

DOCUMENTO DEL BANCO INTERAMERICANO DE DESARROLLO

THE BAHAMAS

**CREDIT ENHANCEMENT PROGRAM FOR MICRO, SMALL AND MEDIUM
ENTERPRISES**

(BH-L1046)

PERFIL DE PROYECTO

Este documento fue preparado por el equipo compuesto por: Fernando de Olloqui, IFD/CMF, Team Leader; Navita Anganu, CMF/CJA, Alternate Team Leader; Isabelle Braly-Cartillier, Sebastian Vargas, and Alison Arauz, IFD/CMF; Louis-Francois Chretien, LEG/SGO; Inga Carey, CCB/CBH; Nalda Morales Vasquez and Errolisa McPhee, FMP/CBH.

De conformidad con la Política de Acceso a Información, el presente documento está sujeto a divulgación pública.

PROJECT PROFILE

BAHAMAS

I. BASIC DATA

Project Name:	Credit Enhancement Program for Micro, Small and Medium Enterprises		
Project Number:	BH-L1046		
Project Team:	Fernando de Olloqui, IFD/CMF, Team Leader; Navita Anganu, CMF/CJA, Alternate Team Leader; Isabelle Braly-Cartillier, Sebastian Vargas, and Alison Arauz, IFD/CMF; Louis-Francois Chretien, LEG/SGO; Inga Carey, CCB/CBH; Nalda Morales Vasquez and Errolisa McPhee, FMP/CBH.		
Borrower:	The Commonwealth of the Bahamas		
Executing Agency:	Small Business Development Centre		
Financial Plan:	IDB (OC) (Global Credit Loan):	US\$	25,000,000
	Total:	US\$	25,000,000
Safeguards:	Policies triggered:	OP-102, OP-703 (B1, B2, B3, B7, B13, B17)	
	Classification:	B.13, FI-3	

II. GENERAL JUSTIFICATION AND OBJECTIVES

A. Background and Justification

- 2.1 **Macroeconomic and private sector context.** After a recessionary period that ended in 2015, growth has gradually picked up and is estimated at 2.5% for 2018, with projections of 1.5% over the medium term¹. Public debt has steadily increased to levels of 57%, although the government has recently implemented measures to decrease the fiscal deficit.
- 2.2 In order to improve productivity and reverse a decline in external competitiveness², the government needs to address structural impediments, particularly an enabling environment for private sector investment. The Bahamas continues to lag most Caribbean peers in terms of distance to the frontier in the World Bank's Ease of Doing Business Index, particularly due to onerous administrative processes, high costs of trading across borders, and low access to credit³.

¹ IMF 2018 Art IV Consultation.

² IMF 2016 Art IV Consultation notes that the total factor productivity (TFP) within The Bahamas shows a declining trend, with negative TFP growth of about -1% of GDP on average since 2000. Also, the large contribution of capital to GDP has been declining. On competitiveness, using the Ease of Doing Business Report (World Bank) as a proxy, The Bahamas continues to lag most Caribbean peers.

³ Ease of Doing Business, World Bank 2019, and IMF, op cit.

- 2.3 Across the Caribbean region, micro and small and medium sized enterprises (MSME)⁴ are estimated to account for 70% to 85% of firms, contribute to 60% to 70% of GDP and about 50% of employment⁵. In The Bahamas, there are close to 17,000 business licenses and it is estimated that MSME conform 98% of them and hire 47% of all employees⁶. This reflects a strong dichotomy between a very small number of large companies in tourism related activities and financial services that make a very significant contribution to economic activity and a large number of smaller firms. According to one study⁷, most firms tend to have less than 10 employees and engage in wholesale and retail trade and services, such as transport and storage, construction, personal and business services, communication, education and health. Also, the vast majority of agricultural and fishery producers are small. On the other hand, among small and Medium Sized Enterprises (SME), The Bahamas has the second-highest proportion of medium-sized firms in the Caribbean, with a relatively high proportion of firms having an export-oriented focus⁸. However, firm-level productivity in The Bahamas is on average 17% lower than the average Caribbean firm⁹.
- 2.4 **The financial sector and access to finance.** The banking sector dominates the domestic financial system, as local insurance and capital markets are not well developed. Six commercial banks¹⁰, four of which are subsidiaries of foreign banks, lead the sector. Their total assets are estimated at US\$12.2 billion¹¹. The institutions are liquid and well capitalized, with an average capital adequacy ratio of 33.3%¹². Notwithstanding the high liquidity and capitalization, credit to private sector has been falling, particularly commercial loans, with a decline of 5.6% over the last year¹³, after annual decreases of 2.2% on average between 2014-2017¹⁴.
- 2.5 One of the main constraints to private sector growth is access to finance¹⁵. The Bahamas ranks 144th out of 190 countries and 22nd among IDB borrowing countries on an “Ease of Getting Credit” indicator¹⁶, which is based on the absence of an established credit bureau and weak legal rights. According to another study, less than one-fourth of companies undertaking investment projects in The Bahamas have been funded by private banks, and access to credit is

⁴ While there are various definitions of MSME utilized in the data presented, for this program the following will be considered: micro as up to US\$250,000 in sales and 5 employees, small as up to US\$1 million in sales and 20 employees, and medium up to US\$5 million in sales and 50 employees.

⁵ [Micro, Small & Medium Enterprise Development in the Caribbean: Towards A New Frontier](#). Caribbean Development Bank (CDB), 2016.

⁶ Small Business Development Centre (SBDC).

⁷ The Bahamas: A road map for improving the business climate for SMEs. P. Schneuwly, 2007.

⁸ According to the 2014 PROTEqIN Enterprise Survey, 44 percent of Bahamian firms are medium-sized, 36.2 percent are small (5-19 employees), and 19.73 percent are large.

⁹ I. Ruprah and R. Sierra, 2016, An Engine of Growth? The Caribbean Private Sector Needs More than an Oil Change, Inter-American Development Bank.

¹⁰ Fidelity, FirstCaribbean, Royal Bank of Canada, Scotiabank, Commonwealth and Bank of the Bahamas.

¹¹ IMF, op cit.

¹² As of 2017. IMF, op cit.

¹³ Central Bank of the Bahamas Monthly Economic and Financial Developments, September 2018. The figure compares September 2018 versus the same month of the previous year.

¹⁴ IMF, op cit.

¹⁵ PROTEqIN (2014) indicates that access to credit was the second most important concern for SMEs in Bahamas.

¹⁶ World Bank, 2018. Access to credit indicators have consistently worsened from 2010 and it is the worst performing indicator among all Doing Business topics.

particularly harder for SME, which report rejection rates as high as 85% (higher than Barbados at 35%, Jamaica at 55%, and Suriname at 27%)¹⁷. Consequently, internal funds or retained earnings becomes the main source of funding for companies. A survey¹⁸ indicates that 50% of respondents require financing to expand their operations.

- 2.6 The commercial banking sector typically does not prioritize MSME, preferring mortgages and consumer loans. Observing the sectoral distribution of credit in the banking system, 77% is categorized under personal loans, albeit some of these may include those destined for small business purposes¹⁹. The financial sector's restraint from lending to MSME stems from two main problems: (i) the lack of collateral; and (ii) lack of information and financial statements from the firms²⁰, which substantiate banks' appetite for other instruments with lower capital allocation. The trend for lower risk had been reinforced recently by the legacy of the prolonged recession and the non-performing loans it produced²¹.
- 2.7 However, the flow of bank credit is expected to gradually improve with economic activity²², and should be supported by an improved enabling environment. In this sense, credit bureau legislation was passed in early 2018, although it will take time to fully implement, and there is new government policy to promote MSME in its procurement. Moreover, among other government actions for guiding small business development²³, the government has promoted and invested in the Small Business Development Centre (SBDC)²⁴, that has the mandate to support the development of MSME and maximize their economic impact by equipping and empowering them to provide employment, create wealth and drive development of a resilient economy. Its current priorities include improving the enabling environment of these firms, increasing their access to finance, and fostering a culture of entrepreneurship and innovation²⁵.
- 2.8 The problem that this program will address is the lack of adequate financing for MSME investments to stimulate their growth. More specifically, the program will focus on addressing problems related to the limited collateral capacity of firms, which has been identified as one of the main reasons preventing them from accessing financing, as well as the lack of information and business skills of these firms. While existing literature on the impact of credit access on MSME productivity is still limited, the problems of access to credit, empirical evidence and the basis of correlations between credit and growth have been widely analyzed and some studies have broadly demonstrated the relationship between

¹⁷ IDB Group Country Strategy with The Commonwealth of The Bahamas (2018-2022), based on the 2014 PROTEqIN Survey.

¹⁸ Bahamas Small and Medium Sized Enterprises Needs Assessment Survey, IDB, 2013.

¹⁹ Central Bank of The Bahamas, Quarterly Statistical Digest, November 2018.

²⁰ These were the reasons cited by banks through interviews. This is also substantiated in World Bank's Enterprise Survey that states that the value of collateral needed is 231% of the total loan amount.

²¹ NPL reached a peak of 16% in 2014 and have since decreased to around 9%.

²² IMF, op cit.

²³ In the presentation of the 2018/2019 Budget, the government delineates seven key policy pillars. See [The Government of the Bahamas. 2018/19 Budget Communication](#)

²⁴ A non-profit company incorporated on May 1, 2018 and launched in September of that year. Its Members are the Bahamas Chamber of Commerce, the Ministry of Finance and the University of the Bahamas. The government currently owns 100% of the capital, although it seeks financial independence in the medium term, and appoints the majority of the Board of Directors (independent from public office).

²⁵ SBDC.

a higher level of credit to the private sector (including MSME) and an increase in productivity²⁶.

B. Intervention Proposed and Program Objectives

- 2.9 The general objective of the program is to improve economic activity in The Bahamas. The specific objective is to enhance access to finance of MSME by providing a credit enhancement facility and improving their business skills. There would be two components. In the first and largest component, resources from the program will be used to finance a Credit Enhancement Facility (CEF) administered by the SBDC, in order to facilitate access to finance for MSME. This instrument will be the primary source of financial support for Bahamian MSME promoted by the government. In the second component, the SBDC's program for advisory and technical assistance to MSME will be supported, as well as the institutional strengthening of the SBDC itself.
- 2.10 **Component 1 Credit Enhancement Facility (US\$22,000,000).** The CEF is scheduled to begin operations during first semester 2019 with support from the government budget. It will provide partial loan guarantees to eligible Financial Institutions (FI)²⁷ for loans granted to MSME which are unable to meet collateral requirements and who are mentored and vetted by the SBDC. The CEF acts as an incentive to FI to increase their MSME loan portfolio (downscaling) by providing additional security coverage on loans they issue for firms' investment projects. Banks have initially confirmed their interest in participating based on the operating mechanism contemplated, which among other issues assures automatic drawdown from the CEF after a certain period of non-payment, and the improved information and skills of the MSME given SBDC support. Eligibility conditions for FI and end-beneficiaries of the loans will be established in the Operating Regulations (OR). The target beneficiaries are credit constrained MSME with viable projects that have received advisory support from SBDC. The program will apply the standard procedures established by the IDB for monitoring and evaluation of investment operations.
- 2.11 **Component 2 Support to MSME in business advisory services and institutional strengthening of SBDC (US\$3,000,000).** The SBDC's technical assistance instruments include business advisory services, training, mentorship, incubation, and advocacy of the sector. It has 1,868 firms already registered. The program will support the expansion of these instruments. Also, institutional strengthening, particularly in systems, will be supported through loan resources as SBDC is in its early stages of development. In this regard, an institutional assessment of the SBDC will be carried out as part of the program preparation. In addition, technical assistance financed with grant resources is expected to complement this operation with a view to assisting SBDC with the design of its programmatic structure, general and operative manuals, policies, internal controls

²⁶ A revision of this as well as a general description of financing programs for productive development can be found in the Support to SMEs and Financial Access/Supervision Sector Framework Document (IDB, GN-2768-2).

²⁷ FI include commercial banks, which provide the initial credit evaluation and loan supervision before on-lending to clients with viable projects in the private sector.

and fiduciary systems; data management that would permit proper monitoring and evaluation will be emphasized.

- 2.12 **Strategic alignment of the operation.** The project is aligned with the IDB Group Country Strategy with Bahamas (2018-2022) (GN-2920-1) by addressing information asymmetries, high transaction costs, and access to capital, as the operation will contribute to improving access to finance of MSME, as well as their capacity building through the SBDC. The operation is also consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and is aligned with Productivity and Innovation. As well, the operation is aligned to the Corporate Results Framework (CRF) 2016-2019 (GN-2727-6), as it specifically contributes to the indicator MSME financed and MSME provided with non-financial support. This operation is included in the 2019 Operational Program Report (OPR) (OPR2019).

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 The proposed program will use US\$25 million from IDB's Ordinary Capital (OC) in the form of a Global Credit Loan to The Commonwealth of The Bahamas, as the principal use of resources is to supply the market with a guarantee facility that will enable FI to lead to end-borrowers. The executing agency will be the SBDC²⁸, which will formalize a legal document with the Ministry of Finance stating the mechanism and conditions for the transfer of the loan resources, including a specific SBDC account for the CEF. The disbursement period is 5 years.
- 3.2 The sustainability of the project will be attained by promoting the financial and technical viability of the CEF over the medium term, through establishing fees and prudential rules in the OR, and SBDC developing a financial model by project completion. It also assumed that the project will modify commercial banks' perceived risks of attending MSME. Lessons learned from two successful programs in the region will be incorporated: 4115/OC-JA, Credit Enhancement Program for SME, and 3389/OC-BA, Enhanced Access to Credit for Productivity Project. Both programs financed similar partial credit guarantee funds to improve access to credit by MSME and have underlined the importance of simplified operational procedures for the FI.

IV. ENVIRONMENTAL SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1. According to Directive B.13 of the Environment and Safeguards Compliance Policy (OP-703), this program does not require classification. Resources from the program will be used for a guarantee fund to back sub-loans granted by the FI to eligible beneficiaries. Due to the sub-projects small size and the profile of the economy of the Bahamas with a strong predominance of services, we expect this

²⁸ The SBDC is part of a network of similar programs in the United States, Latin America and Caribbean, that has been supported by the US government and regional agencies, such as the OAS (<https://www.sbdcglobal.com>). The network has been instrumental in its capacity building and technical advisors have been hired based on relevant credentials in the field. The SBDC has an initial operational budget of US\$1 million from the government, who is committed in supporting its budget up to the first 5 years.

operation to be low risk (FI-3). The application of an extended exclusion list will ensure that only low risk (Category C) projects will be financed with resources from the Program.

- 4.2. Given the recent creation of the proposed executing agency, monitoring and accountability and fiduciary risks in financial and procurement management are present, as well the risk of weak execution that would lead to lack of effectiveness of the business advisory programs under Component 2. There is also program sustainability risk due to policy decisions of the government and/or the SBDC, or overall economic conditions, which could result in lack of operational budget for the SBDC and/or financial deterioration of the guarantee fund. The institutional strengthening activities based on the institutional assessment (¶2.11), will help mitigate these risks.

V. RESOURCES AND TIMETABLE

- 5.1 It is estimated that a budget of US\$72,500 and 1.17 FTE will be required for the preparation of this operation. The distribution of the Proposal for Operation Development (POD) for the Quality and Risk Review (QRR) is scheduled for May 17th, 2019 and the consideration of the Loan Proposal by the Bank's Board of Executive Directors is scheduled for July 31st, 2019.

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¹ La información contenida en este Anexo es de carácter deliberativo, y por lo tanto confidencial, de conformidad con la excepción relativa a “Información Deliberativa” contemplada en el párrafo 4.1 (g) de la “Política de Acceso al Información” del Banco (Documento GN-1831-28).



Safeguard Policy Filter Report

Operation Information

Operation		
BH-L1046 Credit Enhancement Program for Micro, Small and Medium Enterprises (MSMEs)		
Environmental and Social Impact Category	High Risk Rating	
B13		
Country	Executing Agency	
BAHAMAS	BH-SBDC - Small Business Development Center	
Organizational Unit	IDB Sector/Subsector	
Connectivity Markets and Finance Division	SMALL AND MEDIUM ENTERPRISE	
Team Leader	ESG Primary Team Member	
FERNANDO DE OLLOQUI		
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$25,000,000	0.000 %
Assessment Date	Author	
15 Jan 2019	alisona Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)		
QRR (Estimated)	29 Apr 2019	
Board Approval (Estimated)	31 Jul 2019	
Safeguard Performance Rating		
Rationale		



Safeguard Policy Filter Report

Potential Safeguard Policy Items

[No potential issues identified]

Safeguard Policy Items Identified

B.1 Bank Policies (Access to Information Policy– OP-102)

The Bank will make the relevant project documents available to the public.

B.2 Country Laws and Regulations

The operation is expected to be in compliance with laws and regulations of the country regarding specific women's rights, the environment, gender and indigenous peoples (including national obligations established under ratified multilateral environmental agreements).

B.3 Screening and Classification

The operation (including [associated facilities](#)) is screened and classified according to its potential environmental impacts.

B.6 Consultations

Consultations with affected parties will be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation by women and men, (b) socio-culturally appropriate participation of indigenous peoples and (c) mechanisms for equitable participation by vulnerable groups.

B.7 Supervision and Compliance

The Bank is expected to monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.

B.13. Noninvestment Lending and Flexible Lending Instruments

Ex-ante impact classification may not be feasible for this type of operation. This includes: policy-based loans, Financial Intermediaries (FIs) or loans that are based on performance criteria, sector-based approaches, and conditional credit lines for investment operations.

B.17. Procurement

Suitable safeguard provisions for the procurement of goods and services in Bank financed operations may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.

Recommended Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

Additional Comments



Safeguard Policy Filter Report

According to Directive B.13 of the Environment and Safeguards Compliance Policy (OP-703), this program does not require classification.

Environmental and Social Strategy (ESS)	
Operation Name	Credit Enhancement for SMEs
Operation Number	BH-L1046
Prepared by	Isabelle Braly-Cartillier (IFD/CMF)
Operation Details	
IDB Sector	IFD/CMF
Type of Operation	Loan Operation (Financial Intermediation)
Environmental and Social Classification	B.13 (FI-3)
Disaster Risk Rating	NA
Borrower	The Commonwealth of the Bahamas
Executing Agency	Small Business Development Centre
IDB Loan US\$ (and total project cost)	IDB (Ordinary Capital) US\$25,000,000
Applicable Policies/Directives	OP-102, OP-703 (B1, B2, B3, B7, B13, B17)
Operation Description	
<p>The objective of the program is to impact economic activity in The Bahamas by enhancing the access to finance of Micro, Small and Medium Enterprises (MSMEs) and improving their business skills. There would be two components, with the Small Business Development Centre (SBDC) acting as the executing agency. In the first and largest component, resources from the program will be used to finance the Credit Enhancement Facility (CEF), the primary source of capital support for Bahamian MSME promoted by the Government through a guarantee mechanism administered by the SBDC in order to facilitate access to financing for MSME. In the second component, the SBDC's program for advisory and technical assistance to MSME will be supported, as well as institutional strengthening of the SBDC itself.</p> <p>The CEF is scheduled to begin operations this year with support from the government budget. The SBDC is currently working with the banks on terms of reference for their involvement. The CEF will provide partial loan guarantees to eligible financial institutions (FI) for loans given to MSME which are unable to meet collateral requirements and who are mentored and vetted by the SBDC. The CEF also acts as an incentive to FI to increase their MSME loan portfolio by providing additional security coverage on loans issued by the FI to SME for projects geared towards growth and development. Banks have initially confirmed their interest in participating based on the operating mechanism contemplated, which among other issues assures automatic drawdown from the CEF after a certain period of non-payment, and the improved information and skills of the MSME given SBDC support. The SBDC's technical assistance programs include business advisory services, training, mentorship, incubation, and advocacy of the sector. It has 1,868 firms already registered.</p>	
Key Potential ESHS¹ Risks and Impacts	
<p>As advanced before, the program aims at providing access to financing to MSMEs. In the Bahamas, most firms tend to have less than 10 employees and engage in wholesale and retail trade and services, such as transport and storage, construction, personal and business services, communication, education and health. The vast majority of agricultural and fishery producers are also small. Due to the sub-projects small size and the profile of the economy of the Bahamas with a strong</p>	

¹ Environment, Social, Health and Safety.

predominance of services, negative environmental and social impacts from the sub-projects to be financed are not foreseen and sub-projects should all be of category C.
 The objective is to only have Category C projects eligible to the Program.
 It is worth noting that Component 2 aims at reinforcing the executing agency global institutional capacity which will include the management of environmental and social risks.

Information Gaps and Strategy for Analysis and Management

Consistent with the approach to financial intermediation operations, the Bank will conduct the analysis of the proposed program at two levels; one at the corporate level, specifically SBDC's ability to manage and apply the Bank's environmental and social safeguards, identifying the capacity and expertise of areas within the entity to allow safeguards to be applied to projects and investments to be financed with IDB resources. The other level is in the analysis of specific sub-projects or investments.

In any case, during the environmental and social analysis of the program the following topics will be analyzed:

- a) Normativity applicable to the project.
- b) Institutional capacity of SBDC in the management of environmental and social risks
- c) Confirmation of FI-3 categorization
- d) Management procedures to be applied by SBDC to assess eligibility and mitigate the potential environmental risks of sub-projects that could be identified.

The results of the analysis of the operation will be summarized in the Environmental and Social Management Report that will define the environmental and social requirements of the program. This set of requirements (E&S Management System or ESMS) will be integrate into the Program's Operating Regulations.

Opportunities for IDB Additionality on Environment and Social matters (if any)

No opportunities for additionality was identified at this stage.

Annex Table: Operation Compliance with IDB Safeguard Policies

To be prepared during due diligence

Additional Appendices (if any)

NA

Annex Table: Operation Compliance with IDB Safeguard Policies

Policies / Directives	Policy / Directive Applicable?	Rationale for applicability of Policy / Directive	Actions required during Preparation & Analysis
OP-703 Environment and Safeguards Compliance Policy			
B.2 Country Laws and Regulations	Yes		
B.3 Screening and Classification	Yes		
B.4 Other Risk Factors	No		
B.5 Environmental Assessment and Plans Requirements	No		
B.5 Social Assessment and Plans Requirements (including Livelihood Restoration Plan ²)	No		
B.6 Consultation	No		
B.7 Supervision and Compliance	Yes		
B.8 Transboundary Impacts	No		
B.9 Natural Habitats	No		
B.9 Invasive Species	No		
B.9 Cultural Sites	No		
B.10 Hazardous Materials	No		
B.11 Pollution Prevention and Abatement	No		
B.12 Projects Under Construction	No		

² OP-703 applies when livelihood impacts are not significant and don't lead to physical displacement (see *Transitional Guidance in instruments for Physical Displacement, Economic Displacement and Economic Losses under OP-710 and OP-703* (TG-005) for more information)

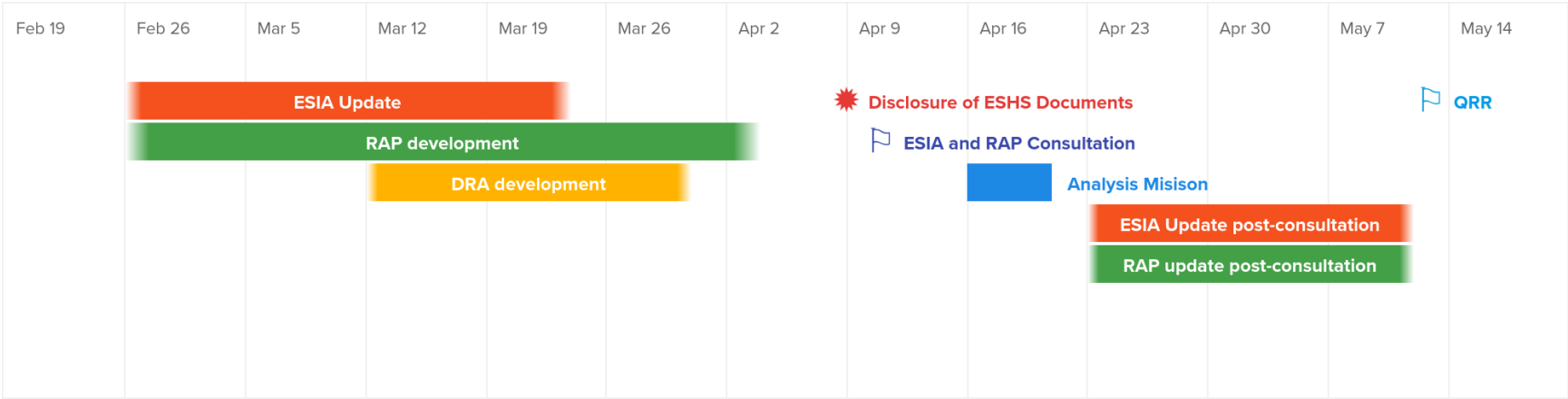
B.13 Noninvestment Lending and Flexible Lending Instruments	Yes		
B.14 Multiple Phase and Repeat Loans	No		
B.15 Co-financing Operations	No		
B.16 In-Country Systems	No		
B.17 Procurement	Yes		
OP-704 Natural Disaster Risk Management Policy			
A.2 Analysis and management of Type 2 risk scenario	No		
A.2 Contingency planning (Emergency response plan, Community health and safety plan, Occupational health and safety plan)	No		
OP-710 Operational Policy on Involuntary Resettlement			
Resettlement Minimization	No		
Resettlement Plan Consultations	No		
Impoverishment Risk Analysis	No		
Resettlement Plan and/or Resettlement Framework Requirement	No		
Livelihood Restoration Program Requirement ³	No		
Consent (Indigenous Peoples and other Rural Ethnic Minorities)			
OP-765 Operational Policy on Indigenous Peoples			

³ OP-710 applies when livelihood impacts lead to physical displacement (see *Transitional Guidance in instruments for Physical Displacement, Economic Displacement and Economic Losses under OP-710 and OP-703* (TG-005) for more information)

Sociocultural Evaluation Requirement	No		
Good-faith Negotiations and proper documentation	No		
Agreement with Affected Indigenous Peoples	No		
Indigenous Peoples Compensation, and Development Plan and/or Framework Requirement	No		
Discrimination Issues	No		
Transborder Impacts	No		
Impacts on Isolated Indigenous Peoples	No		
OP-761 Operational Policy on Gender Equality in Development			
Consultation and effective participation of women and men	No		
Application of safeguard and risk ⁴ analysis	No		
OP-102 Access to Information Policy			
Disclosure of relevant Environmental and Social Assessments Prior to Analysis Mission, QRR, OPC and submission of the operation for Board consideration	No		
Provisions for Disclosure of Environmental and Social Documents during Project Implementation	Yes		

⁴ Risks may include: (i) Unequal access to project benefits/ compensation measures, (ii) Men or women disproportionately affected due to gender factors, (iii) Non-compliance with applicable legislation related to equality between men and women, (iv) Increased risk of gender-based violence, including sexual exploitation, human trafficking and sexually transmitted diseases, and (v) Disregard of women's ownership rights.

Appendix 1 (optional): Tentative Timeline for ESHS Documents development



INDEX OF COMPLETED AND PROPOSED SECTOR WORK

TOPIC	DESCRIPTION	DATE	REFERENCES AND LINKS
World Bank Doing Business Report	Comparing business regulation for Domestic Firms in 190 economies	2019	http://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf
Enterprise Development in the Caribbean	Micro, Small & Medium Enterprise Development in the Caribbean: Towards A New Frontier. Caribbean Development Bank (CDB).	2016	https://www.caribank.org/publications-and-resources/resource-library/thematic-papers/micro-small-and-medium-enterprise-development-caribbean-towards-new-frontier
World Bank – Enterprise Surveys	Enterprise Surveys data for the Bahamas	2010	http://www.enterprisesurveys.org/data/exploreeconomies/2010/bahamas
IDB Country Strategy	IDB Country Strategy with the Commonwealth of the Bahamas	2013	http://www.best.gov.bs/wp-content/uploads/2016/02/Country_Strategy_with_The_Bahamas_2013-2017.pdf
IMF Country Report No. 18/118	The Bahamas 2018 Article IV Consultation	2018	https://idbg.sharepoint.com/teams/EZ-BH-LON/BH-L1046/05%20Basic%20Data/IMF%20Art%20IV%202018.pdf
Bahamas Country Report	Economist Intelligence Unit – Country Report	2018	https://idbg.sharepoint.com/teams/EZ-BH-LON/BH-L1046/05%20Basic%20Data/EIU%20Country%20report.pdf
Financial Stability Report	The Central Bank of the Bahamas – Financial Stability Report	2017	https://idbg.sharepoint.com/teams/EZ-BH-LON/BH-L1046/05%20Basic%20Data/Central%20Bank%20report%202017.pdf
Monthly Economic and Financial Developments (MEFD)	Central Bank of the Bahamas - MEFD	2018	https://idbg.sharepoint.com/teams/EZ-BH-LON/BH-L1046/05%20Basic%20Data/Central%20Bank%20MEFD%20Oct%202018.pdf
Productivity, Technology and Innovation in the Caribbean	Survey Description and Technical Report	2014	https://idbg.sharepoint.com/teams/EZ-BH-LON/BH-L1046/05%20Basic%20Data/Technical_note_PROTEqIN_and_LACES-final.pdf

Demand Analysis of the project	The demand analysis will help size the proposed intervention with respect to the financing needs of SMEs reported in the Bahamas	April 2019	In preparation
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¹ La información contenida en este Anexo es de carácter deliberativo, y por lo tanto confidencial, de conformidad con la excepción relativa a “Información Deliberativa” contemplada en el párrafo 4.1 (g) de la “Política de Acceso al Información” del Banco (Documento GN-1831-28).