

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BAHAMAS

**GOVERNMENT DIGITAL TRANSFORMATION TO STRENGTHEN
COMPETITIVENESS**

(BH-L1045)

PROJECT PROFILE

This document was prepared by the project team consisting of: Miguel Porrúa (IFD/ICS), Team Leader; Alex Veyrat (IFD/ICS), Alternate Team Leader; Alejandro Pareja, Juan Cruz Vieyra, Benjamin Roseth, Francesco De Simone, Alejandro Barón and Nathalie Hoffman (IFD/ICS); Claudia Stevenson (IFD/CTI); Mónica Centeno (LEG/SGO); Mario Castañeda and René Herrera (VPC/FMP); and Inga Carey (CCB/CBH).

Under the Access to Information Policy, this document is subject to Public Disclosure.

PROJECT PROFILE

THE BAHAMAS

I. BASIC DATA

Project Name:	Government Digital Transformation to Strengthen Competitiveness
Project Number:	BH-L1045
Project Team:	Miguel Porrúa (IFD/ICS), Team Leader; Alex Veyrat (IFD/ICS), Alternate Team Leader; Alejandro Pareja, Juan Cruz Vieyra, Benjamin Roseth, Francesco De Simone, Alejandro Barón and Nathalie Hoffman (IFD/ICS); Claudia Stevenson (IFD/CTI); Mónica Centeno (LEG/SGO); Mario Castañeda and René Herrera (VPC/FMP); and Inga Carey (CCB/CBH)
Borrower:	The Commonwealth of the Bahamas
Executing Agency:	Ministry of Finance
Financial Plan:	IDB (Ordinary Capital): US\$ 30,000,000 Total: US\$ 30,000,000 Policies triggered: OP-102 (B.01, B.02, B.03, B.07 and B.17) and OP-703
Safeguards:	Classification: C

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 The Bahamas has gone through a long period of flat economic growth averaging 0.53%¹ for the past 10 years. The economy maintains its dependency on tourism, which accounts directly or indirectly for 46.1% of the GDP,² and on the financial services, which contributes with 15% to the GDP.³ The country's limited competitiveness⁴ have held up efforts to promote economic growth by attracting foreign investment and facilitating local entrepreneurship. The Bahamas occupied the position 119 out of 190 countries in the 2018 [Doing Business Report](#) due to the difficulties to conduct business activities in the country. Key procedures to do business such as registering a company,⁵ or a property require numerous steps

¹ IDB.

² According to 2015 World Travel and Tourism Council, The Bahamas is the 10th ranked most tourism dependent economy in the world. The dependency is also shown by the 51.6% of total employment and 61.5% of total exports in the country derived from tourism.

³ [The Bahamas, The Economy Profile 2018](#).

⁴ "Competitiveness is the set of institutions, policies, and factors that determine the level of productivity of a country". [The Global Competitiveness Report 2012-13. Pag. 4](#).

⁵ Seven procedures are required to set up a company in The Bahamas according to the Doing Business Report. The average in the Organisation for Economic Co-operation and Development (OECD) is 4.9 procedures and in New Zealand just one procedure is required.

and long waiting periods which increases the costs⁶ for local entrepreneurs and potential foreign investors alike.⁷

- 2.2 Research shows that a country's competitiveness depends greatly on its ability to limit the burden of dealing with the public administration. As OECD indicates in one of its policy briefs, red tape is a cost for companies⁸ and citizens not just in time and money but also in "terms of reduced productivity and innovation in business".⁹ Registering a company in The Bahamas is four times costlier than in OECD countries. Government bureaucracy affects competitiveness by adding an extra cost to the regular cost of operating a business¹⁰ and puts a financial burden on low income families that must spend time and money in transportation and waiting lines thereby losing the income related to the time required to deal with the administrative bureaucracy.¹¹ Time-consuming government procedures are also a deterrent for entrepreneurial activity¹² since entrepreneurs need to operate with agility in their initial stages to quickly generate revenue with their limited initial capital.
- 2.3 The relationship between competitiveness, on the one hand, and anti-corruption and transparency, on the other, is well established in both the literature and the policy practice. The described red tape and bureaucracy not only negatively affect competitiveness but also increase the opportunities for corruption. In the classic principal-agent theory of corruption each step in an administrative process opens spaces for corruption.¹³ Both OECD¹⁴ and the World Economic Forum¹⁵ mention lack of transparency as a government policy element that decreases the competitiveness of a country to develop economic activity. Low levels of transparency diminish the trust in government and the democratic governance while countries with active access to information and open data policies have seen

⁶ While registering a company costs 3.1% of the income per capita in OECD countries, in The Bahamas this cost reaches 13.8%. Measured in terms of men days, it takes 21.5 days in The Bahamas and 8.5 days in OECD countries. [Doing Business 2018, World Bank Group information for The Bahamas](#).

⁷ National Development Plan, Vision 2040, "high costs of doing business inhibit private sector growth".

⁸ Red Tape and Delayed Entry. Antonio Ciccone and Elias Papaioannou. Journal of the European Economic Association April–May 2007.

⁹ [OECD Policy Brief, January 2007](#).

¹⁰ The Global Competitiveness Report 2009-10. Chapter 1.2 "Moving to a New Global Competitiveness Index". Michael Porter et al. World Economic Forum. Geneva, 2010

¹¹ A study conducted by the IDB in Bolivia (2016) based on the Standard Cost Model methodology used by the European Union concluded that registering a property costed on average 7 basic monthly salaries. "Measuring Administrative Burden in Bolivia: Results and proposals for simplification". Gustavo Medeiros et al. January 2016 (in Spanish).

¹² Red Tape and Delayed Entry. Antonio Ciccone and Elias Papaioannou. Journal of the European Economic Association April–May 2007.

¹³ See for example Klitgaard's "[Controlling Corruption](#)".

¹⁴ OECD. (2015). "Curbing Corruption, Investing in Growth". Background Document, 3rd OECD Integrity Forum, Paris, 2015, p. 19. As the OECD stated, "Corruption has been identified as one of the most problematic factors for doing business in several OECD countries and it stays a major constraint dominating the investment climate".

¹⁵ World Economic Forum. (2017). "[The Global Competitiveness Report](#)". p.29. "As we look back at a decade of competitiveness and monitoring in the region, we see that many of the fundamentals of competitiveness and growth have worsened in Latin America and the Caribbean. Basic requirements such as institutions have deteriorated, with (...) corruption scandals throughout the region, as shown in Figure 6. Trust in government and a crisis in governance continue to represent significant challenges for a region in need of effective public-private collaboration".

their competitiveness fostered.¹⁶ One of the key instruments to decrease corruption and promote integrity is the implementation of effective oversight and control mechanisms.¹⁷

2.4 The main problem identified by this program in The Bahamas is the limited competitiveness of its economy. Several determinants constrain the competitiveness of The Bahamas,¹⁸ among them: a weak infrastructure network, structural problems within the labor market, high energy costs, inadequate air and maritime connectivity, water and sanitation matters, poor access to credit and high financing costs, rising crime, vulnerability to negative climate change impacts and natural disasters, low fiscal space and increasing debt, as well as the inefficiency of government bureaucracy and low levels of transparency. This operation will focus on the last two.

2.5 The prevailing determinants of the main problem are:

a. **Inefficient government bureaucracy.** The key issues identified in this area are: (i) public administration, both for internal processes and for its relationship with citizens and businesses, operates based on complex procedures and¹⁹ relies heavily on paper;²⁰ (ii) the operational culture across government agencies follows the “silo” model where information is not shared;²¹ (iii) government human resources are inadequately trained²² to operate in a citizen-centered public sector and feel demoralized due to their lack of involvement in the decision making processes;²³ and (iv) data is incomplete, outdated and not integrated²⁴ which limits its use to support management and policy decisions.²⁵

b. **Limited adoption of a digital agenda.** The main issues in this area are: (i) weak institutional structure to properly manage Information and

¹⁶ [“Effect of Government Data Openness on a Knowledge-Based Economy.”](#) This study finds that government data openness positively affects competitiveness, by boosting the knowledge base of a country.

¹⁷ [“Preventing corruption in public procurement”](#) OECD. 2016.

¹⁸ Ibidem, footnote 1.

¹⁹ Hiring a new government employee requires 7 procedures with different government agencies. To open an email account for a government employee, 3 memos need to be physically exchanged among government agencies.

²⁰ According to the Doing Business Report, after a company gets registered, in order to obtain the business license, the company must submit the following documents to the Department of Inland Revenue: (i) a proof of citizenship of the beneficial owners of the company; (ii) a copy of the certificate of incorporation of the company; (iii) a copy of the certificate of registration from the National Insurance Board; (iv) a copy of the lease for the property; (v) a copy of the Certificate of Sanitation from the Department of Environmental Health Services, depending on the nature of the business operations, a Certificate of Sanitation may or may not be required; and (vi) the licensing fee of BSD 100. Ease of Doing Business 2018. The Bahamas. Pag. 10.

²¹ The silo culture where information is not shared is clearly illustrated by the previous note where the Department of Inland Revenue requests documents issued by different branches of government. .

²² The Ministry of Public Service, responsible for the management of the government Human Resources, has an annual budget for training of US\$150,000 for close to 20,000 employees which allows it to provide training to about 200 employees per year (1% of the number of employees).

²³ The National Development Plan Vision 2040, “Overall public sector capacity is very weak: morale, pay, accountability, skills and budgets for training are all low”.

²⁴ Out of 18 Ministries just 4 have some type of interoperability that allows them to exchange information digitally.

²⁵ The National Development Plan Vision 2040, under Project Challenges and Risks indicates “Data collection: poor or non-existent data collection and management by some agencies”.

Communications Technology (ICT)²⁶ which among other effects is negatively affecting coordination and procurement related to ICTs; (ii) limited availability of ICT professionals across the public administration;²⁷ (iii) inexistence of a mechanism to facilitate the exchange of information among the different government agencies;²⁸ (iv) unprotected digital space with undefined institutional structure and cybersecurity policies;²⁹ and (v) low number of government procedures available online.³⁰

- c. **Limited transparency and accountability in government.** The main issues in this area are: (i) The Bahamas performs relatively low among countries assessed under the Open Data Index, being ranked 74th out of 94 included in the survey³¹, and transparency of construction permits and procurement processes is assessed as particularly low;³² (ii) the country enacted a new Freedom of Information Act (FOIA) in early 2017, but its rollout has not yet been completed;³³ and (iii) capacity of institutions responsible for overseeing government financial activities and fight corruption is weakened by limited human resources with adequate training and low access to modern technologies to support its functioning.³⁴

- 2.6 Therefore, the objective of this program is to foster the competitiveness of The Bahamas by reducing the costs of conducting business with the government. This general objective will be accomplished by achieving the following specific objectives: (i) streamlining government procedures and making them available online to reduce the cost of government bureaucracy; (ii) increasing the use of

²⁶ Although a Cabinet Memorandum on e-Government was approved on July 2011, its implementation has been very limited. There is no government branch with the legal mandate to design and implement an e-government plan, and no e-government plan to guide the country's efforts in this area. The only instance created to coordinate ICT efforts across government, the Government ICT Committee (GIC) has never met.

²⁷ "The Department of Information Technology (DIT) of the Ministry of Finance, which provides IT Services across government and runs one of the government data centers has only 18 people. Several of them don't have sufficient knowledge for the issues they need to handle. The department has lots of projects on the waiting list for lack of resources". Findings of the team mission conducted on November 20, 2017. The Department of IT in the Registrar General's Department has one professional full time and one part-time. This office is responsible for the Business and Property Registries among other tasks. According to the National Development Plan Vision 2040, out of 17,353 employees in the Public Service just 73 are classified as information technology professionals. For these 73, the average years of service is 20.

²⁸ A recent survey conducted by the IDB among LAC governments shows that The Bahamas has no interoperability scheme. Procedures 2.0: Simplifying the State in the Digital Era. Ben Roseth et al. To be published by the IDB in April 2018.

²⁹ At the [Cybersecurity Report 2016: Are we ready in Latin America and the Caribbean?](#) published by the IDB and the Organization of American States (OAS), The Bahamas doesn't reach a third of the level of maturity. Among other things, the report mentions the lack of a cybersecurity strategy, the inexistence of a Computer Emergency Response Team (CERT) and the lack of cyber-forensics in The Royal Bahamas Police Force.

³⁰ Out of 400 government procedures managed by the government only 11 can be completed online. Procedures 2.0: Simplifying the State in the Digital Era. Ben Roseth et al. To be published by the IDB in April 2018.

³¹ See the [Open Data Index](#), the Bahamas was assigned just 17% of the potential maximum score.

³² Source: [U.S. State Department's Office of Investment Affairs](#).

³³ Source: ["Organisations call for the implementation of freedom of information Act Full"](#). Tribune 242, The Bahamas.

³⁴ The Office of Auditor General doesn't have a tool to see integrated all information related to an inspection process and its reports are produced in paper. The Anti-Corruption Office operates under The Royal Bahamas Police Force, which affects its independence, and is constrained by limited qualified human resources.

ICTs in the public sector; and (iii) increasing transparency of government activities and strengthening auditing and control mechanisms.

- 2.7 **Component 1. Simplifying and digitizing government procedures (US\$14 million).** This component will finance the following activities: (i) updating the catalogue of government procedures, simplifying (including reengineering current procedures and eliminating unnecessary ones) and prioritizing³⁵ them; (ii) updating the legal framework³⁶ related to the provision of digital services; (iii) designing and implementing a government cloud computing service that will allow other government agencies to access a shared e-government infrastructure and applications; (iv) setting up an interoperability scheme including standards, regulation and technological platform; (v) updating and implementing the key tools for the provision of government digital services (digital identity, digital signature, online payment, Business Process Manager (BPM), citizen portal) and putting online government procedures;³⁷ (vi) digitizing government procedures related to property registration;³⁸ (vii) digitizing government procedures related to setting-up a business;³⁹ and (viii) supporting the use of the National Insurance Board (NIB) database to provide digital citizen identification for government procedures.⁴⁰
- 2.8 **Component 2. Strengthening institutional capacity for a digital government (US\$10 million).** This component will finance the following activities:⁴¹ (i) designing and implementing an institutional framework to manage digital

³⁵ Government procedures included in the Doing Business Report have already been prioritized by the government. Other procedures to be simplified and placed online will be prioritized in consultation with citizens. Within families, usually women take more responsibility to undertake government procedures required to exercise rights, comply with obligations or access to benefits. In order to save women time wasted dealing with government bureaucracy, in the selection of government procedures to be simplified, those more frequently used by women will be prioritized.

³⁶ The most relevant current legislation related to digital government is: Electronic Communications and Transactions Act (2006), Computer Misuse Act (2006) and Data Protection Act (2008). This current legal framework allows the implementation of the activities proposed in this project, however as the execution progresses it will be recommended to update the legislation to put the citizen at the center of digital government and to create a more secure cyberspace.

³⁷ In addition to its impact in the reduction of costs for companies and citizens of conducting business with government, the project will have a positive impact in the environment by reducing the amount of paper necessary to complete a government transaction and eliminating traffic related to the compliance with the bureaucratic requirements. Detailed information will be included in the POD.

³⁸ This activity includes: reviewing and improving the institutional framework, regulation and procedures related to property registration and conveyancing (including digitization of documents and Geographic Information Systems (GIS), cadaster, interoperability among registries, an a blockchain pilot project)

³⁹ This activity includes: implementing one-stop-shop for business, a multichannel strategy (that will allow agile access both online and offline) and customer relationship management that will allow the tracking of the different steps in the procedure

⁴⁰ NIB has a digital database with 70% of the population registered (all those above 16 years old and most from 0 to 3 years old). NIB is already providing digital access to its database to the National Health Insurance (NHI) for identification purposes.

⁴¹ Activities in Components 1 and 2 are clearly inter-connected. Several activities in Components 1 and 2 will run in parallel and the precise chronogram will be reflected both in the procurement plan and the project execution plan.

government;⁴² (ii) setting up the government Chief Information Officer (CIO) role and professionalizing ICT in the public sector including the training plans; (iii) updating the government ICT blueprint (including a roadmap and action plan for ICT transformation in the government);⁴³ (iv) setting up a ICT fund to support ICT-based strategic innovations across government; (v) updating the key tools for the provision of government digital services (digital identity, digital signature, online payment, Business Process Manager (BPM), citizen portal); (vi) implementing an ICT skills gap assessment and, based on it, designing and implementing a plan to close the gap by adding new employees and training existing ones;⁴⁴ (vii) designing and implementing a change management plan; (viii) undertaking a digital alphabetization⁴⁵ program for citizens, small businesses and government employees not familiarized with most used digital tools; (ix) implementing a communications strategy to create citizens and businesses awareness; (x) setting up a data culture and a data analytics office that will initially serve the whole government and will be subsequently extended to key ministries; and (xi) designing and implementing a cybersecurity strategy.

- 2.9 **Component 3. Enhancing transparency and integrity in government (US\$3 million).** This component will finance the following activities: (i) enhancing the transparency of public expenditures and investments by designing and implementing an information management platform;⁴⁶ (ii) providing legal support for the implementation of the Freedom of Information Legislation and institutional support to key government agencies to implement the Freedom of Information Legislation and also supporting its implementation in key government agencies; and (iii) strengthening the Office of the Auditor General by introducing cutting-edge technologies to support its functions (especially in the identification and mitigation of risks) and setting up a public expenditure observatory grounded on technological innovations.
- 2.10 To the previous amounts, US\$3 million should be added to cover for project management, monitoring, evaluation and audit.
- 2.11 **Expected results.** The program will foster the competitiveness of The Bahamas by streamlining government bureaucracy. This impact will be achieved by accomplishing the following results: (i) reduction of the time and cost of

⁴² On July 2011, Cabinet approved Memorandum “2nd update on e-Government implementation project and approval to establish the Department of Information Technology” submitted by the Minister of Finance. This memorandum sets up, among other institutional aspects: The Department of Information Technology, the government CIO, ministerial CIOs, the CIO Forum and the Government ICT Committee (GIC). Out of this list, just the Department of Information Technology is currently in operation.

⁴³ This blueprint will be both a planning and marketing document helping to get the buy-in of all relevant stakeholders. It will be updated periodically and foster the sustainability of the digital government in The Bahamas beyond this operation.

⁴⁴ Resources to be invested in closing the ICT gap analysis will cover part of the plan. Final numbers to be allocated to this activity will be defined in the POD. Based on other experiences developed by the Bank in the region, between 4 and 8% of the project investment will be devoted to this item.

⁴⁵ When selecting the participants in the digital alphabetization project, women will be given priority to assure at least an equal representation.

⁴⁶ The main feature of the platform will be a georeferenced data visualization tool that will allow citizens to have a user-friendly visualization of where public money is invested.

government procedures⁴⁷; (ii) increase of the data shared and used across government offices for policy design and government management; and (iii) improve the quality and quantity of government information published, and its use by the citizens.

- 2.12 The beneficiaries of this program will be the entrepreneurs and citizens, as well as the Government of Bahamas that will improve its performance and its image both domestically and internationally.
- 2.13 **Strategic Alignment.** This project is consistent with the Update to the Institutional Strategy 2010-2020 (GN-2788-5) and is aligned with the following development challenges: (i) social inclusion and equality; and (ii) productivity and innovation, as well as with the cross cutting theme of: institutional capacity and rule of law. The program will support social inclusion and equality by providing agile access to government procedures to micro, small and medium enterprises. By making efficient the procedures related to property registration will also support social inclusion since currently those procedures require the contracting of legal advice thereby making them unaffordable for low income families. By the reducing the time and costs required to conduct government procedures, the program will improve the productivity of all economic agents in the country. The program is aligned with the “IDB Country Strategy with the Commonwealth of The Bahamas 2013-2017 (GN-2731)” by supporting two priority areas: (i) Public Finances and Management; and (ii) Private Sector Development, in particular the Results Matrix indicators related to improving the business climate. The program is also aligned with the Sector Strategy on Institutions for Growth and Social welfare (GN-2587-2).

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 **Executing Agency.** The executing agency will be the Ministry of Finance. Given its operational oversight of the functioning of government, this ministry has the capacity to coordinate and align other ministries and agencies around the goals of this program. In addition, the DIT⁴⁸ of the Ministry of Finance has the mandate to coordinate ICT initiatives across government and provides IT services to several government branches. The Ministry of Finance has accumulated experience in executing IDB financed programs through the implementation of operation “Performance Monitoring and Public Financial Management” (3340/OC-BH).

⁴⁷ As illustrated in FN 29, one simple government procedure such as obtaining a business license, require visits to several branches of government making the citizen to incur in transportation costs and waiting times. The operation will greatly reduce or eliminate the costs associated to these inefficiencies.

⁴⁸ The DIT is the biggest IT department in government and was given the responsibility of coordinating ICT activities for the whole government through Cabinet Memorandum previously mentioned. The GIC will be the body responsible for validation of strategic decisions related to this project while is the CIO Forum will be the space for operational coordination. The Project will have a Steering Committee tentatively comprised of the Financial Secretary (head), the Registrar General, the Director of the National Insurance Board, the Auditor General and the Director of the Department of Inland Revenue. The Ministry of Finance has a continuous working relationship with all branches of government due to its budgeting and financial responsibilities. The fact that all government ICT procurement processes above certain threshold require the approval of the Public Procurement Department of the Ministry of Finance provides this institution with additional coordination capacity. In addition, formal working plans will be signed between the Executing Agency and the main government institutions receiving support from the operation.

Execution period is 5 years and the operation will be funded through the Bank's Ordinary Capital.

- 3.2 **Project risks.** Out of the risks identified, during the Proposal for Operation Development (POD) preparation the project team will place special emphasis on mitigation of the following risks: (i) resistance to change; and (ii) challenges with inter-agency coordination.
- 3.3 **Bank experience.** This program will take advantage of the experience developed by the Bank in other projects focused in modernizing the public sector, strengthening government institutions and introducing digital government tools. Among them we highlight the following: Support the Public Sector Transformation (4373/OC-JA) and the Implementation of the National Identification System (NIDS) for economic growth (4437/OC-JA); Improve and Increase Government Services to Citizens and Businesses at a National Level (4399/OC-PE) in Perú; Programs to support electronic government in Uruguay I and II (1970/OC-UR y 2591/OC-UR); Program to improve Public Management and Citizen Services in Chile (3298/OC-CH) and Panama on Line (3683/OC-PN). Likewise, the program will rely on the experience of previous projects developed in the area of transparency, anti-corruption and anti-money laundering, including: Program to Strengthen the Control Function of the Comptroller General in Ecuador (3120/OC-EC), Program for Improvement of Public Services and State-Citizen Interaction in Uruguay (3625/OC-UR), Program to Support Chile's Transparency and Integrity Agenda (3617/OC-CH), and Tax Management and Transparency Program in Guatemala (3786/OC-GU).

IV. ENVIRONMENTAL SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 According to the results of the IDB "Safeguards Policy Filter Report", and the safeguard and Environmental Policies (OP-703), this operation is classified as Category "C", given the low impact on environmental and social issues since the program will not finance any infrastructure works.

V. OTHER ISSUES

- 5.1 **Type of Operation.** As requested by the government this will be an investment operation.
- 5.2 **Retroactive financing.** The Bank may finance retroactively eligible expenses for up to US\$6 million (20% of the proposed loan) incurred by the Borrower prior to the date of loan approval. The eligible expenses will be related to the activities specified in Components 1 and 2. These expenses shall be recognized if they satisfy requirements substantially similar to those established in the loan contract. The costs mentioned shall be incurred during the eighteen (18) months prior to the date of loan approval, but in no event, will include expenses incurred before the approval of the Project Profile.

VI. RESOURCES AND TIMETABLE

- 6.1 It is expected that the Proposal for Operational Development (POD) due date will be March 26, 2018. Approval by the Board is expected by June 6, 2018. The resources needed for project preparation are estimated to be US\$63,080. The staff time needed from project preparation will be 1.24 Full-time Equivalent (FTE) (see Annex V).

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Safeguard Policy Filter Report

Operation Information

Operation		
BH-L1045 Digital Transformation of Government to Strengthen Competitiveness		
Environmental and Social Impact Category	High Risk Rating	
C	{Not Set}	
Country	Executing Agency	
BAHAMAS		
Organizational Unit	IDB Sector/Subsector	
Country Office Bahamas	E-GOVERNMENT	
Team Leader	ESG Primary Team Member	
MIGUEL ANGEL PORRUA VIGON	{Not Set}	
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$30,000,000	0.000 %
Assessment Date	Author	
22 Jan 2018	nathalieh Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	12 Feb 2018	
QRR (Estimated)	14 Mar 2018	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		



Safeguard Policy Filter Report

Potential Safeguard Policy Items

[No potential issues identified]

Safeguard Policy Items Identified

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

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

B.2 Country Laws and Regulations

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

B.3 Screening and Classification

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

B.7 Supervision and Compliance

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

B.17. Procurement

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

Recommended Actions

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

Additional Comments

[No additional comments]



Safeguard Screening Form

Operation Information

Operation		
BH-L1045 Digital Transformation of Government to Strengthen Competitiveness		
Environmental and Social Impact Category	High Risk Rating	
C	{Not Set}	
Country	Executing Agency	
BAHAMAS		
Organizational Unit	IDB Sector/Subsector	
Country Office Bahamas	E-GOVERNMENT	
Team Leader	ESG Primary Team Member	
MIGUEL ANGEL PORRUA VIGON	{Not Set}	
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$30,000,000	0.000 %
Assessment Date	Author	
22 Jan 2018	nathalieh Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	12 Feb 2018	
QRR (Estimated)	14 Mar 2018	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		

Operation Classification Summary

Overriden Rating	Overriden Justification
{Not Set}	{Not Set}
Comments	
{Not Set}	



Safeguard Screening Form

Conditions / Recommendations

No environmental assessment studies or consultations are required for Category "C" operations.

Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3). Where relevant, these operations will establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.)

The Project Team must send the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.

Summary of Impacts / Risks and Potential Solutions

Disaster Risk Summary

Disaster Risk Level

C

Disaster / Recommendations

{Not Set}

Disaster Summary

Details

{Not Set}

Actions

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

Environmental and Social Strategy

- 1.1 The general objective of the program is to foster the competitiveness of The Bahamas by reducing the costs of conducting business with the government. This general objective will be accomplished by achieving the following specific objectives: (i) streamlining government procedures and making them available online to reduce the cost of government bureaucracy; (ii) increasing the use of ICTs in the public sector; and (iii) increasing transparency of government spending and activities, and strengthening auditing and control mechanisms.
- 1.2 According to the results of the IDB “Safeguards Policy Filter Report”, and the safeguard and Environmental Policies (OP-703), this operation is classified as Category “C”, given the low impact on environmental and social issues.

INDEX FOR COMPLETED AND PROPOSED SECTOR WORK

Theme	Description	Status	Reference
Cybersecurity	Analysis of cybersecurity policies in LAC countries	Completed	Cybersecurity Report 2016: Are we ready in Latin America and the Caribbean?
Government procedures	Analysis of the main government procedures related to business activity with a government ranking	Completed	Doing Business 2017. The World Bank.
Bahamas Development Strategy	A government led document to delineate plan with a vision for Bahamas in 2040	Draft	National Development Plan, Vision 2040.
Government simplification	A study on the status and plans of government procedures simplification in Latin America and the Caribbean	Draft	Simpler States for the Digital Age. IDB.
Government procedures	A study of citizens views of public institutions	Draft	Latinobarómetro 2018.
Competitiveness	The effects of enhancing competitiveness on FDI flows	Completed	Popovici and Calin. European Journal of Interdisciplinary Studies. Vol. 7. Issue 1. 2015.
Open Data	Global Open Data Index	Completed	Open Knowledge Foundation.
Government procedures	Red Tape and Delayed Entry	Completed	Antonio Ciccone and Elias Papaioannou. Journal of the European Economic Association April–May 2007.

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