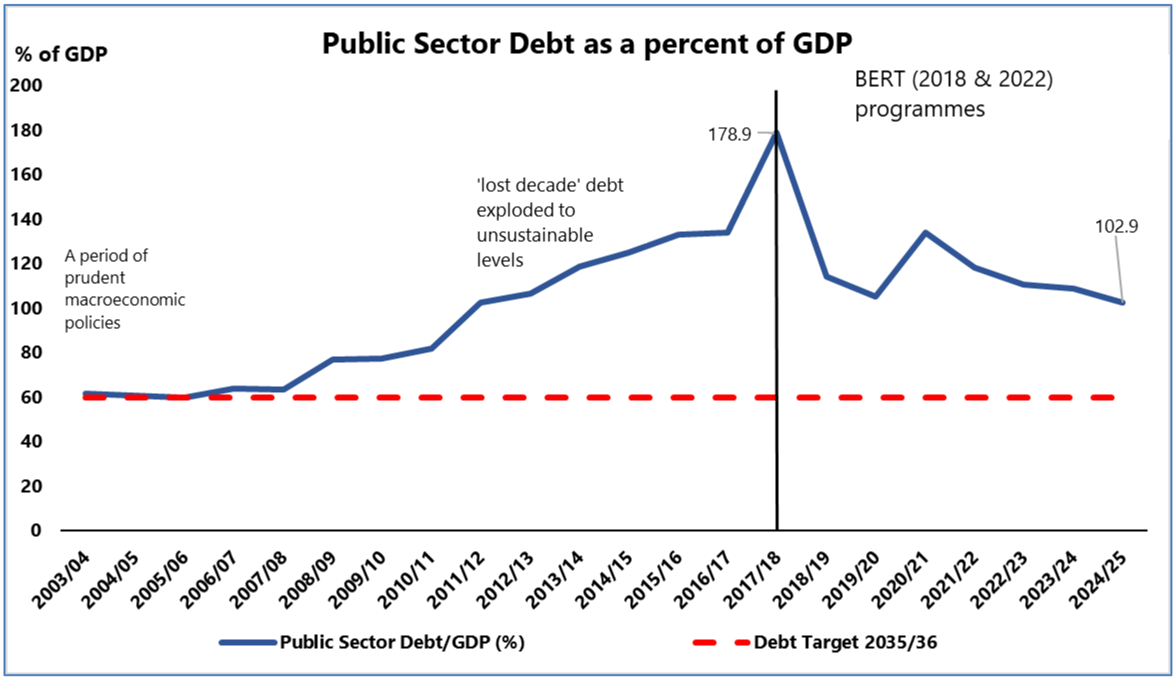


2.2 Macroeconomic Stabilisation and Debt Reduction

Under BERT 2018, Barbados achieved rapid stabilisation of its macroeconomic fundamentals. The primary fiscal balance improved from a deficit of 3.4 percent of GDP in FY2017/18 to a surplus of 6 percent of GDP by FY2019/20, exceeding the programme's targets. A comprehensive debt restructuring, both domestic and external, was completed with broad creditor participation. As a result, debt service costs were significantly reduced, and the maturity profile was extended. Savings from the 2018–2019 restructuring are estimated at approximately $600 million annually over the medium term, based on net present value reductions averaging 43 percent across restructured domestic and external debt. These savings created critical fiscal space that allowed the Government to resume capital investment, protect social spending, and stabilize public finances. International reserves, which had fallen to just under 4 weeks of import cover in May 2018, recovered steadily to over US$1.3 billion by end-2020. This strong rebound helped stabilize the exchange rate and restore confidence in the peg to the US dollar.

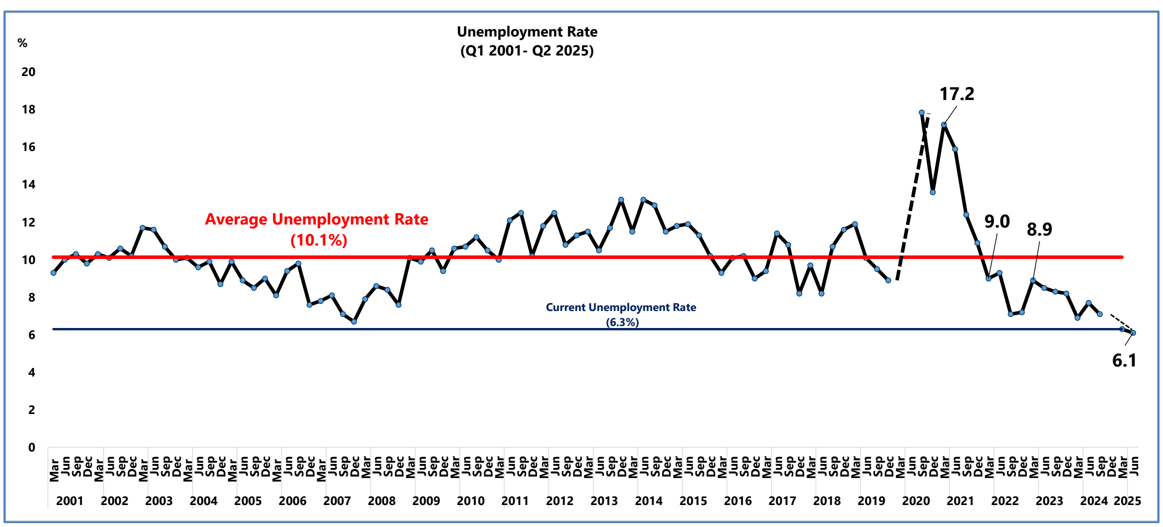


BERT 2022, launched in the aftermath of the COVID-19 crisis, built on these gains and transitioned from stabilisation to transformation. Supported by a successor EFF and an innovative Resilience and Sustainability Facility (RSF), the programme aimed to foster inclusive growth, strengthen climate resilience, and deepen structural reforms. By September 2025, gross public sector debt had declined to 101.1 percent of GDP, a reduction of almost 78 percentage points from its FY2017/18 peak. This decline was facilitated by consistently strong primary surpluses—reaching 4.6 percent of GDP in FY2024/25—as well as active debt management operations, including a landmark debt-for-climate swap executed in FY2024/25.

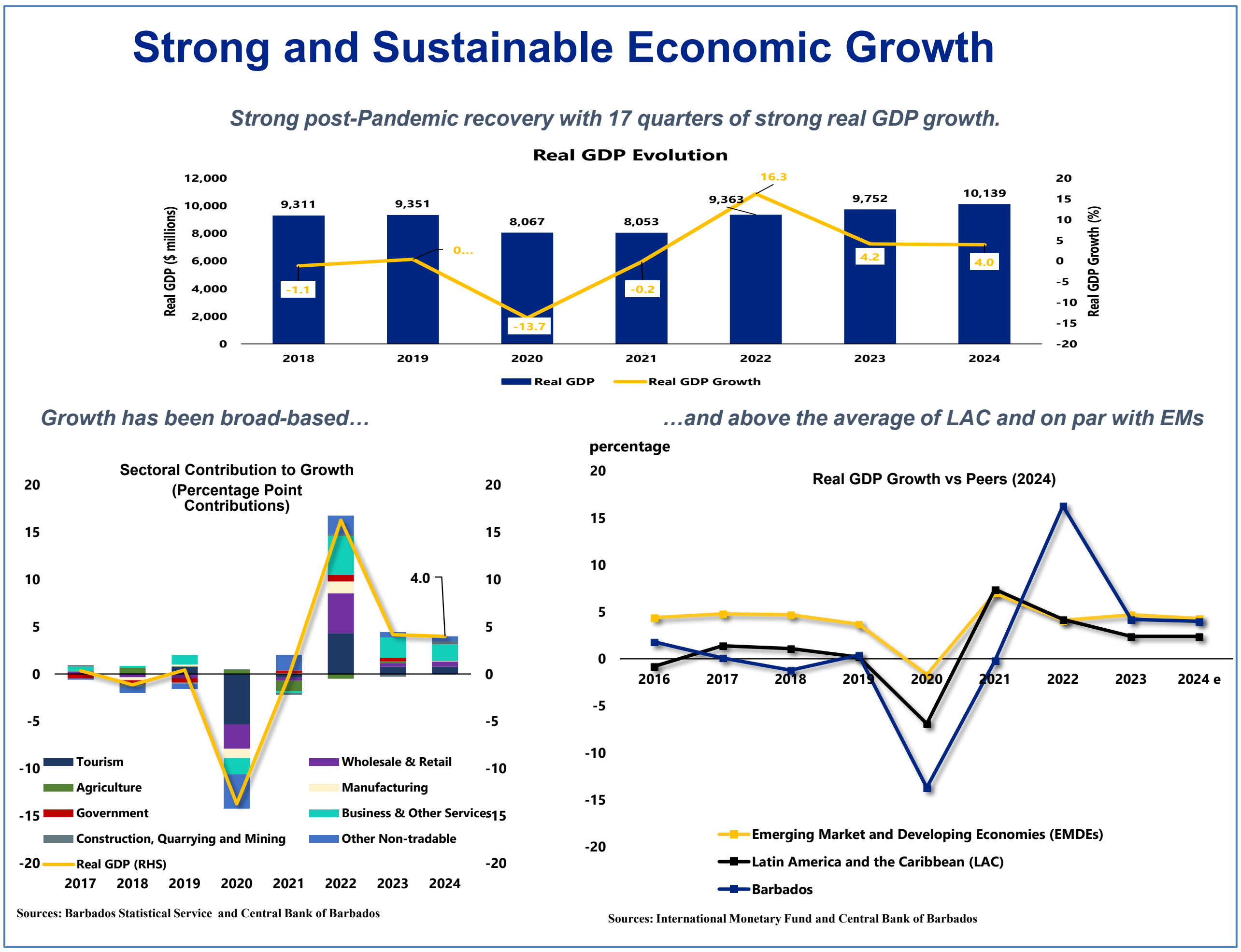


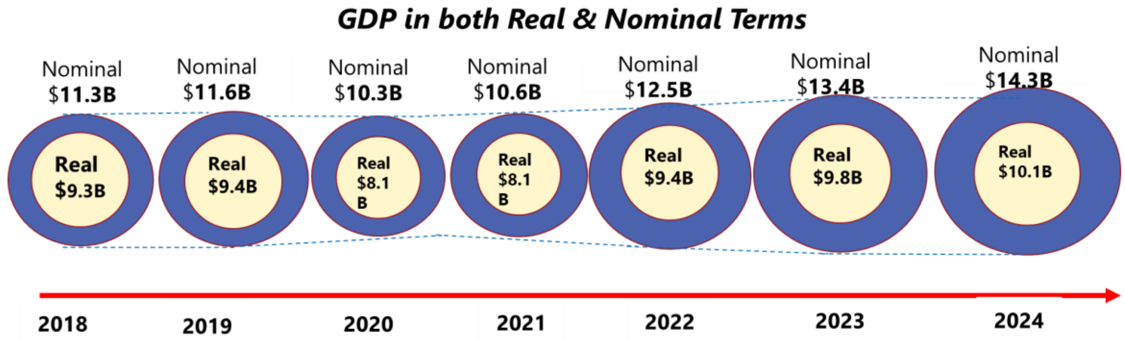
2.3 Sustained Economic Growth and Employment Recovery

The macroeconomic stabilisation under BERT paved the way for a robust and sustained recovery in economic activity. Following 14 consecutive quarters of contraction beginning in 2019, Barbados has now recorded 17 quarters of economic growth, signalling a fundamental shift in economic momentum. Real GDP contracted sharply during the pandemic, declining by 13.7 percent in 2020 and a further 0.2 percent in 2021. However, the economy rebounded by 16.3 percent in 2022, followed by growth of 4.2 percent in 2023 and an estimated 4.0 percent in 2024. In the first three quarters of 2025, growth continued at a rate of 2.7 percent, led by strong performances in tourism, agriculture, business services, and construction.



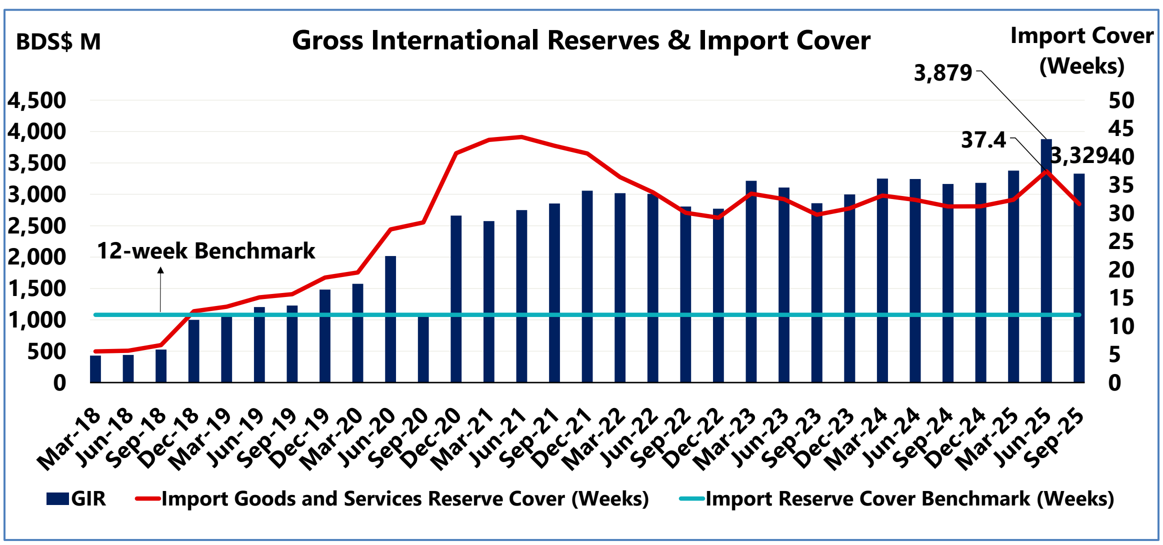
Employment trends have mirrored the economic recovery. The unemployment rate fell from over 14 percent at the height of the pandemic to 6.1 percent by June 2025, and is the lowest on record, well below the two-decade average of 10.2 percent, and consistent with a run of new historic lows over the last five quarters. Both male and female unemployment reached their lowest levels on record in June, with a sharper decline among men. The labour force expanded as persons previously outside the labour market re-entered, and net job creation surpassed 10,200 in the 12-month period ending September 2025. The five largest employment groups are government-dominated sectors, general services, wholesale and retail, accommodation and food services, and construction. By end-June 2025, unemployment rates in all five groups moved below their historical averages. The construction unemployment rate reached 5.6 percent, the lowest on record, reflecting strong private projects and public infrastructure works.





2.4 External Sector Strengthening and Resilience Building

External stability has been a hallmark of the reform programme. International reserves have reached an all-time high of BDS$3.3 billion as of September 2025, representing 31.6 weeks of import cover. This improvement was underpinned by sustained growth in tourism receipts, buoyant private capital inflows, and official financing from multilateral institutions. The current account deficit widened modestly in early 2025 due to higher imports of machinery and construction materials, but the overall balance of payments remained stable. Barbados has successfully maintained its exchange rate peg, a critical anchor for inflation expectations and investor confidence.



2.5 Structural and Institutional Reform Achievements

Structural reforms established the foundation for Barbados' economic transformation. Under BERT 2018, Barbados implemented reforms across six broad areas, growth, tax administration, state-owned enterprises (SOEs), fiscal governance, monetary policy, and public sector management, and provided the credibility and discipline necessary for macroeconomic stabilisation. Building on these gains, BERT 2022 shifted the focus from stabilisation to deep transformation. This second phase prioritised pension sustainability, climate resilience, financial integrity, SOE rationalisation, and the digitalisation of government services.

Growth and Business Climate

The first wave of reforms improved the business climate and modernised trade facilitation. Parliament enacted the Town and Country Planning Act in December 2018 to accelerate approvals for construction projects. In March 2019, the Corporate Affairs and Intellectual Property Office implemented a new business plan and staffing strategy to strengthen commercial registration. Further improvements followed with the passage of the Fair Credit Reporting Act and the introduction of an electronic filing system at the Supreme Court Registry in October 2021. Customs modernisation also advanced, including a trusted trader programme by March 2020, the relocation and security upgrade of ASYCUDA World in June 2020, and the completion of 3,500 post-release verifications by August 2020. Border agencies reinforced these efforts by establishing an IT Division, instituting monthly performance reporting, and improving risk management processes between March and December 2021.

The second phase deepened these efforts with digitalisation and regulatory upgrades. Government launched a Single Registration Portal to streamline business and tax processes and expanded e-government services with digital monitoring of public investment. Energy sector licensing was modernised, including new guidelines for independent power producers. At the same time, Barbados exited the FATF grey list in 2024 after strengthening its AML/CFT framework, improving beneficial ownership rules, and aligning with international financial integrity standards. A Growth Council was also established to provide structured dialogue with the private sector and sustain reform momentum.

Tax Administration and Revenue Policy

Tax administration reforms strengthened compliance and broadened the revenue base. The Barbados Revenue Authority (BRA) updated the large taxpayer registry and relaunched audit cycles in 2018. With IMF technical assistance, the Government completed a comprehensive review of the tax system in 2019. These measures, together with new compliance targets, raised collections toward 75 percent in 2019. BRA executed 20 issue-based audits by mid-2020 and implemented a programme in its Large Taxpayer Unit to achieve at least 90 percent compliance across core taxes by March 2021. A dedicated task force was also established in September 2021 to resolve pre-TAMIS arrears.

BERT 2022 aligned Barbados' tax regime with global norms. In March 2024, Government completed a time-bound recertification of legacy tax waivers and created a new Exemptions Monitoring Unit, while customs introduced mandatory taxpayer identification numbers. At the same time, corporate income tax was restructured, with a 9 percent general rate and a domestic minimum top-up tax introduced under OECD/G20 Pillar Two. These reforms ensure compliance with international standards while safeguarding the country's competitiveness as an investment jurisdiction.

SOE Reform and Public Sector Modernisation

SOE oversight and accountability improved significantly under the first BERT plan. From December 2018, all targeted SOEs were required to submit standardised quarterly financial reports. A consolidated performance report was tabled in Parliament alongside the budget in March 2019, and arrears monitoring introduced shortly after. A comprehensive review of SOE tariffs and fees was completed in September 2019, and Cabinet began using a new SOE dashboard in March 2021 to track financial and operational performance.

BERT 2022 advanced restructuring, mergers, and divestments. The Rural and Urban Development Corporations were amalgamated, while the National Housing Corporation was restructured. The divestment of the Barbados Agricultural Management Company reduced transfers by an estimated 0.3 percent of GDP annually. In 2025, all state energy companies were consolidated into the Barbados National Energy Company Ltd, creating a unified platform for the energy transition. Plans were also set in motion to convert the Transport Board into a special purpose vehicle overseen by a new regulator, the Barbados Mass Transit Authority, while restructuring of the Caribbean Broadcasting Corporation was initiated. These reforms were supported by a modernised Procurement Act that introduced e-procurement, audit requirements, and transparent publication of awards. Complementary PFM measures included the establishment of a Fiscal Risk Unit, a Cash Management Unit, and operationalisation of a fiscal rule.

Fiscal Governance and Pensions

Fiscal rules and governance frameworks were overhauled early in the adjustment. The 2018 debt restructuring exchange was completed at the start of the programme, and Parliament adopted the Financial Management and Audit Act in 2019 to enhance reporting obligations and sanctions. Government also tabled a budget calendar in December 2018, adopted a medium-term Fiscal Framework in August 2021, and issued implementing regulations later that year. In June 2021, plans were also developed to recapitalise the National Insurance Scheme.

Pension reform became a central focus under the second programme. A new Public Service Pension Law, enacted in 2024, introduced employee contributions for new entrants and parametric adjustments to improve sustainability. In parallel, the National Insurance Scheme embarked on a revitalisation plan that gradually increases the retirement age to 67.5 by 2028 and to 68 by 2034, while broadening the contribution base. To strengthen credibility, a Fiscal Council was also established to oversee compliance with fiscal rules.

Monetary and Financial Sector Reforms

BERT 2018 enhanced Central Bank autonomy and introduced modern tools. In 2020, amendments to the Central Bank of Barbados Act limited monetary financing of government to short-term advances and strengthened the Bank's governance and decision-making. A fintech sandbox was launched in 2018 to encourage innovation, and the Bank began publishing quarterly core inflation and expectations data by March 2022.

BERT 2022 advanced monetary policy modernisation and payments reform. The Central Bank introduced daily liquidity forecasting and enhanced its operational framework. Work was launched on identifying a benchmark policy rate, and an Emergency Liquidity Assistance framework was established. At the same time, preparations advanced for the introduction of an instant payments system (BimPay), with launch scheduled for March 2026.

Climate Resilience and RSF-Supported Reforms
The IMF RSF provided a platform to integrate climate objectives into core policy frameworks. Government incorporated climate considerations into macroeconomic, fiscal, and financial-stability analysis, and introduced new laws to strengthen climate resilience. Key legislation included a Stormwater Management Act, an Electricity Supply Bill, and an Energy Efficiency and Conservation Policy Framework. Investment planning guidelines were also developed for the power sector, supported by new auction frameworks for renewable energy. Debt contracts incorporated natural disaster clauses, while Barbados expanded its use of regional risk facilities such as the CCRIF.

Public Sector, Social Protection, and Data
Public sector and data reforms supported service delivery and accountability. In 2018, Government launched a training and outplacement programme to mitigate the social impact of SOE restructuring. An actuarial review of civil service pensions was completed in 2020, and the Barbados Statistical Service began publishing a release calendar and regular GDP, CPI, and labour market statistics in 2021. A revised public pension law was tabled in 2022.

Social protection and transparency were further enhanced under the RSF. With support from development partners, Government strengthened the targeting and monitoring of social safety nets. Barbados also launched a National Summary Data Page under the IMF's enhanced General Data Dissemination System, reinforcing its commitment to transparency and timely dissemination of official statistics.

Summary
From 2018 to 2022, Barbados delivered a decisive first phase of structural reforms that restored credibility through fiscal consolidation, SOE oversight, debt restructuring, and strengthened central bank autonomy. The subsequent programme from 2023 to 2025 built on this foundation to deepen transformation by securing pension sustainability, embedding climate resilience, modernising revenue administration, restructuring SOEs, and digitalising public services. Together, these reforms reflect consistently high implementation of structural benchmarks and a determined effort to align Barbados' economy with long-term stability, resilience, and inclusive growth.

2.6 Climate Resilience and Sustainable Development

Barbados has made significant strides in integrating climate resilience and environmental sustainability into its development strategy, beginning under BERT 2018 and accelerating under BERT 2022. The earlier phase of reform initiated efforts to climate-proof public finances and infrastructure through debt instruments with natural disaster clauses. These clauses, embedded in both domestic and external bonds, enable Barbados to capitalise interest and defer amortisation in the event of a major disaster. Simultaneously, Barbados strengthened its participation in the Caribbean Catastrophe Risk Insurance Facility (CCRIF), enhancing financial protection against climate shocks.

Under BERT 2022, the scope and ambition of climate-related policies expanded significantly. The country became the first to access the IMF's Resilience and Sustainability Facility (RSF), which supported climate-focused reforms and investments. A dedicated Resilience and Regeneration Fund was established to build financial and social protection buffers and to finance retrofitting of homes and essential public infrastructure. The Government executed a successful debt-for-climate swap in late 2024, unlocking low-cost financing for adaptation projects, including the climate-resilient rehabilitation of the South Coast Sewage Plant.

The public transportation fleet was partially electrified, with 89 electric buses now comprising 65 percent of the national fleet, the largest such ratio in the Caribbean. Regulatory changes were advanced through the tabling of the Electricity Supply Bill, aimed at facilitating private investment in renewables and strengthening energy security. Climate budget tagging, green procurement rules, and climate risk disclosures were embedded across ministries and public entities. The Central Bank of Barbados adopted a formal climate strategy and joined the Network for Greening the Financial System (NGFS), reinforcing its role in monitoring physical and transition climate risks.

Together, these achievements position Barbados as a global leader in mainstreaming climate resilience within macroeconomic and fiscal policy. Barbados' leadership in linking fiscal rules and climate policy is increasingly cited in international fora, including the IMF and UNFCCC. The country has shown how small island developing states can meaningfully advance their climate goals while preserving fiscal discipline and mobilising investment for a just and green transition.

2.7 Lessons Learned and Strategic Foundations for BERT 2026

The implementation of the BERT 2018 and BERT 2022 programmes offers a rich repository of insights that will inform the strategic direction of BERT 2026. These programmes were not only instrumental in stabilising the economy and restoring fiscal credibility but also demonstrated the structural underpinnings required to sustain reform momentum and achieve long-term national objectives. Several lessons emerged that now serve as strategic anchors for the next phase of economic transformation.

First, consistency in fiscal discipline is a cornerstone of macroeconomic credibility. Barbados' ability to adhere to ambitious primary surplus targets, even amidst unprecedented shocks such as the COVID-19 pandemic and natural disasters, has enhanced investor confidence, preserved the currency peg, and catalysed access to multilateral financing. This consistency, reflected in a return to primary surpluses as early as FY2022/23, proved critical in reducing public debt from 178.9 percent of GDP in FY2017/18 to 101.1 percent by Septem 2025. Going forward, fiscal discipline must remain central to Barbados' economic philosophy, not only as a means of debt reduction but as a mechanism to build buffers against future shocks.

Second, the sequencing and timing of structural reforms are pivotal. Reform outcomes were demonstrably stronger when preceded by institutional capacity building and aligned with clear fiscal and operational incentives. The success of SOE reform, for example, was greatly enhanced by prior financial diagnostics, the establishment of performance dashboards, and the streamlining of reporting requirements. Likewise, PFM reforms, including the rollout of the Fiscal Risk Unit and the Cash Management Unit, delivered tangible gains once supported by better data systems and trained staff. BERT 2026 must therefore maintain a disciplined approach to reform sequencing, ensuring that foundational systems are in place before policy rollout and scaling.

Third, Barbados' experience affirms that climate action is not peripheral to economic policy, it is integral. The strategic use of climate finance, the integration of resilience into the national budget, and the execution of adaptation projects through instruments such as the RSF and the debt-for-climate swap have redefined the development narrative for small island developing states (SIDS). Barbados is now viewed as a global leader in aligning fiscal and investment policy with the goals of climate sustainability. BERT 2026 must build on this reputation and continue embedding climate resilience into every facet of national development planning.

Fourth, digitalisation has emerged as a powerful enabler of reform. Investments in IT platforms across the tax system, customs administration, and public procurement have materially improved compliance, reduced leakages, and enhanced transparency. The successful implementation of the Tax Identification Number, the digital exemptions registry, and the single taxpayer portal has set a new standard for service delivery. Future gains will come from deepening interoperability, data analytics, and GovTech solutions that enhance public sector productivity.

Finally, broad-based stakeholder engagement has been critical to securing reform durability. Barbados' success has hinged on its ability to maintain tripartite dialogue between government, labour, and the private sector, while cultivating strong technical partnerships with development institutions. Transparent reporting, consistent public communications, and inclusive decision-making processes have underpinned social cohesion even during periods of adjustment. As BERT 2026 takes shape, it will be essential to preserve this inclusive ethos, using dialogue and accountability mechanisms to co-create policy and sustain public trust.

In sum, BERT 2018 and BERT 2022 have shown that Barbados can not only reform but lead. These lessons, on fiscal discipline, reform sequencing, climate integration, digital transformation, and stakeholder alignment, are the foundational pillars on which BERT 2026 will stand. The next phase of reform will require even greater ambition, but it will also benefit from a more prepared state, a more engaged public, and a more confident nation.

2.8 Assessment of Remaining Gaps

Despite the notable gains achieved under BERT 2018 and BERT 2022, the reform journey is not yet complete. Several critical areas continue to pose constraints to Barbados' transformation agenda and must be addressed under BERT 2026 to ensure that past gains are not only preserved but deepened.

State-Owned Enterprise Reform Completion.
While major strides were made in rationalising and restructuring a number of SOEs, several of the most fiscally impactful and operationally complex entities—such as the Queen Elizabeth Hospital (QEH), the Caribbean Broadcasting Corporation (CBC), and certain transport-related agencies—remain in transition. These entities continue to operate with legacy inefficiencies, governance gaps, or unsustainable financial models. Their full integration into the reform agenda is necessary to consolidate fiscal discipline and improve service delivery.

Private Sector Investment Mobilisation.
Although Barbados has stabilised its macroeconomic framework and improved its business climate, the pace of private investment remains uneven across sectors. Key areas identified in the national investment strategy—including logistics, green energy, agro-processing, and high-tech services—have yet to attract the levels of domestic and foreign direct investment necessary to meet national growth targets. Structural bottlenecks in regulatory approvals, land titling, and project pipeline readiness still deter capital mobilisation.

Climate Financing Gaps.
Barbados has emerged as a global leader in climate-responsive policy, but the country continues to face a substantial financing gap in delivering its adaptation and mitigation targets. Recent estimates indicate that only 35 percent of the country's identified climate resilience financing needs are currently met through available public and external resources. Despite pioneering instruments such as the debt-for-climate swap and the RSF, deeper engagement with private finance and international climate funds remains essential to close the gap and safeguard vulnerable sectors.

Productivity Constraints.
The foundation of long-term economic growth is productivity, and in this area, Barbados' performance remains suboptimal. Labour productivity growth has averaged just 0.8 percent per annum since 2018, reflecting persistent inefficiencies in public administration, low technological diffusion in key industries, and skills mismatches in the labour market. Without a decisive productivity agenda, including investments in innovation, digital skills, and regulatory streamlining, Barbados risks reverting to a low-growth path despite macroeconomic stabilisation. Fiscal revenue performance has also been undermined by the scale of concessions, which erode the tax base and weaken buoyancy. BERT 2026 will therefore prioritise rationalisation of discretionary concessions, greater transparency in approvals, and simplification of the tax system, with consideration of a lower single VAT rate as part of medium-term reforms.

Export Diversification and Trade Resilience.
Barbados remains heavily reliant on tourism and a limited basket of exports, with the United States continuing to dominate as the primary source market and trading partner. The economy remains vulnerable to external shocks, including global tariffs, supply chain disruptions, and airlift dependency. Strengthening regional value chains, expanding into African and Latin American markets, and increasing participation in the digital and services export sectors will be critical to building a more resilient and balanced external sector. In addition to new markets in Africa and Latin America, near-term opportunities exist to deepen penetration in Europe, including traditional markets and the emerging Scandinavian segment, supported by the strength of the Euro. There is also growing potential in residency tourism, with long-stay visitors and snowbirds representing a complementary source of foreign exchange and investment.

Strengthening domestic value chains is a prerequisite for sustainable export diversification. In particular, agro-processing offers significant potential to deepen local competitiveness, reduce import dependence, and support more resilient export growth.

Institutional and Implementation Capacity.
While institutional reforms have improved planning and oversight, gaps persist in project execution, data availability, and inter-agency coordination. Delays in the rollout of key digital platforms, inconsistent monitoring of SOE performance, and capacity shortfalls in areas such as public-private partnerships and climate financing architecture suggest that targeted institutional strengthening is required to support the next generation of reforms.

Together, these gaps do not diminish the achievements of the past seven years; rather, they clarify the next frontiers of reform. Addressing them will require not only continued discipline but also innovation, agility, and deeper collaboration across sectors and society. These challenges provide the strategic justification for the design and focus of BERT 2026.

3. Macroeconomic Framework and Fiscal Anchors

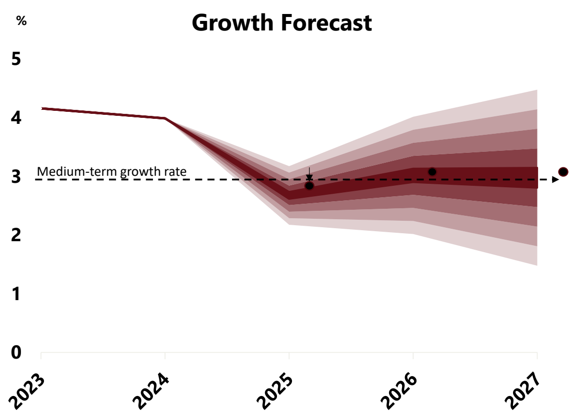
3.1 Overview and Strategic Role of the Macroeconomic Framework

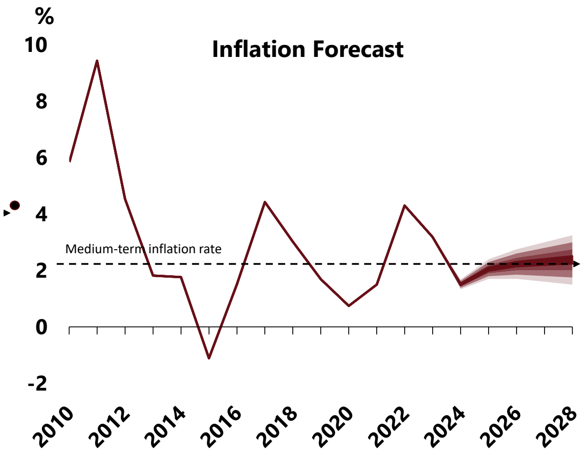
Barbados enters the BERT 2026 period with a stable and resilient macroeconomic foundation. This position reflects over five years of consistent fiscal prudence, structural reform, and policy credibility. However, the road ahead remains complex. Global economic uncertainty, tightening financial conditions, and climate vulnerability all demand continued prudence and adaptability. The macroeconomic framework for BERT 2026 is therefore structured to preserve hard-won gains, reinforce debt sustainability, and enable strategic investments in resilience, productivity, and inclusive growth. It provides the fiscal and macroeconomic anchor that underpins the programme's goals and sequencing of reforms.

3.2 Medium-Term Macroeconomic Outlook (2025–2029)

The macroeconomic outlook for the BERT 2026 period is framed by Barbados' continued recovery from the shocks of the last decade and its ongoing structural transition. Real GDP growth is projected to average 3.5 percent annually over the period 2025–2029, driven by tourism diversification, public and private investment in infrastructure and housing, digital economy expansion, and targeted productivity reforms. This follows a cumulative economic expansion of over 25 percent between 2021 and 2024, and a streak of 17 quarters of real GDP growth as of September 2025.

Inflation is expected to remain contained, averaging between 2.0 and 2.5 percent annually, supported by stable international commodity prices and enhanced domestic supply capacities. The external current account deficit is projected to narrow gradually, anchored by growing travel receipts, emerging services exports, and the continued execution of energy import substitution measures. Gross international reserves are expected to remain above 30 weeks of import cover, ensuring continued support for the exchange rate peg.





3.3 Fiscal Anchors and Policy Objectives

BERT 2026 reaffirms the Government's commitment to debt and fiscal sustainability through a proactive approach to fiscal policy. The overarching objective is to maintain a downward debt-to-GDP trajectory towards 60 percent by FY2035/36 supported by primary surpluses annually through FY2028/29. The Government recorded a primary surplus of 4.3 percent of GDP in FY2024/25, equivalent to $621 million, marking the highest fiscal effort since the onset of the pandemic. Over the next three years, the Government will maintain a primary surplus of 4.4 percent of GDP annually, before tapering to 3.5 percent in FY2028/29. These surpluses are critical to reducing public debt and maintaining fiscal space for development spending and shock absorption.

The medium-term fiscal path reflects updated revenue and expenditure trends. Total revenue increased to $3.96 billion in FY2024/25, supported by robust corporate income tax performance and efficiency gains in tax administration. Tax revenue accounted for $3.74 billion, with VAT, excises, and import duties all contributing to strong outturns. Revenues are expected to increase further to $4.49 billion by FY2028/29, underpinned by compliance improvements, economic growth, and new digital platforms that enhance taxpayer services and enforcement.

On the expenditure side, current expenditure reached $3.44 billion in FY2024/25, and is projected to rise only moderately to $3.68 billion by FY2028/29, reflecting managed wages increases, and tighter controls on procurement, and transfers. This careful management of expenditure creates room for increased capital investment. Capital expenditure amounted to $612 million in FY2024/25, but is projected to rise to $921 million in FY2028/29, in line with the Government's goal to maintain public investment at or above 5 percent of GDP. These resources will be directed toward transport, housing, water infrastructure, and climate resilience.

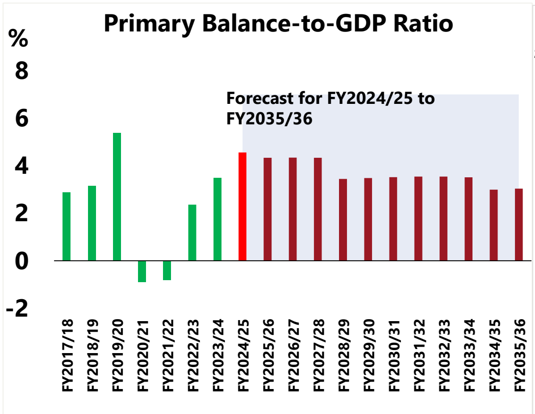
The overall fiscal balance stood at a manageable deficit of $129 million in FY2024/25, and is expected to improve to a modest surplus by FY2027/28, before returning to a deficit of $110 million in FY2028/29, driven by the front-loading of strategic investments[1]. The fiscal strategy under BERT 2026 therefore strikes a deliberate balance: sustaining the adjustment while allowing for growth-enhancing capital outlays and social protection.

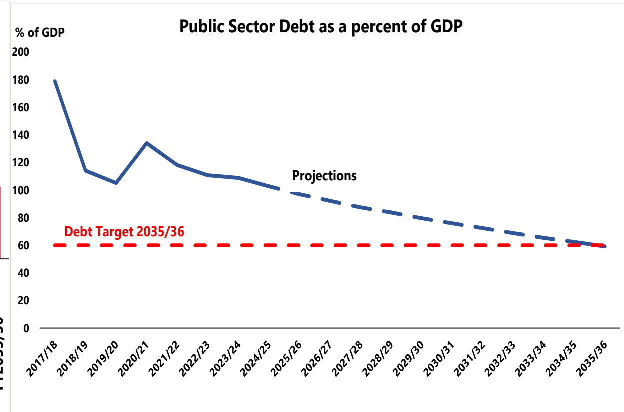
3.4 Public Debt Trajectory and Financing Requirements

Barbados' public debt continues on a firm downward trajectory. At the end of FY2024/25, the public sector debt-to-GDP ratio was recorded at 102.9 percent, down from 108.9 percent one year earlier. Over the medium term, debt is projected to fall to 85.1 percent of GDP by FY2028/29, placing the country within reach of its long-term debt anchor of 60 percent of GDP by FY2035/36. This reduction is being driven by sustained primary surpluses, improved growth, and proactive debt management.

Interest payments, which peaked during the transition period, are now declining as a share of both revenue and GDP. In FY2024/25, interest costs stood at $749.9 million but are projected to fall to $703 million by FY2027/28, reflecting the successful refinancing of high-cost debt and increased use of concessional borrowing. The Government will continue to adhere to its fiscal policy stance of running primary surpluses until the debt target is achieved, thereby institutionalizing the gains in sustainability. Under BERT 2026, Barbados's creditworthiness is expected to strengthen further, as evidenced by declining debt ratios and improving debt service indicators. Notwithstanding these positive trends, financing risks remain. Barbados must guard against volatility in global interest rates and shifts in investor sentiment, while maintaining a diversified funding mix across concessional, domestic, and external sources.

[1] While the primary surplus remains positive at 3.5 percent of GDP in FY2028/29, the overall balance reverts to a small deficit due to a deliberate scaling up of capital expenditure to $921 million. This reflects the Government's commitment to frontloading development investments while maintaining a sustainable fiscal path. The difference between the primary surplus and overall balance is explained by interest payments, which though declining, still account for approximately 4.1 percent of GDP in FY2028/29. In this context, a modest overall deficit is consistent with the fiscal rule, as debt continues to fall and capital investment supports long-term growth.





Gross Financing Needs

Gross financing needs, comprising amortisation, interest, and any net financing requirements, peaked at $2.26 billion in FY2024/25, due in part to the redemption of maturing domestic bonds and external project disbursements. These needs are projected to decline to $1.71 billion in FY2026/27, before increasing moderately to $2.06 billion in FY2028/29 in line with scheduled repayments. In FY2024/25, domestic debt service accounted for $1.50 billion, compared to $669 million in external service. Refinancing needs are expected to ease significantly in the coming years as liabilities mature and are replaced with longer-tenor, lower-cost instruments.

Importantly, the fiscal framework confirms that no financing gaps are projected throughout the BERT 2026 period. Every dollar of requirement is matched with secured or identified sources, reinforcing confidence in the programme's feasibility.

3.5 Financing BERT 2026

BERT 2026 is supported by a comprehensive and diversified financing strategy that ensures full coverage of debt service, programme costs, and investment needs. The plan combines concessional borrowing, international and domestic capital mobilisation, and innovative mechanisms such as public-private partnerships.

On the external side, Barbados continues to benefit from policy-based lending and concessional project financing from its multilateral and bilateral partners. The Government received significant support in FY2024/25 from the IMF (EFF and RSF), the IDB, the CAF, the World Bank, the EXIM Bank, and the EIB, including disbursements for social services, housing, and climate adaptation projects. These partnerships will remain central over the medium term, not only for financing but also for technical support and programme design. New external disbursements are programmed for FY2025/26 through FY2028/29, with additional bond issuance planned as needed to close financing gaps.

In June 2025, Barbados successfully re-entered the international capital markets with a $500 million sovereign bond issuance, its first since the 2018 debt restructuring. The transaction was oversubscribed, reflecting renewed investor confidence in the country's fiscal trajectory, reform agenda, and macroeconomic management. This landmark issuance not only strengthens Barbados' external financing profile with its B+ rating but also signals its re-emergence as a credible borrower in global markets.

On the domestic side, the financing strategy includes the use of Treasury Bills, longer-dated debentures (such as the Series J bonds), and the BOSS Plus programme, which enables the public to invest in Government bonds on favourable terms. These instruments provide predictable and stable financing while offering attractive returns to institutional and household savers. In FY2024/25, $311 million in cash buffers were also deployed to smooth financing needs. The Government will continue to manage these reserves prudently, drawing them only when cost-effective to do so.

In addition, BERT 2026 places renewed emphasis on leveraging public-private partnerships (PPPs) to deliver large-scale infrastructure and service projects. The Government is advancing a PPP pipeline in sectors such as renewable energy, transport, port logistics, and affordable housing. These partnerships are expected to crowd in private capital, reduce fiscal outlays, and deliver better outcomes through shared risk.

The financing plan for BERT 2026 ensures that Barbados will meet all of its obligations while protecting fiscal sustainability. It blends low-cost funding with capital market discipline and domestic engagement, all while ensuring that every element of the reform and investment agenda is adequately resourced. The Government's ability to finance its strategy without gaps strengthens the credibility of the programme and enhances the country's long-term macroeconomic prospects.

4. Strategic Pillars of BERT 2026

The Barbados Economic Recovery and Transformation Plan 2025 (BERT 2026) is built on five strategic pillars that align with the country's long-term developmental objectives: productivity and competitiveness, debt and fiscal sustainability, financial market deepening, climate resilience, and inclusive human capital development. These pillars are informed by the experience of implementing BERT 2018 and BERT 2022, the outcomes of recent reforms, lessons learned, and the evolving global and domestic context. Together, they chart a path toward a higher-performing, more inclusive, and climate-secure economy.

4.1 Pillar I: Enhancing Productivity and Competitiveness

Pillar I integrates three mutually reinforcing workstreams: raising economy-wide productivity through digital public infrastructure, building new export engines through innovation and reindustrialisation, and strengthening the institutional capacity to deliver complex reforms at speed.

Raising productivity is the single most important lever for unlocking higher, sustainable growth in Barbados. While the country has achieved macroeconomic stability and re-established debt and fiscal sustainability, labour productivity growth has remained modest, averaging just 0.8 percent annually since 2018. BERT 2026 prioritises competitiveness, by reducing structural rigidities, enabling private investment, and upgrading the regulatory and technological environment.

Digitalisation under BERT 2026 goes beyond service digitisation to the creation of an interoperable Digital Productivity State, built on once-only data principles, shared registries, automated licensing and permits, and digital payments. The Single Digital ID and Business Identity System will underpin interoperability, reduce fraud, and improve compliance across government.

Key reforms under this pillar include:

- Full operationalisation of the Barbados Electronic Single Window (ESAW) to reduce trade friction and processing times.
- Implementation of the second phase of BUSINESS BARBADOS modernisation, merging business registration, payment, and verification processes into a single digital platform.
- Expansion of the Trusted Trader Programme and digitisation of customs and logistics infrastructure.
- Strengthening of the Investment Facilitation Centre and the launch of the Barbados Investment Plan, which targets sectors with high growth and export potential such as logistics, high-end tourism, agro-processing, blue economy industries, and renewable energy services. While the Barbados Investment Plan is the guide for public sector investment priorities, the Energy Transition Investment Plan, approved by Cabinet in March 2025, will anchor public and private investment across the energy sector. BERT 2026 will also strengthen Invest Barbados as the central agency for investment and export promotion. The agency will be resourced with technical expertise and professional capacity to attract foreign direct investment, boost service exports, and support diversification into new and emerging sectors.
- Implementation of a Single Digital ID and Business Identity System, supported by legislative and cybersecurity reforms.
- Support for innovation and digital entrepreneurship through Business Barbados, the newly launched state-owned enterprise tasked with championing service delivery excellence in business registration, licensing, and technical assistance.
- BERT 2026 will establish a Barbados Global R&D Hub Programme aimed at attracting frontier research partnerships and converting innovation into patents, investable firms, and export revenues. Reindustrialisation efforts will prioritise clusters in advanced manufacturing, life sciences and biotechnology, climate-tech

and green services, and blue economy technologies, supported by logistics reform and accelerated approvals.

- Workforce Health and Wellness. Productivity is not only a function of technology and regulation but also of a healthy and resilient workforce. Rising levels of illness and absenteeism erode output and increase social insurance costs, with NIS sickness benefits alone amounting to $21 million in just six months. BERT 2026 will therefore integrate health and wellness as a core productivity driver. This will include workplace wellness initiatives, preventive healthcare programmes, and targeted policies to reduce absenteeism and prolong active working lives. Ministries of Health and Labour will collaborate to track workforce health indicators and report on their impact on national productivity outcomes.

- To close the implementation capacity gap identified across high-friction business and citizen processes, BERT 2026 will establish a small, empowered Productivity Delivery Unit, operating on a GovTech-style delivery model. The Unit will focus on end-to-end process redesign, automation, and KPI reporting across priority journeys, including permits, customs clearance, construction approvals, company registration, and work permits. Its mandate will be to accelerate execution, improve service outcomes, and ensure that productivity reforms translate into measurable results.

As emphasised in the 2025 Budget, productivity-led growth is the only sustainable path for a country with limited resources and high external vulnerability. Through these initiatives, the Government seeks to improve efficiency across both public and private sectors and make Barbados a more attractive place to do business. These reforms also underpin Barbados' effort to expand into higher-value export markets, reducing reliance on tourism.

4.2 Pillar II: Maintaining Debt and Fiscal Sustainability

Maintaining fiscal discipline and ensuring long-term debt sustainability remain central pillars of Barbados' economic strategy. While the country has made tremendous progress in reducing its debt-to-GDP ratio, from 178.9 percent in FY2017/18 to 102.9 percent in FY2024/25, reaching 60 percent by FY2035/36 will require steadfast fiscal effort and enhanced institutional safeguards. BERT 2026 therefore reinforces not only the country's commitment to primary surplus targets but also the institutions and reforms necessary to continue to manage debt prudently and sustainably.

At the heart of this pillar is the continuation of strong primary surpluses, targeted at 4.4 percent of GDP annually through FY2027/28, before gradually declining to 3.5 percent by FY2028/29. These surpluses are essential to driving down debt and preserving the fiscal space necessary for development spending and crisis response. In parallel, the Government will continue to strengthen its fiscal framework to further ensure predictability, accountability, and automaticity in policy adjustment.

Debt sustainability also requires strategic debt management. The Government will operationalise the 2024–2027 Medium-Term Debt Strategy (MTDS), which focuses on minimising borrowing costs over time while containing refinancing and exchange rate risks. Liability management operations will continue, including opportunistic debt swaps, buybacks, and extensions of maturities, particularly where they help smooth debt service profiles. Investor relations will be enhanced through greater transparency and communication from the Debt Management Unit, especially as Barbados re-engages with international capital markets in a limited and strategic manner.

In tandem, institutional reforms will be deepened to consolidate these gains:

- The Fiscal Council will play a more active role in reviewing macro-fiscal forecasts, monitoring compliance with fiscal rules, and publishing independent assessments of performance.
- The Ministry of Finance will expand the use of multi-year budgeting, allowing better alignment of fiscal policy with debt management and investment planning.
- The full rollout of performance-based budgeting and digital expenditure tracking systems will improve allocative efficiency and accountability.
- The Government will continue its programme to rationalise high-transfer SOEs, including the QEH and CBC, through enhanced financial oversight and the introduction of medium-term performance targets.

Additionally, public-private partnerships (PPPs) will be implemented in a fiscally sustainable manner, with all proposed arrangements subject to debt sustainability screening, value-for-money assessments, and transparent reporting protocols. The PPP framework approved in 2025 establishes clear institutional roles, appraisal methodologies, and safeguards to ensure that contingent liabilities do not compromise the fiscal position.

The 2025 Budget reinforced the Government's position that "we will not sacrifice sustainability for short-term gain." Since 2018, Barbados has repaid $8.49 billion in debt, nearly double the $4.83 billion borrowed, demonstrating a firm commitment to restoring the country's financial integrity. Moreover, the Ministry of Finance has developed a fiscal risk heat map, identifying vulnerabilities such as contingent liabilities from SOEs, natural disasters, and interest rate shocks.

Debt and fiscal sustainability are not abstract goals—they are foundational to ensuring that the country remains resilient in the face of global shocks, and that it has the policy space to support its people when needed most.

4.3 Pillar III: Financial Market Development and Investment Mobilisation

As Barbados reduces public debt and restores creditworthiness, the next stage of transformation involves deepening financial intermediation to support private sector-led growth. Access to finance, particularly for SMEs and new industries, remains a binding constraint. BERT 2026 will address this by expanding the tools, infrastructure, and regulatory reforms needed to improve financial inclusion and investment mobilisation.

Key initiatives include:

- Launch of a **collateral registry** for movable assets and the establishment of a **factoring framework** for small suppliers, particularly those interacting with Government.
- Strengthening of **credit bureau reporting**, building on the Fair Credit Reporting Act, and expansion of **financial literacy initiatives** through the Financial Literacy Bureau.
- Continued development of the domestic debt market, including the issuance of inflation-indexed and USD-denominated bonds, expansion of BOSS Plus, and strengthened investor engagement by the Debt Management Unit through regular updates, consultations, and diversified product offerings.
- Modernisation of the **Public-Private Partnership (PPP) Framework** and pipeline development for climate-smart infrastructure projects, including transportation, energy storage, and water resilience.
- Climate-smart infrastructure under BERT 2026 will also include investments in food and nutritional security. Government's programme of climate-smart agricultural infrastructure, including the development of a national food terminal through a PPP arrangement, forms part of the investment pipeline supporting resilience and private sector participation.
- Access to finance for SMEs remains constrained not only by lending practices but also by weaknesses in governance and risk management. To address this, BERT 2026 will encourage greater use of credit rating and monitoring services, including the development of minimum CariCris ratings for financial instruments offered to the public. SMEs seeking to raise capital will be supported to obtain and maintain such ratings, thereby improving governance and lowering risk perception. Complementary instruments, such as partial guarantees and co-financing schemes, will incentivise lending to rated SMEs and deepen investor confidence in this segment.
- In October 2025, Barbados launched its first Junior Stock Exchange, the Innovation Growth Market (IGM), to support SMEs in raising equity capital. Operationalising the IGM and connecting firms to advisory, investor, and business development networks will be a critical plank of the business development portfolio under BERT 2026.
- Strengthening of the regulatory framework for fintech, insurance, and pensions, with an emphasis on innovation, consumer protection, and risk-based supervision.

These reforms will deepen access to capital, encourage entrepreneurship, and strengthen Barbados' status as a competitive financial jurisdiction in the Caribbean.

4.4 Pillar IV: Climate Resilience and the Green Economy Transition

Barbados remains on the frontlines of climate change. BERT 2026 takes a whole-of-government approach to embedding resilience into planning, budgeting, infrastructure, and community development. Climate action is no longer treated as a sectoral issue—it is a core economic strategy. A core objective is to ensure Barbadians participate directly in the climate transition. This will be achieved through citizen ownership models such as community solar projects, household access to green bonds, and opportunities for local investors to share in the benefits of renewable energy and resilience investments.

Climate resilience efforts will explicitly include agriculture and fisheries, recognising that losses in these sectors have historically exceeded physical infrastructure damage. Technology adoption, water management, soil quality improvement, sustainable input use, and methane mitigation from animal waste will support both climate resilience and green economy objectives.

The main thrusts under this pillar are:

- Execution of the **Electricity Supply Bill**, enabling fair and efficient participation in renewable energy generation, storage, and grid access.
- Operationalisation of the **Resilience and Regeneration Fund**, which finances home retrofitting, community shelters, and green infrastructure.
- Expansion of the **electric vehicle (EV) fleet**, with a target of 100 percent EV public buses by 2026 and further incentives for private EV adoption.
- Implementation of **climate budget tagging** and green public procurement regulations across all ministries and SOEs.
- Climate resilience and infrastructure development depend on guaranteed insurance and reinsurance capacity. Barbados' current reliance on external reinsurers represents a structural vulnerability that could constrain future investment. BERT 2026 will therefore explore regional pooling solutions and the establishment of a Caribbean reinsurance facility, in partnership with CARICOM, CCRIF, and development banks. Building local and regional capacity will ensure that new industries, infrastructure projects, and households remain adequately protected against climate and disaster risks.
- Rollout of solar, water, and efficiency technologies in public buildings, housing projects, farms, and school infrastructure, as part of Barbados' national Net Zero 2035 ambition.

- During 2025, Barbados expanded its energy democratisation strategy by embedding unit trust structures within large, capital-intensive renewable energy projects. This approach allows ordinary Barbadians to become owners of projects at scale, expanding participation, creating income opportunities, and strengthening local ownership of renewable assets.
- By 2028, firm capacity on the electricity grid will require new investment. Work has commenced on the establishment of a Renewable Energy Infrastructure Fund to finance large-scale firm capacity projects, strengthen grid resilience, and support the transition to a low-carbon energy system.

In parallel, Barbados will seek to scale up its access to climate finance—including through GCF, adaptation funds, and debt-for-nature swaps—to close the remaining 65 percent funding gap in climate adaptation financing.

4.5 Pillar V: Empowering People and Strengthening Human Capital

BERT 2026 places people at the centre of national development. Reforms must not only strengthen institutions and balance sheets—they must also empower citizens to participate in, benefit from, and contribute to a more inclusive economy. This pillar focuses on the workforce, youth, vulnerable populations, and the evolving demographic landscape.

Core components include:

- Transformation of the **education system**, including the revision of the Education Act, phasing out of the 11-Plus exam, and reform of the curriculum to prioritise STEAM disciplines, critical thinking, and digital literacy.
- Scaling of the **National Transformation Initiative (NTI)** to provide every Barbadian with access to high-quality training in digital, climate, and entrepreneurial skills.
- Expansion of the **Youth Advance Corps**, **Apprenticeship Scheme**, and the **First Jobs Initiative**, aimed at reducing youth unemployment and better linking training to job placement.
- Implementation of the **Population Policy 2023–2024**, which promotes active ageing, labour force participation, and skills attraction and retention.
- Construction of 10,000 affordable, green homes through innovative public-private delivery models and social enfranchisement initiatives.

This people-centred growth model will ensure that the benefits of transformation are widely shared and that every Barbadian has the opportunity to thrive in a rapidly changing global economy.

5. Implementation Arrangements

The success of BERT 2026 hinges not only on the soundness of its fiscal and structural objectives, but on the strength of the institutions tasked with its execution. The programme will be implemented through a coordinated, whole-of-government approach that balances high-level oversight with decentralised ownership by lead agencies. The architecture of implementation draws on the institutional lessons from BERT 2018 and BERT 2022, while adapting to the more ambitious scope and longer-term focus of BERT 2026.

Effective delivery of BERT 2026 requires strengthening capacity at the ministry and agency level. Many reforms will depend on timely and consistent information flows, which remain a structural weakness. Government will therefore invest in training, modern ICT systems, and cross-agency data platforms to ensure that ministries are equipped to implement reforms and report progress credibly.

5.1 Institutional Oversight and Coordination

The implementation of BERT 2026 will be grounded in a proven institutional architecture that prioritises rigorous technical analysis, high-frequency data, and cross-agency collaboration. Building on the successful coordination model of BERT 2018 and 2022, the internal framework will consist of three interlinked layers: technical working groups, a central implementation unit, and high-level policy oversight.

a. High-Level Policy Oversight

The overall strategic direction of BERT 2026 will be provided by the Joint Economic Group (JEG), chaired by the Prime Minister and comprising key ministers, the Governor of the Central Bank, and senior officials from the Ministry of Finance and Economic Affairs. The JEG will meet monthly to review programme performance, address strategic risks, and approve key policy actions.

b. Technical Coordination and Analysis

Three specialised cross-agency technical working groups will form the analytical backbone of the programme:

- Fiscal Technical Working Group: Responsible for daily and monthly monitoring of revenue, expenditure, cash flows, and SOE transfers. The group collates data from the Treasury, BRA, Central Bank, and Budget Department to inform real-time fiscal policy management. It tracks trends, flags deviations, and recommends technical or policy responses.

- Debt Technical Working Group: Oversees debt dynamics, sustainability assessments, and financing strategies. It maintains a debt monitoring framework that includes maturity profiles, debt service forecasts, and refinancing needs. The group supports debt management policy, including the use of instruments such as BOSS Plus and sovereign bonds.

- Real Sector Working Group: To be established under BERT 2026, this new team will be tasked with improving the coverage and analysis of real sector data, strengthening growth forecasts, and linking macro and fiscal feedback loops. It will provide inputs into the forecasting model and stress test scenarios that underpin macroeconomic planning.

These working groups meet weekly and feed their findings into JEG deliberations and quarterly implementation reports.

The Office of the Comptroller General, housed within the Ministry of Finance, will coordinate the day-to-day execution of BERT 2026. Its responsibilities include:

- Coordinating across ministries, departments, and statutory bodies
- Tracking implementation timelines and performance indicators
- Producing quarterly implementation progress reports
- Supporting policy preparation, communication, and stakeholder engagement

The Office of the Comptroller General will maintain an integrated monitoring dashboard to allow real-time tracking of reform milestones and fiscal outcomes. It will work in close partnership with the Economic Affairs Division, the Debt Management Unit, and the Central Bank's research and statistics team.

5.2 Ministry and Agency Responsibilities

Each strategic pillar of BERT 2026 will be assigned to a designated lead ministry or agency, with explicit responsibilities and performance targets. These assignments are as follows:

- **Pillar I – Productivity and Competitiveness:** Ministry of Industry, Innovation and Trade (lead), working with BRA, BUSINESS BARBADOS, Customs and the Barbados Investment and Development Corporation (BIDC)
- **Pillar II – Debt and Fiscal Sustainability:** Ministry of Finance and Economic Affairs (lead), supported by the Debt Management Unit, Fiscal Council, and SOE Oversight Committee
- **Pillar III – Financial Market Deepening:** Ministry of Finance and the Central Bank of Barbados (co-leads), supported by FSC and market stakeholders
- **Pillar IV – Climate Resilience and Green Economy:** Ministry of Environment and National Beautification (lead), in partnership with the Ministry of Energy, Ministry of Housing, Ministry of Finance, and the Ministry of Agriculture, Food and Nutritional Security

- **Pillar V – Human Capital and Inclusion:** Ministry of Education, Ministry of Labour, and Ministry of People Empowerment and Elder Affairs (joint leads), coordinated through the NTI

These entities will develop annual implementation workplans, aligned with their budgets, and submit quarterly updates to the JEG.

5.3 Program Monitoring, Evaluation, and Reporting

To monitor the implementation of measures and attainment of objectives under the program, the Government will continue to rely on the BERT Monitoring Committee (BERT-MC), which is a sub-committee of the Social Partnership and was established in 2018 to monitor and report to the public on the BERT (2018) program.

The BERT-MC Committee will maintain regular communication with the broader Social Partnership group and the general public. In addition, to the BERT Monitoring Committee, two specialised independent bodies will also assist in the monitoring and evaluation of BERT 2026: the Fiscal Council and a public/private sector Growth Council.

The Fiscal Council will publish an Annual Fiscal Performance Report, assessing Government's adherence to fiscal rules, debt sustainability targets, and key assumptions in macroeconomic projections. The Council will also issue advisory notes where performance deviates from targets or corrective action is warranted.

The Growth Council, a high-level advisory body comprising private sector leaders, economists, and technocrats, will monitor implementation of Pillar I reforms (Productivity and Competitiveness). It will issue semi-annual assessments of structural reform progress, sectoral investment bottlenecks, and constraints to competitiveness. The Growth Council plays a key role in maintaining momentum on private sector-led transformation and investment climate reforms.

5.4 Integration with Budgeting and Planning

Monitoring under BERT 2026 is directly linked to the annual budgeting process. Ministries will be required to submit progress updates on their BERT workplans as part of the Estimates process. Mid-year performance reviews will feed into adjustments in resource allocation and policy sequencing. The Medium-Term Fiscal Framework will be updated annually to reflect implementation progress and emerging risks.

5.5 Evaluation and Adaptation

Recognising the dynamic global context in which BERT 2026 is being implemented, the programme will retain flexibility in sequencing and instrument design. A midterm review of BERT 2026 will be conducted in FY2026/27, involving Government, the Fiscal Council, the Growth Council, and development partners. This review will assess impact, recalibrate priorities if needed, and allow for course correction based on new information, shocks, or underperformance. This mechanism will ensure that BERT 2026 remains a living document, responsive to reality but anchored in principle.

In addition, key reforms, such as SOE restructuring, procurement reform, and PPP implementation, will undergo targeted performance audits or value-for-money reviews, supported by technical assistance from partners like the IDB, IMF, and World Bank.

5.6 Stakeholder Engagement

Stakeholder trust and buy-in are essential for the successful delivery of BERT 2026. The Social Partnership, formal tripartite body, comprising representatives from labour, business, and Government, will provide feedback and raise emerging concerns. Periodic Town Halls, policy briefs, and media updates will help to demystify the programme and ensure public understanding of its purpose, progress, and results.

Special emphasis will be placed on engaging youth and underrepresented groups through digital platforms and NTI-affiliated outreach. Engagement with international stakeholders, including development partners, investors, and credit rating agencies, will be led by the Ministry of Finance, with technical input from relevant agencies.

6. Risks and Mitigation Measures

The design and execution of BERT 2026 are taking place in a global and domestic environment characterised by increased uncertainty. While the programme is grounded in prudent assumptions and supported by strong institutional architecture, several risks could affect its timely and full implementation. This section outlines the key risks and the strategies in place to mitigate them.

6.1 Macroeconomic and Fiscal Risks

Barbados remains vulnerable to both global and domestic economic shocks. Key risks include:

- Growth shocks: A slower-than-expected recovery in tourism or global demand could impact revenues and primary surplus targets. Stress tests by the Economic Team show that a one standard deviation decline in growth in FY2025/26 could widen the deficit by 1.2 percent of GDP and increase debt by 3.9 percentage points.
- Interest rate and refinancing risks: Although the Government has successfully accessed capital markets, a tightening in global financial conditions or deterioration in investor sentiment could raise borrowing costs.
- Revenue underperformance: Delays in implementing tax compliance reforms or a reversal in recent tax buoyancy could reduce the revenue envelope, particularly if oil prices or food imports rise.

Mitigation Measures:

- Use of conservative macroeconomic assumptions in fiscal projections.
- Active debt management through the Medium-Term Debt Strategy.

- Maintenance of fiscal buffers and a phased approach to scaling capital expenditure.
- Quarterly fiscal monitoring through the Fiscal Technical Working Group and the Fiscal Council.

6.2 Structural and Implementation Risks

The ambition of BERT 2026 requires coordinated execution across ministries, SOEs, and new delivery units. Risks include:

- Institutional capacity constraints, especially in procurement, project management, and PPP execution.
- Delays in SOE reform, particularly for large entities with entrenched governance and cost structures.
- Slow disbursement or absorption of external concessional financing, affecting capital project execution timelines.

Mitigation Measures:

- The Office of the Comptroller General to track reform milestones and coordinate inter-agency delivery.
- Performance contracts and quarterly reviews for lead ministries and SOEs.
- Technical support from development partners for project preparation, procurement, and results-based disbursement tracking.

6.3 Climate and Natural Disaster Risks

Barbados remains highly vulnerable to hurricanes, drought, and coastal degradation. A major natural disaster could disrupt tourism, displace communities, and require large fiscal outlays.

Climate and natural disaster risks also pose significant threats to agriculture and fisheries, which remain highly vulnerable to extreme weather events. Mitigation measures will therefore extend beyond tourism and infrastructure to include climate-proofing of agricultural systems and food production.

Mitigation Measures:

- Retention of CCRIF catastrophe coverage and embedded natural disaster clauses in new debt instruments.
- Dedicated funding through the Resilience and Regeneration Fund.
- Scaling of climate-proof infrastructure, renewable energy investment, and community shelter retrofitting.

- Access to the IMF's Resilience and Sustainability Facility (RSF), which provides low-cost, long-term finance for resilience-building measures.

A further risk arises from Barbados' limited domestic insurance and reinsurance capacity. Current reliance on overseas reinsurers leaves the country exposed to availability and pricing shocks, particularly as climate risks intensify. To mitigate this vulnerability, Barbados will work with CARICOM, CCRIF, and development partners to develop regional pooling solutions and explore the establishment of a Caribbean reinsurance facility.

6.4 Contingent Liabilities

Fiscal risks from SOEs, public-private partnerships, and legal claims remain significant.

- The Government currently provides transfers to over 30 entities, and while several have been consolidated or rationalised, financial exposure remains material, particularly in health, transport, and education.

Mitigation Measures:

- Full integration of the Fiscal Risk Heat Map into the annual budget process.
- Medium-term performance targets for high-risk SOEs.
- Pre-feasibility and fiscal risk screening for all proposed PPPs.

7. Conclusion and Next Steps

BERT 2026 marks a decisive pivot from economic stabilisation to long-term transformation. It builds on the hard-won gains of BERT 2018 and BERT 2022 and sets a new standard for ambition, resilience, and inclusive growth in Barbados. Grounded in fiscal responsibility, driven by productivity, and framed by climate and human development imperatives, this programme represents Barbados' collective commitment to a stronger, smarter, and more equitable future.

The Government remains resolute in its determination to maintain macroeconomic stability, reduce public debt, and strengthen the foundation for sustainable development. But the success of BERT 2026 will require not only sound policies and credible institutions. It will also demand shared effort, broad-based trust, and adaptive leadership.

Implementation begins immediately. Ministries and lead agencies will finalise their annual BERT 2026 workplans and align them with the national budget process. The Office of the Comptroller General will coordinate performance tracking and reporting, supported by the Fiscal Council, the Growth Council, Central Bank and technical partners. A public-facing dashboard will ensure transparency and accountability, while quarterly and annual reviews will allow for adjustments as needed.

Legislative and administrative reforms under the programme will move in tandem with delivery. Priority bills in areas such as energy, procurement, business facilitation, and SOE governance will be brought before Parliament within the first year of the programme. The national population policy, housing strategy, and public-private partnership pipeline will continue through both public and blended financing instruments.

BERT 2026 is not a rigid blueprint. It is a dynamic and responsive framework, anchored in principle but alive to context. It provides the roadmap Barbados needs, but also the flexibility to navigate an increasingly uncertain global environment. Above all, it represents a national consensus that our future must be built on sound policy, inclusive opportunity, and a shared sense of purpose.

With discipline, clarity, and unity of effort, we will deliver on the promise of BERT 2026. Barbados will not just recover. Barbados will lead.

APPENDIX 1: Macroeconomic Framework

Table 1: Barbados: Selected Economic Indicators, 2020 - 2025			
I. Social and Demographic Indicators (most recent year)			
Population (2022 est., thousand)	267.8	Adult literacy rate (2014)	99.6
Per capita GDP (2022 est., US thousand)	23.4	Poverty rate (individual, 2010)	19.3
Life expectancy at birth in years (2022)	77.7	Gini coefficient (2010)	47.0
Rank in UNDP Development Index (2022)	62.0	Unemployment rate (2023)	7.9
Main products, services and exports: tourism, financial services, rum, sugar, and chemicals			

II. Economic Indicators, 2020–2025

					Projections	
	2020	**2021**	**2022**	**2023[1]**	**2024[1]**	**2025**
	(Annual percentage change, unless otherwise indicated)					
Output, prices, and employment						
CY Real GDP	-13.7	-0.2	16.3	4.2	4.0	2.7
CPI inflation (average)	0.7	1.5	4.3	3.2	1.4	2.3
CPI inflation (end of period)	0.4	2.4	3.8	3.2	0.4	3.7
External sector						
Exports of goods and services	-38.1	4.4	34.8	11.2	10.5	1.1
Imports of goods and services	-17.7	15.1	25.9	2.5	4.9	2.7
Real effective exchange rate (index, average)	131.5	127.5	124.4	123.9	122.7	…
CG Public finances (fiscal year) 2/			(in percent of FY GDP)			
Revenue and grants	26.7	25.0	25.8	24.7	27.2	25.1
Expenditure	31.2	29.3	27.7	26.4	28.1	25.5
Fiscal Balance	-4.5	-4.3	-1.9	-1.7	-0.9	-0.4
Interest Expenditure	3.6	3.5	4.3	5.2	5.2	4.8
Primary Balance	-0.9	-0.8	2.4	3.5	4.3	4.4
Public Debt (fiscal year) 2/						
Public sector debt 3/	138.1	121.7	113.7	111.5	104.9	100.8
External	45.8	43.6	42.9	43.8	42.0	43.5
Domestic	92.4	78.1	70.8	67.6	62.8	57.2
			(in percent of FY GDP)			
Balance of payments (calendar year)						
Current account balance	-5.0	-10.3	-9.9	-8.8	-4.5	-5.6
Capital and financial account balance	15.6	11.5	7.4	9.8	6.2	6.8
Public Sector	9.1	7.0	0.8	4.8	1.6	1.0
o/w IMF disbursement	2.2	0.5	0.3	0.8	0.8	0.4
Private Sector (including FDI)	7.4	4.9	6.7	5.2	4.9	6.1
Net Errors and Omissions	0.7	3.0	1.7	0.1	-0.7	0.6
Overall balance	11.4	4.2	-0.8	1.1	1.0	1.8
Memorandum items:						
Exchange rate (BDS/US)	2.0	2.0	2.0	2.0	2.0	…
Gross international reserves (US million)	2,661	3,059	2,770	3,000	3,184	3,460
In months of imports of G&S	9.4	9.4	6.7	7.1	7.2	7.6
In percent of ARA	258.0	288.0	215.0	214.0	202.9	205.0
Nominal GDP, CY (BDS millions)	10,337	10,550	12,515	13,441	14,338	15,092
Nominal GDP, FY (BDS millions)	9,605	11,295	12,873	13,679	14,538	15,292

Sources: Barbados authorities; UNDP Human Development Report; Barbados Country Assessment of Living Conditions 2010 (December 2012); and Fund staff estimates and projections.

Table 2a. Barbados: Central Government Operations, FY 2020/21-2029/30

						In millions of Barbados dollars					
						Projections					
	2020/21	2021/22	2022/23	2023/24	2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
Total Revenue	**2,563**	**2,824**	**3,320**	**3,378**	**3,956**	**3,844**	**4,058**	**4,280**	**4,496**	**4,722**	**4,961**
Current Revenue	2,563	2,818	3,300	3,377	3,956	3,836	4,049	4,271	4,486	4,712	4,950
Tax revenue	2,388	2,646	3,111	3,205	3,735	3,630	3,833	4,024	4,227	4,440	4,664
Income and profits	921	835	942	1,007	1,493	1,284	1,345	1,412	1,483	1,558	1,636
Taxes on individuals (PIT)	308	385	393	443	466	478	499	523	550	578	607
Taxes on corporations and other enterprises (CIT)	613	450	549	563	1,027	806	846	888	933	980	1,030
Taxes on property	182	205	217	219	223	235	237	249	262	275	289
VAT	706	885	1,023	1,095	1,132	1,173	1,246	1,308	1,374	1,443	1,516
Social levy (NSRL)											
Excise	154	212	247	229	241	248	270	284	298	313	329
Import taxes	192	221	242	257	280	297	322	338	355	373	392
Other taxes	233	288	440	399	366	393	413	434	455	478	503
Nontax revenues	175	172	189	172	221	206	216	247	259	272	286
Capital revenues and grants	0	6	20	1	0	8	9	9	10	10	11
Total expenditure	2,993	3,314	3,565	3,608	4,085	3,900	4,084	4,284	4,645	4,848	5,061
Current Expenditure	2,717	2,889	3,089	3,239	3,442	3,480	3,534	3,584	3,736	3,889	4,027
Wages, and salaries and SSC	808	835	855	852	885	921	926	930	977	1,027	1,078
Goods and services	400	493	529	522	599	726	746	753	776	815	856
Interest expenditure	343	399	549	707	750	729	734	745	769	772	778
Transfers	1,166	1,162	1,156	1,157	1,208	1,103	1,128	1,155	1,214	1,275	1,314
o/w Subsidies	50	34	48	46	24	37	39	43	45	47	50
o/w Grants to public institutions	657	632	581	662	651	587	586	581	610	641	648
o/w Grants to Individuals	424	454	475	414	493	432	454	477	501	526	553
Capital expenditure and net lending	276	425	476	370	643	419	550	700	909	959	1,034
CG Fiscal balance	-430	-491	-245	-230	-129	-56	-26	-4	-149	-126	-100
CG Primary balance	**-87**	**-92**	**304**	**477**	**621**	**673**	**708**	**741**	**620**	**647**	**678**
Repayment of domestic arrears (net)	74	57	-96	24	49	26	30	30	30	30	30
CG Fiscal balance (net of arrears)	-504	-548	-149	-255	-178	-82	-56	-34	-179	-156	-130
CG Primary balance (net of arrears)	-161	-149	400	453	572	647	678	711	590	617	648
Financing											
Net Financing -External	832	425	501	530	202	257	7	-244	333	12	-145
Capital Markets	0	0	147	0	0	1,000	0	0	327	282	295
Project Funds	51	91	73	113	112	293	120	80	80	80	80
Policy Loans	600	400	400	400	200	316	290	40	290	50	0
o/w IDB	400	200	200	400	200	200	0	0	0	0	0
o/w CDB	0	0	0	0	0	0	0	0	0	0	0
o/w CAF	200	0	0	0	0	0	0	0	0	0	0
o/w WB	0	200	200	0	0	0	0	0	0	0	0
IMF											
o/w EFF	368	97	84	76	74	39	0	0	0	0	0
o/w IMF RSF	0	0	0	152	149	77	0	0	0	0	0
Others											
Amortization	188	163	202	211	333	1,352	403	364	364	400	521
Net Financing -Domestic	-340	107	-218	-248	11	-337	50	279	-153	145	276
Central bank	-67	332	-133	-175	270	-256	-75	-12	-166	0	0
Commercial banks	107	-24	100	131	680	-145	-154	-292	-162	-168	-174
National Insurance Scheme	-208	15	-60	-83	-439	-113	-118	-99	-96	-103	-109
Private non-bank	-172	-215	-125	-121	-500	178	398	681	271	416	560
Public Debt											
Nominal GDP, FY (BDS $ millions)	9,605	11,295	12,873	13,679	14,538	15,292	16,054	16,855	17,704	18,597	19,536

Sources: Ministry of Finance, Barbados Statistical Service and Central Bank of Barbados Estimates

Table 2b. Barbados: Central Government Operations, FY 2020/21-2030/31
(In percent of FY-GDP, unless otherwise indicated)

						Projections					
	2020/21	2021/22	2022/23	2023/24	2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
Total Revenue	**26.7**	**25.0**	**25.8**	**24.7**	**27.2**	**25.1**	**25.3**	**25.4**	**25.4**	**25.4**	**25.4**
Current Revenue	26.7	24.9	25.6	24.7	27.2	25.1	25.2	25.3	25.3	25.3	25.3
Tax revenue	24.9	23.4	24.2	23.4	25.7	23.7	23.9	23.9	23.9	23.9	23.9
Income and profits	9.6	7.4	7.3	7.4	10.3	8.4	8.4	8.4	8.4	8.4	8.4
Taxes on property	1.9	1.8	1.7	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5
VAT	7.4	7.8	7.9	8.0	7.8	7.7	7.8	7.8	7.8	7.8	7.8
Excise	1.6	1.9	1.9	1.7	1.7	1.6	1.7	1.7	1.7	1.7	1.7
Import taxes	2.0	2.0	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0
Other taxes	2.4	2.5	3.4	2.9	2.5	2.6	2.6	2.6	2.6	2.6	2.6
Nontax revenues	1.8	1.5	1.5	1.3	1.5	1.3	1.3	1.5	1.5	1.5	1.5
Capital revenues and grants	0.0	0.1	0.2	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Total expenditure	31.2	29.3	27.7	26.4	28.1	25.5	25.4	25.4	26.2	26.1	25.9
Current Expenditure	28.3	25.6	24.0	23.7	23.7	22.8	22.0	21.3	21.1	20.9	20.6
Wages, and salaries and SSC	8.4	7.4	6.6	6.2	6.1	6.0	5.8	5.5	5.5	5.5	5.5
Goods and services	4.2	4.4	4.1	3.8	4.1	4.8	4.6	4.5	4.4	4.4	4.4
Interest expenditure	3.6	3.5	4.3	5.2	5.2	4.8	4.6	4.4	4.3	4.2	4.0
Transfers	12.1	10.3	9.0	8.5	8.3	7.2	7.0	6.9	6.9	6.9	6.7
o/w Subsidies	0.5	0.3	0.4	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3
o/w Grants to public institutions	6.8	5.6	4.5	4.8	4.5	3.8	3.7	3.4	3.4	3.4	3.3
o/w Grants to Individuals	4.4	4.0	3.7	3.0	3.4	2.8	2.8	2.8	2.8	2.8	2.8
Capital expenditure and net lending	2.9	3.8	3.7	2.7	4.4	2.7	3.4	4.2	5.1	5.2	5.3
CG Fiscal balance	-4.5	-4.3	-1.9	-1.7	-0.9	-0.4	-0.2	0.0	-0.8	-0.7	-0.5
CG Primary balance	**-0.9**	**-0.8**	**2.4**	**3.5**	**4.3**	**4.4**	**4.4**	**4.4**	**3.5**	**3.5**	**3.5**
yment of domestic arrears (net)	0.8	0.5	-0.7	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2
CG Fiscal balance	-5.2	-4.8	-1.2	-1.9	-1.2	-0.5	-0.3	-0.2	-1.0	-0.8	-0.7
CG Primary balance	-1.7	-1.3	3.1	3.3	3.9	4.2	4.2	4.2	3.3	3.3	3.3
Financing											
Net Financing -External	8.7	3.8	3.9	3.9	1.4	1.7	0.0	-1.4	1.9	0.1	-0.7
Capital Markets	0.0	0.0	1.1	0.0	0.0	6.5	0.0	0.0	1.8	1.5	1.5
Project Funds	0.5	0.8	0.6	0.8	0.8	1.9	0.7	0.5	0.5	0.4	0.4
Policy Loans	6.2	3.5	3.1	2.9	1.4	2.1	1.8	0.2	1.6	0.3	0.0
o/w IDB	4.2	1.8	1.6	2.9	1.4	1.3	0.0	0.0	0.0	0.0	0.0
o/w CDB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w CAF	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w WB	0.0	1.8	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w EFF	3.8	0.9	0.6	0.6	0.5	0.3	0.0	0.0	0.0	0.0	0.0
o/w IMF RSF	0.0	0.0	0.0	1.1	1.0	0.5	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	2.0	1.4	1.6	1.5	2.3	8.8	2.5	2.2	2.1	2.2	2.7
Net Financing -Domestic	-3.5	0.9	-1.7	-1.8	0.1	-2.2	0.3	1.7	-0.9	0.8	1.4
Central bank	-0.7	2.9	-1.0	-1.3	1.9	-1.7	-0.5	-0.1	-0.9	0.0	0.0
Commercial banks	1.1	-0.2	0.8	1.0	4.7	-0.9	-1.0	-1.7	-0.9	-0.9	-0.9
National Insurance Scheme	-2.2	0.1	-0.5	-0.6	-3.0	-0.7	-0.7	-0.6	-0.5	-0.6	-0.6
Private non-bank	-1.8	-1.9	-1.0	-0.9	-3.4	1.2	2.5	4.0	1.5	2.2	2.9
Nominal GDP, FY (BDS $ millions)	9,605	11,295	12,873	13,679	14,538	15,292	16,054	16,855	17,704	18,597	19,536

Sources: Ministry of Finance, Barbados Statistical Service and Central Bank of Barbados Estimates

Table 3. Barbados: Public Debt, 2020/2021–2030/2031

					Projections						
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
					(in millions of Barbados dollars)						
Central government debt	12,819	13,310	14,225	14,872	14,888	15,056	14,914	14,694	14,770	14,791	14,736
Domestic	**8,873**	**8,824**	**9,118**	**9,250**	**9,135**	**8,751**	**8,637**	**8,661**	**8,403**	**8,413**	**8,503**
Short Term	708	710	662	823	913	1,018	1,018	1,018	1,018	1,018	1,018
Long Term	8,085	8,091	8,198	8,194	8,037	7,575	7,491	7,544	7,317	7,356	7,477
Arrears	79	23	257	233	185	158	128	98	68	38	8
External	**3,946**	**4,486**	**5,107**	**5,622**	**5,753**	**6,305**	**6,277**	**6,033**	**6,366**	**6,378**	**6,233**
Short Term	0	0	0	0	0	0	0	0	0	0	0
Long Term	3,946	4,486	5,107	5,622	5,753	6,305	6,277	6,033	6,366	6,378	6,233
Arrears	0	0	0	0	0	0	0	0	0	0	0
Government guaranteed SOE debt	52	46	36	26	70	65	51	37	23	11	0
Domestic	0	0	0	0	0	0	0	0	0	0	0
External	52	46	36	26	70	65	51	37	23	11	0
Public sector debt	12,871	13,356	14,261	14,899	14,958	15,121	14,965	14,730	14,792	14,801	14,736
IMF (BOP support)	397	387	377	349	289	286	228	226	165	102	39
Public sector debt + IMF support (BOP support)	**13,268**	**13,743**	**14,638**	**15,248**	**15,247**	**15,407**	**15,193**	**14,956**	**14,957**	**14,903**	**14,775**
					(In percent of FY GDP)						
Central government debt	133.5	117.8	110.5	108.7	102.4	98.5	92.9	87.2	83.4	79.5	75.4
Domestic	92.4	78.1	70.8	67.6	62.8	57.2	53.8	51.4	47.5	45.2	43.5
Short Term	7.4	6.3	5.1	6.0	6.3	6.7	6.3	6.0	5.7	5.5	5.2
Long term	84.2	71.6	63.7	59.9	55.3	49.5	46.7	44.8	41.3	39.6	38.3
Arrears	0.8	0.2	2.0	1.7	1.3	1.0	0.8	0.6	0.4	0.2	0.0
External	**41**	40	39.7	41.1	39.6	41.2	39.1	35.8	36.0	34.3	31.9
Short Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term	41.1	39.7	39.7	41.1	39.6	41.2	39.1	35.8	36.0	34.3	31.9
Arrears											
Government-guaranteed SOE debt	0.5	0.4	0.3	0.2	0.5	0.4	0.3	0.2	0.1	0.1	0.0
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External	0.5	0.4	0.3	0.2	0.5	0.4	0.3	0.2	0.1	0.1	0.0
Public sector debt	134.0	118.2	110.8	108.9	102.9	98.9	93.2	87.4	83.6	79.6	75.4
IMF (BOP support)	4.1	3.4	2.9	2.6	2.0	1.9	1.4	1.3	0.9	0.5	0.2
Public sector debt + IMF (BOP support)	138.1	121.7	113.7	111.5	104.9	100.8	94.6	88.7	84.5	80.1	75.6
Memorandum items:											
Nominal GDP, FY (BDS$ millions)	9,605	11,295	12,873	13,679	14,538	15,292	16,054	16,855	17,704	18,597	19,536

Sources: Ministry of Finance, Barbados Statistical Service and Central Bank of Barbados Estimates

Table 4a. Barbados: Balance of Payments, 2020-2030											
						Projections					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
						(in millions of Barbados dollars)					
Current account Balance	**-516**	**-1082**	**-1237**	**-1181**	**-640**	**-838**	**-771**	**-754**	**-776**	**-819**	**-864**
o/w Exports of goods and services	2839	2965	3997	4443	4908	4960	5228	5563	5924	6271	6615
o/w Imports of goods and services	3407	3921	4934	5057	5305	5450	5603	5906	6273	6645	7007
Trade balance	-1615	-1900	-2456	-2449	-2505	-2702	-2675	-2803	-2952	-3131	-3308
Exports of goods	1238	1277	1622	1586	1580	1532	1650	1750	1886	1996	2104
o/w Re-exports	241	238	493	441	438	398	418	451	494	523	549
Imports of goods	2853	3177	4078	4035	4085	4234	4325	4552	4838	5127	5412
o/w Fuel	520	686	1122	1010	952	796	750	754	764	774	780
Services balance	1048	944	1519	1836	2107	2212	2299	2459	2604	2757	2916
Credit	1601	1687	2375	2858	3328	3428	3578	3813	4038	4276	4511
o/w Travel (credit)	1203	1246	1870	2314	2734	2802	2920	3123	3313	3514	3711
Debit	553	743	856	1022	1221	1216	1279	1354	1434	1518	1595
Primary income balance	-135	-192	-332	-558	-574	-600	-643	-661	-691	-722	-763
Credit	339	412	461	497	507	534	552	579	608	639	671
Debit	474	605	792	1055	1081	1134	1195	1241	1300	1361	1435
Secondary income balance	187	66	31	-8	332	252	248	251	263	277	291
Credit	397	284	276	253	620	557	569	597	627	659	692
Debit	210	218	245	262	288	305	320	346	364	382	401
Capital and financial account	**1617**	**1208**	**923**	**1311**	**887**	**1020**	**883**	**620**	**984**	**912**	**757**
Financial Account Balance	1622	1208	908	1316	883	992	880	614	978	907	752
Financial Account Balance (without IMF Funding)	1391	1160	867	1202	771	935	880	614	978	907	752
Public sector (long-term)	707	687	56	535	122	88	28	-217	138	15	-154
o/w CG and CBB Disbursement	897	803	263	792	479	1529	483	282	574	462	372
SDR allocation	0	130	0	0	0	0	0	0	0	0	0
IFIs and others	897	673	263	792	479	1529	483	282	574	462	372
o/w CG and CBB Amortisation Payments	190	116	207	237	297	1440	455	499	436	447	525
Private sector (long-term)	761	517	839	703	708	922	899	848	854	917	924
FDI (net)	509	418	529	460	523	709	676	636	681	684	687
Other long-term flows (net)	251	99	310	244	185	213	223	212	174	233	237
Short-term (net)	-77	-44	-28	-36	-59	-76	-46	-17	-15	-26	-19
Capital Account Balance	-5	0	15	-5	4	28	3	5	6	5	5
Net errors and ommission	**76**	**317**	**215**	**16**	**-100**	**94**	**0**	**0**	**0**	**0**	**0**
Overall balance (deficit-, without IMF funding)	**946**	**395**	**-140**	**32**	**35**	**219**	**113**	**-134**	**208**	**93**	**-107**
Use of Fund credit: EFF	231	48	41	38	37	19	0	0	0	0	0
Use of Fund credit: RSF	0	0	0	76	75	38	0	0	0	0	0
BOP Changes in reserves (-=increase)	**-1177**	**-443**	**99**	**-146**	**-147**	**-276**	**-113**	**134**	**-208**	**-93**	**107**
Changes in reserves (-=increase)	**-1180**	**-398**	**289**	**-229**	**-184**	**-276**	**-113**	**134**	**-208**	**-93**	**107**
Memorandum Items:											
Gross International Reserves	2661	3059	2770	3000	3184	3460	3573	3439	3646	3739	3632
Gross International Reserves Cover, Weeks	9.4	9.4	6.7	7.1	7.2	7.6	7.7	7.0	7.0	6.8	6.2

Source: Central Bank of Barbados

Table 4b. Barbados: Balance of Payments, 2020-2030 (In percent of GDP, unless otherwise indicated)											
						Projections					
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
					(in millions of Barbados dollars)						
Current account Balance	**-5.0**	**-10.3**	**-9.9**	**-8.8**	**-4.5**	**-5.6**	**-4.9**	**-4.5**	**-4.4**	**-4.5**	**-4.5**
o/w Exports of goods and services	27.5	28.1	31.9	33.1	34.2	32.9	33.0	33.4	33.9	34.2	34.3
o/w Imports of goods and services	33.0	37.2	39.4	37.6	37.0	36.1	35.4	35.5	35.9	36.2	36.3
Trade balance	-15.6	-18.0	-19.6	-18.2	-17.5	-17.9	-16.9	-16.8	-16.9	-17.1	-17.2
Exports of goods	12.0	12.1	13.0	11.8	11.0	10.1	10.4	10.5	10.8	10.9	10.9
o/w Re-exports	2.3	2.3	3.9	3.3	3.1	2.6	2.6	2.7	2.8	2.8	2.8
Imports of goods	27.6	30.1	32.6	30.0	28.5	28.1	27.3	27.4	27.7	27.9	28.1
o/w Fuel	2.7	3.6	5.8	5.2	4.9	4.1	3.9	3.9	4.0	4.0	4.0
Services balance	10.1	8.9	12.1	13.7	14.7	14.7	14.5	14.8	14.9	15.0	15.1
Credit	15.5	16.0	19.0	21.3	23.2	22.7	22.6	22.9	23.1	23.3	23.4
o/w Travel (credit)	11.6	11.8	14.9	17.2	19.1	18.6	18.4	18.8	19.0	19.1	19.2
Debit	5.4	7.0	6.8	7.6	8.5	8.1	8.1	8.1	8.2	8.3	8.3
Primary income balance	-1.3	-1.8	-2.6	-4.2	-4.0	-4.0	-4.1	-4.0	-4.0	-3.9	-4.0
Credit	3.3	3.9	3.7	3.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Debit	4.6	5.7	6.3	7.9	7.5	7.5	7.5	7.5	7.4	7.4	7.4
Secondary income balance	1.8	0.6	0.3	-0.1	2.3	1.7	1.6	1.5	1.5	1.5	1.5
Credit	3.8	2.7	2.2	1.9	4.3	3.7	3.6	3.6	3.6	3.6	3.6
Debit	2.0	2.1	2.0	1.9	2.0	2.0	2.0	2.1	2.1	2.1	2.1
Capital and financial account	**15.6**	**11.5**	**7.4**	**9.8**	**6.2**	**6.8**	**5.6**	**3.7**	**5.6**	**5.0**	**3.9**
Financial Account Balance	15.7	11.4	7.3	9.8	6.2	6.6	5.6	3.7	5.6	4.9	3.9
Financial Account Balance (without IMF Funding)	13.5	11.0	6.9	8.9	5.4	6.2	5.6	3.7	5.6	4.9	3.9
Public sector (long-term)	6.8	6.5	0.4	4.0	0.9	0.6	0.2	-1.3	0.8	0.1	-0.8
o/w CG and CBB Disbursement	8.7	7.6	2.1	5.9	3.3	10.1	3.0	1.7	3.3	2.5	1.9
SDR allocation	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IFIs and others	8.7	6.4	2.1	5.9	3.3	10.1	3.0	1.7	3.3	2.5	1.9
o/w CG and CBB Amortisation Payments	1.8	1.1	1.7	1.8	2.1	9.5	2.9	3.0	2.5	2.4	2.7
Private sector (long-term)	7.4	4.9	6.7	5.2	4.9	6.1	5.7	5.1	4.9	5.0	4.8
FDI and other long-term flows (net)	4.9	4.0	4.2	3.4	3.6	4.7	4.3	3.8	3.9	3.7	3.6
Other long-term flows (net)	2.4	0.9	2.5	1.8	1.3	1.4	1.4	1.3	1.0	1.3	1.2
Short-term (net)	-0.7	-0.4	-0.2	-0.3	-0.4	-0.5	-0.3	-0.1	-0.1	-0.1	-0.1
Capital Account Balance	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Net errors and ommission	**0.7**	**3.0**	**1.7**	**0.1**	**-0.7**	**0.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance (deficit-, without IMF funding)	**9.2**	**3.7**	**-1.1**	**0.2**	**0.2**	**1.5**	**0.7**	**-0.8**	**1.2**	**0.5**	**-0.6**
Use of Fund credit: EFF	2.2	0.5	0.3	0.3	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Use of Fund credit: RSF	0.0	0.0	0.0	0.6	0.5	0.3	0.0	0.0	0.0	0.0	0.0
BOP Changes in reserves (-=increase)	**-11**	**-4**	**1**	**-1**	**-1**	**-2**	**-1**	**1**	**-1**	**-1**	**1**
Changes in reserves (-=increase)	**-11**	**-4**	**2**	**-2**	**-1**	**-2**	**-1**	**1**	**-1**	**-1**	**1**
Memorandum Items:											
Gross International Reserves	2661	3059	2770	3000	3184	3460	3573	3439	3646	3739	3632
Gross International Reserves Cover, Weeks	9.4	9.4	6.7	7.1	7.2	7.6	7.7	7.0	7.0	6.8	6.2

Source: Central Bank of Barbados

Table 5. Barbados: Monetary Survey, 2020–2029										
						Projections				
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
	(in millions of Barbados dollars)									
Central Bank of Barbados										
Net International Reserves	2,195	2,595	2,355	2,560	2,789	3,112	3,284	3,210	3,478	3,608
Net domestic assets	1,296	1,479	1,978	1,739	1,384	1,028	899	899	771	485
Of which: Claims on Central government (net)	-42	431	836	716	486	-9	-94	-118	-283	-283
Monetary base	3,552	4,133	4,389	4,401	4,283	4,140	4,183	4,109	4,249	4,092
Commercial banks										
Net Foreign Currency Position	267	305	212	188	37	39	40	42	45	47
Assets	1,456	1,581	1,633	1,560	1,771	1,864	1,958	2,055	2,158	2,267
Liabilities	1,189	1,277	1,422	1,372	1,735	1,826	1,917	2,012	2,114	2,220
Credit to the nonfinancial private sector	5,650	5,498	5,620	5,783	6,088	6,313	6,533	6,767	7,070	7,362
Domestic Currency Deposits	9,796	10,187	10,627	10,709	11,546	11,949	12,166	12,413	12,700	13,192
Foreign Currency Deposits	691	868	1,052	1,039	1,232	1,414	1,520	1,552	1,574	1,622
	(in percentage change)									
Central Bank of Barbados										
Net International Reserves	94.1	18.2	-9.3	8.7	8.9	11.6	5.5	-2.3	8.3	3.7
Net domestic assets	-26.4	14.1	33.8	-12.1	-20.4	-25.7	-12.6	0.1	-14.3	-37.1
Monetary base	20.9	16.4	6.2	0.3	-2.7	-3.3	1.0	-1.8	3.4	-3.7
Commercial banks										
Net Foreign Currency Position	-6.2	14.2	-30.5	-11.3	-80.5	5.3	5.0	5.0	5.0	5.0
Assets	-9.8	8.6	3.3	-4.5	13.5	5.3	5.0	5.0	5.0	5.0
Liabilities	-10.6	7.4	11.4	-3.5	26.4	5.3	5.0	5.0	5.0	5.0
Credit to the nonfinancial private sector	-2.3	-2.7	2.2	2.9	5.3	3.7	3.5	3.6	4.5	4.1
Domestic Currency Deposits	6.0	4.0	4.3	0.8	7.8	3.5	1.8	2.0	2.3	3.9
Foreign Currency Deposits	4.3	25.6	21.2	-1.2	18.6	14.7	7.5	2.1	1.5	3.0

Source: Central Bank of Barbados

Appendix II: Summary of Reforms Under BERT Programmes (2018–2025)

This document presents a comprehensive summary of reforms undertaken by Barbados under its two IMF-supported Extended Fund Facility (EFF) programmes—BERT I (2018–2022) and BERT II (2022–2025). Reforms are grouped by category and cover both completed and ongoing measures. The summary is structured to support inclusion in policy documents such as BERT 2026.

Reform Category	Reforms under 2018–2022 IMF EFF (BERT I)	Reforms under 2022–2025 IMF EFF (BERT II)
Fiscal Reforms	• Achieved 6% primary surplus by FY2019/20. • Enacted 2019 Public Financial Management Act. • Launched comprehensive tax policy review. • Reduced SOE transfers by approx. 2% of GDP. • Protected critical social spending.	• Primary surplus targets resumed post-COVID. • Introduced Medium-Term Fiscal Framework. • Initiated pension reform for NIS and public pensions. • Strengthened tax and customs administration.
Debt Management	• Comprehensive debt restructuring (domestic and external). • Introduced natural disaster clauses in new bonds. • Debt-to-GDP trajectory restored and long-term anchor set at 60% by FY2033/34.	• Maintained 60% debt anchor (now by FY2035/36). • Accessed IMF RSF for concessional climate financing. • Integrated climate shocks into debt sustainability analysis.
SOE Reform	• Reduced SOE transfers and improved financial oversight. • Merged or divested non-core SOEs (e.g., withdrawal from LIAT). • Introduced performance reporting to Parliament. • Enforced borrowing controls via PFM Act.	• Continued SOE rationalisation and efficiency mandates. • Strengthened governance and accountability structures. • Applied performance targets and PPP readiness assessments.
Climate and Resilience	• Embedded disaster clauses in debt. • Set 2035 Net-Zero Target. • Liberalised renewable energy market. • Supported RE through tax incentives and early investment.	• Accessed $189M under IMF RSF for climate projects. • Adopted green PFM and climate budgeting tools. • Screening infrastructure projects for climate resilience. • CBB preparing climate-

		related financial risk assessments.
Financial Sector	• Enacted 2020 Central Bank of Barbados Act to end deficit financing. • Introduced credit bureau legislation (Fair Credit Reporting Act). • Maintained banking stability during and post-COVID. • Enhanced AML/CFT compliance and graduated from FATF grey list.	• Operationalised credit bureau and launched collateral registry. • Basel II/III implementation and climate stress testing. • Exploring green/blue bonds for climate financing. • Encouraging fintech adoption and financial inclusion.