

# EU – The Bahamas

## JAR 2008

Annual Operational Review 2009

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# 1. Executive Summary

There is a significant amount of poverty in the more remote south easterly islands of The Bahamas, namely, Acklins, Crooked, Mayaguana, and Long Cay islands revealed in the results of the first Living Conditions Survey done by the Department of Statistics, several years ago, which was designed to measure the level of poverty in some of these islands. There is therefore considerable amount of infrastructure development that is required, which will allow for trade and invariably economic growth which should alleviate these pockets of poverty.

The European Commission-Government of Bahamas cooperation continues to be as in prior years, to reduce regional socio-economic imbalances in The Bahamas. Focus is on improving the infrastructure development of the south easterly islands of The Bahamas so as to bring them on the level of New Providence, Grand Bahama, Abaco and the other more developed islands. The thrust of the cooperation is to achieve sustainable economic growth and stability and continuous improvements in living conditions. It is clear that the need for adequate infrastructure is greatest in the Family Islands. Infrastructure is the area in which the Government of The Bahamas has persistent needs for aid and is also an area in which the EC has a comparative advantage as a donor.

In terms of progress made on projects there has been little or no progress in recent years and consequently no implementation results can be reported at this stage.

Cooperation between the NAO's office the Delegation in Jamaica is not functioning as effectively as it could.

## 2. Country Performance

### **2.1. *Update on the political situation and political governance***

The last national elections were held in May 2007, which was won by the Free National Movement (FNM). The party won 23 of the 41 seats in Parliament. The Progressive Liberal Party (PLP) won 18 seats. Consequent to a defection by a standing member of the PLP, the FNM gained another seat, bringing the present composition of the House of Assembly to 24 seats held by the Government and 17 seats by the official opposition. The PLP and the FNM are the two parties which sit in The Bahamas House of Parliament. The Right Honourable Hubert Ingraham is the Prime Minister, while the right Honourable Perry G.Christie is leader of the opposition.

One of the major political and social challenges continues to be that of migration from Haiti and on a smaller scale from Jamaica, Cuba and other nationalities. The forceful repatriation of illegal migrants continues to be an expensive exercise for the Government of The Bahamas.

The Government of The Bahamas continues to provide resources to improve the interdiction efforts. There is also the constant upgrading and expanding of The Bahamas Defence Force Fleet, which is intended to facilitate the establishment of a permanent presence in the southern Bahamas from which regular boats patrol using four aircrafts and a number of sea crafts which assist in this effort. Additionally, there is also the Air Wing which significantly improves detection and interdiction capability.

## **2.2. Update on the economic situation and economic governance**

The economy was forecast to grow by 2.0% in real terms in 2008. There was a moderate fall-off in economic activity due to retrenchment in tourism and construction, culminating in some unemployment. Domestic prices also rose by some 1.6% during 2008. Inflation rates remained at elevated levels due to the pass-through effects of higher food and oil prices. The unemployment rate rose from 7.9% in 2007 to 8.7% during 2008. The rise in the unemployment rate was evident in New Providence, Grand Bahama and other Family Islands. This rate in unemployment can be attributed to the completion of temporary jobs and the hold on potential start up jobs in the construction industry.

With regard to the 2008 National Debt, the Direct Charge on the Government as of the 3rd quarter of 2008 stood at \$2,765M an increase 8.5% over the corresponding period of 2007. The major portion of the debt at the end of September 2008 was in Bahamian dollars and was some 8.4% of debt. The Bahamian dollar debt during this period stood at 2,389.4 million.

The contingent liabilities of the Government grew by 4.6% \$442.4 million during the 3rd quarter 2008 when compared to \$508.0 million shown during the corresponding period of 2007. The country's National Debt to date has increased by \$81 million or 2.7% to reach \$2,987.1 million.

The debt service ratio as a percentage of exports of goods and service, showed a decreased moving from 6.5% in 2007 to the year to date total of 5.4%. The debt service as a percentage of Government revenue was recorded at 0.5% a decrease over the corresponding 2007 period which stood at 2.0%.

With regard to the balance of payments on the current account the year to date figures continue to show signs of deterioration due to the domestic impact of oil and non-oil prices on the overall cost of living.

The greatest call on the Government 2008/2009 was education, as the children of the nation were considered the most critical investment. This is comprised of education, youth, sports and culture services. The total Recurrent Expenditure in 2008/2009 is \$1,569 million. Recurrent revenue is \$1,574 million representing an increase of 8.9% over the projected out-turn for 2007/2008 an increase of 7.1% over the original estimate for the year. The major components of Recurrent Expenditure are Debt Interest and Redemption

The external sector weaknesses led to further softening in tourism output during the third quarter 2008. This trend and a projected continuation of declining occupancy levels over the next two quarters led to lay-offs in the hotel sector.

During the first eleven months of 2008 tourist arrivals were pegged at 3.9 million, a decrease of some 4.9% when compared to the 4.1 million arrivals during the corresponding period of 2007. This apparent decrease can be attributed to the slow down in air arrivals which declined by 6.1% during the first eleven months of 2007. The weakness of the U.S. Dollar when compared to the other global currencies should continue to improve the cost competitiveness of The Bahamian tourism product, relative to other European and Asian destinations.

With regard to the Financial Sector, studies have shown that the Financial services contribution to the country's GDP is estimated at 15%. The Third quarter seasonal drawdown in net free cash reserves moderated to 11.9% from 36.1% last year maintaining the surplus higher at \$222.1 million vis-a vis \$148.9 million in 2007. The liquidity position corresponds

to improved 3.9% of the total Bahamian dollar deposits compared to 2.8% in the previous year.

As banks boosted their holdings of Government Registered Stocks, excess liquid assets or broader liquidity measure-strengthened by 3.7% to \$331.5 million in contrast to a significant tapering of to 46.2% last year. As a result, liquid assets exceeded the statutory minimum by 36.5% compared to a more modest 14.3% last year.

### **2.3. Update on the poverty and social situation**

There is an ongoing commitment by the Government of The Bahamas to deal with issues relative to social development. The Bahamas is now listed at number 49 on the 2008 Human Development Index.

The Government's Urban Renewal Programme is up and running as it seeks to continue to address the needs of the youth, all in an effort to reduce anti-social behaviour.

Health care continues to be very expensive; however the government continues to find ways to improve health care delivery in its hospitals and clinics. The government has now put in place a programme whereby persons now receive financial assistance for the purchase of medicines.

Progress to achieve the Millennium Development Goals is ongoing, some of the initiatives to advance these activities are as follows:

#### **2.3.1. Eradicate extreme poverty**

The Government has resumed its housing programme for low and medium income families. The Government is in the process of completing houses on which construction was stopped. Repairs to poorly constructed houses are being undertaken not only in New Providence but throughout most of the major Family Islands.

#### **2.3.2. Achieve Universal Primary Education**

The enrollment in primary education is still high. The transition rate of children moving from primary to secondary school level continues to hover over 95%.

The education youth and culture services during the budget allocation of 2008/2009 received some \$312 million or 20% of the total Recurrent Expenditure.

The Government has implemented a planned School Improvement Programme, which is designed to bring renewed focus to core subject throughout the schools from kindergarten to 12th grade and to supplement regular tuition through the expansion of After-School Clubs and supervised study halls. It is also the intention of the Government to continue to support deeper cultural awareness and appreciation among all its citizens and in particular young people. Additionally, the Government has increased investment in cultural, sporting institutions and other civic and religious organizations.

#### **2.3.3. Promote gender equality and empower women**

The Ministry of Education continues to promote programmes which address the underachievement of boys in the primary and secondary schools in both New Providence and Grand Bahama.

The Programme SURE which provides intervention for at risk male students is on-going.

The Ministry of Education also continues to provide education at the high school level to teenage mothers.

#### **2.3.4. Combat HIV/AIDS and other diseases**

The leading cause of death of young Bahamians, in the age group 20-39 continues to be AIDS. The objective of the National Programme which has intensified is to reduce the incidence and impact of HIV and AIDS and other Sexually Transmitted Infections by providing a strategic approach to HIV prevention, education clinical management, care, support, treatment and HIV/AIDS training.

The Bahamas Government is therefore committed to providing Antiretroviral Therapy (ART) to all those who are eligible for assistance, a programme made more affordable in recent years by availability of lower cost antiretroviral medications due in large part to lobbying efforts by the Clinton Foundation, the Samaritan Ministries, the AIDS Foundation PAHO and UNAIDS. What is more, the programme is multisectoral, multidisciplinary and collaborative. Planning, delivery and monitoring of the programme continues to rely on the strong partnerships and co-operation among government agencies and other faith-based organizations, the private sector and national and international non-governmental organizations.

In 2008, the Ministry of Health started a marketing mass media campaign for HIV infected clients “Know Your Status”. The number of persons taking medication has increased by 1600 in 2008. The prevalence of HIV in antenatal patients is holding at 2%, while the overall HIV prevalence rate for The Bahamas is pegged at 3%. The prevention of mother-to-child (PMTCT) programme transmission has been reduced to 2%.

The Ministry of Health strategy of the decentralization of care from specialized units to the Community Health Clinics seems to be working, as it has improved the access of treatment. In 2008 the focus has been on expanding the youth program throughout the Family Islands. There is now the implementation of the condom marketing strategy.

The AIDS Secretariat continues to work closely with the Ministry of Health and the Ministry of Education in an effort to develop appropriate instructional materials and programmes to teach awareness of HIV/AIDS and other health related issues in schools, churches and communities. The Bahamas continues to serve as resource centre for other Caribbean countries due largely to the successes it has had over the years.

#### **2.3.5. Food Security, Agriculture and Fisheries**

The Government of The Bahamas in 2008 has responded to the global food prices by formulating a number of programs, which include amendment to the Fisheries Regulations to protect and conserve species such as the Nassau Grouper. The Bahamas continues to benefit from a regional project funded by the Food Agriculture Organization (FAO).

The FAO in conjunction with the GOB has embarked on a project called “Input to vulnerable population under the initiative on soaring food prices.

The objective being to contribute to the Government in their support to the poorest Rual families and farmers affected by the food price increase.

The 2008 beneficiaries from the vulnerable groups most affected by high food prices. They include small farmers and women headed poor households.

The FAO initiative is designed to assist countries in increasing food supplies. The Department of Marine Resources in addition to managing the commercial fishing industry are responsible for species and habitats in the marine environment.

The grouper closed season has now been extended to some four months to allow for spawning. Work is also progressing regarding the conch and spiny lobster. Strategies have been put in place to enforce the fisheries laws and regulations particularly in those zones that are regarded as popular fishing areas. The fisheries inspectors have been monitoring these zones very closely, to ensure that the fishing rules and regulations are followed. In 2006, The Government of The Bahamas introduced legislation reducing catch limits for sport fisheries. That legislation has been amended slightly increasing the catch limits.

One major problem that continues to plague the fisheries sector, is that of foreign poachers. However, The Royal Bahamas Defense Force continues to patrol these fishing zones for illegal foreign fishing. There is a low rate of deforestation in The Bahamas as the level of forest covered has remained unchanged over the past ten years, as no commercial exploitation is found in the pine forest. The hunting of wild birds is allowed but this is regulated under the Wild Birds Protection Act. There is also hunting of wild boars as well as the catching of land crabs.

## **2.4. Update on the environmental situation**

The Government recognizes the tremendous task of balancing economic development and environmental protection. Agencies are now working cooperatively to identify and address environmental issues.

Major development projects undergo scrutiny through an environmental impact assessment (EIA) review process to ensure that projects with any environmental concerns are either rejected or modified such that they are developed in a safe and sustainable manner.

The Government has recently appointed a National Energy Policy Committee, which is tasked with developing a National Energy Policy for The Bahamas. Key objectives for the policy is to lessen reliance on oil and pursue alternative energy sources. The committee held several meetings during 2008 in addition to having several working sessions that have yielded interactive and productive discussions on energy and strategies. The committee has produced a report that has been submitted to the government for review and approval.

As a low-lying small island developing state, The Bahamas will continue to be significantly impacted by the adverse effects of climate change. Rising sea levels, storm surges and inundation are likely to continue to cause coastal erosion and increased flooding of coastal communities. Wetlands, which are important to the regeneration of resources, are also expected to be negatively impacted by rising sea levels. The Bahamas has the third largest barrier reef in the world. The corals, which are integral to this eco-system are, vulnerable to thermal stress and are regarded as having low adaptive capacities. They are likely to undergo bleaching and mortality as a result of the rise of sea temperatures. The frequency and intensity of tropical storms and hurricanes were forecast to increase in 2008.

Human settlements, infrastructure and development will also be impacted by heat stresses, water shortages, as well as increased variability affecting the entire Bahamas. Recent experiences with climate-related stresses resulted in significantly economic losses and dislocations of residents, as well as damage to the economy.

In response to this threat, The Bahamas continues to participate in the global efforts to address climate change as a Party to the United Nations Framework Convention on Climate Change

(UNFCCC) and Kyoto Protocol. Currently, effort is underway to complete the second National Communication Report for submittal to the UNFCCC Secretariat. The Government is also considering the clean development mechanism programme, where developed countries fund carbon sequestering projects in less developed countries. Support was given to develop a future regime under the Kyoto Protocol.

The Bahamas is also Party to the United Nations Convention on Biological Diversity (CBD); and is committed to preserving 20% of the country's combined terrestrial area by 2010 and 20% of the marine area by 2012. The Government is working alongside non-governmental organizations to achieve this goal. This partnership has developed a National Implementation Support Partnership (NISP) Project to analyze gaps in financial and resource capacity towards achieving the goal. Effort is currently underway to prepare a master plan for the Program of Work on Protected Areas.

The Government of The Bahamas require all developers, national and international, to observe environmental best practices in the construction and operation of their projects. The Government also places the highest priority on the effective management and protection of its natural resources and continues to support environmentally sensitive policies, conservation education, habitat rehabilitation and the modernization of related legislation and regulation needed to support effective management of functioning protected areas.

In the 2008/2009 Budget, the Government in addition to the annual subvention of \$1 million to The Bahamas National Trust (BNT), provided a further sum of \$250,000 for salaries and other costs associated with the engagement of park wardens deployed in BNT managed parks around the country.

The Government has made a contribution of the first \$500,000 toward the establishment of a permanent Bahamas National Protected Area Trust Fund under the auspices of the Caribbean Challenge Initiative. The Fund is financed by a combination of private and public resources committed by regional governments, international environmental organizations such as The Nature Conservancy and other international funding agencies.

The "Caribbean Challenge Initiative" supports the initiative of parties to the UN Convention on Biological Diversity to conserve, as a minimum, 10 per cent of their terrestrial and marine habitat by 2010 and 2012 respectively.

The Government has also committed to contribute \$2 million dollars over the next four years for the establishment of The Bahamas National Protected Area Trust Fund. In its seriousness about the environment, the Government of The Bahamas in 2008 appointed a Minister with responsibility for the environment.

### **3. Overview of past and ongoing cooperation**

#### **3.1. *Reporting on financial performance of EDF resources***

The 10th EDF Country Strategy Paper for The Bahamas has gone through the final stages of approval in 2008 and signed in December 2008. Neither disbursements nor new commitments have been made in 2008.

The strategy under the 10th EDF has the same overall objective of the previous one of the 9th EDF, namely: to reduce socio-economic imbalances in the archipelago of the Bahamas by stimulating sustainable development in the poorer Family Islands. This will be done by improving access on and between the islands and thus provide conditions to stimulate economic growth in Family Islands.



The 9th EDF projects are still under preparation and are not yet under execution. Therefore, it is considered premature to start programming the 10th EDF.

**The overall EDF RAC/RAL picture** at the end of 2008 is as follows:

	RAC / RAL end 2007	RAC / RAL end 2008	RAC / RAL % 2007/2008
9 <sup>th</sup> EDF	7,497,733/7,497,733	7,497,733/7,497,733	0% / 0%
10 <sup>th</sup> EDF	NA	NA	NA
<b>TOTAL</b>	<b>7,497,733/7,497,733</b>	<b>7,497,733/7,497,733</b>	<b>0% / 0%</b>

### **3.2. Reporting on General and Sector Budget Support**

There are no ongoing or planned EC budget support programmes in The Bahamas.

### **3.3. Projects and programmes in the focal and non focal areas**

#### **3.3.1. Focal Areas: Capacity Building in the Family Islands**

The 9th EDF support is fully targeted on a capacity building programme in the Family Islands. The expected results of the 9th EDF support for the Bahamas are, among other things:

- Improved quality of Roads, Sea Defenses, Airstrips and other infrastructure on Family Islands
- New maintenance scheme applied which is consistent with prevailing local weather, coastal and other conditions

The fundamental objective of the Bahamas Government development strategy has been to ensure sustainable economic growth. The strategy of the Government has been to expand the basic infrastructure across the entire country, with special emphasis on reducing disparities with the Family Islands. In addition to the regular services of roads, water, electricity, and telecommunications, the archipelago nature of the country renders harbors, airports and landing strips as critical infrastructure for the nation state.

There has been little or no progress in 2008 and consequently no implementation results can be reported at this stage.

### **3.4. Policy Coherence for Development**

The EU-Bahamas cooperation is limited in scope and is focused on support to the Bahamas Government development strategy to expand the basic infrastructure across the entire country, with special emphasis on reducing disparities with the Family Islands. Infrastructure development is the only area of cooperation.

The 9th and 10th EDF NIP/CSPs are consistent with several aspects of the 2006 Communication on the EU strategy for the Caribbean region, particularly that of creating political dialogue and reducing inequalities through development cooperation. The EU strategy for the Caribbean was conceived as an instrument to assist countries in the region in achieving their long-term development goals in a self-sustaining manner.

### **3.4.1. EIB**

Under the various Lomé conventions, the EIB has lent, from own resources, EUR 51 million in the Bahamas to projects in the electricity and water sectors.

The two operations in the electricity sector totalled EUR 22 million and aimed at improving electricity transmission and at supporting environmental mitigating measures.

In the water sector the two projects supported, for a total of EUR 29 million, focussed on the improvement of water and sewage systems on the New Providence Island and the extension of safe drinking water provision in the Family Islands.

The outstanding portfolio amounts to EUR 10.5 million. Efforts have been initiated in 2009 with a view to identifying projects eligible for EIB financing in The Bahamas.

### **3.5. *Dialogue in Country with national parliaments, local authorities and NSAs***

Communication is restricted to the office of the NAO. The relationship between the Delegation and the Government of The Bahamas is cordial; however there is no flow of information on the state of play on the projects, despite the best efforts of the Delegation and a specific mission from Brussels, no policy dialogue is taking place between The Bahamas and the EC. There is very slow progress in the preparation of the 9th and 10th EDF national and regional projects.

### **3.6. *Aid Effectiveness***

No other major donor is present in the Bahamas.

## 4. Annexes to the JAR

### 4.1. Country at a glance

Table 1. Economic Indicators 2000-2008

Indicator	2001	2002	2003	2004	2005	2006	2007	2008
1. Population ('000) <sup>1</sup>	308	312	317	321	325	330	334	338
2. Population growth %	1.5	1.0	1.4	1.31	1.29	1.27	1.21	1.25
3. GDP/capita <sup>2</sup>	\$18,373	\$18,950	\$18,746	\$18,790	\$20,027	\$20,027	\$20,835	\$21,659
4. Growth GDP/capita(%)	1.0	3.1	-1.1	0.2	6.6	4.0	4.0	n.a.
5. Gross capital formation as % of GDP	34.7	32.9	31.3	30.7	36.1	45.1	38.7	n.a.
6. External debt as % GDP <sup>2,3</sup>	0.7	2.4	5.2	5.0	4.8	n.a.	n.a.	n.a.
7. External Debt Service as % GDP	1	2	2	2	1	1	1	1
8. Exports as share of GDP (%) Marine Products	1	2	2	2	1	1	1	1
9. Trade balance as % GDP <sup>2,3</sup>	-23.5	-24.2	-23.2	-23.5	n.a.	n.a.	n.a.	n.a.
10. Government income as % of GDP of which Tax revenue Non-Tax revenue Capital Revenue	15.1 1.6 0.001	13.1 1.6 0	13.7 1.8 0.003	13.8 1.6 0.25	14.2 1.6 0.16	15.9 1.8 0.001	16.7 1.8 0.001	N.A. N.A. N.A.
11. Government expenditure as % GDP Military Education Social	0.5 3.3 1.1 2.7	0.5 3.3 1.1 2.7	0.5 3.3 1.0 2.9	0.5 3.4 1.0 2.9	0.5 3.3 1.0 3.0	0.6 3.4 1.0 2.9	0.7 4.4 1.4 3.8	n.a. n.a. n.a. n.a.

Health								
12. Budget deficit (B\$million) <sup>3</sup>	-170.9	-187.8	-166.4	166.4	175.5	106.1	182.5	125.4
13. Inflation <sup>4</sup>	1.85	2.04	2.17	1.75	1.87	2.02	2.23	3.4
14. Exchange rate (B\$:US\$)	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1

1 Department of Statistics 2001 – 2030 All Bahamas Population Projection Report

<sup>2</sup> Department of Statistics National Accounts Report 2008

<sup>3</sup>Central Bank of The Bahamas Quarterly Economic Review

<sup>4</sup>Department of Statistics 2008 Annual Review of Prices

<sup>5</sup> Government Publications 2008/2009 Budget Communication by the Minister of Finance

Table 2: Social Indicators for The Bahamas

	Indicator	2000	2004	2005	2006	½ yr 2007	2008
Impact	1. Proportion of Population below the poverty line (%) <sup>1</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2. Prevalence of underweight children <sup>2</sup>	1.9	n.a.	n.a.	n.a.	n.a.	n.a.
	3. Under-one year mortality rate per 1,00 live births <sup>2</sup>	14.8	17.3	19.6	18.1	16.3	17.2
Outcome	4. Net enrolment ratio in primary education <sup>3</sup>	n.a.	91.8	91.1	91.4	91.4	91.5
	5. Primary Completion Rate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	6. Ratio of boys to girls in: - primary education	n.a.	n.a.	91	n.a.	n.a.	n.a.
	-secondary education	n.a.	n.a.	84	n.a.	n.a.	n.a.
	- tertiary education						
	7. Proportion of birth attended by skilled health personnel <sup>2</sup>						
	8. Proportion of 1 year old children immunized against measles <sup>2</sup>	94	89	84	n.a.	n.a.	88
	9. HIV prevalence among 15-24 year old pregnant women <sup>4</sup>	1.7	1.0	0.8	n.a.	n.a.	n.a.
	10. Proportion of population with sustainable access to improved water source (%)	98	98	98	98	98	98

<sup>1</sup>Department of Statistics Bahamas Living Conditions Survey, 2001

<sup>2</sup>Information Research Unit, Ministry of Health Basic Health Indicators 2008

<sup>3</sup>Ministry of Education, Science and Technology 2007-2008 The Bahamas National Education Statistical Digest,

## 4.2. Progress on Governance Action Plan

	Performance indicators	Sources of verification	
<p>Overall objective</p> <p>To reduce poverty and regional socio-economic imbalances in the Bahamas</p>	<ul style="list-style-type: none"> <li>• Social indicators</li> <li>• Increase in employment in the region</li> <li>• HDI improvement between 2008 and 2013</li> <li>• GDP and per capita growth</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Statistics</li> <li>• National Accounts</li> <li>• Labour Force Survey</li> </ul>	
<p>Project purpose</p> <p>Improving local capacities for the management of economic and infrastructure development in the Family Islands</p>	<ul style="list-style-type: none"> <li>• Growth in income and employment in Family Islands</li> <li>• Increased value added in Tourism, Agriculture, Fishing, Aquaculture and Food Processing in Family Islands</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Trade and Industry</li> <li>• Local Government Councils</li> <li>• Ministry of Finance</li> </ul>	
<p>Improved quality of roads, sea defences, airstrips and other infrastructure on Family Islands</p>	<ul style="list-style-type: none"> <li>• Km of roads: Paving and verges maintained to accommodate normal traffic during the period of the budget cycle</li> <li>• Number of sea defences: Maintained to provide protection against surges during the period of the budget cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Transportation and Works</li> <li>• Ministry of Trade and Industry</li> </ul>	

	<ul style="list-style-type: none"> <li>• Number of airstrips: Maintained to provide safe landing facilities for normal aircraft traffic</li> </ul>		
	<ul style="list-style-type: none"> <li>• Maintenance scheme in place</li> <li>• km of infrastructure in rehabilitated</li> <li>• % of funding allocated for rehabilitation and repairs</li> <li>• financial management audit and procurement schemes in place</li> <li>• number of staff trained</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Transportation and Works</li> <li>• Ministry of Trade and Industry</li> </ul>	

### **4.3. Annual Report on Budget Support**

N/A

### **4.4. Aid Effectiveness**

<b>1. EU Target No 1</b>		
Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements		
<b>2. Introduction</b>		
The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)		
<b>3. Questions and definitions</b>		
Question	Definition –	Response

	OECD Ref	EUR
How much ODA did you disburse at country level for the government sector in FY 2008 (EUR)?	Qd2	0
How much ODA disbursed for the government sector in FY 2008 used national budget execution procedures (EUR)?	Qd5	0
How much ODA disbursed for the government sector in FY 2008 used national financial reporting procedures (EUR)?	Qd6	0
How much ODA disbursed for the government sector in FY 2008 used national auditing procedures (EUR)?	Qd7	0
How much ODA disbursed for the government sector in FY 2008 used national procurement procedures (EUR)?	Qd9	0
<b>4. Definition of Indicator</b>		
$[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2]$ (please calculate and enter as response %)		Response % 0
<b>5. Additional information</b>		
Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)		
There is no flow of information on the state of play on the projects; there is very slow progress in the preparation of the 9th EDF national and regional projects.		

## 1. EU Target No 4

Reduce the number of uncoordinated missions by 50%.

## 2. Introduction

The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.

The Paris Declaration **objectives** underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field<sup>1</sup> it is important that donors: Conduct fewer missions, coordinate timing of missions with partner authorities and, where necessary, with other donors, *conduct more joint missions, avoid conducting missions during "mission free periods"*<sup>2</sup>.

Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:

1. Does the mission involve international travel to a beneficiary country? i.e. **this concerns only missions from HQ, not missions undertaken within the country by the Delegation.**
2. Does the mission involve a request to meet with government officials, including local government?
3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?

The Definitions and Guidance of the OECD ([www.oecd.org/dataoecd/13/29/36306366.doc](http://www.oecd.org/dataoecd/13/29/36306366.doc)) requires that missions undertaken by consultants contracted by AIDCO (or other DG's), if they meet the 3 above questions, must also be included.

## 3. Questions and definitions

OECD ref: Q <sup>d</sup> 15	How many <b>HQ missions</b> to the field were undertaken in FY 2008? <sup>3</sup>	1
Q <sup>d</sup> 16	How many of these were coordinated?	0
Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2008 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission		
AIDCO		
DEV		1
RELEX		
TRADE		
ECHO		
FISH		
OTHER DGs		
Consultants contracted by the Commission		
<b>Total</b>	0	1

<sup>1</sup> 'Field' refers to the country in general including missions to the capital only.

<sup>2</sup> The target set for 2010 for indicator 10 a) is to have 40% of donor missions to the field as joint.

<sup>3</sup> This question applies to the missions from the HQ



<b>4. Definition of Indicator</b>		
<b>Q<sup>d</sup>16 / Q<sup>d</sup>15</b>	<b>2007</b>	<b>2008</b>
Please calculate and enter in the column for 2008 and also include the figure for this indicator for 2007;	N/A	0

<b>5. Additional Information</b>			
Delegations are invited to list the dates for main HQ missions already planned for March 2009 to August 2009, indicating whether they are, or not, to be coordinated with other donors;			
<b>HQ DG</b>	<b>Date planned</b>	<b>Purpose/Sector</b>	<b>Coordinated (Yes/No)</b>
No missions planned			
Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2009 to February 2010, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue.			
<b>HQ DG</b>	<b>Date planned</b>	<b>Purpose/Sector</b>	<b>Donor(s) involved</b>
_ Not Available			
Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.			
The Delegation and HQs remain committed to re-vitalize the policy dialogue between The Bahamas and the EC. A specific mission from HQ took place in the year.			
Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, ie. the OECD target of 40% and the EU target of halving the number of un-coordinated missions.			
- OECD target of 40% likely to be met:		No	
- EU target of halving the number of un-coordinated missions:		No	
Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:			
It will require a high level approach at the political level to make progress.			

#### **4.5. Financial Annexes**

**9th EDF and any previous EDFs as per closure of the financial year 2008**

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	INDIV. COMMIT	RAC
		N° INDIV COMMIT.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
<b>TOTAL ON ONGOING GLOBAL COMMITMENTS</b>					<b>7 575 000</b>	<b>77 267</b>	<b>7 497 733</b>
<b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b>					<b>0</b>	<b>0</b>	<b>0</b>
2004	9ACP BM1	0	TECHNICAL COOPERATION FACILITY (TCF)	2010103	145 000	77 267	67 733
2006	9ACP BM2	0	SUPPORT TO THE FAMILY ISLANDS	20131231	6 830 000	0	6 830 000
2006	9ACP BM3	0	HURRICANE FRANCIS RECONSTRUCTION WORKS	20101231	600 000	0	600 000

### 9th EDF and any previous EDFs as per closure of the financial year 2008 - Regional

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0		TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	INDIV. COMMIT	RAC
		N° INDIV COMMIT.	DEL RESP.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
<b>TOTAL ON ONGOING GLOBAL COMMITMENTS</b>						<b>1 689 900</b>	<b>0</b>	<b>1 689 900</b>
<b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b>						<b>0</b>	<b>0</b>	<b>0</b>
2007	9ACP RCA18	0		REGIONAL LAW SCHOOL IN THE BAHAMAS	20131231	1 400	0	1 400
2007	9ACP RCA19	0		REGIONAL LAW SCHOOL IN THE BAHAMAS	20131231	1 688 500	0	1 688 500