The National Development Plan

State of the Nation Diagnostic Overview and Data Report

March 2016

VISION2040
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

Disclaimer

This document is a working draft of the National Development Plan Secretariat and is not an official document of the NDP.

It as been shared to provide additional information and background details on the findings from the assessment of the State of the Nation. Any and all material shared in this PowerPoint is subject to change without notice.

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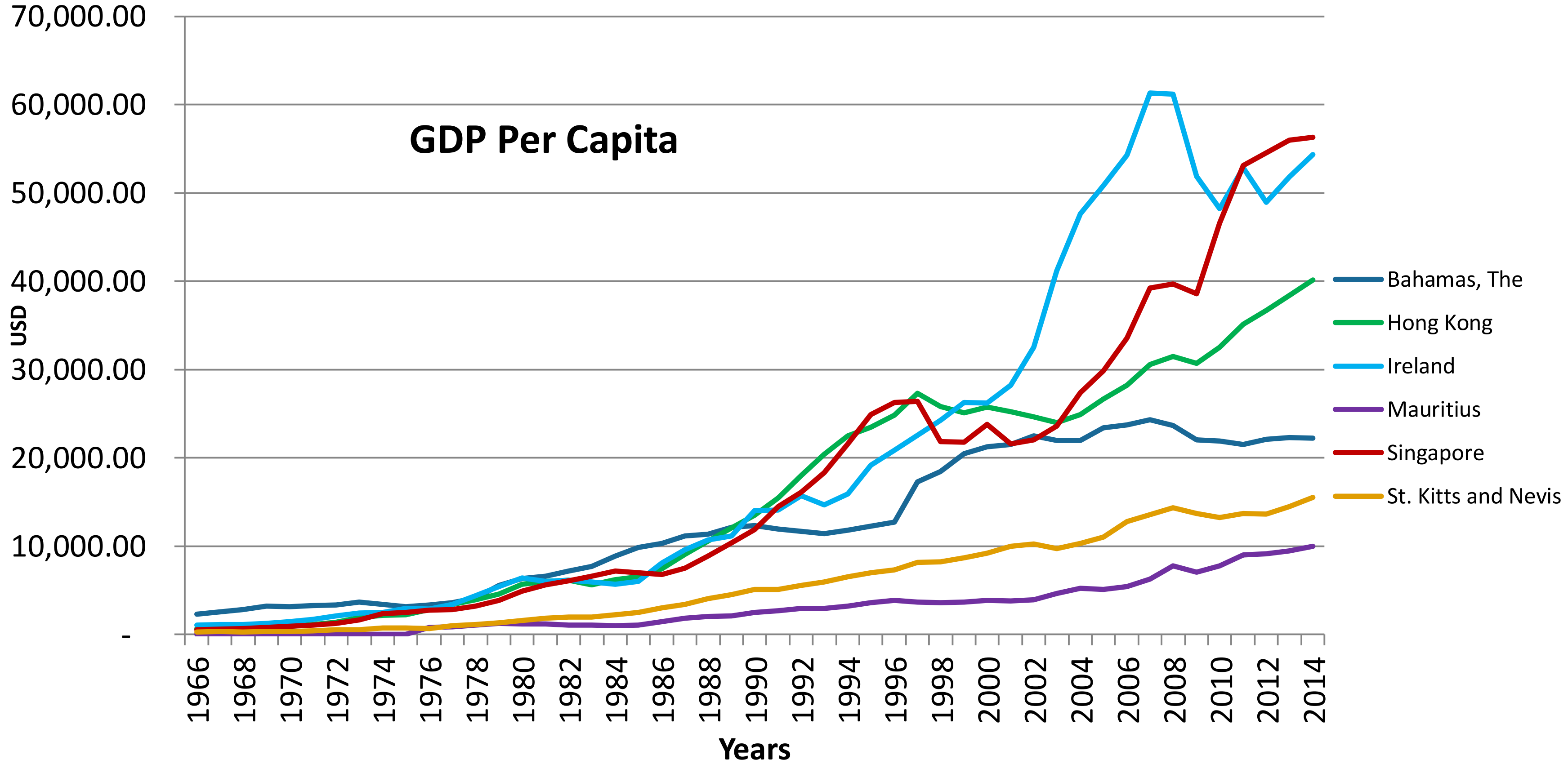
For addition information you may contact the Secretariat at 242 702 5500 or info@vision2040bahamas.org.

What is the National Development Plan?

1. Road Map for the Future
2. Sets out Short, Medium and Long Term Goals
3. Identifies the Vision of a Country
4. Must be Non-Partisan. All Stakeholders Must be Engaged.
5. Must be Institutionalized in Law and Monitored

Why Does The Bahamas Need A National Development Plan? The Bahamas has witnessed tremendous economic success over the years. However, a change in the growth trajectory is required.



(Source: World Bank Development Indicators)

Planning for Growth and Prosperity: National Development Plans are widely used throughout the world to guide progress

Vision 2008

The Cayman Islands
Nation Strategic Plan
1999 - 2008

IRELAND

National Development Plan
2007-2013

TRANSFORMING IRELAND

A Better Quality of Life for All

Complementing the National 12th Five-Year Plan

THE STRATEGIC ECONOMIC PLAN:
TOWARDS A DEVELOPED NATION

EXECUTIVE SUMMARY

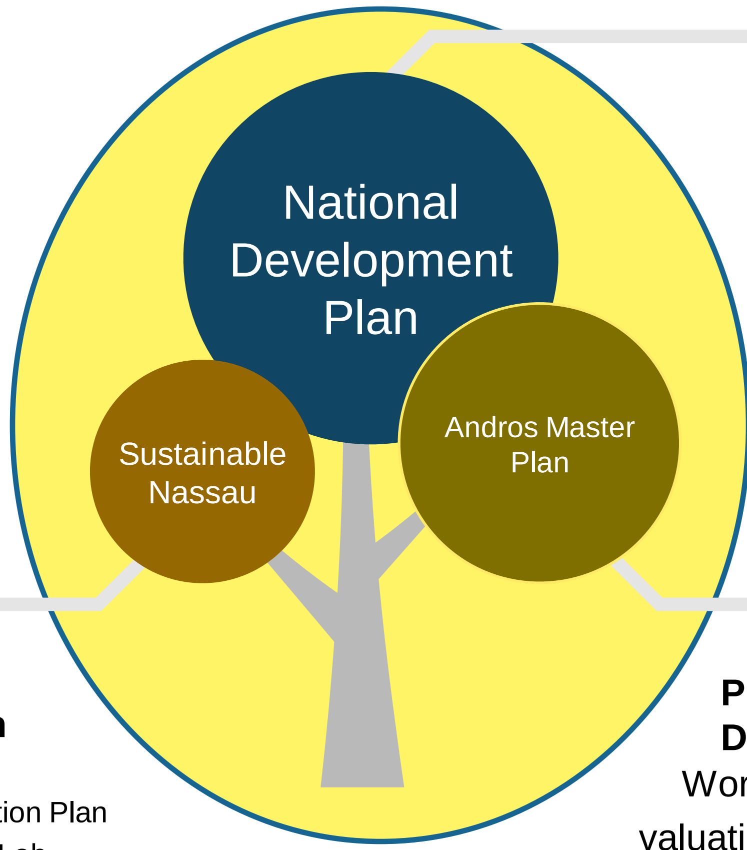
THE VISION FOR SINGAPORE:
A DEVELOPED COUNTRY IN THE FIRST LEAGUE

The Strategic Economic Plan sets the strategies and programmes for Singapore to realise a vision - to attain the status and characteristics of a first league developed country within the next 30 to 40 years.

Key facets of the Vision are economic dynamism, a high quality of life, a strong national identity and the configuration of a global city.

A BOLD APPROACH TO DEVELOPMENT PLANNING IN THE BAHAMAS

Supported by new governance arrangements (Centre of Government - $50K) and IFMS loan ($3M)



$450K

Inclusive National Development

Concluding work on the SNR, Nationwide Consultation commenced and drafting Vision 2040

$1.1M

Pilot Project for Urban Development

Baseline data, Diagnostic, Action Plan for the City of Nassau, Urban Lab planned

$750K

Pilot Project for Island Development

Working towards ecosystem valuation, consultation, education and Master Plan

What are the Steps in the NDP Process?

3

Draft the Plan

- 25 years, short, medium, long goals
- Vision, goals, strategies, action steps
- Monitoring Evaluation

2

Consultation

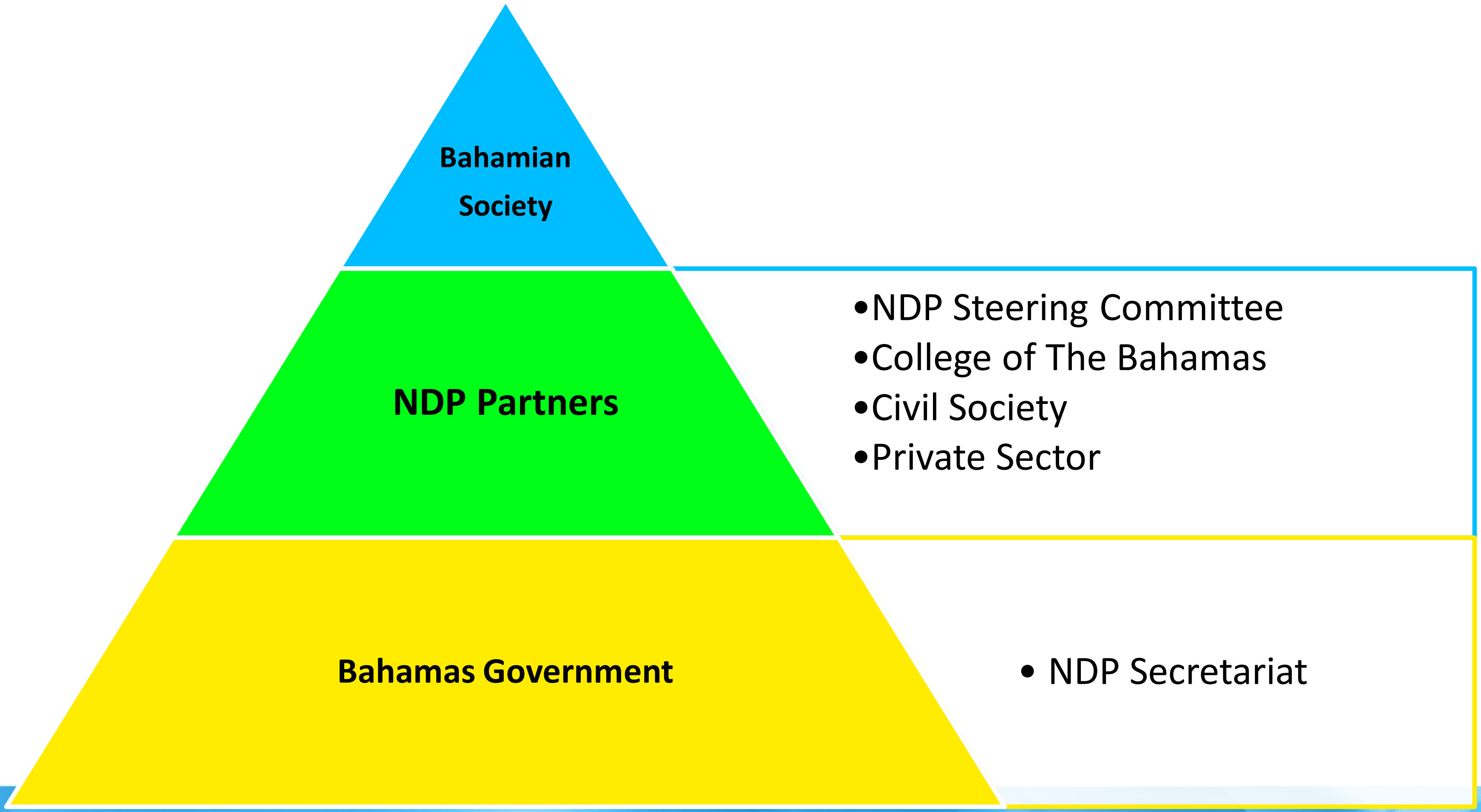
- Family Islands and NP
- Sectors
- Youth

1

State of the Nation Report (Diagnosis)

- Economy
- Governance
- Social Policy
- The Environment (built and natural)

Who Owns The NDP?



Assessing the State of the Nation – 4 Key Pillars

The Economy

- Descriptive: what drives the Bahamian economy
- How are sectors performing?
- Defining The Bahamas' competitive advantages

Governance

- How can government work better?
  - Public service effectiveness
  - Public sector coordination
- Transparency, Accountability, Voice
- Crime and justice

Environment (Built and Natural)

- Do we have the infrastructure needed to build a modern economy?
  - Energy, transportation, ICT
- Are we protecting our natural environment?
- Are we ready for the effects of climate change?

Human Capital/ Social Policy

- Education, Training Labour
- Issues of poverty, gender, culture, other societal factors
- Health and healthcare, impacts on the future of the country

Phase 1: Identifying Our Strengths

Human Capital: Significant improvements are underway

- Well funded education sector at 13% of total budget - among the highest percentage in the world
- Well trained teachers: 100% public teachers meet minimum requirements
- High primary enrollment rates; high literacy rates
- Growing investments in health care including access
- Modern hospitals and highly trained health professionals
- Multitude of government programmes aimed at supporting individuals and communities
- A strong sense of national pride
- Collective awareness of cultural traditions and Bahamian identity

Governance: Stable with strong traditions

- Stable democracy with a multi-party system, healthy elections and engaged citizens
- Scores very high by international standards on political, media and civil freedoms
- Some level of decentralization and local decision making on Family Islands
- Large, well trained, professional police force. High police per capita
- Independent judicial system
- Swift Justice programme successes
- Efforts underway to strengthen citizen security programmes
- Declining number of property crimes

The Environment (Built and Natural): Our Core Assets

- Recent infrastructure improvements
  - Roads of high quality against regional standards
  - International airports,
  - Water and Sewerage infrastucture
- Excellent deep water port (Freeport) with room for expansion – able to service superpanamex ships, and fourth largest oil terminal for transshipment in the world
- High Internet and cell phone penetration
- Electricity supplied to all major islands; BEC operates 29 generating plants in 25 Island locations
- Bountiful natural marine environment and a tropical climate
- Legislation and international protocols in place to help protect the environment

Economy: Gateway to the Americas

- Stable currency and effective monetary policy
- Location: next door to one of the largest markets in the world: the USA
- Natural resources: land and water resources associated with a tropical archipelago
- Significant foreign investment
- Low tax regime
- Recent infrastructure improvements including expanded and improved Lynden Pindling Airport on New Providence – supporting an increase in international and domestic airlift;
- Progressive action to restructure the financial sector towards more value added services
- Reliable banking system
- Market recognition in tourism and financial services

Phase 1: Facing Our Challenges

Human Capital:

Social progress slowdown

- Changing cultural values towards material gain, work and ethics
- At risk youth that do not have the support they need
- Community decay and ghettoisation
- High levels of criminal behaviour, particularly murder
- High levels of intergenerational and new poverty
- Many citizens unequipped to reach their full potential as a result of poor education and training outcomes
- High levels of "unwellness"
- Immigration challenges leading to social exclusion

Governance:

Governance arrangements that do not support a modern Bahamas

- Poor or absent strategic planning and coordination within government
- Inadequate levels of accountability, monitoring and evaluation which affect service delivery
- Lack of a campaign finance framework
- Lack of inclusive engagement at the local level
- Uneven performance of public service agencies
- Public service recruitment methods and code that does not meet the need of a modern public service
- High levels of crime which challenge government's credibility
- Inadequate protections around certain human rights, including rights of migrants and gender equality
- Poor government communications, including mechanisms to incorporate citizen feedback

Environment:

Highly vulnerable natural and built environment

- Archipelagic makeup increases the development challenge
- Communities with inadequate housing, sanitation and community infrastructure
- Lack of value placed on the natural environment combined with poor solid waste management
- Public infrastructure that does not support a modern economy or inclusive national development (energy, transportation, access for persons with disabilities)
- Lack of long-term infrastructure planning
- Complicated land tenure and registration processes
- Lack of integration of modern technology, GIS, ecosystem valuation, hazard planning, adaptation and mitigation services
- Lack of preparedness for inevitable climate change

Economy:

Highly vulnerable, undiversified and underperforming economy

- High costs of doing business inhibit private sector growth
- Complicated business environment, which affect both small and large businesses
- Economy which is dependent on one sector and one market
- Immature value chains across most sectors
- High debt burden which constrains the government's ability to respond as required
- Low levels of competitiveness and productivity
- Low levels of household financial resilience, including personal financial planning
- Immature financial sector development
- Misunderstood economic policy

Phase 2 NDP: Community Engagement & Awareness Campaigns, Family Islands Visits

Understanding the Economy and Society of North Andros

Speaking with Residents in Town Hall Meetings in South Andros

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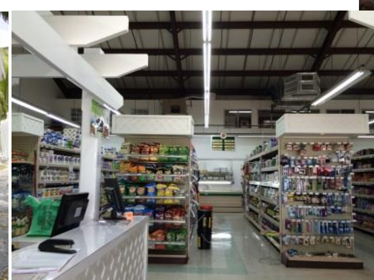
Tourism South Andros and Russell Island Landfills to understand Environmental Challenges Facing Our Country

Understanding the Salt Industry in Inagua

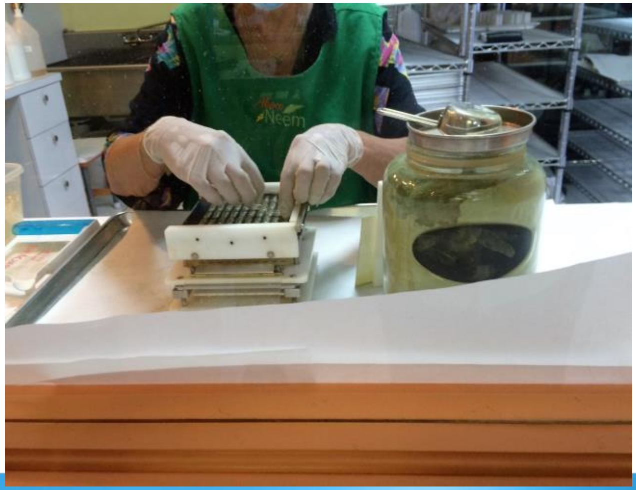
Meeting with Residents in Spanish Wells, Eleuthera

Meeting with Residents in Governor's Harbour

Meeting with Residents in Rock Sound, Eleuthera



Understanding the industries, tourism product and challenges in Abaco



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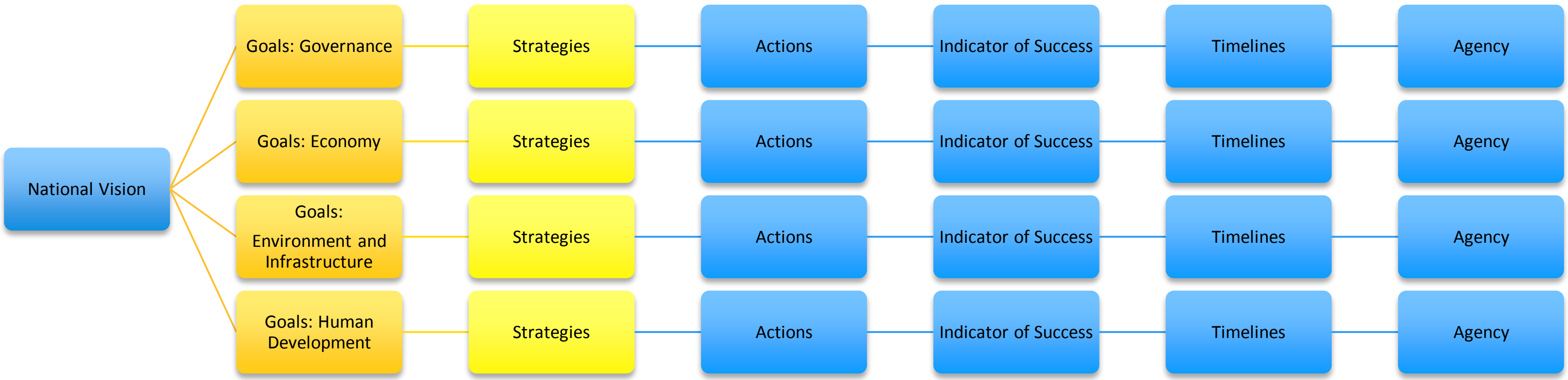
Meeting with Bahamians from all walks of life

Understanding the Potential of Bahamian Agriculture

Hearing from Residents from Diverse Backgrounds

Ensuring that the NDP is an Inclusive Process

Phase 3: Drafting of the National Development Plan



Project Risks

RISK: **Ensuring Implementation of the Plan**

MITIGANT ONE:

CENTRE OF GOVERNMENT APPROACH TO THE PLANNING

- Development of a National Development Plan Bill
- Introduction of a planning and implementation monitoring tool and a governance mechanism to ensure that planning and execution occurs

MITIGANT TWO:

WIDE CONSULTATION AND STAKEHOLDER APPROACH

Ensuring wide ownership and accountability

MITIGANT THREE:

BUILD CAPACITY IN PLANNING AND ENSURE THAT THERE IS A "STRATEGIC PLANNING SPACE" IN PUBLIC ADMINISTRATION

Other Projects Tangential to the NDP

Andros Master Plan

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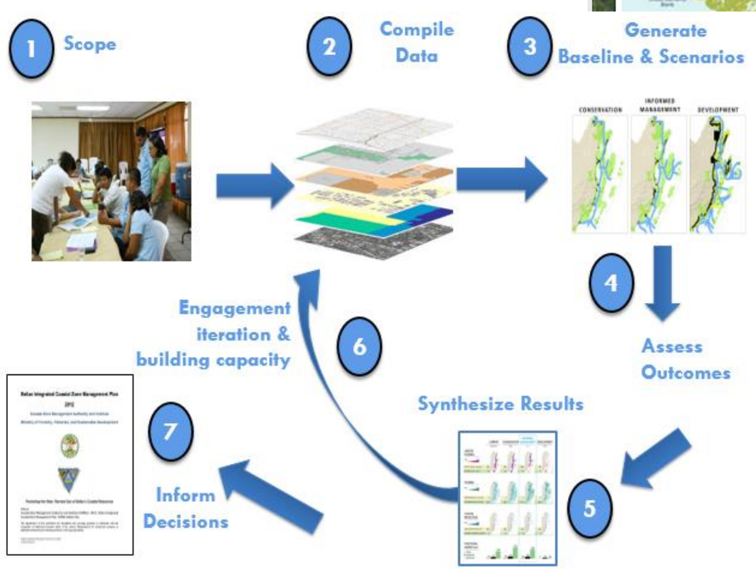
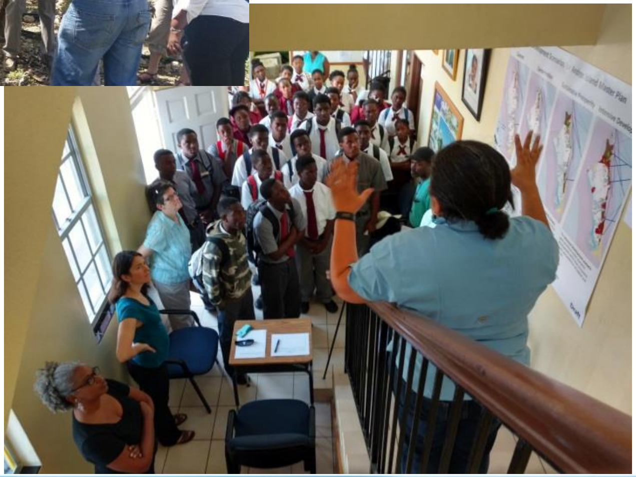
Andros Sustainable Development Master Plan

- Measurement of the economic value of Andros' ecosystem services
- Drafting and assessment of viable development scenarios
- Development of a proposal for a physical development plan that optimizes the economic value of Andros' natural capital.
- Stakeholder driven

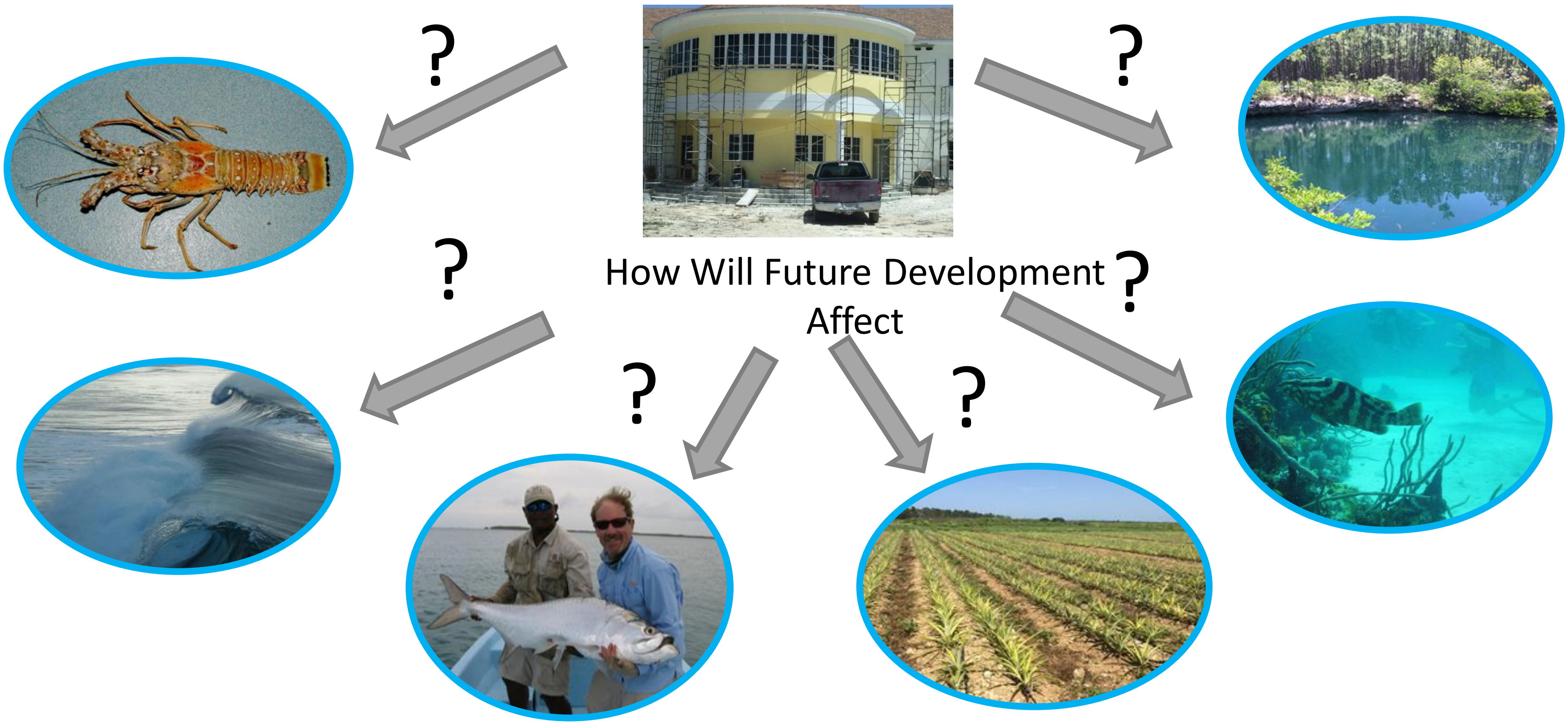
Iterative Stakeholder Engagement



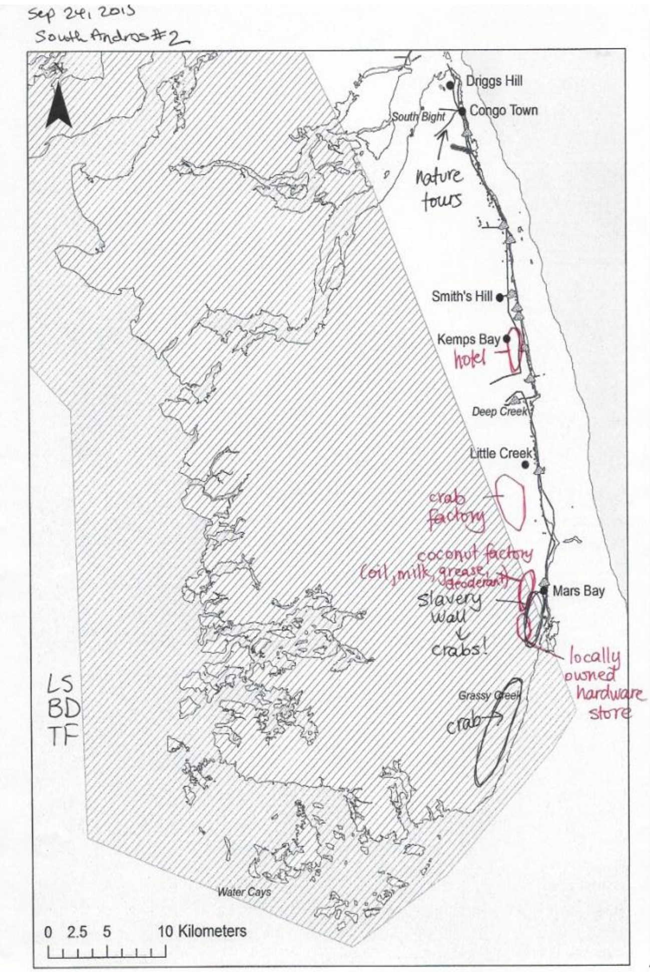
Varied Engagement Formats

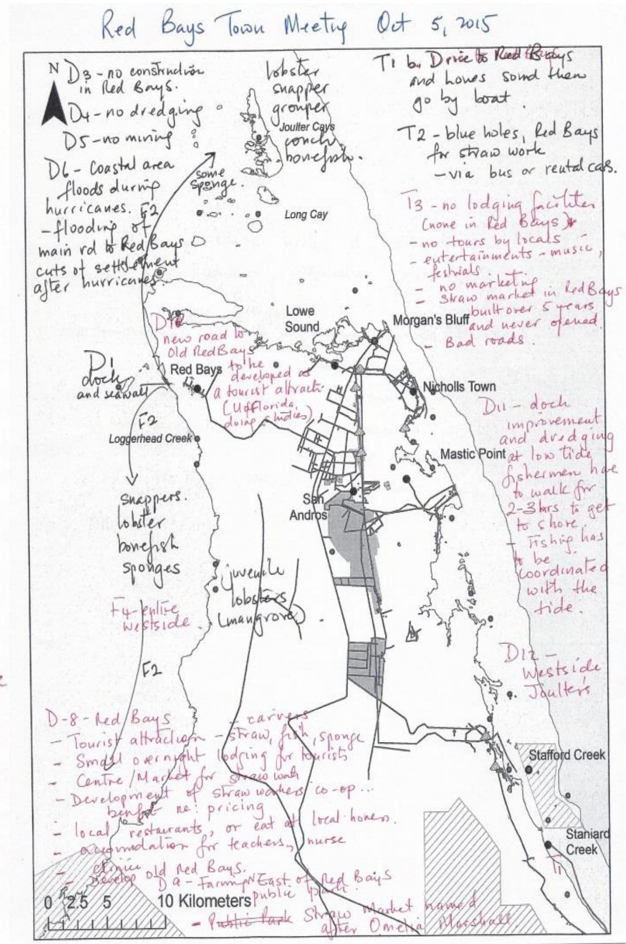


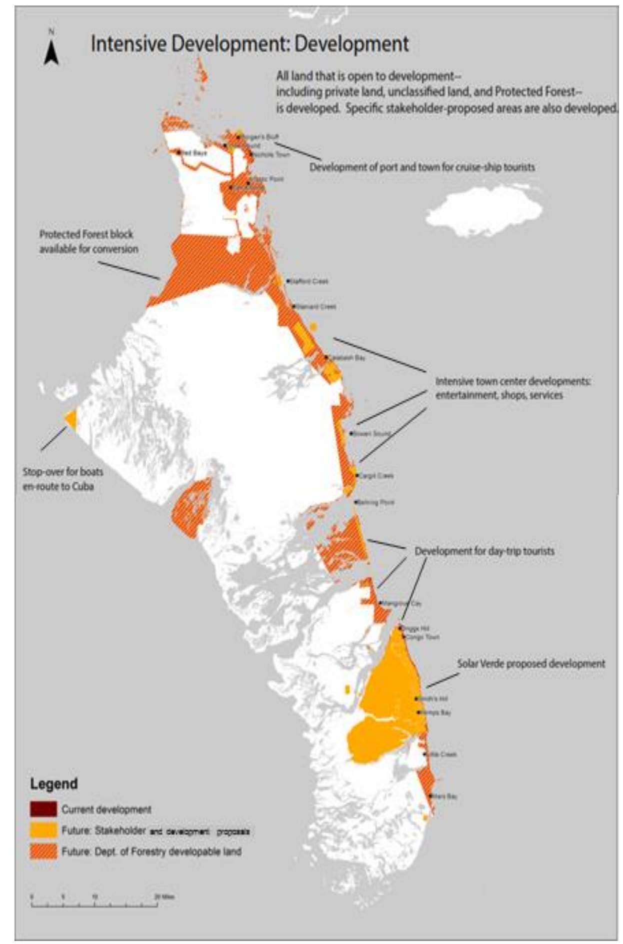
Map and Value Current and Future Ecosystem Services



Participatory Mapping







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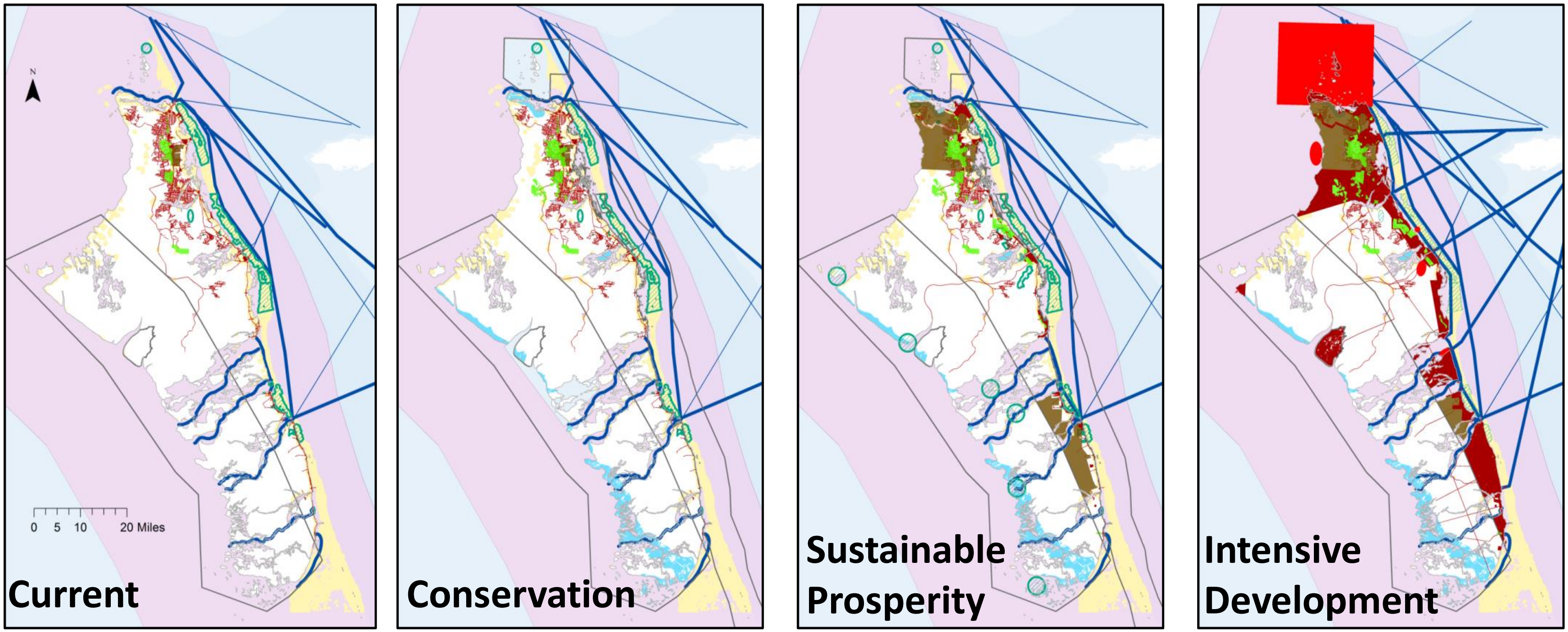
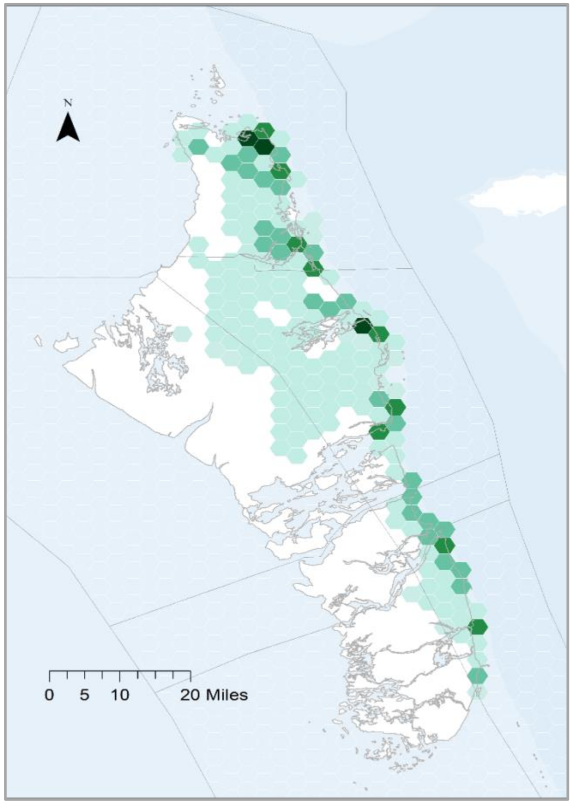
Draft Development Scenarios for Andros Master Plan

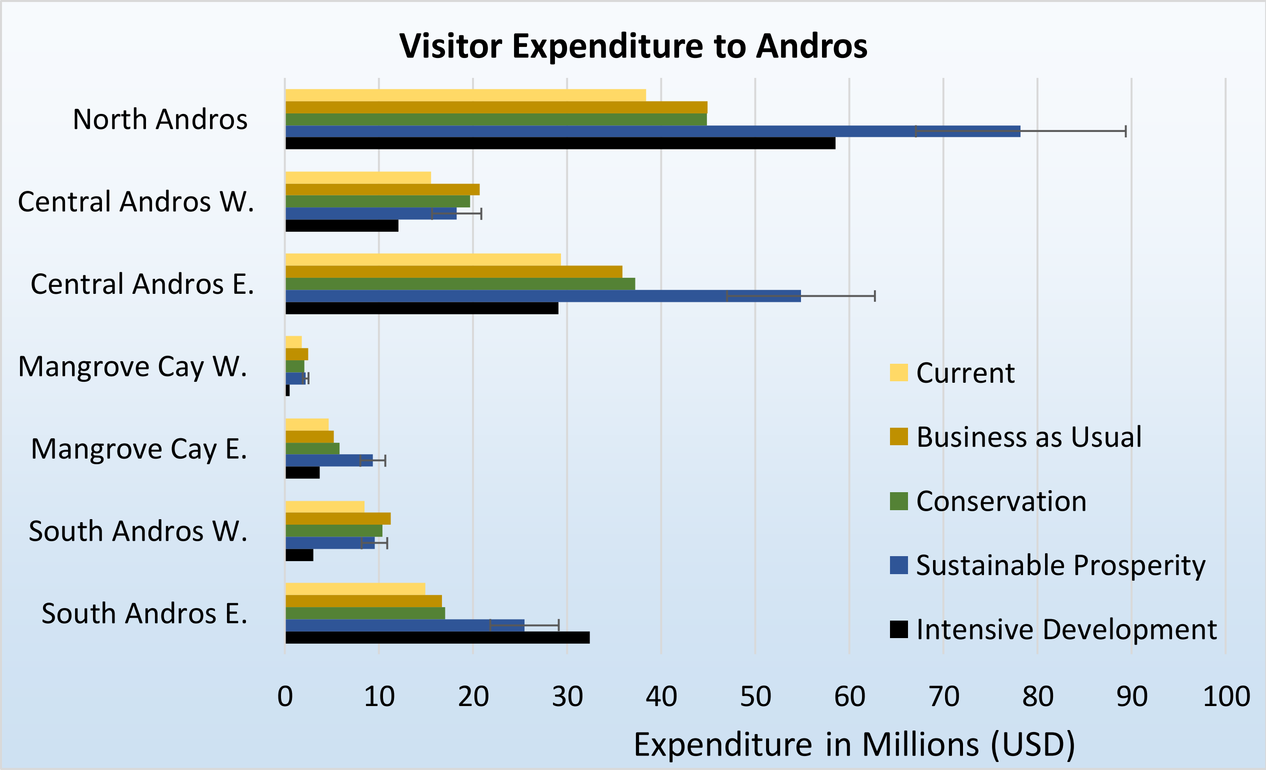


Development
Mining and dredging
Marine Transportation
Fishing
Agriculture
Forestry
Nature-based tourism
Invasive species
Sea level rise
National Parks

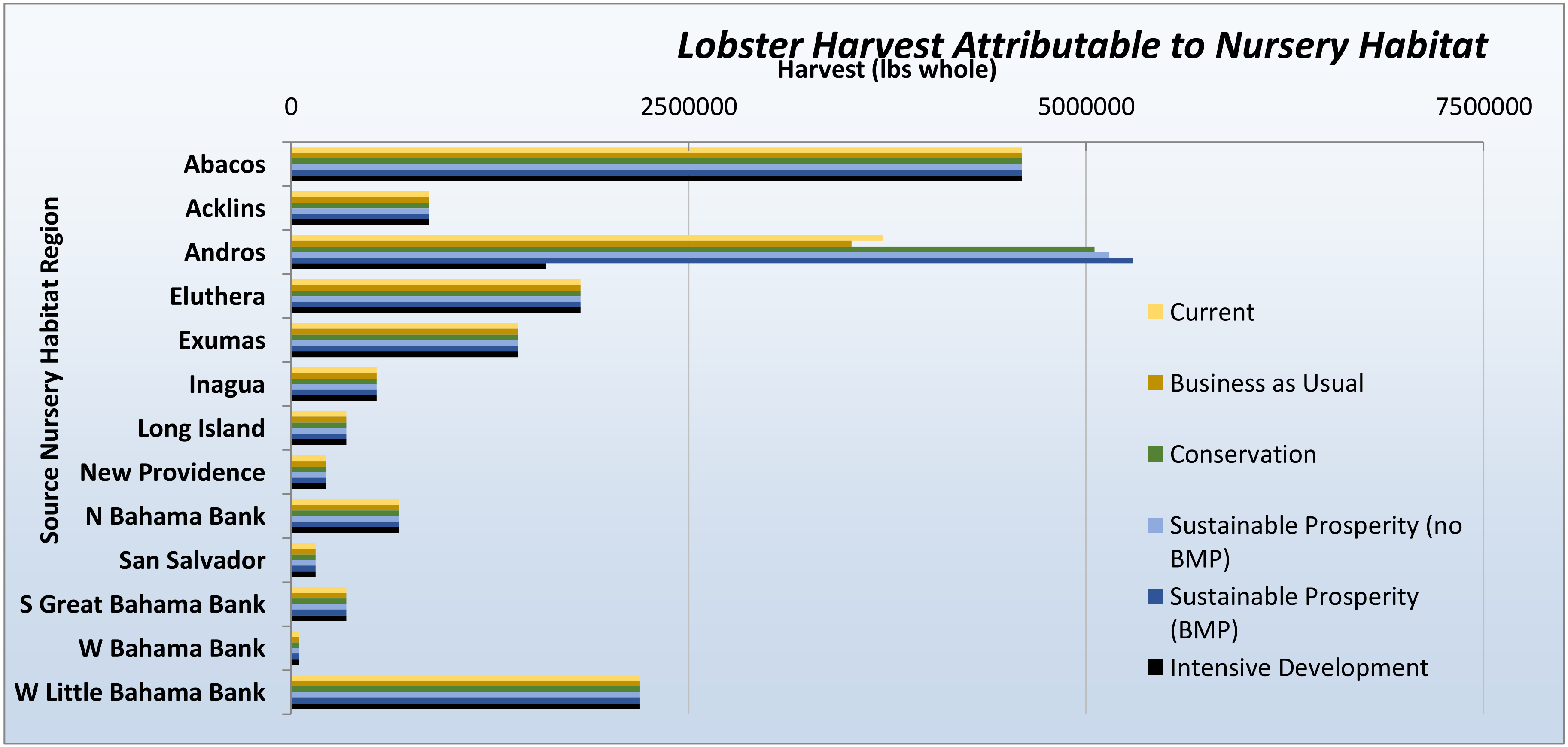
Modeling and Forecasting: How Will Development Affect Tourism Visitation and Expenditure?

Sustainable Prosperity--BMP





Modeling and Forecasting: Future Lobster Harvest Scenarios



Results and Potential Impacts

- Positive response and consistent stakeholder engagement
- Preference for nature-based economy vs. mega resort projects
- Strong desire for education, training and capacity-building opportunities

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Next Steps

- BRLI (French multinational) engaged by the IDB to produce master plan based on the Sustainable Prosperity scenario

- Master plan to be submitted by November 2016

- Additional $150k funding request has been made to the IDB for Natural Capital Project to remain engaged for duration of project

- Potential opportunities for Bahamians to be trained in use of NatCap's open source software so similar modeling can be done for other islands in the future

What Are Some of the Risks/ Challenges?

Failure to get buy-in	Androsians skeptical of any actionable outcomes
Inadequate Data	Poor or nonexistent data collection and management by some agencies
Implementation challenges	Failure to adopt preferred future development scenarios vs business as usual

How Do We Limit these Risks

Risk	Mitigation
Buy-in	• Highlight relevant achievements as part of long-term development planning (e.g. IDB/Audubon Society bird watching certification, IDB/BAIC Sponging Project, Caribbean Global Timber pilot phase • Ongoing communication and engagement with stakeholders
Data	• Emphasis on data collection and sharing by all government agencies (NEMA, BNGIS, BAMSI, DMR, etc)
Implementation	• Training, capacity building and engagement of COB and high school students: GIS, data collection, ecotourism etc.

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Final Product

(Examples from Montego Bay, Jamaica Development Plan)

- Recommended priority investments, including estimated costs and timelines
- Zoning recommendations
- Best management practices

Waterfront Showcase

BEACH FACILITIES AND BARS

The waterfront park design includes a complete transformation of the declined beach area with a lots of beach facilities such as beach volleyball courts and bars. Just a few meters from Montego Bay's KFC, locals and tourists relax at the new facilities, which are all grouped on the new 2,35 km long boardwalk. The boardwalk serves as a connection between Margarits-Ville, the Old Hospital Park, the new plaza and the Fishermen's Village.

CENTRAL PLAZA

The central plaza invites both Montegonians and visitors to stroll from Sam Sharpe Square in Downtown Montego Bay directly into the new plaza. The plaza is a multifunctional area with a hard surface, perfect for cultural events, concerts and shows. On the two ends of the plaza, bars and restaurant facilities serve the visitors. Pier One is kept on the original location and will be the first incubator project on the site.

NATURAL OASIS

The south part of the waterfront park is a much different destination: a quiet and green oasis in the middle of the city. The area has a walking path, with benches and plenty of shade. The trees and the newly designed water basin create harmony with the sea and make this area much more calm and relaxing, a perfect oasis for relaxation.

VISION	ACTION	TERM	ESTIMATED COST US$
	Sustainable Mobility Master Plan (including subsidies)	●●●	$1,500,000.00
	Development and construction of intermodal north transportation hub	●●●	$4,000,000.00
	Interagency coordination / consultations between key groups	●	$5,000.00
	Public awareness campaign	●	$40,000.00
	Implement Building Resilient Communities Program	●●●	$50,000.00
	Consultations between SJPC and service delivery entities	●	$5,000.00
	Public education campaign (initial phase)	●	$50,000.00
	Continued public education campaign (over 15 years)	●●●	$1,500,000.00
	Help desk for on-site sewage treatment and disposal options	●	$10,000.00
	Training for enforcement of sanitation laws	●	$5,000.00
	Additional health department vehicle	●●●	$50,000.00
	Create Sewage connection program plan/strategy	●	$15,000.00
	Increase residential sewage interconnections	●●●	$37,000,000.00
	Develop local government capacity to lead multi-stakeholder crime prevention group	●	$30,000.00
	Cultivate stakeholder participation in multi-stakeholder crime prevention group		$65,000.00
	Develop local anti-corruption initiative	●	$20,000.00
	Public awareness campaign / promote collective efficacy in crime prevention	●●●	$200,000.00
	Facilitate dialogue among youth diversion service providers	●	$1,000.00
	Expand general support services for victimized youth		$60,000.00
	Create entrepreneurial opportunities for youth in conflict with the law	●●●	$300,000.00
	Strengthen state response to gender-based violence and exploitation	●	$40,000.00
	Conduct survey on commercial sex workers		$15,000.00
	Consultancy to collect information on current training programs and target population		$7,000.00
	Development of central database of information for job-seekers and employers		$40,000.00

8. WHERE DO WE GO FROM HERE?

This section reviews the next steps along the path toward sustainability. Now that we have a plan of action, it is important to coordinate efforts toward to make the plan a reality. A project management team will be in charge of organizing the details of implementation, to include final determination of a feasible timeline for implementation, selection and recruitment of appropriate collaborators, securing funding form appropriate sources, project management, and establishment of a long-term monitoring and evaluation system. A proposed implementation timeline and estimated costs of the action plan are laid out in the next section, along with further details about the final steps to be taken to realize the vision of a revitalized, resilient, reconnected Montego Bay.

IMPLEMENTATION TIMELINE AND COSTS OF INVESTMENT

For the action plan to be successful, careful attention should be paid to taking the appropriate steps at the right time. The effectiveness of this action plan and the success of the proposal depend mainly on the will, cooperation, and coordination between public and private entities, including national and local government and civil society organizations. The involvement and support of local citizens, and commitment, including financial, from various agencies and organizations, local and international, are what will make this vision a reality.

Expected Outcomes from Andros Project

- Improve the understanding of the valuation of Andros' natural and social resources
- Explore the various development scenarios for Andros and understand the trade offs
  - If I develop this, I lose this, etc
- Facilitate making a decision about a development path for Andros (North, Central, South)
- Understand the costs of development and infrastructure.
- It will provide a template for other island planning projects

What about Nassau?

A Model For Urban Planning

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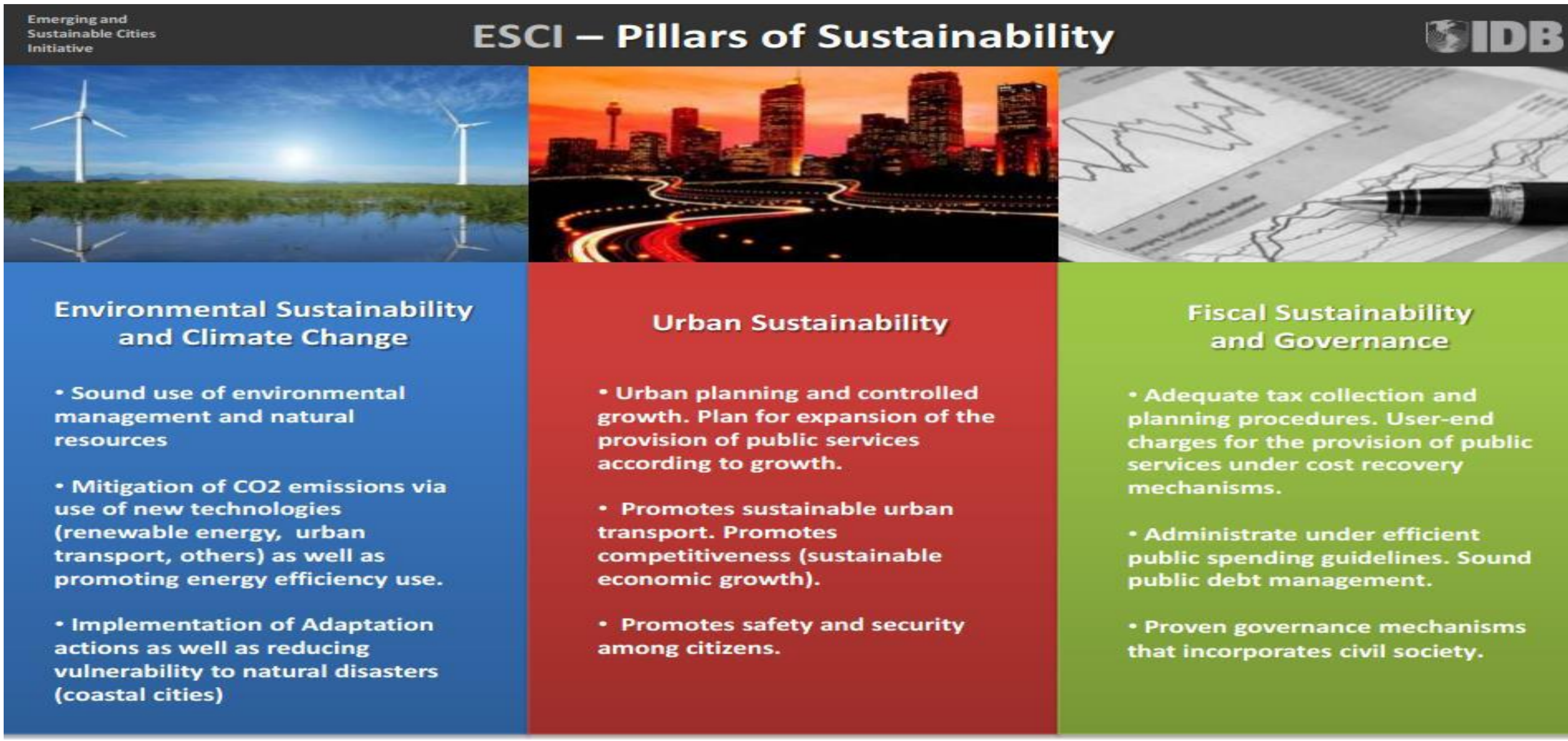
Sustainable Nassau Project:
A Smart Approach to Urban Planning



The Sustainable Nassau Project

Source: IDB http://www.iadb.org/en/topics/emerging-and-sustainable-cities/implementing-the-emerging-and-sustainable-cities-initiative-approach,7641.html

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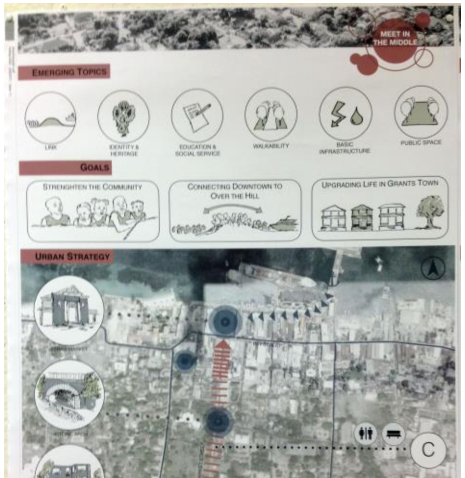
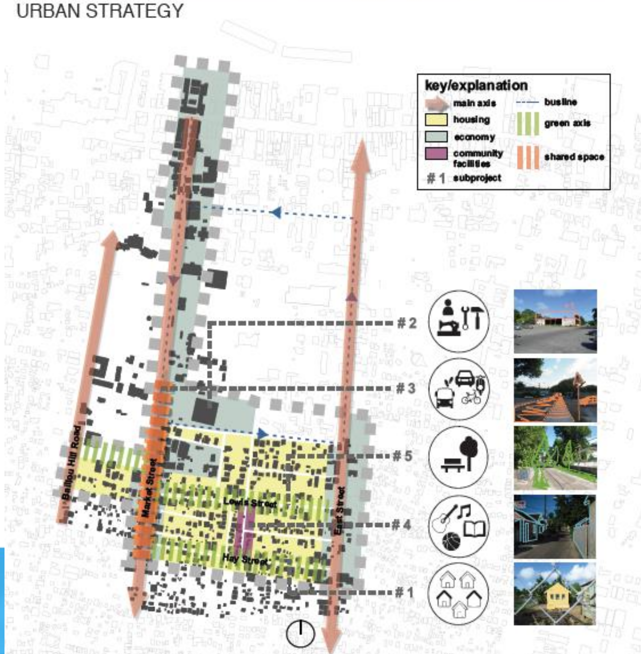
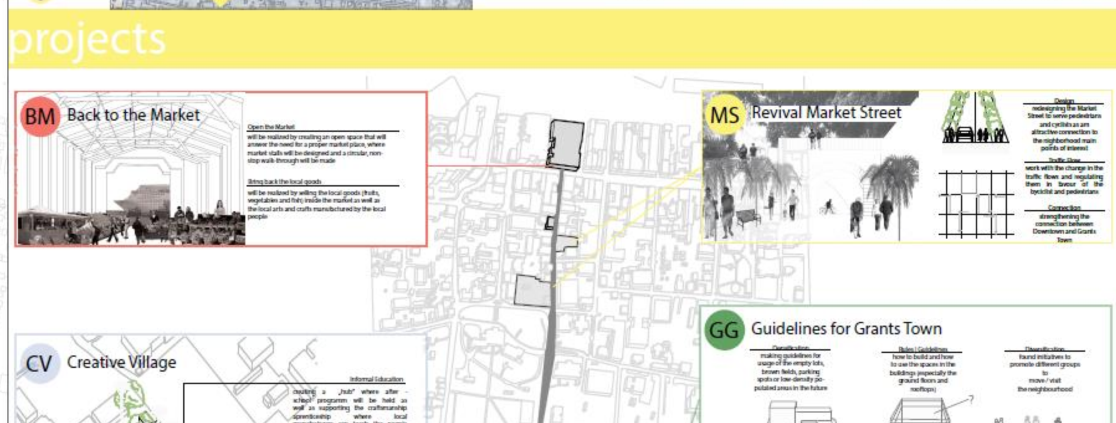


URBAN STRATEGY





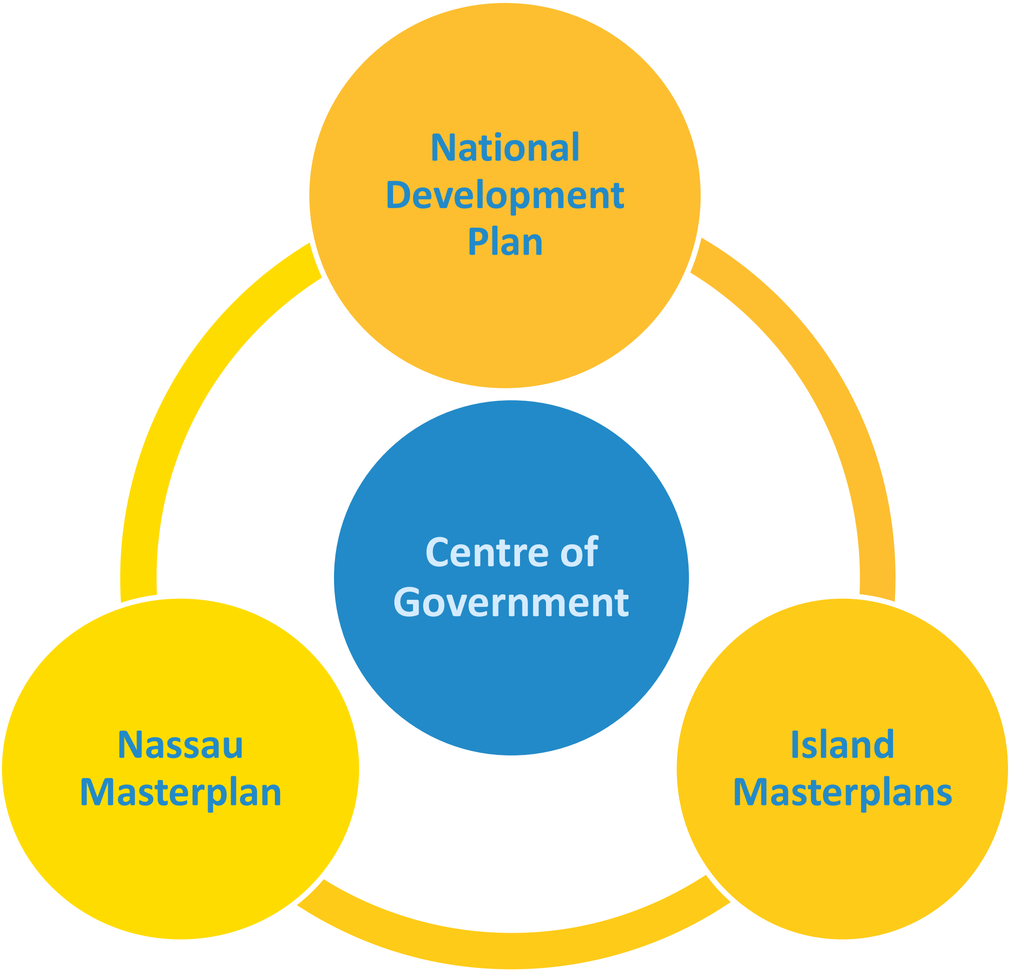

S
IMAGE/IDENTITY
ARCH+HERITAGE
ECONOMIC
port: economic motor
DEVELOPMENT
EXISTING DOWNTOWN DEVELOPMENT INITIATIVES
CULTURE
culture
creative city
Pop up studio gallery
NATIONAL ART GALLERY
ARTS & CRAFTS
church.
JUNKANOO
food! in the street.
HISTORY + CULTURE OF HISTORIC AREA
architecture in downtown
Beaches Down town
OPEN GREEN SPACE
LANDMARK CULTURAL INTEREST
Potential for development
TRANSPORT
Public Transport
TRAFFIC
no bikes
Congestion
Over reliance on Cars
HOUSING
SECURITY
CRIME POVERTY DIRTY
NIGHT LIFE
City is dead at night
PUBLIC SPACE
no public space
ENVIRONMENT
arriving downtown
STORM WATERS/ FLOODS?
ECONOMICS
Socio-economic weakness
IDENTITY
BRANDING/ IDENTITY


NASSAU AREA
NEW PROVIDENCE AREA
GREATER NASSAU AREA

Expected Outcomes Of Sustainable Nassau Project

- Effectively plan for an increasingly urbanized Nassau
  - Sanitation, transportation, urban development and housing, citizen security
- Coordinate with other initiatives
  - Historic Charlestown, Downtown initiative
- Improve the wellbeing of Nassauvians

AN INTEGRATED SYSTEM OF DEVELOPMENT FOR THE BAHAMAS



The Pillars of the NDP

The Data

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Human and Social Capital

Pillar I

Pillar I: Human and Social Capital

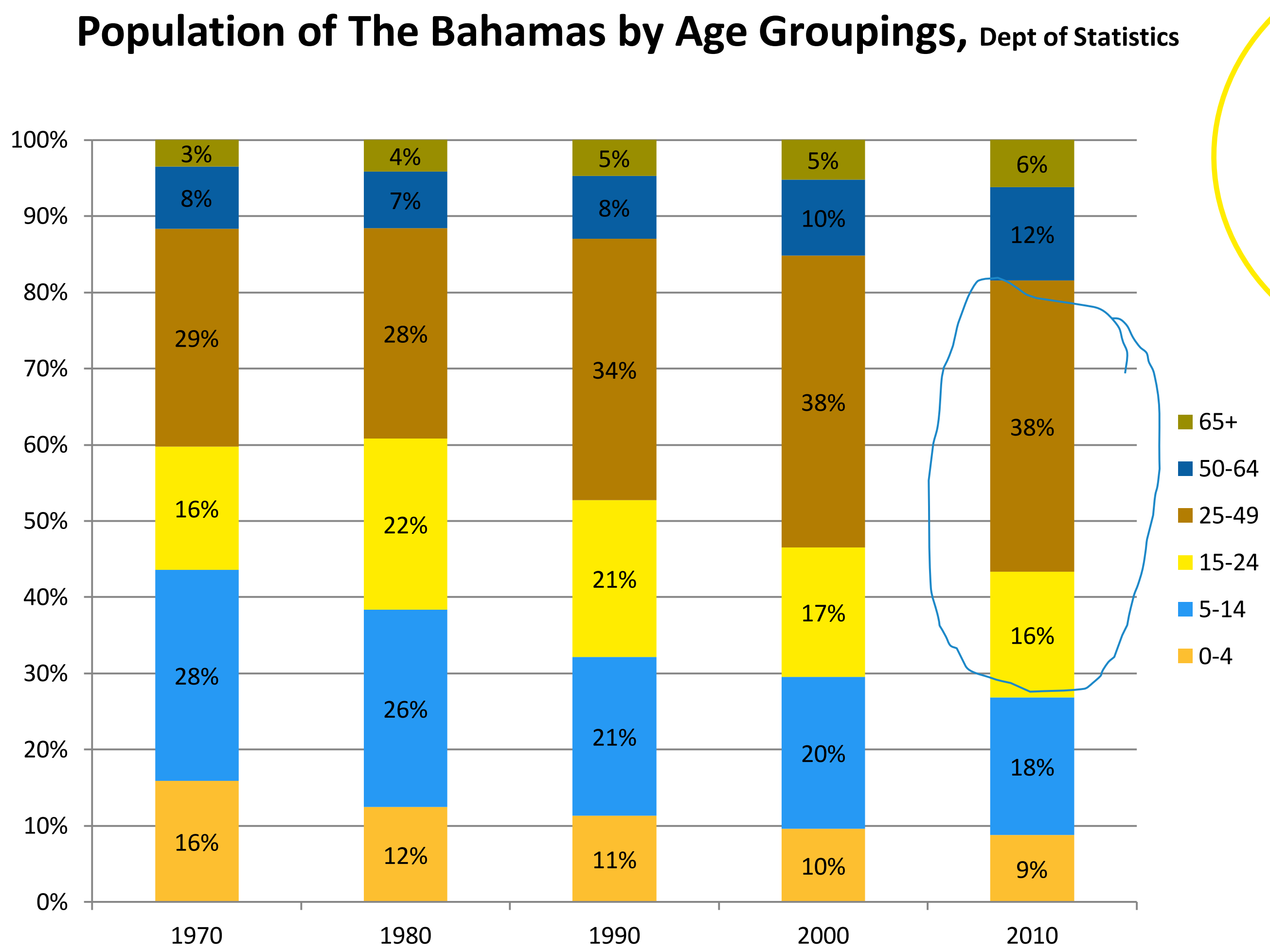
- The population of the Bahamas is about 385,000 people.
  - It grew by nearly 16% between 2000 and 2012.
  - Just over 40 per cent of the population under the age of 24.

- Structures are in place to support human capital:
  - There is a functioning public health system with hospitals and clinics.
  - Education is compulsory for children (5-16), and free in the country's 168 public schools.
  - There are also private schools, a soon to be National University and other tertiary and vocational schools.
  - The Ministry of Social Services, the National Insurance Board and the Ministry of Labour oversee the country's social protection systems.

- Indicators such as the adult literacy rate are good, but other indicators show lackluster human capital outcomes: low vocational school graduation rate, a rise in poverty, violent crime, income inequity, poor educational outcomes and skills training.

- Employers often note difficulty in finding employees with the right skill set which is exacerbated by brain drain.

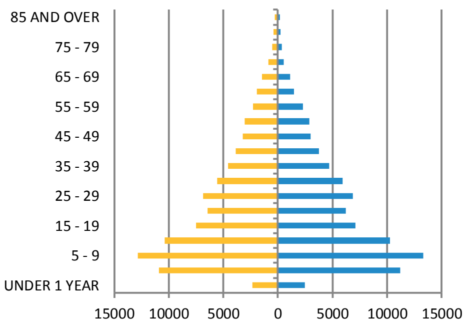
Demographics Matter



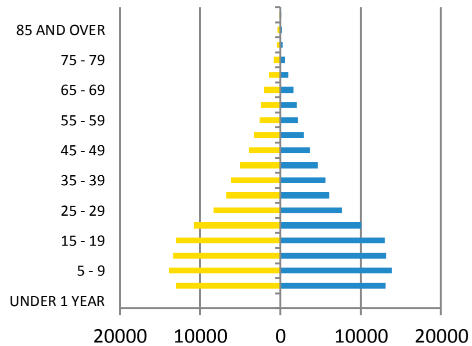
Large working age population with potential for productive or unproductive activities

Population is Aging, Dependency Ratios Changing – A Source for Concern in the Future

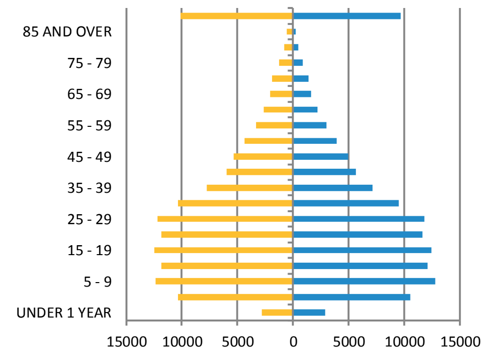
1970



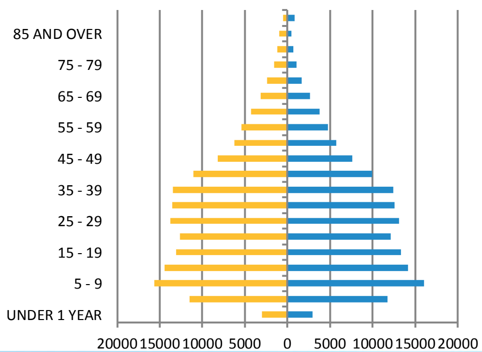
1980



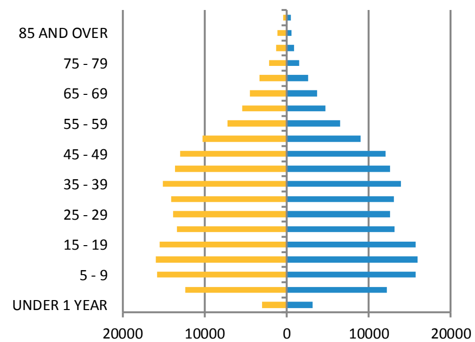
1990



2000

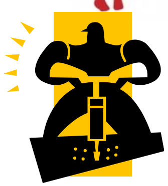


2010



Source: Dept of Statistics

What Will the Population Look Like in the Future?

	2015	2025	2040
	7.59%	7.59%	6.72%
	17.17%	14.20%	13.96%
	68.96%	69.30%	64.82%
	6.53%	8.91%	14.50%
	369,670	408,930	454,060

Source: Dept of Statistics

Population By Island

ISLAND	1970	1980	1990	2000	2010	Population %
ALL BAHAMAS	168,812	209,505	255,049	303,611	351,461	100.00%
NEW PROVIDENCE	101,503	135,437	172,196	210,832	246,329	70.09%
GRAND BAHAMA	25,859	33,102	40,898	46,994	51,368	14.62%
ABACO	6,501	7,271	10,003	13,170	17,224	4.90%
ACKLINS	936	618	405	428	565	0.16%
ANDROS	8,845	8,307	8,177	7,686	7,490	2.13%
BERRY ISLANDS	443	509	628	709	807	0.23%
BIMINI	1,503	1,411	1,639	1,717	1,988	0.57%
CAT ISLAND	2,657	2,215	1,698	1,647	1,522	0.43%
CROOKED ISLAND	689	518	412	350	330	0.09%
ELEUTHERA	7,536	8,331	7,993	7,999	8,202	2.33%
EXUMA AND CAYS	3,767	3,670	3,556	3,571	6,928	1.97%
HARBOUR ISLAND & SPANISH WELLS	1,932	2,300				0.00%
HARBOUR ISLAND			1,219	1,639	1,762	0.50%
INAGUA	1,109	924	985	969	913	0.26%
LONG CAY	26	35				0.00%
LONG ISLAND	3,861	3,404	2,949	2,992	3,094	0.88%
MAYAGUANA	581	464	312	259	277	0.08%
RAGGED ISLAND	208	164	89	72	72	0.02%
RUM CAY			53	80	99	0.03%
SAN SALVADOR & RUM CAY	856	825				0.00%
SAN SALVADOR			465	970	940	0.27%
SPANISH WELLS			1,372	1,527	1,551	0.44%

NOTE

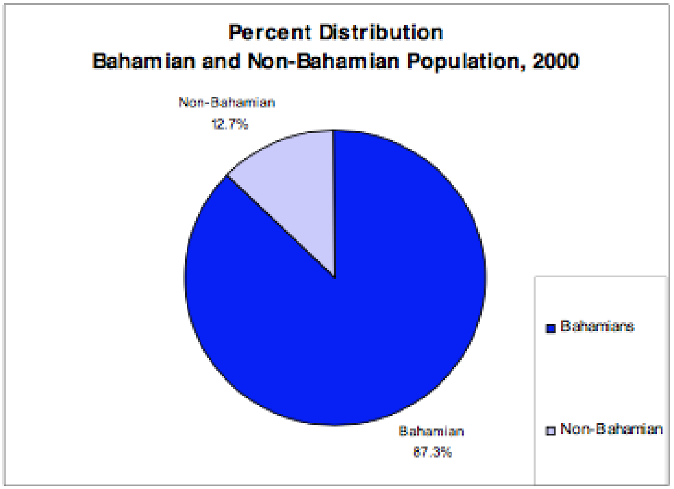
1. Data for Long Cay has been added to Crooked Island for the years 1990-2010

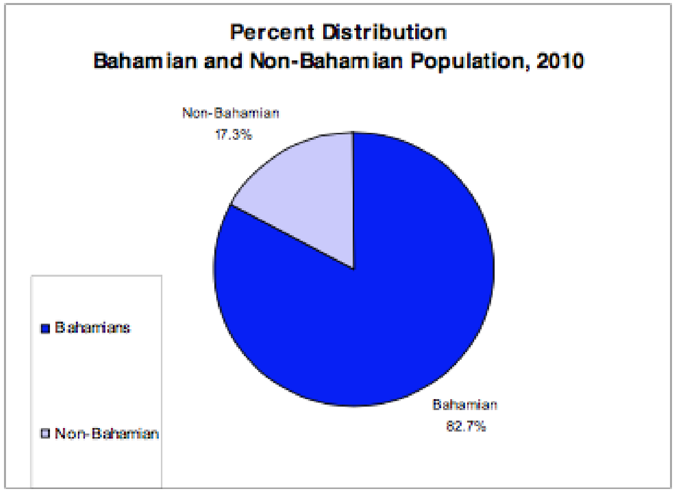
2. Data for Harbor Island, Spanish Wells and Rum Cay have been disaggregated for the years 1990-2010

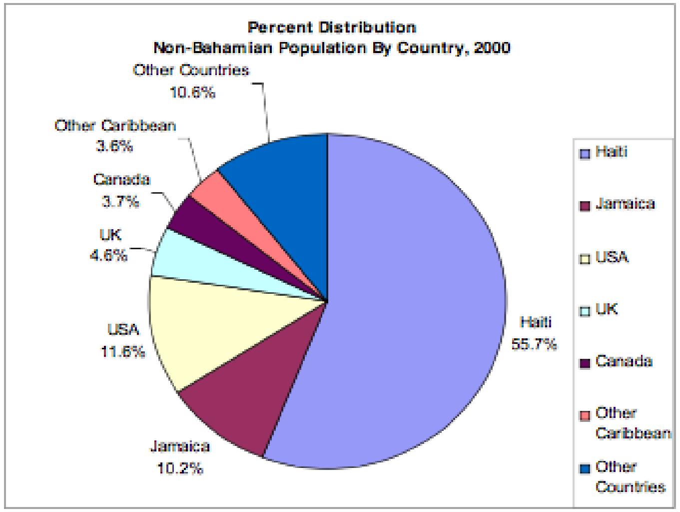
~~SOURCE: The Department of Statistics~~

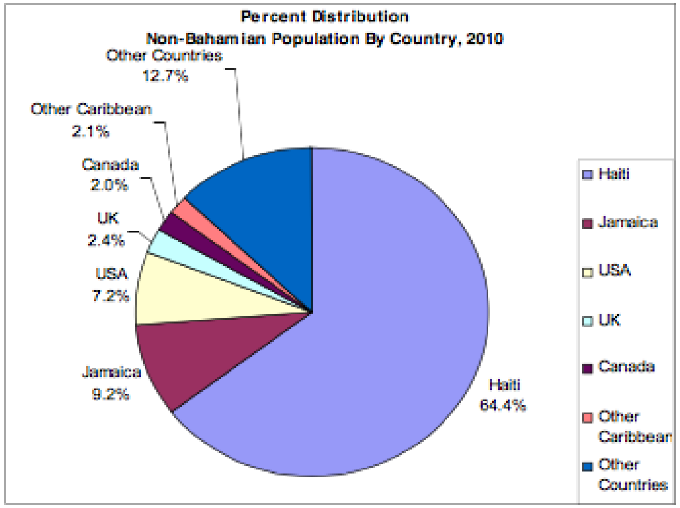
Source: Department of Statistics, Census Report 2012a

Bahamas is Becoming More Diverse









Source: Dept of Statistics

Education Profile of Recent Immigrants

Educational Attainment	All Recent Immigrants		Employed Immigrants	
	No.	Percent	No.	Percent
Secondary	12,761	45.0	6,767	43.3
College/University	9,021	31.8	6,564	42.0
Primary	3,710	13.1	1,299	8.3
Post Secondary/Technical/Vocational	1,738	6.1	708	4.5
None/Pre-School/Kindergarten	1,135	4.0	305	1.9
Total	28,365	100.0	15,643	100.0

Source: Department of Statistics, Census Report 2012b

EDUCATION

Education is Critical to Develop Human Capital

Bi-Partisan Approach to Education - A Shared Vision for Education 2030

Minister of Education, Science and Technology, Hon. Jerome Fitzgerald initiated the formation of a Bi-Partisan Political Committee for "Shared Vision For Education 2030" in 2013. Members of the three main political parties: the Progressive Liberal Party (PLP), Free National Movement (FNM) and the Democratic National Alliance (DNA). Members include some of the former Ministers of Education who are committed to work as a team, combining resources to combat the issues and correlated problems of education. As part of the initiative, the National Education Committee was launched to develop ideas and make recommendations from which a strategic plan will be built and policies created that will guide education in The Bahamas for the next 15 years. The Shared Vision For Education 2030 was dubbed as a "Bahamian Plan – A Plan for the direction that education will pursue in order to enable the advancement of the Bahamian People".

The basic mandates of the Shared Vision For Education 2030 are to:

1. Ensure that every student leaves primary school fully; literate and numerate,
2. Ensure that all school leavers are able to transition effectively from school into higher education, the labour market and society and,
3. Enhance the quality of the educational experience offered by providing teachers, other educational professionals and support staff with a variety of relevant and effective professional development activities and other such support services.

Highly Trained Teachers

Indicators	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Student/Teacher Ratio (Overall)	14.2	13.8	13.7	12.7	13.1
Student/Teacher Ratio (Primary)	16.7	14.5	15.3	13	14.4
Student/Teacher Ratio (Secondary)	13.1	12	12.7	12.3	12.2
Percentage Trained Teachers	87.8	n/a	89	84.8	89.8
Percentage Trained Teachers with at least a first degree	n/a	n/a	69.3	65.8	75.2

Source: Ministry of Education, Education Statistics 2013-2014

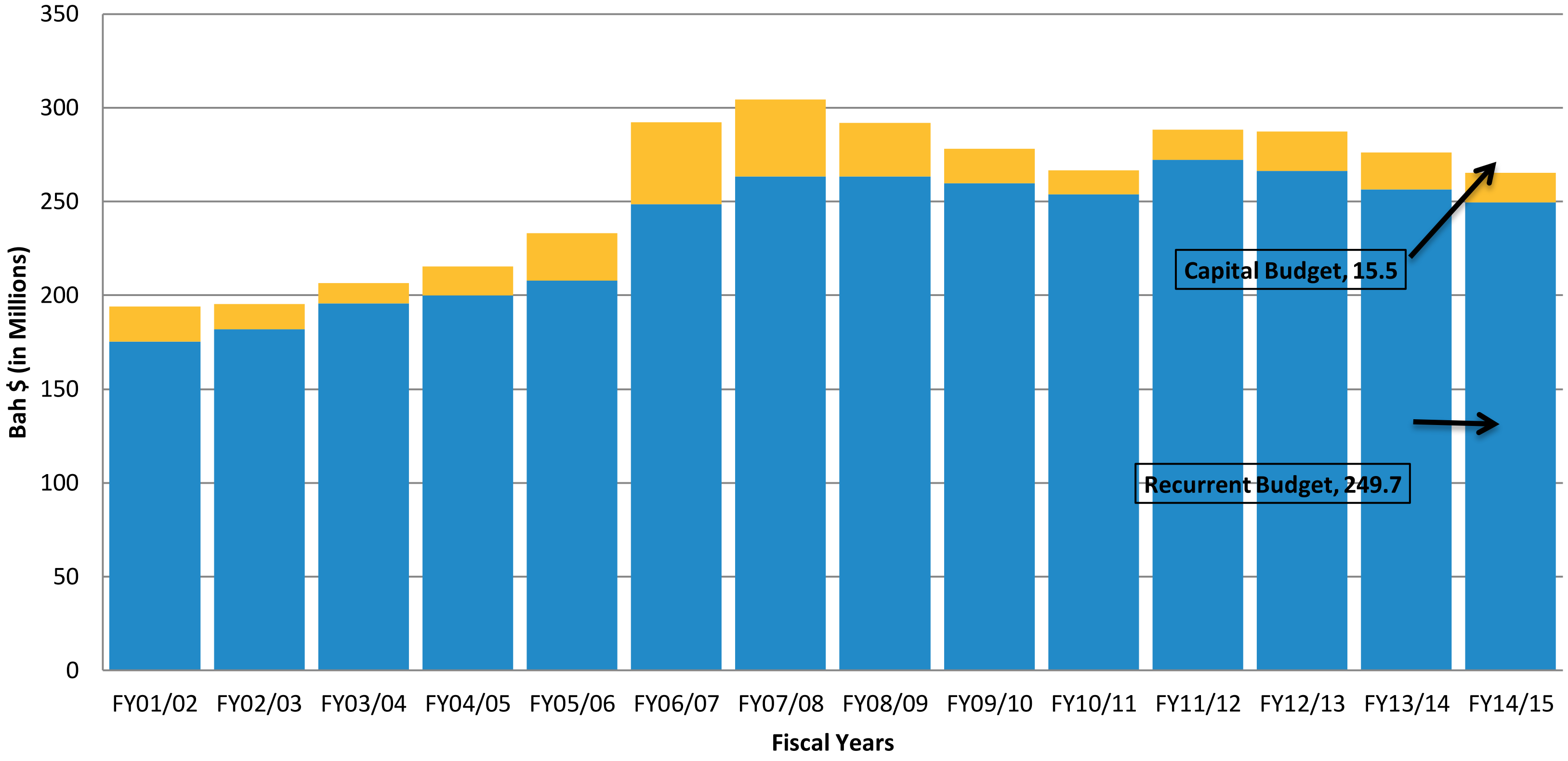
Investment in Education

Number and Types of Schools by Level

Type of School	Grade Levels	Ages	Number of Schools	
			Public	Independent
*Preschool	N/A	4 years	11	Not available
Primary	1-6	5-10	93	24
All-Age	K-12	4-17	13	38
Junior High	7-9	11-13	9	3
Senior High	10-12	14-17	8	0
Secondary Schools	7-12	11-17	22	6
Special Schools			7	6
Alternative		-	6	0
		Total	169	77

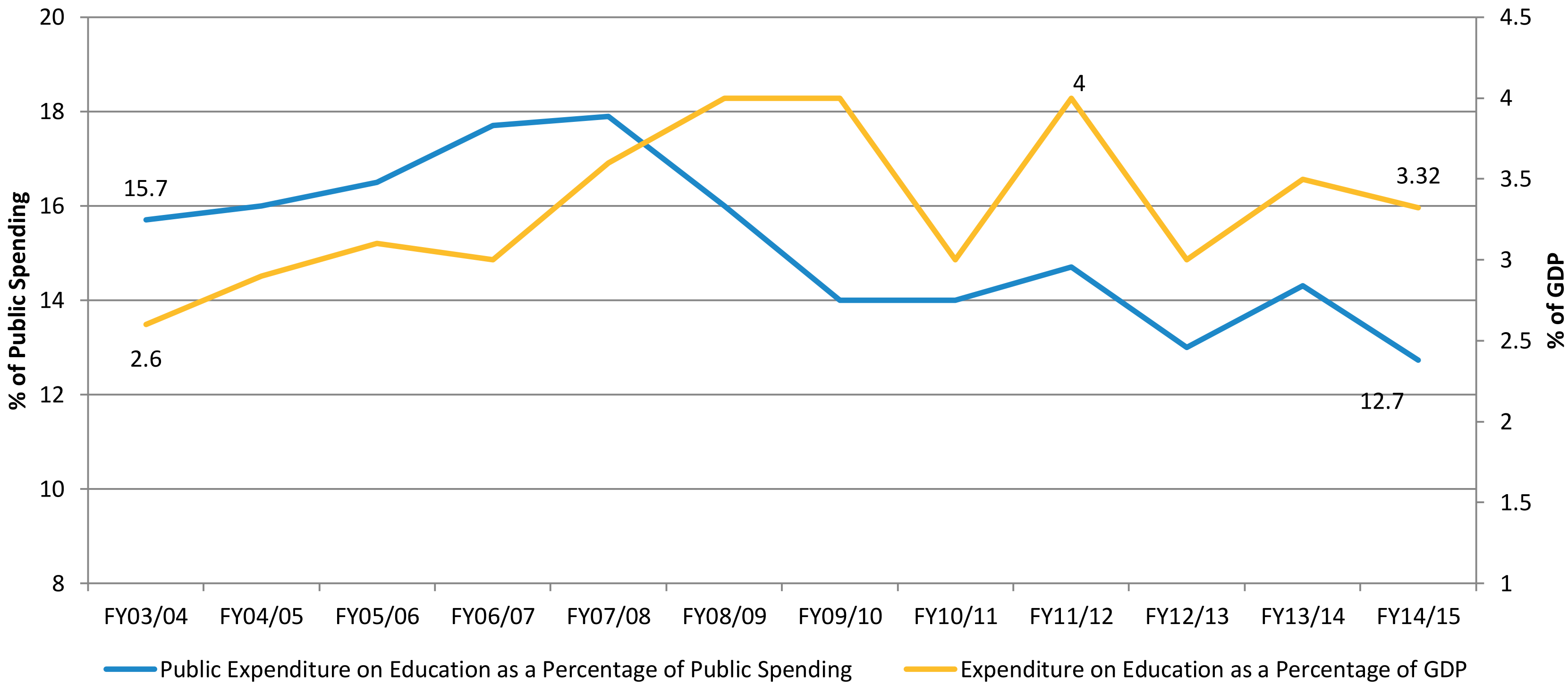
Number and Types of Schools in the Education System (2012)
* 70 units comprised of 59 attached to primary schools, 11 attached to all-age schools

Actual Expenditure on Education



- *Source:* Research and Planning Section, Ministry of Education, Science and Technology

Public Expenditure on Education as a Percentage of Public Spending and GDP, 2003/4 to 2014/15



Source: Research and Planning Section, Ministry of Education, Science and Technology

Need for Higher Pre-Primary Enrollment

Average Pre-Primary Enrolment (% Gross)					
Average School enrolment, pre-primary (% gross)	1970-1979	1980-1989	1990-1999	2000-2009	2010-
Antigua and Barbuda	25.0%	30.0%		69.9%	85.2%
Bahamas, The			**9.2%**	**24.4%**	
Bermuda	121.4%	148.6%		51.4%	47.6%
Barbados	28.2%	38.8%	74.6%	81.6%	80.5%
Canada	49.2%	56.5%	62.8%	68.7%	71.4%
Caribbean small states	49.1%	57.4%	68.0%	78.7%	75.8%
Cuba	54.6%	73.7%	92.3%	108.5%	102.7%
United Kingdom	34.2%	47.8%	61.6%	75.8%	84.0%
High income	54.2%	63.0%	68.9%	77.3%	85.3%
United States	45.1%	56.2%	64.2%	61.9%	73.2%
Source: World Bank, 2015d.					

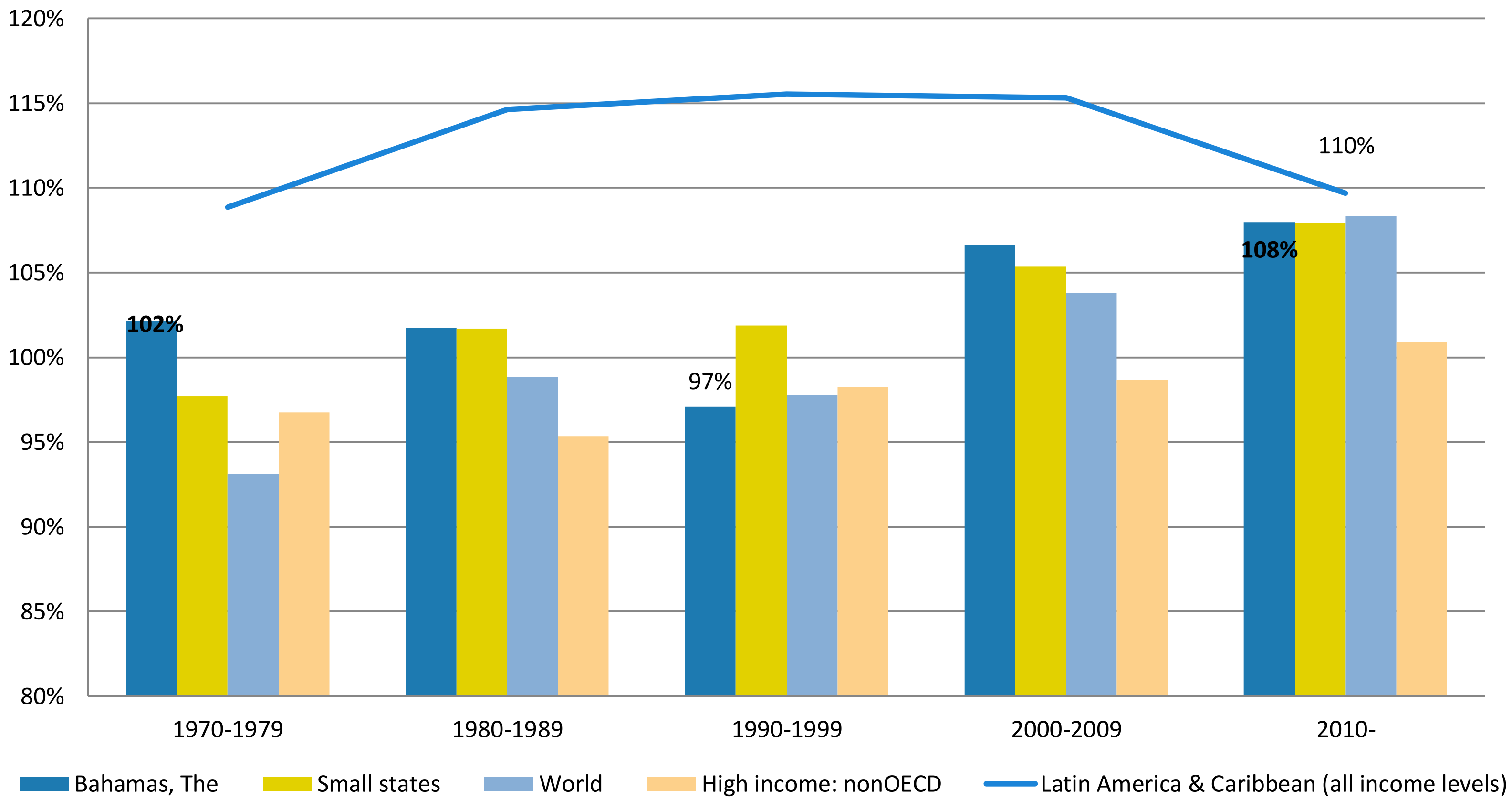
[1] Gross Enrolment Ratio (GER) pre-primary. Total is the total enrolment in pre-primary education, regardless of age, expressed as a percentage of the total population of official pre-primary education age. GER can exceed 100% due to the inclusion of over-aged and under-aged students because of early or late school entrance and grade repetition. World Bank, 2015d.

60% of Pre-schoolers go to a Private School; starting as young as 2 years

Total Pre-Primary Students by Age and Sex 2013						
Sex	**Age**					**Total**
	2	**3**	**4**	**5**	**6**	
M	19	635	1162	377	22	2215
F	15	650	1157	453	11	2286
Total	34	1285	2319	830	33	4501
Public Pre-Primary						
M	0	166	684	34	2	886
F	0	158	677	46	1	882
Total	0	324	1361	80	3	1768
Independent Pre-Primary						
M	19	469	478	343	20	1329
F	15	492	480	407	10	1404
Total	34	961	958	750	30	2733

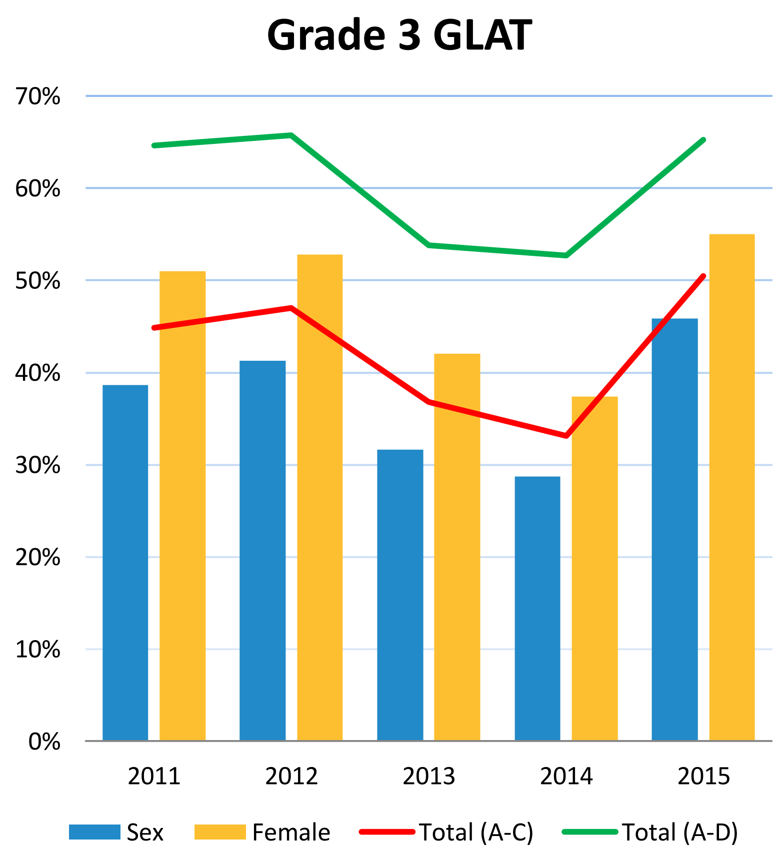
Source: Ministry of Education, Education Statistics 2013-2014

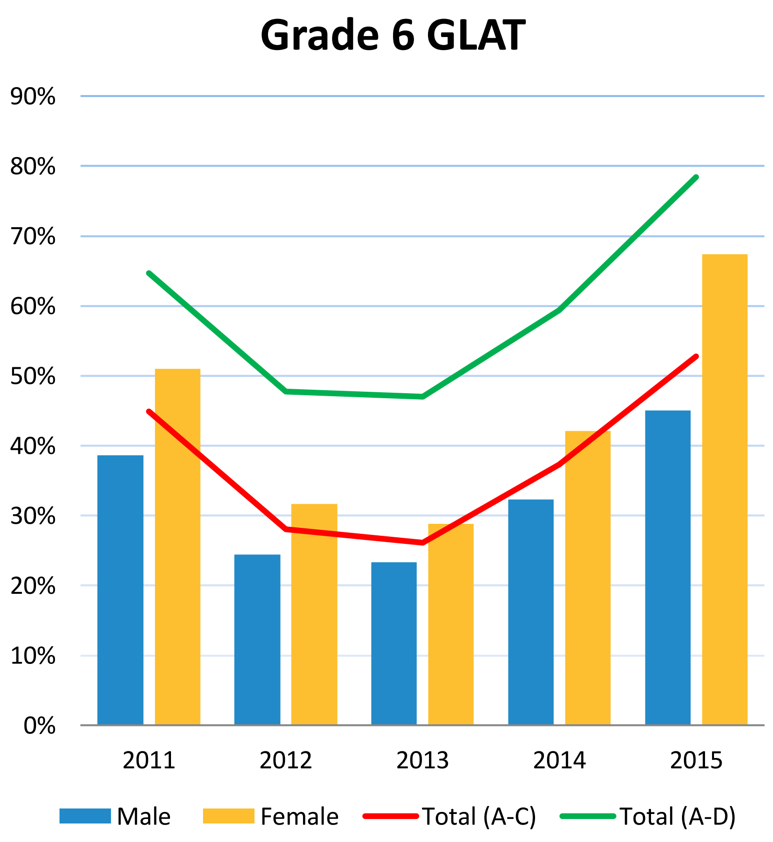
Primary School Enrollment Rates are high compared to global averages



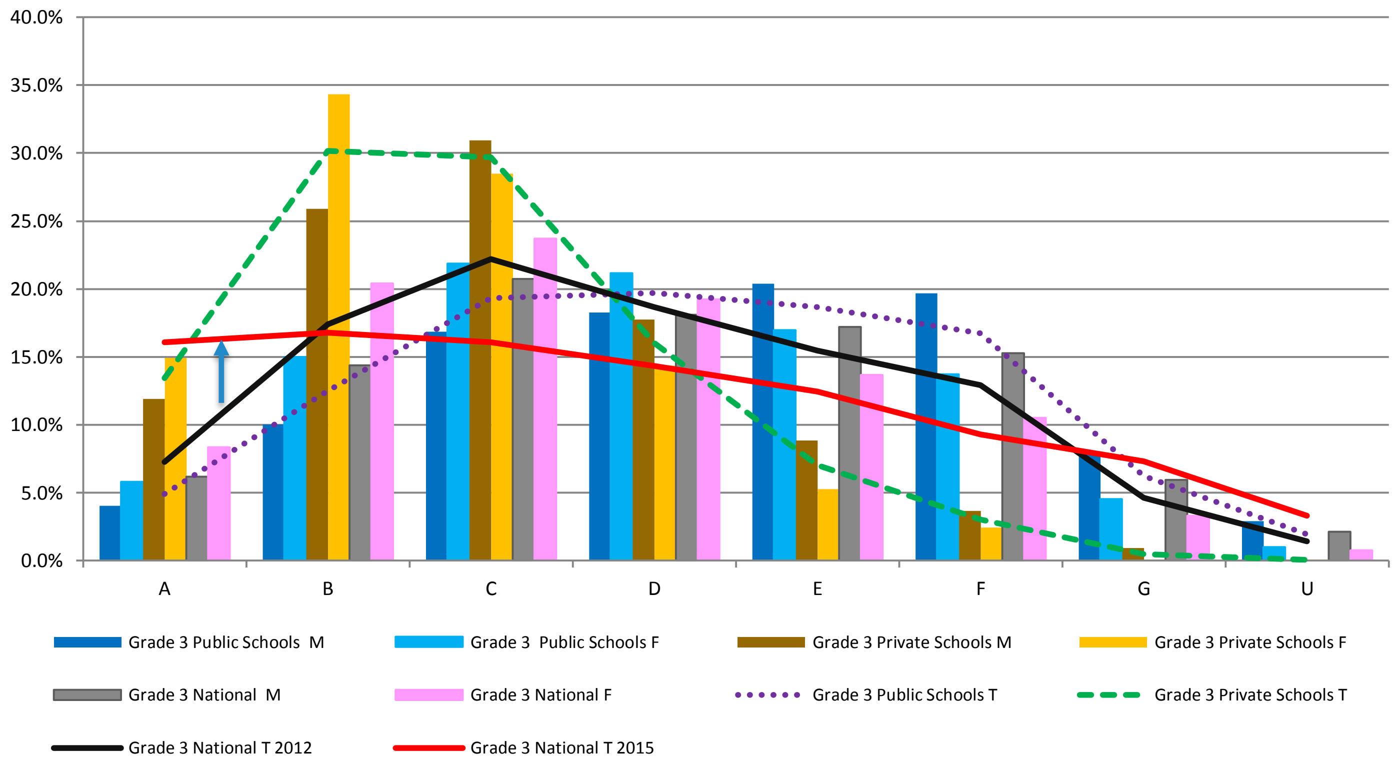
Source: World Bank, 2015e

Strong Improvement in the 2015 Primary School Results. Girls generally performed better



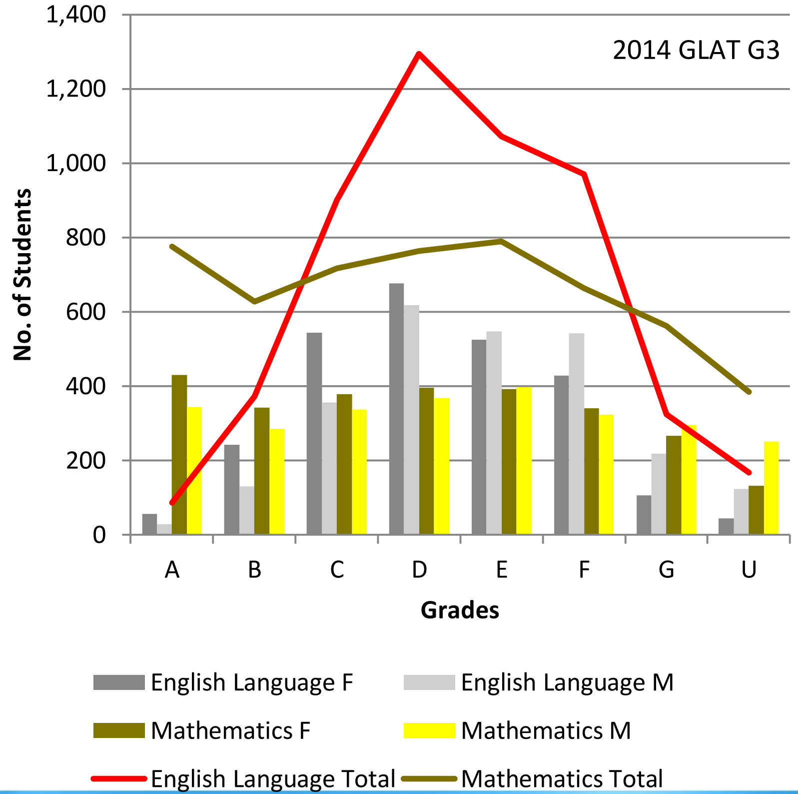


2012 Grade 3 Results show that Private Schools Outperform Public School, but the gap may be closing given the strong national 2015 results

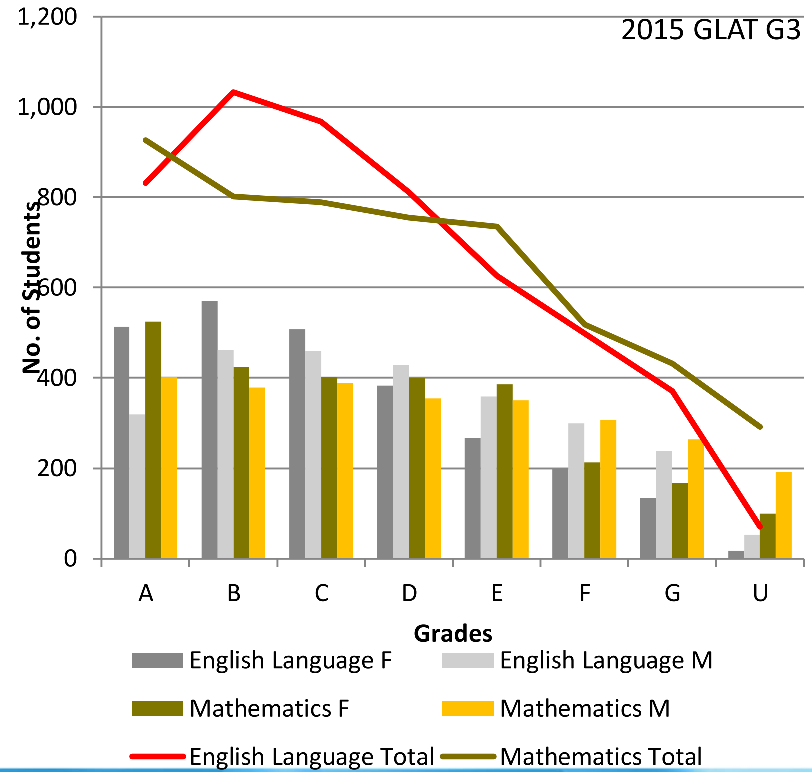


Significant Improvements in English and Math Results at the Grade 3 Level

2014



2015



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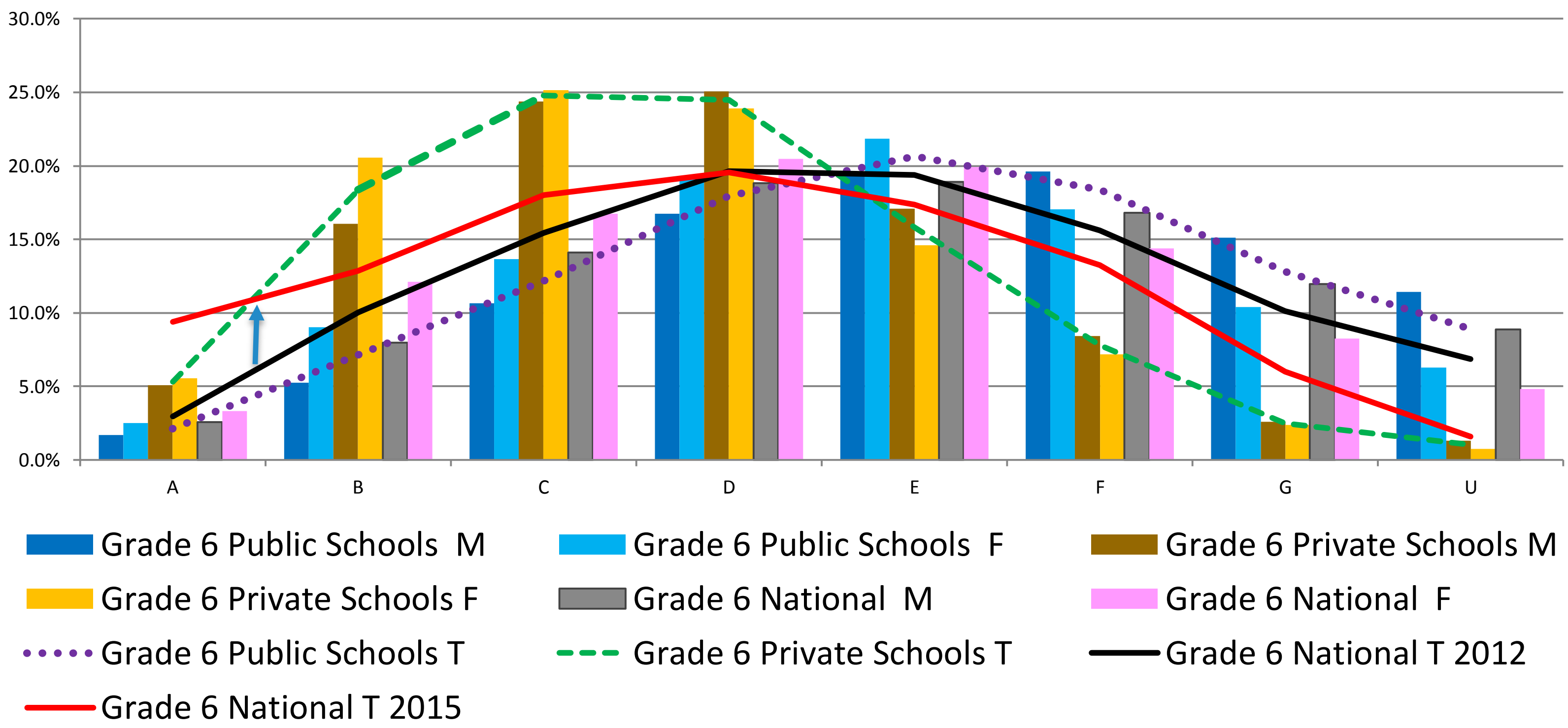
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

2012 Grade 6 Results show that Private Schools Outperform Public School, but the gap may be closing given the strong national 2015 results



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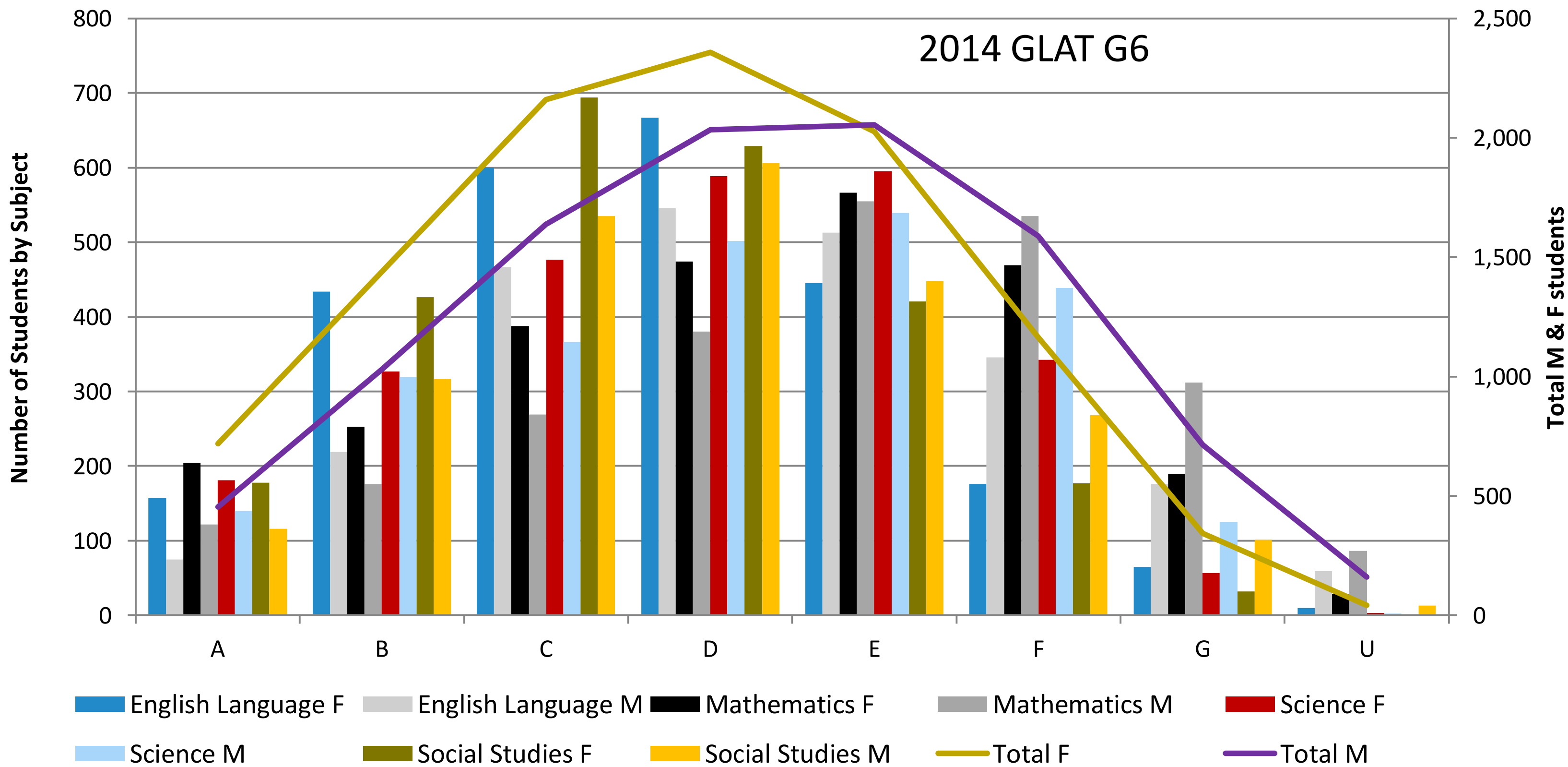
Grade 6 GLAT Results Grade Distribution for all Subjects 2014 and 15



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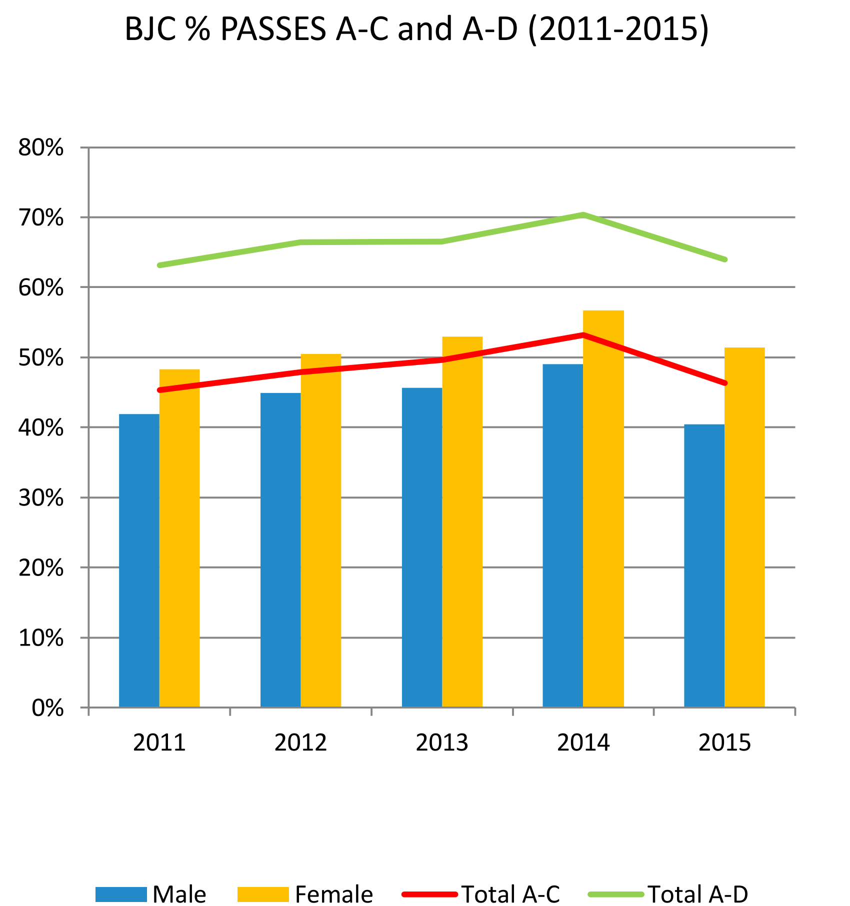
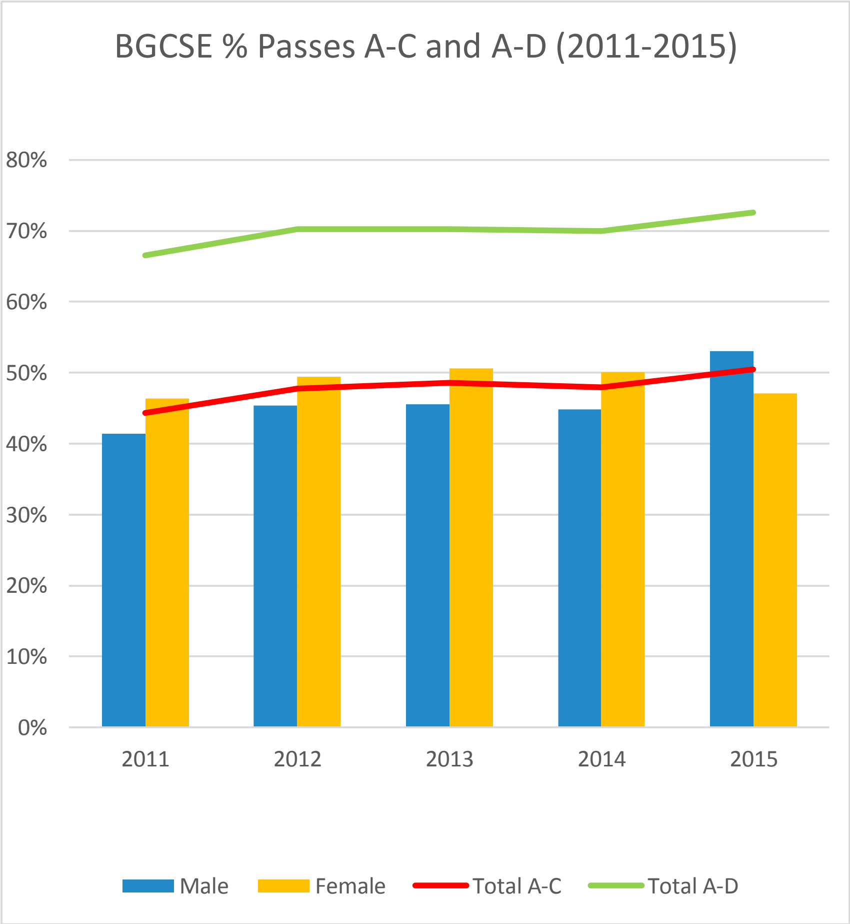
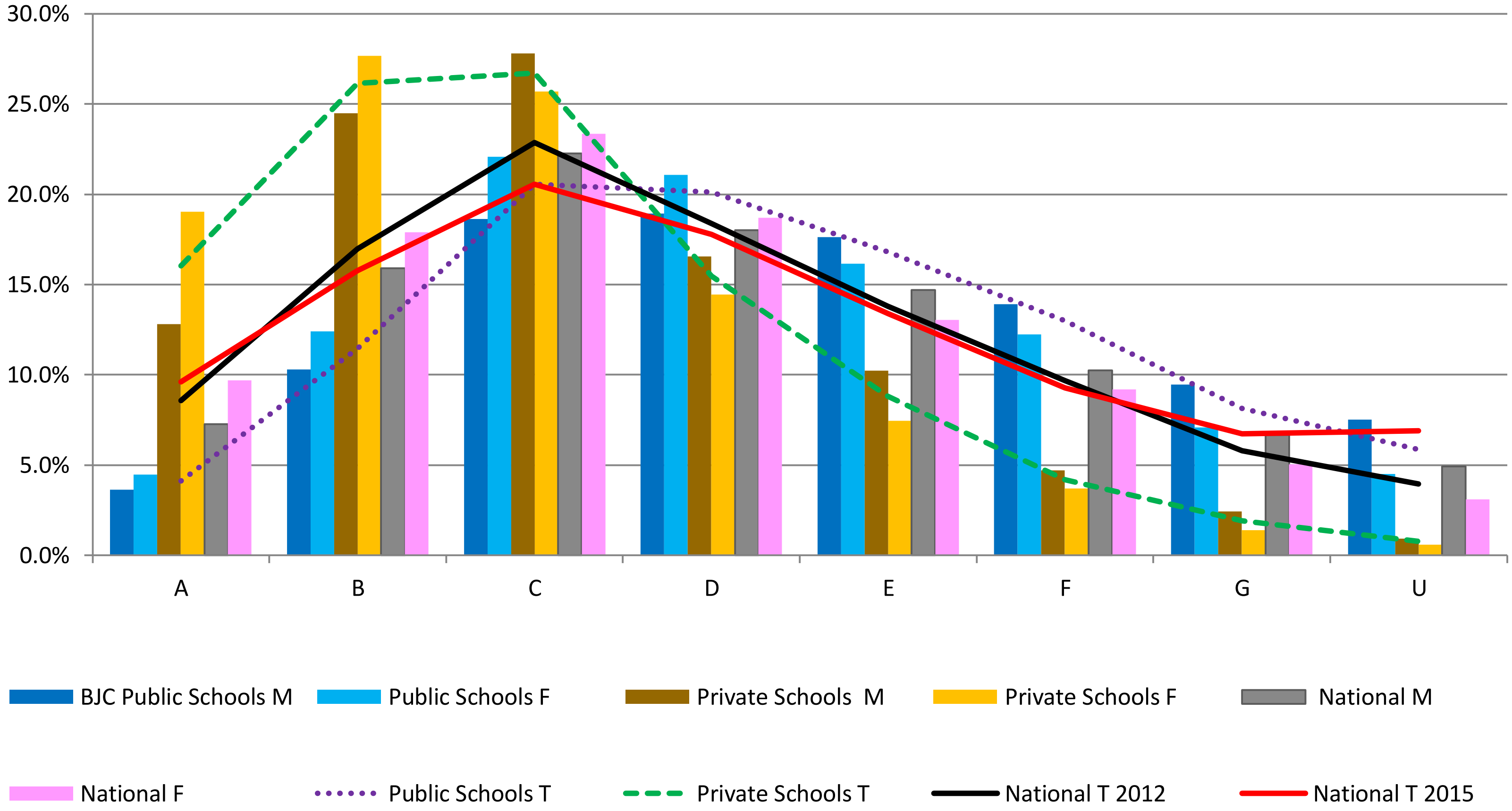
Some improvements in BGCSEs and BJCs Results Seen. In the 2015 BGCSE examinations, boys outperformed girls

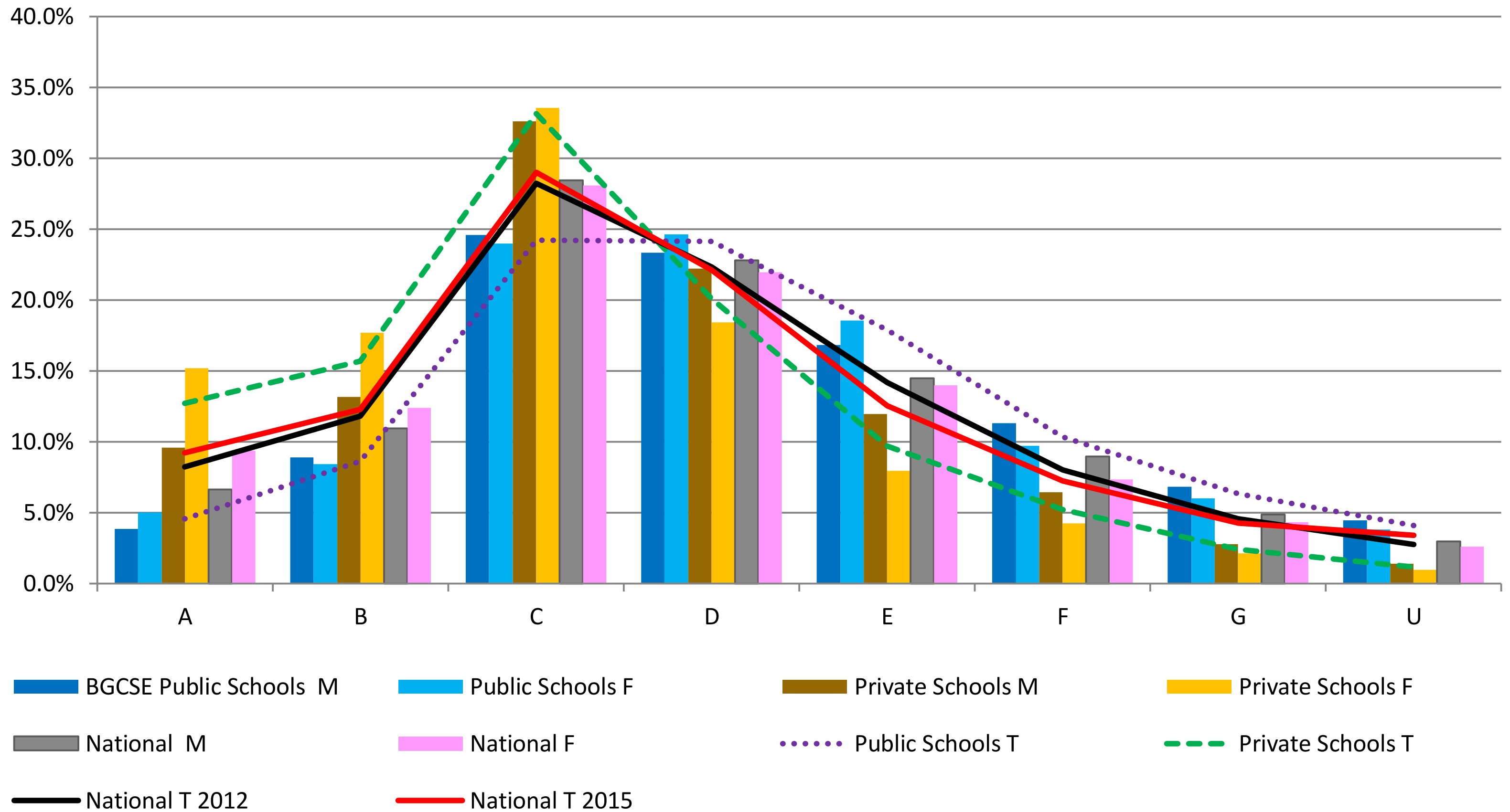




2012 BJC Results with 2015 National Line



2012 BGCSE Results with 2015 National Line



Selected BGCSE Results (2005–14)

Subject	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Art and Design B	C+	C	C+	C+	C+	C+	C	B-	C+	C+
Auto Mechanics	D-	D+	C-	C-	C	C	C	C+	C-	C-
Biology	D-	D-	D-	D-	D-	D-	D-	D-	D-	D-
Bookkeeping	E	E	F+	E	E-	E-	D-	D	E+	D
Carpentry/Joinery	C+	C	C+	C-	B-	C+	B-	C	C-	C-
Chemistry	C-	C-	C-	C-	C-	C-	C-	C-	C-	C-
Clothing Construction	C	D+	D-	D	D	D-	D	D+	D	D+
Combined Science	D	D	D+	D	D	D	D+	C-	D+	D+
Electrical Installation	D+	C-	C-	D	D+	D+	D-	D+	D	C-
English Language	D	D-	D-	D	D	D	D	D	D	D+
French	D+	C-	C-	C-	C-	C-	C-	C	C-	C-
Literature	D+	C-	C-	D+	C-	C-	C-	C-	C-	C
Mathematics	E	E	E	E	E-	E-	E-	E+	E	E
Music	B-	C+	C+	C+	C+	C	C-	C	C+	B-
Physics	C-	C-	C-	C-	C-	C-	C-	C-	C-	C
Spanish	C-	C-	C-	C-	C	C-	C	C	C	C

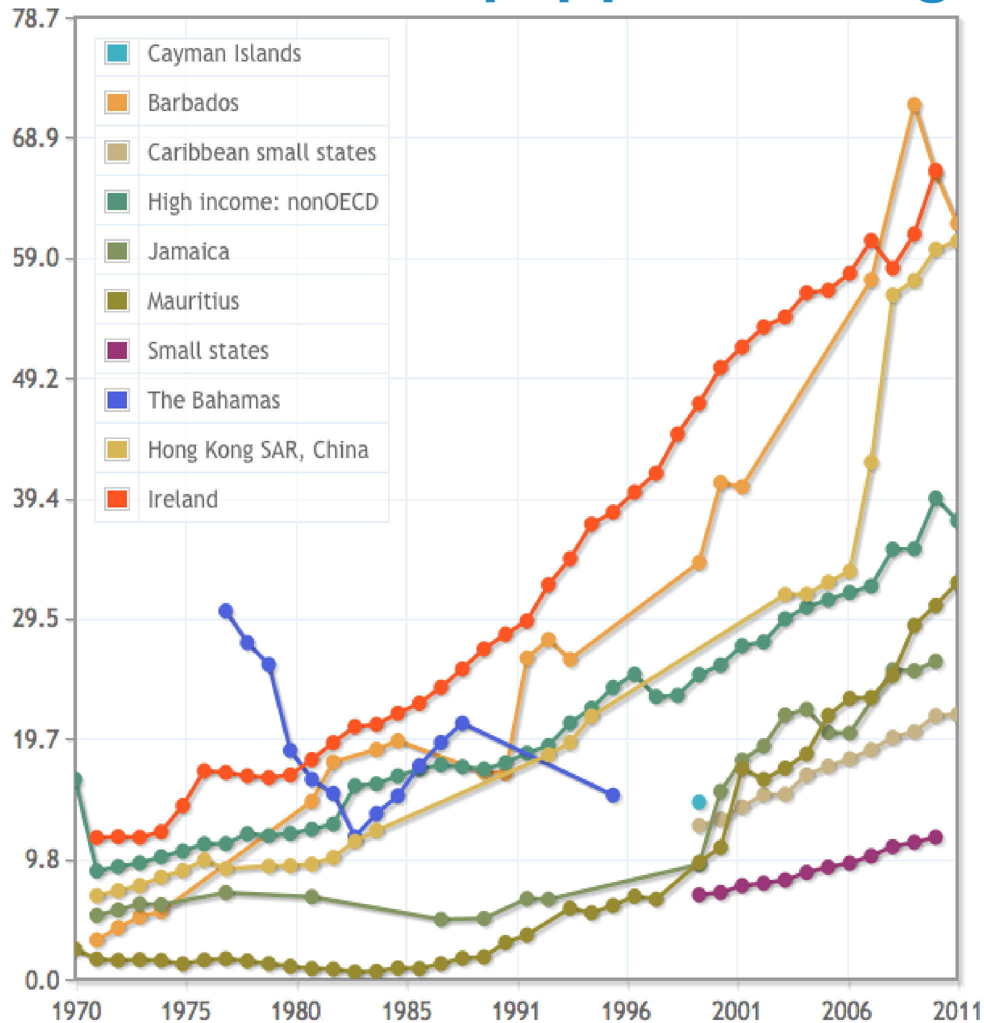
Source: National Examination Confidential Report BGCSE 2014, MOEST

BJCs Average Grade By Subject 2012-14

Slight Improvements seen in English and Mathematics

	Subjects									
Years	Art	Craft Study	English Language	General Science	Health Science	Family and Consumer Science	Mathematics	Religious Studies	Social Studies	Technical Drawing
2012	C	C-	D+	D-	D+	C-	D-	D	C-	C+
2013	C	C	C-	D	D	C-	E+	D-	C-	C+
2014	C	C	C-	D	D	C-	D+	D	C-	C+

Gross Tertiary Enrollment Rates are Falling - Many School Leavers are not Equipped for Higher Education



Data source: World Bank, World Development Indicators - Last updated April 23, 2013
See also: Thematic map, Education Indicators, Participation

Government Expenditure on Education has been Growing – Impact on Results Unsure

Table: __ Average (Government expenditure on education, total (% of GDP))			
Countries	1990-1999	2000-2009	2010-
Bahamas, The		**2.8%**	
Antigua and Barbuda	3.2%	3.0%	
Barbados	5.4%	5.5%	5.7%
Ireland	4.8%	4.8%	6.3%
Jamaica	4.1%	5.2%	6.3%
Mauritius	3.5%	3.7%	3.6%
Panama	4.4%	4.3%	3.3%
Singapore		3.4%	3.1%
St. Kitts and Nevis	3.8%	4.2%	
Switzerland	5.2%	5.4%	5.3%
Trinidad and Tobago	3.2%	3.1%	
United Kingdom	4.7%	5.2%	6.1%
United States	4.9%	5.3%	5.3%
High income: nonOECD	4%	4%	
LAC (all income levels)	4%	4%	4%
World	4%	4%	5%
Source: World Bank Development Indicators			

Fiscal Years	Education Expenditure As A Percentage of GDP, 2002- 2013
01-'02	
02-'03	2.6%
03-'04	2.9%
04-'05	3.1%
05-'06	3.0%
06-'07	3.6%
07-'08	3.7%
08-'09	4%
09-'10	4%
10-'11	3%
11-'12	4%
12-'13	3%

HEALTH AND WELLNESS

Health and Wellness

- **The country can be proud of the health system.**
  - **Infant mortality is declining and life expectancy is up.**
  - **Improvements, however, are needed in service delivery and access.**

- Additionally, efforts are underway to ensure universal access to health care.
  - Key strategic incentives include the National Health Service Strategic Plan 2010-2020 and the introduction of the National Health Insurance and the National Prescription Plan.

-

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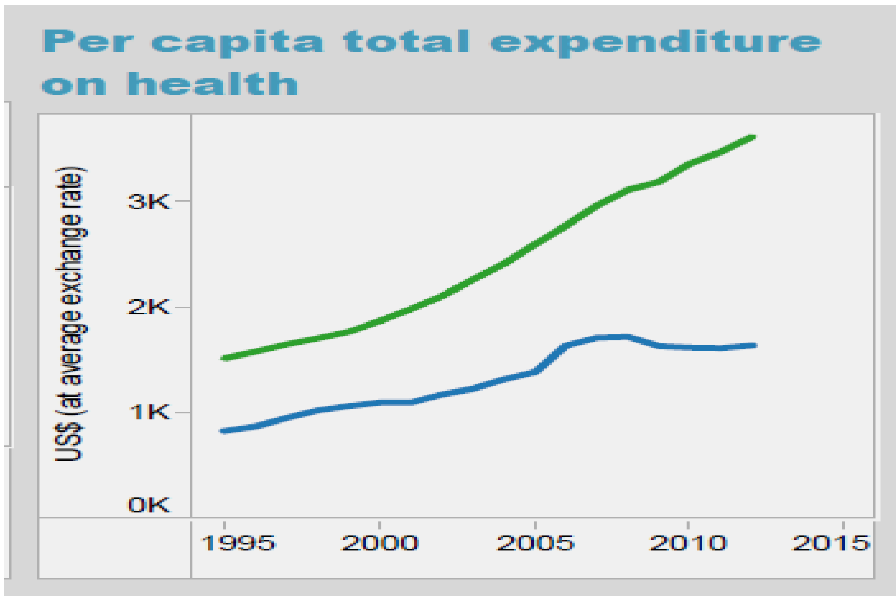
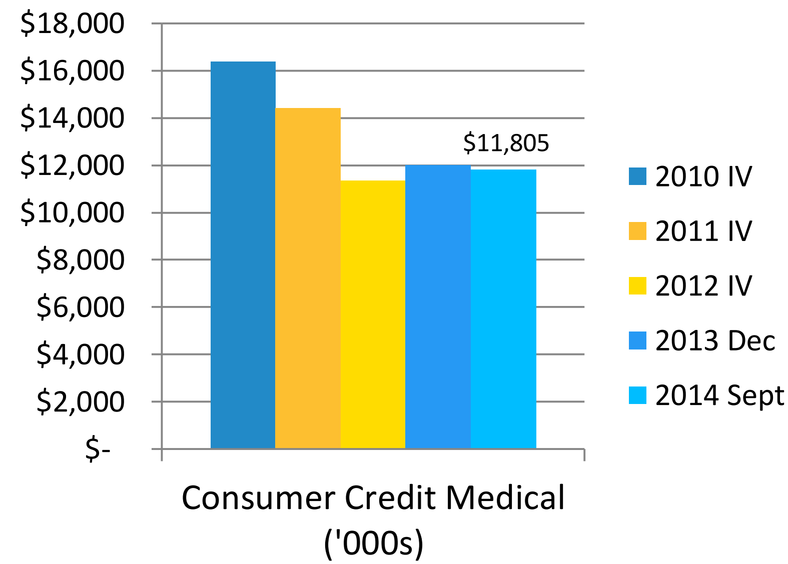
The Bahamas has high per capita health care expenditure

Location	Health Expenditure Per Capita (PPP)	Rank
United States of America	$ 8,845.00	1
Canada	$ 4,610.00	10
United Kingdom	$ 3,235.00	22
Singapore	$ 3,215.00	23
Bahamas	$ 1,703.00	40
Trinidad and Tobago	$ 1,633.00	43
Barbados	$ 1,407.00	52
Antigua and Barbuda	$ 1,125.00	66
Grenada	$ 693.00	92

Source 10: Henry J. Kaiser Foundation, http://kff.org/global-indicator/health-expenditure-per-capita/

While a Lot of Money is Spent on Healthcare, the Outcomes are Less than Desired

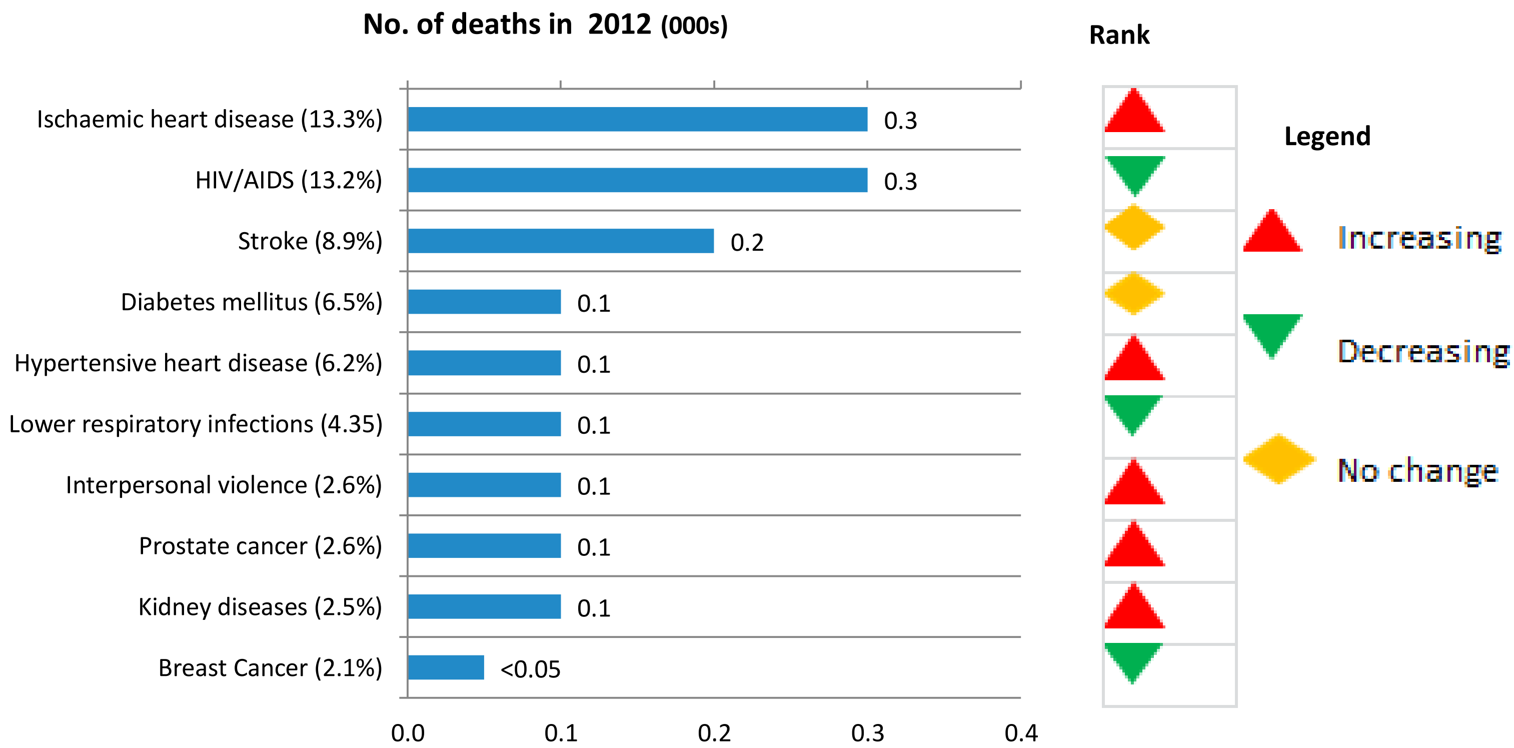




http://kff.org/global-indicator/health-expenditure-per-capita/

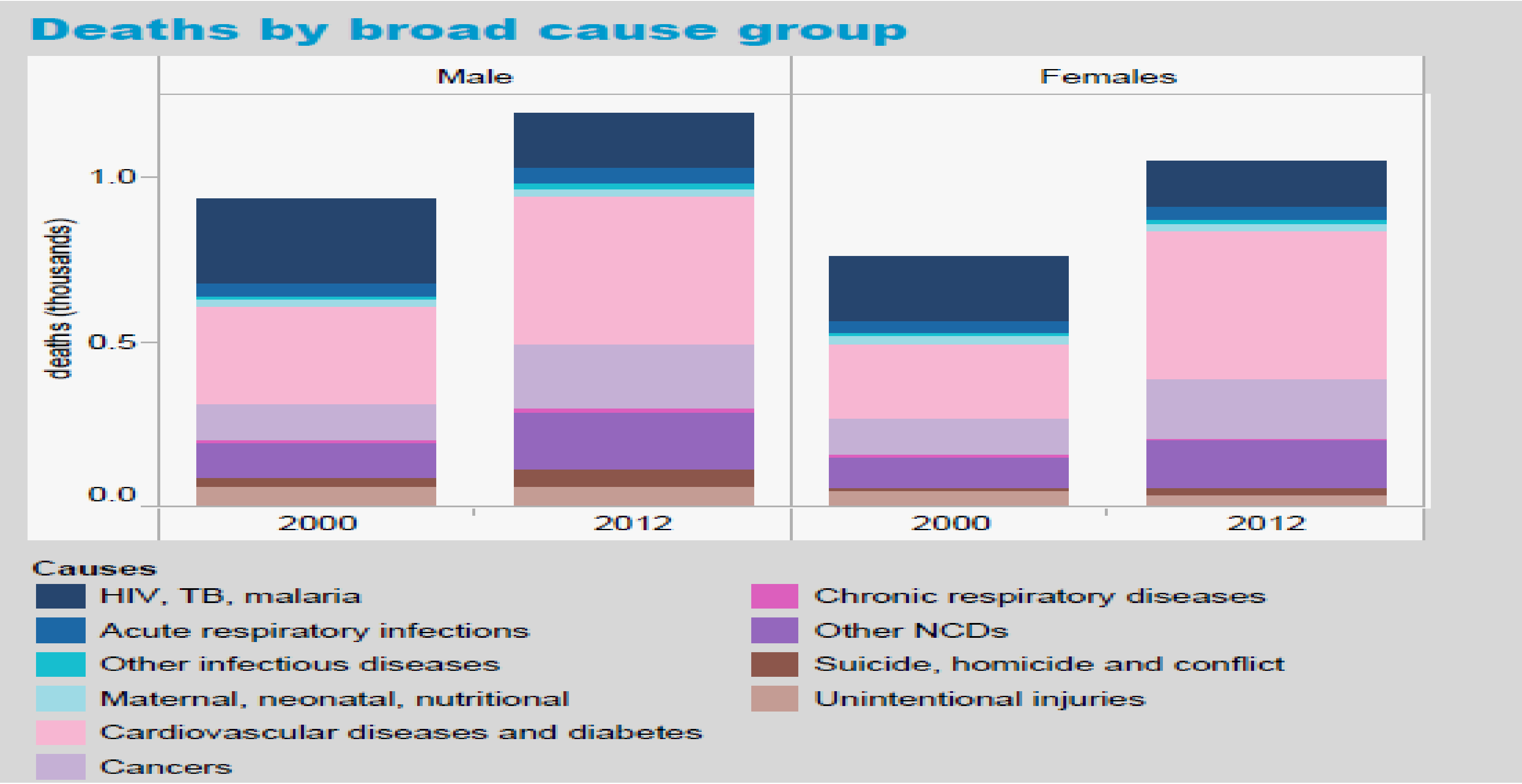
Source: Central Bank of The Bahamas

We are still plagued by high rates of disease



Source 12: Bahamas Profile - World Health Organisation

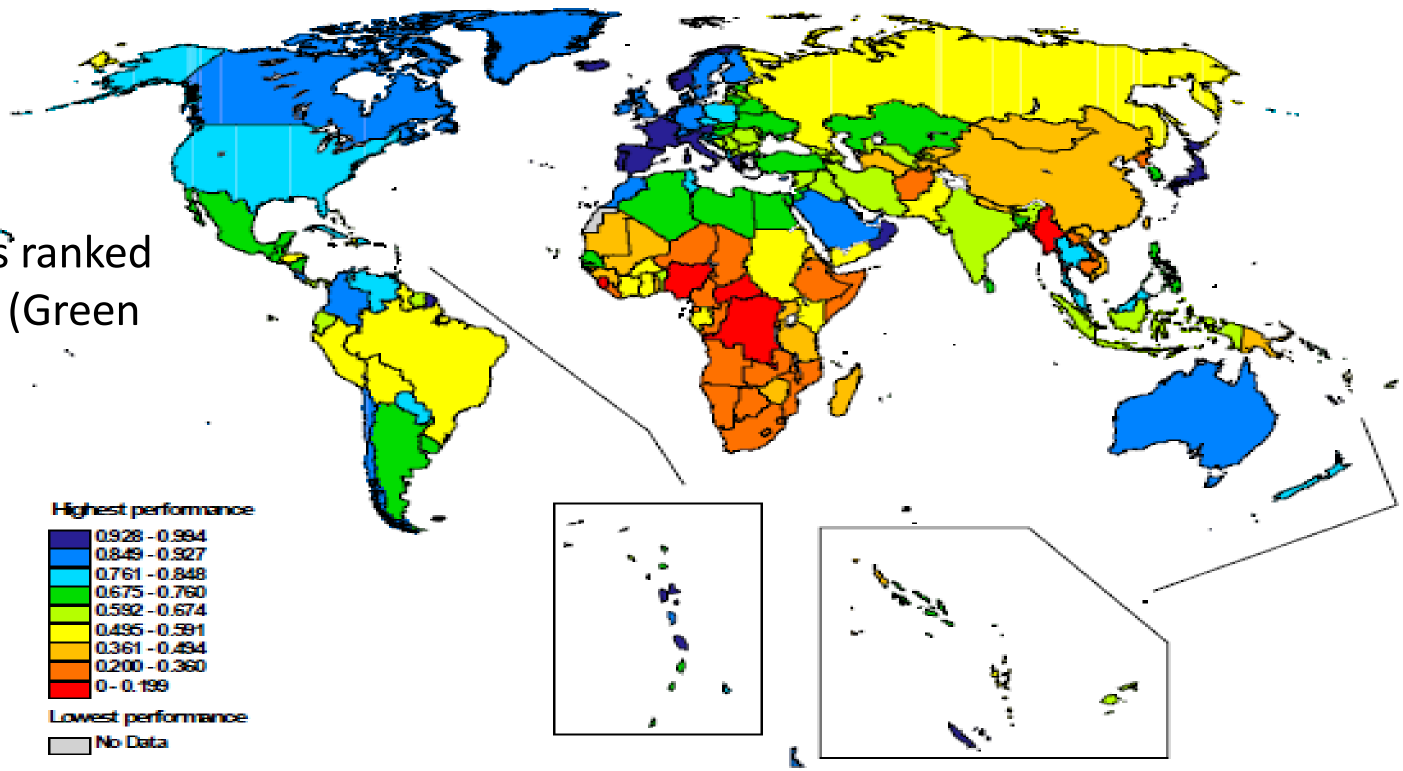
Cardiovascular Diseases and Diabetes are the Chief Causes of Death in The Bahamas



Source: Bahamas Profile, WHO downloaded on 8th May, 2015 (http://www.who.int/gho/countries/bhs.pdf?ua=1)

We are not Reaping the Benefits of Our Investment in Health

Bahamas ranked #94/191 (Green shaded)



Extracted from Tandon et al (2000) WHO GPE Discussion Paper, No 30, “Measuring Overall Health System Performance for 191 Countries”

Things are getting Better – Deaths from HIV/AIDS and Communicable Diseases are Trending Downwards

Indicator	2009	2010	2011	2012	2013	2014
Mortality rate from communicable diseases*	93.6	73.8	75.1	65.8	62.0	63.4
Mortality rate from malignant neoplasms*	120.3	103.8	111.3	123.9	110.2	115.7
Mortality rate from external causes*	65.9	53.3	60.2	59.8	62.6	69.9
Mortality rate from diabetes mellitus*	38.5	34.0	32.3	29.8	27.5	26.2
Mortality rate from ischemic heart diseases*	43.3	38.2	51.5	60.9	50.2	56.2
Mortality rate from cerebrovascular diseases*	49.0	42.7	42.1	54.1	42.2	40.6
Tuberculosis incidence rate per 100,000	13.8	14.2	13.3	9.0	11.2	8.6
Malaria, reported cases	14	14	No data	1	6	6
AIDS incidence rate per 100,000 pop.	92.3	94.8	95.8	76.4	76.4	45.2
Proportion of low birthweight (<2,500 gm)	10.5	11.6	12.9	12.1	11.6	12.5

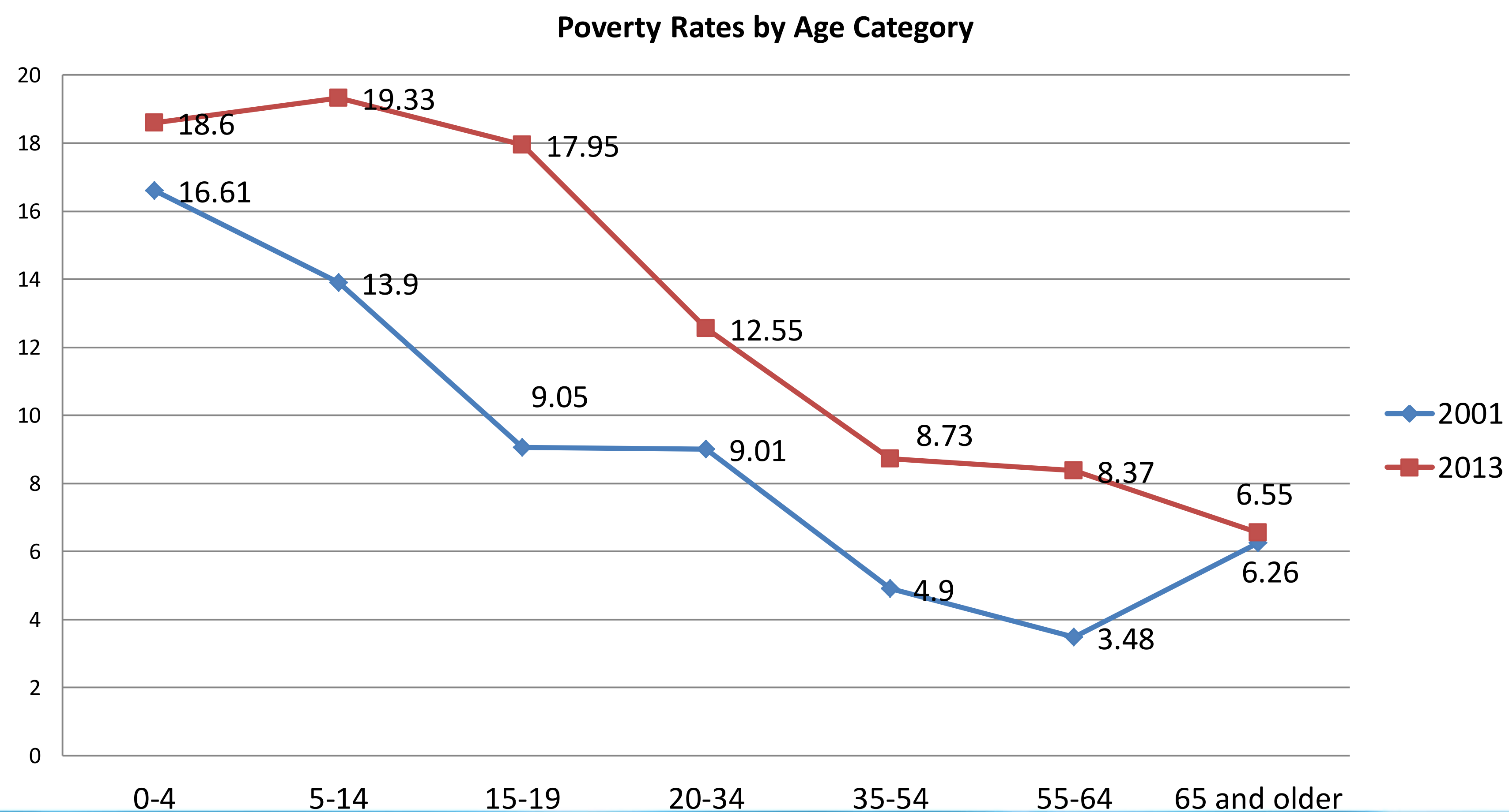
POVERTY

As a country we must face the issue of Poverty

Poverty Rates and Percent of The Poor and Poverty Gap by Island group: 2001, 2013

2001			2013		
Regions	**Poverty Rate**	**Poverty Gap**	**Regions**	**Poverty Rate**	**Poverty Gap**
New Providence & Grand Bahama	8.33	2.58	New Providence	12.58	3.32
			Grand Bahama	9.69	1.45
Abaco, Eleuthera, & Andros	13.19	3.73	Abaco	20.32	5.75
			Andros and Eleuthera	17.33	5.48
Exuma & Long Island	16.64	5	Exuma and Long Island	14.71	4.61
Other Family Islands	20.96	6.35	Other Family Islands	11.44	0.82

High Levels of Poverty Among the Youth



The Working Poor – 44.8% of the Poor are Employed

Employment Status and Primary Employer Among Poor: 2001, 2013

Employment factor	2001 %	2013 %
Employment status (15 years and older)		
Employed	58.14	44.8
Unemployed	11.53	20.44
Outside labour force	30.34	34.75
Primary employer (15 years and older)		
Government/Government corporation	15.73	8.62
Private enterprise	58.1	72.18
Private individual	15.2	4.74
Own account	10.97	14.47

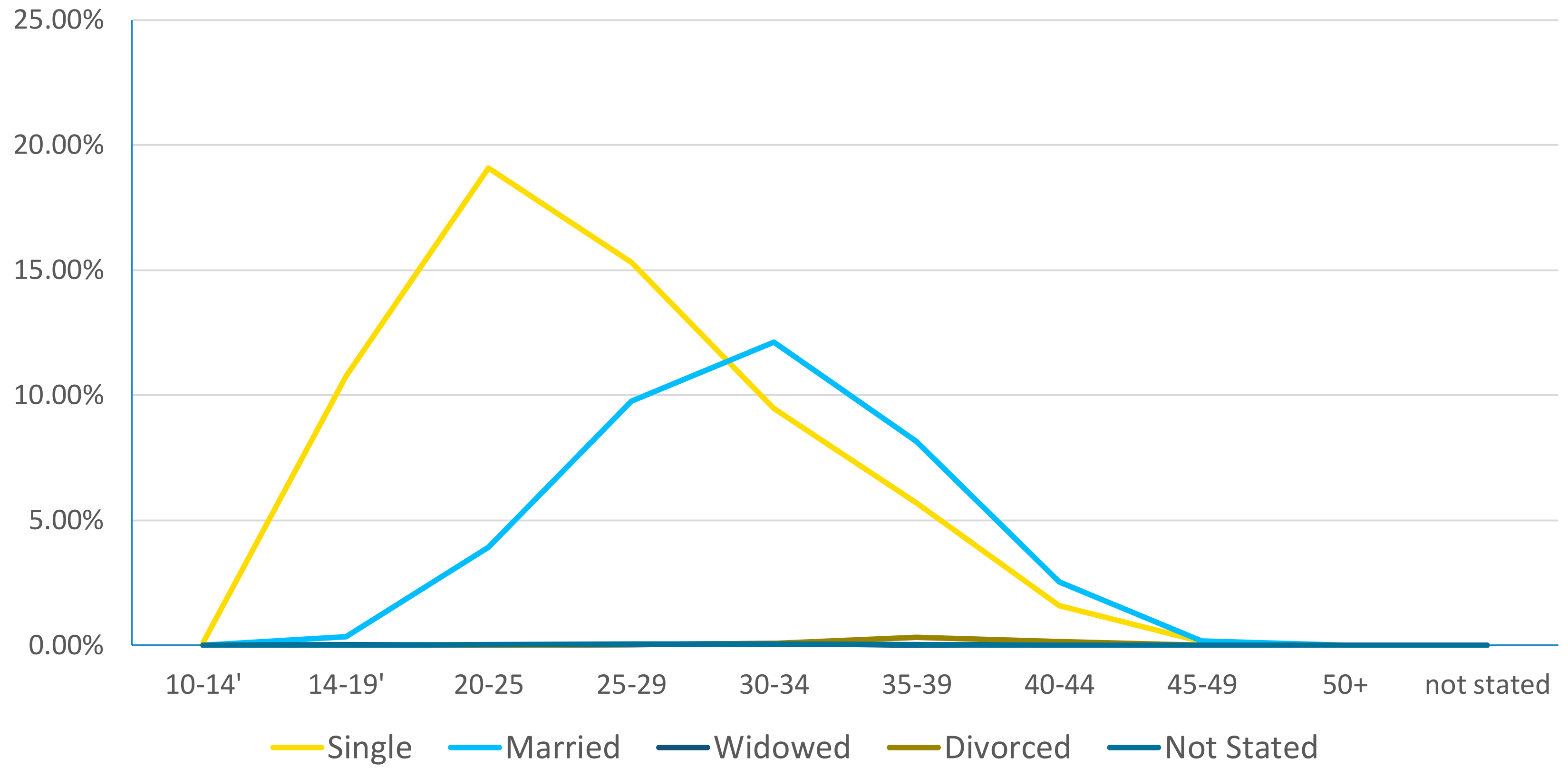
Lower Education levels = Higher Poverty

Highest Levels of Education Competed and Highest Academic Exam Passed
Poor and None Poor : 2001, 2013

Education level completed	2001			Education level completed	2013		
	Non-Poor	Poor	All Persons		Non-Poor	Poor	All Persons
No Schooling	2.18	6.97	2.51	No Schooling	6.55	12.18	7.26
				Preschool/Kindergarten	4.21	6.01	4.44
Primary School	11.43	21.8	12.16	Primary School	15.56	22.2	16.41
High School	65.45	68.6	65.67	High School	47.57	55.68	48.6
College /University	16.65	1.28	15.58	College/ University	18.71	1.1	16.46
Technical/Vocational	4.29	1.35	4.08	Technical/Vocational	6.93	1.71	6.27
				Other	0.3	0	0.26
				Not Stated	0.17	1.12	0.29
Qualification	**Non-Poor**	**Poor**	**All Persons**	**Qualification**	**Non-Poor**	**Poor**	**All Persons**
None	52.13	85.32	54.9	None	38.49	66.79	42.1
School Leaving certificate	6.83	4.21	6.61	School Leaving certificate	10.61	11.84	10.77
BJC, CXC Basix	15.36	7.37	14.69	BJC/PITMAN 1/ RSA/CXC	12.36	11.2	12.21
O Level, CXC General	12.39	2.33	11.55	GCE O Level/BGCSE/Pit	13.39	6.06	12.45
A level, Associate	4.51	0.41	4.16	GCE A Level / RSA 3/	1.31	0.4	1.19
				Degree or Certificate	6.16	0.78	5.47
Bachelor	3.61	0	3.31	Degree at Bachelor's	6.86	0.29	6.03
Other degree	5.17	0.37	4.77	Degree above Bachelor	2.87	0	2.5
				Professional Certificate	1.29	0	1.12
				Other Trade Certificate	6.36	1.25	5.71
				Not Stated	0.31	1.38	0.45

SOURCE: The Department of Statistics

Single Parenthood and Poverty



More than half of all births were to single mothers, with teenagers accounting for 13% of live births. A higher percentage of these single parent households were poor raising the spectre that the cycle of poverty will continue.

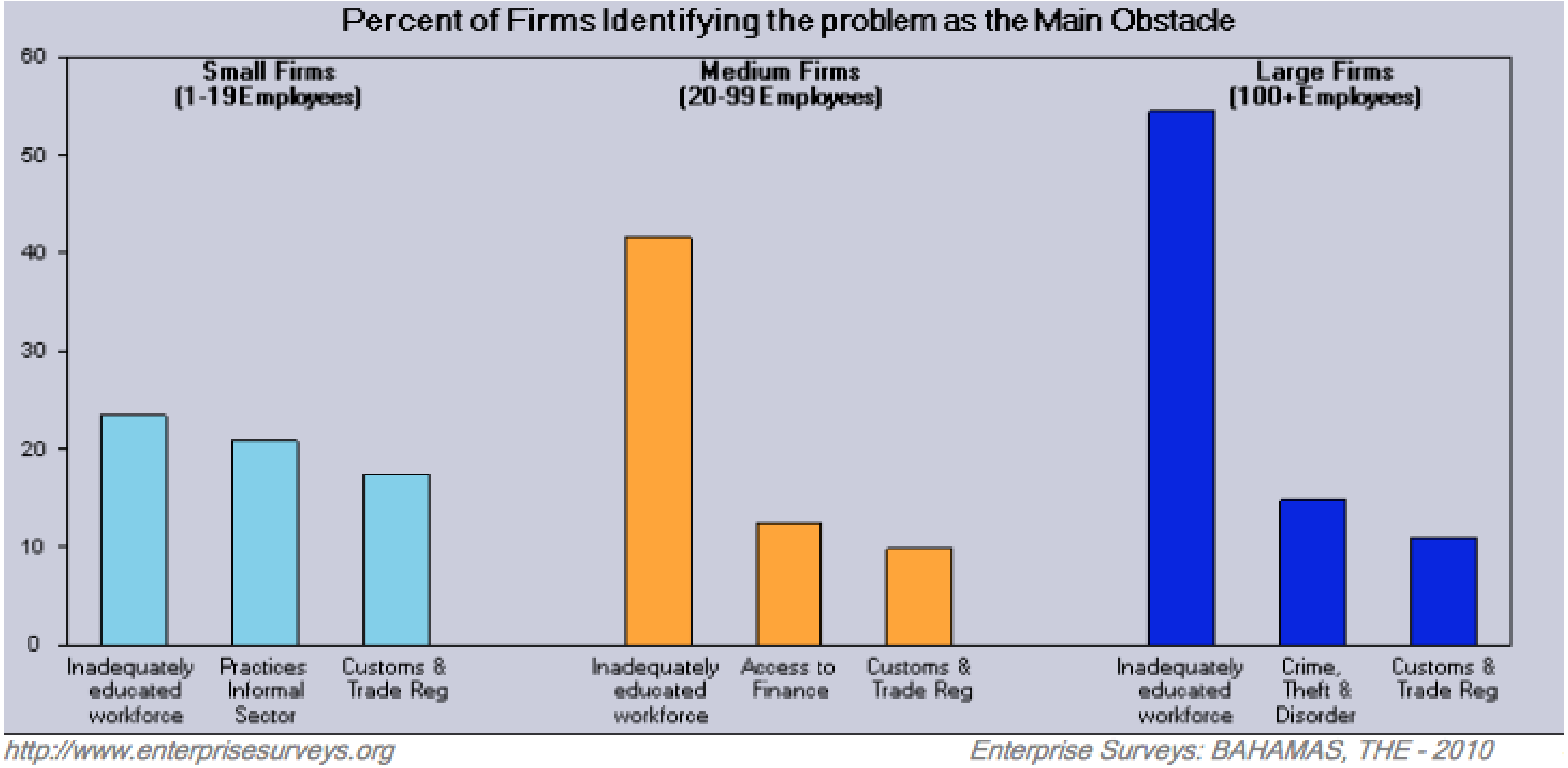
UNEMPLOYMENT

Unemployment Levels

Employment by Region

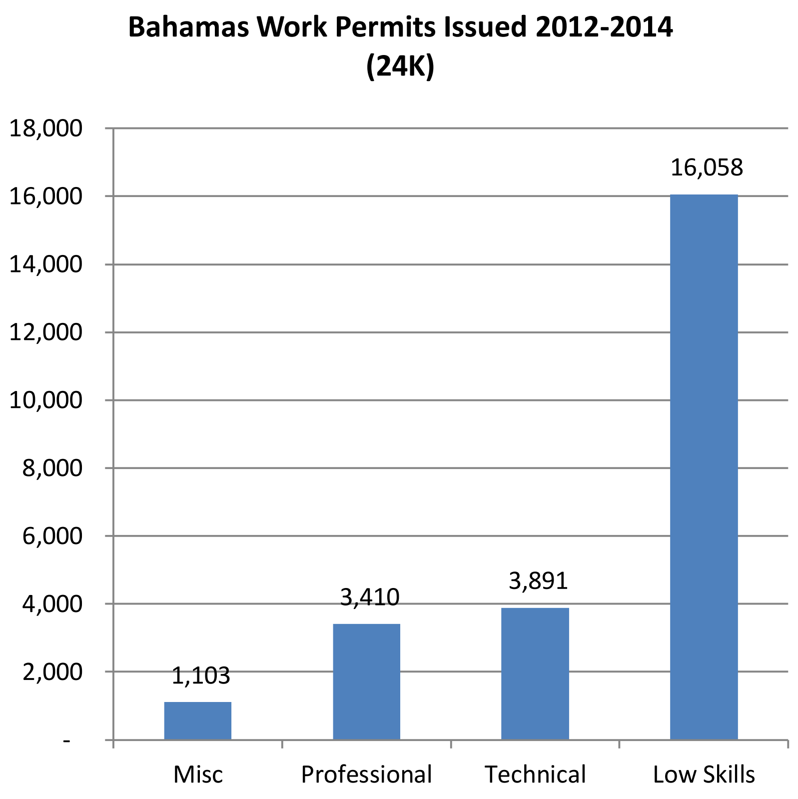
	Employment			Unemployment		
	Total	Female	Male	Total	Female	Male
All Bahamas	**74.4**	**71.0**	**78.1**	**15.7**	**17.3**	**14.1**
Region						
All Bahamas	**84.6**	83.1	86.0	**15.4**	16.9	14.0
New Providence	**84.0**	81.9	86.1	**16.0**	18.1	13.9
Grand Bahama	**81.4**	80.8	82.0	**18.6**	19.2	18.0
Family Islands	**79.7**	77.2	81.8	**20.3**	22.8	18.2

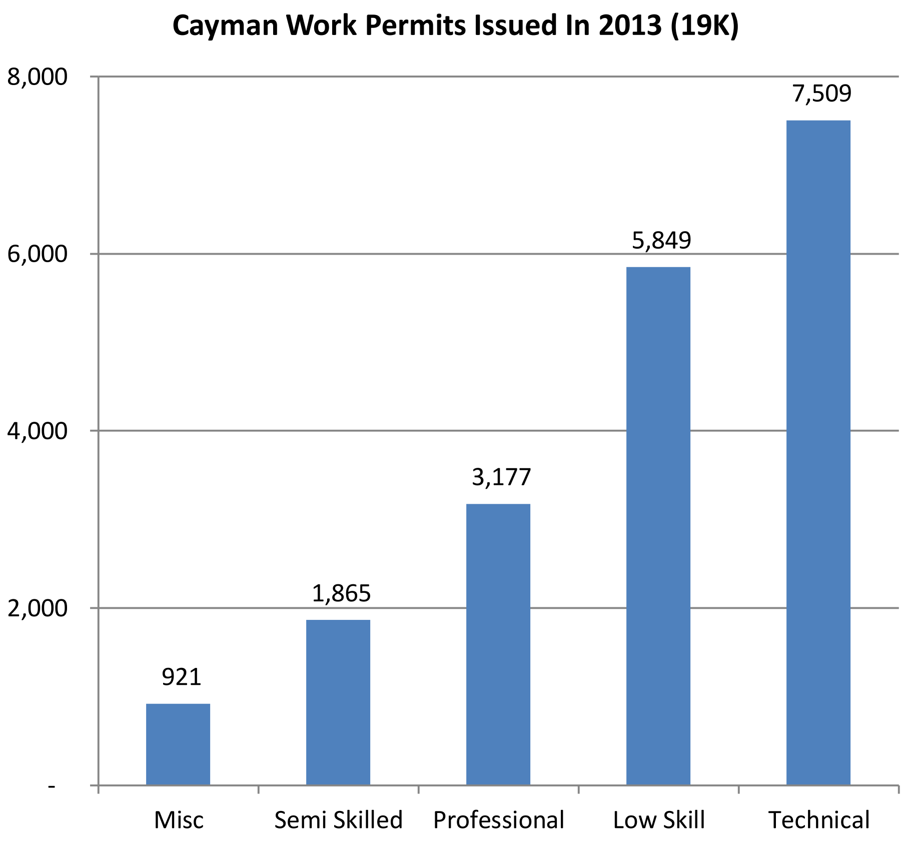
Even with High Unemployment the Skills Gap Excludes some of Job Seekers from Access to Available Jobs - Inadequate Education is a Major Limitation



An inability to find suitably qualified labour was identified as a the single major obstacle to doing business in The Bahamas by firms of all sizes

Immigration Policy Should be In Line with Development Goals and National Needs





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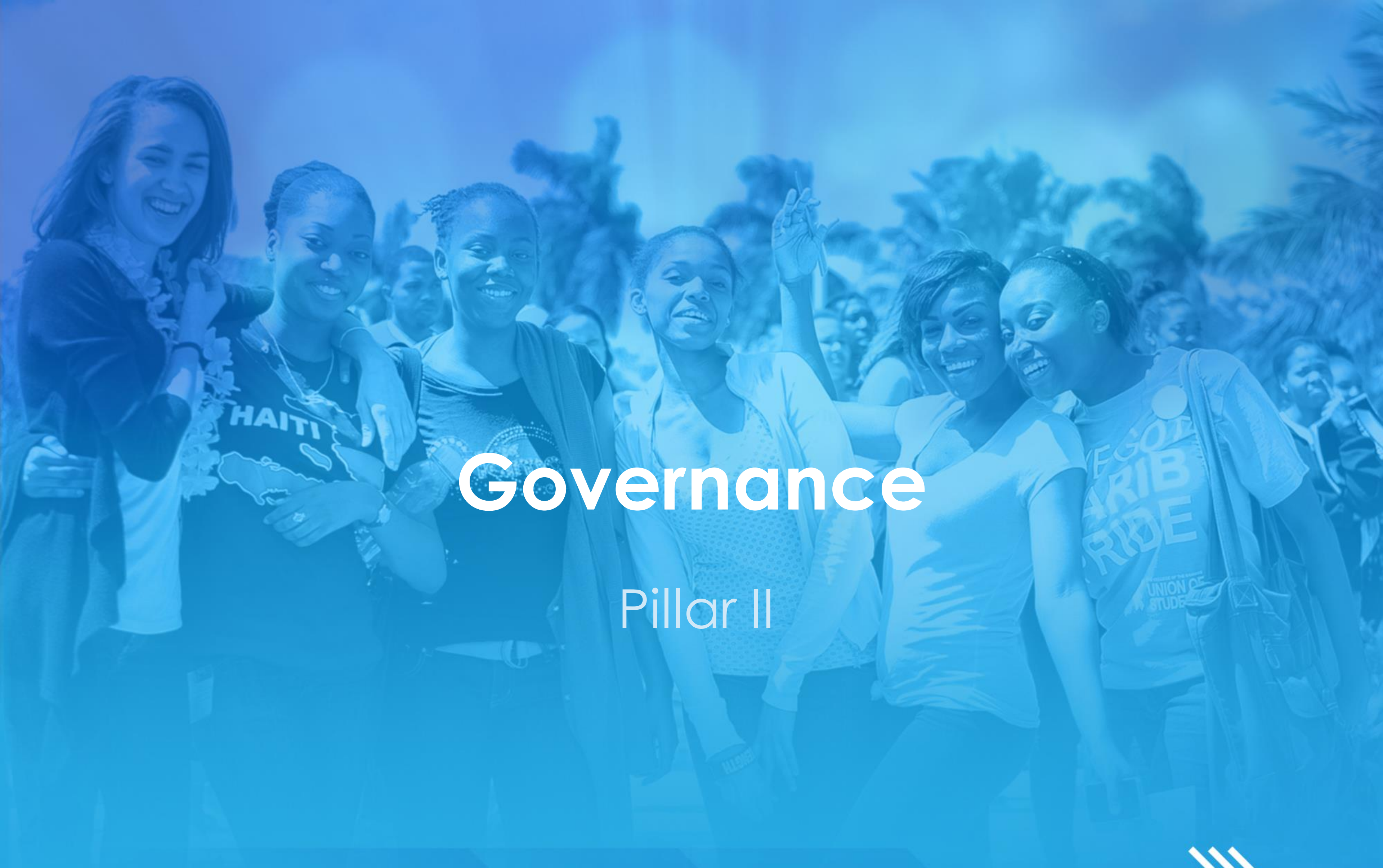
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS



Governance

Pillar II

Bahamas has a number of Strong Governance Institutions

- **Respected Constitution** including key elements of Westminster system
- **Free elections** with high **voter turnou**t and peaceful transfers of power
- **Independent judiciary**
- **Free media and civil society organizations**
- Some important expressions of strategic direction are used (**Party platforms, Speeches from the Throne, annual budgets, some major public policy papers**)
- Most core elements of government machinery and processes are in place
- **Budgetary management** has improved, program-based budgeting & better procurement planned
- **Basic financial reporting** (income & expenditure) is full & timely, external audit robust & independent
- Anti-corruption legal regime meets Inter-American Convention Against Corruption standards

However, They are Areas Where Change Would Benefit The Country

- **Center of government** needs significant capacity and process improvements to ensure government agenda is being implemented
- **Strategic and operational planning skills** are can be strengthened
- Overall **public service capacity is can be strengthened**: morale, pay, accountability, skills and budgets for training are all low, with little evidence of succession planning or performance management
- **Policy and project implementation are require strengthening**
- **Freedom of information legislation** not yet implemented
- Lack of a **campaign finance framework**
- **Line-item budgeting** continues to restrict decision makers from having an informed view of programs and budgets on a timely basis (Progress underway)
- **Lines of accountability** in local government can be clarified.

Opportunities to Strengthen Governance

- Practice of **engaging civil society is strengthening**
- **Public sector reform** will provide a force multiplier for all initiatives of Government:
  - Strengthening of the Office of the PM to act as a coordinating unit for government policy
  - Investing in the Public Service including training for technical, performance management and leadership skills
  - Implementing strategic planning and results based programs
- Invest in the **AG's office** and **Freedom of Information legislation** will enhance the accountability of successive governments
- **Ministerial reports** will increase the level of transparency to citizens
- **Addressing high profile policy issues** (particularly crime) increases the legitimacy of any Government
- Strengthen Roles and responsibilities of Government appointees to **Crown corporations**

Potential Threats

- **Where there is the absence of Accountability, Transparency and Efficiency -** leads to low levels of trust among citizens
- High and growing **public debt can limit** government's ability to respond to emerging policy and program needs
- **Threats to Legitimacy** from:
  - Violent crimes and perceived lack of justice
  - Social exclusion and a disparity between rich and poor
  - Jobs and education
  - Eventually the effects of climate change

The Bahamas Scores High with Respect to its Political and Civil Liberties

Freedom House Bahamas Political and Civil Liberties Ranking		
	Bahamas Score	Available Points
Electoral Process	12	12
Political Pluralism and Participation	16	16
Functioning of Government	10	12
Political Rights Subtotal	38	40
Freedom of Expression and Belief	16	16
Organisational Rights	12	12
Rule of Law	15	16
Personal Autonomy and Individual Rights	15	16
Civil Liberties Subtotal	58	60
Freedom Score	**96**	**100**

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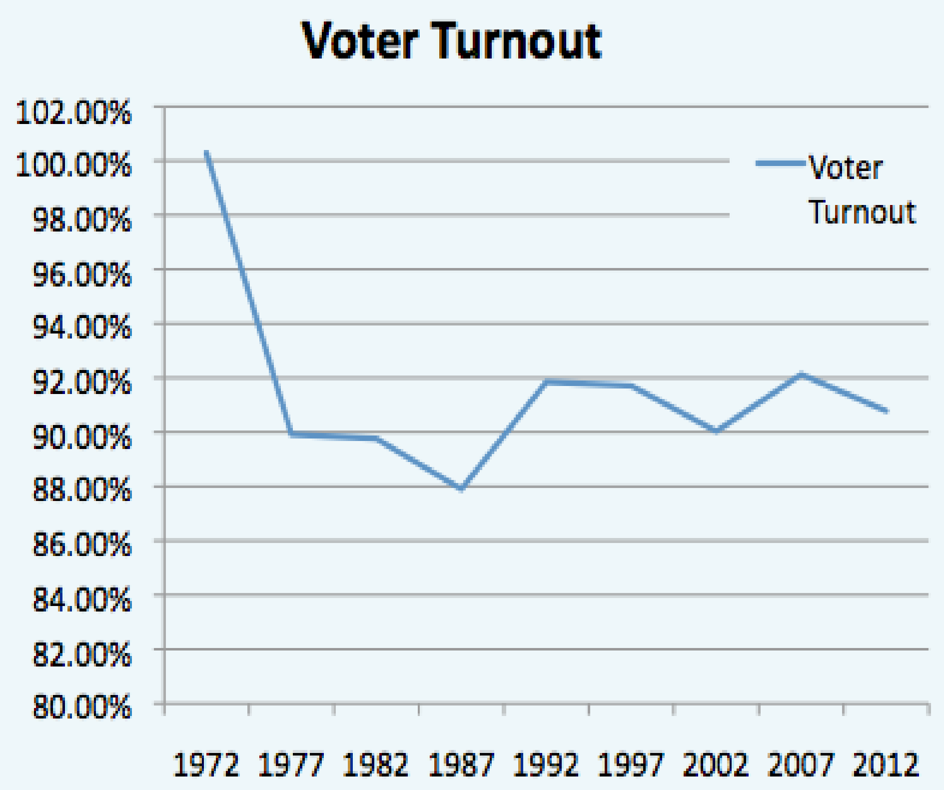
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

There is a Healthy Tradition of Political Engagement



Year	Total Vote	Registered Voters	Voter Turnout
2012	156,088	171,932	90.78%
2007	138,800	150,654	92.13%
2002	130,328	144,758	90.03%
1997	119,173	129,946	91.71%
1992	112,057	122,000	91.85%
1987	90,280	102,713	87.90%
1982	75,609	84,235	89.76%
1977	64,108	71,295	89.92%
1972	50,216	50,071	100.29%

Government is a Small Percentage of the Economy

- Low tax policy – limited revenue sources: 16% of the Economy
- No army, traditional social support system, etc
- Major spending on education, health and infrastructure

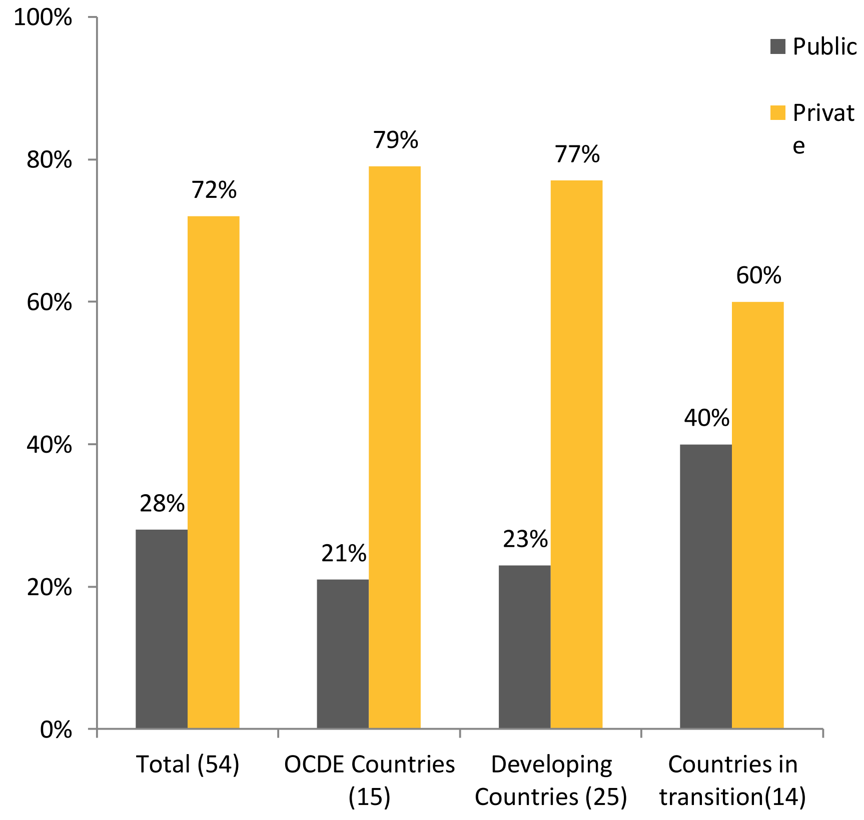
Country	Taxes/GDP	Gov. Spending/GDP
Sweden	44%	51%
UK	36%	49%
Brazil	35%	39%
Switzerland	29%	34%
USA	25%	42%
The Bahamas	16%	23%

(Source: Index of Economic Freedom)

The Public Service at 20% of the workforce is Right-Sized. It is similar to the size of Government in OECD countries – The Issue may be one of Composition

EMPLOYED PERSONS BY EMPLOYMENT STATUS: 2015		
Employment Status	Total	
	N	%
Employee (Gov. or Gov. Corp)	36,510	19.9
Employee (Private Business)	118,770	64.8
Self Employed	27,525	15.0
Unpaid Family Worker	370	0.2
Not Stated	740	0.4
Total	183,319	100.0

Source: Department of Statistics



In brackets the number of countries considered.
Source: Survey on public sector employment statistics, Bureau of Statistics, ILO, October 1998.

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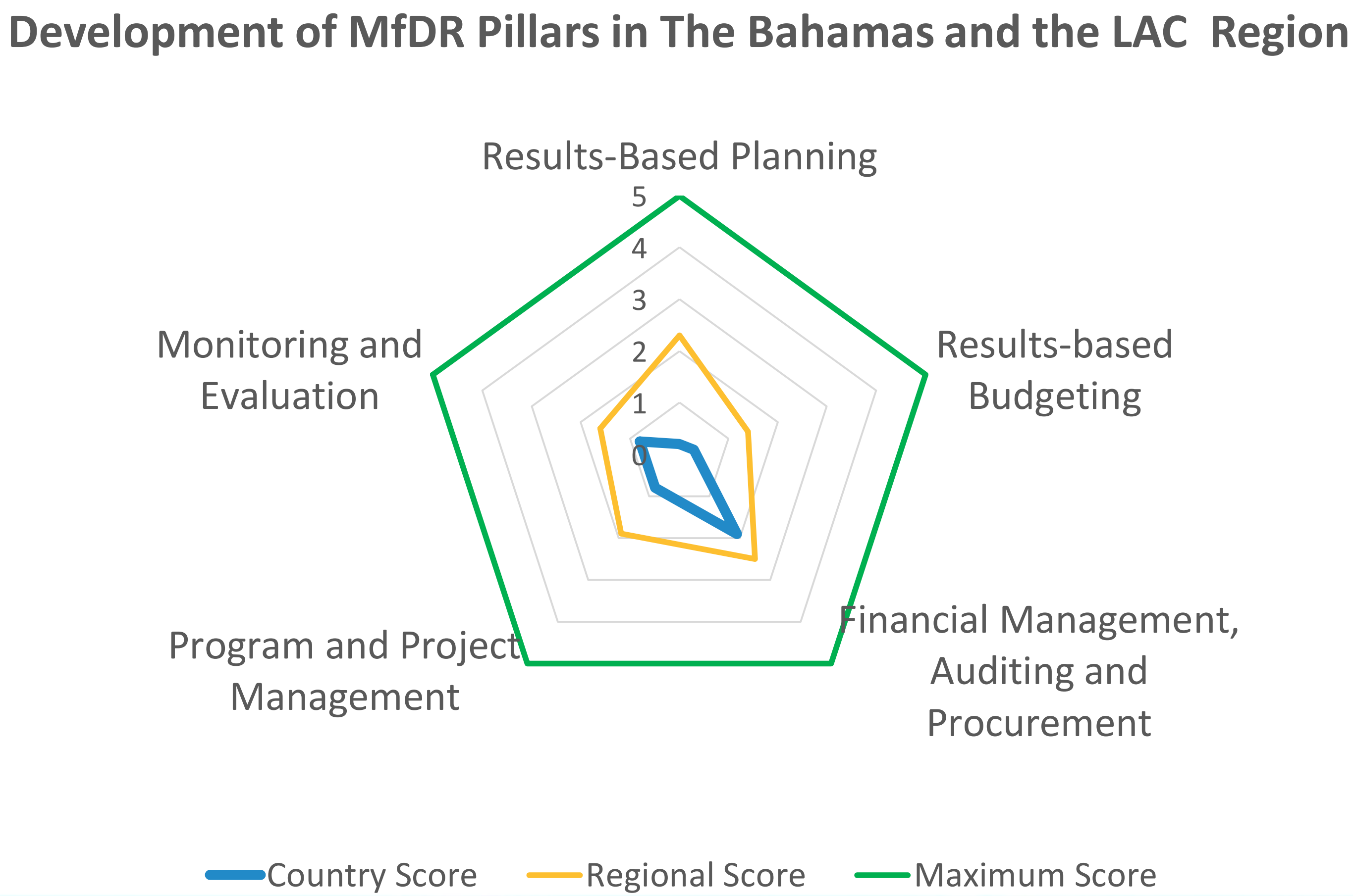
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

However, The Bahamas Scores Poorly in Planning and Budgeting – below the Region Average

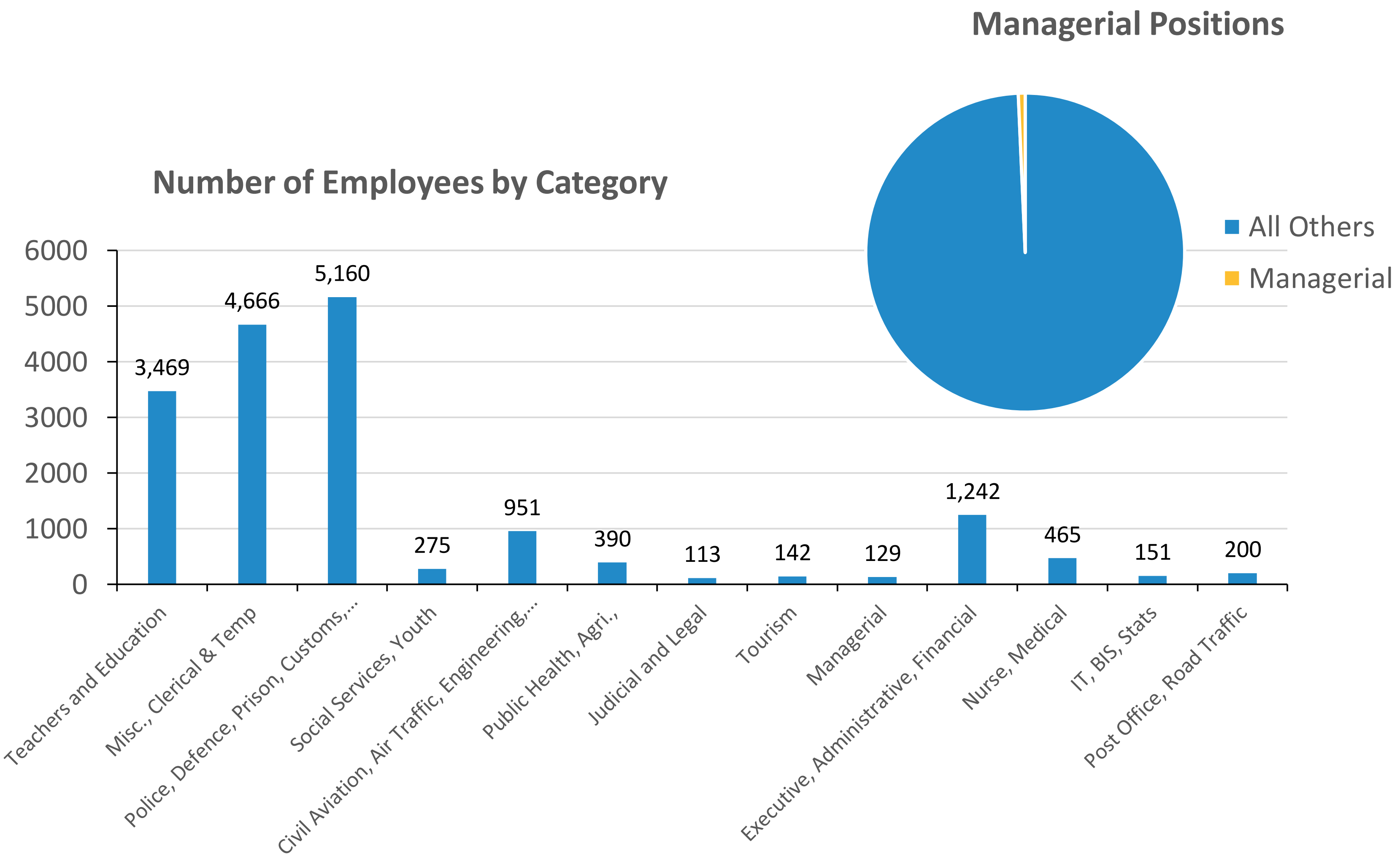
The Development of MfDR Pillars in The Bahamas and Latin America and the Caribbean		
Pillar	Bahamas score	Regional Average
1. Results-based planning	0.2	2.3
2. Results-based budgeting	0.3	1.4
3. Financial management, auditing and procurement	1.9	2.5
4. Programme and project management	0.8	1.9
5. Monitoring and evaluation	0.8	1.6
MfDR Index	0.8	1.9

Excerpt from Inter-American Development Bank (IDB), "Building Effective Governments"

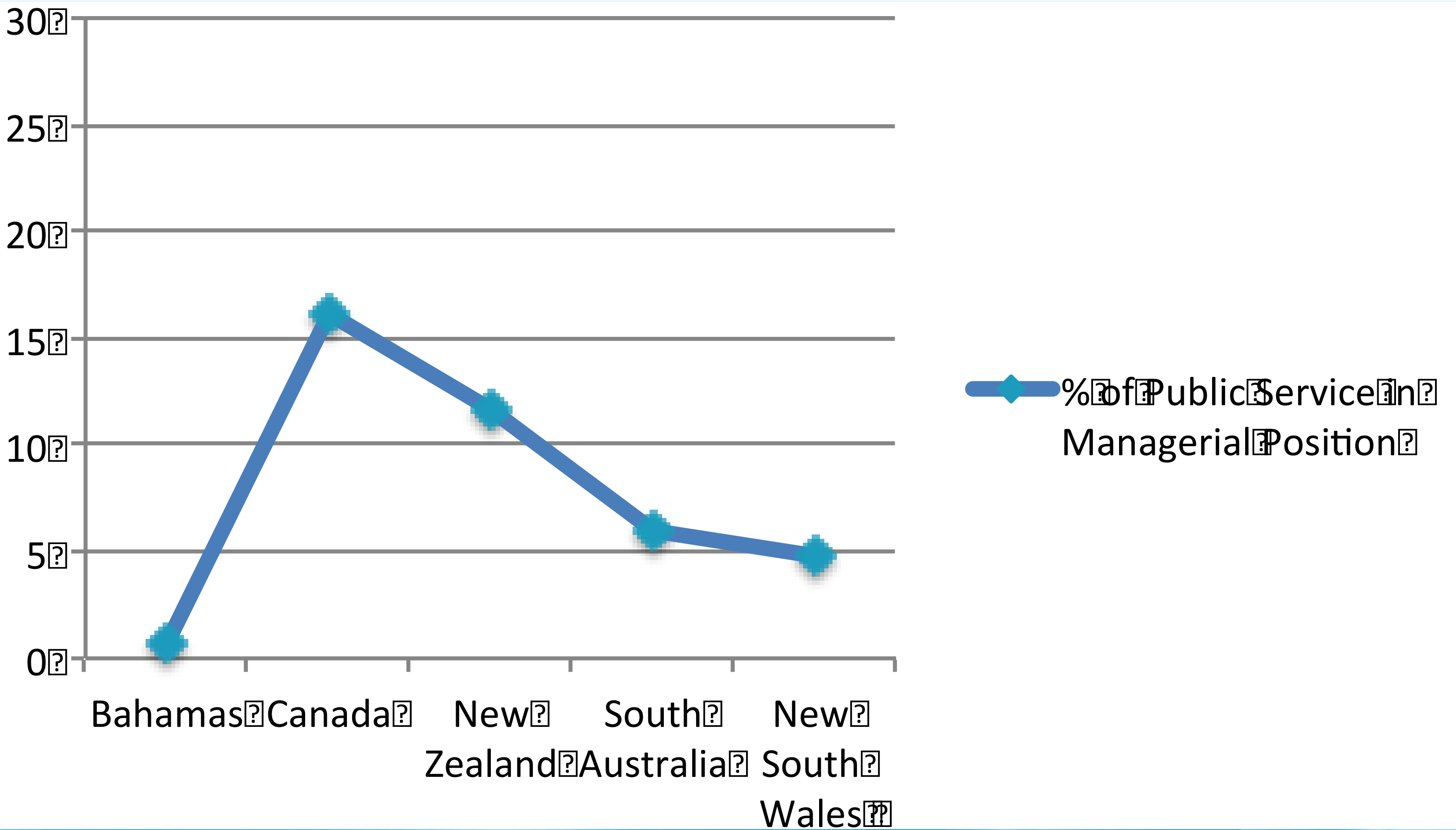
The Bahamas (In Blue) Can Reap Tremendous Benefits from Improving the Technical and Strategic Management Skills in the Civil Service – Low Hanging Fruit



An overview of the Public Service by Job Category



The Composition of the Public Service Managerial cadre compared to other Countries



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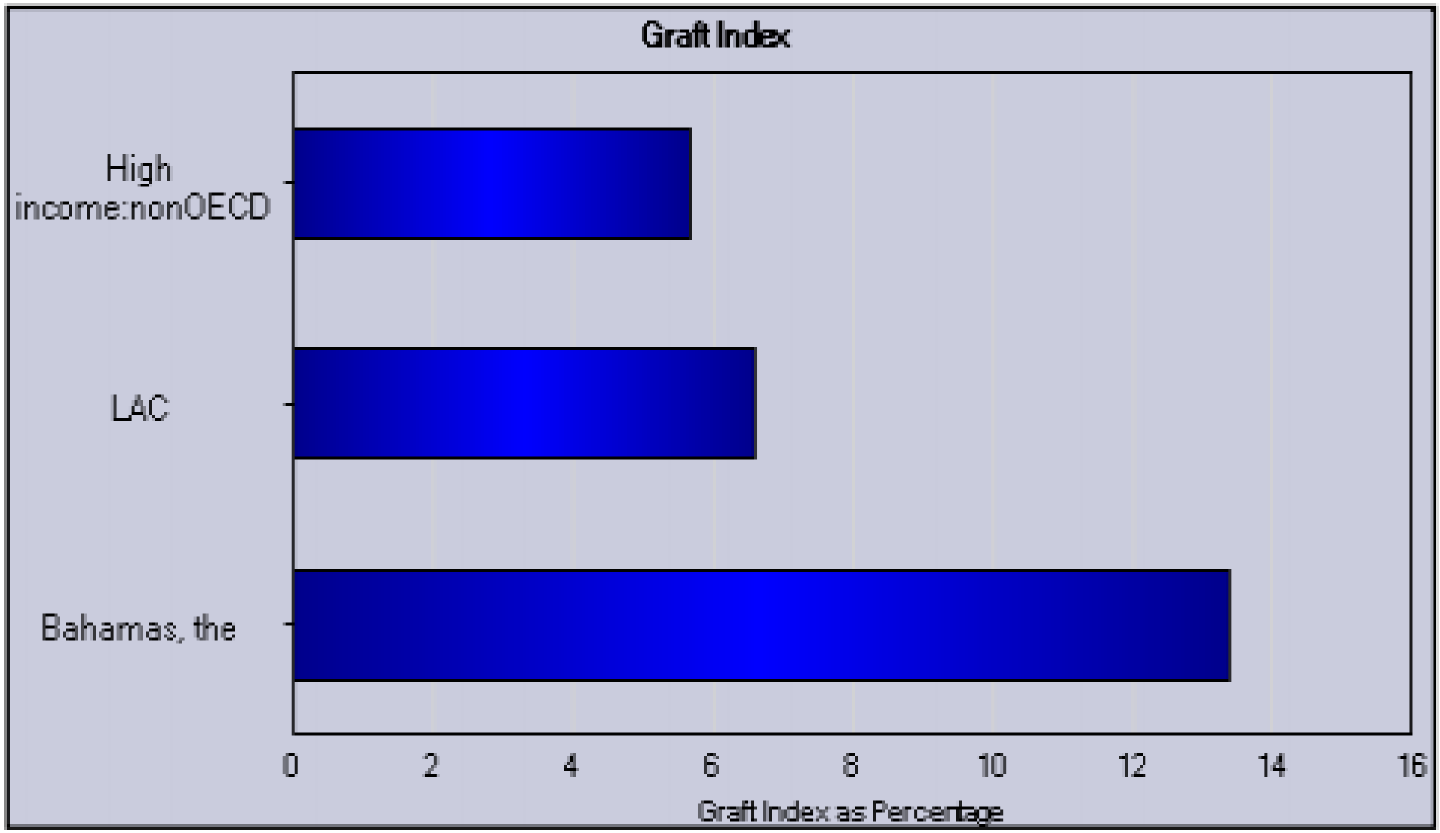
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

Key Strategic Goal is the Strengthening of the Centre of Government to Improve Effectiveness

Center of Government

- **1. Strategic management**
  - Planning the government's key priorities to ensure coherent, actionable, and measurable goals.
- **2. Coordinating policy**
  - Chairing interministerial committees for the design and implementation of programs in cross-cutting issues.
- **3. Monitoring and improving performance**
  - Monitoring progress in the priorities and intervening to enable performance and unblock obstacles.
- **4. Managing the politics of policies**
  - Leading the political negotiations with other actors to ensure the approval of the government's plan.
- **5. Communicating results and accountability**
  - Producing a coherent narrative of the government's actions and achievements and being accountable to the public.

Graft Index



Enterprise Surveys – Bahamas Country Profile
http://www.enterprisesurveys.org/

CRIME AND CRIMINALITY

The High Level of Criminality limits the Growth Potential

- Disaggregated crime data show that there have been continuous increases in the most violent crimes: murder, armed robbery and rape. The murder rate, for example, has more than doubled in the last 10 years. In 2013 the homicide rate was 31.5 per 100,000 people (higher than the average homicide rate for the Caribbean region: 20 per 100,000 inhabitants).

- In 2013, an important portion of murder victims were young (37% under age 25), males (87%), killed with a firearm (82%), due to unresolved conflicts (14%), domestic violence (14%), robbery (20%) and retaliation (33%).

- Armed robberies have increased by 54% in the last decade (from 663 in 2004 to 1022 in 2013) and robberies have increased 81% (from 199 in 2004 to 361 in 2013).

Source: Extracted from IDB

Things are Improving – Instances of Crime (other than murder) Fell

Crime Statistics 2011-2014

	2012	% chge	2013	% chge	2014	% chge
Crimes Against Persons						
Murder	111	-13	119	7	123	3
Attempted Murder	19	58	15	-21	22	47
Manslaughter	1	0	4	300	3	-25
Rape	97	-9	105	8	75	-29
Attempted Rape	12	-57	22	83	12	-45
Unlawful Sexual Intercourse	167	-7	165	-1	111	-33
Armed Robbery	1,099	10	1,022	-7	920	-10
Robbery	361	-2	365	1	350	-4
Attempted Robbery	31	-28	30	-3	31	3
Sub-total	**1,898**		**1,847**	**-3**	**1,647**	
Crime Against Property						
Burglary	309	-9	275	-11	188	-32
Housebreaking	2,875	-11	2,265	-21	1,756	-22
Shop-breaking	971	3	912	-6	785	-14
Stealing	1,909	-2	1,952	2	1,558	-20
Stealing from Vehicle	2,284	-8	2,465	8	2,066	-16
Stolen Vehicle	1,332	0	1,157	-13	879	-24
Sub-total	**9,680**	**-7**	**9,026**	**4**	**7,232**	
Total	**11,578**		**10,873**		**8,879**	

SOURCE:- Fielding "Crime and Criminal Justice in The Bahamas" RBPF statistics for 2013-2014; US Department of State "Crime and Safety Report" for 2011-2012

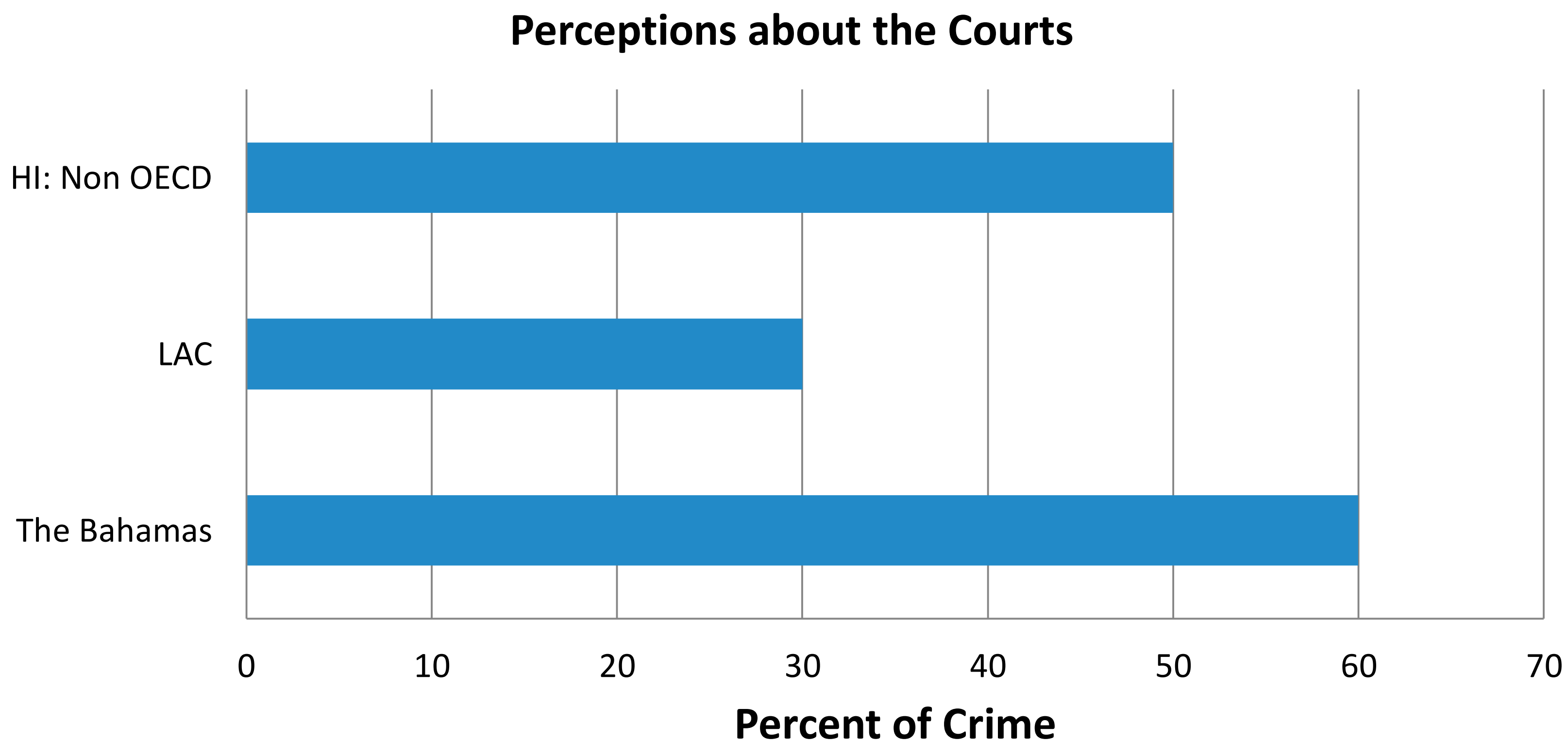
The Criminal Justice System is Strained

- Limited capacity of judicial institutions to address crime: Since 2008, The Bahamas has shown declining values for the World Governance Indicator (2012) related to the Rule of Law.
  - The justice system's inefficient management systems results in substantial backlog of cases. Preliminary inquiries or trials in the Supreme Court can last over a year leading to a large number of inmates awaiting trial (42% in 2013 according to the International Centre for Prison Studies).
  - In 2013, the incarceration rate was 379 per 100,000. Overcrowding was attributed to the large number of petty criminals and the backlog in processing at the remand center.
  - During the period of 2005-2009 only 5.1% of murder cases resulted in convictions. More recently, In 2013, 127 cases were tried resulting in 62 convictions, 54 not guilty verdicts and 25 dismissals.
  - The Swift Justice program, within the Office of the Attorney General should be strengthened to address the long backlog, the efficiency of the Court Reporting Unit and access to justice in high crime areas.

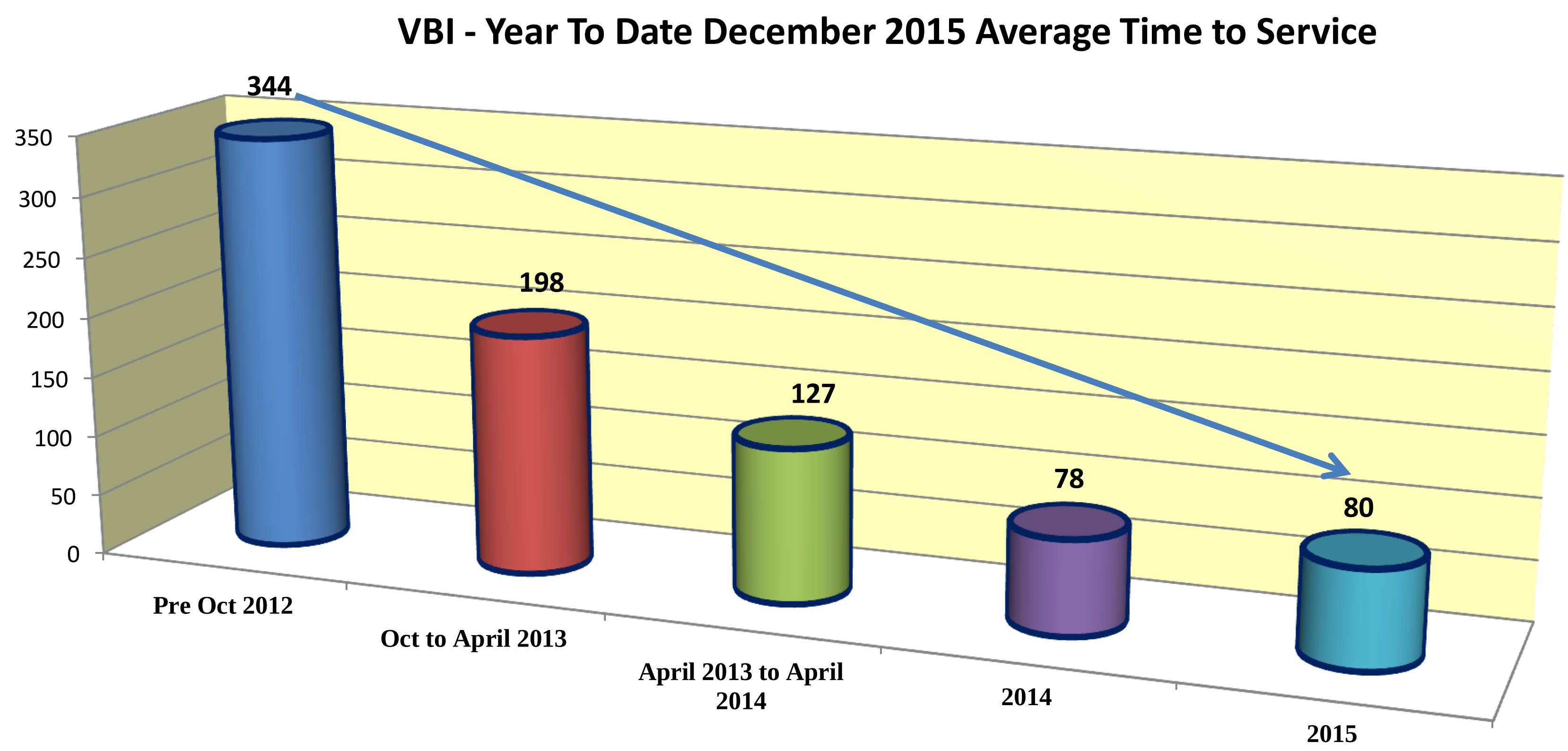
Source: Extracted from IDB

Source: Extracted from IDB
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39213074

However, 60% of Firms Believe that the Courts Are Fair, Impartial and Uncorrupted

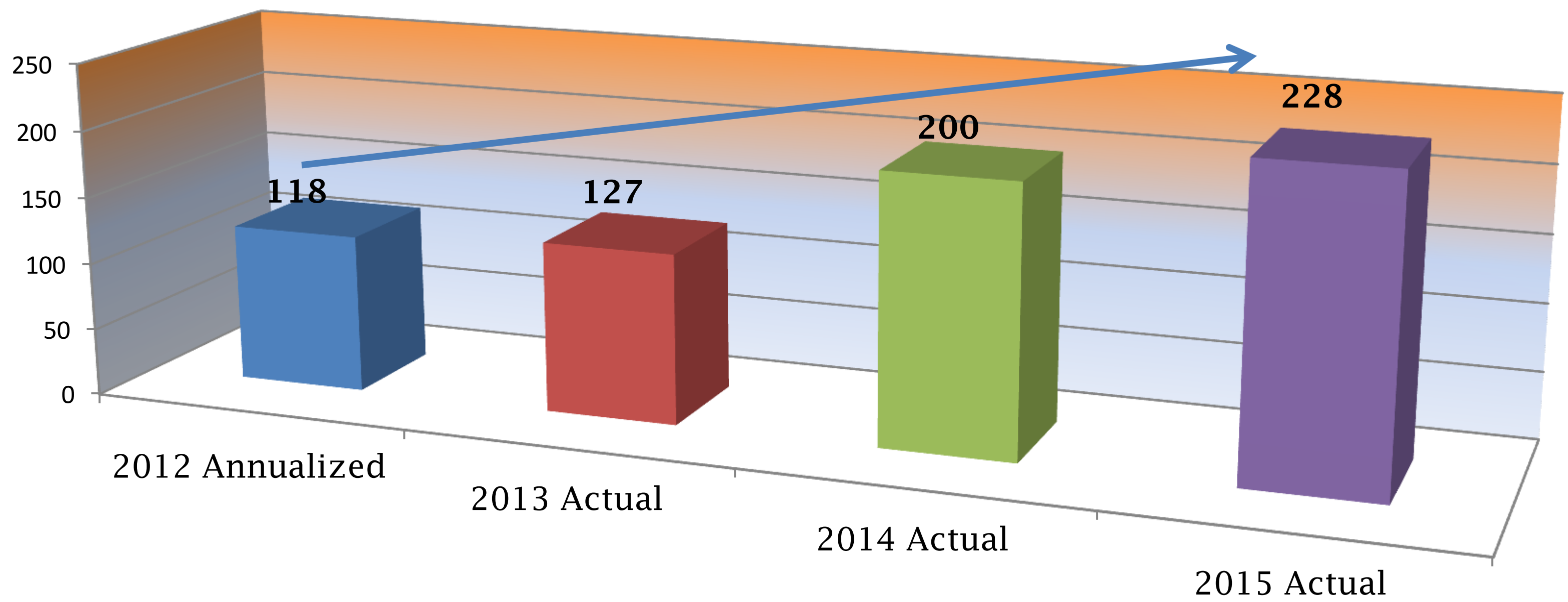


The SWIFT Justice Programme is Reaping Benefits – Falling Service Times



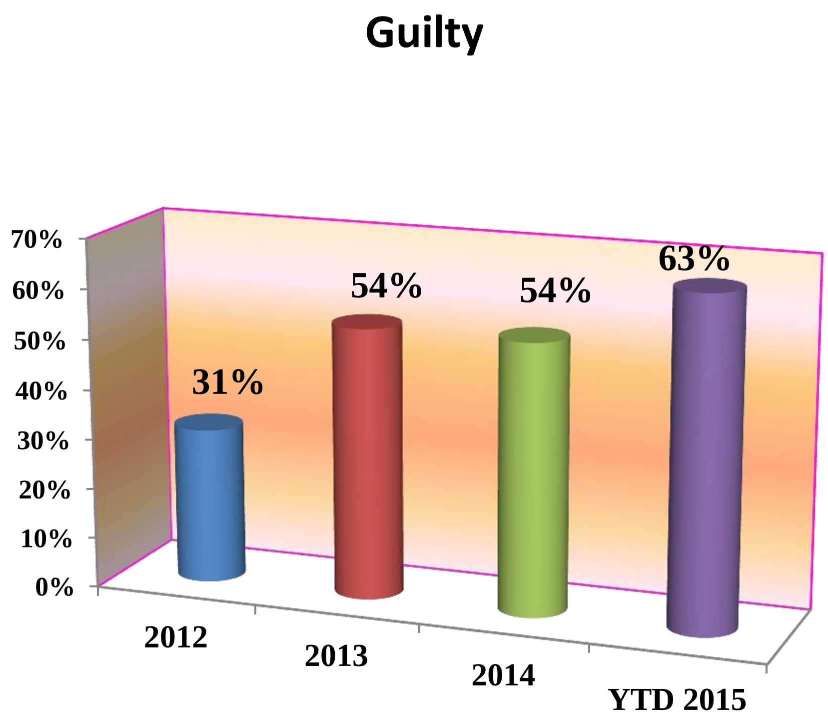
Source: Office of The Attorney General

Matters Resolved Increased by 93.2% between 2012 and 2015

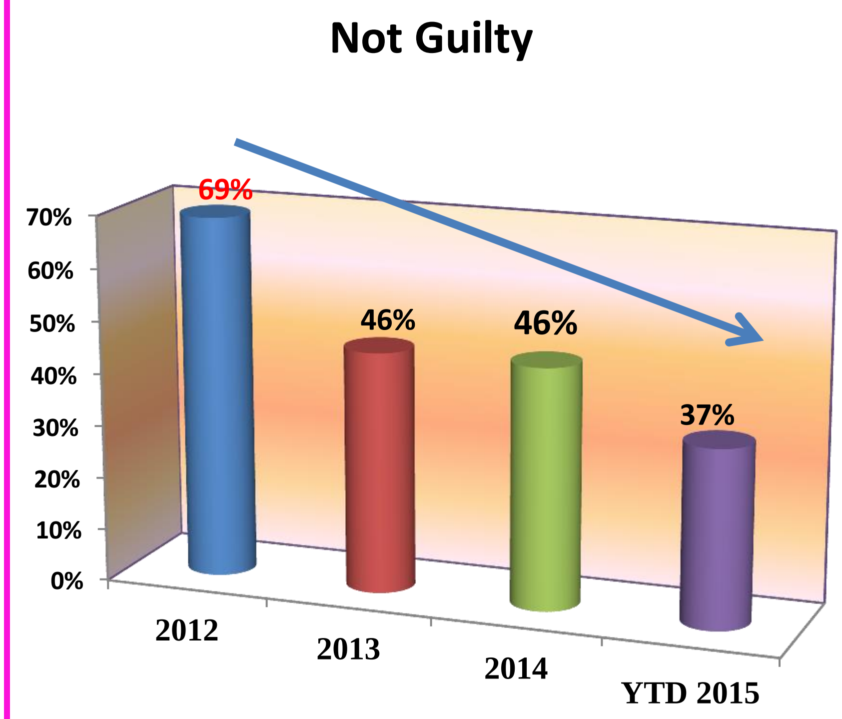


Source: Office of The Attorney General

In Addition to the Increased Number of Matters Resolved, a Higher Percentage of Matters taken to Trail returned Guilty Verdicts



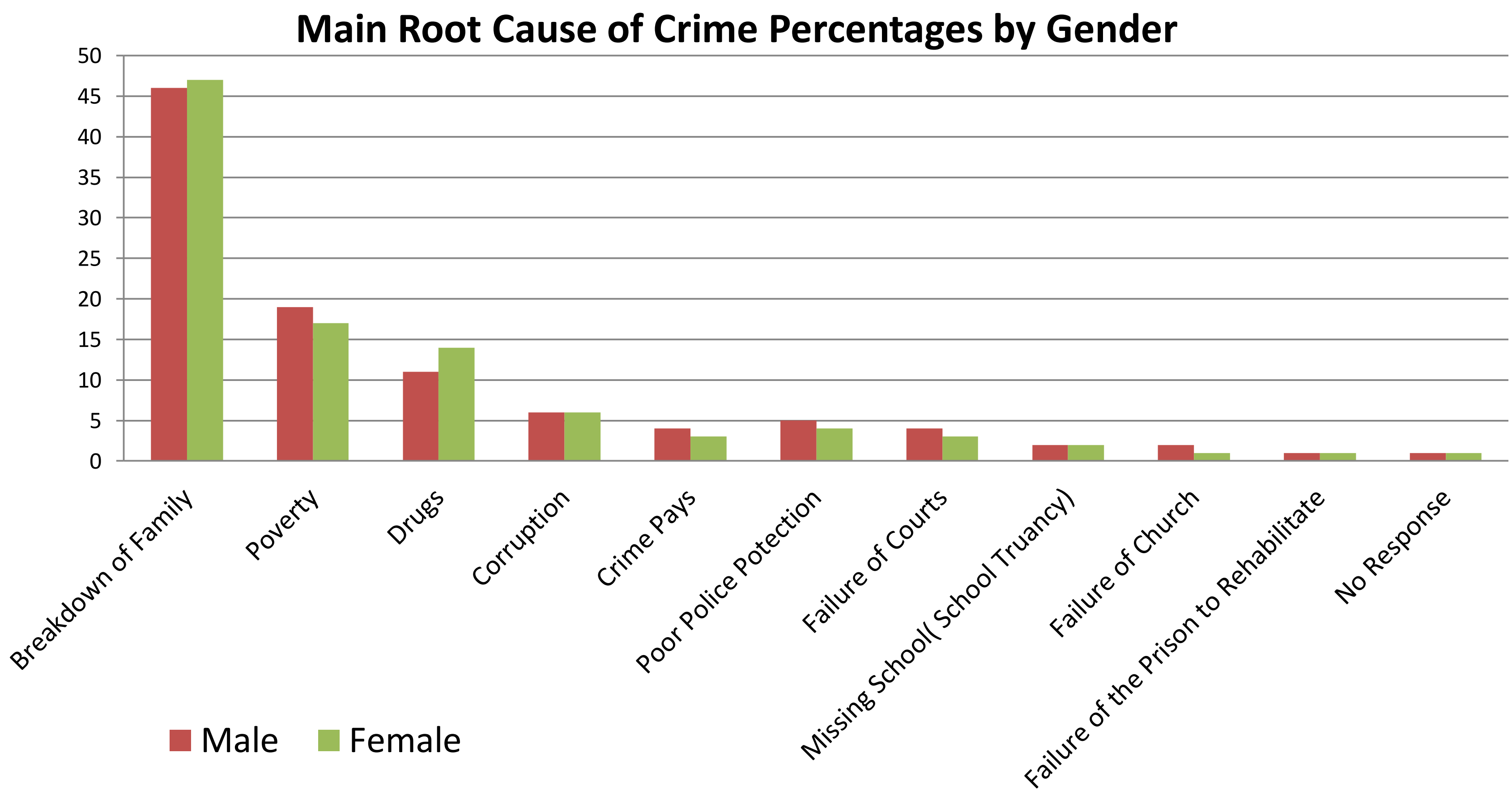
Source: Office of The Attorney General



Trials Types Year to Date (December 2015)

Offence	Offence Type		Trials	Guilty	Not Guilty	Mistrial	Nolle
106	Armed Robbery		25	20	14		10
79	Armed Robbery - Attempted - Receiving - Burglary- Causing Harm - Other Serious Offence		16	16	6	4	8
4	Arson						
205	Murder - Attempted Murder - Manslaughter - Abetment		58	42	27	7	13
22	Possession Of A Firearm - Possession Whilst Committing Another Offence		5	1	7		2
45	Rape - Attempted Rape - Attempted Rape or Rape With Another Offence		16	15	5		5
6	Stealing - Fraud - Related		1	3			
61	Unlawful Sexual Intercourse - Incest		20	12	6		9
528	**Grand**		**141**	**109**	**65**	**11**	**47**

The Breakdown of the Family, Poverty and Drugs and the Main Causes of Crime



SOURCE:- Fielding "Crime and Criminal Justice in The Bahamas" ," National Crime Commission 1998. Survey of Crime in The Bahamas"

The Youth are Disproportionately Affected by Crime

- Most homicide victims are in the 18-25 age group: 32% of murder victims in 2013; followed by the category of 26-35 year-olds with 30% of cases. (*RBPF)*

- In 2013, 54% of the prison population (sentenced and on remand) were between the ages of 14 and 30. This evidence suggests that interventions should target both youth and young adults. (*Ministry of National Security (MNS)*

- Small gangs are becoming an increasing concern in the country. Estimates of the number of youth involved in gangs range from 6,000 to 10,000. Many suburban communities are now experiencing increased gang-related crimes and violence. Around 50 different gangs have been identified as operating in the Bahamas varying in size, structure, membership and involvement with illegal activities.

Source: Extracted from IDB

While Most Crime Victims are Men, Violence Against Women (VAW) is Also a Concern

- Both domestic violence and rape disproportionally affect women and are highly underreported. In 2013, 14% of all homicides were related to domestic violence.

- Non-Fatal domestic violence was responsible for 28% of all assaults reported to the police in 2010-2013 and reported rapes have increased 17% since 2004.

- Average rape rate over the last five years (2009-2013) as 28.2 per 100,000, which is above the high Caribbean regional average.

- Emergency Room data show that treated cases of rape were nearly 1.5 times higher than those registered with the police in 2013, suggesting that the problem is likely larger than what is captured by administrative data.

Source: Extracted from IDB
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39213074

Unemployment and Youth At Risk

- **Research and evidence** show that a lack of attachment to school and the workplace during adolescence and adulthood contribute to the prevalence of youth violence.
- Youth unemployment (age 15-24) has doubled from 14.9% in 2001 to 32.3% in 2013 (three times larger than the rate of adult unemployment).
- Idle young people (not in employment, education, or training), are particularly vulnerable to continued labor detachment which may contribute to violent or antisocial behavior. Searching for jobs can be a discouraging process as more than 50% of youth remain unemployed for more than a year.
- The employability of youth hinges critically on the level of education and skills. Even though most students complete secondary education, only half of them graduate.
- Although there are not available measures of skill level of unemployed youth, most employers report difficulties in recruiting job candidates because of insufficient specific skills (66%), soft skills (24%) and numeracy skills (12%).

Source: Extracted from IDB
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39213074

The Environment (Built and Natural)

Pillar III

VISION2040

NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

Infrastructure and Environment: Key Issues

- Power rates are among the highest in the region due to a number of factors:
  - importing petroleum-based fuel to produce most of its electricity (cost + 11% of GDP,)
  - aging infrastructure leading to lost revenues (system losses,)
  - low bill payment rates, and
  - large staff complement compared to peer utilities in the region.
- The Bahamas is one of the top ten most vulnerable nations in the world to the impacts of climate
- Roads are generally in good condition. However, the road network in New Providence is hindered by a lack of room to expand, and traffic is often congested and chaotic.
- The lack of reliable public transit, including a school bus system, worsens the problem as people rely on their own vehicles.
- Archipelago nation leads to high per capita infrastructure costs (60 plus airports and 28 entry points as an example.)
- The water and sanitation infrastructure also faces significant problems. Years of inadequate maintenance have left the system with an extremely high water loss rate, currently about 56%.

Natural Environment: Strengths and Weaknesses

STRENGTHS

- Spectacular natural setting and climate that drives tourism and provides a unique lifestyle for citizens
- Plant, wildlife, and marine ecosystem that provides nourishment for citizens and supports tourism
- Signatories to a number of international treaties and domestic laws to protect ecosystem
- Strong disaster awareness and response protocols
- High levels of biodiversity including unique wildlife
- Rising awareness and action within government to protect the environment
- The advocacy role played by the BEST Commission

WEAKNESSES

- Large project development and urban living have led to degradation of the environment
- Lack of data collection processes to monitor the natural environment
- Enforcement of treaties and legislation
- Lack of an overall encompassing legislation (including land use planning and development guidelines) to ensure the protection of natural resources in the future generations
- The coming effects of climate change are not well understood by the public
- Fires from dump sites create air-borne health hazards

Natural Environment: Opportunities/ Threats

OPPORTUNITIES

- Access to international information and funding to study, monitor, evaluate and protect the natural environment
- Bahamas Agricultural and Marine Studies Institute may become not only a national success, but a regional success
- Improving and enforcing laws and policies to protect the environment will also provide benefits to human health and the economy
- Healthy levels of biodiversity may lead to additional pharmaceutical research
- Undeveloped family islands continue to offer FDI and eco-tourism opportunities
- Alternative energy technologies are becoming more cost effective and safer for the environment

THREATS

- The Bahamas is listed as one of the top 10 nations to be affected by climate change (intensity of storms including hurricanes, rising seawater, uninhabitable land, migration, loss of certain species)
- Mitigating climate change will consume a greater share of the budget (infrastructure)
- Less than 20% of the population is connected to central sewage systems risking human health
- Non-lined dump sites create leachate contaminating water tables and land
- Continued coastal development (erosion and overuse of natural lands and marine)
- Importing of fuel including bunker C for electricity creates risks of leakage

Infrastructure: Strengths and Weaknesses

STRENGHTS

- Significant built infrastructure given the population and archipelago
- New investments in water systems via IDB loan has already started to pay dividends for the WSC
- New public infrastructure in the form of roads and ports
- New and modern terminals at Airport has provided increased passenger capacity for the foreseeable future
- The Government is exploring options to address the shortcomings of electricity generation and distribution.

WEAKNESSES

- Power rates and the number of power outages remains a source of concern
- Connecting to a drinking water system is limited
- Water losses is at high levels and low utilization of sewage system
- Traffic congestion in Nassau is problematic
- Public transit requires a new governance model and investment
- Diversifying the economy may require public investments as well as FDI – Use of PPPs
- Solid waste management requires new regulations and investments
- There is limited capital planning and no consolidated database of infrastructure assets, condition, maintenance and priority

Infrastructure: Opportunities and Threats

OPPORTUNITIES

- Structural changes to the management and/or ownership of BEC provides an opportunity for an injection of capital and new processes
- International fuel prices are lower, providing some relief for ratepayers
- FDI and development bank interest in infrastructure will continue to be available as the world economy strengthens
- The development of a capital planning process within government enables decision makers to prioritize investments across ministries and sectors
- Enhanced maintenance regimes will enable an extension of the lifecycle of public infrastructure
- Public support for improvements to the landfill, BEC and public transit is high,
- Alternative energy technologies are becoming more cost effective

THREATS

- Public finances are not conducive to a large infrastructure renewal program.
- The cost to rehabilitate the transmission and distribution system and add new generation capacity is steep without private investors
- Climate change will likely lead to higher sea levels as well as severe storms and hurricanes. This will have a direct effect on infrastructure

Family Island Modernization Programmes will Improve the Environment

Road works on: Abaco, Acklins, Eleuthera and Ragged Island

Redevelopment and expansion of airport on North Abaco Island to ICAO Standard

Redevelopment and expansion of airport on Bimini Island to ICAO Standard

Redevelopment and expansion of Fresh Creek shipping dock, Andros

Redevelopment and expansion of the Three Island Dock on Eleuthera Island

Redevelopment and expansion of shipping dock and ferry terminal on Bimini Island

Redevelopment and expansion of airport, construction of shipping dock and

Royal Bahamas Defence Force berthing facilities on Ragged Island

New Providence and Family Island Transformation and Modernization Programmes

$210 million – public private partnership arrangement of Bahamas Telecommunications Company (BTC): Cable and Wireless and Bahamas Government	$400 million – Lynden Pindling International Airport Re-development and Expansion Project	$290 million – New Providence Road Enhancement Project – improvement and construction of 24.6 miles of roads in 19 corridors
$12 million – Nassau Straw Market and Urban Park – to replace destroyed historical centre	$44.2 million – Nassau Harbour Dredging and Widening Project – to accommodate larger cruise ships	$17 million – public private partnership arrangement of Arawak Port Development Company – construction of shipping/port facilities from Downtown Nassau to Arawak Cay
$30 million – construction of Thomas A. Robinson National Stadium	$72 million – Airport Gateway Project- construction of expanded roadway	$52 million – construction of Critical Care Wing at the Government-owned Princess Margaret Hospital

Infrastructure - Energy is a Key Driver of Growth and Development – The Situation Today

- The commitment to bring electricity to every corner of The Bahamas
  - unified tariff system
- Dependent on imported fossil fuels to meet energy needs.
  - Dependent on global oil prices
  - Continued price uncertainty given global trends
  - Balance of payments impacts
- High cost of fuel per kilowatt-hour sold
  - High energy costs results in
    - Uncompetitive business environment
    - Reduces disposable household income
- Serious impact of current technology on the environment
  - The need for renewable sources given issues of Climate Change

The Energy Situation Today Cont'd

- Reliability also appears to be an issue
  - forces many businesses and households to operate their own generators

- Management issues:
  - High system losses,
  - Maintenance issues
  - High delinquency rates

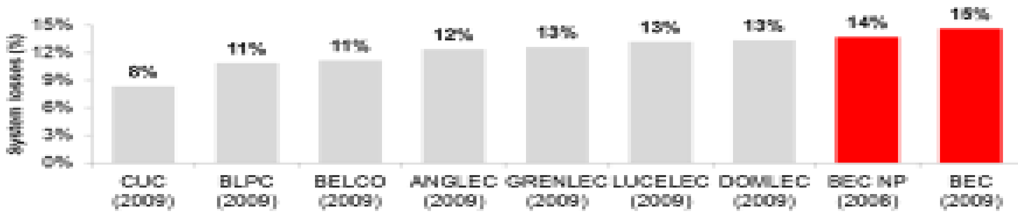
- There are few energy conservation measures
  - Power consumption can be reduced by as much as 25 per cent through more effective conservation and efficiency measures.
  - Some progress in the business sector
  - Needs national standards for efficiency

Improvement at BEC = Growth Potential for The Bahamas

BEC Fast Facts	
438 MW	100,000 customers
Valued at approximately \$500 – \$520 million	29 generation stations

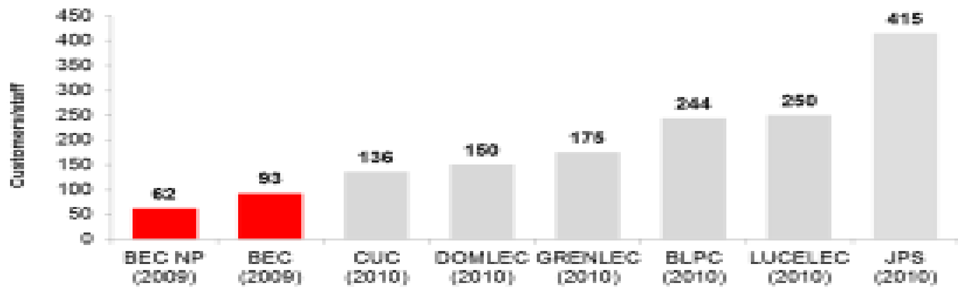
Compared to its peers in the Caribbean, BEC has:	
Higher system losses	17% versus 10%
Higher energy costs	44c per kWh versus 33c
Lower generational load	60% versus 71%
Higher customer complaints	109 per 1000 customers versus 51 per 1000

BEC Systems Losses and Staff Efficiency



System Losses

Higher than the level for many Caribbean utilities.



Staff Efficiency

Low staff productivity as main drivers of high operating expenses.

BID

Extracted from IDB's presentation at the Bahamas Energy Security Forum, December 2015

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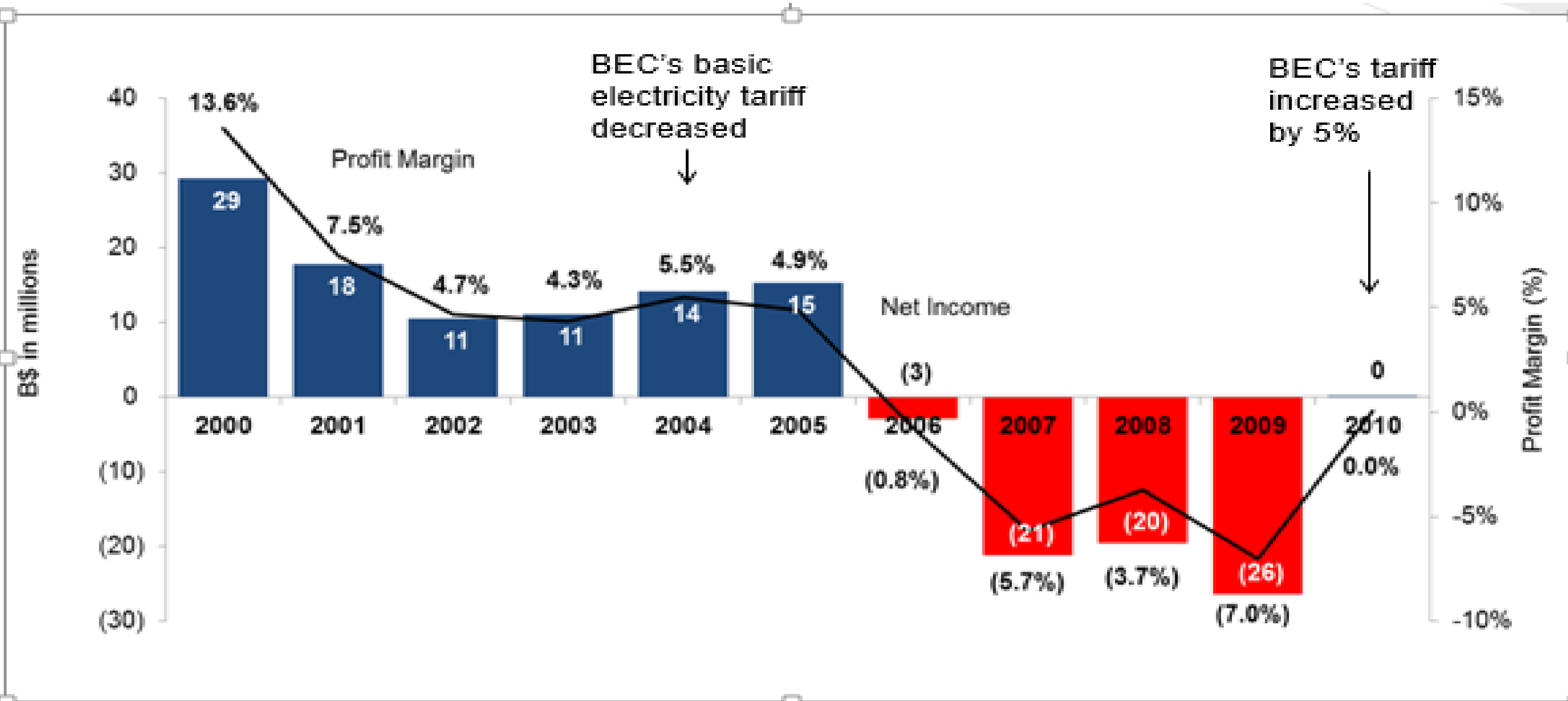
BEC Profitability



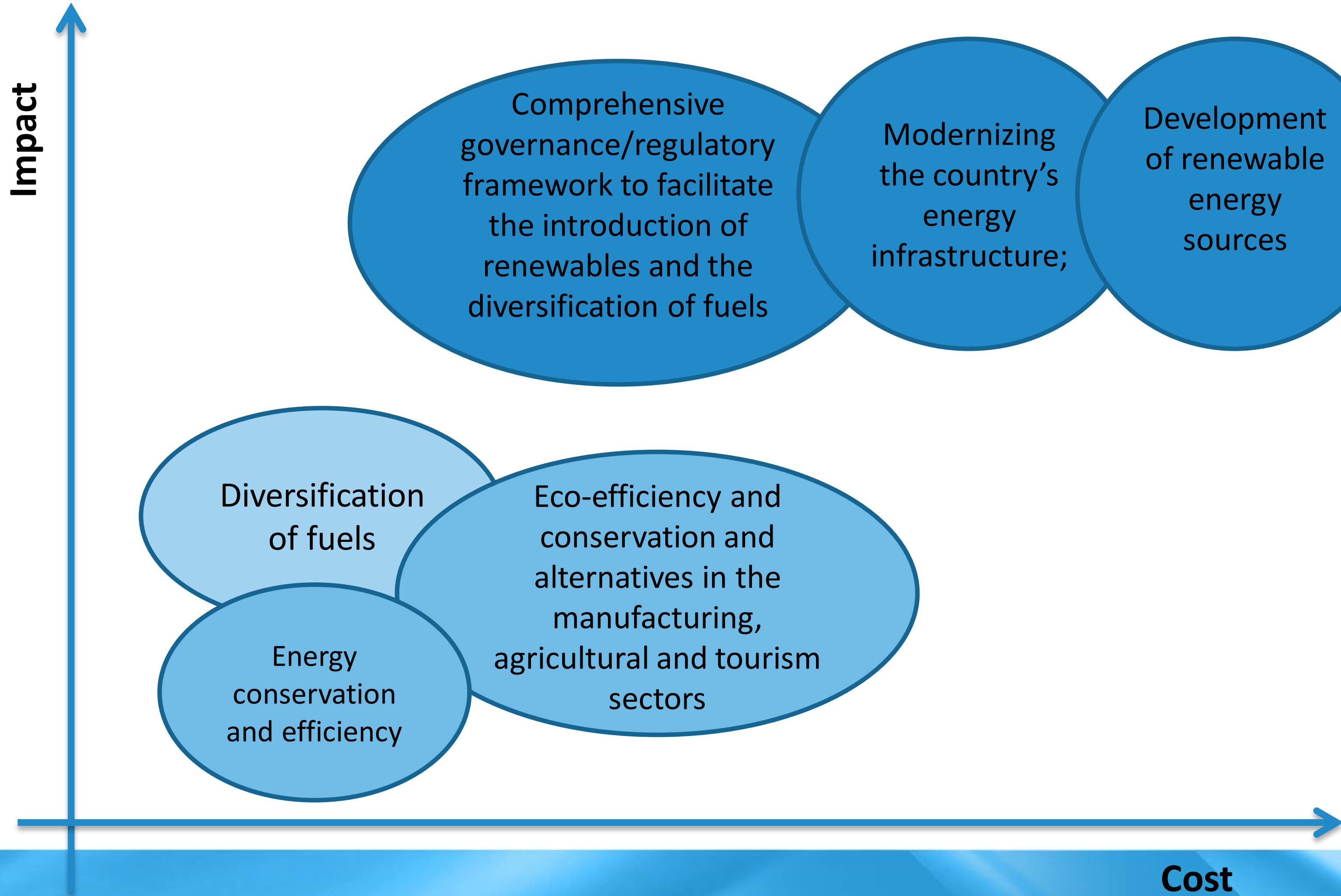
Source: BEC's audited financial statements from 2000 to 2010.
BEC has not made the financial statements for 2011 and 2012 available.

Source: Extracted from IDB's presentation at the Bahamas Energy Security Forum, December 2015

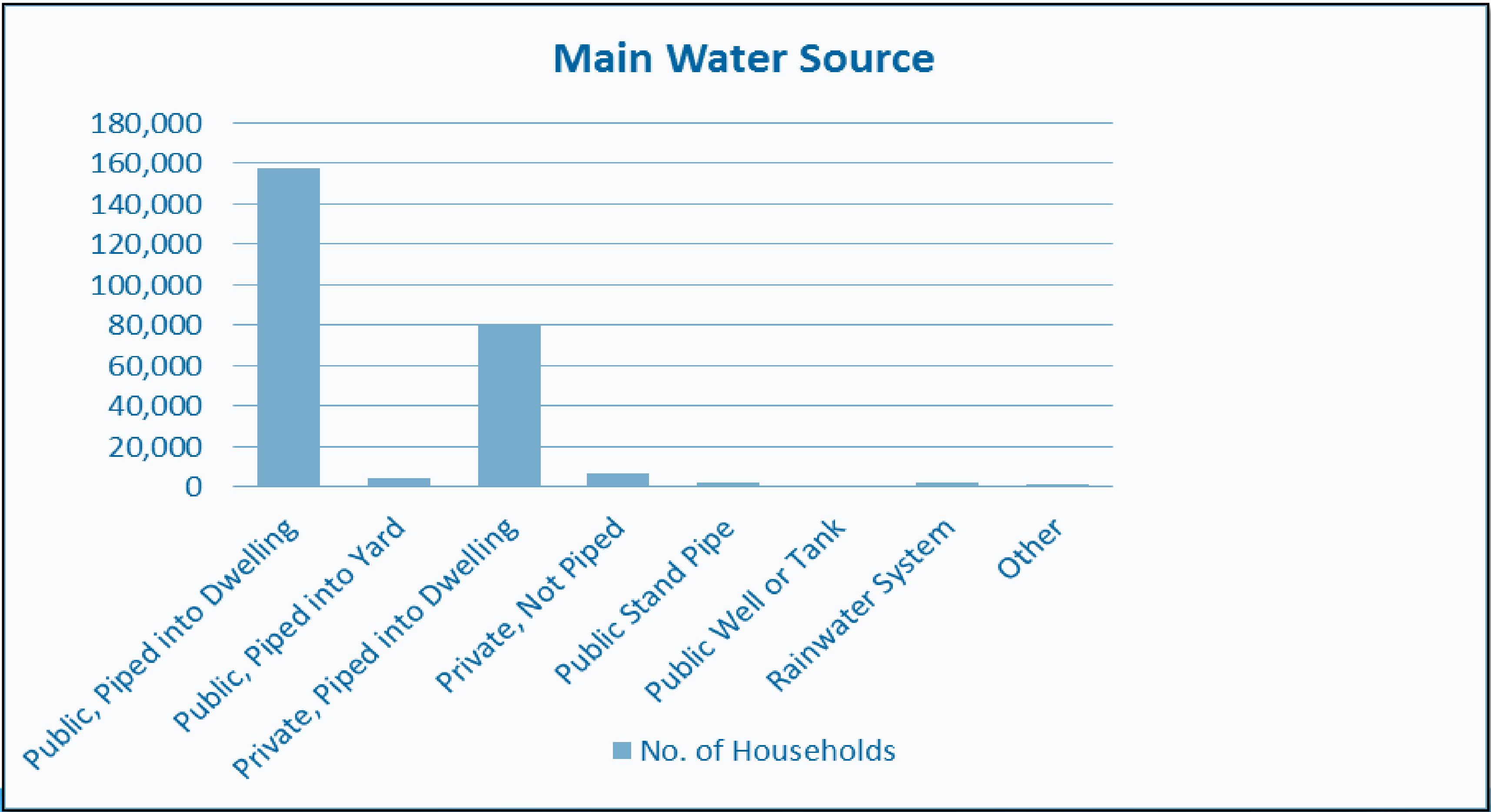
A Bold National Energy Policy to Increase Energy Efficiency and Security

1. Ensure the security of energy supply through diversification of fuels;
2. Modernise the country’s energy infrastructure;
3. Utilisation of renewable energy sources such as solar, ocean energy, biofuels, waste-to-energy and wind;
4. Increased focus on energy conservation and efficiency;
5. Develop a comprehensive governance/regulatory framework to effectively support the advancement of the energy sector; and
6. Seek eco-efficiency in the manufacturing, agricultural and tourism sectors and government as leaders in energy conservation and the use of renewable energy .

The Discussion Needs be about the pathway to action through an Evaluation of Priorities



Access to Clean Safe Water Critical: High Usage of Well Water which is Vulnerable to Intrusion



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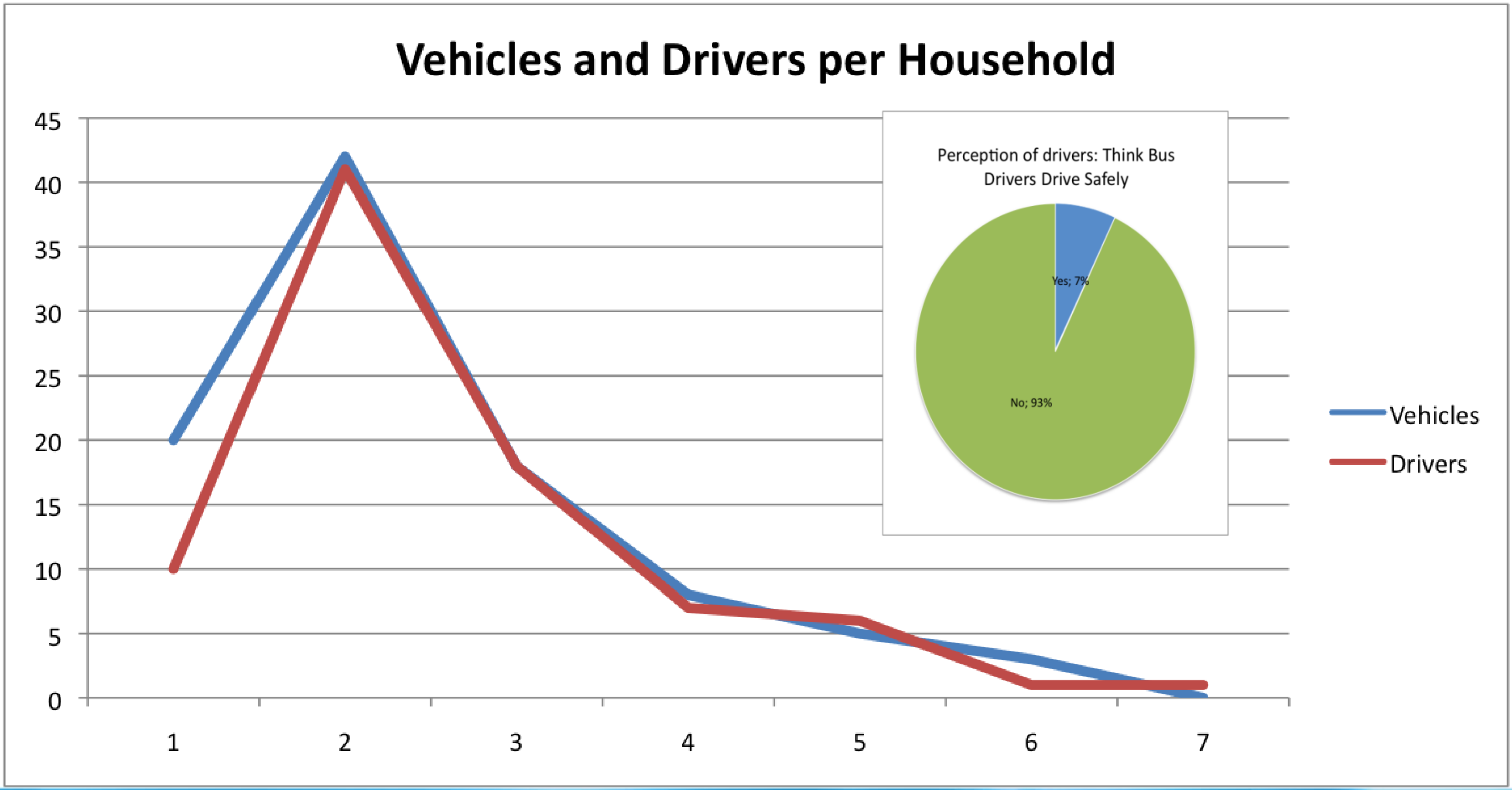
A Quick Look at the Transportation Sector

AREA	UNIT	BAHAMAS	REGIONAL AVERAGE
Transport sector % GDP	%	**3.9**	6.3
Population	millions	**0.4**	22.5
Land area	sq km	**13,880**	780,793
Retail price diesel oi	US$/liter	**5.20**	1.29
Retail price gasoline	US$/liter	**5.46**	1.41
Total vehicles / 1000 inhabitants	vehicles/1,000 inhabitants	**397.7**	222.3
Heavy vehicles / 1000 inhabitants	vehicles/1,000 inhabitants	**16.76**	18.03
Diesel oil consumption / capita	barrels/capita/year	**8.86**	1.28
Gasoline consumption / capita	barrels/capita/year	**4.72**	1.32
Road density (area)	km/km2	**0.196**	0.461
Road density (population)	km/1,000 inhabitants	**7.7**	5.4

Lots of Cars on the Roads…..In part due to concerns over public transit



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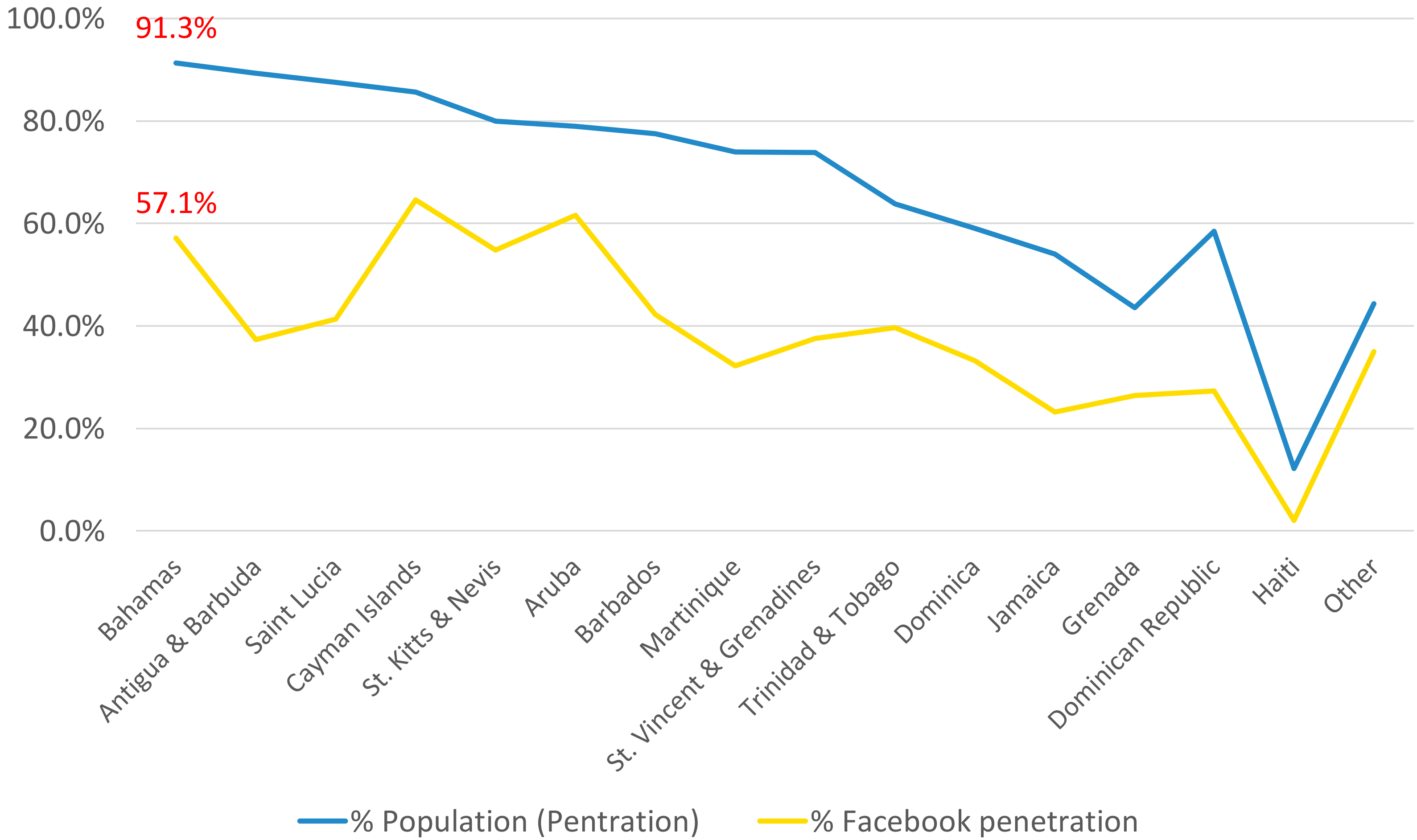
Internet Penetration is High



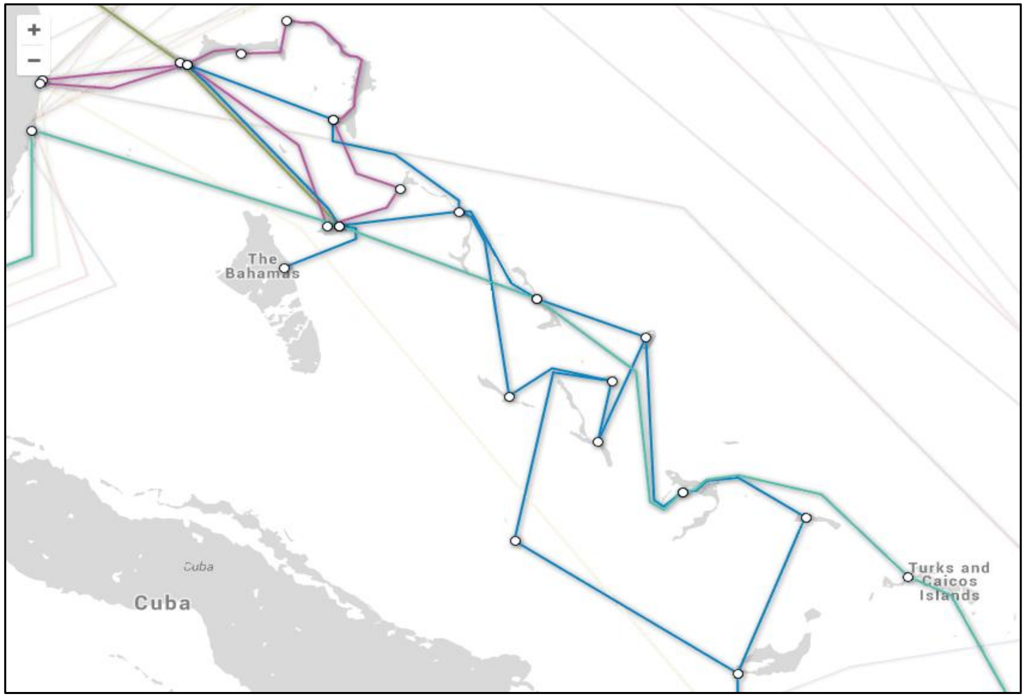
The Bahamas' Ranking (Broadband Prices)

Indicators	Data for The Bahamas	Country Ranking
Broadband Internet prices (fixed)	USD$ 29.99/Mbps PPP$ 26.37/Mbps	56th in the World 2nd in the Caribbean
Mobile post-paid broadband price, as a % of GNI p.c.	0.89	39th in the World 1st in the Caribbean
Mobile prepaid broadband price, as a % of GNI p.c.	1.11	53rd in the World 1st in the Caribbean
ICT Price Basket (IPB) – All Services	1.2	48th in the World 2nd in the Caribbean

Source: ITU, 2015. Measuring the Information Society Report.

[1] Includes fixed and mobile telephony.

Map showing the four (4) submarine cable systems connected to The Bahamas



[1] Florida; Bahamas (Caves Point, Crown Haven, Current, Hawksbill, Riding Point, Sandy Point)
[2] Bahamas (Eight Mile Rock, Nassau); Florida
[3] Bahamas (Cat Island, Clarence Town, Cockburn Town, Crooked Island, Duncan Town, Fresh Creek, George Town, Governors Harbour, Hawksbill, Matthew Town, Mayaguana, Nassau, Port Nelson, Sandy Point); Haiti
[4] Bahamas (Cat Island, Crooked Island, Nassau); Belize; Nicaragua; Mexico; Columbia; Puerto Rico; Panama; Florida; Turks and Caicos; Guatemala; Honduras; Costa Rica; Dominican Republic; Venezuela; Curacao

The Economy

Pillar IV

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Pillar IV: Economy

- The Bahamas is one of the most advanced economies in the Caribbean
  - tourism which is heavily reliant on the US Market; and
  - financial services.
- The industrial sector, agriculture and fisheries and manufacturing only form a marginal part of the economy.
- The economy is susceptible to climate change and other natural disasters.
- The relatively small population is an inherent inhibitor of building a critical mass for businesses and growth strategies.
- The country's tax base is narrow and largely dependant on tourism and trade: exacerbating the government's capacity to fund essential services.
- Recent years has seen negative growth which has yielded critical socioeconomic consequences.

The Economy: A SWOT Analysis

S

STRENGTHS

- Strategic Location: next to the USA
- Natural resources: land and water resources associated with a tropical archipelago
- Excellent deep water port (Freeport) with room for expansion – able to service superpanamex ships, and fourth largest oil terminal for transshipment in the world
- Recent foreign investment in tourism.
- Low Tax Regime
- Recent infrastructure improvements, including:
    - Expanded and improved Lynden Pindling Airport;
    - New roads on New Providence;
    - New water pipes and fresh water production plants built
- Progressive action to restructure the financial sector;
- Market recognition in tourism and financial services

W

WEAKNESSES

- Vulnerable - suffering downturn, sluggish growth subject to external shocks)
- Large and widening trade deficit
- High levels of unemployment and poverty
- Low levels of productivity
- Dramatic rise in crime and violence
- Poor educational attainment
- Public sector fiscal positions (high current deficits, growing debt, rising GDP to debt ratio
- Challenging geographic configuration
- Relative high costs of living and high costs of dong business
- Infrastructure deficiencies (water supply experiences high technical and commercial losses; poor reliability of electricity and high electricity costs

The Economy

O

OPPORTUNITIES

- Recognized business opportunities:
    - Diversification within the tourism sector based on product development
    - Strengthening of the financial services sector
    - New sectors (marine industries, logistics, agro-industries, call centres; bio farming the sea)

•New University – Expansion of the College of The Bahamas – skill upgrading programmes

•Development land available across the country

•Widening of Panama Canal (may lead to strengthening of transshipment and logistics activities in The Bahamas)

•Leveraging the skills and investments of the Bahamian diaspora

T

THREATS

•Capabilities of Government and governance issues (necessary improvements to transparency, accountability, government efficiencies and public sector reforms)

•Crime and security problems intensify

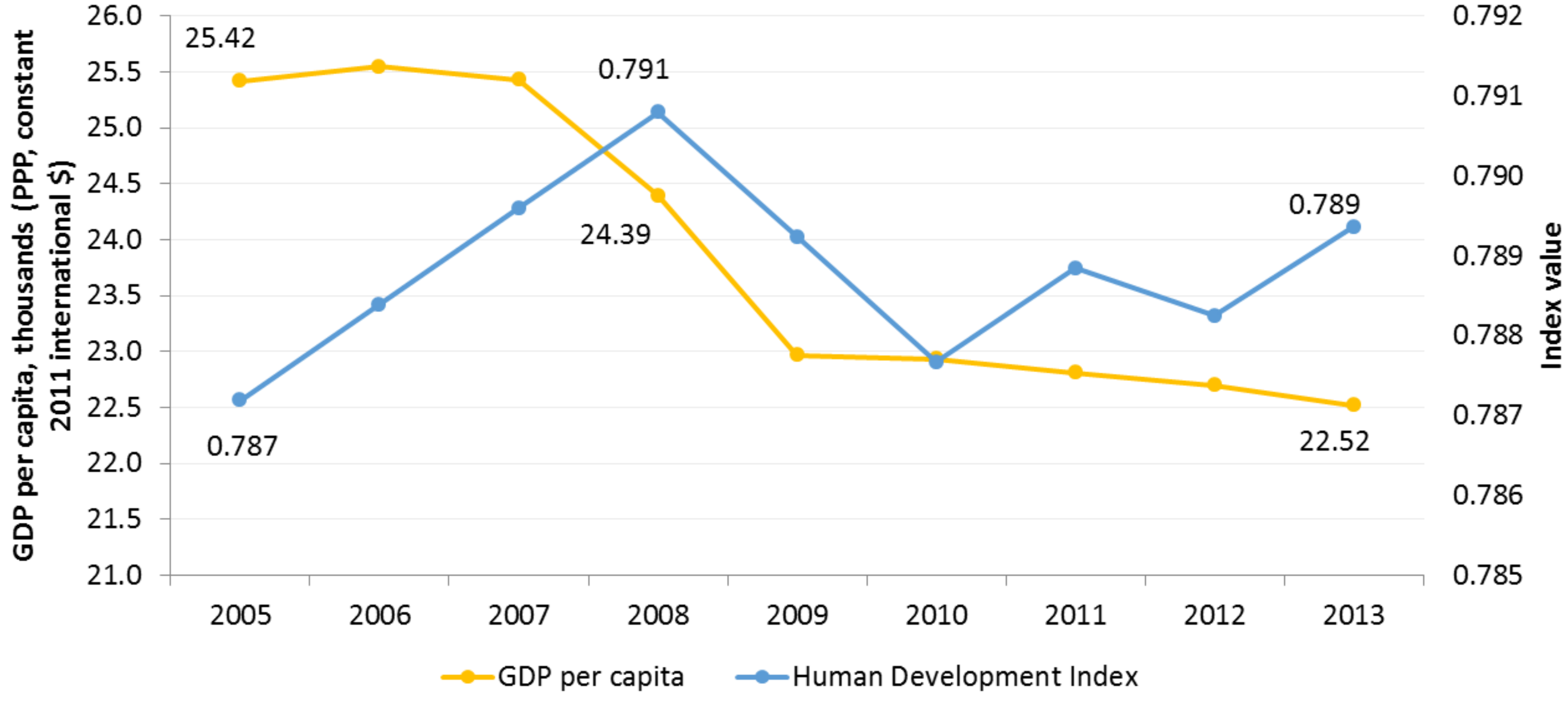
•Failure to continue to reform government finances

•Energy, transportation and utilities infrastructure not improved

•Climate Change adaptation not addressed

•Economic diversification/ strengthening not achieved

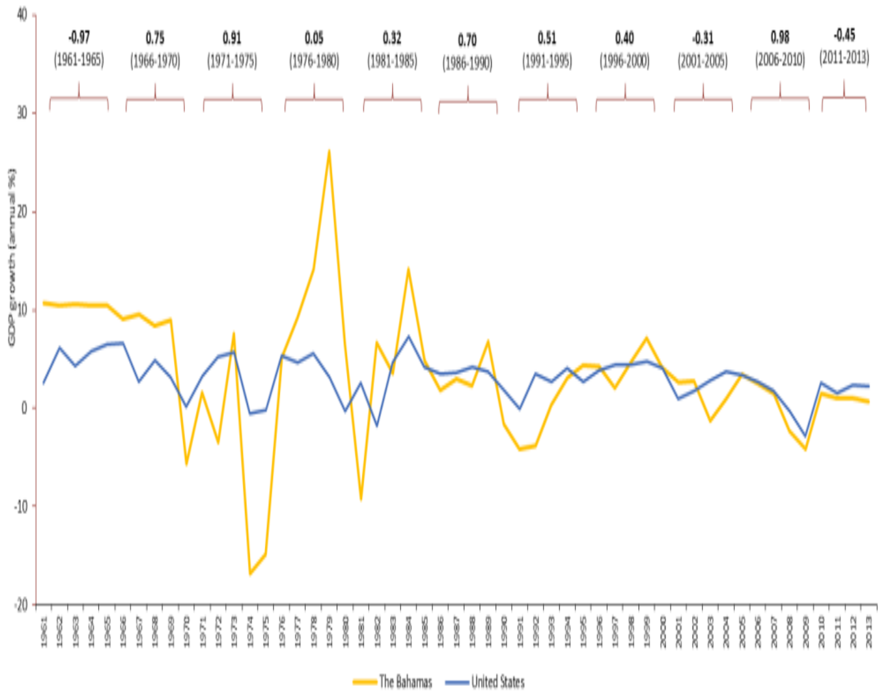
High Human Development Index In Spite of Falling GDP Per Capita

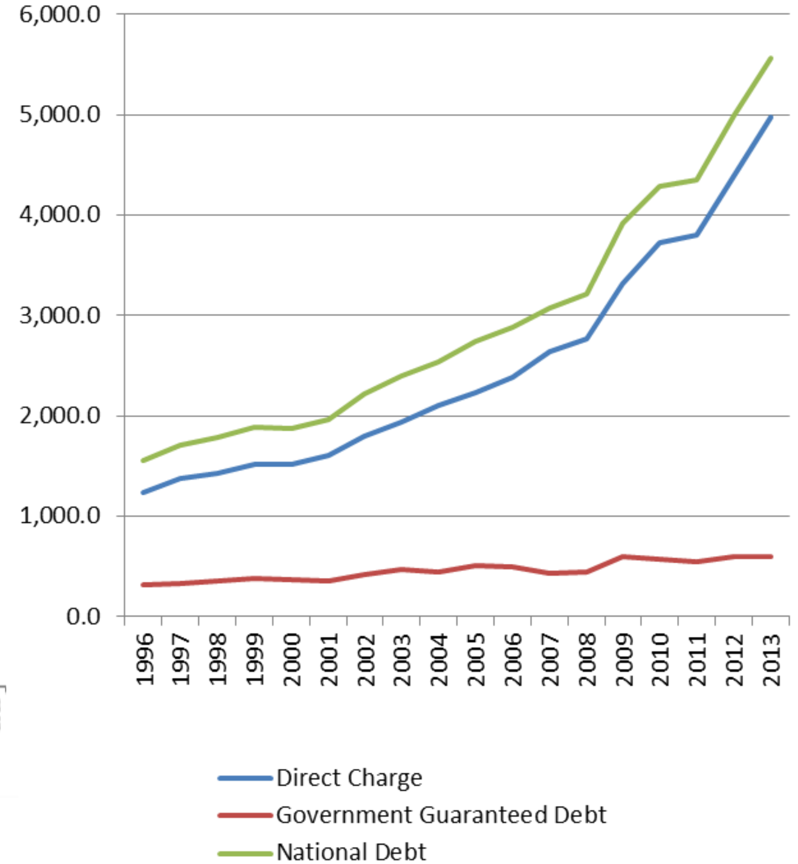


Source: Statistics from The World Bank, UNDP

An Economy Strongly Linked to the US with Growing Levels of Government Debt as Government Seeks to Reduce the Impact of the 2008 Crisis

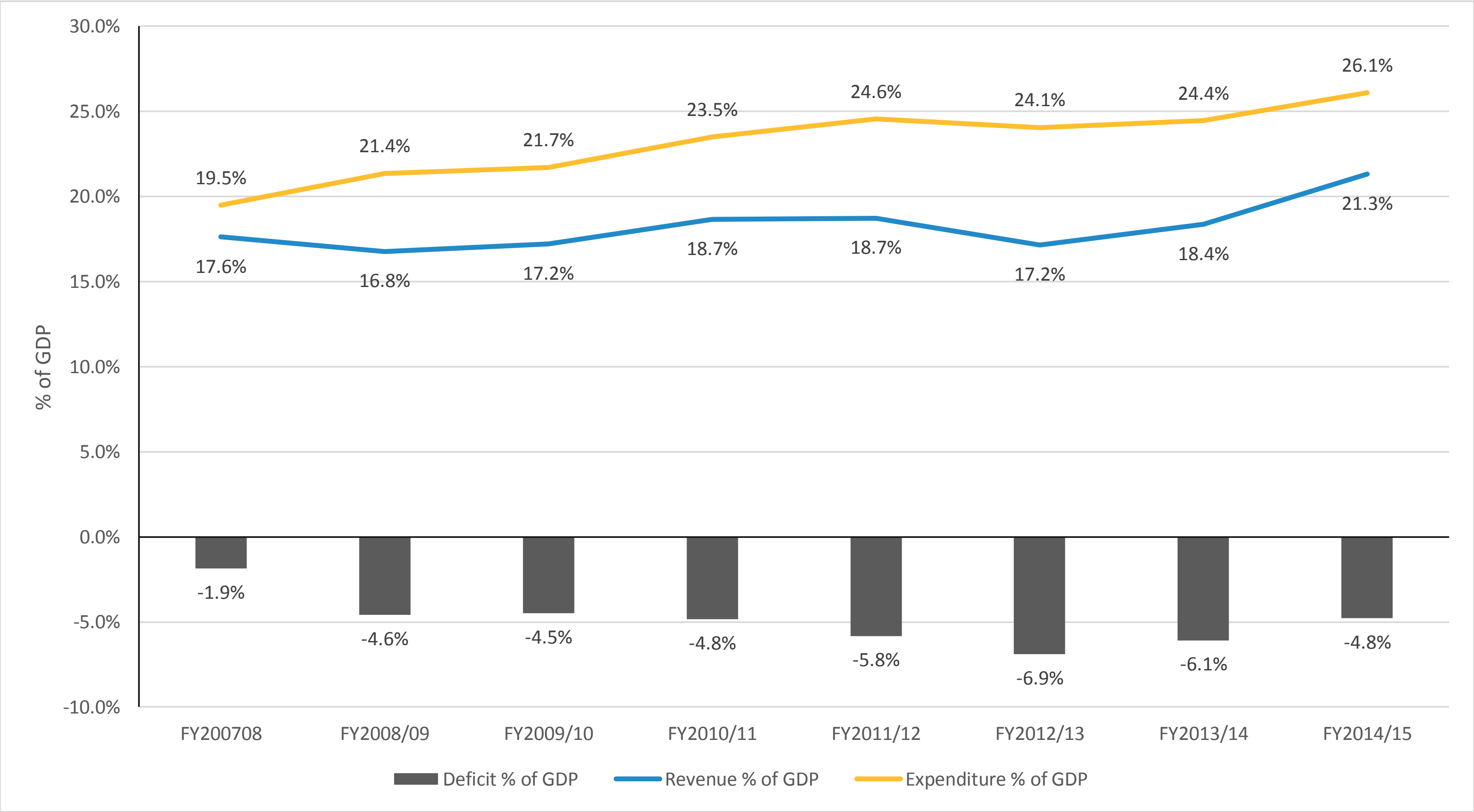
Graph 1: Bahamas and United States GDP growth correlation, by lustrum, 1961-2013





Source: Statistics from the World Bank

Widening Fiscal Deficit and Increased Debt Levels Challenge Government's Ability to Provide Services



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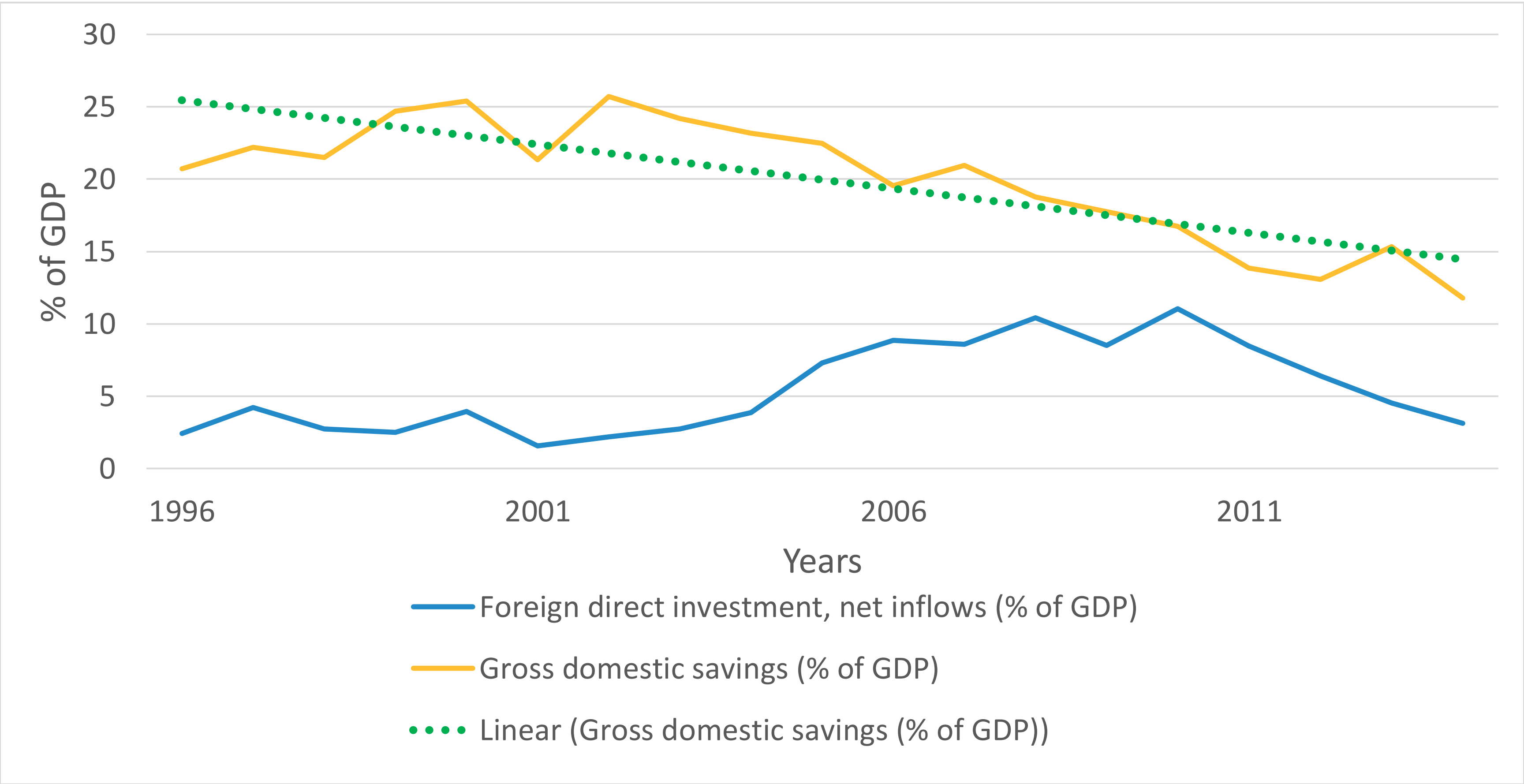
Low Savings Rate; Growth Funded Mainly by FDI

Need to increase savings to fund investment in the economy



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The Bahamas is very Successful at Attracting FDI but it is Not Utilized as Effectively as Possible

Figure 4. FDI Contribution Index vs FDI presence, 2011
(Quartile rankings)

Above expectations | In line with expectations | Below expectations

FDI Contribution Index	4th quartile (Low)	3rd quartile	2nd quartile	1st quartile (High)
High 1st quartile		Bolivia (Plurinational State of), Colombia, Finland, South Africa	Cambodia, Malaysia, Poland, Romania, Thailand, United Kingdom	Belgium, Czech Republic, Estonia, Hong Kong (China), Hungary, Ireland, Panama, Singapore, Sweden, Switzerland
2nd quartile	Argentina, Germany, Italy	Brazil, Dominican Republic, France, Slovenia	Bosnia and Herzegovina, Costa Rica, Croatia, Denmark, Honduras, Kazakhstan, Morocco, Norway, Portugal	Cyprus, Netherlands, Trinidad and Tobago
3rd quartile	China, Ecuador, Guatemala, Indonesia, Sri Lanka	Australia, Austria, Canada, Egypt, Lithuania, Peru, United Arab Emirates, Uruguay	Latvia, New Zealand, Spain, Ukraine	Bulgaria, Chile, Jamaica
4th quartile Low	Algeria, Greece, India, Japan, Kenya, Korea (Republic of), Paraguay, Philippines, Taiwan Province of China, Turkey, United States, Venezuela (Bolivarian Republic of)	Israel, Mexico, Russian Federation, Saudi Arabia		Bahamas, Barbados, Bermuda Luxembourg

FDI inward stock/GDP (Low → High)

Source: UNCTAD, *World Investment Report 2012*.

Recent Investments

$3.4 billion – BAHA MAR Hotel, Casino and Golf Resort project – largest single phase development in the western hemisphere, New Providence	$140 million – Albany Resort expansion project - to include medical facilities	$200 million – Resorts World Bimini Bay project, Bimini	$90 million – Club Med Hotel Resort, San Salvador
$30 million – The Cove, Eleuthera	$1.4 billion – Bakers Bay Golf and Ocean Club	Sunwing Memories Grand Bahama Beach and Casino Resort	$21 million – Norman's Cay Resort – Exuma
$40 million – February Point Resort Estates – Exuma	$30 million – Leaf Cay Resort – Exuma	$31 million – Fortune Island Hotel and Community Resort – Crooked Island	$63 million – Stocking Island Resort – Exuma

Negative Total Factor Productivity Erodes the Benefits of Capital and Labour Inputs

Table A.1a: MDCs: Growth accounting with $\alpha = 1/2$, 1971-2007

		Contribution to GDP growth in percentage points			Contribution to GDP growth in percentage		
	GDP growth[a]	Physical capital	Labour	TFP	Physical capital	Labour	TFP
Bahamas (the)							
1971-1980	3.5	1.1	1.1	1.4	29.9	30.2	39.9
1981-1990	3.1	3.7	1.6	-2.2	120.9	51.6	-72.4
1991-2000	1.9	3.3	1.0	-2.3	169.6	52.5	-122.0
2001-2007	1.4	2.9	0.8	-2.2	203.6	55.2	-158.8
Barbados							
1971-1980	2.9	1.4	0.2	1.3	47.6	6.4	46.1
1981-1990	1.3	0.7	1.3	-0.7	53.8	100.6	-54.4
1991-2000	1.6	0.5	0.6	0.5	28.9	40.8	30.3
2001-2007	2.0	0.6	0.3	1.1	28.1	17.3	54.6
Belize							
1971-1980	7.4	3.8	0.9	2.7	50.9	12.9	36.2
1981-1990	5.1	2.2	1.7	1.2	42.7	33.8	23.5
1991-2000	6.0	3.1	2.1	0.8	51.2	34.8	14.0
2001-2007	5.0	1.8	2.4	0.8	36.6	47.9	15.5
Guyana							
1971-1980	1.4	1.3	0.4	-0.2	88.6	27.9	-16.5
1981-1990	-3.2	-0.9	0.2	-2.5	28.9	-6.6	77.8
1991-2000	5.0	0.3	0.7	4.0	5.4	13.9	80.7
2001-2007	2.0	0.5	0.3	1.2	26.1	14.9	59.0
Jamaica							
1971-1980	-0.6	-0.3	0.9	-1.1	55.6	-152.8	197.2
1981-1990	2.7	0.1	0.8	1.8	4.1	29.2	66.6
1991-2000	2.0	1.3	0.2	0.5	64.7	10.1	25.2
2001-2007	1.8	1.3	0.0	0.5	71.7	0.5	27.8
Suriname							
1971-1980	..	..	..	..	..	..	..
1981-1990	-0.9	-0.4	1.5	-1.9	51.2	-172.2	221.0
1991-2000	0.7	1.4	0.4	-1.0	189.2	51.5	-140.8
2001-2007	5.7	4.7	0.7	0.4	81.6	11.5	6.9
Trinidad and Tobago							
1971-1980	5.3	4.7	0.6	0.0	87.3	11.6	1.1
1981-1990	-2.2	1.1	0.5	-3.7	-49.8	-21.3	171.0
1991-2000	3.2	1.1	1.2	0.9	35.5	37.1	27.4
2001-2007	8.8	1.2	0.7	6.9	13.2	7.9	78.9

Source: Author's calculations.
[a] Average annual growth rate.

Large and Negative

http://www.cepal.org/portofspain/publicaciones/xml/7/38247/lcarl244.pdf

An second IMF study confirms these findings

Table 2. Other Caribbean: Growth Accounting 1970–2007
(In percent, adjusted for the effects of hurricanes on capital)

	Average annual growth				Contribution to growth (% point)		
	Output	Capital	Labor	TFP	K	L	TFP
Bahamas	**2.34**	**5.02**	**2.30**	**-0.91**	**1.76**	**1.49**	**-0.91**
1971-1980	2.59	1.46	2.98	0.14	0.51	1.94	0.14
1981-1990	3.22	7.21	2.95	-1.22	2.52	1.92	-1.22
1991-2000	2.12	5.80	1.64	-0.98	2.03	1.06	-0.98
2001-2007	1.06	5.87	1.35	-1.87	2.06	0.88	-1.87
Barbados	**1.97**	**1.74**	**1.15**	**0.61**	**0.61**	**0.75**	**0.61**
1971-1980	4.41	3.58	1.68	2.07	1.25	1.09	2.07
1981-1990	0.54	1.57	1.17	-0.77	0.55	0.76	-0.77
1991-2000	1.05	0.37	0.84	0.37	0.13	0.55	0.37
2001-2007	1.83	1.28	0.83	0.84	0.45	0.54	0.84
Belize	**4.46**	**3.23**	**2.89**	**1.45**	**1.13**	**1.88**	**1.45**
1971-1980	4.05	4.12	1.84	1.41	1.44	1.19	1.41
1981-1990	4.06	1.76	3.16	1.39	0.62	2.06	1.39
1991-2000	4.91	3.05	3.35	1.67	1.07	2.18	1.67
2001-2007	4.97	4.33	3.33	1.29	1.52	2.17	1.29
Guyana	**0.49**	**0.78**	**1.05**	**-0.46**	**0.27**	**0.68**	**-0.46**
1971-1980	2.03	3.38	1.77	-0.30	1.18	1.15	-0.30
1981-1990	-5.36	-1.17	0.60	-5.34	-0.41	0.39	-5.34
1991-2000	5.03	1.06	1.02	4.00	0.37	0.66	4.00
2001-2007	0.17	-0.56	0.69	-0.09	-0.20	0.45	-0.09
Jamaica	**1.09**	**0.81**	**1.73**	**-0.31**	**0.28**	**1.12**	**-0.31**
1971-1980	-0.99	-0.25	2.60	-2.60	-0.09	1.69	-2.60
1981-1990	2.60	-0.89	1.34	2.05	-0.31	0.87	2.05
1991-2000	1.37	2.73	1.41	-0.50	0.96	0.91	-0.50
2001-2007	1.52	2.00	1.48	-0.14	0.70	0.96	-0.14
Suriname	**1.53**	**3.51**	**1.49**	**-0.67**	**1.23**	**0.97**	**-0.67**
1971-1980	1.50	3.31	0.77	-0.16	1.16	0.50	-0.16
1981-1990	1.10	0.06	2.05	-0.26	0.02	1.33	-0.26
1991-2000	-0.71	3.20	1.47	-2.78	1.12	0.95	-2.78
2001-2007	5.39	9.17	1.73	1.06	3.21	1.12	1.06
Trinidad & Tobago	**3.28**	**2.03**	**1.51**	**1.59**	**0.71**	**0.98**	**1.59**
1971-1980	4.54	4.01	2.59	1.45	1.40	1.68	1.45
1981-1990	-2.33	2.47	1.38	-4.09	0.87	0.89	-4.09
1991-2000	4.83	-0.24	1.12	4.19	-0.09	0.73	4.19
2001-2007	7.28	1.82	0.70	6.19	0.64	0.45	6.19
Grand Total	**2.17**	**2.45**	**1.73**	**0.19**	**0.86**	**1.12**	**0.19**

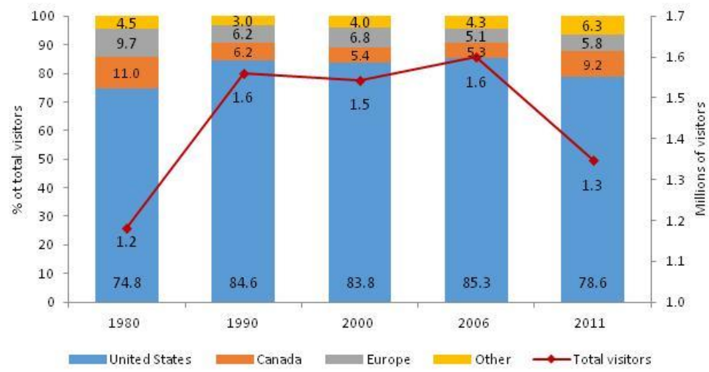
Source: Emergency Disaster Database (EM-DAT), CRED (2010); Heston, Summers, and Aten (2009); and IMF staff calculations.

Source: http://www.imf.org/external/pubs/ft/wp/2012/wp12235.pdf

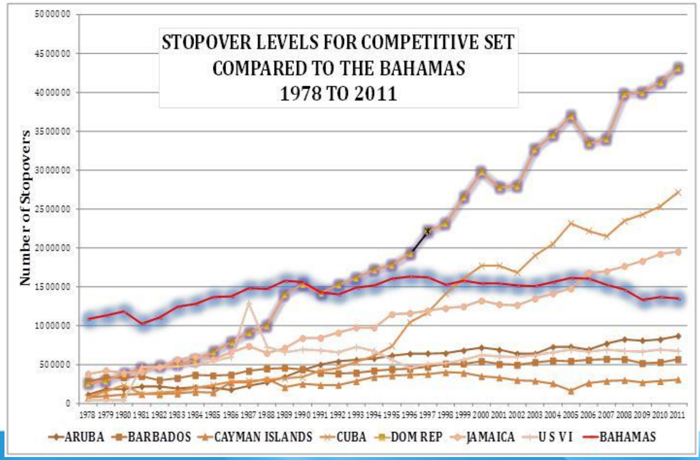
Key Tourism Issues

- Big employer, largest driver
- One market reliance
- Concentrated ownership
- Concentrated on New Providence and PI
- Absence of quality value added services, value chains, tourism clusters (nascent development stages)
- Losing Market Share to regional rivals

Number of Tourists by Country Origin, 1980-2011



Source: Statistics from The Ministry of Tourism



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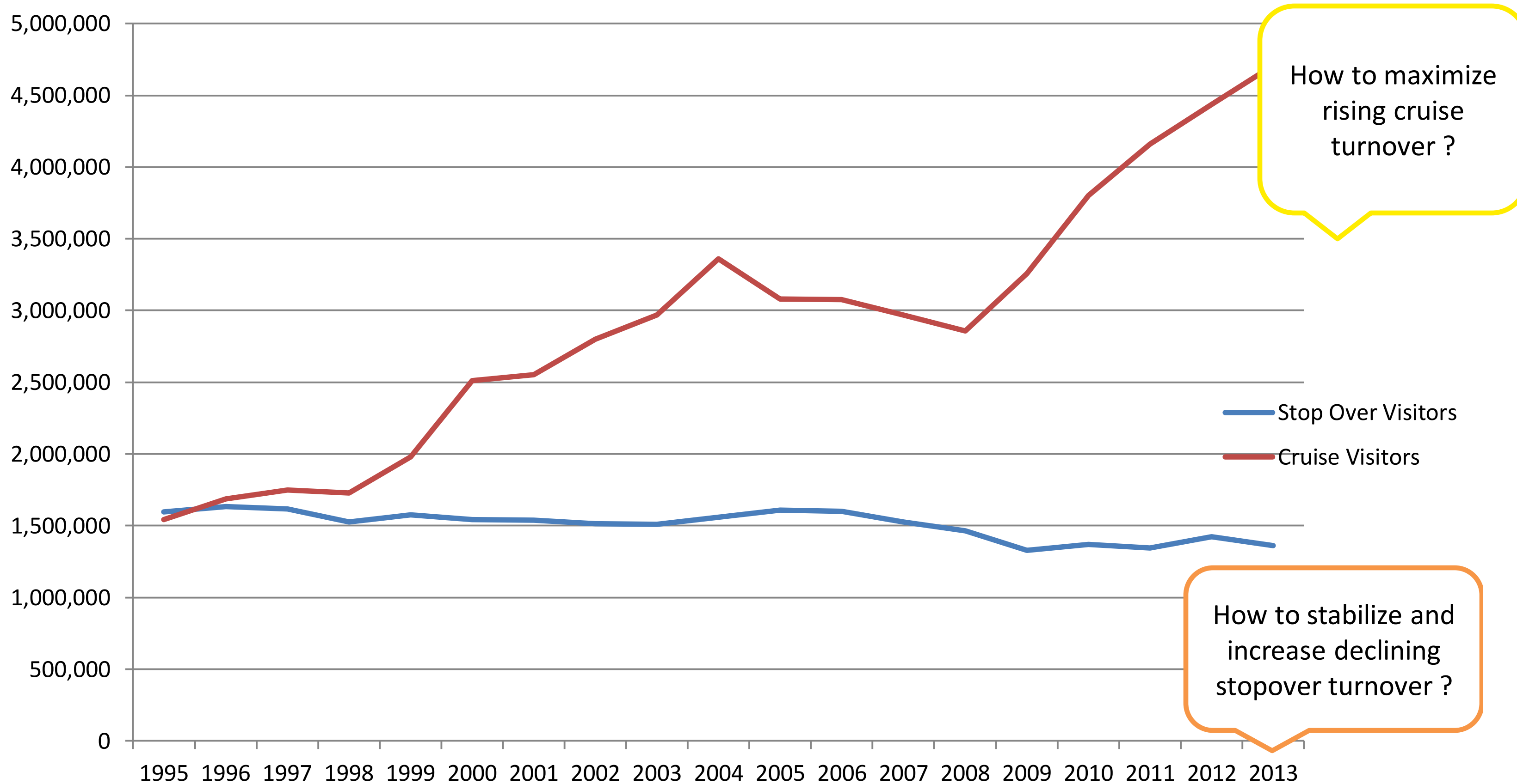
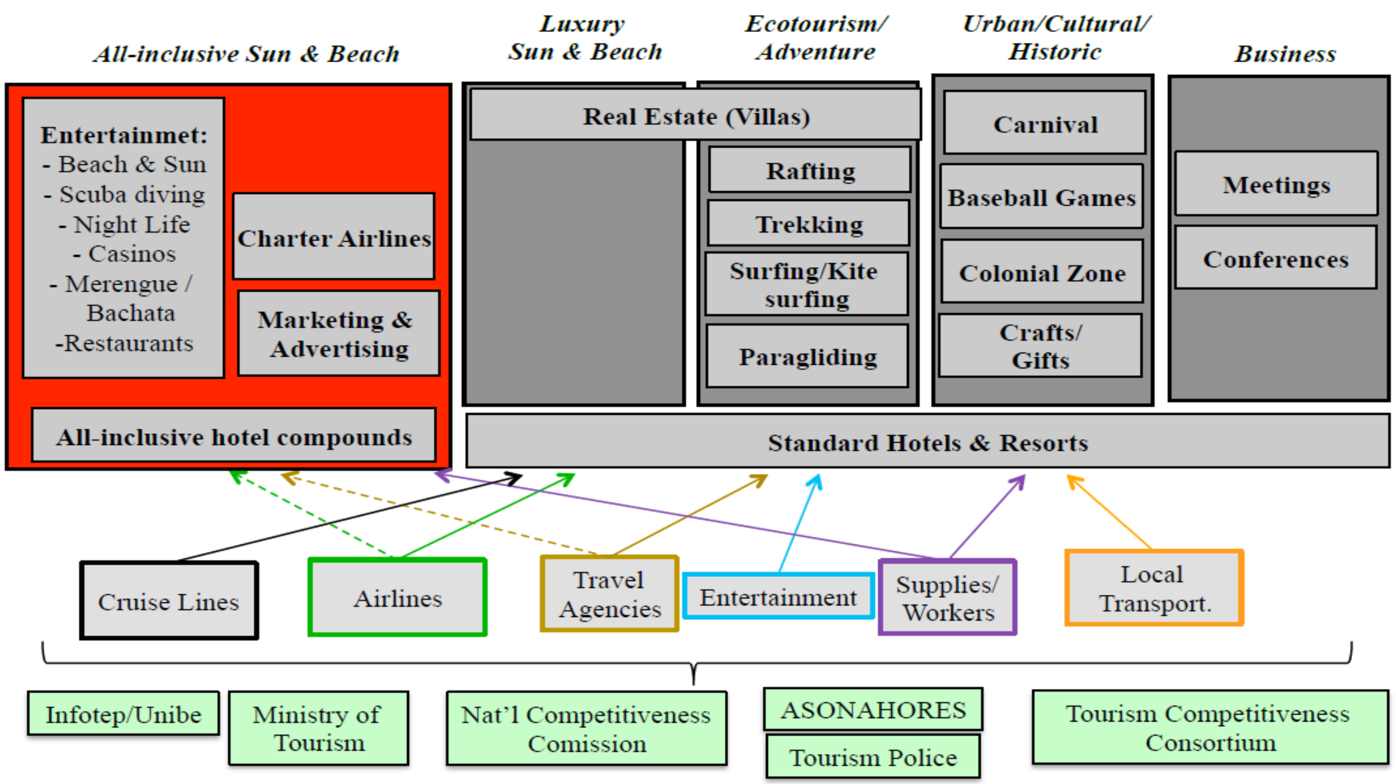
Reduced Market Share of the Valuable Stop-Over Market – Increased Dominance of Cruise Arrivals (lower value added)



Need to Improve Links to Tourism: Eg. Tourism Cluster Map of Dominican Republic

Figure 5: Tourism Cluster Map



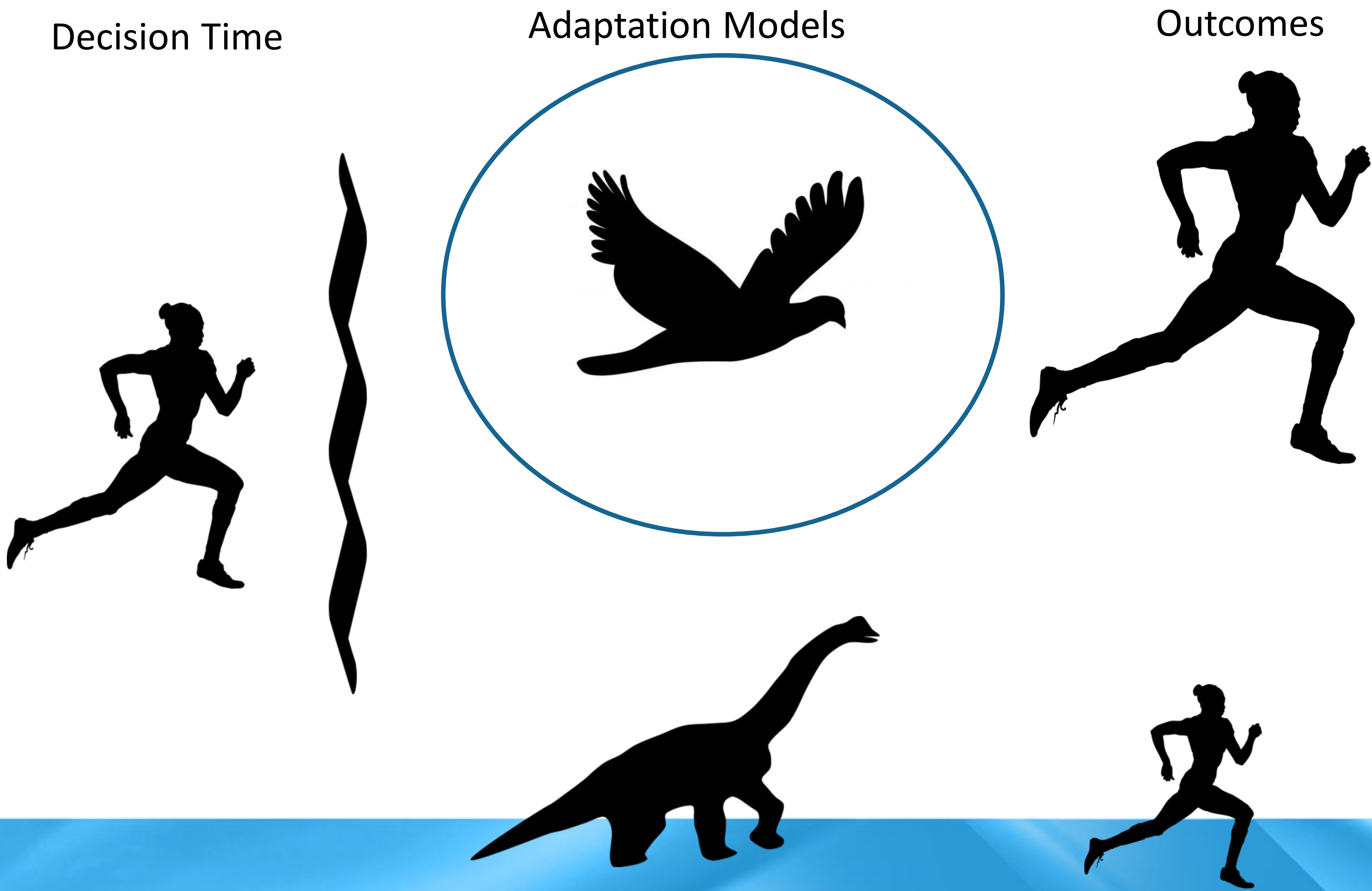
Source: Authors' analysis

Extracted from: http://www.isc.hbs.edu/resources/courses/moc-course-at-harvard/Documents/pdf/student-projects/Dominican%20Republic%20-%20Tourism%20Cluster_Final.pdf

Financial Services: A Major Contributor to the Economy

- Second pillar, high pay – middle class
- Need better measures of indirect impacts, but this sector should be large
- Since 2000 under heavy attack (OECD, FATF, FSB, Global Forum, G20)
  - Adjustments have been made
    - Re-alignment of traditional private banking (back office work has been lost)
    - New markets, new products require new skills
      - Client facing activities, funds
    - Development focused immigration policy needed

The State of the Financial Services



Evolution of Attack on Offshore Financial Services

Mid 1990s	Anti Money Laundering	Prudential			
Early 2000's	G20 and IMF Prudential Standards	Harmful Tax Competition	Uncooperative Jurisdictions	IMF definitions of Offshore and Tax Havens	
Mid/Late 2000s	TIEA Blacklists threat	Rise of the Global Forum			
Post 2010	Base Erosion and Profit Shifting	Developed, Developing and Tax Havens	Movements at OECD and UN	Focus on companies	Focus on FDI incentives, EPZs
Post 2015	FATCA	Automatic	Spontaneous	Tax Examination Cooperation	

The number of banks has declined

Type of Company	Year					
	2008	2009	2010	2011	2012	2013
Public	131	124	118	116	113	109
Restricted	130	139	150	155	147	152
Non-Active	10	18	8	7	8	6
Total	271	281	276	278	268	267
Licenses Ceased	16	19	9	8	11	9

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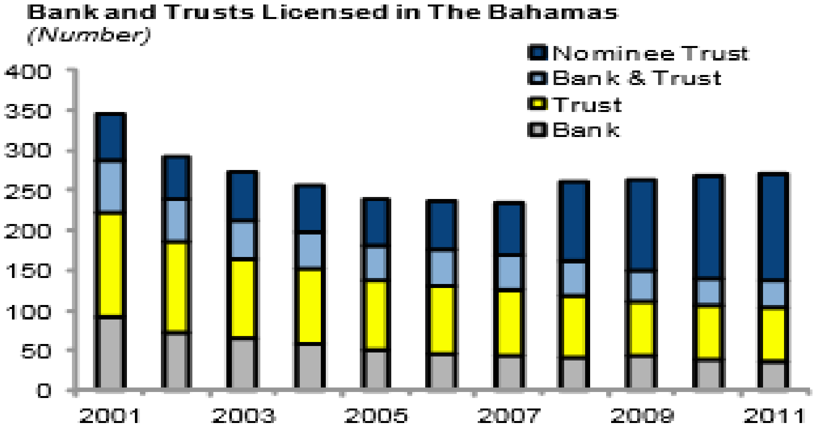
NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

Rebalancing of financial services activities



Source: IMF[1]

Figure 7: Licensees under the FCSPA at 31 December

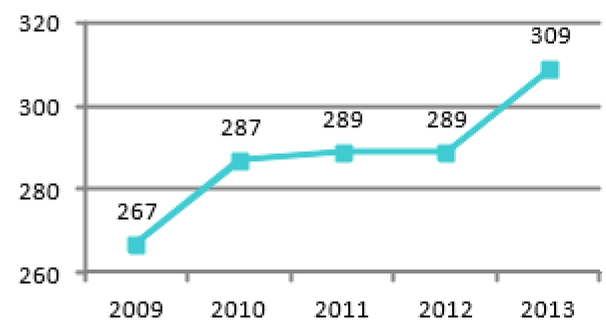


Figure 2: Total Registered Securities Firms under the SIA at 31 December

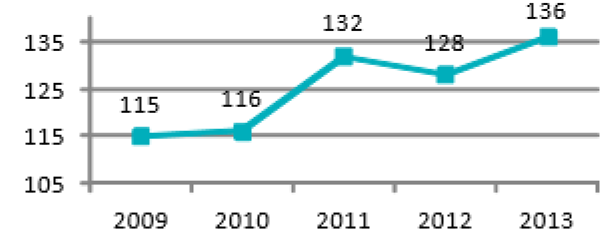
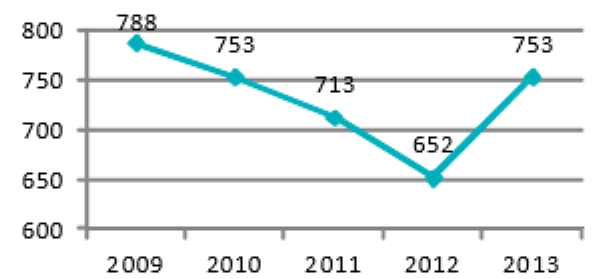


Figure 4: Licensed Bahamas-Based Investment Funds at 31 December

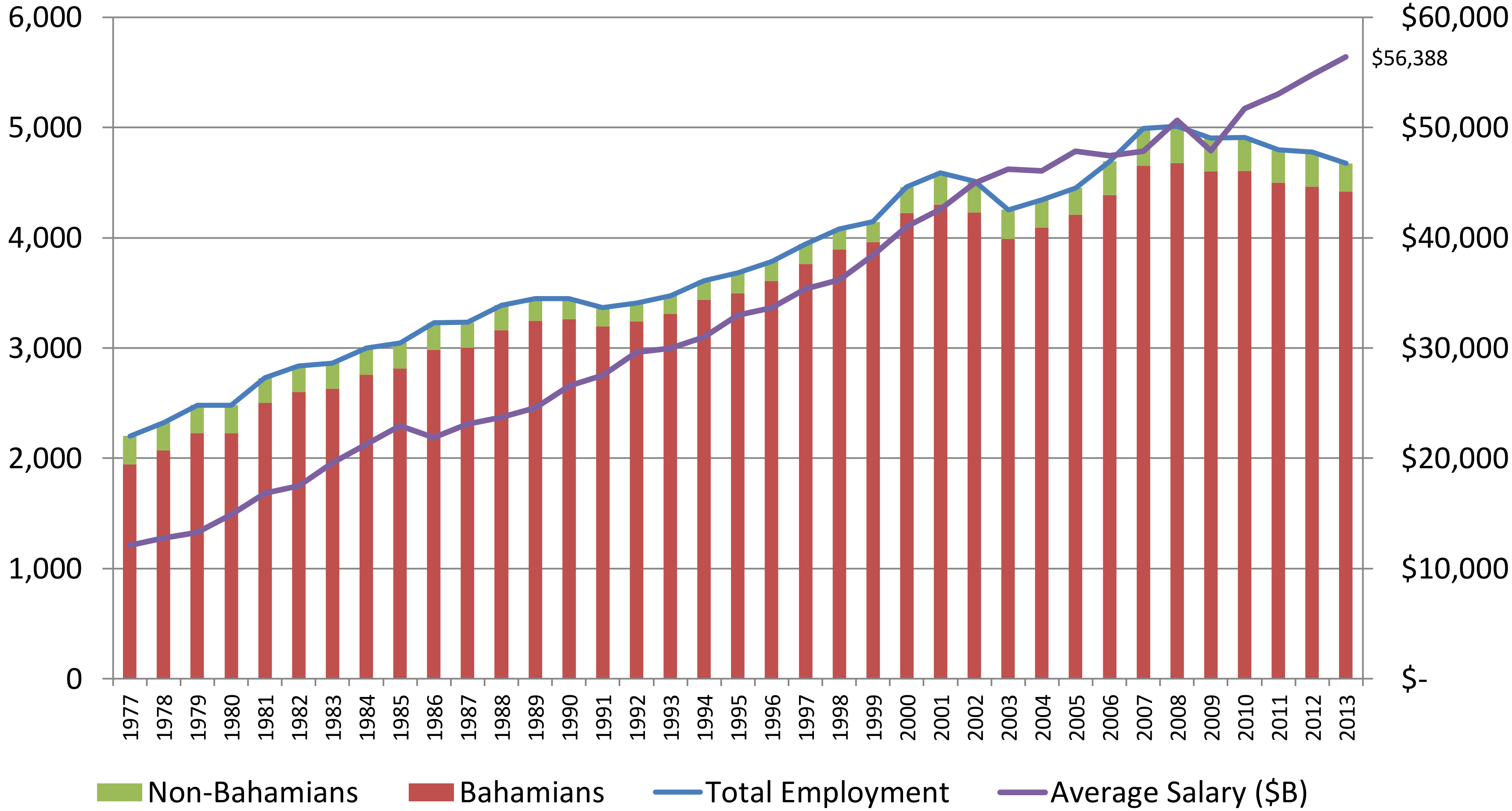


[1] Extracted from IMF, Bahamas FSAP, 2013 available at http://www.imf.org/external/pubs/ft/scr/2013/cr13101.pdf

The Non-Bank Sector is also impacted by Changes in the International Environment

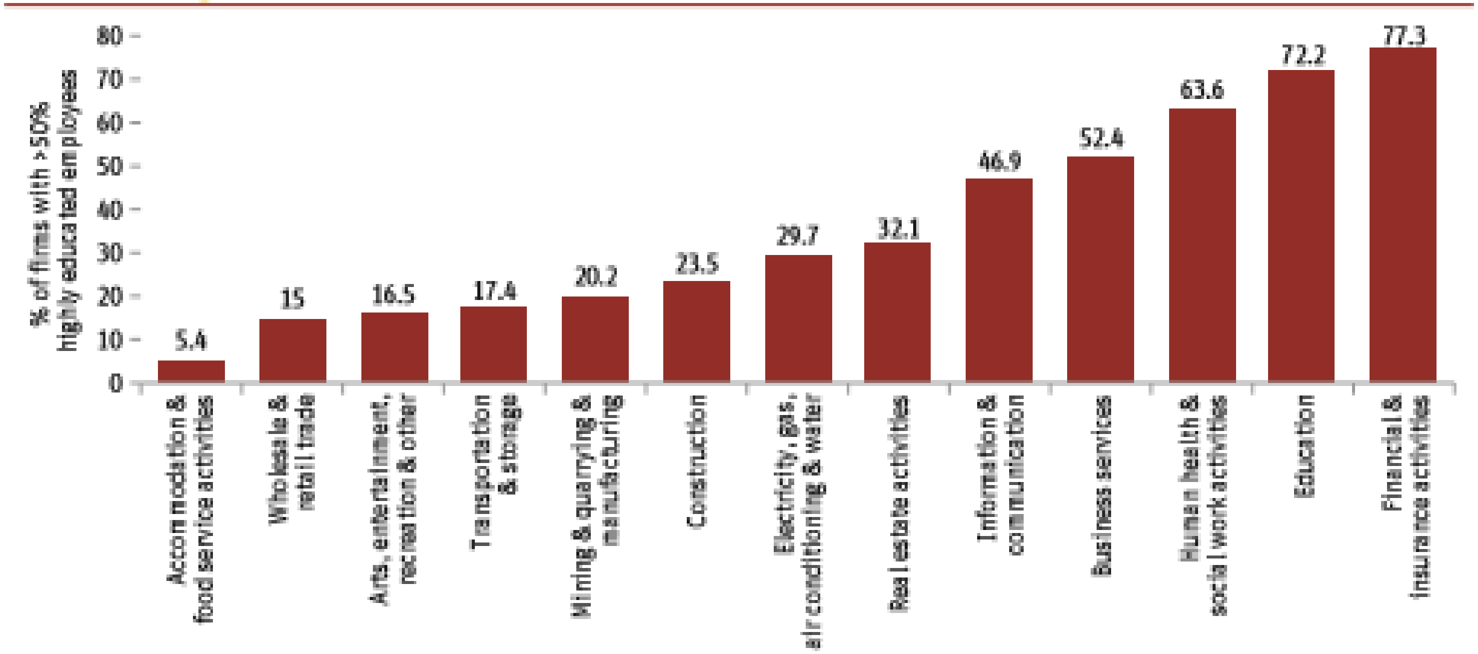
	Unit	2009	2010	2011	2012r	2013r	2014p
Investment Funds Adminstrations							
Licensed Mutual Funds	Number	788	753	713	652	753	830
Licensed Administrators	**Number**	**64**	**65**	**65**	**63**	**62**	**63**
Asset Under Management	*B$ Billions*	*189.6*	*138.2*	*86.8*	*112.2*	*127.9*	*n/a*
Insurance Companies and Agents	**Number**	**174**	**178**	**127**	**139**	**140**	**143**
Domestic Companies and Agents	**Number**	**154**	**157**	**114**	**124**	**121**	**122**
Total Domestic Assets	*B$ Millions*	1,258.8	1,326.6	1,393.0	1,506.4	1,558.9	1,661.5
Average Annual Salaries	*B$*	45,084	44,673	43,829	42,619	44,187	44,477
Operating Costs / Total Expenditures	*%*	94	92.9	92.3	92.4	88.5	92.1
External Insurers	**Number**	**20**	**21**	**14**	**18**	**19**	**21**
Credit Unions (Active)							
Number of Unions	**Number**	**15**	**13**	**13**	**10**	**7**	**7**
Total Assets	*B$ Million*	233.6	247.9	273.2	280.9	327.6	347.7
Employment	*Number*	129	130	134	139	141	153
Average Annual Salaries	*B$*	27,099	26,585	27,487	29,605	30,090	30,085
Total Expenditures	*B$ Million*	6.46	6.69	6.58	10.20	11.06	10.38
Operating Costs / Total Expenditures	*%*	95.5	92.2	95.5	89.5	82.8	88.6
Bahamas International Securities Exchange (BISX)							
Securities Listed	**Number**	**24**	**23**	**25**	**27**	**27**	**29**
Shares Traded	*Thousands*	4,917	10,860	2,899	4,080	4,084	3,979
Market Capitalization	*B$ Billion*	3.02	2.91	2.91	2.87	3.00	3.50

Financial Services: Employment and Average Salaries (1997-2013)



Skills, Productivity, Service…A Problem Throughout The Bahamas, but Financial Services is highly skilled

FIGURE 3 Percentage of Firms with > 50% of Employees with Higher Education, by Industry

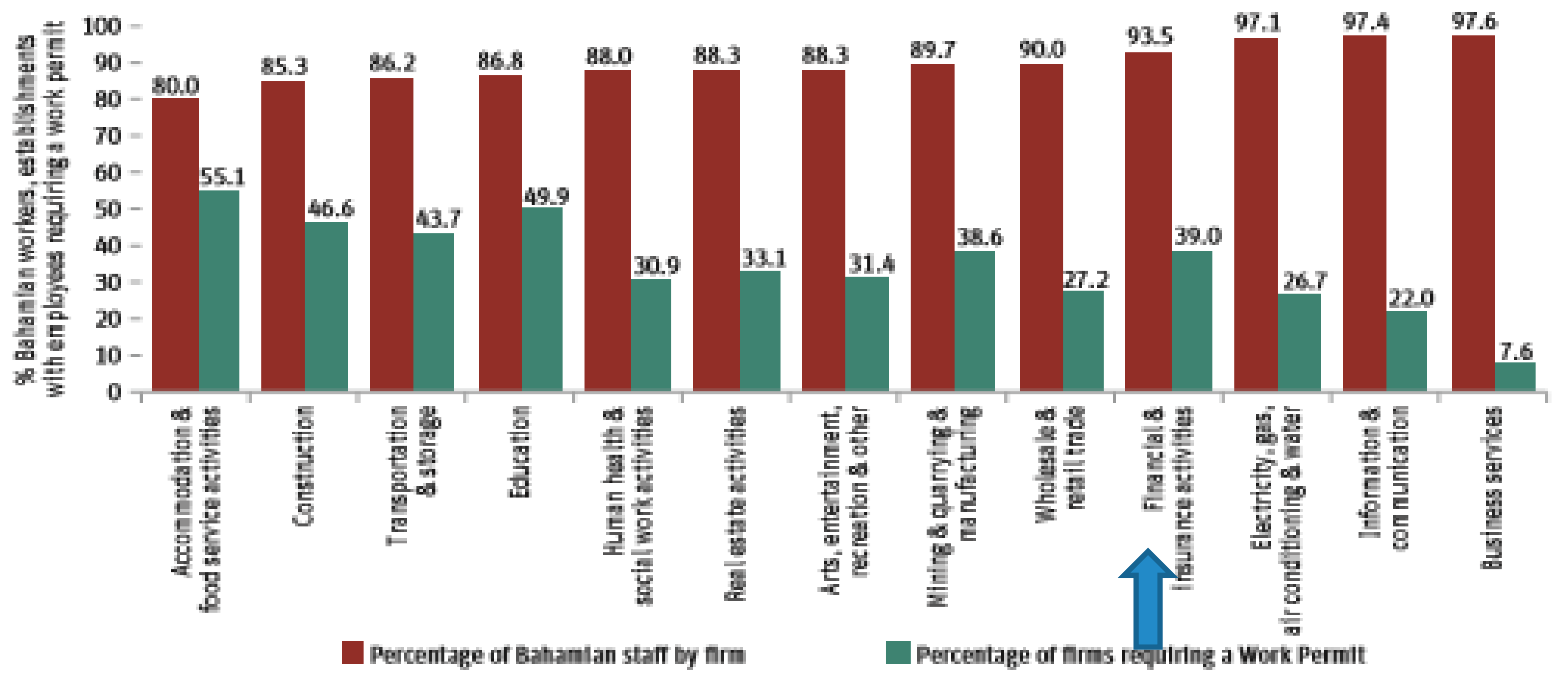


Source: Analysis of 2012 Wages and Productivity Survey data.

Extracted from Fazio and Pinder (2012), In Pursuit of Employable Skills, IDB

Surprisingly low levels of foreign labour, compared to other sectors

FIGURE 4 Percentage of Bahamian Staff and Percentage of Firms Requiring a Work Permit, by Industry

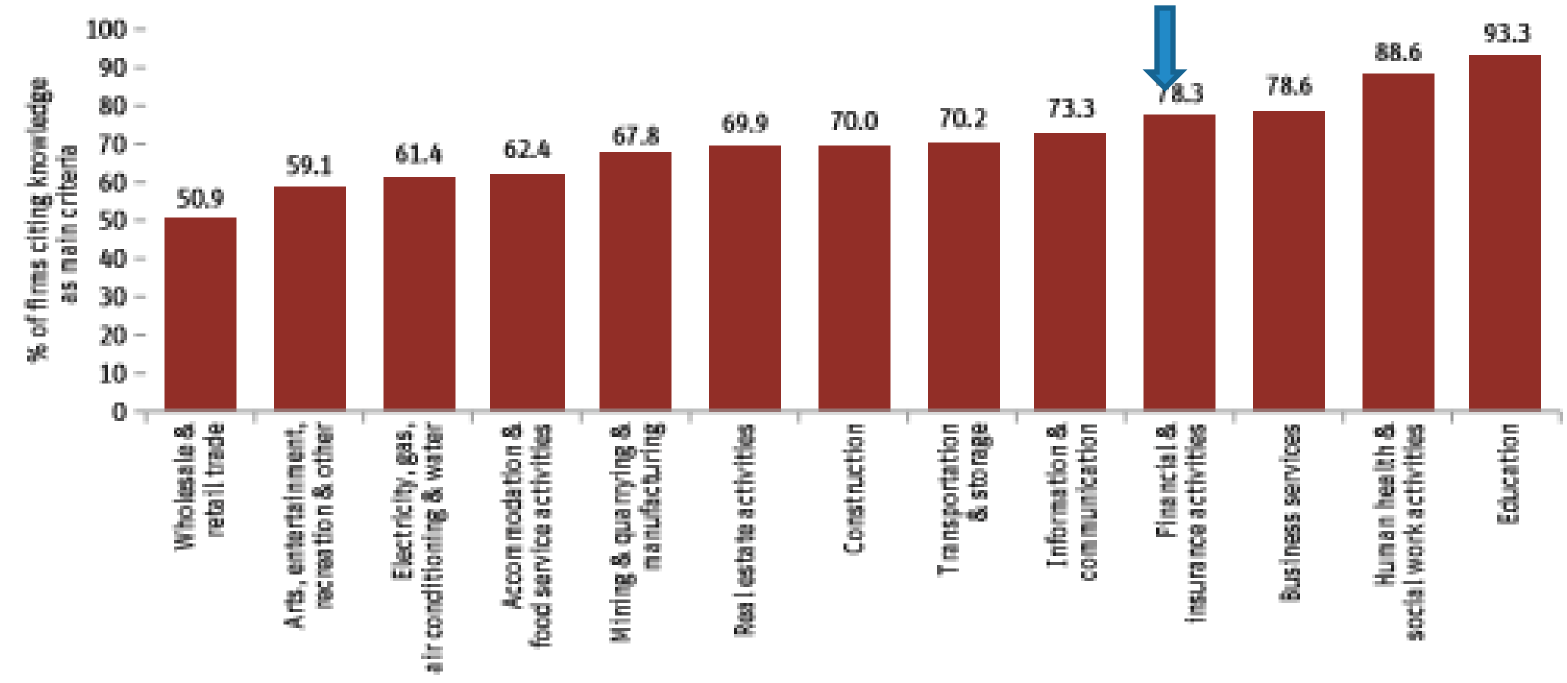


Source: Analysis of 2012 Wages and Productivity Survey data.

Extracted from Fazio and Pinder (2012), In Pursuit of Employable Skills, IDB

Financial Sector Requires Hard Skills for its Employees, in addition to soft skills

FIGURE 5 Specific Skills Considered Important Criteria for the Selection of New Personnel, by Industry



Source: Analysis of 2012 Wages and Productivity Survey data.

Extracted from Fazio and Pinder (2012), In Pursuit of Employable Skills, IDB

Training is extremely important to the sector

Source: Analysis of 2012 Wages and Productivity Survey data.

Extracted from Fazio and Pinder (2012), In Pursuit of Employable Skills, IDB

Key to success in Financial Services:

Choose The Bahamas because we provide you with a strong value proposition

- Ensuring the skills and personnel for the current environment

Choose The Bahamas because we are a gateway to the world (Think Global Again)

- Knowing high growth markets, targeting them, attracting firms and high value personnel

Choose The Bahamas because we may it easy for you to do business here

- Government efficiency & effectiveness, energy, technology

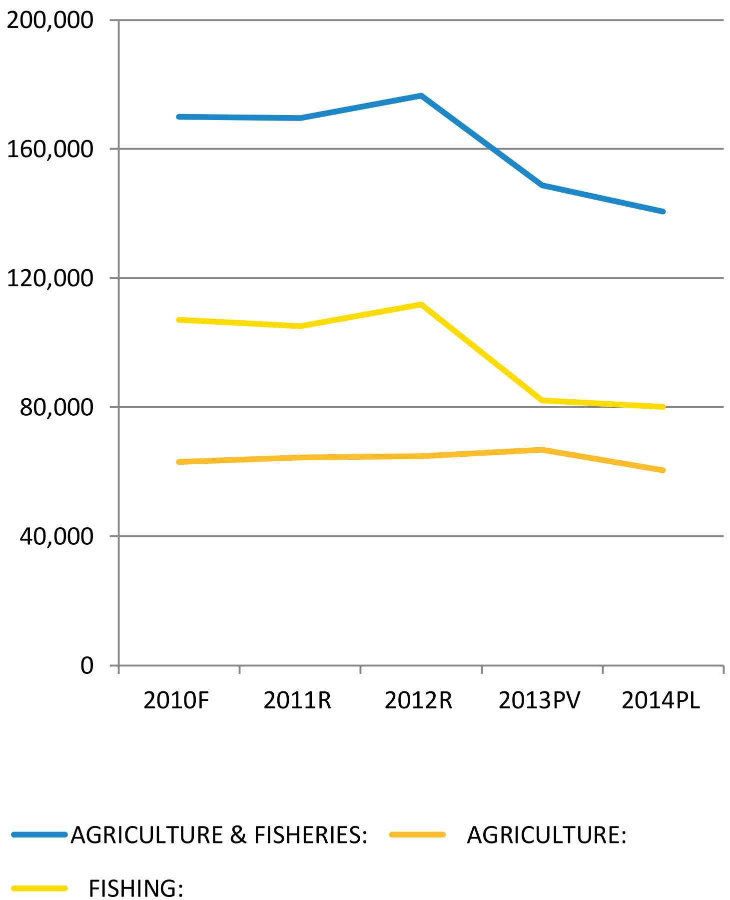
Choose The Bahamas because we have a Diamond Reputation

- Attract the right type of firms, regulation, financial sector education, We sit at the table, monitor the OECD/UN like a hawk and know what’s coming next and advocate hard for our centre

Specific Steps for Financial Services

- Hard reforms to the business environment are a priority
  - Small reforms can make a big difference
  - Target top 50 by 2020, top 25 by 2030.
- Build new clusters by attracting more business and business opportunities
- Invest in the best infrastructure
- Continue to safeguard our reputation
- Understand our skill needs and aggressively address them

Agriculture and Fisheries: Current Contribution



GROSS VALUE ADDED OF INDUSTRIAL ORIGIN

at Current Prices

(B$ Thousands)

INDUSTRY	2010F	2011R	2012R	2013PV	2014PL
AGRICULTURE & FISHERIES:	170,017	169,592	176,586	148,825	140,593
AGRICULTURE:	62,944	64,464	64,717	66,738	60,479
FISHING:	107,073	105,128	111,869	82,087	80,114
% CONTRIBUTION TO GDP	2%	2%	2%	2%	2%
AGRICULTURE:	1%	1%	1%	1%	1%
FISHING:	1%	1%	1%	1%	1%

Pv: Provisional
R: Revised
F: Final

SOURCE: The Department of Statistics

Agriculture and Fisheries: An Opportunity to Diversify the Economy and Broaden the Base

- Constraints
  - Terrain and natural resources, crop quality & consistency
  - Modern Skills, knowledge
  - Absence of value added services
  - Access to infrastructure
  - Perceptions of the industry
  - Illegal/unregulated fishing
  - Lack of biological data for fish stock assessments
  - Administrative human resources
  - Regulation and policy development
  - Invasive lion fish threatening ecosystem

On a practical level, farmers have raised the following issues:

- The high costs associated with the transportation of agricultural goods from the Family Islands to New Providence;
- Needed improvements to transportation infrastructure;
- Lack of effective marketing of local agriculture products;
- The high cost of formalization and registration of farms;
- Limited technical and extension services support (A recent Ministry of Agriculture and Marine Resources report notes that of the 200 staff at the Ministry, only 20 are professionally trained agricultural officers and most of these trained officers are located in New Providence);
- Lack of access to Crown Land on a leased basis and the timely transfer of land titles;
- Lack of credit products tailored to farmers (i.e., production credits);
- Needed modernization of packing houses, including exploring private public partnerships in their management;
- Standards and certifications; and
- The management of labour needs for farms and immigration processing.

The Contribution from Construction is Also Falling

Number of Permits

The Bahamas				
	Res.	Com. & Ind.	Pub.	Total
2004	2878	463	18	3359
2005	2846	435	16	3297
2006	1151	407	15	1573
2007	2695	361	14	3070
2008	2713	464	7	3184
2009	2009	385	22	2416
2010	1578	396	22	1996
2011	1528	385	35	1948
2012	1437	458	21	1916
2013	1055	355	19	1429

Value of Permits

The Bahamas				
	Res.	Com. & Ind.	Pub.	Total
2004	354,224	178,017	8,176	540,417
2005	402,191	113,161	17,071	532,423
2006	579,856	217,578	6,457	803,891
2007	508,701	189,612	3,651	701,964
2008	514,043	289,715	3,015	806,773
2009	452,553	156,107	184,064	792,724
2010	320,232	182,763	71,724	574,719
2011	338,250	1,508,657	17,204	1,864,111
2012	306,933	373,228	35,745	715,906
2013	251,927	197,780	22,502	472,209

International Trade

	2009	2010	2011	2012	2013	2014
Imports	2,698.9	2,886.8	3,140.9	3,657.5	3,365.9	3,790.5
Exports	584.9	621.4	726.9	828.7	811.7	689.2
Balance of Trade	(2,114.0)	(2,265.4)	(2,414.0)	(2,828.8)	(2,554.2)	(3,101.3)

Source: Department of Statistics

Key Trading Partners

Country	2014		
	Imports	Exports	Balance
United States	3,007.0	569.9	(2,437.1)
Puerto Rico	243.9	-	(243.9)
Barbados	96.9	0.8	(96.1)
Trinidad and Tobago	57.3	0.1	(57.2)
Japan	28.7	0.3	(28.4)
France	18.9	25.8	6.9
Ireland	1.0	25.1	24.1
Canada	20.1	14.3	(5.8)

Source: Department of Statistics

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NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

Key issues with International Trade

- The proximity and size of the U.S. market provide The Bahamas with a significant advantage, particularly when the U.S. economy is growing, as has been the norm over the last five decades. However, a move to diversify its trading relationship may open pockets of opportunities for small and/or niche firms in The Bahamas as well as provide alternative sources for inputs into the economy.

- The Bahamas would need to carefully plan any reduction in duties and tariffs so as to minimize transition costs for businesses that are benefiting from the current rates. Recognizing the need to move carefully, however, does not mean that such a reduction should not be started.

- The Bahamas should prioritize efforts aimed at making the country more attractive to business, particularly in ways that will help it diversify its trading partners.

- As The Bahamas expands its engagement within the international trading system, the government will need to create several new institutions, including a bureau of standards and quality, and a food safety agency.

WTO Accession

- The Bahamas is well advanced in the World Trade Organization (WTO) accession process.
- The legislative reforms necessary for WTO accession will be less difficult to achieve for The Bahamas than for many other acceding countries because it is party to the Economic Partnership Agreement (EPA), a trade agreement between CARICOM, the Dominican Republic, and the European Union.
- With respect to a reduction in tariffs on goods as required under both agreements, The Bahamas passed the Tariff Act, which includes all the tiers of EPA tariff reductions, in 2013.
- Ensuring consisting of WTO Services Rules and Bahamas Investment policy.
- Consideration of intellectual property and government procurement issues.

EPA Implementation

Implementing the EPA involves a number of initiatives aimed at fulfilling commitments made under the agreement. Key elements of this reform include:

- *The Customs Management Act:* This Act and its accompanying regulations was passed. Both are in line with EPA and WTO requirements.

- *The Investment Bill:* This bill was drafted and will set out the requirements for Mode 3 trade (physical commercial presence and investment) and Mode 4 trade (temporary presence of individuals). The manuals that will accompany passage of this bill will guide some of the operations of The Bahamas' Investment Authority (Mode 3 manual) and Department of Immigration (Mode 4 manuals).

- *The Competition Law:* The EPA requires the establishment of a competition authority.

- *Intellectual Property:* A suite of bills dealing with intellectual property issues has been drafted.

Stimulating High Growth Entrepreneurship: We Must Address the Following

- *Human capital constraints*: general deficiency in skills and a lack of needed training in addition to high wages and low productivity issues.
- *Customs and trade regulations*: need for customs modernisation and public institutional strengthening and reforms.
- *Customs duty rates:* 80% of Bahamian companies use foreign materials or supplies. Import duties are broadly considered a constraint to domestic private sector competitiveness.
-
- *Practices of informal sector:* unfair competition against unregistered companies in addition to those in their formal markets.
- *Access to finance:* proportion of firms using bank loans for working capital considered one of the lowest among comparator countries.
- *Crime, theft and disorder:* firms in The Bahamas indicated spending up to 1.6% of the value of their total sales on measures to secure and protect their business, compared to a regional average of 1.5%.
- *Electricity:* high costs alongside broadly unreliable supply.
- *Corruption:* based on an incidence of graft index (including expectation of giving a gift in order to receive certain services), The Bahamas' score at 13.4 ranks high compared to region (6.6) and OECD countries (5.7).

Low Hanging Fruit: Easy Fixes that would have a Significant Impact: - Doing Business Priorities Doing Business Priorities 2016

Registering Property (#183) – Process Reform

Getting Credit (#133)- Institutional Reform

Starting a Business (#118)- Process Reform

Getting electricity (#114) – Process Reform

Protecting Minority Investors (#111)- Legislative Reform

Trading Across Borders (#97) – Process Reform

Dealing with Construction Permits (#94)- Process Reform

Resolving Insolvency (#61) – Legislative Reform

Enforcing Contracts (#60) – Process and Legislative Reform

Paying taxes (#24)- Continued Process Improvement

Green outline indicates that there are improvements underway

Green outline indicates that there are improvements underway

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NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

The Issue of Land: The Challenges

- Overlapping claims and rights to land as a result of property disputes;

- Lack of a parcel-based cadastral map to determine geographical boundaries;

- Outdated policy for Crown Land divestment and administration which does not promote an efficient use of these lands; and

- Existence of commonage and generational property, particularly on the Family Islands. Due to the lack of clear legal title associated with this tenure system, occupants on the land do not have access to the economic value of the land and are unable to mortgage the land to make improvements.

Cross cutting issues

- ***Unemployment.*** By December 2015, the unemployment rate in The Bahamas was 12.1% , significantly lower than the November 2014 rate of 15.7%. Youth unemployment, which was estimated at 34% in 2014, remained high.

- ***Consumer and government financing crowding out private sector investment***. High levels of delinquency combined with low levels of household savings and the lack of an operating credit information infrastructure has led to a conservative financial sector. In turn, productive investment activities are often unable to be funded with financial institutions opting for consumer and government financing.

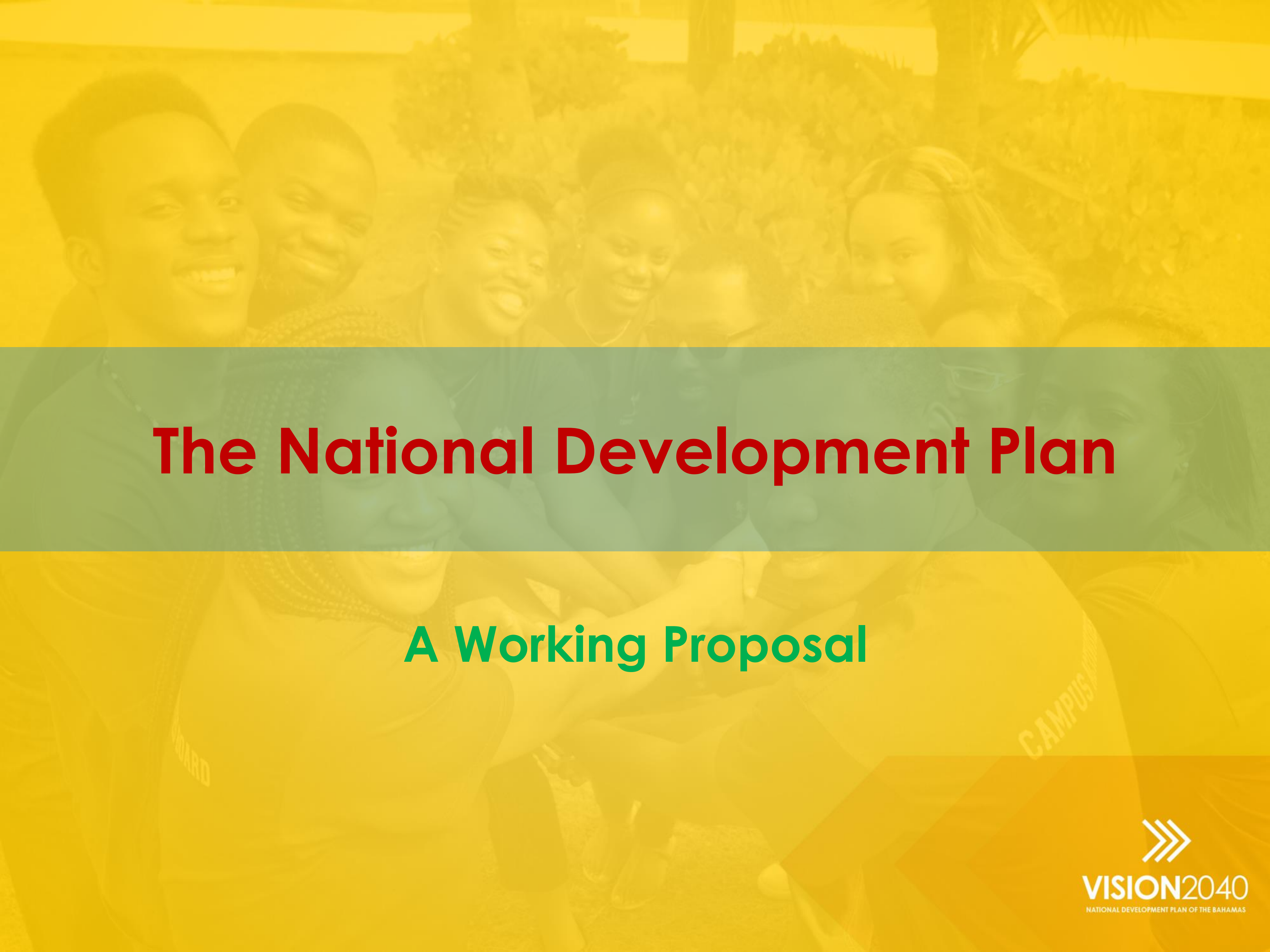
- ***Poverty.*** Poverty in The Bahamas has deepened from a rate of 9.3% in 2001 to 12.8% in 2013.

Cross cutting issues, cont'd

- ***Crime and violence***. Deteriorating economic conditions and rising unemployment have contributed to the gravely intensified incidents of crime, in particular violent crime, in The Bahamas. In addition to its devastating social impact on communities, rising crime levels constitute a critical threat to the economy, domestic and foreign sectors. It is particularly harmful to tourism, the economy's principal driver, which is influenced by even the perception of crime.

- ***Constraints due to deficiencies in skills and educational attainment.*** Domestic sector diversification and the capacity to develop and sustain production in high value added goods and services is constrained by a mismatch in the supply of skills – education levels below what is required and a lack of sector specific specialised skills –with the demands of businesses.

- ***Inequitable and uneven development across the islands of The Bahamas****.* High per capita costs for a small population dispersed over several islands has made ensuring universal access to basic public services – education, health, water and electricity – particularly costly. As a consequence, the pattern of social and economic development varies significantly across the Islands.



The National Development Plan

A Working Proposal

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NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

Strawman Vision 2040

With heads held high, looking towards the year 2040, the people of The Bahamas will honor the culture and traditions of this great nation. We will be a united people, grounded in spiritual values and working together to achieve our individual and common dreams.

The Bahamas will be a prosperous nation, providing a sustainable livelihood for our people and successfully competing in the global market place. The core of our growth shall come from our unique natural resources, the strength of our businesses, our political stability and the ingenuity and creativity of our citizens. Bahamians will be active participants and owners in the development of the wealth of this nation through agriculture, industry, technology and the provision of services.

The Bahamian people, equally on our family islands and urban areas, will be healthy, well-educated and safe. We will support strong families, our children, our youth, our elderly and those with special needs and foster an environment which unlocks and values the innate potential of our citizens.

Our environment will be cherished and protected and used in a wise and responsible way to enhance our development for generations to come.

A Vision for Each Pillar

Governance	The people of The Bahamas desire a country that is safe and well governed
Economy	The people of The Bahamas desire a strong, competitive, vibrant and diversified economy
Environment and Infrastructure	The people of The Bahamas desire a natural environment and infrastructure which promote a healthy, resilient, beautiful and modern society
Human Development	The people of The Bahamas desire a country where the innate potential of each person is nurtured, developed, protected and allowed to flourish

National Goals: Governance

1. The Bahamas will have a Modern, Open and Accountable Government that Serves All Bahamians

2. The Bahamas will have Well Governed Public institutions throughout the entire country

3. The Bahamas will have a law abiding society where rules are respected

4. The Bahamas will have safe neighbourhoods with minimal crime, backstopped by dependable policing and courts

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NATIONAL DEVELOPMENT PLAN OF THE BAHAMAS

National Goals: Human Development

1. The Bahamas will have a modern, sustainable & universally accessible health care system that is wellness focused and delivers continuously improving outcomes.

2. The Bahamas will have a best in class, comprehensive and effective education system

3. Bahamian youth will be safe, healthy, well fed and clothed, attending school and finding and creating employment.
4. The Bahamas will be a nation free of poverty and discrimination (including gender, nationality and disabilities)

National Goals: Environment and Infrastructure

1. The Bahamas will have an effective interconnected transportation system that enables the free flow of people and goods

2. The Bahamas will have modern infrastructure in New Providence and the family islands built to withstand the effects of climate change

3. The Bahamas will have a pristine marine, air and land environment that supports the Bahamian economy and way of life for generations

National Goals: Economy

1. The Bahamas will have a healthy macro economic environment that supports growth and stability

2. The Bahamas will have a competitive business environment for economic success that support business development, innovation, wealth creation, entrepreneurship and job growth

3. The Bahamas will have a diversified and resilient economy that provides opportunities for all Bahamians

4. The Bahamas will have a fair and effective labour regime

Thank you