

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

THE BAHAMAS

STRENGTHENING DISASTER RISK MANAGEMENT GOVERNANCE IN THE BAHAMAS

(BH-L1056)

LOAN PROPOSAL

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OEL#2	Update of the Index of Governance and Public Policy in Disaster Risk Management (iGOPP) in The Bahamas (2020)
OEL#3	Executive Summary of iGOPP results (2020) and main policy reform recommendations
OEL#4	Disaster Risk Profile for The Bahamas (IDB, 2020)
OEL#5	Index of Governance and Public Policy in Disaster Risk Management (iGOPP): Application Protocol
OEL#6	Technical document on disability and gender
OEL#7	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

ABBREVIATIONS	
CC	Climate Change
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDEMA	Caribbean Disaster Emergency response Agency
DP	Disaster Preparedness
DMU	Disaster Management Unit
DRM	Disaster Risk Management
EA	Executing Agency
ESMR	Environmental and Social Management Report
ESPF	Environmental and Social Policy Framework
ESS	Environmental and Social Strategy
FP	Financial Protection
GDP	Gross Domestic Product
GF	General Framework
GoBH	Government of The Bahamas
IDB	Inter-American Development Bank
JEI	Japan Enhanced Initiative for Quality Infrastructure, Resilience against Disaster and Health
LAC	Latin America and the Caribbean
MOF	Ministry of Finance
NEMA	National Emergency Management Agency
OAG	Office of the Attorney General and Ministry of Legal Affairs
PBL	Policy Based Loan
POD	Proposal for Operation Development
RC	Recovery Planning
RI	Risk Identification
RM	Results Matrix
RR	Risk Reduction
SPF	Safeguard Policy Filter
SSF	Safeguard Screening Form

PROJECT SUMMARY
THE BAHAMAS
STRENGTHENING DISASTER RISK MANAGEMENT GOVERNANCE IN THE BAHAMAS
(BH-L1056)

Financial Terms and Conditions				
Borrower			Flexible Financing Facility ^(a)	
The Commonwealth of The Bahamas			Amortization Period:	20 years
Executing Agency			Disbursement Period:	1 year
Ministry of Finance			Grace Period:	5.5 years ^(b)
Source	Amount (US\$)	%	Interest Rate:	SOFR based
IDB (Ordinary Capital):	160,000,000.00	100	Credit Fee:	(c)
			Inspection and Supervision Fee:	(c)
			Weighted Average Life (WAL):	12.75 years
Total:	160,000,000.00	100	Currency of Approval:	Dollars of the United States of America
Project at a Glance				
<p>Project Objective/Description: The objective of the program is to improve the country's governance for Disaster Risk Management (DRM). The specific objectives are to support governance improvements relating to general framework (GF), risk identification (RI), risk reduction (RR), disaster preparedness (DP), recovery planning (RC); and financial protection (FP).</p> <p>This operation is the first loan in a programmatic series of two consecutive single-tranche operations, technically related to one another but independently financed as programmatic policy-based loans.</p> <p>Special Contractual Clauses prior to the first and only disbursement. The single disbursement of the Bank's loan proceeds will be contingent on the borrower's fulfillment of the policy reform commitments established in the Policy Matrix (Annex II) and the Policy Letter, in addition to the conditions established in the loan contract (¶3.2).</p>				
Strategic Alignment				
Challenges ^(d) :	SI <input type="checkbox"/>		PI <input type="checkbox"/>	EI <input type="checkbox"/>
Cross-Cutting Issues ^(e) :	GE <input checked="" type="checkbox"/>	and DI <input checked="" type="checkbox"/>	CC <input checked="" type="checkbox"/>	and ES <input type="checkbox"/>
				IC <input type="checkbox"/>

^(a) Under the Flexible Financing Facility (FN-655-1), the borrower has the option to request modifications to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. In considering such requests, the Bank will take into account operational and risk management considerations.

^(b) Under the flexible repayment options of the Flexible Financing Facility (FFF), changes in the grace period are possible as long the Original Weighted Average Life (WAL) and the last payment date, as documented in the loan agreement, are not exceeded.

^(c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors during its review of the Bank's lending charges, in accordance with the relevant policies.

^(d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(e) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and justification

- 1.1 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).
- 1.2 **Macroeconomic situation.** The Bahamas is a small open, service-based economy, with a high degree of concentration in a few sectors such as tourism and travel, real estate, and the financial sector. The total contribution to Gross Domestic Product (GDP) of tourism and travel in 2019 was estimated at 42.5%. In addition, the direct contribution of real estate and the financial sector was 14.8% and 9.5%, respectively. Economic growth averaged only 1.1% between 2000 and 2019, and total factor productivity has been on a downward trend and has fallen 26% in that same period. In addition, the country faces unique challenges derived from its particular geographic conditions—an archipelago made up of 700 islands, of which around 30 are inhabited, highly exposed to natural disasters. The level of development across islands varies widely and the geography makes the provision and access to public services unequal.
- 1.3 The macroeconomic situation deteriorated during the pandemic, but it is now recovering strongly. In September 2019, hurricane Dorian landed on Grand Bahama and the Abaco Islands, causing damage to physical infrastructure estimated at 18% of GDP and taking a toll on human lives (¶1.6). While the country was undergoing reconstruction activities, COVID-19 emerged in early 2020, bringing to a halt the tourism and construction sectors and causing a major shock to the economy. In 2020, real GDP dropped 23.8% and the unemployment rate spiked to 25.6%, compared to 10.1% the year prior. Fiscal performance severely deteriorated due to unforeseen expenditures and subdued revenue collection. The primary fiscal deficit in FY2020/21 stood at 9.1% of GDP, compared to 4.1% the year prior, while the primary deficit deepened to 13.7% of GDP from 7.2%. Both the debt-to-GDP ratio and debt levels increased, and total central government debt peaked at 105.2% of GDP, compared to 78.7% the prior year. The current account deficit deepened, mainly driven by a larger drop on exports of services than that of imports of goods. In 2021 the economy started to reactivate thanks to the resumption of tourists' arrivals and construction activity, especially in the second half of the year. Although real GDP grew 13.7%, the unemployment rate remained elevated at 18.1%, and total tourist arrivals were 29% of those corresponding to 2019. In 2022 the recovery further consolidated, and tourist arrivals reached 96% of the 2019 figure. The Central Bank estimates economic growth to have been between 7% to 9% in 2022. Economic reactivation coupled with decreased pandemic-related expenditures and strengthening of the tax administration have positively impacted fiscal performance. The fiscal deficit was reduced from 13.6% of GDP in FY2020/21 to 5.8% of GDP in FY2021/22. Excluding rollovers of short-term treasury bills and notes, financing needs for FY2022/23 amount to US\$1,761 million, equivalent to 13.2% of GDP. 43% of such needs are expected to be covered with external debt (43%), specifically with loans from commercial

banks and international financial institutions. The remaining 57% will be covered with domestic debt.

- 1.4 **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 ([OEL#4](#)).
- 1.5 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.
- 1.6 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.
- 1.7 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.
- 1.8 **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 ([OEL#4](#)). 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

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.

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.

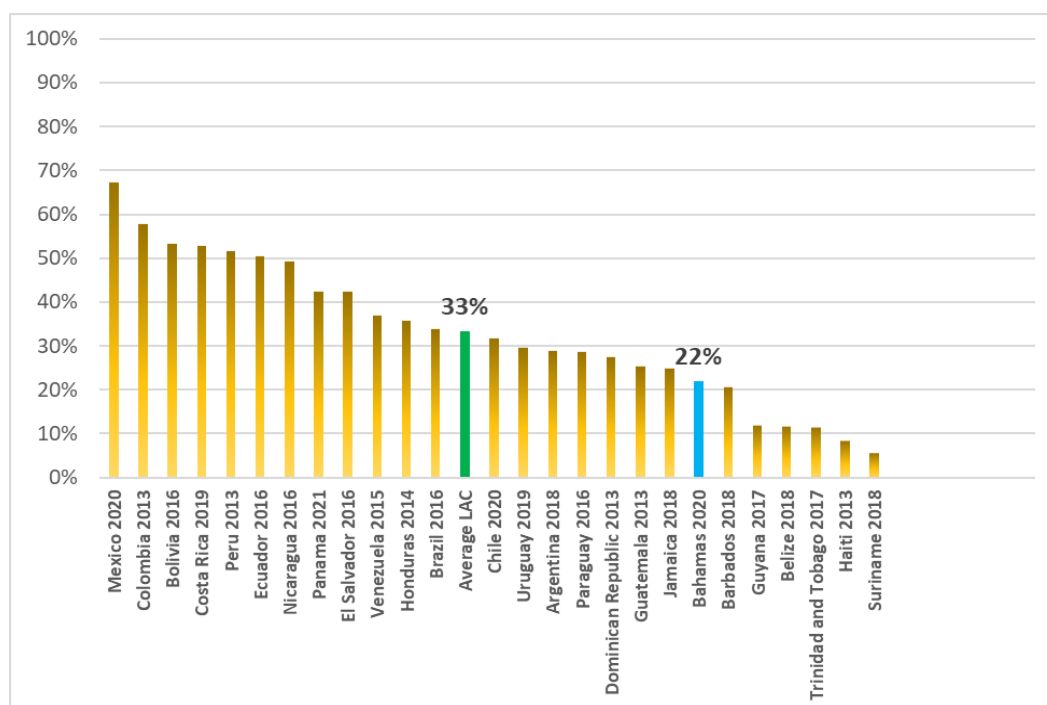
a 50-year flood in New Providence will be 15% larger by 2050 than it is today due to increased precipitation due to climate change ([IDB, 2016](#)).

- 1.9 **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 ([OEL#5](#)). 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.
- 1.10 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 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 one point (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%.
- 1.11 **The Bahamas DRM Governance.** According to a recent update of the index by the Bank in 2020 ([OEL#2](#)),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%.

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.

⁸ <https://riskmonitor.iadb.org/>

Table 1. iGOPP Score – Latin America and the Caribbean*



*Source: <https://riskmonitor.iadb.org/>

- 1.12 The results of the iGOPP update point 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 ([OEL#3](#)), are the following:
- 1.13 **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, and the establishment of adequate mechanisms for information and citizen participation, and for monitoring, evaluation and follow-up of these processes.
- 1.14 Currently, The Bahamas DRM governance is mainly legislated by the Disaster Preparedness and Response Act of 2006 (reviewed in 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. For instance, current legislations do not establish: (i) a responsibility framework on DRM for all government levels and DRM processes; (ii) a comprehensive set of instruments for the implementation of the DRM policy; (iii) 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; (iv) the mandate to develop a comprehensive financial strategy for DRM;

(v) the establishment of a national fund that provides incentives to public bodies and local governments to implement disaster prevention actions; and (vi) a mechanism for civil society participation applicable to DRM. Despite having some strengths, such as establishing that the coordination of the DRM policy is carried out at a hierarchical level equal to or higher than ministerial level, or a professional career regime in public administration applicable to DRM agencies, current legislation still leaves 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%.

- 1.15 **Risk Identification (RI)** is the process of DRM by which information about: (i) the geographical scope, frequency, intensity and possible evolution of natural hazards; and (ii) the level of exposure and vulnerability of socioeconomic and natural elements, is obtained, and includes the analysis of potential consequences (in economic and human terms) 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 disaster risk reduction, disaster preparedness and financial protection activities.
- 1.16 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. Among the main limitations, the iGOPP diagnostic found that current legislation does not: (i) designate a national entity responsible for providing technical assistance and guidelines to public bodies and local governments for disaster risk analysis; (ii) establish the creation and maintenance of a National DRM Information System; (iii) establish the creation, systematization or updating of databases on the effects of disasters; and (iv) establish that each public body is responsible for carrying out disaster risk analysis within the scope of their functions and jurisdictions; among others. 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).
- 1.17 **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.
- 1.18 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. However, an update of this code is due. 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%.

- 1.19 **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.
- 1.20 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 2006 (reviewed in 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 needs of people who are vulnerable on account of their age, gender, disability, poverty or physical displacement in the disaster response provided by the government, among others. The iGOPP subindex corresponding to DP scored 34%, below LAC average of 40%.
- 1.21 **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 basic services, the recovery of livelihoods and natural resources and the reconstruction of 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.
- 1.22 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 an excellent window of opportunity for building resilience to future disasters.

- 1.23 **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.
- 1.24 The Bahamas has access to a regional fund, the Emergency Assistance Fund of the Caribbean Disaster Emergency response Agency (CDEMA), for financing disaster response. It also has a contingent credit facility with the IDB (BH-O0003) 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; among others. The iGOPP subindex corresponding to FP scored 19%, close to the LAC average of 20%.
- 1.25 **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 (§1.26). Subsequently, in June 2022, the Ministry of Finance requested a PBL series to support this policy reform (§1.1).
- 1.26 **Bank's support to draft new legislation.** DMU is acting as the focal point for the Government's committee that has been commissioned by the Cabinet to draft the new DRM legislation, which also includes the Prime Minister and Minister of Finance and the Attorney General and Minister of Legal Affairs. Following the

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.

Government's request made to the Bank to provide technical advice to draft this legislation (¶1.25), two consultancies (senior legal advisor and a legal drafter) were contracted by the Bank to help the Government in this task. The Cabinet authorized that the Bill drafted by the committee be circulated for public consultation. Amendments were made to the Bill based on the feedback received during this consultation. The Bill was subsequently tabled in the Parliament. The Act was enacted by the Parliament on December 9th, 2022, and published in the Official Gazette.

1.27 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 Peru¹⁰, Colombia¹¹, Panama¹² and Bolivia¹³, 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 people who are vulnerable on account of their age, gender, disability, poverty and physical displacement; and (iii) promotes the involvement and participation of all relevant sectors and stakeholders, at all levels of society. These recommendations have been translated into specific mandates that have been included in parts and sections of the 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 (¶1.35.a). Also, by establishing consultative mechanisms for the civil society and private sector to provide advice on DRM policy (¶1.35f), and by establishing that the humanitarian standards adopted by the country take into consideration the needs of people who are vulnerable on account on their disability, gender, age, poverty and physical displacement (¶1.39e; ¶1.32). 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 ([OEL#5](#)) and related studies based on empirical evidence (¶1.9; ¶1.10). Another lesson from the aforementioned operations in Peru and Panama is the complementarity between the PBL and the contingent credit facility (CCF). On the one hand, PBLs provide the legal basis for the government to adopt financial protection instruments for disaster response, such as the CCF (¶1.24). They also provide indicators to monitor the progress of the country in DRM governance, which is a requirement to maintain the eligibility of the CCF.

1.28 Sector knowledge. In addition to the technical cooperation (TC) "Capacity Strengthening for a More Resilient Bahamas ([ATN/JF-17982-BH](#), US\$600,000, approved in 2020) which financed, among other consultancies, the DRM governance diagnostic carried out through the iGOPP (¶1.11-¶1.24) and the legal advice for drafting the new Bill (¶1.26), the Bank has been providing technical and financial support in DRM to The Bahamas through the following TCs and loans:

¹⁰ 3240/OC-PE "Program to Reduce the Vulnerability of the State to Disasters"

¹¹ 2616/OC-CO "PBP-Disaster Risk Management and Climate Change Adaptation Program"

¹² 2730/OC-PN "Program to Reduce Vulnerability to Natural Disasters and Climate Change"

¹³ 3666/BL-BO "Disaster Risk Management Program"

(i) “Climate Resilient Coastal Management and Infrastructure Program” (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” ([ATN/MD-15800-RG](#), US\$300,000 for The Bahamas), which assessed the human and economic losses of hurricanes, coastal flooding, and coastal erosion ([OEL#4](#)); and (iii) “Feasibility Study for a Climate Resilient Integrated Coastal Zone Management Program” ([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), supported by the TC “Capacity Strengthening, Technical Support and Knowledge Transfer of Disaster Risk Management and Health Risk Management in The Bahamas ([ATN/OC-19552-BH](#), [ATN/OC-19553-BH](#)), 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.

1.29 **Strategic alignment.** This operation is aligned with IDB’s Second Update to the Institutional Strategy (AB-3190-2) specifically with the cross-cutting issues of (i) “Climate Change and Environmental Sustainability”, through the Corporate Results Framework (GN-2727-12) indicator #2.20 “Beneficiaries of enhanced disaster and climate change resilience”, through the strengthening of the governance framework required to reduce the disaster risk of the vulnerable populations that are exposed to natural hazards, including the effects of climate change; and (ii) “Gender Equality and Diversity” through the indicator “Act to establish that the needs of persons who are vulnerable on account of their age, gender, disability, poverty, lack of resources or physical displacement must be considered in the disaster response provided by the government, approved”, through the inclusion of gender and disability, among other vulnerability considerations, in the new legal framework for DRM, particularly in the development of policy instruments such as the National Humanitarian Standards. It is also consistent with the Disaster Risk Management Policy (GN-2354-5), 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 (i) “Climate resilience and disaster risk management”; and (ii) “Gender” of IDB Group Country Strategy with The Commonwealth of The Bahamas 2018–2022. Revised version (GN-2920-1). Given that all the policy commitments in this operation contribute to climate change adaptation through the strengthening of governance structures for disaster risk management, it is estimated that it has **100% of climate finance according to the multilateral development banks’ methodology**. 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.

1.30 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.

- 1.31 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.
- 1.32 **Disability and gender 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 emergency¹⁴. 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 programs¹⁵. 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"¹⁶. The same rationale applies to people with disabilities. One of the main findings of the DRM Governance diagnostic carried out with the iGOPP methodology ([OEL#6](#)) 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 people who are vulnerable on account of their age, disability, gender, poverty or physical displacement (§1.20). The new legislation shall seek to ensure that the country formally adopts humanitarian standards that include such considerations to highly vulnerable groups (§1.39e).

B. Objective, components, and cost

- 1.33 **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 appropriate disaster

¹⁴ GFDRR (2017). "Disability inclusion in disaster risk management, World Bank Group.

¹⁵ 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).

¹⁶ United Nations (1997), Report of the Economic and Social Council for 1997 (A/52/3), New York.

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:

- 1.34 **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.
- 1.35 **Component II – 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 attributes¹⁷, among others:
- a. The establishment of a responsibility framework on DRM for all government levels and DRM processes¹⁸.
 - b. The establishment of a comprehensive set of instruments for the implementation of the DRM policy,¹⁹ including a Comprehensive Financial Strategy for DRM.
 - c. The coordination and articulation of the DRM policy is to be carried out by an entity with technical, administrative and financial autonomy.²⁰
 - 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.²¹
 - e. The establishment of a national prevention fund that provides budgetary incentives for public bodies and local governments to implement ex ante DRM activities.²²
 - f. The establishment of a mechanism for civil society participation applicable to DRM.²³
- 1.36 **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:
- 1.37 Regarding Risk Identification (RI):

¹⁷ Each quality attribute corresponds to a best international practice of DRM governance and is generally measured by one iGOPP indicator (in some cases by two). An electronic link to the technical file of each indicator has been included as a footnote for each quality attribute listed in paragraphs 1.35 through 1.41. Each technical file describes the indicator, the minimum requirements for compliance, and Latin American and Caribbean examples of compliance and non-compliance, among other aspects. For more information: [the iGOPP Application Protocol, 2020 Update](#).

¹⁸ This corresponds to a best international practice in terms of DRM governance and is measured by the iGOPP indicators [GF-1A-1](#) and [RI-1C-1](#).

¹⁹ [GF-1A-2](#)

²⁰ [GF-1A-3](#)

²¹ [GF-1A-4](#)

²² This quality attribute is associated with indicator [GF-2-5](#). However, to fully comply with it, the fund needs to be operational as well, which is a policy commitment that is proposed for the second PBL.

²³ [GF-3-5](#)

- a. Designates a national actor responsible for providing technical assistance and guidelines to public bodies and local governments for disaster risk analysis;²⁴
- b. Orders the creation and maintenance of a National DRM Information System;²⁵
- c. Establishes the creation, systematization or updating of databases on the effects of disasters²⁶;
- d. Establishes that each public body and Family Island administrator is responsible for carrying out disaster risk analysis within the scope of functions and jurisdictions;²⁷
- e. Formally defines "critical infrastructure";²⁸
- f. Makes the availability of information for risk analysis mandatory and defines mechanisms for its exchange.²⁹

1.38 Regarding Risk Reduction (RR):

- a. Establishes that public bodies are responsible for disaster risk reduction within the scope of their functions and jurisdictions;³⁰
- b. Requires public bodies to reduce the vulnerability of critical infrastructure under their responsibility;³¹
- c. Establishes that Family Island administrators are responsible for disaster risk reduction within the scope of their functions and jurisdictions;³²

1.39 Regarding Disaster Preparedness (DP):

- a. Establishes the formulation of emergency plans by public bodies;³³
- b. Provides for the creation and operation of early warning systems;³⁴
- c. Establishes the principle of subsidiary assistance between different governmental levels;³⁵
- d. Authorizes local governments to use their resources outside their jurisdiction in disaster situations;³⁶
- e. Establishes that the needs of persons who are vulnerable on account of their age, gender, disability, poverty, lack of resources or physical displacement must be considered in the disaster response provided by the government.³⁷

1.40 Regarding Recovery Planning (RC):

- a. Establishes the restoration of livelihoods as a purpose of post disaster recovery;³⁸

²⁴ [RI-1A-1](#)

²⁵ [RI-1A-3](#)

²⁶ [RI-1A-4](#)

²⁷ [RI-1B-3](#), [RI-1B-4](#) and [RI-1C-1](#)

²⁸ [RI-1B-18](#)

²⁹ [RI-3-1](#)

³⁰ [RR-1B-1](#) and [RR-1B-2](#)

³¹ [RR-1A-3](#)

³² [RR-1C-1](#)

³³ [DP-1B-1](#)

³⁴ [DP-1B-2](#)

³⁵ [DP-1C-2](#)

³⁶ [DP-1C-5](#)

³⁷ [DP-2-16](#)

³⁸ [RC-1A-2](#)

- b. Establishes studies on the underlying factors of disasters in order to guide a resilient recovery;³⁹
- c. Mandates the formulation of post disaster recovery plans that explicitly seek to reduce pre-existing vulnerability;⁴⁰
- d. Establishes that post disaster recovery plans must define the length of time in which affected homes must be repaired or rebuilt;⁴¹

1.41 Regarding Financial Protection (FP):

- a. Establishes the formulation of a financial protection structure in the country;⁴²
- b. Establishes that public bodies and local governments must cover their public assets with insurance policies or other equivalent mechanisms;⁴³
- c. Establishes a Disaster Emergency Fund that has the capacity to accumulate resources over time⁴⁴ and which budget allocation is based on the annualized loss expectancy and the recorded information on the losses from disasters in previous years.⁴⁵

1.42 Compliance with the policy commitments of components II and III depended on the approval of one comprehensive DRM 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 1.35 through 1.41. This Act was enacted by the Parliament on December 9th, 2022, and published in the Official Gazette.

1.43 **Beneficiaries.** The program will benefit the population of The Bahamas that is exposed to disasters, which amounts to 344,279 people in the case of hurricane extreme winds. This target value is based on aggregate exposure values for 100-year return-period extreme winds according to The Bahamas Disaster Risk Profile ([IDB, 2020](#)).

C. Key results indicators

1.44 **Expected impact.** The objective of the program is to improve the country's governance for DRM. To estimate impact, improvements in DRM governance conditions will be measured using the iGOPP (¶1.9) for The Bahamas using the 2020 application as the baseline (22%; see ¶1.11). Once the policy reform proposed by the first operation is implemented, the iGOPP score is projected to increase to 38%. Empirical evidence suggests that a DRM governance improvement equivalent to an increase of one point in the iGOPP reduces, on average, 3% the human fatalities caused by disasters⁴⁶ and human economic

³⁹ [RC-1A-4](#)

⁴⁰ [RC-1A-5](#)

⁴¹ [RC-1A-8](#)

⁴² [FP-1A-3](#)

⁴³ [FP-1B-3](#) and [FP-1C-1](#)

⁴⁴ [FP-2-9](#)

⁴⁵ [FP-2-10](#)

⁴⁶ 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

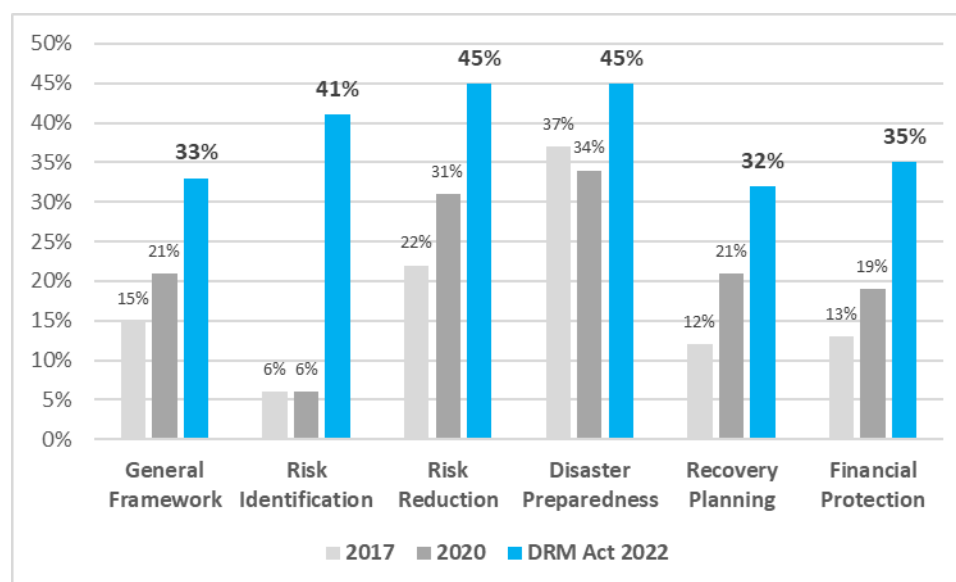
losses by 4%.⁴⁷ Another impact of the operation is to enhance disaster and climate change resilience. Considering that this is a national program, the 344,279 persons exposed to disasters will benefit from this intervention. The expected impacts, outcomes and outputs are detailed in the Results Matrix.

- 1.45 The policy reform supported by the program will establish a substantially improved regulatory, institutional, and budgetary framework consistent with international best practices. This new framework will ensure that the results of the program are sustainable. The program is designed to have a direct impact on certain indicators that measure the existence of effective governance conditions to implement public policy for DRM, reflected in the iGOPP subindexes for the DRM governance general framework, risk identification, risk reduction, disaster preparedness, recovery planning, and financial protection. Table 2 identifies the subindexes on which the program is expected to have an influence in order to raise the values identified in the 2020 baseline.

Table 2. iGOPP Subindexes

iGOPP Subindex	Baseline 2020	Target
General Framework (GF)	21%	33%
Risk Identification (RI)	6%	41%
Risk Reduction (RR)	31%	45%
Disaster Preparedness (DP)	34%	45%
Recovery Planning (RC)	21%	32%
Financial Protection (FP)	19%	35%

Table 3. The Bahamas - iGOPP Score by Component*



*Source: <https://riskmonitor.iadb.org>; as well as IADB projections

⁴⁷ Guerrero R., Zegarra, E. and Lacambra S. *Estimating the Economic Impact of Governance in Disaster Risk Management: Theory and Evidence from Latin America and the Caribbean*. IDB forthcoming

- 1.46 The results matrix describes the impact and results indicators, the baseline, and the program's targets. Details on the construction and implementation of the iGOPP, its methodology, and its components can be found in the Monitoring and Evaluation Plan ([MEP](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The program is set up as a series of two consecutive single-tranche operations, technically related to one another but independently financed as programmatic policy-based loans. It is structured in accordance with document CS-3633-2, "Policy-based Loans: Guidelines for Preparation and Implementation. Update" 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, corresponds to 9.1% of the country's financing needs for FY2022/23 (US\$1,761 million). This PBL will be fully funded by the Bank's Ordinary Capital.

B. Environmental and social safeguard risks

- 2.2 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.

C. Other risks and key issues

- 2.3 This operation posits no risks as the Disaster Risk Management Act was enacted by The Bahamian Parliament on December 9, 2022, and the Independent Assessment of Macroeconomic Conditions (IAMC) was approved on February 15, 2023. These two documents support the compliance of all the policy commitments of this policy-based loan.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The borrower is The Commonwealth of The Bahamas. 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](#). 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.

- 3.2 **Special Contractual Clauses prior to the first and only disbursement.** The single disbursement of the Bank's loan proceeds will be contingent on the borrower's fulfillment of the policy reform commitments established in the Policy Matrix and the [Policy Letter](#), in addition to the conditions established in the loan contract.
- 3.3 A technical cooperation totaling US\$250,000 has been approved ([ATN/JF-19520-BH](#)), to be funded with resources from the Japan Enhanced Initiative for Quality Infrastructure, Resilience against Disaster and Health (JEI), to support the design and implementation of the second PBL, as well as the evaluation of the PBL series, including an update of the iGOPP. The technical consultancies required to support the implementation of the policy commitments related to the second PBL might include the design of a national DRM information system (¶1.37.b), the formulation of a Comprehensive Financial Strategy on DRM (1.35.b), and the development of National Humanitarian Assistance Standards (1.32), among others. Synergies will also be explored with the technical cooperation [ATN/OC-19552-BH](#), [ATN/OC-19553-BH](#).

B. Summary of arrangements for monitoring results

- 3.4 The programmatic commitments set out in the Policy Matrix, the [Means of Verification Matrix](#), and the Results Matrix establish the parameters for program supervision and results evaluation. The MOF bears responsibility for these activities. It has coordinated bilaterally with the other participating government institutions.
- 3.5 A reflexive methodology will be used to evaluate the outcomes and impacts of the program. It will measure the different indicators before and after the program. Outcome and impact indicators correspond to the iGOPP composite subindices and overall score, which were calculated following the methodology developed by the Bank. A 2020 baseline, as well as the targets for the end of the operation, as well as the programmatic PBL series, is available for all indicators. As discussed above, the number of beneficiaries of enhanced disaster and climate change resilience is included as an additional impact indicator (¶1.26). Funds from technical-cooperation operation ATN/JF-19520-BH (¶3.3) will be used for the impact evaluation, which will cover the two operations of the programmatic series and will be conducted, pursuant to current procedures, within six months of the closing of the second operation. The budget and timetable of activities for the evaluation are described in the impact [monitoring and evaluation plan](#).

IV. POLICY LETTER

- 4.1 The Bank has agreed with the Bahamian government on the macroeconomic and sector policies included in the [Policy Letter](#) from the MOF, which describes the main components of the country's strategy for the program and reaffirms its commitment to implement the activities agreed upon in the Policy Matrix.

Development Effectiveness Matrix		
Summary		BH-L1056
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Gender Equality and Diversity -Climate Change	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries of enhanced disaster and climate change resilience (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2920-1	Climate resilience and disaster risk management; Gender
Country Program Results Matrix	-	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.4
3.1 Program Diagnosis		2.3
3.2 Proposed Interventions or Solutions		3.2
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		N/A
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Low
Environmental & social risk classification		N.A.
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	¶3.3

This operation is the first loan in a programmatic series of two consecutive single-tranche operations, technically related to one another but independently financed as programmatic policy-based loans. The objective of the program is to improve the country's governance for Disaster Risk Management (DRM). The specific objectives are to support governance improvements relating to general framework (GF), risk identification (RI), risk reduction (RR), disaster preparedness (DP), recovery planning (RC); and financial protection (FP).

A proper diagnosis of the overall risks and probable losses associated with natural disasters facing the country and the ability of the Bahamian government to manage these risks is presented. Similar to previous loans in the sector, proposed interventions stem from deficiencies detected through the application of the different indices used in the diagnosis, and the expected results translate into an improvement in these indices. Therefore, the vertical logic of the program is ensured by construction. However, the proposed impact indicator is a direct result of the implementation of the policies and actions of the PBP (IGOPP), and not an indicator related to the medium and long term changes expected, to which the program contributes.

The Monitoring and Evaluation Plan meets the requirements of the DEM.

POLICY MATRIX

Project Objective: The objective of the program is to improve the country's governance for Disaster Risk Management (DRM). The specific objectives are to support governance improvements relating to general framework (GF), risk identification (RI), risk reduction (RR), disaster preparedness (DP), recovery planning (RC); and financial protection (FP).

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
Component 1: Macroeconomic stability			
1.1 Ensure the existence of a stable macroeconomic environment conducive to the achievement of and consistent with the Program's objectives.	1.1 Maintain a stable macroeconomic environment conducive to the achievement of and consistent with the Program's objectives.	Fulfilled.	1.1. Maintain a stable macroeconomic environment conducive to and consistent with the achievement of the Program's objectives.
Component 2: General Framework of Governance for DRM			
2.1 Strengthen the general framework of governance for DRM	2.1 Approval of legislation establishing, among others, the following: <ul style="list-style-type: none"> ▪ A responsibility framework on disaster risk management for all Government levels; ▪ Instruments for the implementation of the Disaster Risk Management Policy; ▪ That the coordination and articulation of disaster risk management policy instruments must be carried out by an entity that has technical, administrative and financial autonomy; ▪ The articulation with other sustainable development-related policies such as climate change adaptation, water 	Fulfilled. (IV Trimester 2022)	2.1 Assessment of the institutional capacities of key actors to comply with the mandates established by the new legislation, including a prioritization of actions to strengthen said capacities. 2.2 Dissemination of the new DRM Act among main stakeholders (ministries, departments, agencies, local governments) and general public. 2.3 Updating the Bahamas Climate and Disaster Budget Tagging Methodology to include tags that allow differentiating between the resources budgeted for ex ante and ex post disaster risk management activities.

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
	<p>resources management and land use planning;</p> <ul style="list-style-type: none"> ▪ A mechanism for civil society participation applicable to disaster risk management; ▪ A disaster prevention fund that finances ex ante DRM actions; 		<p>2.4 Definition of a baseline of disaster risk for the benchmarking of the National DRM Plan.</p> <p>2.5 Formulation of a Comprehensive Financial Management Strategy for DRM based on the benchmarking defined for disaster risk reduction.</p> <p>2.6 The National Development Plan - Vision 2040 includes objectives, goals or indicators in DRM.</p> <p>2.7 the disaster prevention fund has received resources to finance ex ante DRM activities.</p> <p>2.8 The Non-Governmental Consultation Council has been convened at least once per year since its establishment.</p>
Component 3: Strengthening the Legal, Institutional and Budgetary frameworks for the implementation of DRM processes			
3.1 Strengthen the governance conditions for risk identification	<p>3.1 Approval of legislation which, among others:</p> <ul style="list-style-type: none"> ▪ Designates a national actor responsible for providing technical assistance and guidelines to public bodies and local governments for disaster risk analysis; ▪ Orders the creation and maintenance of a National Disaster Risk Management Information System; 	Fulfilled. (IV Trimester 2022)	<p>3.1 Design of the National DRM Information System, including the system's structure, administration procedures, data exchange procedures between the system and data generators and public access protocols.</p> <p>3.2 Publication of general guidelines with national standards (minimum requirements) for disaster risk analysis.</p> <p>3.3 Training of public officers on a methodology to assess disaster risk for infrastructure projects and to compare</p>

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
	<ul style="list-style-type: none"> ▪ Establishes the creation, systematization or updating of databases on the effects of disasters; ▪ Establishes that each public body is responsible for carrying out disaster risk analysis within the scope of their functions and jurisdictions; ▪ Establishes that each Family Island administrator is responsible for carrying out disaster risk analysis within the scope of their functions and jurisdictions; ▪ Formally defines “critical infrastructure”; ▪ Makes the availability of information for risk analysis mandatory and defining mechanisms for its exchange; ▪ Establishes the responsibility to inform citizens about disaster risk. 		solutions to ensure that public-funded infrastructures are resilient to natural hazards.
3.2 Strengthen the governance conditions for risk reduction	3.2 Approval of legislation which, among others: <ul style="list-style-type: none"> ▪ Establishes that public bodies are responsible for disaster risk reduction within the scope of their functions and jurisdictions; ▪ Requires public bodies to reduce the vulnerability of 	Fulfilled. (IV Trimester 2022)	3.4 Publication of an update of The Bahamas Building Code.

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
	<p>critical infrastructure under their responsibility;</p> <ul style="list-style-type: none"> ▪ Establishes that Family Island administrators are responsible for disaster risk reduction within the scope of their functions and jurisdictions; ▪ Makes mandatory to implement disaster risk reduction measures during the construction phase of infrastructure projects; 		
3.3 Strengthen the governance conditions for disaster preparedness	<p>3.3 Approval of legislation which, among others:</p> <ul style="list-style-type: none"> ▪ Establishes an inter-ministerial committee at the national level for disaster preparedness and response; ▪ Establishes an instance for crisis management at the highest political level; ▪ Establishes the formulation of official protocols for disaster management; ▪ Allows for the activation of a temporary regime of exceptional measures in case of disasters; ▪ Establishes the formulation of a National Disaster Emergency Plan; ▪ Establishes that humanitarian assistance provided by the government must be based on a needs assessment; 	Fulfilled. (IV Trimester 2022)	<p>3.5 Publication of National Disaster Coordination Protocols.</p> <p>3.6 Update of the National Disaster Emergency Plan.</p> <p>3.7 Publication of guidelines for humanitarian needs assessments.</p> <p>3.8 Training of public officers on the Damage and Needs Assessment (DANA) Methodology to ensure a consistent way to assess of humanitarian needs.</p> <p>3.9 Publication of National Humanitarian Assistance Standards which consider the special needs of persons who are vulnerable on account of their age, gender, disability, poverty, lack of resources or physical displacement.</p> <p>3.10 Implementation of drills and/or simulations for relevant hazards.</p>

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
	<ul style="list-style-type: none"> ▪ Mandates the implementation of simulations and drills to test emergency protocols; ▪ Establishes criteria for the request, reception and coordination of international assistance in disasters; ▪ Establishes the formulation of emergency plans by public bodies; ▪ Provides for the creation and operation of early warning systems; ▪ Provides for coordination instances at the local government level; ▪ Establishes the principle of subsidiary assistance between different governmental levels; ▪ Establishes the formulation of emergency plans by local governments; ▪ Authorizes local governments to use their resources outside their jurisdiction in disaster situations; ▪ Establishes that the needs of persons who are vulnerable on account of their age, gender, disability, poverty, lack of resources or physical displacement must be considered in the disaster response provided by the government. 		<p>3.12 Allocation of financial resources to public bodies that can be tracked through the DRM budget tagger to implement disaster preparedness activities.</p> <p>3.13 Update of the Family Island Disaster Emergency Plans.</p>

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
3.4 Strengthen the governance conditions for recovery planning	<p>3.4 Approval of legislation which, among others:</p> <ul style="list-style-type: none"> ▪ Establishes the government's responsibility for rehabilitation and recovery; ▪ Establishes the restoration of livelihoods as a purpose of post disaster recovery; ▪ Defines institutional arrangements for the coordination of post disaster recovery; ▪ Establishes studies on the underlying factors of disasters in order to guide a resilient recovery; ▪ Mandates the formulation of post disaster recovery plans that explicitly seek to reduce pre-existing vulnerability; ▪ Mandates the formulation of ex ante recovery plans; ▪ Establishes that post disaster recovery plans must define the length of time in which affected homes must be repaired or rebuilt and livelihoods restored. 	Fulfilled. (IV Trimester 2022)	<p>3.14 Publication guidelines on how to assess the underlying factors of disasters to guide a resilient recovery.</p> <p>3.15 Training of public officers on the Damage and Loss Assessment Methodology (DALA) to ensure a consistent way of assessing the impact of disasters.</p>
3.5 Strengthen the governance conditions for financial protection	<p>3.5 Approval of legislation which, among others:</p> <ul style="list-style-type: none"> ▪ Establishes a disaster emergency fund that finances ex post DRM actions; 	Fulfilled. (IV Trimester 2022)	3.16 The disaster emergency fund has received resources to finance ex post DRM activities.

Components Policy Objectives	Policy Conditions Programmatic I	State of Compliance with Policy Conditions Programmatic I	Triggers Programmatic II
	<ul style="list-style-type: none"> ▪ Establishes the formulation of a financial protection structure in the country; ▪ Establishes the fiscal responsibility of the government regarding disaster risk; ▪ Assigns responsibilities to the Ministry of Finance in terms of financial protection against disaster risks; ▪ Establishes that public bodies must cover their public assets with insurance policies or other equivalent mechanisms; ▪ Establishes that local governments must cover their public assets with insurance policies or other equivalent mechanisms; ▪ Establishes that the national fund for financing disaster response has the capacity to accumulate resources over time; ▪ Establishes that the allocation of resources to the national fund that finances disaster response is based on the annualized loss expectancy and the recorded information on the losses from disasters in previous years. 		

RESULTS MATRIX

Project Objective:	The objective of the program is to improve the country's governance for Disaster Risk Management (DRM). The specific objectives are to support governance improvements relating to general framework (GF), risk identification (RI), risk reduction (RR), disaster preparedness (DP), recovery planning (RC); and financial protection (FP).
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General Development Objective

Indicators	Unit of measurement	Baseline value	Baseline year	Expected year for achievement	Target	Means of verification	Comments
General development objective: To improve The Bahamas' governance for DRM							
1.Index of Governance and Public Policy in Disaster Risk Management	%	22	2020	2023	38	Update on the iGOPP Score for The Bahamas resulting from the policy reform	The iGOPP is a composite index made up of six subindices pertaining to each DRM reform component: General Framework of Governance for DRM (GF), Risk Identification and Knowledge (RI), Risk Reduction (RR), Disaster Preparedness (DP), Post-Disaster Recovery Planning (RC), and Financial Protection (FP). All DRM components have equal weight. iGOPP ranges from 0% (no DRM governance conditions) to 100% (outstanding DRM governance conditions).
2.Beneficiaries of enhanced disaster and climate change resilience	#	0	2020	2023	344,279	IDB Disaster Risk Profile for The Bahamas	Since this is a national program, the country's entire population exposed to disasters will benefit from this intervention. Target values are based on aggregate exposure values for 100-year return-period hurricane winds.

Specific Development Objectives

Indicators	Unit of measurement	Baseline value	Baseline year	Expected year for achievement	Target	Means of verification	Comments
Specific development objective 1: To support governance improvements relating to DRM General Framework of Governance							
3.General Framework of Governance for DRM Subindex	%	21	2020	2023	33	Update on the iGOPP Score for The Bahamas resulting from the policy reform	This is the first subindex of iGOPP.
Specific development objective 2: To support governance improvements relating to risk identification							
4.Risk Identification and Knowledge Subindex	%	6	2020	2023	41	Update on the iGOPP Score for The Bahamas resulting from the policy reform	This is the second subindex of iGOPP.
Specific development objective 3: To support governance improvements relating to risk reduction							
5.Risk Reduction Subindex	%	31	2020	2023	45	Update on the iGOPP Score for The Bahamas resulting from the policy reform	This is the third subindex of iGOPP.
Specific development objective 4: To support governance improvements relating to disaster preparedness							
6.Disaster Preparedness Subindex	%	34	2020	2023	45	Update on the iGOPP Score for The Bahamas resulting from the policy reform	This is the fourth subindex of iGOPP.
Specific development objective 5: To support governance improvements relating to recovery planning							
7.Recovery Planning Subindex	%	21	2020	2023	32	Update on the iGOPP Score for The Bahamas resulting from the policy reform	This is the fifth subindex of iGOPP.
Specific development objective 6: To support governance improvements relating to financial protection							
8.Financial Protection Subindex	%	19	2020	2023	35	Update on the iGOPP Score for The Bahamas resulting from the policy reform	This is the sixth subindex of iGOPP.

Outputs

Indicators	Unit	Baseline		End of Project	Means of verification	Comment
		Value	Year			
Component 2: General framework of governance for DRM						
2.1.1. Act to establish a DRM responsibility framework for all government levels, approved	#	0	2022	1	Bill for an Act to provide a more effective and comprehensive DRM policy and framework, enacted by the Parliament.	
2.1.2. Act to establish instruments for the implementation of the DRM policy, approved	#	0	2022	1		
2.1.3. Act to establish that the coordination and articulation of disaster risk management policy instruments must be carried out by an entity that has technical, administrative and financial autonomy, approved	#	1	2022	1		
2.1.4. Act to establish DRM policy articulation with other sustainable development-related policy such as climate change adaptation, water resources management and land use planning, approved	#	0	2022	1		
2.1.5. Act to establish a mechanism for civil society participation applicable to DRM, approved	#	0	2022	1		
2.1.6. Act to establish a disaster prevention fund that finances ex ante DRM actions, approved	#	0	2022	1		
Component 3: Strengthening the legal, institutional, and budgetary frameworks for the implementation of the DRM processes.						
3.1 Risk identification products						
3.1.1. Act to establish a national actor responsible for providing technical assistance and guidelines to public bodies and local governments for disaster risk analysis, approved	#	0	2022	1	Bill for an Act to provide a more effective and comprehensive DRM policy and framework, enacted by the Parliament.	
3.1.2. Act to establish the creation and maintenance of a National Disaster Risk Management Information System, approved	#	0	2022	1		
3.1.3. Act to establish the creation, systematization or updating of databases on the effects of disasters, approved	#	0	2022	1		
3.1.4. Act to establish that each public body is responsible for carrying out disaster risk analysis within the scope of functions and jurisdictions, approved	#	0	2022	1		
3.1.5. Act to establish that each Family Island administrator is responsible for carrying out disaster risk analysis within the scope of functions and jurisdictions, approved	#	0	2022	1		

Indicators	Unit	Baseline		End of Project	Means of verification	Comment
		Value	Year			
3.1.6. Act to establish a formal definition of “critical infrastructure”, approved	#	0	2022	1		
3.1.7. Act to make the availability of information for risk analysis mandatory and establish mechanisms for its exchange, approved	#	0	2022	1		
3.1.8. Act to establish the responsibility to inform citizens about disaster risk, approved	#	1	2022	1		
3.2 Risk reduction products						
3.2.1. Act to establish that public bodies are responsible for disaster risk reduction within the scope of their functions and jurisdictions, approved	#	0	2022	1	Bill for an Act to provide a more effective and comprehensive DRM policy and framework, enacted by the Parliament.	
3.2.2. Act to require public bodies to reduce the vulnerability of critical infrastructure under their responsibility, approved	#	0	2022	1		
3.2.3. Act to establish that Family Island administrators are responsible for disaster risk reduction within the scope of their functions and jurisdictions, approved	#	0	2022	1		
3.2.4. Act to make the implementation of disaster risk reduction measures during the construction phase of infrastructure projects mandatory, approved	#	0	2022	1		
3.3. Disaster preparedness products						
3.3.1. Act to establish an inter-ministerial committee at the national level for disaster preparedness and response, approved	#	1	2022	1	Bill for an Act to provide a more effective and comprehensive DRM policy and framework, enacted by the Parliament.	
3.3.2. Act to establish an instance for crisis management at the highest political level, approved	#	1	2022	1		
3.3.3. Act to establish the formulation of official protocols for disaster management, approved	#	1	2022	1		
3.3.4. Act to allow for the activation of a temporary regime of exceptional measures in case of disasters, approved	#	1	2022	1		
3.3.5. Act to establish the formulation of a National Disaster Emergency Plan, approved	#	1	2022	1		
3.3.6. Act to establish that humanitarian assistance provided by the government must be based on a needs assessment, approved	#	1	2022	1		
3.3.7. Act to establish that the implementation of simulations and drills to test emergency protocols be mandatory, approved	#	1	2022	1		
3.3.8. Act to establish criteria for the request, reception, and coordination of international assistance in disasters, approved	#	1	2022	1		
3.3.9. Act to establish the formulation of emergency plans by public bodies, approved	#	0	2022	1		

Indicators	Unit	Baseline		End of Project	Means of verification	Comment
		Value	Year			
3.3.10. Act to establish the creation and operation of early warning systems, approved	#	0	2022	1		
3.3.11. Act to establish coordination instances at the local government level, approved	#	1	2022	1		
3.3.12. Act to establish the principle of subsidiary assistance between different governmental levels, approved	#	0	2022	1		
3.3.13. Act to establish the formulation of emergency plans by local governments, approved	#	1	2022	1		
3.3.14. Act to authorize local governments to use their resources outside their jurisdiction in disaster situations, approved	#	0	2022	1		
3.3.15. Act to establish that the needs of persons who are vulnerable on account of their age, gender, disability, poverty, lack of resources or physical displacement must be considered in the disaster response provided by the government, approved	#	0	2022	1		Output contributes to the CRF indicator “Countries with strengthened gender equality and diversity policy framework”
3.4 Recovery planning products						
3.4.1. Act to establish the government’s responsibility for rehabilitation and recovery, approved	#	1	2022	1	Bill for an Act to provide a more effective and comprehensive DRM policy and framework, enacted by the Parliament.	
3.4.2. Act to establish the restoration of livelihoods as a purpose of post disaster recovery, approved	#	0	2022	1		
3.4.3. Act that defines the institutional arrangements for the coordination of post disaster recovery, approved	#	1	2022	1		
3.4.4. Act to require studies on the underlying factors of disasters to guide a resilient recovery, approved	#	0	2022	1		
3.4.5. Act to establish that the formulation of post disaster recovery plans that explicitly seek to reduce pre-existing vulnerability be mandatory, approved	#	0	2022	1		
3.4.6. Act to establish that the formulation of ex ante recovery plans be mandatory, approved	#	1	2022	1		

Indicators	Unit	Baseline		End of Project	Means of verification	Comment
		Value	Year			
3.4.7. Act to establish that post disaster recovery plans must define the length of time in which affected homes be repaired or rebuilt and livelihoods restored, approved	#	0	2022	1		
3.5 Financial protection products						
3.5.1. Act to establish a Disaster Emergency Fund that finances ex post DRM actions, approved	#	1	2022	1	Bill for an Act to provide a more effective and comprehensive DRM policy and framework, enacted by the Parliament.	
3.5.2. Act to establish the formulation of a financial protection structure in the country, approved	#	0	2022	1		
3.5.3. Act to establish the fiscal responsibility of the government regarding disaster risk, approved	#	1	2022	1		
3.5.4. Act that assigns responsibilities to the Ministry of Finance in terms of financial protection against disaster risks, approved	#	1	2022	1		
3.5.5. Act to establish that public bodies must cover their public assets with insurance policies or other equivalent mechanisms, approved	#	0	2022	1		
3.5.6. Act to establish that local governments must cover their public assets with insurance policies or other equivalent mechanisms, approved	#	0	2022	1		
3.5.7. Act to establish that the national fund for financing disaster response has the capacity to accumulate resources over time, approved	#	0	2022	1		
3.5.8. Act to establish that the allocation of resources to the national fund that finances disaster response be based on the annualized loss expectancy and the recorded information on the losses from disasters in previous years, approved	#	0	2022	1		

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/23

Bahamas. Loan ____/OC-BH to The Commonwealth of The Bahamas
Strengthening Disaster Risk Management Governance
in The Bahamas

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with The Commonwealth of The Bahamas, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the program "Strengthening Disaster Risk Management Governance in The Bahamas". Such financing will be for the amount of up to US\$160,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2023)