

THE BAHAMAS

NATURAL RISK PREVENTIVE MANAGEMENT

(BH-L1008)

DISASTER PREVENTION SECTOR FACILITY

EXECUTIVE SUMMARY

This document was prepared by the project team consisting of: Javier Cuervo (RE3/EN3), Project Team Leader; Yvon Mellinger (RE3/EN3); Gisella Barreda (RE3/EN3); Edward Anderson (RE3/EN3); Bernadete Buchsbaum (OPR/LEG); Francisco Vieira (SDS/ICT); and Vernon Colin Forsythe (COF/CBH).

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EXECUTIVE SUMMARY

Borrower:	Commonwealth of The Bahamas	
Executing Agency:	National Emergency Management Agency	
Bank's financing amount and source:	IDB: (OC)	US\$5,000,000
	Local:	<u>US\$1,665,500</u>
	Total:	US\$6,665,500
Financial terms and conditions¹:	Amortization period:	20 years
	Grace period:	42 months
	Disbursement period:	42 months
	Interest rate:	Adjustable rate
	Supervision and inspection fee:	0%
	Credit fee:	0.25%
	Currency:	US\$ Single Currency Facility
Objectives:	<p>The goal of the proposed project is to contribute to sound disaster risk management by establishing a well functioning system for disaster management to provide appropriate preparation, response and recovery efforts towards a disaster impacting the Bahamas. The project focuses on the aspect of preparedness. A second objective of the project is to strategically examine Bahamas' exposure to disaster risk in order to orient actions of comprehensive disaster risk management that would be helpful to launch additional programs shown to be beneficial to The Bahamas when it comes to meeting risk reduction objectives. This analysis will also enrich government's dialogue with the Bank and other international organizations interested in promoting comprehensive disaster risk management.</p>	

^{1.} The interest rate, credit fee, and inspection and supervision fee mentioned in this document are established pursuant to document FN-568-3 Rev. and may be changed by the Board of Executive Directors, taking into account the available background information, as well as the respective Finance Department recommendations. In no case will the credit fee exceed 0.75%, or the inspection and supervision fee exceed 1% of the loan amount (*).

(*) With regard to the inspection and supervision fee, in no case will the charge exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

Components: Component I: Emergency Communications (US\$1,713,050)

This component will consolidate a national emergency communications (EC) system². This national emergency communications system will centralize authority for EC within NEMA, establish and equip a National Emergency Operations Centre (NEOC), and maintain decentralized human and material resources throughout the government, non-government and private entities across the country. The design of the system includes technical, organizational, financial and political components to ensure legitimacy, reliability and redundancy during an emergency. This component includes the following sub-components:

- a) Communications equipment and software costs for NEMA such as fixed VHF repeaters, VHF portable radios, satphone mobile systems, and GPS. Part of the equipment is for the NEOC at NEMA's HQ and the other part is for NEMA's local offices located family islands, whilst some will be reserved for shelter managers.
- b) A specialist consultant will be provided to support this EC component. The consultant will work alongside a NEMA technical officer to deliver EC Policy and Plans, provide the training and assist in the technical aspects of procurement. The plans to be developed include definition of EC protocols. The specialist will also develop training workshops to instruct NEMA staff and other agencies in set-up and use of equipment, and will assist in the procurement activities.

**Component II: Legal & Institutional Framework
(US\$1,881,200)**

This component seeks to support NEMA in its mandate to make the Disaster Preparedness and Response Act operational recognizing that NEMA's capacity needs to be built in terms of organizational structure, adequate physical space and consolidation of a network of NEMA's facilities in the family islands. This component includes the following subcomponents:

- a) Organizational development that will finance: (i) consultancy services of a human resource specialist to develop the organizational structure of NEMA, to elaborate administrative and human resources manuals and procedures, and to support NEMA in all issues related to organizational development; and (ii) consultancy services to cover the area of public relations to develop manuals and protocols for NEMA's needs on

². The EC system refers not only to equipment (hardware and software) but to the necessary elements of information management.

institutional communication with civil society, the private sector, and other government agencies.

- b) Disaster risk management policy and program formulation that will finance the services of an expert on disaster risk management. The consultant will work alongside NEMA's technical officer in disaster risk management, provide training and assist in the technical aspects of procurement. By working alongside NEMA's staff, the Bank financed specialist will ensure knowledge transfer. This subcomponent will also finance consultancy services to: (i) help prepare a disaster risk management policy; (ii) formulate subsidiary legislation, as called for by the DPRA regarding forecasting and meteorological services, evacuation, hazard plans, shelter management, emergency communications, agency disaster plans and disaster management and planning; and (iii) prepare sector and contingency plans in coordination with different government agencies.
- c) Resources from this component will be used to furnish NEMA and the National Emergency Operation Center (NEOC) (which operates when needed from NEMA's offices) with office equipment, office supplies and transport vehicles for the headquarters office and the family islands, where NEMA has local offices and where local EOCs convene when needed.

Component III: Shelter management (US\$796,750)

This component finances the following:

- a) Technical assistance from an expert consultant in shelter management that will provide support for the development of a shelter program including policy formulation, evacuation planning, and development of training and informational material. The consultant will work alongside NEMA's technical officer in shelter management, provide the training and assist in the technical aspects of procurement.
- b) Logistics associated with the training of shelter managers to take place in New Providence, Grand Bahamas and the Family Islands, including the development of media materials to support the implementation of the shelter program. Special programs will be developed for the immigrant community.
- c) This component also includes resources to update a shelter inventory, identify needs and retrofit four shelters as pilot cases to elicit lessons for a larger shelter-retrofitting program.

Component IV: Community Preparedness (US\$1,022,000)

The cornerstone of sound preparedness to face natural hazards is to have well educated people and communities on the what-to-do, when-to-do and how-to-proceed in preparation for a natural disaster. This component works at two levels, household and community, and finances the following:

- a) At the household level, this component finances technical assistance to support the formulation and implementation of a “your home as a shelter” informational program, including development and dissemination of educational materials of when to use and how to fit a home as a shelter.
- b) Technical assistance to help communities formulate and implement local preparedness plans. This support includes preparation of local hazard maps and formulation of actions to reduce risk such as evacuation routes as a complement to the option of using the home as shelter. Financing will be provided to run drills and simulations. Local leaders will be trained on how to perform damage and needs assessments.
- c) The services of a contingency planning specialist who will work on the development of standard operational procedures regarding warnings and the dissemination of disaster preparedness information. The consultant will work alongside NEMA’s technical officer in community preparedness and will assist in the technical aspects of procurement. By working alongside NEMA’s staff, the Bank financed specialist will ensure knowledge transfer to strengthen NEMA’s technical capability. As with the shelter management component, special activities will be developed for the immigrant community.

Component V: Country Risk Profile (US\$210,000)

This component will finance a country-specific risk evaluation regarding: (i) probable losses and economic impact, as well as the capacity to finance recovery/reconstruction, with a focus on windstorms; (ii) geographical areas and sectors at high risk that warrant priority intervention (“high consequence”) sectors and assets that, in the case of their failure, have negative multiplier effects on development (including, “critical infrastructure and lifelines” such as, schools/hospitals, airports/ports, water treatment plants and distribution lines, gas/oil lines, etc.); and (iii) institutional capacity to manage natural risk. The analysis will inform the country about its current status regarding natural hazard vulnerability and will contribute to the Government’s dialogue with development partners, the Bank included.

Special contractual conditions:

Prior to the first disbursement of the resources of the financing:

- a) The appointment and/or contracting of the Project Manager, Finance and Accounts Specialist, Procurement Specialist, and the Human Resources Specialist [see Component II - ¶3.4-a (i)].
- b) The presentation, to the satisfaction of the Bank, of the Operational Manual and its ratification by the Executing Agency.

Other contractual conditions:

Prior to first disbursement of the resources of the financing for each component, the executing agency will comply, respectively, with the following conditions:

- a) Resources for component I: The selection and hiring of the Communications officer.
- b) Resources for component II: The selection and hiring of the Disaster Risk Management officer.
- c) Resources for component III: The selection and hiring of the Shelter Management officer.
- d) Resources for component IV: The selection and hiring of the Community Preparedness officer.
- e) Resources for component V: The selection and hiring of the Disaster Risk Management officer.

Relationship to the Bank's country and sector strategy:

The Bank's Country Strategy Paper for The Bahamas (GN-2290-1) sets out the principal areas of strategic focus required to meet the developmental challenges. These are: (i) sustained economic growth and private sector development; (ii) social development and equity; (iii) environmental management; and (iv) public sector modernization. This project contributes to objectives (i) and (iv) by supporting risk reduction that should smooth the impact on economic growth from natural disasters and by helping to modernize governance regarding disaster risk management. This operation was presented to the Board of Directors on June 2005 (GN-2257-9) and in subsequent updates (July 2006, document GN-2257-12).

Coordination with other multilateral development institutions:

This operation does not require noticeable coordination with other donors although is intended to serve as a catalyst to deepen disaster management in The Bahamas. The GOBH receives limited donor financing and in the few areas where there is such financing, this operation builds on that; for example, USAID is supporting the building of new office buildings for NEMA at their

headquarters in Nassau and this operation provides the equipment. Coordination is ensured through the active involvement of NEMA.

**Environmental/
Social
classification:**

The present operation does not have significant negative environmental or social impacts. No major works are envisioned. The works associated with the retrofitting of shelters may have some minor construction impacts that will be mitigated by following environmental guidelines.

Upon review of the Sector Facility Profile for this operation on August 26, 2005, the Bank's Committee on Environment and Social Impact (CESI) decided that no environmental assessment was required for the project and no further review by the CESI was requested.

**Potential
benefits:**

The main beneficiaries of the project are local communities that by being better prepared to face natural hazards, will improve their well being when disruptions to their socio-economic welfare, caused by natural disasters, are diminished. In addition, an institutional beneficiary of the project is NEMA, which will grow into a well-established agency. On the basis of these two outcomes, Bahamas will have moved in the right direction in the consolidation of a sound operating national system for disaster risk management. Follow-up would include hard investments in risk reduction and consideration of improved financial instruments for risk transfer. It is important to note that the reduction of vulnerability usually accrues significant benefits to the poorer segments of the population who are generally disproportionately more impacted by the natural disasters because their resilience and their recovery capacity are lower.

Potential risks:

The main risk for this operation is derived from the incipient institutional framework that supports the operation, since NEMA needs to take on significant responsibilities. The design of the project is the risk mitigation measure where significant resources are allocated to the institutional strengthening of NEMA. A second risk is the occurrence of a major disaster early in the project that could greatly concentrate NEMA's attention to relief and recovery, which could affect the execution of the project. The mitigating factors are the GOBH's strong commitment to advance even in dire circumstances; as shown by the enacting of the DPRA and the budget allocations to NEMA, which testify to this commitment. Also, prompt action regarding the initiation of the project would put NEMA in better position to attend relief tasks while not de-emphasizing prevention.

Poverty-targeting and social equity classification:	Does not qualify as poverty-targeting or social equity.
Procurement plan and timeframe, threshold amounts for ICB:	Contracts for works, procurement of goods and related services, and contracts for the services of consultants will be executed in accordance with Bank policies and procedures as described in documents GN-2349-7 (works and goods) and GN-2350-7 (consultancy services). The Tentative Procurement Plan for the project is included as an annex. Threshold amounts for ICB are works (US\$3,000,000), goods (US\$150,000).
Key performance indicators and monitoring benchmarks:	<p>By the end of the second year:</p> <ul style="list-style-type: none"> a) 10 agencies are implementing Disaster Risk Management plans. b) 200 people are trained as shelter managers. <p>By the end of the project:</p> <ul style="list-style-type: none"> a) Each relevant agency has appropriate communication equipment and is knowledgeable on the protocols. b) NEMA is operating as a well-established agency. c) 350 people are trained as shelter managers. d) Four shelters have been retrofitted. e) 30 communities have implemented their local preparedness plans.
Reporting arrangements jointly with Bank and executing agency:	<p>The EA will operate and maintain a permanent monitoring system to evaluate the progress of all project activities³. The Bank's Country Office in The Bahamas will monitor and evaluate all major aspects of project execution, in particular the financial management and procurement processes. The Logical Framework and the draft Project Performance Monitoring Report (PPMR) are respectively presented in Annex I and III.</p> <p>The EA, will prepare semiannual progress reports throughout the project execution period, and submit these to the Bank within 60 days of the end of each six-month period for the Bank's approval. The reports will include information on: (i) progress achieved in the implementation of all project components, including degree of compliance with the timetable, results of the procurement activities, and a comparison between the budgeted costs, and actual costs; (ii) compliance with the contractual clauses; (iii) compliance with the targets established in the program's</p>

³. The Bank will propose to NEMA the installation of the iPMS to support those activities.

logical framework and the approved annual work plans, the first of which will be prepared within 60 days of contract signature and then every 12 months in a cycle linked to the formulation and execution of the budget cycle of Bahamas; and (iv) a summary of the problems encountered during the respective period and the actions taken to resolve them. NEMA will facilitate independent mid-term and final evaluations.

Within the system for monitoring described above, the EA will collect, store and retain updated information, indicators and parameters, including the annual work plans, the mid-term evaluation and the final evaluation, to help the Bank prepare the Project Completion Report (PCR).