

## TECHNICAL COOPERATION ABSTRACT

### I. BASIC INFORMATION

<b>Country/Region:</b>	The Bahamas (Nassau)
<b>TC Name:</b>	Implementation of the Emerging and Sustainable Cities Initiative (ESCI) in Nassau
<b>TC Number:</b>	BH-T1045
<b>Team:</b>	Team Leader: Andres Blanco (IFD/FMM); Co-Team Leader: Ellis J. Juan (VPS/VPS); Rebecca Sabo; Roland Krebs; Diego Arcia and Marina Massini (IFD/FMM); Luis Lopez-Torres (INE/WSA); and (LEG/SGO).
<b>TC Type:</b>	Research and Dissemination
<b>Beneficiary:</b>	The Government of The Bahamas (GoBH)
<b>Executing Entity:</b>	Inter-American Development Bank, through the coordination of ESCI and IFD/FMM
<b>Financing:</b>	US\$1,100,000 from ESCI's Ordinary Capital (OC)
<b>Execution Period:</b>	36 months
<b>Disbursements Period:</b>	48 months
<b>Consultant Type:</b>	Individual Consultants and Firms
<b>UDR:</b>	IFD/FMM
<b>Priority Sector GCI-9:</b>	(i) Infrastructure for competitiveness and social welfare, (ii) Institutions for growth and social welfare, and (iii) Protect the environment, respond to climate change, promote renewable energy, and secure food security.

### II. OBJECTIVE AND JUSTIFICATION

- 2.1 **Objective.** The main objective of this Technical Cooperation (TC) is to improve the sustainability and quality of life of the residents of Nassau, The Bahamas through the implementation of the ESCI, under its regular program.
- 2.1 **Justification.** New Providence, the island occupied by the country's capital city, Nassau, is by far the most populated of The Bahamas' over 700 islands. Its population grew, on average, over 2% per year over the last three decades, from 135,437 in 1980 to 246,329 in 2010. The city is the nation's business center as well as its capital. Over recent years, there has been much migration from the less populated islands to New Providence, putting pressure on the sustainability of this already densely populated island. Added to the rapid population growth, coastal hazards and sea level rise due to climate change pose challenges for the future.
- 2.2 The operation will support a diagnostic assessment and the preparation of an action plan to improve the Nassau's sustainability in the three pillars of ESCI (environmental, urban, fiscal, and governance). It will then support collaboration with the beneficiary on the prioritization of pre-investment studies consisting of

- more detailed diagnostics, economic and technical pre-feasibility studies, engineering designs (where applicable), and designs of projects that are included in the action plan. The operation also provides financing for the consulting contracts necessary to carry out the rapid and efficient administration of all steps of the process. This operation is the continuation of a multi-sectorial effort that seeks to improve the quality of life in emerging cities in Latin America and the Caribbean (LAC) in the long term.
- 2.3 The TC helps to fulfill the ninth general capital increase (GCI-9) goals by (i) incentivizing an increase in financing for infrastructure that promotes competitiveness and social well-being; (ii) strengthening subnational institutions; and (iii) protecting the environment and facing climate change, as the energy requirements of development are met. By improving the conditions and sustainability of Bahamas' capital, it also supports a small, vulnerable country.

### III. DESCRIPTION OF COMPONENTS AND BUDGET

#### A. Components

- 3.1 **Component 1. Preparation, diagnostic assessment and analysis, prioritization, strategy selection, and preparation of action plan (US\$450,000).** This component includes the identification of critical action areas for the city using a multisectoral diagnostic assessment of the city's environmental, urban, and fiscal and governance dimensions analyzed by Bank specialists and consultants in conjunction with stakeholder interviews and other relevant documents such as development plans, and the subsequent prioritization of the critical action areas with the greatest potential to improve the sustainability and quality of life in the city using environmental, economic, and public opinion criteria. An action plan will then be developed with concrete strategies to address the issues identified in the priority action areas. The action plan, along with the studies it is based upon, will be widely disseminated through a local launch event, the ESCI website, and workshops.
- 3.2 **Component 2. Pre-investment studies (US\$550,000).** The operation will finance pre-investment studies essential to the sustainability of Nassau. The pre-investment studies will cover projects in one or more of the initiative's three pillars (environmental, urban, and fiscal/governance). The number, depth, and areas of coverage of the studies will be determined by the action plan.
- 3.3 **Component 3. Monitoring system (US\$100,000).** This component will finance the design and initial implementation of an external system to monitor the results and impact of Nassau's action plan and the city's general progress.
- 3.4 As a result, in the short term, Nassau will have a diagnosis and prioritization of its critical areas, with solutions identified for the critical problems in an action plan. This plan will support an integrated vision of urban, environmental, and fiscal/institutional sustainability. The action plan will provide the city with an

agenda of priority investments compatible with the technical and financial capacities necessary to execute it in an effective and efficient way. This will allow the city to execute high impact investments, avoiding wasting resources on low priority topics. In addition, the development of the ESCI coordination activities will advance intersectoral work within the Bank.

## B. Budget

- 3.5 The budget for this technical cooperation will be US\$1,100,000, from the ESCI's Ordinary Capital.

Components	Total
Component 1. Preparation, diagnostic assessment, prioritization, action plan	450,000
Component 2. Pre-investment studies to be determined by the action plan	550,000
Component 3. Monitoring system	100,000
<b>Total</b>	<b>1,100,00</b>

## IV. EXECUTION

- 4.1 At the request of the government of the Bahamas, the Bank will be responsible for executing this TC, through IFD/FMM in close coordination with the Emerging and Sustainable Cities Initiative's coordination group (ESCICG). The Bank's multidisciplinary expertise and ability to identify feasible projects and corresponding potential sources of financing, as well as the ESCICG's experience implementing the methodology and IFD/FMM's experience with subnational finances, institutions, and urban planning, make the Bank the most appropriate executing agency for this operation.
- 4.2

## V. RISKS

- 5.1 There are two fundamental risks that could impede achieving the results of this TC: (i) lack of coordination among different government agencies during the implementation of the methodology in Nassau; and (ii) institutional weakness and low technical capacity of some areas of the city's government.
- 5.2 To minimize the first risk, during the execution of the TC the Bank's team will hold coordination meetings with government agencies involved in the process, including the Ministry of Finance. As to the second risk, the action plan will incorporate institutional strengthening methods to improve the capacity of the government to execute and supervise projects like those to be implemented from the ESCI action plan.

## VI. ENVIRONMENTAL AND SOCIAL STRATEGY

- 6.1 This project is not expected to have any negative environmental and/or social impact. On the contrary, the studies and projects to have a positive social and

environmental impact, promoting improvements in the urban environment and the quality of life of Nassau's residents. This TC has been rated as "C".