

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

THE BAHAMAS

CITIZEN SECURITY AND JUSTICE PROGRAMME

(BH-L1033)

LOAN PROPOSAL

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ELECTRONIC LINKS	
REQUIRED	
1.	Annual Operational Plan and Project Execution Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39529055
2.	Monitoring & Evaluation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39528913
3.	Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39300881
OPTIONAL	
1.	Economic Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39530566
2.	Detailed Budget http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39300881
3.	Logical Framework http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39057665
4.	Detailed Results Framework http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39301859
5.	Understanding Employers' Demands in The Bahamas and in New Providence: Results from the 2012 Wages and Productivity Survey (WPS) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39528685
6.	Macroeconomic Context and Employment Opportunities for Youth http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39522214
7.	Implementation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39626443
8.	Institutional Capacity Assessment http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39282476
9.	Disbursement Table http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39588732
10.	Publication List http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39609135
11.	Summary of results and lessons learned from Citizen Security Programs in the Caribbean http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39612249
12.	Capacity Building of PES Services: Use of Indicators and Evidence of Placement Rates in the Region http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39612642
13.	Homicides rates in The Bahamas and other Caribbean countries http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39640199
14.	Safeguard and Screening Form for Screening and Classification of Projects http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38889632

ABBREVIATIONS

AOP	Annual Operational Plan
BDOCS	Bahamian Department of Correctional Services
C&V	Crime and Violence
CSJP	Citizen Security and Justice Programme
DOS	Department of Statistics
DRWS	Department of Rehabilitative Welfare Services
GCI-9	Ninth General Increase in the Resources of the Inter-American Development Bank
GPN	General Procurement Notice
GSH	Global Study on Homicide
IDB	Inter-American Development Bank
M&E	Monitoring and Evaluation
MNS	Ministry of National Security
NGO	Non-Governmental Organizations
OAG	Office of the Attorney General
PIU	Project Implementing Unit
PES	Public Employment Services
PSC	Programme Steering Committee
RBPF	Royal Bahamas Police Force
RF	Results Framework
RJ	Restorative Justice
RNR	Risk-Need-Responsiveness
UNODC	United Nations Office on Drugs and Crime
WPS	Wages and Productivity Survey
WRP	Work Release Programme

PROJECT SUMMARY
THE BAHAMAS
CITIZEN SECURITY AND JUSTICE PROGRAMME
(BH-L1033)

Financial Terms and Conditions				
Borrower: The Commonwealth of The Bahamas (The Bahamas)			Flexible Financing Facility*	
			Amortization Period:	25 years
Executing Agency: Ministry of National Security (MNS)			Original WAL:	15.25 years
			Disbursement Period:	5 years
			Grace period:	5.5 years
Source	Amount (US\$)	%	Supervision and Inspection Fee:	**
IDB (Ordinary Capital)	20 million	100	Interest Rate:	LIBOR based
Local:	0	0	Credit Fee:	**
Total:	20 million	100	Currency of Approval:	US\$ dollars chargeable to the Ordinary Capital
Project at a Glance				
Project objective. The general objective is to contribute to the reduction in Crime and Violence (homicides, armed robberies and rapes) in The Bahamas. The specific objectives are to: (i) improve behaviours for non-violent conflict resolution in New Providence; (ii) increase employability and employment of the at-risk youth population in New Providence; (iii) strengthen institutional capabilities of justice services; and (iv) reduce the recidivism rate among persons within the prison system.				
Special contractual clauses prior to the first disbursement: The Borrower must present, to the satisfaction of the Bank, evidence of: (i) the creation by the MNS of the Project Implementation Unit and selection of the project manager, procurement specialist, financial specialist, and monitoring and evaluation specialist; (ii) the approval of a Programme Operations Manual with fiduciary management arrangements and the Project Execution Plan; and (iii) the establishment of the Programme Steering Committee (PSC) and evidence that the PSC has had its first meeting (¶3.4).				
Exceptions to Bank Policies: None.				
Project qualifies for:	SEQ <input checked="" type="checkbox"/>	PTI <input checked="" type="checkbox"/>	Sector <input checked="" type="checkbox"/>	Geographic <input checked="" type="checkbox"/> Headcount <input type="checkbox"/>

(*) Under the conditions of the Flexible Financing Facility (FN-655-1), the borrower has the option to request changes in the amortization timetable, as well as in the currency conversion and in the interest rates. For the consideration of those requests, the Bank will take into account the operating aspects related to risk management.

(**) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provision of the Bank's policy.

I. DESCRIPTION AND RESULTS MONITORING

A. Background, Problem Addressed, Justification

- 1.1 In recent years, one of the main obstacles to economic development in the Caribbean region has been a persistent increase in the incidence of Crime and Violence (C&V).¹ The United Nations Office on Drugs and Crime (UNODC), in its 2013 Global Study on Homicide (GSH), estimates homicide rates in the Caribbean at around 20 per 100,000 inhabitants.² The Commonwealth of The Bahamas (“The Bahamas”) has not escaped this regional trend: Data from the Royal Bahamas Police Force (RBPF) confirm that the most violent crimes—specifically homicide, armed robbery and rape— have been steadily increasing.
- 1.2 The homicide rate, for example, has more than doubled in the last decade.³ In 2013 the homicide rate was 31.5 per 100,000 people.⁴ In 2013, an important portion of homicide victims were young (37% under age 25), males (87%), killed with a firearm (82%), and retaliation (33%).⁵ As shown in [Figure 1](#), The Bahamas shows a worrying trend when compared to other Caribbean countries with either stable or declining homicide rates.
- 1.3 Similarly, armed robberies have increased 81% (from 199 in 2004 to 361 in 2013)⁶ and reported rapes have increased by 17% since 2004, according to Police data. Emergency Room data further show that cases of rape treated at Princess Margaret Hospital (New Providence) alone were nearly 1.5 times higher than those registered nationally with the Police, suggesting that the problem is likely larger than what is reported to law enforcement authorities.⁷
- 1.4 The insecurity situation is mainly affecting New Providence on which the capital city, Nassau, is located and where approximately 70% of the Bahamian population⁸ lives and 86% of homicides and 79% of reported rapes have occurred over the last five years. The crime rates observed within this relatively small area (21.1 by 6.8 miles) far exceed those shown in other populated and larger islands in the country. The following table shows New Providence crime rates compared to those of the second most populated island in the country (Grand Bahama):

¹ Caribbean Human Development Report, United Nations Development Programme, 2012.

² This is considerably higher than the global average of 6.2 per 100,000. See, UNODC – GSH 2013.

³ Unpublished data provided by the RBPF Research & Planning Unit.

⁴ Calculated using data provided by the RBPF Research and Planning Unit and mid-year population estimates from the United Nations Department of Economic and Social Affairs, Population Division (2013).

⁵ Unpublished data from the RBPF Research & Planning Unit.

⁶ RBPF unpublished data.

⁷ Of 313 women interviewed at random times at the Accident and Emergency Department of Princess Margaret Hospital, 40.3% were physically abused, 22.4% sexually and 39% verbally abused at some time in their lives. Of those that were comfortable disclosing abuse with health care workers, about half reported the last incident of abuse to the Police. Burnett-Garraway (2001).

⁸ The Bahamian population is approximately 353,658 inhabitants (of which 248,948 inhabitants are in New Providence) (Department of Statistics -DOS, Census of Population and Housing, 2010).

Table 1. C&V rates per 100,000 persons

C&V		Unit	2011	2012	2013
Homicide	Grand Bahama	Rate	17.3	21.0	12.7
	New Providence		44.2	37.0	44.1
Armed robbery	Grand Bahama	Rate	156.0	186.8	139.6
	New Providence		507.3	529.4	511.4
Rape	Grand Bahama	Rate	15.4	22.9	22.6
	New Providence		33.7	30.6	34.6

- 1.5 **Problem addressed and causal factors.** The general problem to be addressed by this programme is the high C&V rates (homicides, armed robberies and rapes) observed in The Bahamas. The programme will address this challenge by focusing on four specific problems: (i) use of violence for conflict resolution in New Providence; (ii) high unemployment and discouragement⁹ rates among youth in New Providence; (iii) limited capacity of the criminal justice system to tackle C&V; and (iv) high recidivism rates.
- 1.6 **Use of violence for conflict resolution in New Providence.** Recent statistics point to a prevalence of violence as a way to resolve disputes in inter-personal and community relations, especially among youth, which in turn has increased a general perception of insecurity (38.8% of residents in New Providence reported feeling unsafe or very unsafe walking alone outside their neighbourhoods after dark).¹⁰ Administrative data from the RBPF and the Bahamian Department of Correctional Services (BDOCS), show that a significant portion of homicide victims are in the 18-25 age group (32% of homicide victims in 2013) and 56% of the prison population (sentenced and on remand) are between the ages of 15 and 29 (63% of 2013 arraignments involved people 24 years old or younger). This pattern is frequently determined by family dynamics, notions of gender roles and violent habits formed at schools:¹¹
- a. Harsh parenting techniques foster the normalization of violence as a method for resolving disputes. In a recent survey,¹² 57.1% of respondents agreed that it is necessary to hit or physically punish a child who misbehaves and 60.5% reported having suffered physical punishment from their parents when they were kids.
 - b. While crime victims are mostly men, Violence Against Women is also a concern:¹³ 33% of respondents to a recent survey agreed that a man is justified to hit his wife/partner.¹⁴

⁹ “Discouraged workers” are persons who may or may not have worked before, are able and willing to work, but are not actively seeking work because they believe they would not find work (DOS).

¹⁰ The Bahamas Victimization Survey. LAPOP. (2014).

¹¹ United States Department of Health and Human Services, 2001; Lipsey and Derzon, 1998; Resnick et al., 2004; Mercy et al., 2002; Rosay et al., 2000; Williams et al., 1999.

¹² Ibid 10.

¹³ Studies examining this problem in The Bahamas include: Carroll, M., Fielding, W. J., Brennen, S. & Hutcheson, S. (2011), Burnett-Garraway, C. H. (2001), Plumridge, S. J. and Fielding, W. J. (2009).

¹⁴ College of the Bahamas and Bahamas Crisis Centre Survey (2012).

- c. In 2011, 10.4% of Bahamian students admitted to carrying a weapon such as a gun or knife in schools, and 40.4% reported having been in physical fights one or more times during the past 12 months.¹⁵ In addition, 47% of Bahamians expressed worry about the safety of children at schools.¹⁶

1.7 **High youth unemployment and discouragement rates in New Providence, which increase the risk of being involved in criminal and violent activities.**¹⁷

In The Bahamas, youth unemployment rates are high¹⁸ and have been increasing for over ten years (from 15% in 2001 to 30.8% in 2014 for 15-24 year olds).¹⁹ The country also faces high rates of long-term unemployment, where 50% of youth remain unemployed for more than a year. In New Providence specifically, 10,605 youth between 15-29 years old, are either unemployed or discouraged, and out of these, 13% are discouraged. As can be seen in [Figure 2](#), youth unemployment rates (15-24 years) and robbery, murder, and burglary rates have a positive correlation, all of them showing increasing trends. Determinants for youth unemployment and discouragement are associated with various factors:

- a. **Skills mismatch in the at-risk²⁰ population.** A survey recently conducted amongst employers in The Bahamas (both in New Providence and Grand Bahamas) showed that the set of skills are critical to meet the demands of the labour market in this order: specific-job technical skills (66% of interviewed employers), behavioural skills (25% of employers) and basic literacy and numeracy skills (16% of employers).²¹ In addition, employers report the lack of specific skills as the most important barrier to recruit workers (34%) followed by applicants' lack of experience (29%) and applicants' lack of soft skills (28%). This reality is associated with the lack of relevance of the education and training system.²² Finally, the fact that employers do not find the right skills amongst job seekers is more worrisome for young people, since the combination of lack of skills, training and work experience can lead

¹⁵ The Bahamas Secondary School Drug Prevalence Survey (2011).

¹⁶ Ibid 10.

¹⁷ In Raphael, Steven & Winter-Ebmer, Rudolf (2001), an analysis of unemployment effects on C&V state-level data in the U.S. indicate that unemployment is an important determinant of crime rates. The relationship between unemployment and C&V is also evident in other studies like Bushway, Shawn. "Labor Markets and Crime" in Wilson, J.Q. and Petersilia, J. eds. 2011 Crime and Public Policy and in Downes, Andrew. "Labor Markets and Human Resources Development in the Caribbean" (2007).

¹⁸ High youth unemployment is a worldwide phenomenon to which the region is not immune, but according to the most recent data available in household surveys, four Caribbean countries (Jamaica, the Dominican Republic, the Bahamas and Barbados) are the ones that face the region's highest youth unemployment rates (32.5%, 28.3%, 30.8% and 26.1%, respectively).

¹⁹ According to the most recent Labour Force Survey, 27.2% of New Providence youth (between 15 and 24 years of age) were unemployed in 2012. This percentage is significantly higher when compared to the unemployment rate for young adults (25-29 yrs.) which was 18.3%.

²⁰ Focus is placed on individuals between 15-29 years of age who are not attending school and are either unemployed or discouraged and live in areas with high C&V rates.

²¹ For further detail see "[Understanding Employers' Demands in The Bahamas and in New Providence](#)".

²² Countries with education systems linked to the labor market show better results in terms of youth employment (Ryan, 2001; Hanushek et al., 2011; Eichhorst et al., 2012).

to a vicious cycle of unemployment (34% of surveyed firms from different industries hire foreign labour,²³ which could otherwise be occupied by Bahamians, including youth)²⁴.

- b. **Fragmented workforce development policy and low effectiveness and efficiency of existing labor intermediation initiatives, particularly of the Public Employment Services (PES) in New Providence.** The Bahamas has limited resources to support youth at risk in order to improve their opportunities in the labour market.²⁵ The country has recently advanced in designing and launching a public and more encompassing initiative called the National Training Agency, which will be working mostly with the unemployed population, in many cases for their placement into first job positions. The Bahamas also has a PES under the Ministry of Labour with limited capacity -in terms of qualified personnel, soft and hard infrastructure, and articulation with the private sector– to be aware of current vacancies and be able to respond to the demands of current and potential employers. Currently, the PES only refer 9% of job seekers to vacancies and place less than 2% of unemployed individuals.
- 1.8 **Limited capability of the criminal justice system.** Since 2008, The Bahamas has shown declining values for the World Governance Indicator (2012) related to the Rule of Law.²⁶ Low confidence in the justice system can exacerbate a country's C&V challenges, as it creates fertile ground for extrajudicial and vigilante violence.²⁷ One major concern is the substantial backlog of judicial cases: (i) the backlog of serious criminal matters (including homicide, armed robbery and rape) has reached 814 unscheduled cases in the last 14 years; (ii) the backlog is constantly increasing as cases get delayed (of every three cases set for trial each week, only one is completed -which is to say, reaches a verdict- while the rest have to be rescheduled for trial at a later date); and (iii) only 18% of serious criminal matters were solved by the Supreme Court in 2013.²⁸
- 1.9 These institutional challenges stem from difficulties associated with: (i) a paper-based system (all serious criminal matters are managed in paper files without an automated case management system, Magistrates' trial transcripts are

²³ Wages and Productivity Survey (WPS) (2012) collected by the DOS with support of the Inter-American Development Bank (IDB); Fazio and Pinder (2014),

²⁴ In terms of youth placements, the analysis of the WPS 2012 reveals that the “arts, entertainment, recreation and other” as well as the “accommodation and food service activities” industries are the third and fourth most important employers of youth under 25 years of age (Fazio and Pinder, 2014).

²⁵ In general, existing youth training programmes focus on engaging youth through activities such as art, sports, foreign languages, music, while only a limited number are targeted at developing specific skills for increasing employability and job placement in particular industries.

²⁶ Indicators are composite measures covering: (i) Voice and Accountability; (ii) Political Stability and Absence of Violence; (iii) Government Effectiveness; (iv) Regulatory Quality; (v) Rule of Law; and (vi) Control of Corruption.

²⁷ The high percentage of murders motivated by retaliation in The Bahamas (33%) suggests a lack of confidence and dissatisfaction with the criminal justice system to resolve crimes and disputes.

²⁸ Information provided by the Office of the Attorney General (OAG).

recorded by hand without digital court recording tools, scheduling of trials is based on lawyer's individual availability instead of a common shared schedule causing constant rescheduling of cases);²⁹ (ii) the absence of a public defender system (the Supreme Court relies on "Crown Briefs" in justices determine whether counsel is required and whether the accused can afford to retain counsel);³⁰ and (iii) the lack of alternative mechanisms such as Restorative Justice (RJ), which could alleviate the country's overburdened judiciary but, although recommended in some studies,³¹ have not been effectively implemented.

1.10 **High recidivism rate in The Bahamas.** In 2013, the recidivism³² rate was estimated to be 24% in the prison system for adults. The Department of Rehabilitative Welfare Services (DRWS) is responsible for the social rehabilitation of adolescent offenders from 12 to 18 years of age³³ and the BDOCS is responsible for adult prisoners. The incarceration rate in The Bahamas reached 379 per 100,000 adults in 2013 (compared to the worldwide average of 144).³⁴ The underlying factors include:

- a. The DRWS face significant challenges³⁵ to provide treatment and services to youth, in order to reduce their likelihood of reoffending, including: (i) the current services do not take specific treatment needs into account, in particular psychological assistance, socio skills training, conflict resolution skills, remedial education and job skills training. Only 60% of youth had completed the basic education cycle; (ii) lack of automated tools to conduct case management to collect, preserve, and analyse data on juveniles and to track their progress toward rehabilitation; and (iii) lack of a specific training programme for socio-educational management of juveniles. None of the staff went through a process of continuous training on counselling and rehabilitation of juveniles.
- b. On the other hand, the BDOCS operates at 50% over its official capacity,³⁶ houses a large number of inmates awaiting trial (42% in 2013)³⁷ and faces

²⁹ Jennifer Leach. Court Reporting & Transcription Services Evaluation Program. Final Report and Proposed Action Plan for The Bahamas. 2013.

³⁰ There are only 30 volunteer counsellors who are assigned these Crown Briefs, which leaves many defendants without adequate legal representation (Report on the Creation of the Office of the Public Defender in The Bahamas, Commonwealth Secretariat, 2014).

³¹ Wallace, R., Willie, K. Changing on the Inside: RJ in Prisons, The International Journal of Bahamian Studies, 2013.

³² In The Bahamas, recidivism is understood as adults older than 18 years old who have been convicted more than once in their lifetime.

³³ In 2013, DRWS served 186 juveniles at two centres: the Willie Mae Pratt Centre for Girls and the Simpson Penn Centre for Boys. The juvenile and after care services unit provided supervision and counselling services for 209 youth (57.4% males and 42.5% females), discharged from both centres and referred by the court, relatives or other agencies.

³⁴ World Prison Population List (10th Edition), International Centre for Prison Studies, 2013.

³⁵ 2013 DRWS annual report.

³⁶ The Bahamas' Prison at Fox Hill has an average daily population of 1,506.

³⁷ International Centre for Prison Studies, [Online World Prison Brief](#), 2013.

significant restraints regarding its Rehabilitation and Reintegration services,³⁸ including lack of: (i) an integrated rehabilitation model (existing rehabilitation programmes and services are designed and offered on an ad-hoc basis³⁹ and reach approximately 35% of the prison population), (ii) methods and tools to systematically monitor and evaluate rehabilitation programmes (there is no system to collect, preserve, and analyse data on inmates and to track their progress toward rehabilitation, either during or following their prison stay); (iii) a regular training plan for its staff in delivering rehabilitation services (only 20% of BDOCS staff receives training in delivering rehabilitation services); and (iv) reintegration opportunities (in 2014, only 2% of inmates benefitted from Work Release Programmes (WRP) to transit from prison back into communities).

- 1.11 **Government priorities.** The Government of The Bahamas has identified C&V as a high priority challenge and responded with a number of initiatives launched from different quarters. Activities include targeted social interventions and urban planning (which include C&V prevention plans and have been channelled through the Urban Renewal Programme led by the Ministry of Public Works), increased police presence in hot spots (coordinated by the Ministry of National Security - MNS), initiatives to increase the efficiency of the justice administration system (Swift Justice Initiative implemented by the Office of the Attorney General - OAG), and the passage of the Correctional Bill, marking a policy shift to a rehabilitative approach (implemented by the BDOCS).
- 1.12 **Strategic alignment.** The programme is aligned with the Operational Guidelines for Program Design and Execution in the Area of Civic Coexistence and Public Safety (GN-2535-1), the Sector Strategy Institutions for Growth and Social Welfare (GN-2587-2), and the 2015 Country Programme Document. It is also aligned with the Citizen Security priority area of the Country Strategy of the IDB with the Commonwealth of The Bahamas, 2013-2017 (GN-2731) and its matrix, which includes objectives related to the public sector's institutional capacity to respond to C&V. The programme is also aligned with the Citizen Security and Justice Sector Framework Document (GN-2771-3)⁴⁰ as well as the Sector Framework Document Labor (GN-2741-3). The programme will contribute to the lending priorities of the Ninth General Increase in the Resources of the IDB (AB-2764) (GCI-9) for: (i) small and vulnerable countries; and (ii) poverty reduction and equity enhancement, specifically by including interventions targeting youth unemployment as a risk factor contributing to C&V. It will also contribute to the regional development goal of reducing homicides and to the product of cities benefitted from Citizen Security projects, as defined in the

³⁸ According to the BDOCS unpublished data.

³⁹ At least 40 different developmental programmes are offered to inmates.

⁴⁰ Financed activities comply with the Sector Framework Document's dimensions of success by: (i) providing access to comprehensive C&V prevention programs to youth at risk; and (ii) ensuring access to efficient and timely rehabilitative services for prisoners.

Results Framework (RF). The programme is also consistent with the Operational Policy on Gender Equality (GN-2531-10).

- 1.13 **Bank's interventions in the sector.** The Bank has identified C&V as a main obstacle to human and economic development in the region.⁴¹ This programme is the first citizen security project in The Bahamas and it is consistent with previous Bank experience in the Caribbean where similar multi-sector strategies and evidence-based interventions have been implemented (for example in [Guyana](#), [Jamaica](#) and [Trinidad and Tobago](#)).⁴²
- 1.14 **Lessons Learned.** Key lessons identified from previous relevant Inter-American Development Bank (IDB) financed operations in Citizen Security in the Caribbean⁴³ include:
- a. Given the difficulty of the multi-sectoral work required to tackle C&V, there is a need to give attention to coordination and accountability mechanisms. A structure where agreements between the programme and relevant Agencies and Ministries can take place is essential for effective execution (the Programme Steering Committee (PSC) described in ¶3.2 reflects this lesson).
 - b. Given the focus of this type of programme on bottom-up initiatives, it is essential to ensure continuous buy-in by civil society. This requires appropriate communication throughout implementation. Thus, developing mechanisms for civil society buy-in and tools for positive communication are key elements for effective execution of the programme. This lesson is incorporated by investment in outreach activities (see ¶1.17).
 - c. A significant investment in Monitoring and Evaluation (M&E) framework, resources, and capacity is recommended, as well as thorough indicators, and attention to the programme's outcomes (see ¶3.5).
- 1.15 **Rationale, intervention strategy and beneficiaries.** The programme will contribute to reducing C&V in The Bahamas, through a comprehensive approach that combines preventive strategies with institutional strengthening activities both at the national and local levels. Indeed, the programme will emphasize: (i) social prevention in New Providence island (where the incidence of C&V is most acutely felt); and (ii) strengthening institutional capacity within agencies responsible for the prosecution, sentencing and rehabilitation of persons in conflict with the law. This systematic approach is considered necessary in order to properly address the variety of causes behind the C&V challenge faced by the country. The programme's beneficiaries will be: (i) persons in New Providence, especially youth for Components I and II; and (ii) the OAG, the Judiciary, the BDOCS and the DRWS for Components III and IV.

⁴¹ For Bank documents on the subject see the [publication list](#).

⁴² For information about results and lessons learned from these programs see [summary of results](#).

⁴³ See, "The implementation Challenge: Lessons from Five Citizen Security Projects (RE-456)" OVE, 2013.

B. Objective, Components and Cost

- 1.16 The general objective is to contribute to the reduction in C&V (homicides, armed robberies and rapes) in The Bahamas. The specific objectives are to: (i) improve behaviours for non-violent conflict resolution in New Providence; (ii) increase employability and employment of the at-risk youth population in New Providence; (iii) strengthen institutional capabilities of justice services; and (iv) reduce the recidivism rate among persons within the prison system.
- 1.17 **Component I. Social C&V prevention in New Providence (US\$4,849,000).** This component seeks to improve behaviours for non-violent conflict resolution in the island of New Providence. It will include differentiated evidence-based interventions (delivered in association with local Non-Governmental Organizations- NGO, schools, among others local partners) in order to prevent interpersonal violence. This will include the following activities: (i) training activities provided to youth, adults, and local leaders to address norms that promote acceptance of violence (e.g. parenting,⁴⁴ gender norms,⁴⁵ rape risk reduction programmes,⁴⁶ public awareness and behaviour change campaigns,⁴⁷ as well as counselling and conflict resolution delivered through refurbished centres)⁴⁸; (ii) school-based violence prevention activities (which will seek to improve social skills, address anger management and increase conflict resolution skills,⁴⁹ as well as to foster caring, supportive relationships among youth);⁵⁰ and

⁴⁴ Parenting education will be based on the Triple P model. A Randomized Control Trial evaluation of Triple P found a 22% reduction in a validated scale measuring parental over-reactivity (Morawska, A. 2010).

⁴⁵ Programme H&M will serve as a model. It encourages a positive conception of masculinity (a quasi-experimental survey showed significant positive changes in 10 of 17 gender attitude items, with no changes in the control group (Moestue, et al 2013).

⁴⁶ Evidence suggests that women's participation in risk reduction programmes- particularly those including self-defence training- decreases their likelihood of being sexually assaulted in the future (Hanson & Broom, 2005; Ullman, 2007; more recent research by Orchowski, Gidycz, & Raffle, 2008). A meta-analysis concluded that: "Of the 918 women in the treatment groups, 20.3% reported being sexually victimized during follow-up compared to 24.5% among the 868 women in the control groups - a reduction of four sexual assaults for every 100 women attending the programme" (Hanson & Broom, 2005, p. 366).

⁴⁷ A successful mass communications campaign is "*Somos Diferentes, Somos Iguales*" [*We are Different, We are the Same*] in English initiative in Nicaragua. A two year longitudinal study found that young people "greatly exposed" to the programme were 33% more likely than those "less exposed" to know of a violence prevention resource and 48% more likely to have attended one in the last six months (Mostue, et al 2013).

⁴⁸ A good model can be found in "Becoming A Man" An evaluation found: "The intervention reduced violent-crime arrests during the programme year by 8.1 per 100 youth, or 44%. Student surveys provide suggestive evidence that social-cognitive skills mediate these impacts" (University of Chicago Crime Lab Research and Policy Brief on "Becoming A Man – Sports Edition", July 2012).

⁴⁹ Life Skills Training focuses on violence and the media, anger management, and conflict resolution skills and has shown significant reductions in delinquency and violence for students in the intervention compared with the controls. Students who received at least half of the intervention showed less physical aggression (30%) less verbal aggression (42%), fighting (40%) and delinquency (40%) (Botvin, G. J., Griffin, K. W., Nichols, T. R. (2006), Preventing youth violence and delinquency through a universal school-based prevention approach, Prevention Science).

⁵⁰ Safe dates programme is an intervention designed to prevent the initiation of emotional, physical, and sexual abuse on dates. An evaluation of the programme showed the following improvements in the

(iii) youth violence interruption activities (which will seek a public health approach addressing violence as a learned behaviour which can be prevented using disease control methods).⁵¹

- 1.18 **Component II. Youth employability and employment training⁵² and strengthening of the PES (US\$4,080,000).** This component aims to increase employability and employment among at-risk youth⁵³ (15-29 years old) in New Providence. Interventions include: (i) training for employability programme for at risk youth, focusing on the development of soft skills (responsibility, degree of commitment, teamwork-building, persistence, and self-control), training through community development projects and remedial education (literacy and numeracy skills)⁵⁴ for 1,000 beneficiaries; (ii) comprehensive demand-driven training for employment⁵⁵ with special emphasis in the Hospitality and Retail sectors⁵⁶ for

treatment group compared to the control group at one-month follow-up: 25% less psychological perpetration; 60% less sexual violence against a current dating partner (Foshee et al. 1998, Assessing the Long-Term Effects of the Safe Dates Programme and a Booster in Preventing and Reducing Adolescent Dating Violence Victimization and Perpetration).

⁵¹ The Cure Violence model uses such an approach: detection and interruption, identifying persons involved in transmission, and changing social norms; Skogan, W. G., et al “Evaluation of CeaseFire—Chicago.” Washington, DC: National Institute of Justice, Office of Justice Programs, US Department of Justice, (2008) found that Cure Violence reduced shootings in 3 of 7 areas (23.4%, 26.6%, 34.5% declines) and homicides in 1 of 7 areas (twice the decline in the comparison area).

⁵² Training for employability is a labor market intervention designed for those more at risk. It includes training and labour market experience, the development of a series of competencies in the areas of logical thinking, effective communication and self-esteem. Training for employment targets more job-ready youth with the objective of inserting them in an open vacancy in the productive sector.

⁵³ At-risk youth includes youth who have or have not committed crimes. Training for employability could benefit young people who have committed crimes in the past and are now in the process of social and economic reintegration. In terms of placement of beneficiaries into the two treatment groups, an assessment test will be conducted as part of the program that will determine beneficiaries’ baseline relevant skill set (soft and technical) and evaluate other variables like previous work experience.

⁵⁴ Studies have found that the soft, non-cognitive skills associated with self-esteem, perseverance and self-control (Cunha and Heckman, 2010; Carneiro and Heckman, 2003; Heckman et al., 2006) and those related to motivation, responsibility, and commitment (Bassi et al., 2011, and World Bank, 2011), have a significant impact on employability. An impact evaluation of the “*Juventud y Empleo*” employability training program for disadvantaged youth in the Dominican Republic, Ibarrarán et al (2014) found a positive impact on quality of employment (on job formality for men of about 17% and 7% increase in monthly earnings among those employed) as well as on the development of soft skills. On the other hand, comprehensive skills training programs for at-risk youth such as the programs developed by YouthBuild International include training on both basic and soft skills. One example for the region is the YouthBuild El Salvador Program (2012), which has achieved reinsertion results above the average of other programs: 85% of participants graduate, and, of those, 77% achieve reinsertion (35% obtain employment, 23% self-employment, and 19% returned to school).

⁵⁵ Ibarrarán and Rosas Shady (2009), Gonzalez Velosa et al (2011), and Cunningham et al. (2008) review several youth interventions for social inclusion and labor market insertion of at-risk youth and highlight the promise of a comprehensive approach. The results suggest that employment effects range from modest to meaningful –increasing the employment rate by about 0% to 5% points—with impact of 6% to 12% points in the employment rate.

⁵⁶ The hospitality and retail sectors have been selected as potential candidates for training due to their importance for the country’s economy: Tourism and tourism-related activities account for 60% of gross domestic product and directly or indirectly employ approximately 50% of the workforce – (WPS, 2014).

1,600 at-risk youth;⁵⁷ and (iii) capacity building of the PES⁵⁸ under the Ministry of Labour, which will include enhancements to the Electronic Labour Exchange (employment portal), staff training, engagement of employers, refurbishing of PES offices, and development of youth targeted services (an initial assessment study of the existing PES services will precede these activities).⁵⁹

- 1.19 **Component III. Strengthening of the justice administration system (US\$5,554,800).** This component seeks to address the institutional shortcomings of the justice administration system to prosecute and sentence crimes successfully and in a timely manner at the national level. The main activities envisioned under this component include: (i) design and implementation of an integrated electronic system for case management, digital recording and scheduling;⁶⁰ (ii) design and support for a pilot for a Public Defender Programme (including business analysis expertise, provision of legal services by selected attorneys, and minor office refurbishing);⁶¹ and (iii) design and support for a pilot RJ system (including drafting of RJ framework, training and stipend for RJ facilitators and minor refurbishing of office space).⁶²

See [“Macroeconomic Context and Employment Opportunities for Youth.”](#)

⁵⁷ Training will combine soft and technical skills as well as follow-up and placement of graduates in jobs.

⁵⁸ Intermediation has been empirically shown to be a cost-effective way of bringing job-seekers and jobs together (Card et al. 2011). In Latin America, several labor intermediation programmes have demonstrated the relationship between capacity building of national employment services and increased placement rates. González-Velosa, Rosas Shady, and Novella (2015) found that in Peru’s programme “Technical and Operational Foundations of the National Employment Services” led to an increase in the share of registered individuals who were registered as “placed” through one-stop shop services from 19% in 2012 to 53% in 2013.

⁵⁹ This sub-component is complementary to the Technical Cooperation BH-T1035 (ATN/OC-14040-BH) “Advancing Skills and Employment in The Bahamas”, which seeks to provide support requested by the Ministry of Labour to engage in knowledge-sharing of international best practices, develop The Bahamas’ national skills bank and job exchange portal, and establish critical monitoring and information systems, to improve the Ministry’s execution capacities and its use of modern technologies and policy platforms.

⁶⁰ Salkute, S. (2014). Evidence from a pilot project in 8 courts of India, show a 7% average rate of decrease of old backlog, when combining executive mentoring of judges with case management systems.

⁶¹ Evidence shows that ensuring that public defender systems have the resources necessary to provide quality representation to their clients can result in a more just system that reduces costs and incarceration and improves public safety and communities. Under resourced public defender systems can lead to increased incarceration, which can have serious costs for individuals, families, communities and taxpayers. For instance, the Bronx Defenders in New York, USA, have obtained favourable outcomes – dismissals and acquittals – nearly twice as frequently as attorneys in the same courts and 75% of their clients who were convicted ended up receiving sentences that did not include incarceration. Also, 9 out of 10 of their clients indicated that they were happy with their representation (System overload: The cost of under-resourcing Public Defence. The Justice Policy Institute, 2011).

⁶² In 7 United Kingdom studies, 72% of victims who experienced RJ expressed satisfaction with the criminal justice system’s response, compared to 60% of the control group (Strang, H., L. Sherman, E. Mayo-Wilson, D. Woods, B. Ariel (2013) RJ Conferencing: Using Face-to-Face Meetings of Offenders and Victims: Effects on Offender Recidivism and Victim Satisfaction. In addition, a systematic review from the Campbell Collaboration, in South Africa found that two RJ initiatives reached resolution in 80-90% of cases. Monaghan, Rachel (2008).

1.20 **Component IV. Rehabilitation and reintegration of offenders (US\$3,380,000).**⁶³ This component seeks to improve the effectiveness of the BDOCS and the DRWS in reducing offender recidivism at the national level, by financing the following activities: (i) design and implementation of a comprehensive rehabilitation model,⁶⁴ including a programme model and curriculum built on evidence-based practices (such as cognitive behavioural therapy, multi-systemic therapy, vocational training, and educational programmes);⁶⁵ (ii) design and implementation of a case management and monitoring system to identify risks and needs, provide treatment and manage cases (these tools will support the BDOCS and the DRWS to increase treatment matching and programme quality);⁶⁶ (iii) development and implementation of a continuous and flexible training curriculum for BDOCS and DRWS to facilitate knowledge gain and build the necessary skills associated with using evidence based practices for the effective management of offenders;⁶⁷ and (iv) expansion of the BDOCS reintegration programmes.⁶⁸

⁶³ The execution of this component will involve an internationally recognized organization (selected by competitive process) in order to ensure standards for respect for human rights.

⁶⁴ The model of intervention will be adapted from the Risk-Need-Responsiveness (RNR) approach, which is used in both adult and juvenile settings in order to assess and monitor an offender's rehabilitation. Its main goal is to reduce the offender's risk of re-offending and protect the community from further harm. Methodologies to identify basic principles of RNR have been developed for such purpose and have helped to make prison interventions effective in reducing recidivism (Bonta, et al 2005). This RNR methodology allows better tailoring of rehabilitation programmes by combining individual needs, circumstances, and learning styles (Petersilia, 2003).

⁶⁵ The model to be financed under this programme will include programmes shown to be effective such as: (i) adult rehabilitation programmes based on cognitive behavioural therapies that have shown a fall in recidivism by 25% in the targeted population (Lipsey, et al 2007); (ii) vocational training or apprenticeship programmes, participants were shown 33% less likely to recidivate than the control group. (Uggen, C. et al, 2001); and (iii) education programmes (primary, secondary, and post-secondary), shown to reduce recidivism by 8.3% (Drake, Aos and Miller 2009). For juveniles, the empirical evidence shows that multisystemic therapy, a type of family and community therapy based on the hypothesis that changes in young people's social ecology can reduce antisocial behaviour and recidivism rates among young people between 43% and 72% (Borduin et al., 1999, 2009; Henggeler et al., 1992, 1993, 1997).

⁶⁶ One case management programme, Project Chance, was shown to reduce participant recidivism rates to 11% as compared 60% recidivism rates for comparable populations. See Healey, Kerry Murphy. Case Management in the Criminal Justice System, National Institute of Justice (Feb 1999). The National Council on Crime and Delinquency evaluated commonly used risk assessments in juvenile justice by examining their predictive validity, reliability, equity and cost (Baird et al, 2013) and found that the Joint Steering Committee, used in Solano County, California, proved to be the most successful risk instrument evaluated in this study. This assessment was the most reliable in identifying risk levels (92% reliability agreement on risk level) and worked very well across all major ethnic groups in Solano County.

⁶⁷ Correctional officer training has shown to support positive behavioural change in prisoners. Following a 10 hour officer training programme, there was a reduction in monthly incidents of prisoner battery from 14 incidents /month to 4 incidents/ month. Packer, George. Impact of a Mental Health Training Course for Correctional Officers on a Special Housing Unit, Psychiatric Services Vol. 60 No. 5 (May 2009).

⁶⁸ The proposed programme seeks to facilitate inmate's transition into the community by providing job opportunities, job readiness skills, and work force development opportunities. A successful example is the WRP in North Carolina which showed that participation in the WRP eased adjustment after release from prison. The programme provided a job at release for 39 % of participants (Witte, WRP in North Carolina).

C. Key Results Indicators

- 1.21 Citizen Security and Justice Programme’s (CSJP) expected impact is to decrease national C&V rates. The core sector indicator “beneficiaries (individuals) of citizen security programs designed or evaluated by the Bank” was added as an aggregate output for Components I, II, and IV. Expected outcome indicators are described in Annex II.

Table 2. Expected impact

Key Results	Baseline (per 100,000)	Target (per 100,000)
1. Homicide in The Bahamas	31.5	27.19
2. Armed robbery in The Bahamas	270.8	244.40
3. Rape in The Bahamas	27.6	24.25

- 1.22 **Economic analysis.** The cost-benefit analysis performed, under conservative assumptions, shows that the total estimated benefits of the four components of the programme amounts to US\$138 million dollars with a present value of US\$63 million with an IDB discount rate of 12%. The overall results are sensitive to variations from a number of variables (for example, the duration of the benefits for all components, the annual salary for Component II, the total budget of the judicial system for Component III, and the reduction of recidivism rate for Component IV) and in all cases the achievement of the main targets of each component registers the accrual of benefits (see [economic analysis](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing Instruments

- 2.1 CSJP’s estimated total cost is US\$20 million to be financed with resources from the Ordinary Capital. The programme has a five year disbursement period. Table 3 provides a breakdown by components and source of financing.

Table 3. Project costs

Category	IDB & Total (US\$)	%
1.1 Component I. Social C&V prevention in New Providence	4,849,000	24
1.2 Component II. Youth employability and employment training and strengthening of the PES	4,080,000	20
1.3 Component III. Strengthening of the justice administration system	5,554,800	28
1.4 Component IV. Rehabilitation and reintegration of offenders	3,380,000	17
2.1 Project administration	1,682,000	9
3.1 Contingencies	454,200	2
Total/ Percentage (%)	20,000,000	100

- 2.2 Procurement under the proposed programme will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Bank (GN-2349-9); and the Policies for the Selection and Contracting of Consultants Financed by the Bank (GN-2350-9), and with the provisions established in the loan contract and procurement plan. In addition, for all IDB-financed projects, the borrower is required to prepare and submit to the Bank a draft of the General

Procurement Notice (GPN). The Bank will arrange for publication of the GPN in *United Nations Development Business online* and on the Bank's website. The supervision method for procurement will be ex ante until the Project Implementing Unit (PIU) procurement specialist has gained experience with Bank policies, procedures, and standard bidding documents.

B. Environmental and Social Safeguard Risks

- 2.3 In accordance with the "Environment and Safeguards Compliance Policy" (OP-703), CSJP is classified as category "C". There are no negative social or environmental risks associated with the proposed activities.

C. Fiduciary Risk

- 2.4 Based on the IDB's Institutional Capacity Assessment of the MNS, the programme has a medium fiduciary risk. The risks are delays in procurement and financial reporting due to limited experience applying IDB policies and procedures. These risks will be mitigated by: (i) hiring a PIU procurement and financial specialist; and (ii) drafting of the operations manual as a prior condition to first disbursement.

D. Other Key Issues and Risks

- 2.5 **Risks and mitigation measures.** A risk analysis workshop was held with project stakeholders, during which of the 12 key risks identified, 7 were rated as "medium" and 3 were rated as "high". The programme's overall risk rating is medium. The risks considered as "high" are: (i) lack of beneficiary engagement in community-based interventions; (ii) government reluctance to new approaches; and (iii) insufficient coordination among agencies. These risks will be mitigated by: (i) engagement of NGO with community connections and public awareness and behaviour change campaigns; (ii) liaison appointed in each agency; and (iii) incorporation of agencies within institutional arrangements. Medium risks are: (i) inconsistent budget allocations; (ii) lack of job vacancies for trained youth; (iii) lack of sustainability of community interventions; (iv) risks associated with the work of the correctional institution; and (v) lack of data generation for effective M&E. These risks will be mitigated by: (i) permanent dialogue with the MNS and Ministry of Finance to secure government funding; (ii) youth trained in sectors with demonstrated employment opportunities; (iii) NGO to facilitate sustainability at the community level; (iv) engagement of an international expert organization to support work in prisons; and (v) hiring of PIU monitoring and evaluation specialist.
- 2.6 **Sustainability.** CSJP is The Bahamas' first major investment, with IDB support, to enhance the Citizen Security and Justice sector and indicates the country's commitment to invest in the sector. As part of CSJP's final evaluation, measures to ensure CSJP sustainability will be recommended.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of Implementation Arrangements

- 3.1 The Executing Agency will be the Government of The Bahamas, specifically the MNS, through a PIU. The PIU programme manager will report to the permanent secretary of the MNS. The PIU staff will include a programme manager; a financial and procurement specialist responsible for the financial administration and for the acquisition of all works, goods and services; an accountant, and a M&E expert in charge of maintaining the programme's records and other documentation; and an administrative assistant.
- 3.2 The programme seeks to support a comprehensive and multi-sector approach to the C&V challenge faced by the country (see [institutional arrangements](#)). In this context, a PSC will be established and will provide oversight and strategic direction and recommendations as well as ensure the coordination of the programme's activities with other government initiatives⁶⁹ (see ¶1.11). The PSC will consist of permanent secretaries and heads of agencies from core ministries, representatives of other organizations and agencies responsible for services and issues related to crime prevention and community safety.⁷⁰ The PSC will provide proactive strategic oversight of programme activities, facilitate coordination, collaboration and communication among participating agencies and will address strategic decisions and challenges related to achieving the programme goals. The PSC will receive quarterly update reports on the following issues: (i) programme progress in outputs and outcome indicators (compared to the M&E Arrangements); (ii) operational issues and challenges; (iii) strategic planning; (iv) work plans for the next period; (v) coordination with other actors and programme; and (vi) evaluation team activities. The MNS permanent secretary will chair the PSC and the PIU's programme manager will serve as its secretary.
- 3.3 **Annual Operational Plans (AOP).** Each year, the PIU will present an AOP to the Bank for its non-objection. The [AOP](#) will detail programme execution activities and associated implementation plans for the year; and will include for each programmed activity: annual goals, budget, and implementation schedule.
- 3.4 **Special contractual clauses prior to the first disbursement. The Borrower must present, to the satisfaction of the Bank, evidence of: (i) the creation by the MNS of the PIU and selection of the project manager, procurement specialist, financial specialist, and M&E specialist; (ii) the approval of the Programme Operations Manual with fiduciary management arrangements**

⁶⁹ A memorandum of understanding will be subscribed by all relevant agencies to ensure adequate participation and coordination among all stakeholders.

⁷⁰ Agencies represented in the PSC will include at minimum: (i) MNS; (ii) Ministry of Labour; (iii) OAG; (iv) BDOCS; and (v) DRWS.

and the Project Execution Plan; and (iii) the establishment of the PSC and evidence that the PSC has had its first meeting.

B. Summary of Arrangements for Monitoring Results

- 3.5 Project monitoring will be based on the RF, M&E Arrangements, [Procurement Plan](#), and AOP. The programme will allow for data collection on all RF output indicators (the PIU's M&E specialist will be tasked with creating data collection and monitoring systems to facilitate these tasks). MNS will submit semi-annual progress reports within 60 days of semester end.
- 3.6 **Evaluation.** The Executing Agency will hire independent consulting services to conduct the programme's mid-term and final evaluation.⁷¹ The programme will also ensure that technical assistance to build the government's own evaluation capacity is provided, thus complementing all external evaluations. Indicators of crime, perceptions of crime, and victimization will be measured in New Providence via a victimization survey, to gauge the possible influence of the programme's interventions. The methodology for these evaluations will correspond to a before-and-after comparison. These are expected to be the first evaluations done in The Bahamas to allow comparisons between the changes in the Results Framework indicators, providing valuable information for future C&V initiatives and confirming the validity of the external evidence in the context of The Bahamas (see [M&E Arrangements](#)).

⁷¹ The mid-term and final evaluations will be carried out and delivered upon (i) commitment of 60% of loan resources or 2.5 years of project execution (whichever occurs first); and (ii) commitment of 90% of loan resources or 4.5 years of project execution (whichever occurs first), respectively.

Development Effectiveness Matrix			
Summary			
I. Strategic Alignment			
1. IDB Strategic Development Objectives	Aligned		
Lending Program	-Lending to small and vulnerable countries -Lending for poverty reduction and equity enhancement		
Regional Development Goals	-Homicides per 100,000 inhabitants		
Bank Output Contribution (as defined in Results Framework of IDB-9)	-Cities benefited with citizen security projects		
2. Country Strategy Development Objectives	Aligned		
Country Strategy Results Matrix	GN-2731	To assist the implementation of targeted social interventions.	
Country Program Results Matrix	GN-2805	The intervention is included in the 2015 Operational Program.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
II. Development Outcomes - Evaluability			
	Evaluable	Weight	Maximum Score
	8.5		10
3. Evidence-based Assessment & Solution	9.0	33.33%	10
3.1 Program Diagnosis	2.4		
3.2 Proposed Interventions or Solutions	3.6		
3.3 Results Matrix Quality	3.0		
4. Ex ante Economic Analysis	10.0	33.33%	10
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis	4.0		
4.2 Identified and Quantified Benefits	1.5		
4.3 Identified and Quantified Costs	1.5		
4.4 Reasonable Assumptions	1.5		
4.5 Sensitivity Analysis	1.5		
5. Monitoring and Evaluation	6.6	33.33%	10
5.1 Monitoring Mechanisms	2.5		
5.2 Evaluation Plan	4.1		
III. Risks & Mitigation Monitoring Matrix			
Overall risks rate = magnitude of risks*likelihood	Medium		
Identified risks have been rated for magnitude and likelihood	Yes		
Mitigation measures have been identified for major risks	Yes		
Mitigation measures have indicators for tracking their implementation	Yes		
Environmental & social risk classification	C		
IV. IDB's Role - Additionality			
The project relies on the use of country systems			
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, External control.	
Non-Fiduciary			
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality			
Labor			
Environment			
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			
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan			

The project seeks to address the high rate of Crime and Violence (C&V) (homicides, armed robberies and rapes) in Bahamas. The main problems contributing to these issues have been identified and quantified, as have been their determinants. However, the document has not quantified the extent to which the problems can be explained by the determinants identified. The project's vertical logic is clear and well specified. The project presents adequate evidence of internal validity of the proposed solutions. However, no evidence of external validity is provided.

The Results Matrix is adequately constructed and contains all of the required elements for project monitoring. The ex ante cost-benefit analysis performed shows, under conservative assumptions, that 1.25 US dollars will be recovered for every dollar invested.

The program includes a satisfactory monitoring and evaluation plan and the data required for project monitoring has been identified. The evaluation plan includes an ex post economic analysis.

The Program's overall risk is rated Medium. Mitigation measures were identified with appropriate monitoring indicators.

RESULTS MATRIX¹

Objective: The general objective is to contribute to the reduction in crime and violence (homicides, armed robberies and rapes) in The Bahamas. The specific objectives are to: (i) improve behaviours for non-violent conflict resolution in New Providence; (ii) increase employability and employment of the at-risk youth population in New Providence; (iii) strengthen institutional capabilities of justice services; and (iv) reduce the recidivism rate among those persons within the prison system.

IMPACT

Indicators	Unit of Measure	Baseline		Targets		Source/Means of verification
		Value	Year	Value	Year	
EXPECTED IMPACT: To reduce crime and violence (homicides, armed robberies and rapes) in the Bahamas.						
1. Homicide in Bahamas ²	Rate (# of homicides/ 100,000 inhabitants)	31.5	2013	27.19	2020	Royal Bahamas Police Force
2. Armed Robbery in Bahamas ³	Rate (# of armed robberies/ 100,000 inhabitants)	270.8	2013	244.4	2020	Royal Bahamas Police Force
3. Rape in Bahamas ⁴	Rate (# of rapes/ 100,000 inhabitants)	27.6	2013	24.25	2020	Royal Bahamas Police Force

EXPECTED OUTCOME

Indicators	Unit of Measure	Baseline		Midterm measurements		Targets		Source
		Value	Year	Value	Year	Value	Year	
OUTCOME 1 – Improve behaviours for non-violent conflict resolution in New Providence								
1. Persons who have been a victim of assaults in the last 12 months in New Providence ⁵	%	6	2014			5	2020	Victimization Survey (LAPOP)

¹ For detailed information see [Detailed Results Framework](#).

² Garicano and Haeton (2010). 5% reduction (estimating the impact of combined information and investigation improvements on crime reduction). 11% additional impact assumed to be conservative given the interventions proposed and the results achieved in other programs (Skogan, et al. (2008). CureViolence model reduced overall homicides in Chicago by 25 % in the intervention year).

³ Garicano and Haeton (2010). 5% reduction (estimating the impact of combined information and investigation improvements on crime reduction).

⁴ Hanson & Broom (2005). 4% reduction of sexual assaults, and a 20% additional impact on sexual violence assumed to be conservative given the intervention proposed and the results achieved in other programs (Foshee et al. 1998. Safe Dates reduced 60% less sexual violence perpetration).

⁵ Garicano and Haeton (2010). The final target is consistent with evidence suggesting a 5% reduction of crime (estimating the impact of combined information and investigation improvements on crime reduction).

Indicators	Unit of Measure	Baseline		Midterm measurements		Targets		Source
		Value	Year	Value	Year	Value	Year	
2. Rape in New Providence ⁶	Rate (# of Rapes /100,000 inhabitants)	34.6	2013	33.1	2017	31.8	2020	Royal Bahamas Police Force
3. Students who have been in a physical fight one or more times during the past 12 months ⁷	%	40.4	2011	39.7	2017	39.3	2020	The Bahamas Secondary School Drug Prevalence Survey, 2011
INTERMEDIARY OUTCOME 1								
4. Persons who believe that a man is justified to hits his wife/partner ⁸	%	33	2012	32.8	2017	32.6	2020	COB and Bahamas crisis centre survey
5. Persons who believe that it is necessary to hit or physically punish a child who misbehave ⁹	%	57.1	2014		2017	54.9	2020	Victimization Survey (LAPOP)
6. Students who admitted to caring a weapon such as a gun or knife on school property ¹⁰	%	10.4	2011	9.9	2017	9.6	2020	The Bahamas Secondary School Drug Prevalence Survey, 2011

⁶ Hanson & Broom (2005). 4% reduction of sexual assaults through risk reduction programs and a 20% additional impact on sexual violence assumed to be conservative given the intervention proposed and the results achieved in other programs (Foshee et al. 1998. Safe Dates program reduced 60% less sexual violence perpetration).

⁷ Botvin, G. et al (2006), the Life Skills Training program found stronger effects were in the group of students who received at least half of the intervention compared with controls, which included less physical aggression (30%).

⁸ Foshee et al. (1998). Safe Dates program reduced 60% less in violence perpetrated against a current dating partner. A 20% decrease was assumed to be conservative given the intervention proposed and the results achieved in other programs.

⁹ Morawska, A. et al. 2010. The Triple P program found a 22% reduction in a validated scale measuring parental over-reactivity. As limited documented experience for this intervention in developing countries is available, a conservative target of 11% decrease in coercive parenting.

¹⁰ Botvin, G. et al (2006), the Life Skills Training program found stronger effects were in the group of students who received at least half of the intervention compared with controls, which included less delinquency (40%).

Indicators	Unit of Measure	Baseline		Midterm measurements		Targets		Source
		Value	Year	Value	Year	Value	Year	
OUTCOME 2 – Increased employability and employment of the at-risk youth population in New Providence and strengthening of the Public Employment Services								
7. At-risk youth 15-29 certified in “training for employment” who have a job in the relevant sector 3 months after completing training.	% of at-risk youth 15-29 trained with a job / Total #at-risk youth 15-29 trained)	30	2014	35	2017	40	2019	Survey
8. Job placement rate by PES in New Providence	Rate (# of placed individuals / # registered individuals)	2	2014	15	2017	18	2020	PES
INTEMDIARY OUTCOME 2								
9. At-risk youth 15-29 having obtained a certificate of completion in the “training for employability” program that has transitioned to the “training for employment” program up to 6 months after the training for employability program.	% (# of at-risk youth 15-29 trained that have transitioned to the “training for employment program”/Total # of at-risk youth 15-29 trained in the “training for employability” program)	0	2014	35	2017	35	2019	Survey
OUTCOME 3 - Reduced length of prosecution for criminal cases in the justice system								
10. Backlog of criminal cases within the justice system reduced ¹¹	#	814	2011	757	2017	656	2020	Court System Records
11. Cases completed within a year by the court system ¹²	%	18	2013	21	2017	24	2020	Court System Records
OUTCOME 4 – Improve BDOCS effectiveness in reducing offender recidivism at the national level								
12. Recidivism rate among adult offenders ¹³	%	24	2013	22	2017	20	2020	BDOCS

¹¹ The backlog includes criminal cases originated since 1996. Evidence from a pilot project in 8 courts of India, show a 7% average rate of decrease of old backlog, when implementing new case management systems (Salkute, S, 2014).

¹² Garicano, & Heaton (2010), reforms integrating technology and technical capacity found to produce a relative increase of 15% in the clearance rate.

¹³ Lipsey, M. W., & Cullen, F. T. (2007). Evidence indicates that adult rehabilitation programs based on cognitive behavioural therapies, have shown a fall in recidivism by 25% in the targeted population. As limited documented experience for this intervention in developing countries is available, a

Indicators	Unit of Measure	Baseline		Midterm measurements		Targets		Source
		Value	Year	Value	Year	Value	Year	
INTERMEDIARY OUTCOME 4								
13. Percentage of inmates who completed the work release program and held a job for at least six months	%	2	2013	3	2017	3	2020	BDOCS

OUTPUTS

Output	Cost (US\$)	Unit of measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final Target	Source
Component 1: Social C&V prevention in New Providence										
1. Number of needs and asset assessments completed	290,000	# of assessments	0	5	5	0	0	0	10	PIU
2. Number of youth centres refurbished and expanded	2,000,000	# of youth centres	0	0	5	5	0	0	10	PIU
3. Number of local leaders trained and certified on community mobilization and gender based violence prevention	62,000	# of local leaders	0	5	5	5	5	0	20	PIU
4. Number of community members trained and certified on Parenting	159,000	# of community members	0	50	150	100	100	100	500	PIU
5. Number of community members trained and certified on preventing Violence against Women	124,000	# of community members	0	0	30	160	160	50	400	PIU
6. Number of community members trained and certified on preventing sexual assault	124,000	# of community members	0	0	30	160	160	50	400	PIU
7. Number of community members trained on conflict resolution	120,000	# of community members	0	0	30	160	160	50	400	PIU
8. Number of community members trained and certified in mediation	90,000	# of community members	0	0	0	150	150	0	300	PIU
9. Number of violence interrupters	300,000	# of interrupters	0	0	0	30	0	0	30	PIU

conservative target of a 12% decrease in adult recidivism is set. Even though, this component will also target juveniles within DRWS, this has not been included as a result indicator, given the deficiencies in DRWS data collection practices.

Output	Cost (US\$)	Unit of measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final Target	Source
trained										
10. Life Skills Training ¹⁴ sessions in schools	217,500	# of workshops	0	0	25	20	20	10	75	PIU
11. Safe Dates training ¹⁵ sessions in schools	247,500	# of workshops	0	0	25	20	20	10	75	PIU
12. Number of surveys on Violence Against Women completed	760,000	#of surveys	0	0	1	0	0	1	2	PIU
13. Number of comprehensive care model for women who experience sexual violence	20,000	# of models	0	1	0	0	0	0	1	PIU
14. Number of public awareness campaigns in the media developed and implemented	300,000	# of campaigns	0	0	1	1	1	0	3	PIU
15. Number of feasibility studies for violence interruption model completed	35,000	# of studies	0	0	1	0	0	0	1	PIU
Component 2: Youth employability and employment training¹⁶ and strengthening of the PES										
16. Number of at-risk youth 15-29 that finished their soft skills training (obtaining a certificate of completion) in the “training for employability” program in New Providence	1,979,555	# of trained youth	0	0	500	500	0	0	1000	PIU
17. Number of at-risk youth 15-29 that finished their soft + technical skills training (obtaining a certificate of completion) in the “training for employment” program in New Providence	1,576,975	# of trained youth	0	0	250	550	550	250	1600	PIU

¹⁴ Soft skills to prevent violent behaviour and substance abuse in schools.

¹⁵ Interruptions to prevent the initiation of emotional, physical and sexual abuse on dates or in-between individuals in a dating relationship.

¹⁶ Training for employability is a labour market intervention designed for those more at risk. It includes training and labour market experience, the development of a series of competencies in the areas of logical thinking, effective communication and self-esteem. Training for employment targets more job-ready youth with the objective of inserting them in an open vacancy in the productive sector.

Output	Cost (US\$)	Unit of measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final Target	Source
18. Number of surveys for “training for employability program” completed	20,445	# of surveys	0	0	0	1	0	1	2	PIU
19. Number of surveys for “training for employment program” completed	23,025	# of surveys	0	0	0	1	1	1	3	PIU
20. Electronic Labour Exchange enhanced	120,000	# of System	0	0	0	1	0	0	1	PIU
21. Number of PES offices improved	144,000	# of Offices	0	0	3	0	0	0	3	PIU
22. Number of newly registered unemployed in the PES in New Providence	108,000	# registered unemployed	0	0	350	700	700	700	2450	PIU
23. Number of newly registered vacancies in the PES in New Providence	108,000	# registered vacancies	0	0	200	600	600	600	2000	PIU
Component 3: Strengthening of the justice administration system										
24. Case management and scheduling system designed and implemented	2,750,000	# of case management and scheduling systems	0	1	3	3	3	1	11	PIU
25. Court Recording System expanded	1,260,000	# of courts	4	0	1	2	2	2	7	PIU
26. Public Defender Programme in operation	1,214,000	# of units	0	0	0	1	0	0	1	PIU
27. Restorative justice services plan designed and implemented	150,800	# of plans	0	0	1	0	0	0	1	PIU
28. Restorative justice services centres renovated	180,000	# of renovated centres	0	0	0	1	1	0	2	PIU
Component 4: Rehabilitation and Reintegration of offenders										
29. Number of comprehensive rehabilitation model plans for inmates designed and implemented	350,000	# of models	0	1	0	0	0	0	1	PIU
30. Number of comprehensive rehabilitation model plans for juveniles designed and	350,000	# of models	0	1	0	0	0	0	1	PIU

Output	Cost (US\$)	Unit of measure	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final Target	Source
implemented										
31. Number of inmates trained and certified	387,500	# inmates	0	0	50	150	200	200	600	PIU
32. Number of inmates who completed the work release program	250,000	# of inmates	20	0	10	20	40	30	100	PIU
33. Number of DOCS staff who completed training in rehabilitation and social integration model	202,500	# of staff	10	0	0	200	200	200	600	PIU
34. Number of DRWS staff who completed training in rehabilitation and social integration model	202,500	# of staff	0	0	0	40	50	60	150	PIU
35. Number of juveniles offenders trained and certified	387,500	# of juvenile offenders	0	0	50	100	100	200	450	PIU
36. Number of case management and monitoring systems for inmates designed and implemented	425,000	# of systems	0	0	1	0	0	0	1	PIU
37. Number of case management and monitoring systems for juveniles designed and implemented	425,000	# of systems	0	0	1	0	0	0	1	PIU
38. Number of Work Release Programme expanded	400,000	# of programmes	1	0	1	0	0	0	1	PIU
Total estimated costs of outputs									US\$17,863,800	
Total estimated costs for Evaluation, Project Administration, and Contingencies									US\$2,136,200	
Total estimated cost of the Programme									US\$20,000,000	

Core Sector Indicator for Components I, II, and IV										
	Cost (US\$)	Unit of measure						Final Target	Source	
Beneficiaries (individuals) of citizen security programs designed or evaluated by the bank	5,578,030	# of beneficiaries for Components I, II, and IV						6,100	PIU	

FIDUCIARY ARRANGEMENTS

Country: The Commonwealth of The Bahamas
Project: BH-L1033
Name: Citizen Security and Justice Programme
Executing Agency: Ministry of National Security (MNS)
Prepared by: Mario Castaneda (FMP/CBH) and Roy Parahoo (FMP/CBA)

I. EXECUTIVE SUMMARY

- 1.1 The MNS is the foremost government entity charged with responsibility for ensuring the public security of the Commonwealth of The Bahamas (“The Bahamas”), and overseeing the implementation of the areas of responsibility that fall within the portfolio of the MNS.
- 1.2 The Bank’s methodology for Project Risk Assessment was utilized to identify the project’s risks and to determine the corresponding mitigating measures. The Institutional Capacity Assessment System was used to assess the capacity of the MNS to carry out the project’s fiduciary execution responsibilities. Both assessments resulted in a medium fiduciary risk level.
- 1.3 For the purposes of the subject project, it has been agreed that a Project Implementation Unit (PIU) will be established within the MNS, properly staffed with specialized fiduciary personnel. An Operations Manual is also being recommended to establish roles, responsibilities and procedures during project execution. IDB’s procurement policies and procedures will be applied.

II. EXECUTING AGENCY’S FIDUCIARY CONTEXT

- 2.1 The Constitution of The Bahamas is based on the Westminster Model and dates back to 1973. The Cabinet constitutes the executive branch and has general direction of the government. The Constitution authorizes the National Assembly to make laws by passing bills, including approval of government’s budget. In addition to its constitutional functions the National Assembly has established a Public Accounts Committee to maintain oversight of the government’s financial matters. The Constitution also provides for there to be an auditor general who is independent of both government and the National Assembly.
- 2.2 Public Financial Management is defined in the Financial Management and Audit Bill (2010 and 2013 amendment). The Bill outlines the functions of financial officials, budget administration, control over expenditures, bank accounts, accounts and audits, as well the external control exercised by the Auditor General. The fiscal year is inter-annual, going from July 1st to June 30th.
- 2.3 The 2013 amendment calls for the establishment of a central procurement unit and an electronic procurement system to allow online bidding and monitoring of public bids. These unit and online system have not yet been fully implemented.
- 2.4 In late 2010, the Government of The Bahamas with IDB support conducted its first ever Public Expenditure and Financial Accountability (PEFA) Assessment,

although the report was never approved and published. The overall result of the PEFA showed areas needing improvement. The weaker ranked areas were: the classification of the budget, the effectiveness of the tax system in assessing, registering and collecting tax payments and controls in procurement, payroll and internal controls. The Bahamas' procurement systems were evaluated in 2005 using the Organization for Economic Co-operation and Development /Development Assistance Committee methodology resulting in a series of recommendations for modernization. In 2010, using the same methodology, the country initiated a reform of the national public procurement system, undertaken by the Ministry of Finance (MOF). This reform effort is underway and the country's public procurement systems are not yet recommended for this project.

III. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS

- 3.1 The results of applying the Risk Assessment Matrix for the fiduciary component after mitigation actions were considered of medium risk; also, the institutional capacity assessment resulted in a medium level rating. The analysis also considered the PEFA scores for the Budget Cycle- scores for accounting and external audit were particularly low. Therefore the successful implementation of the project would require the hiring of appropriate specialized staff for the PIU.
- 3.2 It is recommended that the MNS gives careful consideration to include in the program's design some key members in the PIU to strengthen its institutional capacity. Appropriate selection/appointment of Financial Management and Procurement Specialists are necessary to ensure adequate fiduciary accountability and controls during project execution.

Table 1. Fiduciary Risks and recommended mitigation actions

Risks/weakness	Action recommended	Compliance by
Delays in procurement due to limited experience applying IDB procurement policies and procedures. Determined as medium.	Selection of a Procurement Specialist under the PIU. The Bank will offer a progressive training plan to procurement staff in the PIU and explain acceptable bidding methods, and integration of new types as they move into a new business model. Supervision will be conducted in ex ante modality.	Project startup date
Delays in financial reporting due to limited experience applying IDB financial management policies and procedures. Determined as medium. The delays in reporting relate to the inefficiencies observed in other projects in other government agencies in relation to the documentation	Selection of a Financial Management Specialist under the Project Implementation Unit. The Bank will offer a progressive financial management training for the Project Implementation Unit staff. The training will also incorporate financial planning.	Project startup date

Risks/weakness	Action recommended	Compliance by
<p>process of the centralized accounting and treasury systems, which make it difficult to gather the information necessary to make payments, conduct documentary reviews and prepare disbursement requests.</p> <p>These inefficiencies limit the ability to have accurate financial planning due to long treasury processing turnaround. These structural inefficiencies have also led to late presentation of audited financial statements in other projects as information for testing purposes is not readily available, even in those cases in which the audit has been performed by the OAG.</p>	<p>Maintain the 80% minimum justification requirement for the processing of new advances of funds to the project. However, if necessary during implementation, we will seek application of flexibility according to Financial Management Guidelines criteria to reduce the standard percentage (80%) of justification of funds required for new advances to a more manageable minimum.</p> <p>It has been agreed that the Office of the Auditor General will audit the project. As the MOF centralizes the delivery of supporting documentation as well as the final release of Audited Financial Statements, it is recommended that the project be granted an additional 30 day period to the standard deadline of 120 days for the presentation of the Audited Financial Statements, therefore, AFS must be presented to the Bank within the 150 days following the closing of each fiscal year.</p>	<p>During execution.</p> <p>To be included in the loan contract.</p>

IV. ASPECTS TO BE CONSIDERED IN THE SPECIAL CONDITIONS OF CONTRACT

- 4.1 Based on the fiduciary risk evaluation and mitigation actions, the fiduciary arrangements that are recommended are the following:
- a. Evidences for first disbursement: (i) presentation of evidence that MNS has created the PIU and hired the project manager, procurement specialist, financial specialist; (ii) the Programme Operations Manual that includes fiduciary arrangements and the Project Execution Plan; and (iii) evidence of the establishment of the Programme Steering Committee (PSC) and evidence that the PSC has had its first meeting
 - b. Other Special Condition: Presentation of Audited Financial Statements within 150 days following the closing of each fiscal year.

V. FIDUCIARY ARRANGEMENTS FOR PROCUREMENT EXECUTION

- 5.1 Procurement for the proposed project will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9), and with the provisions established in the loan contract and these procurement fiduciary arrangements.
- a. **Procurement of Works, Goods and Non-Consulting Services.** The contracts for Works, Goods, and Non-Consulting Services¹ generated under

¹ Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank

the project and subject to International Competitive Bidding will be executed through the use of the Standard Bidding Documents (SBDs) issued by the Bank. The processes subject to National Competitive Bidding (NCB) will be executed through the use of bidding documents based on the above mentioned standard documents and satisfactory to the Bank. The technical specifications review during the preparation of the selection process is the responsibility of the project sector specialist.

- b. **Selection and Contracting of Consultants.** The consulting services contracts generated under this project will be selected and contracted using the Standard Request for Proposals issued by the Bank, when advertising at the international level and a document satisfactory to the Bank when advertising at the local level. The terms of reference review for the selection of consulting services is the responsibility of the project sector specialist. **Selection of Individual Consultants.** Contracts of individual consultants will be carried out using procedures per Section 5 of Policies GN-2350-9. Posting of opportunities for individual consultant contracts may be advertised internationally or locally in order to attract qualified individuals.
- c. **Training.** Training will be provided to the MOF PIU staff in charge of the financial management and procurement execution prior to starting activities and based on the Annual Operations Plan (AOP).
- d. **Recurrent Expenses.** The project contains coverage of recurrent expenses that are required to start and maintain the project during execution and will be financed by the project within the annual budget approved by the Bank and Bahamas Financial Parameters. Among those identified there is funding for hiring consultants to assist the PIU in project management and supervision, monitoring and evaluation and contingent costs identified in the cost structure. These personnel are necessary to ensure proper staffing of the PIU to carry out the project activities, and are consistent with Country Financing Parameters.
- e. **Retroactive Financing.** None.

Table 2. Thresholds (US\$ thousands)

Works			Goods ²			Consulting Services	
International Competitive Bidding	National Competitive Bidding	Shopping	International Competitive Bidding	National Competitive Bidding	Shopping	Inter-national Advertising	100% National Short List
≥3,000	150 - 3,000	≤150	≥150	50 - 150	≤50	>200	<200

5.2 To access the complete procurement plan, click [here](#).

(GN-2349-9) paragraph 1.1: The services different to consulting services have a similar process as procurement of Goods. The exchange rate considered was 1 US dollar = 1 BS dollars.

² Including different services other than consulting.

VI. PROCUREMENT SUPERVISION

- 6.1 The supervision method for procurement execution will be established ex ante until the PIU Procurement expert has gained experience observing and executing Bank policies, procedures, and use of standard bidding documents. The ex post modality will be recommended by the Procurement Specialist to the Team leader in accordance to outcomes of supervision visits that will be performed every 12 months and as indicated in the project supervision plan. When ex post review is recommended, the supervision visits will be performed jointly with ex ante visits.

Table 3. Threshold for Ex Post Review

Works	Goods	Consulting Services
≤ TBD	≤ TBD	< TBD

Note: The established threshold amounts for ex post review is applied based on the fiduciary capacity of the executing agency and can be modified by the Bank if the level of capacity varies.

VII. SPECIAL STIPULATIONS

- 7.1 As indicated in Section IV.

VIII. FINANCIAL MANAGEMENT

- 8.1 **Programming and Budget.** During its budget call the Budget Department of the MOF sends out its circular including the required forms to be completed. The information is completed by the various Ministries and forms are returned to the Budget Department. At this stage the Budget Department must key in all of the information it receives from the various ministries and departments to complete the Budget call. Once the Budget has been approved, and the warrant issued by the Minister of Finance, an interface is done by the IT department to upload the information to the Treasury's system.
- 8.2 The Borrower has committed to allocate, for each fiscal year of project execution, adequate fiscal space to guarantee the unfettered execution of the project; as determined by normal operative instruments such as the AOP and the Procurement Plan.
- 8.3 The Budget Department has agreed to make an effort to accommodate a budgetary structure consistent with project budget lines as set forth in annex A of the corresponding loan contract.
- 8.4 **Accounting and Information Systems.** The Treasury Department has also agreed to make an effort to open and maintain a set of accounts to accommodate the reporting needs of the project and its budget structure. It will be necessary to maintain auxiliary records at the PIU level, under the responsibility of the responsibility of a financial specialist, to fully comply with IDB requirements of internal control and records.
- 8.5 **Disbursements and Funds Flows.** The preferred method of disbursement will be advances of funds on the basis of a financial plan. The Treasury Department is in agreement to establish a Special Account at the Central Bank of The Bahamas, denominated in US Dollars. This account will have exclusive use to cover for

project expenditures. Advances will be requested and deposited into this account on the basis of a financial plan. The PIU commits to maintain strict control over the utilization of the Advances so as to ensure the easy verification and reconciliation of balances between the Executing Agency’s records and IDB records (WLMS1 Summary Report). Other methods of disbursement will be considered on a case by case basis.

- 8.6 The project will provide adequate justification of the existing Advance of Funds balance, whenever at least 80% of said balance has been spent; if necessary, a lower percentage may be considered following the criteria established in the revised Financial Management Guidelines. Advances will normally cover a period not exceeding 180 days and no less than 90 days.
- 8.7 In order to request disbursements from the Bank, the Executing Agency will present the following forms and supporting documents:

Table 4. Type of Disbursement

Type of Disbursement	Mandatory Forms	Optional forms/ information that can be requested by the IDB
Advance	Disbursement Request/ Financial Plan	List of Commitments Physical/Financial Progress Reports
Reimbursements of Payments Made	Disbursement Request/ Project Execution Status/ Statement of Expenses	List of Commitments Physical/Financial Progress Reports
Direct Payment to Supplier	Disbursement Request/ Acceptable Supporting Documentation	List of Commitments Physical/Financial Progress Reports/Evidence that goods/services have been satisfactorily received

- 8.8 Supporting documentation for Justification of Advances and Reimbursement of Payments Made will be kept at the office of the PIU. Copies of the support documentation only in the case of direct payments will be sent to the Bank for processing. Disbursements’ supporting documents may be reviewed by the Bank on an ex-post basis. These reviews do not entail a blanket approval, based on the samples reviewed, of the whole universe of expenditures.
- 8.9 **Internal Control and Audit.** The internal control capacity is estimated to be satisfactory. To the extent possible, the internal audit unit will provide oversight to the project.
- 8.10 **External Control and Reporting.** The government is agreement to use the services of the OAG to conduct the external control of the programme.
- 8.11 **Financial Supervision Plan.** Financial, Accounting and Institutional Inspection visits will be performed at least annually, covering the following: (i) review of the Reconciliation and supporting documentation for Advances and Justifications; (ii) compliance with financial and procurement procedures; (iii) review of compliance with the lending criteria; (iv) conducting ex post Review of Disbursements; and (iv) follow up on audit work plan and audit recommendations. Financial Supervision will be developed based on the initial and subsequent risk assessments carried out for the project.
- 8.12 For further information see [Institutional Capacity Assessment](#).

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/15

Bahamas. Loan ____/OC-BH to the Commonwealth of The Bahamas
Citizen Security and Justice Programme

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 to cooperate in the execution of a citizen security and justice programme. Such financing will be for the amount of up to US\$20,000,000, 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 _____ 2015

BH-L1033
LEG/SGO/BH/IDBDOCS#39608739