

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BAHAMAS

**STRENGTHENING DISASTER RISK MANAGEMENT GOVERNANCE
IN THE BAHAMAS**

(BH-L1056)

PROJECT PROFILE

This document was prepared by the project team consisting of: Sergio Lacambra, Team Leader (CSD/RND); Tsuneki Hori, Alternate Team Leader (CSD/RND); Roberto Guerrero (CSD/RND); Lisa Restrepo (CSD/RND); Julia Ciancio (CSD/RND); Maria Eugenia Roca (CCB/CBH); Cloe Ortiz (CCB/CBH); Syreta Roberts (CCB/CBH); Javier Jiménez (LEG/SGO).

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PROJECT PROFILE

COUNTRY

I. BASIC DATA

Project Name:	Strengthening Disaster Risk Management Governance in The Bahamas		
Project Number:	BH-L1056		
Project Team:	Sergio Lacambra, Team Leader (CSD/RND); Tsuneki Hori, Alternate Team Leader (CSD/RND); Roberto Guerrero (CSD/RND); Lisa Restrepo (CSD/RND); Julia Ciancio (CSD/RND); Maria Eugenia Roca (CCB/CBH); Cloe Ortiz (CCB/CBH); Syreta Roberts (CCB/CBH); Javier Jiménez (LEG/SGO).		
Borrower:	Government of The Bahamas		
Executing Agency:	Ministry of Finance		
Financial Plan:	IDB (fund):	US\$	160,000,000
	Total:	US\$	160,000,000
Safeguards:	Policies triggered:	N/A	
	Classification:	N/A	

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 The Government of The Bahamas (GoBH) has requested a Policy-Based Loan (PBL) series comprised of two programmatic operations to improve the country's governance for Disaster Risk Management (DRM) through the strengthening and modernization of the legal, institutional and budgetary DRM framework.
- 2.2 **Impact of disasters.** The Bahamas is one of the countries in Latin America and the Caribbean region most vulnerable to natural hazards, especially those related to climate. According to the International Disaster Database, The Bahamas has experienced 14 major disasters, mainly hurricanes, in the last 20 years (EM-DAT, 2022). The database reports that these disasters have killed more than 400 people, affected about 50,000 people, and caused direct damages to public infrastructure and housing amounting to over US\$6.7 billion. A probabilistic disaster risk estimation for The Bahamas shows that more than 4,000 people are expected to be affected by coastal flooding every year. Similarly, more than 9,000 people are expected to be affected by extreme winds every year (IDB, 2020).
- 2.3 Disasters, namely those caused by climate-related hazards, have become more frequent in recent years. These include hurricanes Joaquin (2015), Matthew (2016) and Irma (2017), with total damages of US\$104.8 million,¹ US\$438.6 million² and US\$200 million³, respectively.

¹ ECLAC/IDB, 2016. Assessment of the Effects and Impacts of Hurricane Joaquin in The Bahamas.

² ECLAC/IDB, 2017. Assessment of the Effects and Impacts of Hurricane Matthew in The Bahamas.

- 2.4 More recently, Hurricane Dorian (2019) was a Category 5 hurricane,⁴ the most powerful hurricane on record to make landfall in the country and the second most powerful hurricane ever recorded in the Atlantic⁵ (WMO, 2019). This hurricane caused 67 deaths, 282 people missing, more than 2,000 people evacuated, US\$2.5 billion in direct damages to infrastructure and housing, and US\$900 million in indirect losses and emergency response costs, amounting to a grand total of US\$3.4 billion.⁶ Dorian nearly destroyed Marsh Harbor on the island of Abaco and the East End of Grand Bahama Island.
- 2.5 The economic damage caused by climate-related hazards in the Bahamas, as a percentage of GDP, is higher than in other countries in the Caribbean region. Thus, the total damage from disasters in The Bahamas from 2002 to 2022 (over US\$6.7 billion) is equivalent to more than 50% of the country's economy in 2015. Conversely, values for Jamaica and Barbados are 17% and 2%, respectively.
- 2.6 **Climate Change.** The vulnerability of The Bahamas to climate-related hazards is likely to be further exacerbated by climate change. An IDB report estimates that, taking climate change impact into account, a hurricane with a 100-year return period could cause up to US\$6 billion in economic damages if it were to make landfall in The Bahamas (IDB, 2020). The report also notes that while a hurricane the size of Dorian has been calculated to occur once every 50-100 years in the past, it is now estimated to occur once every 25 years due to the effects of climate change. Another report estimates that the expected coastal inundation area from a 50-year flood in New Providence will be 15% larger by 2050 than it is today due to increased precipitation due to climate change (IDB, 2016).
- 2.7 **Sendai Agreement and DRM Governance.** Adopting a robust DRM governance framework is essential to ensure that a nation is resilient to disasters. This was duly acknowledged by the Sendai Framework Agreement for Disaster Risk Reduction 2015-2030, signed by The Bahamas, which included as 2nd Priority for Action “Strengthening DRM Governance for resilience”. To measure the existence of governance conditions that facilitate the implementation of effective public policies in disaster risk management, the IDB developed the Index on DRM Governance and Public Policy (iGOPP) in 2012. It has been applied on a regular basis in 26 Latin American and Caribbean countries, including The Bahamas, and has been endorsed by the United Nations as an indicator for measuring the progress of a country in Sendai Framework’s 2nd Priority for Action. The iGOPP is measured in percentage terms, being 0% and 100% the lowest and highest scores, respectively, with higher scores corresponding with better DRM governance.
- 2.8 According to an IDB study based on empirical evidence from 26 Latin American and Caribbean countries,⁷ higher iGOPP scores are associated with lower fatality

³ ECLAC/IDB, 2018. Assessment of the Effects and Impacts of Hurricane Irma in The Bahamas.

⁴ The Saffir-Simpson Hurricane Wind Scale classifies hurricanes into five categories distinguished by the intensities of their sustained winds, with Category 5 corresponding to the strongest hurricanes, with 1-minute sustained wind speeds of at least 254 km/h.

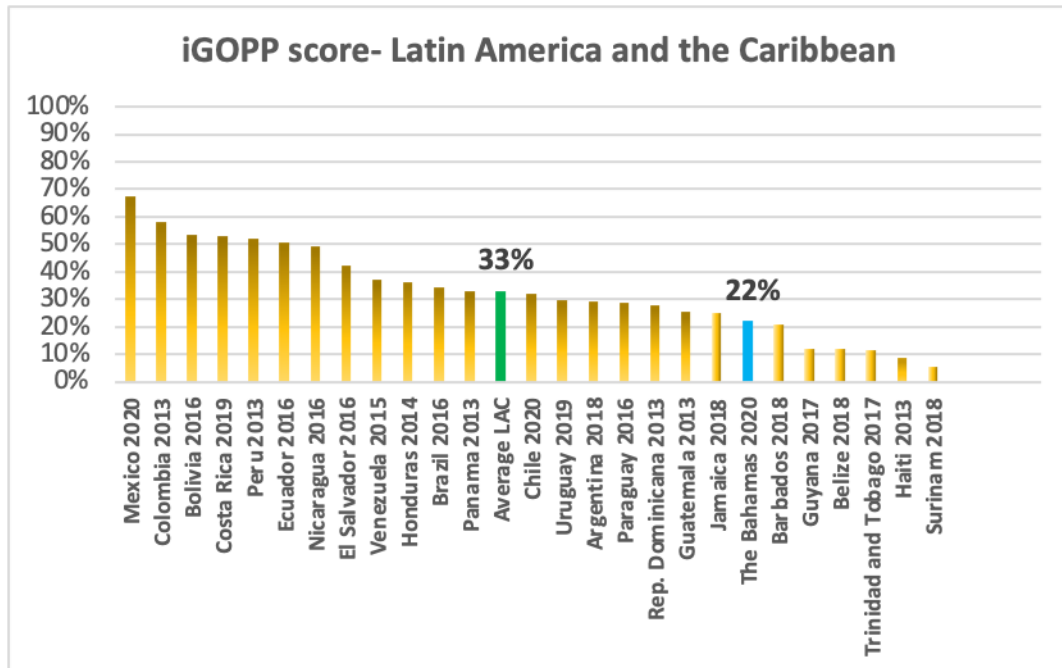
⁵ <https://public.wmo.int/en/media/news/hurricane-dorian-causes-devastation-bahamas>

⁶ ECLAC/IDB, 2020. Assessment of the Effects and Impacts of Hurricane Dorian in The Bahamas.

⁷ Guerrero R. and Lacambra S. *Disasters and Loss of Life: New evidence on the effect of Disaster Risk Management Governance in Latin America and the Caribbean*. IDB 2020.

rates caused by disasters and contribute to a significant reduction of their economic losses, particularly in countries like The Bahamas that are more vulnerable to catastrophic events like major hurricanes. In other words, having a robust governance framework is key to an effective use of human, technical, financial, and material resources to address the risk and consequences of natural disasters. Thus, the IDB found that a governance improvement of 1% (measured in terms of the iGOPP score), on average, is associated with a 3% reduction in human losses and reduces the economic losses by 6%.

2.9 **The Bahamas DRM Governance.** According to a recent update of the index by the Bank in 2020,⁸ The Bahamas has an iGOPP score of 22%. Although this is the second best iGOPP score in the Caribbean region (after Jamaica's 25%), it is still below the Latin American and Caribbean average of 33%.



2.10 The results of the iGOPP update points out that The Bahamas has limited legal, institutional, and budgetary conditions to implement effective public policies in disaster risk management, resulting in actions which are not always aligned with best international practices and generally insufficient due to scarce funding, that would benefit from more robust legal mandates. The main findings of the iGOPP study, organized by DRM governance component, are the following:

2.11 **DRM Governance General Framework (GF)** refers to the existence of an adequate normative base for the definition of attributions and responsibilities, the organization and coordination, implementation and control of DRM in each country. This base includes both the specific regulations on DRM and the territorial and sectoral enabling regulations that guarantee its viability. It also includes the availability of resources for the implementation of DRM processes,

⁸ www.riskmonitor.iadb.org

and the establishment of adequate mechanisms for information and citizen participation, and for monitoring, evaluation and follow-up of these processes.

- 2.12 Currently, The Bahamas DRM governance is mainly legislated by the Disaster Preparedness and Response Act of 2008 and the Disaster Reconstruction Authority Act of 2019. According to the analysis carried out by the Bank based on the results of the iGOPP update, neither Act provide a solid foundation to implement effective public policies in disaster risk management. Despite having some strengths, both Acts combined still leave the country with governance gaps that hinder the efforts to build a more resilient Bahamian society to natural disasters and climate change. The iGOPP subindex corresponding to GF scored 22%.
- 2.13 **Risk Identification (RI)** is the process of DRM by which information about: (i) the origins, causes, scope, frequency and possible evolution of natural hazards; and (ii) location, causes, evolution, resistance and recovery capacity of socioeconomic and natural elements, is obtained, and includes the analysis of potential consequences of a natural hazard and, in relation to a hydrometeorological hazard, the potential contribution of climate change to such consequences. In terms of DRM governance, it refers to the existence of a regulatory, institutional and budgetary framework that allows the continuous development of the disaster risk analysis that provides the information required for the design and implementation of prevention, mitigation, preparedness and financial protection activities.
- 2.14 Currently, the DRM governance conditions for risk identification have limitations, with some progress made in terms of having a legal mandate to inform the citizens about disaster risk and the integration of the subjects of disaster risk and climate change in the school curricula. This situation is challenging as risk analysis is key for comparing and prioritizing policy options to reduce risk. The iGOPP subindex corresponding to RI scored 6%, the second lowest score in Latin America and the Caribbean (LAC).
- 2.15 **Risk Reduction (RR)** is the DRM process by which exposure, vulnerabilities, and risks are minimized, to avoid (prevention) or limit (mitigation) the impact of a hazard. In terms of DRM governance, it refers to the existence of a regulatory, institutional and budgetary framework that allows the timely and adequate actions to address the causes that generate the conditions of vulnerability.
- 2.16 The Bahamas Building Code of 2003, reviewed in 2016, contains provisions for wind loads, and adopts the standards set by the American Society of Civil Engineers (ASCE 7-88), and the Building Regulation Act of 1971 establishes specific penalties for noncompliance with regulations related to the construction of infrastructure. Regarding zoning, the Planning and Subdivision Act of 2010 establishes that risk zoning shall be a determining factor in land use occupation. Nevertheless, there is no legal mandate for public bodies or local governments to reduce the risk within the scope of their functions and jurisdictions, particularly for vulnerable critical infrastructure, and disaster risk analysis is not mandatory for public investment projects. The iGOPP subindex corresponding to RR scored 31%, below LAC average of 39%.

- 2.17 **Disaster Preparedness (DP)** is the DRM process whose objectives are to plan, organize and test the response procedures and protocols of society in the event of a disaster, ensuring adequate and timely attention to affected people, allowing the normalization of essential activities in the area affected by the disaster. In terms of DRM governance, it refers to the existence of a regulatory, institutional and budgetary framework that allows the implementation of mechanisms for a quick and adequate response to the occurrence or imminence of an emergency situation.
- 2.18 Compared with other DRM components, The Bahamas has a rather robust governance framework for disaster preparedness, at least in matters related to the coordination and articulation of the policy. Thus, the Disaster Preparedness and response Act of 2008 establishes, among others: (i) an inter-institutional committee that provides advice to the National Emergency Management Agency (NEMA); (ii) the formulation of a national disaster preparedness and response plan and of official protocols for emergencies; and (iii) the testing of such protocols through drills and simulations. However, no legal mandate is currently established for: (i) the formulation of emergency plans by public bodies; (ii) the creation and operation of early warning systems; and (iii) the consideration of the special needs of certain groups with the population affected by disasters in the emergency response provided by the government, among others. The iGOPP subindex corresponding to DP scored 34%, below LAC average of 40%.
- 2.19 **Recovery Planning (RC)** is the DRM process that focuses on the preparation for the rapid and adequate reestablishment of acceptable and sustainable living conditions through the restoration of livelihoods and natural resources and the reconstruction of basic services and infrastructure damaged or destroyed by the disaster under conditions of lower risk than those that existed before. In terms of DRM governance, it refers to the existence of a regulatory, institutional and budgetary framework that allows the implementation of mechanisms for the recovery of livelihoods, natural resources, basic services and infrastructure in a way that reduces improvisation, inefficiency and ineffectiveness in post-disaster recovery processes.
- 2.20 The Disaster Reconstruction Authority Act of 2019 defines the government's responsibility in terms of post disaster recovery, as well as the institutional arrangements for the coordination of such process, through the establishment of the Disaster Reconstruction Authority (DRA). However, there is no legal mandate establishing: (i) the restoration of livelihoods as a purpose of post disaster recovery; (ii) studies on the underlying causes of disasters in order to guide a resilient recovery; and (iii) the formulation of recovery plans that explicitly seek to reduce pre-existing vulnerability, among others. The iGOPP subindex corresponding to RC scored 22% which, although slightly above the LAC average of 18%, indicates a significant room for improvement since post disaster recovery processes provide excellent windows of opportunity for building resilience to future disasters.
- 2.21 **Financial Protection (FP)** is the DRM process that seeks the adoption of the optimal combination of financial instruments for risk retention and transfer to access timely economic resources after a disaster, which improves the response and protects the fiscal balance of the State. In terms of DRM governance, it

refers to the existence of a regulatory, institutional and budgetary framework that allows the design and implementation of an optimal combination of financial instruments for the retention and transfer of disaster risk.

- 2.22 The Bahamas has access to a regional fund, the Emergency Assistance Fund of the Caribbean Disaster Emergency response Agency (CDEMA), for financing emergency response. It also has a contingent credit facility with the IDB for an amount of US\$100 million⁹, which provides liquidity to meet humanitarian needs and the quick rehabilitation of basic services. Also, the Emergency Relief Guarantee Fund Act grants powers to the ministry responsible for disaster preparedness to grant a guarantee for loans aimed at repairing or replacing property and businesses damaged by disasters. In addition, the DRA Act of 2019 provides for the designation of special economic recovery zones after a disaster and empowers the Ministry of Finance to declare tax exemptions or concessions in such zones with the purpose of encouraging the economic recovery in the areas affected by disasters. Finally, The Bahamas has contracted a parametric insurance policy with the Caribbean Catastrophe Risk Insurance Facility (CCRIF). The main challenges in financial protection are: (i) the approval of legislation establishing the formulation of a financial protection structure in the country; (ii) to establish a national emergency fund that has the capacity to accumulate resources over time and is based on the annualized loss expectancy and the disaster loss historical records; and (iii) the establishment of a legal mandate for public bodies and local governments to cover their public assets with insurance policies or other equivalent mechanisms. The iGOPP subindex corresponding to FP scored 19%, close to the LAC average of 20%.
- 2.23 **Policy reform.** Acknowledging that the current legal, institutional arrangements and budgetary arrangements for DRM in the country were not optimal for the effective execution of DRM, the Government of The Bahamas through the Cabinet, authorized in February 2022 the Prime Minister and Minister of Finance, in collaboration with the Disaster Management Unit (DMU) and the Office of the Attorney-General and Ministry of Legal Affairs (OAG), to draft legislation aimed at avoiding duplication and apparent conflict of functions, roles and responsibilities of DMU, NEMA and DRA, and to enhance the effective implementation of the DRM policy. Following this decision by the Cabinet, the Office of the Prime Minister, through the DMU, requested the Bank's technical support to draft said legislation. Subsequently, in June 2022, the Ministry of Finance requested a PBL series to support this policy reform (¶2.1).
- 2.24 **Objective.** The objective of the program is to improve the country's governance for DRM. The specific objectives are to support governance improvements relating to GF, RI, RR, DP, RC and FP. To achieve this objective the program will be organized in three components, with the first PBL focusing on establishing the main legal, institutional and budgetary arrangements for DRM through the approval of a bill for an Act on DRM that is aligned with best international practices in terms of emphasizing the identification and analysis of disaster risks, the prevention and mitigation of disasters before they occur, and a rapid and

⁹ This facility has currently a balance of US\$ 20 million, after utilizing US\$ 80 million in response to Hurricane Dorian. The Government has requested a replenishment of the facility for natural disasters in addition to US\$ 100 million for health pandemics.

appropriate emergency response, as well as a resilient recovery, and the second PBL on the implementation of said arrangements. The main policy commitments of the first PBL are the following:

- 2.25 **Component I - Macroeconomic stability.** The objective of this component is to ensure the existence of a stable macroeconomic environment conducive to the achievement of and consistent with the program's objectives.
- 2.26 **Component II – Strengthening of the general framework of governance for DRM.** The main policy commitments in this component include the approval of legislation to provide for a more effective and comprehensive DRM policy that, in addition to preserving the good practices of the existing legal framework, features the following quality attributes, among others:
- a) The establishment of a responsibility framework on DRM for all government levels and DRM processes.
 - b) The establishment of a comprehensive set of instruments for the implementation of the DRM policy.
 - c) The coordination and articulation of the DRM policy is to be carried out at a hierarchical level equal or higher than ministerial.
 - d) The articulation of the DRM policy with other sustainable development-related policies, such as climate change adaptation, water resources management and land use planning, among others.
 - e) The mandate to develop a Comprehensive Financial Strategy for DRM.
 - f) The establishment of a national prevention fund that provides budgetary incentives for public bodies and local governments to implement ex ante DRM activities.
 - g) The establishment of a mechanism for civil society participation applicable to DRM.
- 2.27 **Component III – Strengthening the legal, institutional, and budgetary frameworks for the implementation of the DRM processes.** The main policy commitments in this component include the approval of DRM legislation that, in addition to preserving the good practices of the existing legal framework, features the following quality attributes, among others:
- 2.28 Regarding Risk Identification (RI):
- a) Designates a national actor responsible for providing technical assistance and guidelines to public bodies and local governments for disaster risk analysis;
 - b) Orders the creation and maintenance of a National Disaster Risk Management Information System;
 - c) Establishes the creation, systematization or updating of databases on the effects of disasters;
 - d) Establishes that each public body is responsible for carrying out disaster risk analysis within the scope of functions and jurisdictions;
 - e) Formally defines "critical infrastructure;"
 - f) Makes the availability of information for risk analysis mandatory and defines mechanisms for its exchange.

- 2.29 Regarding Risk Reduction (RR):
- a) Establishes that public bodies are responsible for disaster risk reduction within the scope of their functions and jurisdictions;
 - b) Requires public bodies to reduce the vulnerability of critical infrastructure under their responsibility;
 - c) Establishes that local governments are responsible for disaster risk reduction within the scope of their functions and jurisdictions;
- 2.30 Regarding Disaster Preparedness (DP):
- a) Establishes the formulation of emergency plans by public bodies;
 - b) Provides for the creation and operation of early warning systems;
 - c) Establishes the principle of subsidiary assistance between different governmental levels;
 - d) Authorizes local governments to use their resources outside their jurisdiction in emergency situations;
 - e) Establishes that the special needs of certain groups within the population affected by disasters must be considered in the emergency response provided by the government.
- 2.31 Regarding Recovery Planning (RC):
- a) Establishes the restoration of livelihoods as a purpose of post disaster recovery;
 - b) Establishes studies on the underlying factors of disasters in order to guide a resilient recovery;
 - c) Mandates the formulation of post disaster recovery plans that explicitly seek to reduce pre-existing vulnerability;
 - d) Establishes that post disaster recovery plans must define the length of time in which affected homes must be repaired or rebuilt.
- 2.32 Regarding Financial Protection (FP):
- a) Establishes the formulation of a financial protection structure in the country;
 - b) Establishes that public bodies and local governments must cover their public assets with insurance policies or other equivalent mechanisms;
 - c) Establishes a Disaster Emergency Fund that has the capacity to accumulate resources over time and which budget allocation is based on the annualized loss expectancy and the recorded information on the losses from disasters in previous years.
- 2.33 Compliance with the policy commitments of components II and III depends on the approval of a single, but comprehensive, piece of legislation: an Act that includes in its parts, sections and schedules the quality attributes listed as policy commitments in the policy matrix. For clarity, some of these policy commitments have been included in paragraphs 2.26 though 2.32. A draft bill has already been prepared with the Bank's support (¶3.1) and currently has the following tentative name: "A bill for an Act to provide for a more effective and comprehensive disaster risk management policy and framework through the establishment of the disaster risk management authority, and for connected matters."

- 2.34 **Beneficiaries.** The program will benefit the entire population of The Bahamas exposed to disasters, which amounts to over 43,121 people (11% of national population) in the case of floods, and 344,279 people (98% of national population) in the case of hurricane extreme winds. These target values are based on aggregate exposure values for 100-year return-period floods and extreme winds according to The Bahamas Disaster Risk Profile ([IDB, 2020](#)).
- 2.35 **Expected results.** The main expected impact of the PBL series is to strengthen the country's DRM governance. DRM governance in The Bahamas will be measured using the iGOPP (§2.7; §2.9). On a scale from 0 to 100%, The Bahamas scored 22% in the 2020 iGOPP application. New legislation resulting from the PBL series is expected to increase the iGOPP score to 39%.
- 2.36 **Strategic alignment.** This operation is aligned with IDB's Second Update to the Institutional Strategy 2020-2023 (AB-3190-2) and is expected to be aligned with the cross-cutting issues of "Climate Change and Environmental Sustainability", though the indicator "Beneficiaries of enhanced disaster and climate change resilience" and "Gender equality and Diversity" through the indicator "Countries with strengthened gender equality and diversity policy frameworks". It is also consistent with Vision 2025, though the priority of "Climate Change Action", the Disaster Risk Management Policy (GN-2354) and the Climate Change Sector Framework Document (GN-2835-8) through the strengthening of governance structures for DRM and climate change adaptation. The operation is also aligned with the cross-cutting issues of "Climate resilience and disaster risk management" and "Gender" of The Bahamas Country Strategy 2018-2022. The amount of the operation's funding invested in climate change activities will be confirmed during the QRR process, in accordance with the multilateral development banks' methodology for estimating climate finance. This funding contributes to the IDB Group's target of increasing financing for climate change-related projects to 30% of all approved operations by the end of 2023. This operation also supports the IDB's goal of promoting resilient and digital-first investments in the Caribbean.
- 2.37 The need to define a supportive governance framework is also established in the Recovery Strategy Implementation Plan of The Bahamas (2020), which commissions the Ministry of Legal Affairs and the Office of the Attorney General, with the support of the Ministry of Disaster Preparedness, Management and Reconstruction -MDPMR- (currently the Disaster Management Unit under the Office of the Prime Minister), to undertake a legislative review of the existing legislative frameworks that support disaster risk management, climate change adaptation and sustainable development, to strengthen the governance arrangements across the entire disaster risk management cycle.
- 2.38 Also, the Government's Manifesto "Our Blueprint for change" proposes a 10-point action plan for the short and medium terms that should be subsequently bolstered by a National Development Plan in the long term. The 10-point action plan includes point #3 "Reconstruction + Resilience" and point #10 "National Development" that are aligned with a mandate to strengthen the governance framework for disaster risk management.

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 **Bank's support to draft new legislation.** Following the Government's decision to adopt a new legislation on DRM and the request made to the Bank to provide technical advice to draft this legislation (¶2.23). A consultancy was hired by the Bank, being one of its products a first draft of the legislation, which was submitted to the DMU in June 2022. DMU is acting as the focal point for the Government's committee that has been commissioned by the Cabinet to draft said legislation, which also includes the Prime Minister and Minister of Finance and the Attorney General and Minister of Legal Affairs. This committee is currently reviewing said draft.
- 3.2 **Lessons learned from previous policy reforms in DRM supported by PBLs.** This operation will take into account lessons learned during similar Bank-supported reforms in Peru, Colombia, Panama and Bolivia, including the importance of adopting legislation that develops, promotes and instructs the implementation of an approach to DRM that: (i) is holistic, comprehensive, integrated, and proactive in lessening the socio-economic and environmental impacts of disasters including climate change; (ii) focuses on reducing risk, including the risk of life, health, physical integrity, economic disruption and damage to the environment and property, especially to those members of the population who are most vulnerable by reason of poverty or a lack of resources; and (iii) promotes the involvement and participation of all relevant sectors and stakeholders, at all levels of society. These recommendations will be translated into specific requirements that will be included as sections of the new Bill. Thus, the new bill shall address these recommendations, for instance, by establishing a comprehensive approach to DRM that includes not only disaster response but also the actions required to analyze disaster risk, prevent, mitigate and be financially and materially prepared to, disasters. Also, by establishing consultative mechanisms for the civil society and private sector to provide advice on DRM policy. The main features of the new legal framework to be supported by this operation have been carefully selected using best international practices through the iGOPP methodology and related studies based on empirical evidence (¶2.7; ¶2.8).
- 3.3 **Sector knowledge.** In addition to the technical cooperation (TC): Capacity Strengthening for a More Resilient Bahamas (BH-T1078; ATN/JF-17982-BH, US\$600,000, approved in 2020) which financed, among other consultancies, the DRM governance diagnostic carried out through the iGOPP (¶2.10-¶2.22) and the legal advice for drafting the new Bill (¶3.1), the Bank has been providing technical and financial support in DRM to The Bahamas through the following TCs and loans: (i) Climate Resilient Coastal Management and Infrastructure Program (BH-L1043; 4363/OC-BH, \$35 million), aimed at building coastal resilience to climate risks through sustainable coastal protection infrastructure, including nature-based infrastructure, and the institutional strengthening required to implement integrated coastal zone management; (ii) Country Disaster Risk Profile for The Bahamas (RG-T2759; ATN/MD-15800-RG, US\$300,000 for The Bahamas), which assessed the human and economic losses of hurricanes, coastal flooding, and coastal erosion; and (iii) Feasibility Study for a Climate Resilient Integrated Coastal Zone Management Program (BH-T1029;

ATN/OC-14250-BH, US\$795,000), which assessed the feasibility of investments to protect socioeconomic activities in coastal areas from climate risks. Finally, the Bank's Country Office established the Preparedness, Recovery and Reconstruction Team (P2RCT) as a pilot, in response to the impact of Dorian and later COVID-19, to support the execution of the Disaster and Health Risks Management activities of the Bank in The Bahamas, including programs, technical cooperation and knowledge products.

- 3.4 **Gender and diversity considerations.** Disability-based discrimination marginalizes persons with disabilities in society during periods of non-emergency. Disasters exacerbate such conditions, increasing the likelihood that those with disabilities will be disproportionately negatively affected both during and after an emergency¹⁰. Likewise, women suffer disproportionate levels of mortality and morbidity following disasters based on inequalities in gaining access to adequate health care, food and nutrition, and water and sanitation. In addition, the oversight of policy makers to engage in gender-responsive disaster planning and implementation often results in limited consideration of the specific needs of women in protective facilities and infrastructure for shelters, relief distribution and recovery programs¹¹. Mainstreaming a gender equality perspective is regarded as “the process of assessing the implications for women and men of any planned action, *including legislation*, policies or programs, in any area and at all levels”¹². The same rationale applies to people with disabilities. One of the main findings of the DRM Governance diagnostic carried out with the iGOPP methodology is that the current legal framework for DRM in The Bahamas does not establish that the humanitarian assistance to be provided in emergencies shall consider the needs of persons who are vulnerable on account of their age, gender, disability, poverty or physical displacement (¶2.18). The new legislation shall seek to ensure that the country formally adopts humanitarian standards that include such considerations to highly vulnerable groups.

IV. FINANCING STRUCTURE AND MAIN RISKS

- 4.1 **Executing agency.** The executing agency will be the Ministry of Finance (MOF), which will be responsible for tracking fulfilment of the commitments in the Policy Matrix by the different institutions. The MOF will: (i) maintain official communication with the Bank and submit evidence of compliance with the operation's conditions and any other report required by the Bank within the agreed terms and conditions; (ii) promote actions to attain the established policy objectives, in particular the conditions included as triggers for this program; and (iii) compile and submit to the Bank any information and indicators that would help the Bahamian Government and the Bank monitor, measure, and evaluate the program's results. The MOF will coordinate the receipt of evidence related to the commitments assumed by the different government agencies, as specified in the means of verification matrix.

¹⁰ GFDRR (2017). “*Disability inclusion in disaster risk management*, World Bank Group.

¹¹ ECLAC (2018), “*Advancing the economic empowerment and autonomy of women in the Caribbean through the 2030 Agenda for Sustainable Development*”, Studies and Perspectives series No. 60 (LC/TS.2017/128; LC/CAR/TS.2017/8).

¹² United Nations (1997), Report of the Economic and Social Council for 1997 (A/52/3), New York.

- 4.2 **Other stakeholders.** In addition to the MOF, key stakeholders in the policy reform and particularly in this first operation of the PBL series include the DMU, NEMA, DRA and the OAG.
- 4.3 **Financing instrument.** The program is set up as a series of two independent but technically-related programmatic PBLs. It is structured in accordance with the guidelines and provisions of “Policy-based Loans: Guidelines for Preparation and Implementation” (CS-3633-2), because it allows for flexibility to adapt to changing circumstances that may arise during the execution and to revise the scope of the program over time. The amount of the first operation is US\$160 million, which was determined based on the country’s financial needs. This PBL will be fully funded by the Bank’s Ordinary Capital.
- 4.4 **Environmental and social risks.** This PBL operation is not expected to generate significant and direct negative effects on the country’s environment and natural resources; therefore, the PBL will fall outside the scope of the IDB’s Environmental and Social Policy Framework (ESPF), in accordance with the provisions of paragraph 4.7 of the ESPF.
- 4.5 **Executing agencies risks.** There is a high risk that the lack of staff specialized in disaster risk management legal frameworks in the government may result in an insufficiently robust policy reform. To mitigate this risk, in addition to the technical advice provided by the IDB staff, the Bank has hired one senior legal advisor to support the government (¶3.3).
- 4.6 There is a medium-high risk that the lack of available legal drafters at the Office of the Attorney General and Ministry of Legal Affairs delays the drafting of the new legislation, which may result in the delay of the Bill’s approval on which the operation’s disbursement depends. To mitigate this risk the Bank has hired a legal drafter to support the Government in drafting the bill (¶3.3).
- 4.7 **Execution environment risk.** There is a medium-low risk that the Government prioritizes other policy reforms which delay the approval of the Bill by the Parliament, thus delaying the operation’s disbursement. To mitigate this risk the Primer Minister has agreed to inform the Attorney General about the priority that this Bill has.

V. RESOURCES AND TIMETABLE

- 5.1 The expected POD distribution date is October 3, 2022, and approval by the Board on December 14, 2022. Administrative funds totaling US\$64,350 are required to complete the operation’s preparation. Annex IV presents the timeline and resource requirements in more detail. Additionally, a technical cooperation totaling US\$250,000 is currently being processed (BH-T1096), to be funded with resources drawn from the Japan Enhanced Initiative for Quality Infrastructure, Resilience against Disaster and Health (JEI), to support the design, implementation and evaluation of the PBL series.

CONFIDENTIAL

¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.

Operation Information

Operation Name	
Strengthening Disaster Risk Management Governance in The Bahamas	
Operation Number	BH-L1056

Operation Details

Organizational Unit	IDB Sector/Subsector
CSD/RND	INTEGRATED DISASTER RISK MANAGEMENT
Type of Operation & Modality	Original IDB Amount
LON / PBL	\$160,000,000.00
Executing Agency	Borrower
BH-MOF	MINISTRY OF FINANCE  
ESG Primary Team Member	Team Leader
	Sergio Lacambra Ayuso
Toolkit Completion Date	Author
05/08/2022	Jessica Eileen Arango Laws (Esg Guidance Service)
Applicable ESPs with requirements	

Operation E&S Classification Summary

Environmental and Social Impact Categorization (ESIC)	N/A
Disaster and Climate Change Risk Classification (DCCRC)	N/A
Environmental and Social Risk Rating (ESRR)	

Summary of Impacts / Risks and Potential Solutions

The PBL falls outside the scope of the Environmental and Social Policy Framework.

ENVIRONMENTAL AND SOCIAL SOLUTIONS STRATEGY (ESS)

This PBL operation is not expected to generate significant and direct negative effects on the country's environment and natural resources; therefore, the PBL will fall outside the scope of the IDB's Environmental and Social Policy Framework (ESPF), in accordance with the provisions of paragraph 4.7 of the ESPF.

INDEX FOR COMPLETED AND PROPOSED SECTOR WORK

	Description	Estimated Dates	References and Electronic Links
Documents related to development policy by the Government of The Bahamas	Vision 2040 National Development Plan of the Bahamas	Completed	Link
	Our Blue Print for Change	Completed	Link
Technical documents: disaster databases, disaster risk assessments, damage and loss assessments, methodological guidelines, etc.	Impact of natural disasters in The Bahamas (EM-DAT)	Completed	Link
	Assessment of the Effects and Impacts of Hurricane Matthew, The Bahamas 2016 (ECLAC/IDB, 2020)	Completed	Link
	Assessment of the Effects and Impacts of Hurricane Joaquin in The Bahamas 2015 (ECLAC/IDB, 2016)	Completed	Link
	Assessment of the Effects and Impacts caused by Hurricane Irma, The Bahamas 2017 (ECLAC/IDB, 2020)	Completed	Link
	Assessment of the Effects and Impacts of Hurricane Dorian in The Bahamas 2019 (ECLAC/IDB, 2020)	Completed	Link
	Disaster Risk Profile for The Bahamas (IDB, 2020)	Completed	Link
	Hazard and Risk Study - Sustainable Action Plan Nassau 2016.	Completed	Link*
	Index of Governance and Public Policy in Disaster Risk Management (iGOPP): Application Protocol	Completed	Link
	Index of Governance and Public Policy in Disaster Risk Management (iGOPP): National Report for Bahamas 2018	Completed	Link
	Update of the Index of Governance and Public Policy in Disaster Risk Management (iGOPP) in The Bahamas (2020)	Completed	Link
	Executive Summary of iGOPP results (2020) and main policy reform recommendations.	Completed	Link
	Policy reform matrix including recommendations based on the iGOPP study (2020)	Completed	Link
	Disasters and Loss of Life: New evidence on the effect of Disaster Risk Management Governance in Latin America and the Caribbean (Guerrero R. y Lacambra S, 2020)	Completed	Link
	A macro perspective cost–benefit analysis for reducing vulnerability for The Bahamas (IIASA/IDB, 2021)	Completed	Link*
	Estimation of public investment scale and optimization of disaster risk management portfolio for climate-hazard resilience (ERN/IDB, 2021)	Completed	Link*
	International Experiences in Private Sector Engagement in Post-Disaster Recovery: Implications for the government of Bahamas and other Caribbean countries (Phelps PM, 2022)	Completed	Link*
	Report on the gap analysis of DRM and recovery governance for implementing the resilient recovery strategy of the government of The Bahamas (Carby, 2022)	Completed	Link*
	Sharpening Disaster Risk and Crisis Communication by Applying Behavioral Insights (Rodriguez et al., 2022)	Completed	Link*
Challenge and Opportunity Identification, and Action Plan for the Development of Hazard and Risk Assessments in The Bahamas (ERN, 2022)	Completed	Link*	

	Description	Estimated Dates	References and Electronic Links
	Pre- and Post-disaster land use planning toolkit for the Family Islands of The Bahamas (IDOM, 2022)	Completed	Link*
	Hurricane Dorian “AT-A-GLANCE” Assessment of the Effects and Impacts DALA Visualization (IDB, 2022)	Completed	Link
	The Macro-Economic Effects of Hurricanes in The Bahamas: A Case Study Using Satellite Night Light Luminosity (IDB, 2021)	Completed	Link
	International Good Practices and Lessons in Post Disaster Reconstruction in The Bahamas (IDB, 2021)	Completed	Link
	Impact of Hurricane Dorian in The Bahamas: A View from the Sky (IDB, 2020)	Completed	Link
	Status of Incorporation of Disaster Risk Management and Climate Change Adaptation in National Public Investment Systems: Results for The Bahamas, Guyana and Jamaica and Comparative Analysis for Five Caribbean Countries (IDB, 2016)	Completed	Link
	Draft Bill for an Act to provide for a more effective and comprehensive disaster risk management policy and framework.	Ongoing. To be finalized by Nov 2022.	N/A
	Legislative Drafting Instructions Form associated with the Draft Bill for a Disaster Risk Management Act.	Ongoing. To be finalized by Sep 2022.	N/A
	Gap analysis of the current status of organizational structure and staffing required to effectively implement the mandates of the Bahamas' new DRM Act	To be developed. For completion in early 2023	N/A
IDB Strategies	Second Update to the Institutional Strategy	Completed	Link
	IDB Vision 2025	Completed	Link
	Bahamas Country Strategy 2018-2022	Completed	Link*
	IDB Disaster Risk Management Policy and Guidelines	Completed	Link

* IDB internal use only

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¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.