

TC Document

I. Basic Information for TC

▪ Country/Region:	BAHAMAS
▪ TC Name:	Support policy reform in comprehensive disaster risk management
▪ TC Number:	BH-T1096
▪ Team Leader/Members:	Hori, Tsuneki (CSD/RND) Team Leader; Lacambra Ayuso, Sergio (CSD/RND) Alternate Team Leader; Ciano, Julia (CSD/RND); Ericka Morales Franco (CSD/RND); Guerrero Compean, Roberto (CSD/RND); Jimenez De Arechaga, Maria Del Pilar (LEG/SGO); Restrepo, Lisa Sofia (CSD/RND)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	BH-L1056
▪ Date of TC Abstract authorization:	07 Jun 2022
▪ Beneficiary:	The Government of The Bahamas
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Japan Special Fund(JSF)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	August 2022
▪ Types of consultants:	Individual Consultants
▪ Prepared by Unit:	CSD/RND-Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CSD/RND-Env, Rural Dev & Disaster Risk
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Environmental sustainability; Institutional capacity and rule of law

II. Description of the Associated Loan/Guarantee

- 2.1 The Bahamas is one of the countries in Latin America and the Caribbean region that has historically experienced the highest number of climate hazard events. According to the International Disaster Database, EM-DAT (2022),¹ the country has reported 14 major disasters over the past 20 years - mainly hurricanes, resulting in more than 400 deaths, approximately 50,000 people affected, and around US\$6.7 billion in direct economic losses. Recent significant disasters include Hurricane Joaquin in 2015, Matthew in 2016, Irma in 2017, and Dorian in 2019 (note: this last Dorian caused US\$3.4 billion in total economic loss, the most in the country's history² (Source: ECLAC/BID, 2020).
- 2.2 The Bahamas' vulnerability to climate events is likely to worsen due to climate change. For example, the IDB's recent report estimates that damage equivalent to Hurricane

¹ <https://public.emdat.be/>. Note that this database is the most used worldwide for referencing past significant disaster experiences.

² See: <https://publications.iadb.org/en/assessment-of-the-effects-and-impacts-of-hurricane-dorian-in-the-bahamas>

Dorian, which has traditionally been calculated to occur once every 50 - 100 years, would occur about once every 25 years due to climate change.³ This report also estimates that a future hurricane of the magnitude of a 100-year event could cause up to US\$6 billion in economic losses in the country in the future, taking into account the effects of climate change.

- 2.3 Disaster Risk Management (DRM) public policy in The Bahamas has historically been implemented by the National Emergency Management Agency (NEMA) with the primary objective of overall coordination of emergency preparedness and response based on the Disaster Preparedness and Response Act approved in 2008. However, in response to the lessons learned from Hurricane Dorian in 2019, the Government of the Bahamas (GoBH) is embarking on several organizational and governance reforms after Dorian intending to strengthen a broader and more strategic DRM public policy approach. These include the Disaster Preparedness and Response (Amendment) Act and the Post-Hurricane Disaster Recovery Authority Bill, both adopted in 2019. Following the adoption of these bills, the GoBH established the Disaster Management Unit (DMU) under the Office of the Prime Minister and the Disaster Recovery Authority (DRA), an organization responsible for the overall coordination of reconstruction from Hurricane Dorian.
- 2.4 The GoBH, with the support of the IDB, performed in 2021 a diagnosis of the current condition of DRM governance in The Bahamas using the iGOPP (Index of Governance and Public Policy in Disaster Risk Management),⁴ a composite index developed by the IDB and applied in its all-member countries. The results of the iGOPP diagnosis point out that The Bahamas authorities lack a minimum of 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, generally insufficient due to scarce funding, and unsustainable due to lack of robust legal mandates.
- 2.5 To overcome these challenges and achieve the resilience of Bahamian society to climate-hazard events and climate change, the GoBH has requested a Policy-Based Loan (PBL) Series from the IDB, comprised of two programmatic operations. The first of the two programs (BH-L1056) is being prepared for approval at the end of 2022. The schedule for the second PBL program will be discussed subsequently.

III. Objectives and Justification of the TC

- 3.1 The objective of this Technical Cooperation (TC) is to provide technical support to the Government of The Bahamas (GoBH) in the design, implementation, and evaluation of the aforementioned PBL series, including the first operation "Strengthening Disaster Risk Management Governance in The Bahamas" (BH-L1056).
- 3.2 The details of the public policy reform that should be the focus of the first PBL (BH-L1056) are under discussion with the GoBH at this stage (as of August 2022). However, it is likely that a new Disaster Risk Management Act (DRM Act), currently

³ County Disaster Profile for The Bahamas: <https://publications.iadb.org/en/disaster-risk-profile-bahamas>.

⁴ See the following link for more information: <https://riskmonitor.iadb.org/en/home>.

under preparation at the initiative of the GoBH, will play a central role in this reform. Based on the iGOPP diagnosis mentioned above, this new DRM Act will aim to tackle the main regulatory, institutional, and budgetary constraints that hinder a more effective implementation of a comprehensive disaster risk management policy in the country. Thus, the new DRM Act will clarify the roles of the main stakeholders and will define the main policy instruments. The second PBL will then likely focus on the measures strategically necessary to implement the mandates established by the new DRM Act.⁵ Therefore, based on the strategic approach/focus of these first and second PBLs, this TC will carefully select the subjects necessary to implement each program and provide technical solutions to the GoBH with reference to international best practices.⁶

- 3.3 **IDB Sector Knowledge:** Strengthening DRM governance through the support of multiple (or programmatic) PBLs has been done in Bolivia⁷ and Peru⁸. In both cases, TC funding was critical to implement policy reforms, by providing technical advice to develop regulations and policy tools, such as technical guidelines, protocols, etc. In addition, the IDB's support to reduce disaster risks in the Bahamas (or to strengthen governance for this purpose) includes the ongoing "Climate Resilient Coastal Management and Infrastructure Development Program (BH-L1043)" and "Capacity Strengthening for a More Resilient Bahamas (BH-T1078)".⁹ Additionally, the COF created the Preparedness, Recovery and Reconstruction Team (P2RCT) as a pilot, in response to the impact of Dorian and later COVID-19, to support the execution of the Disaster and Health Risks Management (DRM & HRM) activities of the Bank in The Bahamas, including programs, technical cooperation, and knowledge products.
- 3.4 **Alignment to the Country Strategy.** The TC will provide technical support to the PBL series, which consists of two programmatic loans, to ensure that public investment projects (e.g., in infrastructure) is resilient to hazard events and, through this, reduce the negative impacts (e.g., economic losses) of disasters in the country. In this sense, this project is aligned with the IDB Group's Country Strategy with The Bahamas 2018-2022, especially 1.1 (support fiscal consolidation) and 1.3 (strengthen the framework for integrity and transparency in the Bahamas).
- 3.5 **Alignment to the Update to the Institutional Strategy 2020-2023.** This TC is being implemented to strengthen disaster risk management policy and governance. In this

⁵ These focuses are likely to include, for example, the development of various specific plans and regulations and organizational strengthening.

⁶ At this time, the technical subjects that may be provided under this TC include: a methodology for identifying priority investment projects for inclusion in the National DRM Plan based on objective criteria; a proposal for a coordination mechanism for the GoBH to centrally perform disaster risk analyses that have been conducted separately by various agencies in the past; a proposal for the development of land use plans that incorporate climate risks in the vulnerable Family Islands; and a plan for periodic simulation of a multi-agency-involved national early warning system.

⁷ BO-L1107, BO-L1104 and BO-T1239.

⁸ PE-L1086, PE-L1104, PE-L1138 and PE-T1228.

⁹ Some of these existing projects include the development of policy instruments that incorporate a climate risk management perspective. Examples include Upgrading the National Building Code (through BH-L1043) and developing a National Standard for Climate Hazard Risk Assessment (through BH-T1078). This TC will therefore apply an approach that considers the existence of these policy instruments while effectively developing and embedding them within the framework of the DRM Act.

sense, it is aligned with the Strategy's Institutional Capacity and Rule of Law. Natural disasters in the Bahamas are caused by climate hazards such as hurricanes. And as noted above, the risk of such hazards is likely to be exacerbated by climate change. The project aims to strengthen DRM policy and governance in light of this background. Thus, the TC is aligned with the strategy "Climate Change and Environmental Sustainability.

- 3.6 **Alignment to the Japan Enhanced Initiative for Quality Infrastructure, Resilience against Disaster and Health (JEI).** This project aims at climate risk resilience. It is therefore aligned with (a) and (b) of Chapter 3, Section 2 (JEI) of the JEI's Operating Guidance.

IV. Description of activities/components and budget

- 4.1 **Component I: Support for the Design and Evaluation of the Programmatic PBL series (US\$100,000).** This component will support the design and evaluation of a Policy Based Loan (PBL) series consisting of two programmatic operations. Specifically, through individual consultancy services, the component will provide the technical information needed to identify and justify the main policy reform commitments that will be part of the PBL series, the design of the monitoring and evaluation plan, an institutional gap analysis of and the main entities that will be implementing the new DRM Act, as well as an evaluation of the results and impact of the policy reform supported through the PBL series.
- 4.2 **Component II: Support for the implementation of policy commitments (US\$150,000).** This component will provide the GoBH with the technical support to develop the regulations, plans, methodologies to effectively implement the mandates established by the new DRM Act, with appropriate technical solutions and reference to international best practices. Specific topics will be identified through discussions with the GoBH during the preparation of the PBL series. Due to budgetary constraints, the topics to be addressed through this TC will be the most strategic for the success of the policy reform. The consultants to be hired will be agreed with the GoBH. Justifications for the selection of strategic topics and their relationship with the outcome/impact of the policy reform will be reported in detail in the project completion report at the end of the TC.
- 4.3 **Expected outputs.** The expected outputs of this TC are the following: (i) **Component I:** three (3) diagnostic/assessment studies; and (ii) **Component II:** (at least) three (3) policy/governance/institutional architectural and structural design studies.
- 4.4 The total amount of financing required is two hundred fifty thousand US dollars (US\$250,000), all of which to be drawn from the Bank contribution (Japan Enhanced Initiative for Quality Infrastructure, Resilience against Disaster and Health [JEI]). There will be no contribution from local counterparts.

Indicative Budget (US\$)

Activity / Component	Description	JEI Funding	Total Funding
Component I: Support for the	Design support for the two operations of the PBL program series (US\$35,000)	100,000	100,000

Design and Evaluation of the Programmatic PBL series	Design a monitoring and evaluation plan for two programmatic PBLs (US\$35,000) Gap analysis of the current status of organizational structure and staffing (US\$30,000)		
Activity / Component	Description	IDB/Fund Funding	Total Funding
Component II: Support for the implementation of policy commitments	Note: The studies listed below are very tentative. The subjects of the studies here will be finalized through further discussions with GoBH. Methodology for identifying priority investment projects to be included in the National Disaster Management Plan (US\$50,000) Proposal for a coordination mechanism for GoBH to centralize disaster risk analysis (US\$50,000) Proposal for the development of a land use plan incorporating climate risk in vulnerable family islands (US\$50,000)	150,000	150,000
Total		250,000	250,000

V. Executing agency and execution structure

- 5.1 There are several public agencies of the GoBH with which this TC (and the two programmatic PBLs) should be involved. These include DMU, NEMA, and DRA. To coordinate with these agencies as appropriate and to ensure smooth progress of the TC activities, the IDB, through CSD/RND, will be the Executing Agency for this TC. This rationale for Bank execution is consistent with the justification provided in Appendix 10, d. of the Operational Guidelines for TC Instruments (GN-2629-1). It was further agreed from the GoBH during the BH-L1056 Kick-off meeting conducted in May 2022 that the executing agency for the TC would be the IDB.
- 5.2 Follow-up and monitoring of the implementation of this TC will be done by the IDB, in accordance with(a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-28 for logistics and other related services. There are no preconditions for the first disbursement.

VI. Project Risks and Issues

- 6.1 Due to the nature of the project, particularly during the hurricane season, government agencies may, in some cases, prioritize emergency response and recovery activities instead of this TC project. In this case, there is a risk of delays in implementing this TC. To mitigate this risk, measures will involve government agencies not directly involved in emergency response (such as DMU) and establish a mechanism for individual international consultants residing outside of the country to support the TC activities.

VII. Exceptions to Bank policy

- 7.1 None.

VIII. Environmental and Social Strategy

- 8.1 This TC will not finance feasibility or pre-feasibility studies of investment projects or associated environmental and social studies, for which it does not have applicable requirements of the Bank's Environmental and Social Policy Framework (MPAS).

Required Annexes:

[Request from the Client - BH-T1096](#)

[Results Matrix - BH-T1096](#)

[Terms of Reference - BH-T1096](#)

[Procurement Plan - BH-T1096](#)