

THE IDB IN THE BAHAMAS IN BRIEF

Country Strategy with The Bahamas

The IDB Country Strategy with The Bahamas for the period 2010-2014 was approved in April 2010, and seeks to provide financing in four priority areas: energy, water, transport and small and medium-sized enterprises development. Total lending during the period is anticipated to range between US\$195-US\$295 million. A Country Strategy Update is anticipated in 2012 to include the social sector as a priority area.

Lending and Disbursements

Financing approved in 2011 totaled US\$131 million and disbursements amounted to US\$56 million, making it the most successful year on these scores since the IDB began operating in The Bahamas.

With IDB support, the Government of The Bahamas has begun reforms in the air transport sector to introduce a modern civil aviation regulatory regime, create an independent entity to investigate aviation incidents and accidents, and modernize the existing air traffic control infrastructure. Measures will be taken to promote competition and to introduce a booking system to expand local air carrier services, fostering a commercial and entrepreneurial approach towards ensuring economic and financial sustainability of the sector.

The IDB also approved an investment loan to improve water pressure, quality and volume for households in New Providence. This major overhaul of water infrastructure will cut in half the amount of water lost through leakages in New Providence, conserving this scarce resource and improving the financial sustainability of local water suppliers.

In 2012, a further US\$75 million has been programmed for approval in the areas of road transport, trade and social safety net support.

Grants

In addition to its lending, the IDB has provided US\$1.3 million in grants to complement the initiatives associated with the lending program for 2011. Specifically, grant resources funded humanitarian assistance in the aftermath of Hurricane Irene, and such resources are currently financing capacity building for the Ministry of Labor and Social Security and within the Ministry of Finance.

Private Sector Initiatives

Two technical assistance grants were approved in 2011 to strengthen small and medium sized enterprises (SMEs): Policy and Institutional Framework for SME Development in The Bahamas, and Support to The Bahamas Public Procurement Systems through ICT and MSME Participation.

The MIF program for 2012 comprises 2 operations for a total of US\$400,000: Support for the Economic Empowerment of Fishing Guides; and Supporting Mobile Micro Financial Services through Technology.

The IIC will continue with its support for the FINPYME, GREENPYME and FINPYME – Export Plus programs. New opportunities are also expected to arise under the Small Business Revolving Line which provides support for SMEs.