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## PROJECT ASSISTANCE COMPLETION REPORT

PROJECT TITLE: Hurricane Hugo Disaster Rehabilitation Project  
PROJECT NUMBER: 538-0175  
FUNDING PERIOD: 9/29/89 - 05/30/90  
LOP FUNDING: OFDA Grant \$5,000,000  
IMPLEMENTING AGENCIES: Lloyd Electric Co. and Government of Dominica  
PACD: Original 02/28/90; Amended to 05/30/90

### 1. PROJECT PURPOSE

To assist the Leeward Islands to recover from the affects of Hurricane Hugo by carrying out power rehabilitation activities in St. Kitts/Nevis and agricultural sector and road rehabilitation activities in Dominica.

### 2. BACKGROUND

During the period September 16-17, 1989, Hurricane Hugo passed over the Eastern Caribbean causing serious damage to Antigua, Montserrat, St. Kitts/Nevis and Dominica. Hugo was the most powerful storm to hit these islands in the past decade, with sustained winds of up to 140 mph.

The island of Montserrat was devastated with up to 80 percent of all property on the island destroyed and the remaining 20 percent damaged. Electricity, radio and telecommunications were completely cut in Montserrat as in other affected islands. Most roads were impassable, extensive flooding was reported and water supplies were disrupted in the affected islands. In Dominica, flooding caused extensive landslides which, along with high winds, severely damaged 70-80 percent of the banana crop and caused infrastructural damage. Roads, seawalls, drains and bridges, all of which are essential to the marketing of bananas, were damaged or made impassable. In Antigua, and Barbuda, the storm knocked down many utility poles and disrupted the electrical distribution system. About 10-15 percent of the homes suffered extensive roof damage and extensive flooding completely cut off the southern part of the island. In St. Kitts and Nevis, electrical power supply was cut in all areas. Approximately 10 percent of the homes in St. Kitts and 60 percent of the homes in Nevis sustained damage. The sugar crop, the major earner of foreign exchange, was devastated. The governments of

the affected islands appealed to USAID for special disaster assistance. Within a period of seven (7) days following the storm, USAID had mobilized its resources to assess damage and design an emergency relief program. The program consisted of the following components:

- a. Restoration of power supply - St. Kitts/Nevis;
- b. Agricultural sector rehabilitation and emergency road repairs - Dominica;
- c. Financial review and audit.

Direct assistance was not programmed for Montserrat as the U.K. was the major donor there. However, RDO/C signalled to Montserrat a willingness to support rehabilitation of the electrical distribution system should such be required. As a result of efficient electrical restoration work in St. Kitts and Nevis, and based on a formal request for assistance, RDO/C contractors were able to lend valuable support to Montserrat.

### Project Funding

The Hurricane Hugo Disaster Assistance Project was authorized on September 29, 1989 at \$5 million. The agriculture sector and emergency road rehabilitation - Dominica was implemented through a Handbook 3 Limited Scope Grant Agreement (LSGA) with the Government of Dominica. The LSGA was managed by RDO/C. The initial obligation under the LSGA was \$370,000, followed by an additional obligation of \$2,200,000. The obligation of \$30,000 to a personal services contract brought the total amount obligated by RDO/C to \$2,600,000. At the end of the Project, \$2,559,591 or 98.4% of this obligation was expended. The agricultural sector component was audited by Price Waterhouse at the end of the Project. The Regional Inspector General for Audit, Tegucigalpa advised RDO/C, in the cable, 91 Tegucigalpa 12987, dated September 10, 1991, that all audit recommendations were closed.

The power sector rehabilitation in Antigua, St. Kitts/Nevis and Montserrat was implemented through memoranda of understanding between the respective governments and the Government of the United States. The work was conducted by Lloyd Electrical Co., Texas under a direct AID contract (Contract No. SP0-0000-C-00-0002-00) obligated at \$1,988,846. The contract was issued by the Office of Procurement, Special Projects Office, USAID, Washington and managed by the Office of Foreign Disaster Assistance (OFDA), Washington.

The PACD was set for February 28, 1990 and later amended to May 31, 1990 to allow time to complete the agriculture and fisheries rehabilitation in Dominica.

### 3. SUMMARY OF INPUTS AND ACCOMPLISHMENTS

#### Inputs

The Project had three components, (1) Agriculture and Roads Rehabilitation in Dominica, (b) Power supply - Leeward Islands, and (c) Financial Review and Audit. The planned versus actual funding levels for each of these components are summarized in Table 1.

Table 1.

<b>Hurricane Hugo Rehabilitation Project Summary of Inputs (US\$000)</b>		
<b>Component</b>	<b>Planned</b>	<b>Actual</b>
<b>1 Agriculture and Road Rehab. Dominica</b>		
Banana Rehabilitation	1,450	1,450.000
Environmental Monitoring	50	64.820
Other Crops Rehabilitation	300	285.029
Fishing Industry Rehabilitation	150	150.000
Emergency Roads Repairs	500	536.076
<b>Sub-total</b>	<b>2,450</b>	<b>2,485.925</b>
<b>2 Power Supply-Leeward Islands</b>		
Construction	2,400	1,988.846
Project Management Services	30	27.241
<b>Sub-total</b>	<b>2,430</b>	<b>2,016.087</b>
<b>3 Financial Review and Audit</b>		
	120	46.425
<b>TOTAL</b>	<b>5,000</b>	<b>4,548.437</b>

#### Planned Outputs

- a. Primary electrical distribution systems in St. Kitts/Nevis operational.
- b. Primary and secondary road networks in Dominica fully operational.
- c. Banana industry in Dominica meets critical planting targets for the 1989 planting season.
- d. Other crops, particularly passion fruit, restored to pre-hurricane conditions.
- e. Artisanal fishing industry in Dominica operational.
- f. Environmental safety assured by monitoring the rivers for detrimental effects of fertilizer and other agro-chemicals.

## Achieved Outputs

- a. Primary electrical distribution systems in St. Kitts/Nevis operational.
- b. Primary and secondary road networks in Dominica fully operational.
- c. Critical planting targets in Dominica for the 1989 season were met. Six thousand acres of banana were rehabilitated. By the PACD, weekly production rose to 1050 tons from 400 tons immediately following the hurricane.
- d. Seven hundred and fifty acres of other crops in Dominica were rehabilitated, particularly cocoa and vegetable crops through inputs of fertilizer, planting material and various farm implements.
- e. Project assistance relieved hardship on fishermen in Dominica and by the PACD the fishing industry was fully operational. About 500 artisanal fishermen received assistance.
- f. Chemical analyses of river water in Dominica revealed that there was no fertilizer-related water quality problem in any of the watersheds sampled. None of the samples contained pesticide residues above the minimum detection level, that is, pesticides were not concentrating in the environment sampled.
- g. One unplanned output was the restoration of the primary and secondary electrical distribution system in Montserrat.
- h. Another unplanned output was the extra restoration of seawalls and drainage lines in Dominica.

## **4. DEVELOPMENT IMPACT**

Hurricane Hugo adversely affected the lives of thousands of people in Antigua, St. Kitts/Nevis, Antigua and Dominica. The immediate assistance of the United States Government resulted in the restoration of the electrical distribution systems in the Leeward Islands and the rapid rehabilitation of the agricultural sector in Dominica. These countries were, therefore, able to resume productive activities and restore the economies to normalcy. The most important effect of the U.S. Government assistance, however, was the alleviation of the human suffering and hardship caused by the hurricane.

## **5. RECOMMENDATIONS FOR CONTINUED MONITORING**

Continued monitoring is not required.

## **6. LESSONS LEARNED**

### **Lesson No. 1**

The Government of the Commonwealth of Dominica (GOCD) did not follow precisely some of the rules and regulations outlined in the Project Implementation Letters. For example, one shipment of goods was not insured and the funds were not placed in an interest-bearing account. In emergency rehabilitation projects, early and more precise

instructions should be given to governments to ensure strict adherence to requirements.

#### Lesson No. 2

Notwithstanding that the audit did not commence concurrently with the beginning of the project as intended, the concept was nevertheless a good one. The concurrent audit proved to be successful and the audit was completed on time. This exercise has taught us that concurrent audits are the most suitable form of financial monitoring for disaster assistance projects, and other projects of this type.

#### Lesson No. 3

The late contracting of an auditor resulted from a determination to ensure that the right CPA firm was contracted for the assignment. To ensure its preparedness for the reoccurrence of a similar rehabilitation project, RDO/C should enter into an indefinite quantity contract (IQC) with a local CPA firm. This has been done.

#### Lesson No. 4

Before agricultural and infrastructure rehabilitation work started, the GOCD and RDO/C negotiated the appointments of personnel to work on the rehabilitation; this included accounting. As a result, management of this work was above normal standards. In these short-duration projects, it is essential that appropriate counterpart personnel are appointed and placed at the inception of the project to ensure proper implementation.

#### Lesson No. 5

Almost all the infrastructure rehabilitation work was contracted with the private sector. The result was work was completed on time, standards adhered to and management made easier.

#### Lesson No. 6

Having OFDA specialists pre-placed proved to be useful in getting the damage assessed and facilitated speedy implementation of the program.

#### Clearances:

DLSmith, C/TDO (Draft)

RCohn, C/GDO (Draft)

WMcPhie, PDO/PD (Draft)

MTaylor, PDO/PM (Draft)

MHorween, CONT *8/18/93*

BBurnett, D/DIR *8/18/93*