

Hurricane Dorian: A Reset

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Loss and Damage

Hurricane Dorian's \$3.4 billion loss has decimated 27% of the GDP of The Bahamas making it impossible for The Bahamas to make its budgeted \$340 million debt servicing on the \$8.4 billion outstanding national debt. On November 4, 2019, the Governor of the Central Bank of The Bahamas, Mr. John Rolle, forecasted the losses sustained due to Hurricane Dorian, during the Monthly Economic and Financial Development Report for September 2019. He stated they could exceed \$2.5 billion, about 20% of the \$12.45 billion Gross Domestic Product of The Bahamas. However, on November 15, 2019 the World Health Organization, Inter-American Development Bank, UNLAC and Pan American Health Organization, estimated the total cost of the impact and effect of Hurricane Dorian on The Bahamas at \$3.4 billion, about a quarter of the country's GDP, comprising 72% in damage, 21% in losses and 7% in additional costs, with the private sector absorbing about 90% of the losses, **“or the equivalent of the US losing the combined economic outputs of California, Texas and Florida.”**

According to the Deputy Prime Minister and Minister of Finance Peter Turnquest, while addressing Accountant's Week on Monday, November 11, 2019, 80% of the homes and businesses destroyed or damaged during Dorian were either uninsured or underinsured; thus, forcing the Government to take on unbudgeted risks of covering this loss to the detriment of the country's finances and credit standing.

Mr. Charles Johnson, Council Member of Bahamas Insurance Association, speaking at the annual Accountants' Week conference, disclosed that the BIA estimates represent a \$1.5 billion to \$2 billion financial impact. He explained that the 20% of businesses and homes destroyed or damaged during Hurricane Dorian have made claims totaling about \$1 billion. He disclosed that about 75% of the claimants are underinsured. However, 80% of the claims relate to Abaco, with Baker's Bay Golf & Ocean Resort accounting for up to about 50%, compared to 12% in Grand Bahama. Mr. Johnson, while encouraging homeowners and businesses to insure for the replacement value, predicted that there will be from 2-3% increase in

deductibles for catastrophic insurance and about a 30% rate increase from reinsurers.

However, both the Government and the IDB projections of losses and damage fail to capture the non-economic costs and damage that the people of Abaco, Grand Bahama and The Bahamas suffered from Dorian. According to Dr. Adelle Thomas and Lisa Benjamin, in a paper entitled “Non-economic loss and damage: Lessons from displacement in the Caribbean” published in *Climate Policy* in July 2019, **“this focus on economic costs obscures the significant non-economic loss and damage – such as effects on health, sense of place and community cohesion – that was incurred from the 2017 hurricanes and the need for robust, national policies to address these impacts.”** Thomas and Benjamin drew from the experiences of Ragged Island residents with Hurricane Irma and state that non-economic loss and damage may include loss of life, health, territory, traditional knowledge, culture, biodiversity, ecosystem services, as well as climate induced displacement, damage to and loss of physical properties such as traditional meeting houses, places of worship, artefacts, sacred places and communal land as well as intangible goods such as cultural values, traditions, sense of identity and loss of a sense of place. Further, Thomas and Benjamin, based on the Ragged Island case, recommended **“the need for Governments to consult with communities post disaster on rebuilding and relocation efforts to include non-economic loss and damage in evaluating the costs of rebuilding.”** Has the Government taken an inventory of the non-economic damage and loss suffered by Bahamians and residents to determine the scale of the national restoration and rehabilitation required to achieve a more resilient Bahamas?

Given the scale of population displacement, economic disruption and non-economic loss and damage to the Bahamian society, it is imperative that the Government properly calculate and frame a claim for restitution, climate justice and financing.

Further, the destruction of the Haitian-Bahamian communities of The Mudd and Pigeon Pea in Marsh Harbour raises special issues of law, public policy and international humanitarian law. These communities comprised persons with Bahamian citizenship, permanent residency status, work permits, undocumented migrants as well as persons born in The Bahamas who have a right to apply at age 18 or waiting to be registered as citizens of The Bahamas under Article 7 of the Constitution. There has always been both a demand for Haitian labor in Abaco for decades and continuous contribution by the Haitian-Bahamian community to all aspects of economic and social life in Abaco. In The Bahamas the law does not require persons living in The Bahamas to possess a biometric nationality/identification card. Nevertheless, there is a presumption, fueled by prejudice, stigma and misguided public policy, that all the residents in The Mudd and Pigeon were undocumented migrants who should be deported from The Bahamas. Therefore, residents of these communities, with a legal right to live in

The Bahamas, who may have lost official documents during Hurricane Dorian face the real prospect of deportation, denial of the right to receive compensation for lost property and mass disenfranchisement.

As a discrete minority, it is imperative that the Government make a proper assessment of the economic and non-economic loss (inclusive of deaths and missing persons) of the residents of The Mudd and Pigeon Pea, consistent with the Constitution, international humanitarian law and public reputation of The Bahamas. There should be public education of the Haitian contribution to The Bahamas to counter stigma and prejudice; framing of a policy for the orderly integration of the Haitian community into Bahamian society; timely regularization of those persons with a constitutional and legal right to citizenship, permanent residency and work permits; and negotiation of a Work Contract Scheme with the Government of the Republic of Haiti for orderly recruitment of labor from Haiti.

The Government, rather than squandering this opportunity on quick fixes, should embrace the solidarity and partnership of the local civil society and the regional and international community, to pursue medium and long-term national development measures to mitigate vulnerabilities and build resilience to ensure a safe and prosperous future for The Bahamas.

Nassau: A Disaster Waiting to Happen?

Hurricane Dorian should force us to recognize that Nassau, despite its stronger building inspectorate, enforcement of the Building Code and more professional management of large construction projects, shares some of the same vulnerabilities as Abaco and Grand Bahama. Nassau, an unplanned capital city, was designed to serve the colonial enterprise with quaint colonial buildings lacking the resilience to withstand the threats of global warming. The strategic political, health and security institutions operate out of inadequate physical structures that were designed and built for a colony serving the narrow the metropolitan interests of Great Britain. They are inadequate to serve a sovereign nation state whose very survival is being threatened by global warming caused, primarily, by the industrialized countries.

The low lying southern and western coastal areas of Nassau are particularly vulnerable to flooding. The projected increase of more intense and frequent hurricanes means that there will be more tornados, sea surges of up to 20 feet and more resulting in more severe wind and water damage to the built structures.

Based on recent experience of hurricanes Irma, Matthew, Joaquin, Sandy, Ike, Wilma, Katrina, Rita, Frances, Jeanne, Floyd, Lili, Erin and Andrew the key strategic infrastructure of governance is particularly vulnerable and lacks resilience. The House of Assembly, Senate Building and the main Supreme Court Building were built in 1815 by the Loyalists for a colonial society; the Adderley Building, where the Cabinet Office is located, is also vulnerable and lacks the designed features to withstand winds of 185 miles per hour, gusts of 220 miles per

hour and 20-plus-foot storm surge flooding. The Princess Margaret Hospital, despite its elevation, is also vulnerable to such hurricane conditions. The Royal Police Force Headquarters, except perhaps for the Paul Farquharson Building, may also be vulnerable. If the national legislative, executive, judicial, health and security infrastructures were threatened by a hurricane, where are the bolt holes, shelters, bunkers, refuge to which our strategic national decision makers will relocate to ensure continuity of government, stability, order and the restoration of The Bahamas during and after a hurricane or any national disaster?

National Security Issue

Disaster risk reduction and building of resilience are national security imperatives, in my view, and require a national conversation and scientific study, as part of long-term planning and designing contingencies for effective governance during and after a disaster. The safeguarding of Nassau, as the capital city, is a strategic priority, given concentration of state functions therein. Should The Bahamas explore constructing a purpose-built capital in Andros or in a suitable location with less vulnerability and the requisite resilience to withstand the existential threats of global warming?

Based on shared national security interests, the Government of The Bahamas should engage the Government of the United States to expand the scope of the Memorandum of Understanding between the Government of The Bahamas and the Government of the United States regarding Hurricane Recovery in The Bahamas of July 2005 to allow temporary relocation of hurricane refugees from The Bahamas, better access to financial grants for restoration of public infrastructure, support for debt forgiveness and timely access to climate change funding for restoration in The Bahamas to reduce vulnerability and increase hurricane resilience.