

PROJECT CONCEPT DOCUMENT

BAHAMAS

I. BASIC DATA

Country:	Bahamas	
Project title:	Master Plan for Integrated Coastal Zone Management (ICZM)	
Project number:	BH-L1005	
Date of entry in pipeline:	December 22, 2003	
Project team:	Team Leader: Luis Miglino (RE3/EN3); Annette Killmer (RE3/EN3); Leonardo Corral (RE3/EN3); Yvon Mellinger (RE3/EN3); Gisella Barreda (RE3/EN3); Bernadete Buchsbaum (OPR/LEG); and Vernon Colin Forsythe (COF/CBH).	
Borrower:	Government of The Bahamas (GOBH)	
Executing agency:	The Ministry of Energy and Environment through The Bahamas Environmental Science and Technology Commission (BEST Commission).	
Financing package:	IDB: (OC)	US\$2,000,000
	Local:	<u>US\$1,000,000</u>
	Total:	US\$3,000,000
PTI/SEQ:	No / No	
Tentative dates:	Project Report (CRG)	July 27, 2006
	Project Report (LCC):	August 24, 2006
	Loan Proposal (Board):	September 20, 2006

II. FRAME OF REFERENCE

A. Coastal Resources in The Bahamas: Challenges & Management

- 2.1 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.

- 2.2 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 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 EIA or scientific assessment, and traffic congestion and inconveniences that detract from the quality of tourism. It is likely that a continued pattern of such development will eventually damage the reputation of the entire Bahamian tourism industry.
- 2.3 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.
- 2.4 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 legislative and regulatory framework.
- 2.5 With respect to the institutional framework for environmental management, 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.
- 2.6 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 myriad planning and implementation techniques to achieve a balance between coastal uses based on a set of widely endorsed objectives for improving living conditions, safeguarding property and protecting coastal ecosystems.

- 2.7 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 also do not have in place the necessary multi-sector coordination mechanisms to address the relevant issues.
- 2.8 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.

B. Country's strategy in ICZM

- 2.9 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. For example, during an address on "Outlook for The Bahamas Economy", in 2003 Sen. The Hon. James H. Smith, c.b.e, Minister of State for Finance declared that among the government's specific programs aimed at contributing to sustained economic growth "attention would also be paid to the development and implementation of a coastal zone management plan and introducing more safeguards for the environment in terms of protecting natural parks, reef systems, public beaches, lakes and wetlands." The government's emphasis on better managing coastal development and protecting its 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 creation of the Bahamas National Geographic Information System (BNGIS), a new National Wetlands Policy, and the re-structuring of the country's environmental agencies.
- 2.10 Moreover, government, the private sector and the local communities have recently taken steps towards more 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 (BH-M1001).

- 2.11 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 this proposed operation.

C. The Bank's strategy in ICZM

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

- 2.12 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 proposed Project 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.
- 2.13 The Bank's principal objective in The Bahamas, as stated in the Country Strategy (GN-2290-1), is to support the economic and social development of The Bahamas by helping the government, as well as the private sector and civil society, to successfully address the broad range of development challenges facing the country. The project supports this objective in its entirety by addressing the synergies and conflicts that arise between social, economic and environmental demands within the coastal zone and promoting the integration of economic and social objectives with the management of the natural resources on which these objectives increasingly depend. This work will be carried out jointly by government, private sector, and civil society. Moreover, the project contributes to the following subsidiary objective contained in the Country Strategy: improving the sustainability of use of the country's natural resources and increasing the effectiveness of environmental protection. And it supports the recommendation contained within the Country Strategy that priority should be given to smaller projects with high technical content that could maximize the value added of the Bank's presence in the country. As such, this operation has been designed as a reimbursable technical cooperation with a strong emphasis on stakeholder consultation, knowledge transfer and hands-on training.

2. Lessons learned

- 2.14 Experience in other countries (Barbados, Belize, Ecuador) shows that the potential for the ICZM planning process to yield substantive, actionable results is greatly enhanced by ensuring five 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 lead responsibility of guiding the ICZM planning process; (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; and (v) early and

appropriate consideration of the aspects related to the financial sustainability of the ICZM processes.

- 2.15 In 1997 the Bank approved a Technical Cooperation “Enabling Expanded Private Investment” (TC-93-01-18-6-BH) (ATN/MT-5979-BH-1) (ATN/MT-5979-BH-2) to support the institutional strengthening of the Bahamas Environmental, Science and Technology Commission (BEST Commission), which was created in 1994 within the Office of the Prime Minister. Although the creation of the BEST Commission represented an important step towards the consolidation of the institutional framework for environmental management in the country, this Commission never evolved into the government’s environmental authority, as originally envisioned. In addition, by design, the staff assigned to the BEST Commission by the other Ministries never became permanent staff of the Commission. This fact hindered the effective functioning of the commission. This experience shows the importance of establishing a permanent unit with full-time staff with the lead responsibility for managing ICZM processes in The Bahamas. The proposed project has been design taking into account this experience.

D. Coordination with other Bank projects

- 2.16 The ICZM Master Plan project will be designed to closely coordinate with and complement other major Bank initiatives in The Bahamas, particularly the LUPAP project, the National Risk Preventive Management that the Bank will carry out in the country, and a proposed GEF¹ project to establish a network of national parks and marine reserves in the Abaco region of The Bahamas.
- 2.17 LUPAP project: The LUPAP² 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.
- 2.18 National Risk Preventive Management (BH-L1008): The Bank is supporting the preparation of this program under the Disaster Prevention Sector Facility and has the objective of contributing to sound disaster risk management by establishing a well-functioning system for disaster management to provide appropriate response and recovery efforts following a disaster. This project focuses on the aspects of preparedness and will directly address natural disaster risk in The Bahamas. The ICZM Master Plan, will complement the BH-L1008 project by proposing important improvements in planning, zoning, set-back regulations, and other measures that will contribute to reducing vulnerability.
- 2.19 Proposed GEF project: The main objective of the proposed GEF project is to establish a network of national parks and marine reserves in the Abaco region to ensure the conservation and sustainable use of globally important biological

¹ Global Environment Facility.

² Land Use Policy and Administration Project (Loan 1589/OC-BH).

diversity. The specific objectives of the proposed GEF project include developing and implementing a participatory management plan for the proposed Abaco network; a public education campaign; and a monitoring and evaluation system. The project was conceived in such a way that will complement and enhance the ICZM Project proposed here; however, it should be noted that the GEF project is a stand-alone project, and not an essential part of the ICZM project. A request for funding from the Project Development Facility Block A (PDF-A) for Medium-sized Projects has been presented to the GEF Secretariat.

E. Project strategy

- 2.20 This project aims to assist the Government of the Bahamas in developing a coherent, well-coordinated, science-based Master Plan for Integrated Coastal Zone Management. Specifically, the project finances 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.
- 2.21 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. The development of a Master Plan sets the stage for this long-term process in that it: (i) provides the guiding documentation for the implementation of an ICZM system; and (ii) fosters experience in participatory management of complex issues.
- 2.22 In light of these considerations, the strategy of the current project is to prepare a small and well-defined operation to develop the ICZM Master Plan, with emphasis on a few key issues such as water quality and land use. This operation would lay the groundwork for the preparation of a longer-term, multi-phased program to implement ICZM in The Bahamas. 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.

III. THE PROJECT

A. Objectives and description

- 3.1 The goal of this Project is to build consensus and initiate the long-term integrated management process of The Bahamas' coastal and marine resources.
- 3.2 The purpose of this project is to establish the national coordination and planning process for the preparation of an Integrated Coastal Zone Management Master Plan for The Bahamas.

- 3.3 Integrated management of coastal resources is critical for the sustainable development of the Bahamas, because, given the geographic characteristics of the Bahamas, the majority of the country's territory is part of the coastal zone. As such, the coastal zone contains essentially all of the country's social and economic activities, as well as its fragile and economically very important coastal ecosystems (fresh water systems, coastal wetlands, coral reefs, sandy shores, etc.). For the purposes of this Master Plan, all land and coastal waters in The Bahamas are considered to be within the coastal zone. As such, the plan will extend from reforms of land-use and zoning practices to offshore efforts to preserve marine fisheries and coral reef ecosystems.

B. Project structure

- 3.4 There will be two major components of the Project:

- a. Capacity Building: The first component will finance: (i) the ICZM Planning Unit, thereby creating the capacity to develop the ICZM Master Plan and manage its implementation; and (ii) the staff and resources required for the administration of the project throughout its execution.
- b. Development of an ICZM Master Plan: The second component will finance the development of 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.

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

a) Subcomponent I-1 - ICZM Planning Unit (US\$900,000)

- 3.5 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 creation of a three-member ad-hoc planning unit that is charged with the lead responsibility of guiding the ICZM planning process and its implementation. Under the guidance of the executing agency (the BEST Commission), the Planning Unit will facilitate and oversee the logistics of the planning process, provide the day-to-day technical support that will be needed to ensure a quality project, serve as a point of contact for stakeholders, expedite the process whenever possible, and be involved in the selection and implementation of the case study. Moreover, it is anticipated that the Planning Unit will mature into a permanent entity for coordinating coastal zone management in The Bahamas.
- 3.6 To carry out its functions, the Planning Unit will be staffed by a Project Manager, a Senior Scientist, and a Senior Planner. The subcomponent will cover the unit's salaries during the execution of the project; however, a 'sunset clause' will be devised during project preparation to ensure the gradual take-over of the financial

responsibility by the government. In addition, it will finance certain capacity building activities for the unit, although the majority of the training for the unit will be on-the-job training throughout the development of the ICZM.

- 3.7 It should be noted that the Capacity Building component of this operation is 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 recommendations.

b) Subcomponent I-2 – Project Administration (US\$200,000)

- 3.8 This subcomponent will finance the staff and resources required for the administration of the current project throughout its execution. In particular, the financed activities will include the hiring of accounting, technological (IT and data management) and secretarial capacity to support the ICZM Planning Unit, with respect to its responsibilities related to project execution, as well as the acquisition of necessary office space, equipment, and supplies.

2. Component II: Development of an ICZM Master Plan (US\$1,900,000)

- 3.9 The second component will finance the contracting of a team of consultants for the purpose of carrying out, in collaboration with the ICZM Planning Unit and other stakeholder: (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).

a) Subcomponent II-1 – Enabling Initiatives (US\$250,000)

- 3.10 This subcomponent finances capacity building workshops on GIS mapping, water quality monitoring, and innovative planning techniques, a communication plan, as well as a pilot project to explore some of the intricacies of ICZM in the particular geographical and institutional setting of The Bahamas. The workshops and the pilot project will provide a detailed understanding of current challenges, allow for an identification of key stakeholders, contribute toward a consensus about the objectives and responsibilities within the ICZM planning process, and provide information for a realistic assessment of the process' scope, costs and benefits. The results from the workshops and pilot project will be communicated via white papers, which will serve as important inputs for Subcomponent II-2, the ICZM planning process.
- 3.11 Workshop on GIS mapping (US\$15,000): The ICZM project will require a significant level of mapping of environmental resource data. Currently, a number of organizations (e.g., BNGIS, COB, Department of Land and Surveys and the Nature Conservancy) are actively involved in GIS mapping. This 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.

- 3.12 Workshop on Water Quality Monitoring (US\$20,000): An effective ICZM Master Plan requires the establishment of water quality standards and of an adequate water quality-monitoring program. In preparation for this task, a national workshop will be organized by the consultants to determine what water quality monitoring data and programs are currently available, to evaluate their relevance to the ICZM monitoring efforts, and to gather input on future monitoring efforts that would be most useful to relevant stakeholders. Workshop participants will include specialists from relevant ministries, agencies, academic institutions, NGOs and other civil society organizations. The workshop facilitator will summarize the findings from the workshop, compile the data identified during the workshop (to the extent possible), and produce a map showing historical, current and recommended monitoring stations.
- 3.13 Workshop on Innovative Planning Techniques (US\$15,000): The ICZM planning process will address important town planning issues, including rules and practices regarding zoning, set-backs and subdivision. This workshop will be designed to (i) convey a thorough understanding of current planning efforts at the national and local levels; (ii) introduce innovative planning techniques, especially Smart Growth techniques, used in comparable settings in other countries; and (iii) discuss the relevance of these innovative techniques to The Bahamas and the on-going LUPAP study. Examples of such innovative techniques include transit-oriented development (designed to reduce traffic congestion), low-impact development (provides enhanced recharge to aquifers and maintains base flows to coastal wetlands and waters), and inclusive zoning (designed to provide affordable housing requirements along with market-rate development).
- 3.14 Communication Plan (US\$50,000): A communication plan will be developed to ensure that the public receives all relevant information regarding the issues, the planning process and results in a effective and timely manner.
- 3.15 Pilot Project (US\$150,000): The pilot project is envisioned as a smaller-scale ‘trial run’ of the larger national-level ICZM planning process. The objective of the pilot project will be to learn what constraints, specific needs and concerns will need to be considered in the particular context of The Bahamas for the preparation of the ICZM Master Plan. Moreover, the pilot project will illustrate the benefits of local participation in the ICZM process, and provide an opportunity for collaboration between local and national government on coastal zone management issues – a collaboration that will be critical to the implementation of an ICZM Master Plan in The Bahamas.
- 3.16 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.

- 3.17 Several potential pilot sites have been proposed. Shortly after project start-up, an initial reconnaissance trip will be made to each of the prospective sites to discuss the pilot project with local government representative, NGOs and other interested parties, and to select a single pilot project site. Existing maps and other relevant data for the selected pilot site will be collected during this initial trip, and the most suitable institutional arrangement for implementing the pilot project will be determined with stakeholders.

b) Subcomponent II-2 – Development of Master Plan (US\$1,200,000)

- 3.18 This subcomponent finances the following seven key steps involved in developing an ICZM Master Plan: (i) assess the governance framework; (ii) identify the major coastal zone issues and challenges; (iii) characterize and map coastal resource areas; (iv) formulate goals and objectives; (v) develop policies and standards; (vi) identify applicable tools and techniques; and (vii) identify priority projects. (The ultimate step would be the implementation of the Master Plan. However, instead of supporting the full implementation, the project will initiate this step through the implementation of a case study, as described in Subcomponent II-3).
- 3.19 Assessment of Governance Framework: To successfully manage coastal development and protect natural resources, it is essential to develop a governance framework that is capable of fulfilling the multi-disciplinary tasks required by a truly integrated coastal zone management project. Hence, the first step in developing the ICZM Master Plan is an assessment of (i) the structures, roles, responsibilities and capacities of the relevant national and local agencies that will be involved in implementing the Master Plan; and (ii) the existing legislative and regulatory framework across the various sectors affected by the ICZM Plan. The institutional assessment will identify the major gaps and weaknesses of the existing governing arrangement, and will help design 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. The legislative and regulatory assessment will be used to highlight the need for improved streamlining, coordination, and harmonization. This assessment will take into account the recently completed National Capacity Needs Self-Assessment, for environmental management (NCSA), carried out by the GOBH. A key part of this part of the assessment will be an evaluation of the current EIA process.
- 3.20 Identification of Major Coastal Zone Issues and Challenges: The key issues and challenges to be addressed through the ICZM Master Plan will be determined. This identification will be based on a review of the issues and topics contained in the IDB document “The Bahamas Integrated Coastal Zone Management: Issues and Perspectives” (RE3-02-006, November 2002). Also, economic analyses that take into account existing resource availability and institutional capacity will be used to support the prioritization of issues and challenges.

- 3.21 Characterization and Mapping of Coastal Resource Areas: This activity builds on the GIS mapping and water quality-monitoring workshops (Subcomponent II-1). The data compiled during the workshops will be reviewed and, where necessary, completed or up-dated. The objective of this activity is to create a set of detailed, accurate and accessible data to support the ICZM planning process and its future implementation. Considerable effort and coordination among agencies and other groups will be required to reach this level of capacity. The ICZM project is designed to complement and utilize LUPAP's work in New Providence and Grand Bahamas, as well as other initiatives, but it is anticipated that the project will need to include data gathering and mapping information. The Project Report (Annex with the TOR) will contain details on the type and scope of information to be mapped as part of this activity.
- 3.22 Formulation of Goals and Objectives: This activity will involve a participatory process to define, based on the previous three steps, the goals and objectives that stakeholders aim to achieve through the ICZM Master Plan.
- 3.23 Development of Policies and Standards: The Master Planning process will develop scientifically supported, ecosystem-based policies for key issues and topic areas identified during the planning process, most likely including hazard mitigation, public access, marina management, the jurisdictional boundary for the ICZM Master Plan, and water quality management. Water quality standards are particularly important, as they may be the best performance indicator for measuring the success of ICZM actions over the long term. As such, the project will help to develop the necessary water quality standards, as well as a water quality monitoring plan and baseline to demonstrate progress made toward achieving the goals set out in the ICZM plan. This latter aspect of the activity will build on the results of the workshop on water quality monitoring conducted as part of Subcomponent II-1.
- 3.24 Identification of Tools and Techniques: For each key area, as needed, new regulations and other specific techniques will be developed to enable effective implementation of the ICZM project. From a technical perspective, these include zoning regulations and setbacks, subdivision standards, sewage discharge criteria, stormwater regulations, wetlands regulations, and standards for the EIA process. Yet, another important aspect will be the identification of suitable financial mechanisms that could be used to ensure the long-term financial sustainability of ICZM processes in The Bahamas. This activity will build on the workshop on innovative planning techniques (Subcomponent II-1).
- 3.25 Identification of Priority Projects: Government and local stakeholders, assisted by the consultants, will identify a set of priority projects that are suitable candidates for the case study implementation (Subcomponent II-3), based on specifically developed priority criteria.

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

- 3.26 This subcomponent will finance a hands-on training through the implementation of a case study. This will comprise the selection (from the set of previously identified priority projects), and implementation of one case study to initiate and illustrate the implementation of the Master Plan. 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 and techniques involved in ICZM, whereas the case study implementation is aimed at allowing the executing agency and the ICZM Planning Unit to gather first experiences with implementing the national level Master Plan (Subcomponent II-2). The criteria for selecting the case study will be developed during project preparation and included in the Project Report. The case study project will also serve to improve understanding of the shared responsibilities of stakeholders for implementation of the Master Plan, including the private sector.

C. Cost and financing

- 3.27 The total cost of the ICZM Project is projected to be US\$2,950,000. Table 1 below provides a summary cost table, the amount and repartition of counterpart funding will be reviewed during Project preparation.

Table 1: Project Cost

Cost by Activity (in US\$)	IDB (OC)	Local	Total
Component I – Capacity Building	250,000	850,000	1,100,000
Subcomponent I-1 (Planning Unit)	100,000	800,000	900,000
Subcomponent I-2 (Administration)	150,000	50,000	200,000
Component II – ICZM Master Plan	1,650,000	250,000	1,900,000
Subcomponent II-1 (Preparation)	200,000	50,000	250,000
Subcomponent II-2 (Development)	1,150,000	50,000	1,200,000
Subcomponent II-3 (Demonstration)	400,000	50,000	450,000
TOTAL	2,000,000	1,000,000	3,000,000

IV. PROJECT EXECUTION

A. Borrower, guarantor, and executing agency

- 4.1 The Government of The Bahamas will be the borrower and guarantor.
- 4.2 The executing agency will be the Ministry of Energy and Environment through the BEST Commission, an inter-ministerial commission with environmental responsibilities that is located within the Ministry of Energy and Environment. The

BEST Commission has the responsibilities to: (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.

B. Project execution and management

- 4.3 The Prime Minister's Office has charged the BEST Commission with the responsibility for the development, establishment and management of the ICZM Project. As such, the BEST Commission will oversee the project execution under its general mandates, which are described in paragraph 4.2. However, as BEST does not count with permanent staff, the day-to-day operational tasks, including the coordination of consultants hired for the project, will be managed by the ICZM Planning Unit, with support from the administrative, technological and secretarial staff financed through Subcomponent I-2, will manage, and all consultants hired for the project will report through the ICZM Planning Unit. The intention is to install the ICZM Planning Unit as a permanent structure, with permanent staffing, in the Ministry of Energy and Environment. This permanent unit would be charged with the long-term responsibility of ICZM planning and implementation. In contrast, the administrative, technological and secretarial staff financed through Subcomponent I-2 will be temporary, aimed at providing administrative support to the ICZM Planning Unit solely during the execution of the project. The Project Report will include a more detailed description of the proposed structure and the roles of entities involved in project execution.
- 4.4 In addition, a Steering Committee, composed of representatives from over 20 key agencies, representing the spectrum of environmental, health, economic development, technical, regulatory and research entities in the government, will provide guidance and advice for the project. During project preparation, a set of operating procedures for the Steering Committee will be recommended to guide the committee's work and will ensure effective coordination among all stakeholders.
- 4.5 The Master Plan, once developed through the proposed project, would have to be endorsed by the Ministry of Energy and Environment and presented to Cabinet by the Minister of Energy and Environment for its approval. The Master Plan will indicate the specific changes in the legislation of The Bahamas that would be needed for its full institutionalization and implementation, as well as the approval processes applicable for effecting these changes at the relevant level of government.

C. Monitoring and Evaluation.

- 4.6 The ICZM Planning Unit will be responsible for monitoring, evaluating and coordinating the information regarding the ICZM planning process during project execution. The Project Report will include more details on the proposed scheme of monitoring and evaluation.

V. IMPACT ON DEVELOPMENT

A. Expected benefits and beneficiaries

- 5.1 In The Bahamas, the linkages among tourism, fishing, shipping and the quality of the coastal environment are key to the country's economic and social well-being. Considerable degradation of coastal features, offshore coral reefs and the number of fish stocks have been part of the catalyst for this project. Integrated coastal zone management should enable the country to improve its ability and effectiveness in providing comprehensive and consistent management of coastal resources, thereby preserving the important foundation of its economic base.

B. Project outcomes

- 5.2 The following four results are expected from the project: (i) a national-level ICZM Master Plan for the Bahamas which is supported by the relevant stakeholders and has been approved by the authorities; (ii) a strategically selected case study has been implemented to provide hands-on training and to initiate the full-scale implementation of the Master Plan; (iii) the ICZM Planning Unit has been strengthened to enable it to coordinate a complete, effective and timely implementation of the Master Plan; and (iv) an improved baseline data regarding the current situation related to the environment in the Bahamas.
- 5.3 As part of the ICZM Master Plan project, several outputs that benefit The Bahamas in its efforts towards sustainable development are also expected, including (i) proposal of water quality policies, standards, and regulations for sewage discharge and stormwater, with a water quality monitoring plan to measure successful outcomes; (ii) an improved EIA process better equipped with the necessary tools to address the problems related to all coastal development projects; (iii) experience with conducting public information and participation processes that involve a diverse group of stakeholders, and (iv) improvements in the policies, standards, and techniques available for wetlands protection, flood hazard mitigation and coastal habitat protection.

C. PTI/SEQ classification

- 5.4 This project does not qualify for either PTI or SEQ.

D. Potential Social and Environmental Impacts

- 5.5 The essence of Integrated Coastal Zone Management 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, it is anticipated that the current project will have primarily positive social and environmental impacts. In addition, it will assist in creating policies, standards, and instruments to better manage the social and environmental impacts of future development projects. The CESI reviewed and approved this operation on May 19, 2006. No Environmental Impact Assessment (EIA) or Environmental and Social Management Report (ESMR) is required for this project.

VI. SPECIAL FEATURES

A. Counterpart financing

- 6.1 The project will be financed through Government and Bank resources only. The amount and composition of the counterpart financing will be further discussed during the Analysis Mission.

B. Bank exceptions

- 6.2 No exceptions to Bank policies will be sought.

C. Risks

- 6.3 The first risk concerns the long-term financial sustainability of the ICZM Planning Unit to be created and financed as part of this operation. To mitigate this risk, the operation includes a sunset clause that is designed to ensure that the planning unit is incorporated in the administrative structure of the government. During the analysis mission, this issue will be further discussed with the GOBH.
- 6.4 The second risk is associated with the institutional weaknesses of the government agencies involved in coastal zone management, particularly the Best Commission. As explained before, the focus of this operation is to prepare an ICZM Master Plan to lay the groundwork for a long-term and multi-phase operation aimed at the implementation of the Master Plan recommendations, particularly those related to institutional strengthening of all relevant agencies. The creation and operation of the ICZM Planning Unit, within the Ministry of Energy and Environment, will be an important first step to address these weaknesses.
- 6.5 The third risk concerns coordination problems during project execution due to the multi-disciplinary and multi-stakeholder characteristics of the project. The mitigation of this risk will be addressed during project preparation through the design of a suitable execution mechanism.

- 6.6 The fourth risk concerns the difficulty of hiring a highly qualified consulting firm to carry out the complex tasks required for Component 2. The mitigation of this risk will be addressed during project preparation through the careful design of detailed Terms of Reference, specifying all tasks to be carried out, expected products, and the minimum requirements regarding the technical expertise of the consultants.

VII. READINESS

- 7.1 The Terms of Reference for Component 2 - Development of an ICZM Master Plan are being prepared in collaboration with the executing agency (BEST Commission), and the Country Office.

VIII. CONDITIONS

- 8.1 Prior to first disbursement, the following two conditions will have to be met:
- a. The ICZM Planning Unit has been created as an ad-hoc entity and staffed with Project manager, Senior Scientist and Senior Planner. This will be confirmed through certification from the GOBH, including the Planning Unit's Charter.
 - b. The necessary accounting, technological and secretarial capacity has been hired to assist ICZM Planning Unit with project execution. This will be confirmed through semestral project reports prepared by ICZM Planning Unit.

Master Plan for Integrated Coastal Zone Management (ICZM) (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 (2 years after project completion):</p> <ol style="list-style-type: none"> Three (3) priority projects (in addition to the demonstration project) 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 authority and capacity, including financial resources, to guide ICZM process.
Purpose			
National coordination and planning process for the preparation of an Integrated Coastal Zone Management Master Plan has been established.	<p>Outcomes (at project completion):</p> <ol style="list-style-type: none"> At project completion, a national-level ICZM Master Plan has been completed in accordance with good practices, as defined in the TOR, and is supported by relevant stakeholders. At project completion, the ICZM Planning Unit, as an ad-hoc entity, has successfully guided the preparation of the ICZM Master Plan, and is staffed and capacitated to coordinate the Plan's future implementation. 	<ol style="list-style-type: none"> 1.1 ICZM Master Plan Document 1.2 Survey of relevant stakeholders carried out in the Final Stakeholder workshop to present completed Master Plan 2.1 Semestral reports by ICZM Planning Unit. 2.2 Project Completion Report. 2.3 XX persons hired and trained 	<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. Government ensures proper cooperation and collaboration of all agencies involved in Master Plan implementation.

Narrative Summary	Indicators	Means of Verification	Assumptions
Components			
1. Capacity Building. Capacity to execute project and guide future ICZM implementation established.	<p>1.1 Within 6 months of project initiation, three (3) workshops, respectively on GIS mapping, Water Quality Monitoring, and Innovative Planning Techniques, have been successfully conducted and the corresponding white papers produced.</p> <p>1.2 Within 6 months of project initiation, Pilot Project has been successfully executed.</p>	<p>1.1 Semestral project reports prepared by ICZM Planning Unit; White Paper for each workshop</p> <p>1.2 Summary Report on Pilot Project by ICZM Planning Unit (part of semestral project report)</p>	<p>To achieve purpose:</p> <ul style="list-style-type: none"> Government ensures proper coordination between all agencies involved in Master Plan preparation. Government entrusts ICZM Planning Unit with the sole responsibility for guiding ICZM Master Plan preparation. Counterpart resources are committed as scheduled. Bidding process results in hiring of highly qualified consulting firm to accompany participatory development process for Master Plan (including consultations).
2. Development of an ICZM Master Plan. ICZM Master Plan developed through a participatory process	<p>2.1 Within 8 months of project initiation, ICZM governance framework has been assessed.</p> <p>2.2 Within 8 months of project initiation, major coastal zone issues and challenges have been identified.</p> <p>2.3 Within 18 months of project initiation, coastal resource areas have been characterized and mapped.</p> <p>2.4 Within 16 months of project initiation, ICZM Master Plan goals and objectives have been agreed on by relevant stakeholders.</p> <p>2.5 Within 20 months of project initiation, relevant ICZM policies and standards have been developed.</p>	<p>2.1 Semestral project reports prepared by ICZM Planning Unit.</p> <p>2.2 Semestral project reports prepared by ICZM Planning Unit.</p> <p>2.3 Semestral project reports prepared by ICZM Planning Unit; Maps & Metadata.</p> <p>2.4 Semestral project reports prepared by ICZM Planning Unit.</p> <p>2.5 Semestral project reports prepared by ICZM Planning Unit.</p>	

Narrative Summary	Indicators	Means of Verification	Assumptions
	<p>2.6 Within 20 months of project initiation, supporting tools and techniques have been identified.</p> <p>2.7 Within 24 months of project initiation, ICZM priority projects have been identified.</p> <p>2.8 Within 24 months of project initiation, a demonstration project to initiate implementation of the ICZM Master Plan has been selected.</p> <p>2.9 At project completion, the selected demonstration project has been successfully implemented.</p>	<p>2.6 Semestral project reports prepared by ICZM Planning Unit.</p> <p>2.7 Semestral project reports prepared by ICZM Planning Unit.</p> <p>2.8 Semestral project reports prepared by ICZM Planning Unit.</p> <p>2.9 Summary Report on Demonstration Project by ICZM Planning Unit.</p>	
Activities			
1. Capacity Building	US\$ 1,100,000	Budget execution records maintained and submitted by ICZM Planning Unit	<ul style="list-style-type: none"> • Availability of suitable staff for ICZM Planning Unit.
2. Development of an ICZM Master Plan	US\$ 1,850,000	Budget execution records maintained and submitted by ICZM Planning Unit	