

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	BAHAMAS/CCB - Caribbean Group
▪ TC Name:	Support to Loan BH-U0001 Building a Social and Inclusive Blue Economy in the Bahamas
▪ TC Number:	BH-T1090
▪ Team Leader/Members:	STEVENSON, CLAUDIA (IFD/CTI) Team Leader; ALLENG, GERARD P. (CSD/CCS) Alternate Team Leader; HORI, TSUNEKI (CSD/RND) Alternate Team Leader; PRATS CABRERA, JOAN ORIOL (IFD/CMF) Alternate Team Leader; CAREY, INGA KENRIS (CCB/CBH); GONI PACCHIONI, EDWIN ANTONIO (IFD/CTI); ANTA, RAFAEL (IFD/CTI); DOHNERT DE LASCURAIN, SYLVIA EVA (IFD/CTI); ACOSTA, GEOVANA (IFD/CTI); GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI); KELLY CASTILLO, EMILY LETICIA (IFD/CTI); SIERRA LIRANZO, MAYRETT (IFD/CTI); JIMENEZ DE ARECHAGA, PILAR (LEG/SGO); ACEVEDO CALLE, DANIELA (LEG/SGO)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Building a Social and Inclusive Blue Economy in The Bahamas - BH-U0001
▪ Date of TC Abstract:	08 Jul 2021
▪ Beneficiary:	The Commonwealth of The Bahamas through the Minister of Finance
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$200,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	IFD/CTI - Competitiveness, Technology and Innovation Division
▪ Unit of Disbursement Responsibility:	CCB/CBH - Country Office Bahamas
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Institutional capacity and rule of law; Environmental sustainability

### II. Objective and Justification

- 2.1 The main objective of this Technical Cooperation project is to support the Government of the Bahamas in strengthening its institutional capacities for the development and implementation of policy measures and financial mechanisms to promote sustainable Blue Economy. The specific objectives are to (i) strengthen the technical capacities for policy development and monitoring in the Blue Economy and (ii) to develop sustainable financing strategies.
- 2.2 The Bahamas' Exclusive Economic Zone (EEZ) covers 260,000 square miles, of which 5% is land and 95% is sea, representing the largest development space for the country. With 95% of the country's territory located in the marine habitat and a regional average of 70% of the country's population living on the coast, marine resources have the potential to become an important source of economic production, if properly

managed and protected. The economic contribution of the Blue Economy in The Bahamas has been estimated in 21.5% of the GDP, and up to 50% including the indirect impacts, encompassing (i) the harvesting of living resources (seafood and marine biotechnology), (ii) extraction of nonliving resources (mineral, energy and freshwater), (iii) commerce tourism and trade (transport, tourism and recreation); and (iv) the indirect contribution to economic activities and the environment (carbon sequestration, coastal and biodiversity protection, waste disposal and ocean monitoring and surveillance). Small Island states, such as the Bahamas are more affected as they depend more vastly on ocean activities while being more vulnerable. After COVID-19, hard hit Small Islands Development States (SIDS), many countries are engaging into 'blue recovery' programs, fostering economic diversification under a more resilient and sustainable framework. In other to emphasize the responsibility of business to ensure a healthy and productive ocean, the United Nations Sustainable Ocean Business Coalition has identified 5 "tipping points, that represent the ocean contribution to their Ocean Stewardship Agenda 2030: (i) Sustainable seafood; (ii) decarbonized shipping; (iii) harnessing ocean electricity; (iv) mapping the ocean; and (v) end waste entering the ocean. The Bahamas National Development Plan: Vision 2040 sets economic diversification as a priority goal for resilient growth, the sustainable development of new sectors (including the Blue Economy), and protection of coastal and maritime ecosystems. With the COVID-19 pandemic and the recent natural disasters, actions to improve economic and environmental resilience have become a priority for the Government, as evidenced by the Economic Recovery Committee report. The Government of The Bahamas has complemented the short-term support for MSMEs during the COVID-19 pandemic, with additional measures to support long term growth in areas related to the Blue Economy. Several institutions of The Bahamas are involved in promoting a more productive and healthier ocean, and because the role of the Ministry of Finance has been pivotal in promoting Blue Economy activities, its role technical and institutional capacities need to be strengthened. This TC will support the execution of BH-U0001, Building a Social and Inclusive Blue Economy in the Bahamas. In this regard, this TC seeks to aid in sustainable economic growth through the promotion of the Blue Economy in areas related to institutional strengthening and policy reforms, monitoring and evaluation and alternatives for sustainable financing. The PBG will support the continuation of key policy reforms related to Blue Economy carried out by Boosting Inclusive and Economic Growth in the Bahamas I and II (5091/OC-BH and 5276/OC-BH) and the inclusion of new reforms related promoting a more productive and healthier ocean.

### **III. Description of Activities and Outputs**

- 3.1 **Component I: Strengthening the Technical capacity for policy formulation and monitoring.** (i) Review of the progress in policy reforms in the Blue Economy and identification of priority policies to be undertaken, and (ii) design of a monitoring and evaluation system for the recently implemented policies. Expected outputs will be a roadmap of policy reforms with priority policy actions, and a monitoring and evaluation system designed. The institutions related to the Blue Economy in charge of marine resources will be the main stakeholders for policy design
- 3.2 **Component II: Sustainable financing strategies.** The activities related to the emission of a Blue Bond in the Bahamas (i) the analysis of innovative options for financing projects in the Blue Economy through a Blue Bond, (ii) addressing legal and regulatory issues related for innovative financing options and (iii) communication and dissemination practices. Outputs for this component will be a report with recommendations on best practices for financing options for Blue Economy Projects and legal and regulatory support for innovative financing.

### **IV. Budget**

#### Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Strengthening the Technical capacity for policy formulation and monitoring	US\$100,000.00	US\$0.00	US\$100,000.00
Sustainable financing strategies	US\$100,000.00	US\$0.00	US\$100,000.00
<b>Total</b>	<b>US\$200,000.00</b>	<b>US\$0.00</b>	<b>US\$200,000.00</b>

#### **V. Executing Agency and Execution Structure**

- 5.1 The execution will be carried out by the Competitiveness, Technology and Innovation Division at the IDB, in coordination with the Country Office and the Ministry of Finance. CTI will support the identification and supervision of individual consultant to ensure the quality and timeliness of the products, according to section 4.5 of the Bank's Technical Cooperation Guidelines (GN-2470-2). This section requires that for Bank executed technical cooperation: (a) the beneficiary country agrees and (b) the proposed activities are aligned with the strategies and programs of the Bank in the Country.
- 5.2 The TC will be executed by the Competitiveness, Technology and Innovation Division at the IDB to ensure the quality and timeliness of the products, given the extensive experience that the Division has in this matter and the request of the Ministry of Finance.

#### **VI. Project Risks and Issues**

- 6.1 The main risk for this TC are the need to coordinate with different public, private and civil society stakeholders. This risk will be mitigated by strengthening the capacity of the Ministry of Finance in its coordination role and including dissemination and communication activities.

#### **VII. Environmental and Social Classification**

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