

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

THE BAHAMAS

INTEGRATED COASTAL ZONE MANAGEMENT MASTER PLAN

(BH-L1005)

LOAN PROPOSAL

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Electronic Links and References	
Basic Socioeconomic Data	http://www.iadb.org/countries/home.cfm?id_country=BH&Language=English
Status of Loan in Execution & Loans Approved	http://portal.iadb.org/approvals/pdfs/BHen.pdf
Tentative Lending Program	http://opsgs1/ABSPRJ/tentativelending.ASP?S=BH&L=EN
Information available in the files of RE3/RE3	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=804896
Annex III - Draft PPMR	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=829146
Annex IV - TOR (Consulting Firm)	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=829147
Annex V - TOR (ICZM Planning Unit)	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=829148

ABBREVIATIONS

BEST	Bahamas Environment, Science and Technology Commission
BNGIS	Bahamas National Geographic Information System
CESI	Committee on Environment and Social Impact
DEPP	Environmental Planning and Protection Department
EA	Executing Agency
EIA	Environmental Impact Assessment
ESMR	Environmental and Social Management Report
GIS	Geographic Information System
GOBH	Government of The Bahamas
ICAS	Institutional Capacity Assessment System
ICZM	Integrated Coastal Zone Management
IDB	Inter-American Development Bank
IT	Information Technology
LUPAP	Land Use Policy and Administration Project (Loan 1589/OC-BH)
MEE	Ministry of Energy and Environment
NCSA	National Capacity Needs Self-Assessment
PCR	Project Completion Report
PPMR	Project Performance Monitoring Report
PU	Planning Unit
SC	Steering Committee
TOR	Terms of Reference

PROJECT SUMMARY
INTEGRATED COASTAL ZONE MANAGEMENT MASTER PLAN
(BH-L1005)

FINANCIAL TERMS AND CONDITIONS ¹			
Borrower: Commonwealth of The Bahamas		Amortization period: 20 years	
Guarantor: N/A		Grace period: 42 months	
Executing Agency: Ministry of Energy and Environment		Disbursement period: 42 months	
Source	Amount	%	Interest rate: Adjustable
IDB (OC):	US\$3.842 million	80%	Supervision and inspection fee: 0%
Local:	US\$0.958 million	20%	Credit fee: 0.25%
Total:	US\$4.800 million	100%	Currency: US\$ - Single Currency Facility
PROJECT AT A GLANCE			
<p>Project objective: The goal of this technical cooperation loan is to initiate the long-term integrated management process of The Bahamas' coastal and marine resources. The specific purpose is to establish the national coordination and planning process for the preparation of an Integrated Coastal Zone Management Master Plan for the country.</p>			
<p>Special contractual clauses:</p> <p>Prior to the first disbursement of the resources of the Financing, the Borrower will submit to the Bank:</p> <ol style="list-style-type: none"> Evidence that the ICZM Planning Unit has been: (i) established within the Ministry of Energy and Environment; (ii) staffed with the ICZM Coordinator, Environmental Specialist Information Specialist, and Administrative Coordinator, hired in accordance with the TOR for the PU agreed with the GOBH; and (iii) provided with adequate facilities and administrative (¶3.10). Evidence that the Steering Committee has been formally established, and has the membership agreed with the Bank (¶3.8). Evidence that the Request for Proposals for the development of the Master Plan has been sent to the short-listed firms (¶3.11). 			
Exceptions to Bank policies: None			
Project consistent with Country Strategy: Yes, the program is coherent with the strategy (¶1.12).			
Project qualifies for: SEQ [] PTI [] Sector [] Geographic [] % Headcount []			
Procurement: See ¶3.11.			
Verified by the CESI on: May 19, 2006 (see ¶4.10)			

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.

I. FRAME OF REFERENCE

A. Socioeconomic and governance framework

- 1.1 The Commonwealth of The Bahamas is an archipelago of over 700 small islands in the northern Caribbean. (Bahamas' approximately 320,000 citizens inhabit thirty of these islands). While the landmass of the islands is relatively small, the coastal resources of The Bahamas are very extensive and of great ecological, social and economic importance. The Bahamas is highly dependent on tourism, fishing, marine transportation, and related sectors as the basis for its economy. Tourism alone accounts for 65% of exports of goods and services, and the crawfish industry makes up 40% of domestic exports of goods. However, social and economic development is increasingly pressuring the fragile environmental resources these economic sectors depend on.
- 1.2 Also, given the number of major development proposals that are being submitted to the Government of The Bahamas (GOBH), there is a concern regarding negative direct, indirect and cumulative environmental and social impacts. In the past, inadequate consideration of these impacts have led to the abandonment of facilities in several resort projects in Eleuthera and Grand Bahamas, major dredging without adequate environmental impact or other scientific assessments, traffic congestion and other circumstances that detract from the quality of tourism. It is likely that a continued pattern of such development would eventually damage the reputation of the entire Bahamian tourism industry.
- 1.3 Therefore, the long-term sustainability of The Bahamas' economy will require measures to preserve and sustain the country's coastal resources. Such measures include, but are not limited to, adopting a rational land use policy, sound environmental management practices, consideration of social development and equity issues, and attracting private sector investments in sustainable activities. Moreover, to manage regional and cumulative impacts, improvements that would shift the emphasis from case-by-case decisions to an integrated decision-making framework would be favorable to the long-term environmental and economic sustainability of development in The Bahamas. Such an integrated framework should include improved planning and regulation of developments, especially in the tourist sector, to reduce marring of the islands' coastlines.
- 1.4 The Bahamas has begun to establish the basis for a legislative, regulatory and institutional framework for managing coastal development and protecting its natural resources. Several key coastal laws have been adopted but still lack the corresponding detailed regulations and hence the basis for their implementation and enforcement. Moreover, other activities and sectors have basically not been addressed. An Environmental Impact Assessment (EIA) process exists, yet it is primarily focused on foreign investment projects and is not readily accessible to all affected parties or stakeholders. As such, there is a clear need for technically sound and politically supported improvements to the legislative and regulatory framework.

- 1.5 With respect to the institutional framework, the responsibility for managing coastal resources and the activities that impact them is currently scattered among several government agencies, mostly along sectoral lines, as well as between local and national agencies. This fragmentation of roles and responsibilities, as well as any disconnect between national and local interests, is currently a hurdle to achieving a consistent management of coastal resources.

B. Integrated Coastal Zone Management in The Bahamas

- 1.6 Given the current challenges and management responses, Integrated Coastal Zone Management (ICZM) is a very appropriate option for The Bahamas. ICZM is a broad, multi-purpose approach aimed at helping to improve the quality of life of communities dependent on coastal resources and assist coastal areas to attain sustainable development from the headwaters of coastal watersheds to the outer limits of their exclusive economic zone. The approach combines participatory processes and diverse planning and implementation techniques to achieve a balance between different coastal uses, based on a set of widely endorsed objectives for improving living conditions, safeguarding property and protecting coastal ecosystems.
- 1.7 However, a major challenge associated with Integrated Coastal Zone Management is its multi-sectoral nature, which is not amenable to the usual analytical approaches used to address sectoral problems. This is one of the main reasons why many countries lack a clear strategy for ICZM, and do not have in place the necessary multi-sector coordination mechanisms to address the relevant issues.

C. The Country's strategy in ICZM

- 1.8 Although The Bahamas doesn't yet have a fully developed strategy for ICZM, the current government has repeatedly declared the priority it gives to the development of a project to safeguard the coastal zone. The government's emphasis on better managing coastal development and protecting the country's natural resources is also reflected in the recent improvements in the corresponding legislative, regulatory and institutional framework, discussed above, as well as the recent proposals for the upgrading of the Bahamas National Geographic Information System (BNGIS), a new National Wetlands Policy, and the re-structuring of the country's environmental agencies.
- 1.9 Moreover, government, the private sector and the local communities have recently taken steps towards more environmentally and socially responsible business practices and re-development of key areas in The Bahamas. For example, the Ministry of Tourism and private tourism associations, with support by the Bank, are now collaborating to promote eco-tourism more fully (ATN/ME-9466-BH).
- 1.10 At the GOBH's request, the Bank financed the preparation of a study: *"Integrated Coastal Zone Management: Issues and Perspectives"*, which was reviewed and

endorsed in a workshop held in March 2002 and is the genesis of the present operation.

D. The Bank's strategy

1. Strategy in The Bahamas and in Integrated Coastal Zone Management

- 1.11 The Bank's Strategy for Coastal and Marine Resources Management adopts Integrated Coastal Management as the framework for responding to both global and national issues posed by the relationships between human society and coastal and marine environments. The present operation directly responds to the Strategy's challenge posed to the Caribbean island states of the immediate need for integrated approaches to natural resources management, with coastal management providing that integrating perspective.
- 1.12 This project is highly consistent with the Bank's country strategy for The Bahamas for 2003-2007 (GN-2290-1) both in terms of its focus and its nature as a small, technical assistance project. The country strategy has four principal areas of strategic focus: (i) sustaining economic growth and private sector development; (ii) promoting social development and equity; (iii) improving environmental management and natural resources conservation; and (iv) public sector modernization. In addition, a key feature of the strategy is to focus support on relatively small projects, often with a high technical assistance content. Furthermore, a cross-cutting theme of the country strategy is to promote development of the Family Islands.

2. Lessons learned

- 1.13 Experience in other countries shows that the potential for the ICZM planning process to yield substantive, actionable results is greatly enhanced by ensuring four elements are present from the early phases of the project: (i) commitment and support from the highest level of government; (ii) initial coordinating mechanisms that bring all key stakeholders into the process in a substantive manner; (iii) a planning unit or office that is entrusted with the sole responsibility of guiding the ICZM planning process; and (iv) activities and actions early in the process that both demonstrate the value of ICZM in the long term, but that also pay immediate dividends for the stakeholders.
- 1.14 These elements have been successfully implemented in Barbados with the Bank's support, resulting in the establishment of one of the most comprehensive and long-running coastal and marine monitoring programs in the Caribbean, and the establishment of the Coastal Zone Management Unit in 1995, whose embryonic predecessor was a Project executing Unit established in 1983 to execute the Diagnostic and Pre-Feasibility Study of the island's coasts, cofinanced by the IDB. Two further projects were subsequently supported through pre-investment loans: the Coastal Conservation Pre-Investment Program (Loan 571/OC-BA for US\$4.7 million) and the technical cooperation Coastal Conservation Program

Phase I (Loan 856/OC-BA for US\$3.6 million). Following the successful Coastal Conservation Pre-Investment Program, the GOBH sought further assistance from the IDB in financing the first phase of a comprehensive, island-wide coastal zone management program, the Coastal Conservation Program Phase I. Completed in 1999, this Technical Cooperation (TC) focused on diagnostic studies for the Atlantic Coast, to complement those previously conducted on the west and south coasts. This TC also prepared a detailed Coastal Zone Management Plan for the entire island, provided support to institutional strengthening efforts, and identified cost recovery mechanisms necessary for financing coastal management projects in Barbados. A key aspect for institutional strengthening and direct involvement of stakeholders was the implementation of demonstration projects. The CZMU is the national focal point for coastal management in Barbados. Its professional and technical staff includes planners, engineers, marine biologists and surveyors. The CZMU is responsible for undertaking, in conjunction with others, the primary functions for ICM and for liaison with others concerning secondary ICM functions. It therefore works with other agencies of government that provide environmental management or development control functions to implement the ICM Plan.

E. Coordination with other projects

- 1.15 The ICZM Master Plan project will be designed to closely coordinate with and complement two major Bank initiatives in The Bahamas, particularly the Land Use Policy and Administration Project (LUPAP) (Loan 1589/OC-BH), and the Natural Risk Preventive Management Project (BH-L1008) that the Bank will carry out in the country.
- a. LUPAP (Loan 1589/OC-BH): This project, funded by the Bank, will concurrently be developing a general land-use and zoning strategy that will provide opportunities for the ICZM plan to coordinate on the development of zoning and subdivision and set-back regulations particularly for coastal areas and issues. This project includes a significant mapping component that has a positive synergy with the current project¹.
 - b. Natural Risk Preventive Management Project (BH-L1008): The Bank is supporting the preparation of this program under the Disaster Prevention Sector Facility and it has the objective of contributing to sound disaster risk management by establishing a well-functioning system for disaster management to provide appropriate mitigation response and recovery efforts to a natural disaster. This project focuses on the aspects of preparedness and will directly address natural disaster risk in The Bahamas. The ICZM Master Plan, while not dependent on the execution of BH-L1008, will nevertheless complement the latter program by proposing important improvements in

¹ The Bank's Country Office in The Bahamas has confirmed that execution of LUPAP is advancing satisfactorily. It is expected that the required mapping data to be shared with the ICZM project will be available at the appropriate time.

planning, zoning, setback regulations, and other measures that will contribute to reducing vulnerability.

F. Program strategy

- 1.16 Shifting from a tradition of sectoral management of coastal resources to a truly Integrated Coastal Zone Management is a long-term process, which should be developed gradually and in step with enhanced institutional capacity. In light of these considerations, the strategy of the current project is to focus on a small and well-defined operation on developing an ICZM Master Plan, with emphasis on a few key issues such as water quality and land use. This project sets the stage for the preparation of a longer-term, multi-phased program to implement ICZM in The Bahamas, as it would provide the guiding documentation for the implementation. The project would also provide invaluable experience and a general framework for addressing other important but more complex issues, such as fisheries management, which are not part of this operation.
- 1.17 Specifically, the current project aims to assist the Government of The Bahamas in developing a coherent, well-coordinated, science-based Master Plan for Integrated Coastal Zone Management through financing two major components: (i) Capacity Building; and (ii) Development of an ICZM Master Plan. The participation of stakeholders from the private sector and civil society will be encouraged throughout the process.
- 1.18 A Master Plan for Integrated Coastal Zone Management in The Bahamas will provide necessary tools for improving the institutional and regulatory framework, the amount and quality of the data available, the efficacy of the existing planning process, and other adjustments necessary for protecting the vital natural coastal resources that The Bahamas' economic and social development depends on. Furthermore, these improvements and adjustments will contribute to addressing problems related to the vulnerability of the country to the effects of climate change and natural disasters. Equally important, the process of developing the Master Plan and the tools created will support sound decision-making regarding the use and protection of coastal resources in The Bahamas.

II. THE PROGRAM

A. Objectives and description

- 2.1 The goal of this technical cooperation loan is to initiate the long-term integrated management process of The Bahamas' coastal and marine resources.
- 2.2 The purpose of this operation is to establish the national coordination and planning process necessary for the preparation of an Integrated Coastal Zone Management (ICZM) Master Plan for The Bahamas. The key outcomes related to

this purpose are: (i) an ICZM Planning Unit within the MEE that has successfully guided the process of developing a national-level ICZM Master Plan for The Bahamas, and that has the capacity to coordinate the Plan's future implementation; and (ii) the completion of an ICZM Master Plan that is supported by relevant stakeholders.

B. Components

2.3 There will be two major components of the Project:

- a. Component I – Capacity Building: The first component will finance: (i) the initial operation of the ICZM Planning Unit, thereby creating the capacity to coordinate the development of the ICZM Master Plan and subsequently manage its implementation; and (ii) the staff and resources required for the administration of the project throughout its execution.
- b. Component II – Development of an ICZM Master Plan: The second component will finance the hiring of a consulting firm or association of firms to develop the ICZM Master Plan, through three subcomponents: (i) initiatives to enable a meaningful and effective planning process; (ii) a participatory process for developing a national-level Master Plan; and (iii) a case study implementation to provide hands-on training in ICZM techniques.

1. Component I: Capacity Building (US\$1,100,000)

a) Subcomponent I-1 – ICZM Planning Unit (US\$945,000)

2.4 Previous ICZM projects have shown the importance of establishing, at the outset of the planning process, a single entity that is mandated and equipped to provide a consistent focus on the project. This subcomponent will finance the initial operation of a Planning Unit (PU) that is charged with the lead responsibility of managing the ICZM planning process under the supervision of the Ministry of Energy and Environment (MEE) and the guidance of a Steering Committee (SC). The PU's specific responsibilities during project execution are described in Chapter III. Moreover, it is anticipated that the Planning Unit will mature into a permanent entity for coordinating coastal zone management in The Bahamas. As such, the PU will, after project completion, serve as the lead agency for guiding the implementation of the Master Plan.

2.5 To fulfill its functions, the PU will be comprised of three senior specialists: the ICZM Coordinator (who will also assume the functions of Project Manager), an Environmental Specialist and an Information Specialist (who will also assume the responsibilities related to monitoring and evaluation). The descriptions of the qualifications required and of the functions of those specialists is described in the Terms of Reference of the PU (Annex V). This subcomponent will cover the three specialists' salaries, benefits and associated expenses during the execution of the project; however, a 'sunset clause' has been devised and agreed with the GOBH

during project preparation, to ensure the gradual take-over of the financial responsibility by the government². In addition, to assist with the coordination of administrative matters during the initial phase of the project, this subcomponent will finance the contracting of a full-time Administrative Coordinator as a consultant for a one-year period, with the possibility of extension if the project requires it.

- 2.6 While the Planning Unit will receive some formal training as part of Subcomponent II-1, it should be noted that the capacity building activities included in this operation are not intended to cover all the institutional strengthening needs of the several agencies with jurisdiction on coastal zone management issues in the Bahamas. Those needs would be addressed subsequently during an operation designed to implement the ICZM Master Plan.

b) Subcomponent I-2 – Project Administration (US\$155,000)

- 2.7 This subcomponent will finance the staff time and resources required for the administration of the current project throughout its execution. To fulfill its functions, the ICZM Planning Unit will require adequately furnished office space, supplies, and equipment, as well as administrative support staff to assist with accounting, reporting, IT and secretarial duties related to the project.

2. Component II: Development of an ICZM Master Plan (US\$3,085,000)

- 2.8 The second component will finance the contracting of a single consulting firm or an association of firms for the purpose of carrying out, under the supervision of the ICZM Planning Unit, the following three subcomponents: (i) initiatives to enable a meaningful and effective planning process; (ii) a participatory process for developing a national-level Master Plan; and (iii) a hands-on training in ICZM techniques (case study implementation). The detailed scope of the work to be performed by the consultants is described in the corresponding Terms of Reference (Annex IV), which have been discussed and agreed with the GOBH.

a) Subcomponent II-1 – Enabling Initiatives (US\$285,000)

- 2.9 This subcomponent finances: (i) essential support to the Steering Committee; (ii) a communication plan; (iii) some formal training of the ICZM Planning Unit; (iv) public consultations; (v) three technical workshops; and (vi) a pilot project.
- 2.10 The first three initiatives are primarily process-oriented and designed to ensure a high level of coordination and public participation throughout the execution of the project. In contrast, the consultations, workshops and the pilot project contain a strong technical component. They are designed to provide a detailed understanding of current challenges in coastal zone management, and the results

² The GOBH will finance 20% of the PU's expenses during the first year, 40% during the second year and 60% during the third year of project execution through counterpart funds, the remainder being funded through IDB financing. From the fourth year onward, the GOBH will finance 100% of the PU's expenses.

from these initiatives will be communicated via white papers, which will serve as important inputs for the development of the Master Plan.

- 2.11 Support to Steering Committee: To assist the Executing Agency with the multi-sector coordination that is required for a successful ICZM planning process, a Steering Committee (SC) has been established for the purpose of this operation. The primary role of the SC is to be a forum of discussion of all issues and challenges related to ICZM in The Bahamas, thus facilitating interactions between all major stakeholders throughout the ICZM planning process. The consultants will collaborate with the PU to provide required inputs for SC meetings, and attend the meetings to provide technical information, if requested by the PU. (Details on the support activities financed by this component are included in the TOR for the consultants (Annex IV).)
- 2.12 Communication Plan: A communication plan will be developed to ensure that the public receives all relevant information regarding the issues, the planning process and results in an effective and timely manner. The plan will describe the actions and techniques necessary to ensure meaningful public participation, a transparent planning process, and recommendations that are relevant to current ongoing activities and events. The implementation of the communication plan is part of the activities described in paragraph 2.16 (Public Consultations).
- 2.13 Formal Training of ICZM Planning Unit: Although the majority of the training for the PU will be on-the-job training throughout the development of the Master Plan, this initiative will finance some formal training for the PU, to ensure that, as a team, the unit is adequately trained in project management, conflict management, change management, community relations management, public awareness and communications, as well as in the principles of coastal and environmental planning, environmental monitoring and biodiversity conservation. Based on the specialists' prior experience in these areas, the consultants will determine the most appropriate training courses and seminars.
- 2.14 Public Consultations: During the development of the Master Plan, the consultants will conduct several public consultations. The number of consultations, as well as their content and audience will be determined within the context of the Communication Plan. All consultations will follow the Bank's policies and guidelines, and target key stakeholder groups (resident and non-resident), ensure access by all different user groups, and provide information in a culturally sensitive and timely manner.
- 2.15 Workshops: The project will finance three technical workshops, respectively on GIS mapping, water quality monitoring and innovative planning techniques. The GIS workshop will focus on an inventory of current activities and resources, and will explore inter-agency coordination, public availability of data, and the capacity of existing organizations to collaborate with the ICZM project. The water quality workshop will be designed to evaluate the relevance of current water quality monitoring data and programs to the ICZM monitoring efforts, to gather

input on future monitoring efforts that would be most useful to relevant stakeholders, and to produce a map showing historical, current and recommended monitoring stations. The third workshop will introduce innovative planning techniques that are relevant to the current context in The Bahamas, both at the national and local levels.

- 2.16 Pilot Project: The pilot project is envisioned as a smaller-scale ‘trial run’ of the larger national-level ICZM planning process. Its objective is to illustrate early on in project execution the constraints, specific needs and concerns that need to be considered in the particular context of The Bahamas for the preparation of the ICZM Master Plan. Using the general approach for ICZM, a coastal zone management plan will be developed for the pilot project area. It will include the following four elements: (i) mapping of critical areas; (ii) development of criteria and standards to manage these areas; (iii) evaluation of the existing carrying capacity; and (iv) development of adequate, realistic, and implementable management strategies. Several potential sites have been proposed, and the final pilot site will be selected, following an initial reconnaissance trip to the prospective sites.

**b) Subcomponent II-2 – Development of the Master Plan
(US\$2,350,000)**

- 2.17 This subcomponent finances the following seven key steps involved in developing an ICZM Master Plan: (i) assess the governance framework; (ii) characterize resources and map coastal areas; (iii) identify major issues and challenges, and evaluate alternative scenarios; (iv) define Master Plan Scope; (v) develop policies and standards; (vi) define applicable tools and techniques; and (vii) conclude Master Plan development phase. The tasks associated with each of these steps are briefly described in the following paragraphs, as well as in more detail in Annex IV.
- 2.18 Assessment of Governance Framework: The consultants will assess the existing legislative and regulatory framework across the various sectors related to ICZM and potentially affected by the Master Plan preparation, as well as the structures, roles, responsibilities and capacities of the national and local agencies that will be involved in implementing the Plan. The legislative and regulatory assessment will identify priority areas for improved streamlining, coordination, and harmonization. The institutional assessment will identify major strengths and weaknesses of the existing governing arrangement, thus enabling the design of the final approach to the planning process, its goals and any particular issues that will need to be addressed, including a proposal for a staged strengthening of the governance framework. Among other sources, this assessment will take into account the recently completed National Capacity Needs Self-Assessment (NCSA) for environmental management, carried out by the GOBH.
- 2.19 Resource Characterization and Mapping of Coastal Areas: This activity will take the information compiled during the GIS mapping and water quality-monitoring

workshops (Subcomponent II-1) as a point of departure, and will continue to expand and refine information on coastal resources and areas throughout the development of the Master Plan. The objective of this activity is to first provide necessary information for defining the scope of the Master Plan, and subsequently to create a set of detailed, accurate and accessible data to support the ICZM planning process and its future implementation. This work will utilize the information available through LUPAP and other initiatives, but the subcomponent will also finance data collection and mapping in order to complement existing information and develop a sound water quality monitoring plan and baseline. (The type and scope of the information to be gathered is specified in the TOR for the consulting firm (Annex IV).

- 2.20 Identification of Major Issues & Challenges, and Evaluation of Alternative Solutions: The consultants, in close collaboration with the Executing Agency, Planning Unit and Steering Committee, will identify (i) the major coastal zone issues and challenges in The Bahamas; and (ii) possible solutions to current challenges, that would lead to alternative outcomes. Following this identification, the consultants will carry out an economic analysis to evaluate to the extent possible the costs and benefits of each of the alternative solutions proposed, including the costs and benefits associated with any required adjustments in terms of policies, standards, tools and techniques to implement the proposed solutions. This identification and evaluation will take into account the results from the previous two steps, the IDB document “The Bahamas Integrated Coastal Zone Management: Issues and Perspectives” (RE3-02-006, November 2002), and the inputs received during the public consultations and workshops (Subcomponent II-1).
- 2.21 Definition of Master Plan Scope: In line with the project strategy to focus on a few key areas of ICZM, the consultants will assist stakeholders with defining the scope of the Master Plan, both thematically (priority issues, goals, objectives) and geographically (geographic areas considered part of the coastal zone³ and those where planning efforts should be focused). This activity will involve a participatory, consensus-oriented process, utilizing the assessments, evaluations and decisions from the previous three steps, and reflecting current national planning and development strategies, regional variations, and the cultural and community character of The Bahamas. Special attention should also be paid to verifying that the proposed scope can be managed with the available resources, and that the Master Plan can be prepared with the existing institutional capacity.
- 2.22 Development of Policies and Standards: This step entails the development of the policies and standards necessary to achieve the Master Plan’s goals and objectives, as defined in the previous step. Based on their assessment of the

³ Given the geographic characteristics of the Bahamas, it has been assumed during project preparation that all land and coastal waters in The Bahamas will be considered part of the coastal zone. The consultants will be required to verify that this assumption is not only valid, but also the most adequate approach for the purposes of this operation, so as to allow the GOBH and other stakeholders to make a well-informed decision.

existing governance framework, the consultants will determine what adjustments have to be made to enable the future implementation of the Master Plan, and develop or adapt the corresponding policies and standards in coordination with major stakeholders⁴. The consultants will be responsible for adequately addressing all issues, challenges and areas included within the scope of the Master Plan, but scientifically-sound policies and standards in the following three areas are considered indispensable for successful ICZM:

- a. Water quality: This includes, for example, policies and standards related to stormwater and wastewater management, as well as quality standards for coastal waters, freshwater bodies, and drinking water supplies that take into account the results of specially developed models, including at a minimum a pollutant-loading and a water quality model.
- b. Development of coastal areas: This includes, but is not limited to, policies and standards for zoning, controlling development density and configuration, mitigating land-use-related flood hazards, developing and managing marinas, providing adequate public coastal access, and managing environmental impacts of developments in the coastal zone.
- c. Protection of environmental areas and services: This includes at a minimum policies and standards related to wetlands, marine protected areas, marine reserves and national parks in the coastal zone.

2.23 Definition of Applicable Tools and Techniques: The previous step aims to develop the policies and standards necessary to achieve the Master Plan's goals and objectives. This step focuses on the tools and techniques required to enable an effective implementation and enforcement of these policies and standards. The consultants will define applicable instruments (regulatory or non-regulatory, command-and-control, market or information based), adapting existing ones and developing new ones as needed. The proposed tools and techniques should be developed to a technical level that allows for their direct application during the case study implementation (Subcomponent II-3).

2.24 Conclusion of Master Plan Development Phase: The final step in the development of the Master Plan comprises four activities oriented toward the future implementation of the plan:

- a. Compilation and presentation of results: Consultants will compile the results of the previous six steps, and present their findings and conclusions to major stakeholders in form of a Master Plan Report as well as through summary presentations at a Final Stakeholder Workshop (which will include a survey of participants regarding their feedback and support of the Plan).

⁴ The consultants will develop the policies and standards to a level of detail that allows for their consideration by the GOBH without further preparation.

- b. Identification of priority initiatives: Based on the Master Plan Report, the consultants, will recommend a small set of suitable sites for the case study implementation. In addition, the consultants will recommend up to 6 initiatives that they consider of the highest priority for initiating the implementation of the Master Plan.
- c. Assessment of ICZM-related financial sustainability mechanisms: Two essential aspects related to the successful implementation of the Master Plan are: (i) cost-recovery mechanisms and (ii) financial instruments to partially redress negative externalities and other environment-related inefficiencies. The consultants will identify, evaluate and make recommendations to the GOBH as to the most suitable financial mechanisms and instruments (environmental taxes, levies, user charges, product charges, trust funds etc), to contribute to the long-term financial sustainability of ICZM processes in The Bahamas, and promote the participation of the private sector in addressing current coastal resource management challenges.
- d. Finalization of Master Plan: The Consultant will produce a final ICZM Master Plan for The Bahamas in a format that enables its use both as a technical planning document and as a user-friendly public education tool. (Creative use of modern communication technologies, including the creation of an ICZM website, is strongly encouraged). The final Master Plan will include (i) pertinent information from the previous six steps; (ii) a summary of the assessment of financial sustainability mechanisms; (iii) a detailed section that clearly specifies the necessary actions to fully implement and achieve the goals of the ICZM Master Plan, particularly with respect to the legal and institutional steps required; and (iv) a report on the case study implementation.

c) Subcomponent II-3 – Case Study Implementation to Provide Hands-on Training on ICZM techniques (US\$450,000)

- 2.25 Instead of supporting the full implementation of the Master Plan, which will require a costly, long-term, multi-phase effort well beyond the scope of the current project, this subcomponent will finance the selection and implementation of one case study to initiate and illustrate the implementation of the Master Plan⁵. The case study implementation will also serve to improve understanding of the shared responsibilities of stakeholders, including those from the private sector, for implementing the Master Plan.
- 2.26 This case study implementation differs from the pilot project (Subcomponent II-1) in that the pilot project is designed to help the executing agency and the ICZM Planning Unit to better understand the major issues involved in ICZM, whereas the case study implementation is aimed at allowing the Executing Agency the

⁵ Further implementation of the Master Plan by the GOBH is beyond the scope of the current project. However, Subcomponent II-2 provides a suggestion of six priority initiatives (see paragraph 2.25.b)

ICZM Planning Unit and other stakeholders to gather first-hand experiences with implementing the newly developed ICZM Master Plan.

- 2.27 The case study will be selected through a transparent and technically sound process from the set of potential sites identified in Subcomponent II-2. The following minimum criteria will be employed in the selection process:
- Site must represent to a high degree the major ICZM issues and challenges identified during Master Plan preparation.
 - The geographical extension (area) of the site has to be commensurate with the resources and the time period available for the case study implementation.
 - An adequate level of information must be available for the site at the time of selection.
 - A case study implementation of the ICZM Master Plan at the site must be politically feasible.
- 2.28 The consultants will be responsible for assisting the GOBH with the final selection of the case study, for preparing and distributing any necessary training materials, for guiding the case study implementation, and for summarizing the case study experience in a report (to be included in the Final ICZM Master Plan as described above).

C. Cost and financing

Table 1: Project Cost (In US\$)

Cost by Activity	IDB (OC)	Counterpart	Total	%
Component I – Capacity Building	675,000	425,000	1,100,000	23
Subcomponent I-1 (Planning Unit)	585,000	360,000	945,000	20
Subcomponent I-2 (Administration)	90,000	65,000	155,000	3
Component II – ICZM Master Plan	2,950,000	135,000	3,085,000	64
Subcomponent II-1 (Preparation)	150,000	135,000	285,000	6
Subcomponent II-2 (Development)	2,350,000	0	2,350,000	49
Subcomponent II-3 (Demonstration)	450,000	0	450,000	9
Evaluation	15,000	55,000	70,000	1
Contingencies	182,000	30,750	212,750	4
Financial Costs (estimate)	20,000	312,250	332,250	7
TOTAL	3,842,000	958,000	4,800,000	100
Percentage	80	20	100	

- 2.29 The total cost of the technical cooperation program is US\$4.8 million. US\$3,842,000 million (80%) will be funded through an IDB loan (OC), while the GOBH will provide US\$958,000 million of counterpart funds. The proposed financing of the project is in line with the financial parameters agreed between the GOBH and the Bank, and reflects the importance placed by both parties on the

gradual transition of the ICZM Planning Unit from a temporary, project-specific entity to a permanent unit charged with the lead responsibility for guiding the ICZM process in The Bahamas.

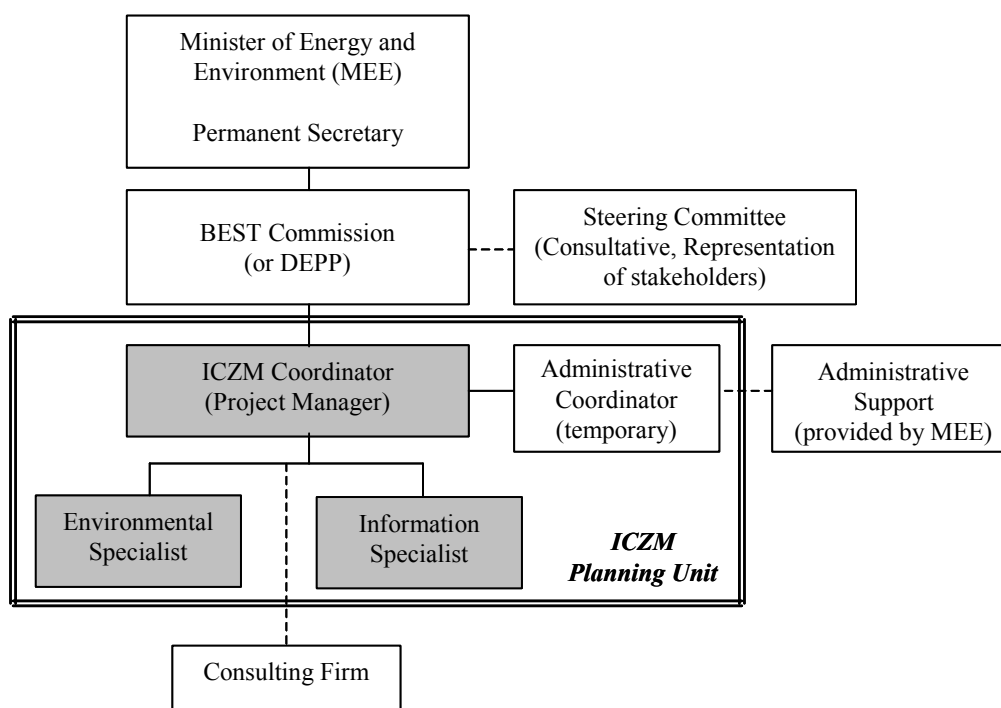
III. PROGRAM EXECUTION

A. The Borrower and Executing Agency

- 3.1 The Commonwealth of The Bahamas will be the Borrower.
- 3.2 The Ministry of Energy and Environment (MEE) will be the Executing Agency (EA) for the Project. As such, the MEE will have overall responsibility for project execution towards the IDB.

B. Project execution and administration

Figure 1: Structure for Project Execution



- 3.3 The MEE has decided to delegate responsibility for project execution to the Bahamas Environment, Science and Technology (BEST) Commission, an inter-ministerial commission with environmental responsibilities that is located within the Ministry of Energy and Environment or the entity taking over its attributions (see 3.5). Figure 1 shows the institutional structure for project execution.

- 3.4 The BEST Commission is charged with the following responsibilities: (i) protect, conserve and responsibly manage the environmental resources of The Bahamas; (ii) develop national environmental strategies and related action plans; (iii) propose legislation to enforce the provisions of the national environmental plans and policies; and (iv) to serve as a forum which will encourage open dialogue, thereby facilitating the exchange of information and improved communication among the Government agencies and private sector entities responsible for, or actively involved with matters relating to the environment, science and technology. All these tasks are pertinent to and will facilitate the coordination required for the development of an ICZM Master Plan.
- 3.5 The BEST Commission' attributions and responsibilities related to this technical cooperation loan could be transferred to the Environment Planning and Protection Department (DEPP), a centralized department to regulate environmental activities. The DEPP is to be created, within the MEE, by the Environmental Planning and Policy Act that should be presented to Parliament for debate before the end of the year 2006.
- 3.6 As the Executing Agency, the MEE will retain its ultimate responsibilities for the Project vis-à-vis the IDB and in particular ensure that requests for reimbursement of expenditures are adequately formatted, processed and sent to the IDB in a timely fashion. It will also be responsible to implement and maintain internal controls of accounting and financial operations, including the setting up and maintaining of an accounting system for the Project. It will carry out the accounting for the project in accordance with GOBH and IDB rules, and ensure that the audited financial statements, Annual Work Plans and Progress Reports of the project are presented to the relevant entities in a timely fashion.
- 3.7 To provide for an adequate project execution, the GOBH has also decided to:
- a. Establish a *Steering Committee (SC)*, composed of representatives of relevant government agencies and other stakeholders, whose role it is to provide the BEST Commission (or, in future, the DEPP) with advice and guidance on the preparation of the Master Plan.
 - b. Create, through a Ministerial decision, the *ICZM Planning Unit* (Subcomponent I-1), which will be charged with the lead responsibility of guiding the ICZM planning process under the supervision of the Ministry of Energy and Environment (MEE).
- 3.8 Steering Committee: To facilitate project preparation, the GOBH formed an ad-hoc Steering Committee, whose members represent the spectrum of environmental, health, economic development, technical, regulatory and research entities in the government. Following recommendations by the Prime Minister's Office and the Bank, membership of the SC will be expanded to include representatives from two further public agencies, as well as from NGOs and the private sector. **The formalization and expansion of SC membership will be a**

condition to first disbursement. The SC will be chaired by the Permanent Secretary of the MEE and will meet as often as necessary, but at least once a quarter, to promote inter-organizational cooperation, to resolve any cross-agency and cross-sectoral issues that arise during execution, and to review the project's annual work plans, budgets, progress reports, and specific reports prepared by the PU. The ICZM Coordinator will serve as secretary to the SC.

3.9 ICZM Planning Unit: The specific responsibilities of the PU, its individual staff and the associated administrative staff are described in the corresponding Terms of Reference (Annex V), which have been discussed and agreed with the GOBH. In summary, the PU's functions include:

- a. Facilitating and overseeing the logistics of the planning process.
- b. Providing the day-to-day technical guidance needed to ensure a fully participatory process and a high-quality product, as well as promoting and coordinating the active participation by stakeholders.
- c. Supervising the work of the consulting firm contracted to develop the ICZM Master Plan (Component II), and ensuring that individual products are compatible across products and can be shared with relevant stakeholders.
- d. Creating an adequate information management system, appropriately analyzing and interpreting the data gathered throughout the project, and preparing informative reports, summaries, issue papers and other supporting materials for the Steering Committee and other stakeholders.
- e. Assisting the Executing Agency (MEE) with fulfilling its responsibilities vis-à-vis the IDB, including all required accounting and reporting activities.
- f. Ensuring that the conditions required for the implementation of the Master Plan are in place upon the conclusion of the project.

3.10 To carry out these functions, the PU will be comprised of three senior specialists (the ICZM Coordinator, an Environmental Specialist and an Information Specialist), and a temporary Administrative Coordinator. Since it is anticipated that the administrative support work will be more intense and complex in the first year of project execution, the project will contract a full-time Administrative Coordinator as a consultant for a one-year period, with the possibility of extension if the project requires it. The PU will be supported in its duties by the MEE's administrative staff with accounting, reporting, IT and secretarial duties related to the project throughout execution of the current project. The PU and associated support staff will be physically located within the facilities of the MEE in Nassau, Bahamas, where the MEE will also provide the necessary office space, furniture, equipment and supplies. **The ICZM Planning Unit has to be created, staffed and provided with adequate facilities and administrative support, in accordance with the TOR for the PU agreed with the GOBH, prior to first**

disbursement. The GOBH has confirmed to the Bank its intention to fund, with counterpart funds, the initial expenses related to the creation and staffing of the PU, which is expected to be created before the first disbursement.

C. Procurement of goods and services

- 3.11 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. The main procurement activity for the project will be the contracting of a consulting firm or association of firms to prepare the ICZM Master Plan (Component II), which will follow an international competitive bidding process. **The request for proposals has to be sent to short-listed firms prior to first disbursement.** The Tentative Procurement Plan for the project is presented in Annex II.

D. Execution period and disbursement schedule

- 3.12 The program has an execution period of 36 months and a disbursement period of 42 months, both terms commencing at the date that the loan contract enters into force. Table 2 summarizes the planned program disbursement.

Table 2: Disbursement Schedule (In US\$)

Disbursement by Source	2007	2008	2009	2010	Total	%
IDB	973,200	1,230,050	1,230,050	408,700	3,842,000	80
Counterpart	205,776	297,352	297,352	157,520	958,000	20
Total	1,178,976	1,527,402	1,527,402	566,220	4,800,000	100
%	25	32	32	12	100	

E. Monitoring and evaluation

- 3.13 The Executing Agency will operate and maintain a permanent monitoring system to evaluate the progress of all project activities. Within this system, the EA will collect and retain updated information on performance indicators and parameters, annual work plans, and the mid-term and final evaluations. 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. Monitoring and evaluation of the project will be accomplished through the following instruments:
- Annual Work Plans (AWP):** Within 60 days of contract signature, and every 12 months thereafter, the PU will prepare an Annual Work Plan, describing specific activities to be undertaken during the following year to achieve the agreed outputs, the timeframe for execution, and the entity or individual responsible for executing each activity. This AWP must be reviewed by the

SC and approved by the Executing Agency before being presented to the Bank. The AWP shall be submitted to the Bank no later than 30 days after the PU has presented the AWP to the EA and SC. Compliance with this work plan will be monitored throughout the time period covered by the plan.

- b. Progress Reports: The EA, supported by the PU, 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-months 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 logical framework (Annex I) and the approved AWP; and (iv) a summary of the problems encountered during the respective period and the actions taken to resolve them.
- c. Annual Financial Statements: In accordance with Bank policies and procedures (AF-100, AF-200, AF-300, AF-400 and AF-500), the Executing Agency will hire an independent firm of public accountants acceptable to the Bank to conduct an external audit of program operation, financing and compliance with contractual clauses. Since the costs of the audit will be covered using proceeds from the Bank loan, the firm will be hired on the basis of the selection and contracting procedures for audit firms approved by the Bank. Throughout the program execution period, the EA will submit annual financial statements to the Bank, audited by the audit firm. The financial statements must be submitted within 120 days after the end of each fiscal year, and within 120 days after the last disbursement.
- d. Mid-term Evaluation: The Bank will conduct a mid-term evaluation to assess: (i) progress achieved in the implementation of all project components, including degree of compliance with the timetable, results of procurement activities, and comparison between budgeted and actual costs; (ii) compliance with contractual clauses; (iii) compliance with targets established in the logical framework and the approved AWP; and (iv) major problems encountered until this point in the execution and the actions taken to resolve them. The mid-term evaluation will be conducted once Component I, Subcomponent II-1, and the following elements of Subcomponent II-2 have been executed/completed: (i) assess the governance framework; (ii) identify major issues and challenges, and evaluate alternative scenarios; and (iii) define Master Plan Scope.
- e. Final Evaluation: Independent consultants will undertake a final evaluation with project resources when 90% of the loan resources have been disbursed. The evaluation will consider the execution of the Project from a technical, institutional and financial point of view and will analyze the main indicators

of the logical framework. The final evaluation will be the basis for the Project Completion Report (PCR).

IV. VIABILITY AND RISKS

A. Institutional viability

- 4.1 The GOBH has established as a priority the development of a long-term integrated management process of The Bahamas' coastal and marine resources, the first inputs being the "Integrated Coastal Zone Management: Issues and Perspectives" study from the IDB and the National Environmental Management Action Plan produced by the BEST Commission. A second step was taken by the GOBH with the creation of the MEE. This step would be complemented by the proposed Environmental Planning and Policy Act, which envisions the consolidation of several environmental functions within the MEE, specifically within the DEPP, and would thus greatly facilitate future coordination of coastal resource management.
- 4.2 The creation and training of the PU will be another critical step in addressing the institutional weaknesses of the government agencies involved in coastal zone management. The structure for project execution, the enabling activities under Sub-Component II-1, and the training of the PU throughout the project provide the basis for the satisfactory preparation of the ICZM Master Plan, as well as for the subsequent implementation of the Plan. The executing mechanism also allows for the possible modification of structure within the MEE that would result from the inception of the DEPP. The institutional strengthening of all relevant agencies involved in ICZM is beyond the scope of this project and will be addressed in the implementation of the Master Plan.
- 4.3 Given the high importance of good inter-agency coordination and public communication, the project includes several elements that foster both. Specifically, a Steering Committee, composed of major stakeholders, was established during project preparation and must be expanded and formalized prior to first disbursement. Also, the enabling activities funded through Sub-component II-1 include a communication plan, public consultations, and formal training to ensure that the PU is adequately trained in project management, conflict management, change management, community relations management, public awareness and communications.

B. Socioeconomic viability

- 4.4 Due to the focus of this technical cooperation loan on stakeholder consultations, knowledge transfer, and hands-on training, no formal cost-benefit analysis was carried out. However, significant project benefits will accrue from enhanced national capacity to plan and manage sustainable development of marine and

coastal resources. Improved planning will lead to more rational and coordinated allocation of resources for development, emphasizing economically and environmentally sustainable use, protection and conservation, and improved public consultation and participation.

- 4.5 The development of spatial data under the project will generate high-quality, reliable information on marine and coastal geology and geomorphology, marine and coastal ecosystems, vegetative cover, land use, and land suitability, urban and industrial developments in coastal zones, and social and environmental issues. The improved quality of information will support sound decision-making.
- 4.6 Tourism is the most important economic activity in The Bahamas. The resource base upon which all of this economic activity is based is fragile, however. Sustaining the tourism sector and the economic benefits it brings thus requires ensuring that the environmental resources the sector relies upon are managed and planned sustainably, this being the ultimate aim of the current project.

C. Financial viability

- 4.7 This technical cooperation loan does not involve investments in works or structures that require maintenance or operation costs. The only recurring cost associated with the project is the cost of operating the ICZM Planning Unit. This does not constitute a heavy financial burden and the GOBH has already agreed to gradually assume full financial responsibility for the PU during project execution. Hence, the operational costs for the PU represent no risk to the financial viability of the program. Therefore, the financial viability is related exclusively to ensuring that the agreed counterpart funding will be available on a timely basis throughout project execution.
- 4.8 The financial viability of the project is sustained by the high level of governmental support for the ICZM process. It is also relevant to note that the total amount of counterpart funding agreed with the GOBH is relatively small and should therefore not constitute a commitment that will be difficult to comply with, even in the event of an emergency call on governmental resources, such as may result from a hurricane or other catastrophic event.

D. Environmental impact

- 4.9 It is anticipated that the present project, due to its focus on stakeholder consultations, knowledge transfer, and hands-on training, will have no significant direct environmental impacts. However, the Master Plan prepared through this project is the first step towards the implementation of Integrated Coastal Zone Management in The Bahamas, and the general aim of ICZM is to improve the quality of life of communities that depend on coastal and marine resources and increase the contribution of these resources to national economic welfare while maintaining the biological diversity and productivity of coastal and marine ecosystems. As such, the Master Plan will lay the foundation for potentially very

positive environmental (and social) changes in The Bahamas. Specifically, the process financed by the project will develop policies; standards and instruments to better manage the coastal zone, including the social and environmental impacts of future development projects. The adequate consideration of potential environmental impacts (positive or negative) resulting from these policies, standards and instrument during the preparation of the Master Plan is ensured through the nature of the ICZM approach, the composition of the Planning Unit and the Steering Committee, and the Terms of Reference for the consulting firm.

- 4.10 Upon review of the Project Concept Document for this operation, the Bank's Committee on Environment and Social Impact (CESI) decided that no EIA or Environmental and Social Management Report (ESMR) is required for the project. The CESI approved the project on May 19, 2006 (Appendix I).

E. Benefits and beneficiaries

- 4.11 The key benefit of this technical cooperation loan is the development of an ICZM Master Plan. This Master Plan will be a valuable tool, both as a technical planning document and as public education material, for initiating the long-term integrated management process of The Bahamas' coastal and marine resources. Moreover, since the development of the ICZM Master Plan is a complex, highly participatory and involved process, achieving such a Plan goes beyond the mere physical documentation; it creates the foundation for the national coordination and management processes that will be required to promote the successful implementation of Integrated Coastal Zone Management in The Bahamas.
- 4.12 This project is the first-step in a long-term process aimed at improving the quality of life of the communities in Bahamas' coastal zone. As such, the primary beneficiaries of this project are the citizens the Commonwealth of The Bahamas. In addition, the project directly benefits the Ministry of Energy and Environment and the ICZM Planning Unit by strengthening their capacity to successfully guide the ICZM process, including the future implementation of the Master Plan, in The Bahamas. Finally, the project aims to support ongoing local activities that promote integrated coastal zone management efforts. As such, the agencies and entities represented by the Steering Committee, as well as the entities that the consulting firm for this project will collaborate with (e.g. BNGIS), should derive direct and/or indirect benefits from the current project.

F. Risks

- 4.13 The principal risk associated with this project concerns coordination problems during project execution due to the multi-disciplinary and multi-stakeholder characteristics of the project. To mitigate this risk, close attention was paid during project preparation to the design of a suitable execution mechanism, including the participation of all major stakeholders in the Steering Committee. The PU and the consulting firm will provide the necessary technical support to the SC to ensure it can adequately fulfill its advisory and coordinatory role.

Integrated Coastal Zone Management (ICZM) Master Plan (BH-L1005)

Logical Framework

Narrative Summary	Indicators	Means of Verification	Assumptions
Goal Statement			
To initiate the long-term integrated management process of The Bahamas' coastal and marine resources.	<p>Impacts (3 years after project completion):</p> <ol style="list-style-type: none"> Three (3) priority initiatives (in addition to the case study implementation) have been selected and initiated, to continue the implementation of the Master Plan. The ICZM Planning Unit has been formally incorporated as a permanent agency of the Government of The Bahamas (GOBH). 	<ol style="list-style-type: none"> Certification by the GOBH Certification by the GOBH 	<p>To ensure sustainability:</p> <ul style="list-style-type: none"> Government demonstrates continuing political and financial support for long-term integrated management of The Bahamas' coastal and marine resources. ICZM Planning Unit continues to have mandate and capacity, including financial resources, to guide ICZM process. Private sector and local communities actively participate in implementation.
Purpose			
National coordination and planning process for the preparation of an Integrated Coastal Zone Management Master Plan for The Bahamas has been established.	<p>Outcomes (at project completion):</p> <ol style="list-style-type: none"> A national-level ICZM Master Plan has been completed in accordance with the TOR, and is supported by relevant stakeholders. The ICZM Planning Unit, as an ad-hoc entity within the MEE, has successfully guided the preparation of the ICZM Master Plan, and has the capacity to coordinate the Plan's future implementation. 	<ol style="list-style-type: none"> Final ICZM Master Plan Document Survey of relevant stakeholders carried out in Final Stakeholder Workshop (presentation of draft Master Plan). Mid-term & Final Evaluations. Project Completion Report. SC certifies PU's capacity based on performance during case study implementation. 	<p>To achieve impacts (goals):</p> <ul style="list-style-type: none"> Government demonstrates continuing support for long-term integrated management of The Bahamas' coastal and marine resources, including the required changes in the legal and institutional framework. Government ensures proper cooperation between and collaboration of all agencies involved in the implementation of the Master Plan. Public and private sector stakeholders have a clear understanding of their respective roles in supporting the preparation of the Master Plan

Narrative Summary	Indicators	Means of Verification	Assumptions
Components			
I. Institutional Capacity for ICZM Planning Process created	<ol style="list-style-type: none"> The ICZM Planning Unit is fully functional from first disbursement through the end of project execution. The MEE's facilities and administrative support adequately support the PU's operation from first disbursement through the end of project execution. 	<ol style="list-style-type: none"> Signed contracts with ICZM Coordinator, Environmental Specialist and Information Specialist; Semestral reports Signed contracts with Administrative Coordinator; Semestral reports by PU verify access to adequate facilities and administrative support. 	<p>To achieve purpose:</p> <ul style="list-style-type: none"> Government ensures proper coordination between and cooperation of all agencies involved in the development of the Master Plan. Government entrusts ICZM Planning Unit with the lead responsibility for guiding ICZM Master Plan preparation. Government ensures that counterpart resources are committed as scheduled. Government is successful in hiring highly qualified professionals for the ICZM Planning Unit in a timely manner. Bidding process results in hiring a highly qualified consulting firm to develop the Master Plan in a highly participatory manner in a timely manner.
II. ICZM Master Plan Completed	<ol style="list-style-type: none"> Within 6 months of consultancy start-up¹, a Communication Plan has been developed and approved by the MEE. Within 6 months of consultancy start-up, all formal training of the PU (4 people) has been completed in accordance with the training plan. A minimum of four public consultations has been successfully conducted during the project's execution. Within 6 months of consultancy start-up, three technical workshops, have been conducted and the corresponding white papers produced and accepted by PU. Within 6 months of consultancy start-up, Pilot Project has been successfully executed. 	<ol style="list-style-type: none"> Communication Plan, with letter of approval from MEE; Mid-term Evaluation Training Plan; Records of formal training (e.g. certificate of completion); Mid-term Evaluation Invitation, agenda, list of participants, and minutes for each consultation; Mid-term Evaluation Semestral project reports prepared by ICZM Planning Unit; White Paper for each workshop; Mid-term Evaluation Summary Report on Pilot Project by ICZM Planning Unit; Mid-term Evaluation 	

¹ 'Consultancy start-up' means the date for commencement of consulting services. Unless specifically agreed otherwise with the consultants, this date is equivalent to the date of contract signature between the Executing Agency and the (association of) consulting firm(s). Consultancy start-up is estimated to take place within 6 month of contract signature for the project.

Narrative Summary	Indicators	Means of Verification	Assumptions
II. ICZM Master Plan Completed (cont.)	6. Within 8 months of consultancy start-up, ICZM governance framework has been assessed.	6. Semestral project reports prepared by ICZM Planning Unit; Mid-term Evaluation.	
	7. Within 24 months of consultancy start-up, coastal resources have been characterized and coastal areas mapped.	7. Semestral project reports prepared by ICZM Planning Unit; Maps & Metadata; Mid-term and Final Evaluation.	
	8. Within 10 months of consultancy start-up, major coastal zone issues and challenges have been identified and alternative solutions evaluated.	8. Semestral project reports prepared by ICZM Planning Unit; Mid-term Evaluation.	
	9. Within 14 months of consultancy start-up, ICZM Master Plan scope has been agreed on by relevant stakeholders.	9. Semestral project reports prepared by ICZM Planning Unit; Mid-term Evaluation.	
	10. Within 24 months of consultancy start-up, relevant ICZM policies and standards have been developed.	10. Semestral project reports prepared by ICZM Planning Unit; Final Evaluation.	
	11. Within 24 months of consultancy start-up, applicable tools and techniques have been developed.	11. Semestral project reports prepared by ICZM Planning Unit; Final Evaluation.	
	12. At project completion, the ICZM Master Plan Development Phase has been concluded in agreement with TOR for the consultants.	12. Draft and final Master Plan; final Stakeholder workshop; list of priority initiatives; Final Evaluation.	
	13. At project completion, the case study implementation has been completed and recommendations included in the Master Plan.	13. Supporting training materials and summary report on Case Study Implementation by Consulting Firm; Final Evaluation	
Activities			
I. Capacity Building	US\$1,100,000	Budget execution records maintained and submitted by EA	<ul style="list-style-type: none">• Availability of highly qualified staff for PU.• Stakeholders participate constructively
II. Development of an ICZM Master Plan	US\$3,085,000	Budget execution records maintained and submitted by EA	

**Integrated Coastal Zone Management (ICZM) Master Plan
(BH-L1005)**

Tentative Procurement Plan

Project:	Integrated Coastal Zone Management (ICZM) Master Plan (BH-L1005)
Borrower:	The Commonwealth of The Bahamas
Executing Agency:	Ministry of Energy and Environment (MEE)
Date of approval of the Plan:	September 2006 (estimated)
Date of publication of the General Procurement Notice:	October 2006
Time Frame:	18 months

I. INTRODUCTION

- 1.1 The Project's procurement activities will be carried out in accordance with to the Policies for the procurement of works and goods financed by the IDB (GN-2349-7), and the Policies for the selection and contracting of consultants financed by the IDB (GN-2350-7), approved on January 19, 2005 and modified in July 2006, as well as with the terms and conditions stipulated in the Loan Contract between the Bank and the Borrower.
- 1.2 This document defines the different methods for procurement and contracting of works, goods, and consulting services, their estimated costs, the upfront reviews required, as well as the agreements reached with the Borrower regarding procurement activities, which are shown in Appendix 1. This Procurement Plan covers the first 18 months of project execution and will be updated at least once a year, or sooner if necessary, to accurately reflect the project implementation needs and the improvements in the institutional capacity of the Borrower.
- 1.3 The detailed Procurement Plan is available at the Ministry of Energy and Environment (Claughton House, Shirley and Frederick Street, Nassau, The Bahamas, (242) 322 6027). The Plan is also available at the Borrower's Web Page (www.best.bs) and at the IDB's Web Page (www.iadb.org).

II. PROCUREMENT FOR THE PROJECT

- 2.1 Works. This Project does not include any type of construction activities. Therefore, no procurement of works is foreseen.
- 2.2 Goods. This Project includes a relatively small number of procurement activities related to goods. These activities are mainly related to essential office equipment, furniture and supplies, as well as a vehicle for the ICZM Planning Unit.
- 2.3 Consulting Services. The consulting services required for the project are related to Component 2 (hiring of a consulting firm or association of firms for the development of the Master Plan, and contracting of laboratory services for analysis of field samples), Component 1 (hiring of individuals to staff the ICZM Planning Unit), and to the project's monitoring and evaluation (hiring of independent consultants to undertake the final evaluation of the project).
- 2.4 Section 4 describes the procurement methods to be used for the procurement of these goods and services, and Appendix 1 summarizes the procurement activities necessary to execute the project.

III. CAPACITY OF THE EXECUTING AGENCY TO EXECUTE THE PROJECT

- 3.1 The Ministry of Energy and the Environment (MEE) is the Executing Agency (EA) for the Project. The project team evaluated the capacity of the EA to execute the project, including its ability to procure the required goods and services in accordance with the Bank's procurement policies (GN-2349-7 and GN-2350-7). The team was satisfied that the MEE has the capacity to execute the project once the ICZM Planning Unit has been created and adequately staffed (which is a contractual condition to first disbursement). Specifically regarding procurement, the project team concluded that, considering the relatively small number of procurement activities, and the relatively low contract costs, the risks associated with the project are low and compatible with the existing structure and capacity of the Executing Agency.
- 3.2 To execute the project, an ICZM Planning Unit (PU) will be created by and housed in the Ministry of Energy and Environment. This unit will be responsible for the: (i) management of the loan resources, (ii) planning, management, supervision and control of all procurement activities, and of the work to be carried out by the consulting firm; (iii) coordination with all other government agencies involved in project execution; and (iv) any other activities necessary for the timely and adequate execution and monitoring of the project. The PU comprises an ICZM Coordinator (Project Manager), an Environmental Specialist, an Information Specialist, and, in the first 12 months (with possibility of contract extension), an Administrative Coordinator.

- 3.3 To ensure that the ICZM Planning Unit (especially the Project Manager and the Administrative Coordinator) are familiar with the Bank's procurement policies and standard bidding procedures, the Procurement Specialist in the Bank's Country Office in The Bahamas will conduct a procurement training seminar. (Ideally, the PU staff will be hired in time to participate in the procurement training seminars for Executing Agencies, held by the COF/CBH in November 2006 and June 2007.) In addition, the Bank's Country Office will assist the PU with technical guidance during the bidding processes.

IV. PROCUREMENT METHODS

- 4.1 Table 1 shows the methods to be used for the procurement of goods and consulting services, according to the contract amounts involved.

Table 1: Methods for the Procurement of Goods and Consulting Services

Procurement Category	Contracting Method	Procurement Amount (US\$)	Review Mechanism
Goods	ICB	Contract Amount \geq \$150,000	"Ex-ante" for all contracts
	NCB	\$150,000 > Contract Amount \geq \$50,000	"Ex-ante" for all contracts
	PC	Contract Amount < \$50,000	"Ex-ante" for all contracts
Consulting Services	ICB QCBS or QBS	Contract Amount \geq \$200,000	"Ex-ante" for all contracts with requests for expression of interest with international publicity.
	NCB QCBS	\$200,000 > Contract Amount \geq \$100,000	"Ex-ante" for all contracts
	NCB QCBS	Contract Amount < \$100,000	"Ex-ante" for all contracts
Individual Consultant	NCB CQS or FBS	Any Amount	"Ex-ante" for all contracts

Goods and Services: **ICB:** International Competitive Bidding
 NCB: National Competitive Bidding
 PC: Comparison of Budgets/Prices

Consulting Firms: **QBS:** Selection based on Quality
 QCBS: Selection based on Quality and Cost
 CQS: Selection Based on Consultant's Qualifications

Individual Consultants: **FBS:** Selection under a Fixed Budget

- 4.2 Goods. This will be carried out according to the dispositions of the Bank's *Policies for the procurement of works and goods financed by the IDB* (GN-2349-7). When the contract amount is equal to or larger than US\$150,000, the procurement will follow the procedures for international competitive bidding (ICB). For procurement of goods with contract amounts between US\$50,000 and US\$150,000, national competitive bidding (NCB) procedures will be adopted. For amounts below US\$50,000, the procedure will be price comparison (PC) with a minimum of three offers. For the acquisition of the goods specified in paragraph 2.2 of this document, the Ministry of Energy and Environment will carry out four separate procurement processes, respectively for office equipment, furniture supplies and a vehicle, using selection by price comparison (PC).
- 4.3 Consulting Services. The consulting firm to be hired for developing the Master Plan will be selected based on international competitive bidding, using Quality- and Cost-Based Selection (QCBS). The Planning Unit Staff (ICZM Coordinator, Environmental Specialist, Information Specialist and Administrative Coordinator) will be hired through national competitive bidding, using Selection Based on the Consultants' Qualifications (CQS) or Selection under a Fixed Budget (FBS). And the independent consultants to conduct the final evaluation will be hired through national competitive bidding, using QCBS. In all cases, the bidding documents will be consistent with the Bank's Standard Request for Proposal for Selection of Consultants (revised August 2006).

V. BANK REVIEW OF THE PROCUREMENT ACTIVITIES

- 5.1 This Procurement Plan will constitute the basis for the Bank's review of all procurement activities related to the project. The Borrower should update the Plan every year, as required, covering always the next 18 months of project execution. Any proposed revision of the Procurement Plan should be presented in advance to the Bank for its no-objection. All procurement activities to be carried out in a given period must be included in the Plan approved by the Bank, and will follow the methods and amounts established in it.
- 5.2 The review mechanism for the separate project procurement activities varies with the contract amount. The appropriate review mechanism for each procurement amount category is indicated in Table 1.

VI. PROCUREMENT PLAN

- 6.1 The Procurement Plan for goods and consulting services for the next 18 months is summarized in Appendix 1. It should be noted that the goods to be purchased (office equipment, furniture, supplies and a vehicle) are widely available in the market, hence no pre-qualification of vendors is required for the procurement of these goods. Also, there is no provision to use any preference mechanisms for local goods.

THE BAHAMAS
Integrated Coastal Zone Management Master Plan (BH-L1005)

PROCUREMENT PLAN

Main Procurement Activities in the next 18 months	Source of Financing		Procurement Method ⁽¹⁾	Pre-qualification Yes/No	Specific Notice of Procurement Tentative Date of Publication	Status ⁽²⁾
	IDB (%)	Counterpart (%)				
I. GOODS						
Office supplies for ICZM Planning Unit [Contract Amount: US\$6,000]	0	100	PC	No	Q1/07	P
Office equipment for ICZM Planning Unit [Contract Amount: US\$10,000]	0	100	PC	No	Q1/07	P
Office furniture for ICZM Planning Unit [Contract Amount: US\$14,000]	0	100	PC	No	Q1/07	P
Vehicles for the ICZM Planning Unit [Contract Amount: US\$30,000]	100	0	PC	No	Q1/07	P
II. CONSULTING SERVICES						
Preparation of ICZM Master Plan [Contract Amount: US\$3,085,000]	100	0	QCBS	No	Q4/06	P
ICZM Coordinator/ Project Manager (PU) [Contract Amount: US\$300,000]	60	40	CQS/FBS	No	Q4/06	P
Environmental Specialist (PU) [Contract Amount: US\$300,000]	60	40	CQS/FBS	No	Q4/06	P
Information Specialist (PU) [Contract Amount: US\$300,000]	60	40	CQS/FBS	No	Q4/06	P
Administrative Coordinator (PU) [Contract Amount: US\$45,000]	60	40	CQS/FBS	No	Q4/06	P
Project Evaluation (Final) [Contract Amount: US\$30,000]	100	0	CQS/FBS	No	Q2/08	P
Laboratory Analysis [Contract Amount: US\$175,000]	0	100	CQS/FBS	No	Q1/07	P

[1] Notes: PC: Comparison of Budgets/Prices; QCBS = Quality & Cost-Based Selection; CQS = Selection Based on the Consultants' Qualifications; FBS = Selection Based on Fixed Budget
[2] Status: P: Pending; IP: In process; C: Cancelled