



# Knowledge and Capacity Building Products (KCP) Proposal

## Policy and Capacity Development

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### I. General Information

**KCP Title:** Strengthening Social Protection Programs in The Bahamas

**OPUS Number:** BH-T1024      **Date of Proposal:** 11/17/2011      **Linked to project:**

**Team Leader / Unit:**  
STONE, LESLIE / HARRIS, DONNA

**Peer Reviewer 1:**  
LOPEZ BOO, FLORENCIA

**Peer Reviewer 2:**  
ARAUJO, MARIA CARIDAD

**Joint Proposal:**

**Proposed amount, without counterpart** in USD equivalent (enter whole number only): USD**500,000**  
Must match total of budget table on section VI, and of OPUS

**Proposed amount including counterpart** (if applicable) in USD equivalent: USD**500,000**

**Proposed Fund:**  
Social Fund

**Unit of Technical Responsibility:** SCL/SPH

**Unit of Disbursement Responsibility:** CCB/CBH

**Execution:** IDB      **Letters of Request available** (or equivalent): YES      **Non-objection available:**  
**Doc# (IDBdocs):** 36529554      **Doc# (IDBdocs):**

**Execution period:** 18 months      **Disbursement period:** 24 months      **Required Start Date:** 12/30/2011

**Executing Agency:** IDB (SCL/SPH)

**Executing Agency description and capacity:**

The Bank will execute this KCP. The GOB has specifically requested in its official TC Letter of Request (dated 11-11-11) that the Bank execute this KCP. The Ministry has never implemented a Bank-financed project and its staff have not been trained in the Bank's procurement procedures and financial management, thus limiting its capacity to execute. Since this KCP is intended to strengthen institutional capacity and provide the institutional framework to efficiently execute the Ministry's portfolio of social programs, it will be in a better position to execute future Bank TCs and loans. In addition, the activities included in this TC require a very high level of technical input and SPH has done similar technical work in other countries in LAC and will replicate best practices.

**Country of Origin of Executing Agency:** IDB-Headquarters, Washington D.C.

**Contact in the Executing Agency:** Leslie Stone (SCL/SPH) and Donna Harris (CJA/SPH)

**E-mail address:** [leslies@iadb.org](mailto:leslies@iadb.org) and [dannah@iadb.org](mailto:dannah@iadb.org)

**Beneficiary Countries:** THE BAHAMAS

**Beneficiary entity:** Ministry of Labour and Social Development

**Sector:** Social protection & poverty reduction

## **II. KCP Type**

### **Origination**

KCP is the result of clients' demands.

### **Scope**

Short term purpose:

Demand for this KCP has an immediate, short-term scope, possibly drawing from knowledge and experience that is readily available.

## **III. Alignment of the KCP proposal with IDB's Institutional Priorities (GCI9).**

1. Social Policy for Equity and Productivity  
Targeted Poverty Programs

3.1 Explain how the knowledge produced with this KCP will be used (policy advice, institutional strengthening, input for programming and strategy, pipeline development, input for other KCPs):

The technical assistance provided will support the Government's efforts to examine the adequacy of its social safety net as well as the efficiency and quality of social services. The technical work will provide key inputs to establish a basic framework for realignment and reform of the social safety net in The Bahamas for improving the efficiency of public social expenditure. The knowledge from this KCP will also be used to build capacity within the MLSD.

## **IV. OBJECTIVES, EXPECTED RESULTS AND ACTIVITIES (Maximum 4 pages)**

4.1 Describe the challenge that this KCP addresses (e.g. policy, institutional, technical):

The Bahamas has a range of non-contributory social protection programs; however, there is considerable scope for consolidating, redesigning and strengthening programs so that the safety net is better positioned to protect the poor and promote their human capital development. The Ministry of Labor and Social Development (MLSD) implements over 10 cash and in-kind programs and households could potentially benefit from all of these programs.<sup>1</sup> Multiple small programs are administratively burdensome and increase possibilities for abuse. At the same time, gaps in coverage are present with only 16.7 percent of poor households were in receipt of a safety net benefit.

Programs rely on inefficient targeting mechanisms. Although all programs – including those within the MLSD and at the National Insurance Board (NIB) – target ostensibly the same beneficiaries, each program requires a separate application and targeting procedure. In addition, each program has its own criteria for approval. Applications for assistance to the MLSD go through a labor intensive seven-step review process. Even with this multi-tiered approval process, only 45 percent of Food Coupon benefits go to households in the poorest quintile and this is despite the fact that the program is ostensibly targeted to the indigent.

Information and monitoring systems are weak. Program information is not fully computerized and program officials have difficulty accessing even basic program information, such as how many program beneficiaries there are, or beneficiaries'

<sup>1</sup> Including inter alia: (i) Food Assistance Program; (ii) Financial Assistance Program; (iii) School Uniform and Footwear Program; (iv) School Feeding Program; (v) Rent Program; (vi) Water Program; (vii) Electricity Program; (viii) Disability Allowance; (ix) Emergency Assistance; (x) Medical Card Assistance; and (xi) Residential and Non-Residential Social Care Services.

geographic and demographic composition. Program evaluations are virtually non-existent. As a result, we do not know which programs are achieving their objectives and if they are efficient and cost-effective.

The Government of the Bahamas (GOB) is seeking to improve the efficiency and effectiveness of its expenditures on non-contributory social safety net (SSN) programs. The results of the TC are expected to help lessen, in the medium term, the fiscal burden of the welfare system by reducing leakages of transfers to non-eligible beneficiaries as well as by improving the administration of non-contributory SSN programs. Rationalization of SSN programs to avoid duplication and restructuring to enhance efficiency and impact is needed. In this context, consolidation and strengthening of cash-transfer programs is a priority. The consolidated program should focus on protecting the most vulnerable and on promoting human capital development among children, including promoting healthy nutrition and keeping adolescents in school.

The Government has identified the following reform priorities: (i) consolidation of programs with the MLSD; (ii) transformation of the consolidated programs into a conditional cash transfer (CCT); (iii) introduction of an objective and transparent targeting mechanism; (iv) development of monitoring and evaluation systems; and (v) institutional strengthening of the MLSD.

In order to better position the Ministry of the Labour and Social Development (MLSD) to deliver services for vulnerable groups and also to promote human capital development among beneficiaries, a number of specific key reforms are proposed, including:

1. Consolidate existing cash transfer programs and expand coverage to a greater share of the poor. Preliminary agreement was reached with the GOB on programs to consolidate. These include: Food Assistance Program, Financial Assistance Program (Rent, Water and Electricity Programs), School Uniform and Footwear Program, School Lunch Program, and Disability Allowance. The consolidated cash transfers will introduce co-responsibilities for beneficiaries that promote investments in human capital development of children and a case management approach that provides a primary point of contact for poor households.
2. Reduce leakage of non-contribution social protection programs through introduction of a proxy means test to be used for targeted MLSD and NIB programs.
3. Strengthen administrative systems in MLSD; including reorganization and restructuring as requirement, development of a management information system, and documentation of policies and procedures;
4. Strengthen monitoring and evaluation systems with systematic and rigorous monitoring and evaluation based on clear performance objectives to measure program performance and poverty impacts; and
5. Enhance capacity of MLSD to deliver the consolidated program.

The present TC will help address many of these reforms, thus improving pro-poor targeting of social protection programs and monitoring and evaluation of the MLSD's programs.

#### 4.2 Describe lessons learned from previous similar KCP:

Lessons learned from previous interventions are (i) the importance building GOB ownership; and (ii) the recognition of limited implementation capacity and the concomitant need to ensure implementation arrangements will yield success.

#### 4.3 State the KCP objectives:

The overall goal of this project is to help improve efficiency and effectiveness of the social protection system. The KCP will inform the design of a conditional cash transfer program through completion of diagnostic studies and will also provide tangible outputs for the MLSD, including a Proxy Means Test that can be used for all targeted programs, a fully functional MIS for the MLSD, and a capacity building action plan for the MLSD.

#### 4.4 State the KCP expected results:

**Result 1:** The project intends to close this informational gap by implementing a series of diagnostic studies to improve the effectiveness of social protection interventions.

**Result 2:** MLSD capacity strengthened carry to out its core function of delivering social assistance to the poor and vulnerable.

#### 4.5 Provide a description of the main outputs and related activities expected to be carried out:

Note that all expenses to be financed with the technical cooperation resources fall under consulting services. No works or goods will be procured.

##### A. Diagnostic Activities

1. *Social Protection Public Expenditure Review*. This study will produce a detailed analysis of expenditures on social protection between 2007-2011, and analyze the degree to which spending is pro-poor.
2. *Qualitative study on barriers to human capital accumulation and beneficiary assessment*. This study will use qualitative research methods (e.g. focus groups, in-depth interviews) to gather primary data to understand barriers to accessing and utilizing programs among the poor and to assess stakeholder views about the proposed reforms.
3. *IDB Social Sector Strategy with GOB*. This study will prepare an analysis of key social areas where the GOB would benefit from IDB technical and financial support
4. *Poverty Maps*. This activity will combine the 2006 Survey of Living Conditions (extensive consumption data module) with the 2010 Population & Housing Census to produce geographically disaggregated poverty estimates.
5. *Social Sector Analysis using the Household Budget Survey*: This study will conduct an in-depth social sector analysis based on the national household surveys and administrative data to inform feasibility of rationalization of programs and design of a potential conditional cash transfer program.

##### B. Institutional Strengthening and Capacity Building

1. *Design the Proxy Means Test targeting tool*. This activity will design the PMT, conduct a small pilot test of the PMT instrument and train MLSD personnel in the utilization of the PMT to enable the GOB to use this instrument to target social programs to the poor and select beneficiaries in an objective and transparent manner. It will conduct an analysis of health and education correlates of poverty and identify impediments and barriers to human capital accumulation using the 2006 Household Survey of Living Conditions.
2. *Design of a Management Information System (MIS)*. This consultancy will finance the design of the MIS for the MLSD, production of operation manuals for use of the MIS and training of staff.
3. *Institutional Assessment of the MLSD, with a particular focus on the Community Support Division and School Welfare Division*. This study will review the current structure of the MLSD, assesses processes utilized by the MLSD, including application, enrollment, case management, record keeping, financial management, and personnel functions, prepare an institutional strengthening plan and new organizational framework to implement and supervise social programs.

#### 4.6 Identify the main audience or expected users of knowledge generated or disseminated by this KCP

- Ministry of Labour and Social Development
- Ministry of Finance
- National Insurance Board
- Ministry of Health
- Ministry of Education

#### 4.7 Additional technical information

If necessary, in an appendix please provide further technical details that you consider relevant to evaluate the technical quality of this KCP. Appendix Doc# (IDBDocs):

**See Annex 1 for Terms of Reference of studies**

#### V. KCPs RESULTS FRAMEWORK. Main Outcomes and Outputs.

##### 5.1 Results Matrix:

Please, in the first column fill in each outcome indicator with the relevant outputs. You can use the table of indicators here attached.

Results Matrix									
	Unit	Baseline		Year 1		Year 2		Expected Completion Date	Data Source
		Value	Year	Planned	Actual	Planned	Actual		
• # of times governments used knowledge produced for policy design/ implementation	number	0	2012	3		3		12/31/2013	Report
• New policy to merge several cash transfer programs into a CCT program	number	0	2012	1		0		12/30/2012	Administrative Reports
• Number of eligible beneficiaries selected using the PMT	number of beneficiaries	0	2012	500		1000		12/31/2013	MIS
• PMT Developed	number	0	2012	1				12/30/2013	Report
• Social Sector Analysis using SLC survey	number	0	2012	1				12/30/2013	Report
• Social protection expenditure review	number	0	2012	1				12/31/2012	Report
• Poverty Map developed	number	0	2012	1				12/31/2012	Report
• Focus group sessions to assess barriers to human capital development.	number	0	2012	10				12/30/2013	Report
• Design of MIS system completed	number of modules operational	0	2012	1		2		12/31/2013	Systems reports
• # of Institutional assessment reports	number	0	2012	1				12/31/2012	Reports

**Note: Please note that this outcome and output indicators will be the input for the PMR and will be monitored in the Quarterly Business Review.**

## VI. BUDGET (\*):

6.1 Budget should be presented by outputs or groups of outputs (for example: three publications, three conferences, seminars or workshops; one database; one survey; two training courses), and the relevant activities. Total available funds from counterpart sources should be reported. Use whole numbers only.

Costs	Project Cost – IDB Financing				Counter-part Resources	Other Financing
	Consult.	2012-2013 Travel (consultants only)	Other	Total request		
<b>Diagnostic Activities</b>	<b>95,000</b>	<b>25,000</b>	<b>0</b>	<b>120,000</b>	0	0
• Social Sector Analysis using HH Budget Survey,	15,000	5,000		20,000		
• Social Protection Public Expenditure Analysis	20,000	5,000		25,000		
• Qualitative Studies	25,000	5,000	0	30,000	0	
• IDB Social Sector Strategy with GOB.	15,000	5,000		20,000		
• Poverty Maps	20,000	5,000		25,000		
<b>Institutional Strengthening of MLSD</b>	<b>335,000</b>	<b>40,000</b>	<b>0</b>	<b>375,000</b>	<b>0</b>	<b>0</b>
• Development and Pilot of PMT	50,000	15,000		65,000	0	
• Design of MIS	260,000	20,000		280,000	0	
• Institutional Assessment	25,000	5,000		30,000	0	
•					0	0
<b>Sub-total</b>	<b>430,000</b>	<b>65,000</b>		<b>495,000</b>	0	0
	Monitoring and evaluation				5,000	
<b>Total</b>	<b>430,000</b>	<b>65,000</b>		<b>500,000</b>	0	0

Approximate value of in-kind counterpart

(\*) More details may be required by donors (e.g. consultant cost per day);

## 6.2 Describe the source and type of counterpart resources

There are no counterpart resources in this TC.

### 6.3 Types of Consultants: Firms or individuals and main activities/outputs:

Type: Individual or Firm (if available)	Nationality (if available)	Estimated Cost	Main Activities / Outputs
Individual		20,000	Social sector analysis using the Survey of Living Conditions to analyze to inform feasibility and consolidation of social programs and design of a CCT
Individual		65,000	Development and Pilot of PMT in MLSD
Individual		25,000	Public social protection expenditure review
Individual		30,000	Beneficiary Assessment and Qualitative Study on Barriers to Access Services among the Poor
Firm		280,000	MIS design, training, and operations manual
Firm		30,000	Institutional assessment: New organizational structure for management of social assistance programs and institutional strengthening plan
Individual		30,000	Development of Poverty Maps
Individual		20,000	IDB social sector strategy with GOB
<b>TOTAL</b>		<b>500,000</b>	

### VII. Bank costs:

For the Bank's internal purposes, please provide information in Bank costs associated with the execution of this KCP:

#### 7.1 Bank staff participation in KCP:

Staff Name	Bank Unit	FTEs
Leslie Stone	SCL/SPH	0.15
Donna Harris	SCL/SPH	0.15
Ian Ho-A-Shu	SCL/SPH	0.05
Marco Stampini	SCL/SPH	0.05
Kristyna Bishop	SCL/GDI	0.05
Martha Guerra	SCL/SPH	0.025
Sharon Miller	CCB/CBH	0.10
Camille Davis-Thompson	CCB/CBH	0.15
Monica B. Lugo	LEG	0.05

## VIII. Risks:

Fill-out the KCP's Environmental Screening and Classification using this link to the [Environmental Screening and Classification Toolkit](#). Then save it in IDBDOCS and record its number in the box below (\*):

[IDBDOCS-#36530649-Safeguard Policy Filter Report](#)

[IDBDOCS-#36530668-Safeguard Screening Form](#)

### 8.1 Implementation Risks:

*Government collaboration.* In order to be able to implement the program it is necessary to collaborate closely with GOB to have access to the necessary information in order to carry out key studies for diagnostic work and strengthening of the MLSD.

*Stakeholder consensus.* This program is intended to improve targeting and this could be politically sensitive in The Bahamas given the pending elections in May-June 2012. In order to mitigate this risk, the GOB has agreed in principle to form a broad-based social protection reform working group comprising key stakeholders and interest groups to build ownership and oversee the SP reform process.

### 8.2 Please identify key environmental and social risks and impacts, and the strategy to address them:

There are no negative environmental and social risks and impacts. On the contrary, this KCP will provide a solid diagnostic of the social protection, health and education sectors, to be able to consolidate programs and overlapping services to improve delivery. It will also strengthen the Ministry of Labour and Social Development, in order to better help them monitor and evaluate their programs.

## IX. Coordination with other MDBs

### 9.1 Summarize collaboration or coordination with other MDBs, donors and other strategic partners (if any):

There are currently no other MDBs or donors providing support to MLSD in the areas of institutional strengthening. The CDB is resuming its activities in the Bahamas and it may enter this sector in the future in which case the IDB would try to collaborate.

## X. Monitoring and evaluation plan.

### 10.1 Summarize the basic elements of the Monitoring and Evaluation plan, including key activities and associated budget:

Ninety days after completion of all project activities the Bank will prepare a final project report outlining and evaluating all activities carried out under the project. The report will describe how project outputs have contributed to achieving the objectives and expected outcomes and provide lessons learned.

Summarize the basic elements of the Monitoring and Evaluation plan, including key activities and associated budget:

Monitoring of the quality of the studies will be done directly by the KCPs team and through Bank institutional systems. The intermediate products will also be reviewed in workshops with the Government in order to ensure that Government's needs are being addressed. A final evaluation is planned to assess project success. In addition, the team will prepare a final report about the implementation of the project including information about the achievement of the objectives and expected results of the TC and the lessons learned.

### 10.2 Exceptions to Bank policies:

None

### 10.3 Contractual Clauses:

None

[Terms of Reference Doc#\(IDBDocs36530744\)](#): Please see Annex 1.



## STRENGTHENING SOCIAL PROTECTION PROGRAMS IN THE BAHAMAS

**BH-T1024**

### CERTIFICATION

I hereby certify that this operation was approved for financing under the Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals (SOF) through a communication dated on September 14, 2011 and signed by Goro Mutsuura (VPC/GCM). Also, I certify that resources from the Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals (SOF) are available for up to US\$500,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of nine (9) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US Dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

*(Original signed)*

11/30/11

Marguerite S. Berger  
Chief

Date

Grants and Co-Financing Management Unit  
VPC/GCM

### APPROVAL

*(Original signed)*

11/30/11

Ferdinando Regalia  
Chief

Date

Social Protection and Health Division  
SCL/SPH