

# **Common Country Analysis – Update 2022**

## **Bermuda**

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## Abbreviations

BIOS	Bermuda Institute of Ocean Sciences
BOPP	Blue Ocean Prosperity Program
CCA	Common Country Analysis
CSO	Civil Society Organization
CDB	Caribbean Development Bank
DOS	Department of Statistics
GDP	Gross Domestic Product
MSDCF	Multi-Country Sustainable Development Cooperation Framework
SDG	Sustainable Development Goal
UNCT	United Nations Country Team

## Executive Summary

In 2022, economic recovery in Bermuda continued to build on its 2021 uptick in economic activity. However, unlike TCI and Cayman Islands, Bermuda’s economy has not continued with unimpeded growth in the face of inflationary pressures endured as a result of the Ukraine war.

With this in mind, this update provides a snapshot of progress on the SDGs since the 2021 update, status of COVID-19 in the country and responses thereto, and the economic situation in the country (see Chapter V).

As of 14 May, Bermuda had already administered a total of 132,650 vaccinations and 74.4% have had two



doses.<sup>1</sup> Despite the high vaccination rate and decline in COVID-19 cases, Bermuda had not yet eliminated all travel restrictions, particularly for unvaccinated persons.<sup>2</sup>

Progress on the SDGs are difficult to capture in a systematic way given limited access to standardized and timely data. As such, this update relies on readily available public data and information linked to significant policy changes since 2021.

With respect to the impacts from climate change, Bermuda remains particularly vulnerable. Thankfully, the island was not severely impacted by a major storm during

the 2022 Atlantic hurricane season. Given its extreme and growing vulnerability, following the establishment of its Climate Task Force last year, the Government of Bermuda commissioned and published a report outlining the key risks to the country posed by climate change. In July, the Bermuda Institute of Ocean Sciences (BIOS) released the report - entitled Climate Change and Bermuda – Part I: Science and Physical Hazards.<sup>3</sup>

As in the case of TCI, Bermuda is also contending with and uptick in gang violence in the country.<sup>4</sup>



## Introduction

The CCA is a key instrument designed to reflect the United Nations integrated, forward-looking and evidence-based joint analysis of the context for sustainable development, in view of achieving the 2030 Agenda and the Sustainable Development Goals. It forms the basis of UN programmatic support through the Multi-Country Sustainable Development Cooperation Framework (MSDCF).



<sup>1</sup> Bernews. (2022). Bermuda COVID-19 Vaccinations. Available at <http://coronavirus.bernews.com/bermuda-covid-vaccinations/>

<sup>2</sup> Crisis24. (2022, 9 November). Bermuda: Officials to further ease COVID-19-related entry requirements from Nov. 14 /update 42. Available at <https://crisis24.garda.com/alerts/2022/11/bermuda-officials-to-further-ease-covid-19-related-entry-requirements-from-nov-14-update-42>

<sup>3</sup> Guishard, M. (2022). Climate Change and Bermuda – Part I: Science and Physical Hazards.

<http://www.bios.edu/currents/bermuda-climate-change-report-part-i>

<sup>4</sup> Bernews. (2022, 5 May). Minister Weeks: Addressing Violence In Bermuda. Available at <https://bernews.com/2022/05/minister-weeks-addressing-violence-in-bermuda/>

This document is the second CCA update of the newest cycle, with the first CCA update for Bermuda completed at the end of 2021. This document provides that overview of major changes that have taken place in 2022 and highlights the data that has become available since then.

At the time of this update, the global inflationary crisis and its attendant impacts have become as much a priority as managing recovery in relation to the COVID-19 pandemic. Chapter III will outline policy

## Progress on the SDGs

The previous CCA Update mentioned an update to Bermuda's National Development Plan. However, there has not been any readily available information indicating that progress has been made on this front. However, several plans/initiatives which align with a range of SDGs are actively being implemented. These include the Economic Recovery Plan (ERP), the Bermuda Health Strategy 2022-2027, and the Blue Ocean Prosperity Program (BOPP).

The ERP A priority list of 31 initiatives has been created, focusing on areas with the highest impact on Bermuda's medium-term economic growth and employment. The 31

efforts which simultaneously address the effects of these crises as well as their links to SDG achievement. Chapter IV will highlight the economic outlook and effects of the crises in Bermuda.

Chapter VI delves into the upcoming threats and opportunities as identified by the Agencies, Funds and Programmes that contribute to programming in Bermuda. For this report, the inputs of the different UN entities will be sought.

initiatives clustered into seven themes,<sup>5</sup> are intended to be updated periodically via the Government of Bermuda's Project Management Office (PMO) landing page. However, as can be expected given the fairly recent rollout of the plan, there is little data regarding scope, impact, budgets, and other relevant information - the PMO acknowledged the absence of information by stating that it "is working with initiative owners and DCI to update the



<sup>5</sup> Theme 1: Economic Diversification - Launch Casino Industry, Medical Tourism Facility, Vertical Farming Facility, Online SME Marketplace Residential Developments in Bermuda's Economic Empowerment Zone National Space Strategy, Establish Sub-Sea Communications Sector

Theme 2: Financial Markets, Lower Interest Rates to Reduce Mortgage Costs, BEDC COVID Support to Small and Medium Sized Businesses, Bermuda National Digital Bank

Theme 3: Infrastructure Investment, Water and Waste Treatment Facility, Shoreside Facility, Electric Recharging Infrastructure. Increase Affordable Housing, Uptown Development Authority in North East Hamilton, Green Energy Fund

Theme 4: Expanding the Resident Population, Economic Investment Certificate (EIC) Programme, Extension of the

Temporary Residency Certificate (1-year) Further Measures to Expand the Resident Population

Theme 5: Labour Market and Social Development Measures, National Reemployment (Jobs) Strategy, Youth Employment Strategy; National Unemployment Insurance; Implement Minimum and Living Wages; Cheaper Food Through Financial Assistance

Theme 6: Healthcare, Universal Health Coverage, Reduce Medicine Costs

Theme 7: Regulatory Framework, Energy Regulatory Sandbox; Marine Economic Development Zone, Economic Empowerment Zone (EEZ) in South East Hamilton; Establish Regulatory Regime for Cannabis (Available at <https://www.gov.bm/economicrecovery-updates>)

public website with meaningful updates when available.”<sup>6</sup>

While the information in the health strategy is from 2019, it is helpful to provide an overview of Bermuda’s performance on health indicators. A few of these are as follow: 83.5 years is the projected life expectancy by 2030; 12% of residents are uninsured; there are 7.9 nurses per 1,000 in Bermuda, lower than the OECD average of 8.8; 1 in 3 people will be aged over-65 by 2039 (2019: 1 in 5); 11.6% of GDP is spent on health, the third-highest in the OECD; there are 3.9 people in the workforce for every over-65 dependent which is expected to drop to 1.7 by 2039 and could result to a reduction of funding into Bermuda’s healthcare system.<sup>7</sup>



As it relates to ensuring gender equality and the advancement of women and girls, Bermuda has recently established a Gender Affairs Council for which a call for interest was issued in September. The Gender Affairs Council, to be comprised of CSO representatives, government officials, and private sector representatives is intended



to assist the Government in an advisory capacity to bring perceptions, experiences, and interests of women and men to influence legislation, policy, and decision-

making. Council members will “identify, review and advise on social, educational, economic and legislative factors that advance principles of gender equality and equity in national programmes and plans. [And] will also be asked to address issues facing Bermuda’s LGBTQ+ community.”<sup>8</sup>



Members of the council will also be tasked with addressing the sharp increase in gender-based violence over the last four years. The council will also attempt to increase the wages of men – to close the gap between the median gross annual income between men and women (based on 2021 data shows women earned \$68,294 per year, compared to \$61,946 for men, representing a 9.7% difference in pay).<sup>9</sup>

Finally, data made available in the recently published Climate Change and Bermuda – Part I: Science and Physical Hazards report highlights the dire situation Bermuda as it relates to the impacts of climate change.<sup>10</sup> Models have suggested that a growing number of tropical cyclones will travel through the western North Atlantic, with one more major storm per decade. “Warmer surface ocean waters and decreases in wind shear mean the conditions will continue to become more

<sup>6</sup> Ibid

<sup>7</sup> Government of Bermuda. (2022). Bermuda Health Strategy 2022-2027. Available at <https://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=0CAMQw7AJahcKEwjg78HLu9f7AhUAAAAHQAAAAQAg&url=https%3A%2F%2Fwww.gov.bm%2Fsite%2Fdefault%2Ffiles%2FMoH%2520Bermuda%2520Health%2520Strategy%25202022-2027%2520v10.pdf&psig=AOvVaw3uQigVZHnicuDBk6MLecQ-&ust=1669950846510917>

<sup>8</sup> Bernews. (2022, 30 September). Submit To Serve On Gender Affairs Council. Available at <https://bernews.com/2022/09/eoi-gender-affairs-council-membership/>

<sup>9</sup> Ausenda, S. (2022). Gender affairs council tasked with raising men’s incomes. Available at <https://www.royalgazette.com/politics/news/article/20220922/gender-affairs-council-tasked-with-raising-mens-incomes/>

<sup>10</sup> Guishard, M. (2022, 15 July). Climate Change and Bermuda – Part 1: Science and Physical Hazards. Bermuda Institute of Ocean Sciences. Available at <http://www.bios.edu/currents/bermuda-climate-change-report-part-i>

and more conducive to hurricane formation and intensification, with higher wind speed categories likely being attained through the decades to come.”<sup>11</sup>

The report warned that sea levels around Bermuda have risen and are projected to

continue to rise at an accelerating pace through the end of this century. The issue is worsened by incidents of storm surge along with spring tides and warm eddies,



which cause temporary increases of sea levels.

The report said that average monthly air temperatures have risen by about 1C over the past 70 years, more significantly in the summer, as has humidity. Surface ocean temperatures have risen by more than 1C in the 2010s and are expected to rise further under current projections. There are some periods of cooling and warming that offset one another, resulting in an overall warming trend of approximately 0.85C of the surface waters from the 1980s through 2019. Insights from this

### COVID-19 Update

The Government of Bermuda successfully rolled out its vaccination with much success – having attained the recommended vaccination (i.e. fully vaccinated) rate of 70% of its population by January. It discontinued the programme shortly thereafter. Remaining vaccines expired

report is intended to inform decision-making across sectors.

Figure 1: Summary of Select Climate Change Impacts in Bermuda

Source: BIOS

Event   Impact	Change in Hazard		
	Changes in intensity & characteristics	Confidence in Historical Trends	Confidence in Future change under climate influence (2050-2100)
Air temperature & humidity	<b>Moderate</b> Approximately 1°C warmer maximum monthly surface temperature in last 70 years. Increases in duration of summer.	<b>High</b> (observed)	<b>High</b> 2.1-3.5°C warming in North Atlantic Region under IPCC intermediate greenhouse gas emissions scenarios.
Ocean warming & marine heat waves	<b>High</b> >1°C sea surface warming since 1984	<b>High</b> (observed)	<b>High</b> 0.9-1.2°C average upper ocean (top 200m/656ft) warming by 2100 near Bermuda under IPCC intermediate greenhouse gas emissions scenarios. (Flowers, 2022)
Sea level rise	<b>Moderate</b> Gradual increases in baseline sea level, estimated at 0.25m (10") 1900-2020	<b>High</b> (observed)	<b>High</b> Projections of another 0.24-0.26m by 2050, 0.5-0.7m by 2100 (Kopp et al., 2014)
Storm surges	<b>Moderate</b> Increase in surges, but some high values masked by low tide. Highest storm surge in record Hurricane Nicole 0.86m / 2.8 ft above mean sea level (at low tide) Note Hurricane Fabian 2003 absent from the record.	<b>Moderate</b> (data gaps reduce certainty in observed trend)	<b>High</b> (based primarily on sea level rise)
Hurricane activity	<b>High</b> Intensity and frequency increasing. Average Bermuda storm intensity increased 35 to 73 mph from 1955 to 2019 (Hallam et al., 2021).	<b>High</b> (observed)	<b>Moderate</b> Some model projections indicate 1 more major storm per decade near Bermuda under mid- to end-of-century warming scenarios

because of underuse, prompting the Government to request additional supplies from the United Kingdom.<sup>12</sup>

Unlike TCI and the Cayman Islands, Bermuda is still easing COVID-19-related entry requirements from. As of 14 November, authorities no longer required travelers to apply for COVID-19 Travel

<sup>11</sup> Ibid

<sup>12</sup> Finighan, G. (2022, 29 August). Limited supplies of Covid vaccine available after shelf-life extended. Available at

<https://www.royalgazette.com/health/news/article/20220829/limited-supplies-of-covid-vaccine-available-after-shelf-life-extended/>



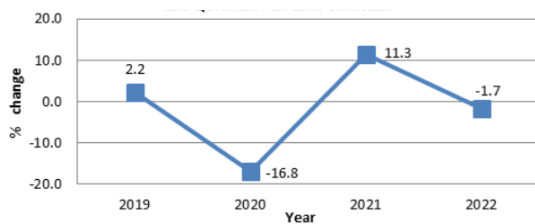
Authorization. Visitors who are not fully vaccinated are no longer required to provide proof of insurance.

## Economic Update

In November, the Minister of the Economy, acknowledged that the economy of Bermuda contracted by 1.7%. Overall inflation increased to 4.7% - however, food and fuel prices increased to 10% and 15%, respectively. To reduce the impact on residents, the government reduced import fees on gasoline. However, it is unclear which steps may be taken, if any, to address inflationary pressures across items.<sup>13</sup>

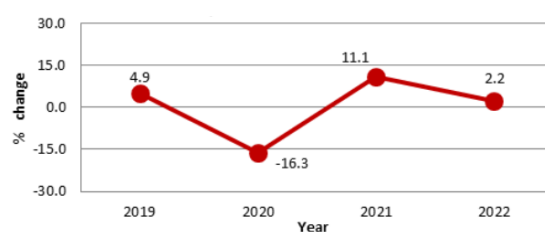
According to the Department of Statistics (DOS), during the second quarter of 2022, GDP at constant prices was estimated at \$1,498.7 million – representing a 1.7 percent decrease year-over-year (See Figure 2). In current prices, GDP increased 2.2% (See Figure 3).

Figure 2: GDP in Constant Prices (2<sup>nd</sup> Quarter percent changes)



Source: Department of Statistics

Figure 3: GDP in Constant Prices (2<sup>nd</sup> Quarter percent changes)



Source: Department of Statistics

## Emerging Opportunities and Challenges

Bermuda, despite its high income status, is quite vulnerable to economic and climate shocks. There are also domestic issues

around violence and inequity that cannot be ignored and could interfere with the success of initiatives aimed to increase

<sup>13</sup> Finighan, G. (2022, 25 November). Economy contracts but minister says island still on 'a good trajectory'. Available at <https://www.royalgazette.com/politics/news/article/20221125/economy-contracts-but-minister-says-island-still-on-a-good-trajectory/>

economy-contracts-but-minister-says-island-still-on-a-good-trajectory/

inclusion and prosperity. As such, it will need to continue to seek ways in which to ensure that it can adapt to both. There are ample opportunities for growth, provided the plans and strategies are effectively resourced and actioned.

Because the government and other stakeholders are pursuing innovative solutions to key challenges; there is an opportunity to ensure that vulnerable, marginalized, and otherwise underrepresented populations are included in the early stages of development strategies.

## Conclusion

Bermuda currently has momentum as it emerges from the global pandemic and pursues economic recovery strategies. As expressed in the previous CCA update,

unless explicitly included persons with disabilities, persons living in extreme poverty, and other vulnerable groups remain at risk of being left behind.