



LEG/SGO/CCB/IDBDOCS#40702802

Mr. Simon Wilson  
Financial Secretary  
Ministry of Finance  
Cecil Wallace-Whitfield Centre  
West Bay Street  
P.O. Box N-3017  
Nassau, The Bahamas

Re: ATN/OC-15790-BH. Non-reimbursable  
Technical Cooperation for Emergency Assistance  
due to Hurricane Matthew.

Dear Mr. Wilson:

The purpose of this letter of agreement (the “Agreement”) between the Commonwealth of The Bahamas (the “Beneficiary”) and the Inter-American Development Bank (the “Bank”) is to formalize the granting of a non-reimbursable technical cooperation (the “Technical Cooperation”) to support The Bahamas efforts to provide humanitarian assistance to the population affected by Hurricane Matthew, as requested.

The Bank shall expend from the resources of the Special Program/Non-reimbursable technical cooperation funding for countries affected by natural disasters an amount of two hundred thousand dollars of the United States of America (US\$200,000) (the “Contribution”) to undertake required relief in the disaster areas of the Beneficiary, as well as to the displaced population. Eligible items will include food supplies, clothing, potable water, shelter, transportation costs and medicine, among other relief items.

The Executing Agency will be the National Emergency Management Agency. It will be responsible for managing the resources and its use will be ultimately carried out by participating national and/or international relief agencies, in accordance with the terms and conditions set forth by the Plan of Operations attached.

The execution period of the Technical Cooperation shall be six (6) months, from the effective date of this Agreement. There will be a single disbursement of the resources of the Contribution to the Beneficiary in its full amount. The Beneficiary, by means of the Executing Agency, commits to submit to the Bank, within 180 days after the disbursement, a report on the

ATN/OC-15790-BH

use of the resources from the proposed Technical Cooperation.

Please confirm your acceptance of the terms and conditions of this Agreement, by signing and returning one original to the Bank's Country Office in The Bahamas.

This Agreement shall be signed in two (2) originals of equal tenor by duly authorized representatives, and will enter into force on the date of its signature by the Beneficiary.

Yours Faithfully,

/s/

---

Maria Florencia Attademo-Hirt  
Representative of the Bank in The Bahamas

AGREED:

/s/

---

Simon Wilson  
Financial Secretary  
Ministry of Finance  
The Commonwealth of The Bahamas

Date: 17/10/16

**ANNEX**  
**INTER-AMERICAN DEVELOPMENT BANK**  
**PLAN OF OPERATIONS**

**BH-T1053**

**THE BAHAMAS**

**NON-REIMBURSABLE TECHNICAL COOPERATION FOR EMERGENCY  
ASSISTANCE DUE TO HURRICANE MATTHEW**

**I. GENERAL INFORMATION**

<b>Country:</b>	The Bahamas		
<b>Name/Number:</b>	Emergency Assistance due to Hurricane Matthew		
<b>Project Team:</b>	Michael Nelson (CCB/CBH), Team Leader; Michele Lemay and Hori Tsuneki (both of CSD/RND); Syreta Roberts-Bournas (CCB/CBH); Marie Edwige Baron (CCB/CHA); Mario Castaneda (FMP/CBH) and Louis-Francois Chretien (LEG/SGO).		
<b>Request Date:</b>	October 12, 2016		
<b>Beneficiary:</b>	Affected populations in communities damaged by high winds and floods.		
<b>Executing Agency:</b>	National Emergency Management Agency (NEMA)		
<b>Financial Plan</b>	IDB (Grants of Ordinary Capital):	US\$200,000	
	Local:	0	
	Total:	US\$200,000	
<b>Execution period:</b>	6 months		
<b>Periods:</b>	Resources to be disbursed in US dollars in one single disbursement to the Consolidated Fund.		

**II. BACKGROUND**

- 2.1 Exactly one year after Hurricane Joaquin caused over US\$100 million in economic damage and losses to the Central and Southeastern Bahamas,

ATN/OC-15790-BH

Hurricane Matthew, another Category 4 strength storm on the Saffir-Simpson scale, made landfall on the across the entire 700-island chain of The Bahamas from October 5-6, 2016. Hurricane Matthew underwent a rapid intensification over the southern Caribbean warm waters, then took a slow northeastern track inflicting significant damage in Cuba and Haiti en route to The Bahamas.<sup>1</sup> The storm then approached the southeastern Bahamian islands and made a slow northwesterly trek across all of the remaining islands. The Bahamas experienced harsh hurricane conditions for the two days with maximum sustained winds recorded at 130 miles per hour and rainfall between 12 and 18 inches. Storm surges were also noted at between 10 and 15 feet above normal tide levels.<sup>2</sup>



- 2.2 The Caribbean Disaster Emergency Management Agency as well as the National Emergency Management Agency (NEMA) in The Bahamas has provided initial information based on the collaborative efforts among the National Disaster Committees (NDC), Family Islands Disaster Consultative Committees and The Bahamas Information Services. Preliminary reports from the Government of The Bahamas estimate expected damages and losses to be three to four multiples of that of Hurricane Joaquin.<sup>3</sup>
- 2.3 While the hurricane affected all islands in the country, the greatest impacts occurred in the Central and Northwestern Bahamas, primarily due to wind and flood damage. Notably, this is the first hurricane since Hurricane Frances in 2004 to make landfall in New Providence and Grand Bahama, which account for almost 90% of economic activity and 85% of the

<sup>1</sup> Reuters. [Hurricane Matthew toll in Haiti rises to 1,000 dead buried in mass graves](#). October 10, 2016.

<sup>2</sup> CDEMA. Hurricane Joaquin – Situation Reports #3-4 as of October 3rd and 4th.

<sup>3</sup> Nassau Tribune. [PM Warns of High Cost of Hurricane Recovery](#). October 11, 2016.

population. Reports<sup>4</sup> indicate that the storm inflicted the most severe damage in those two islands, as well as Andros, Bimini, Ragged Island, Exuma, and Inagua. Several communities were flooded and government buildings including health clinics, schools, police stations and other facilities appear to have experienced varying levels of structural damage.

- 2.4 Significant structural damage to homes and buildings as well as excessive flooding have been reported particularly in east and south New Providence, west and central Grand Bahama, as well as central and north Andros. Many of these communities have reported up to 5 feet of water, still impassable roads, and currently uninhabitable conditions. In New Providence, in addition to the evacuation of several communities prior to the arrival of the hurricane, some 428 people needed to be rescued from their homes and taken to shelters due to flooding during the storm. In West Grand Bahama, an estimated of 95% homes and buildings have been totally destroyed, due to high winds and flooding damage, according to the local island administrator. Utility poles have also been snapped and downed. Central and North Andros, also experienced severe flooding with reports of sea surge incursions inland of up to 1 ½ miles. Currently the local island administrator has issued an announcement of a significant food, fuel and water shortage for the island as a result of the storm. Significant flooding and wind damage have also been reported on other islands, though quantification of damages is still pending.<sup>5</sup>
- 2.5 Bahamas Power and Light (BPL) is attempting to restore power on all islands, having proactively taken decisions to shut down electricity prior to the hurricane's arrival. The Bahamas Telecommunications Company (BTC) has stated that cellular service is up and running in some parts of the country, including Nassau. However, in several other islands phone lines are down and communication is taking place through satellite phones in the possession of local island administrators.
- 2.6 Although over 1,000 casualties have been reported in Haiti, Cuba, and the United States, fortunately, there do not appear to have been any official casualties in The Bahamas as a result of the passage of Hurricane Matthew. Nonetheless, given the number of islands affected by the storm simultaneously, constrained response resources, and the large distances among islands, rapid response in the aftermath of Hurricane Matthew will critical to alleviating humanitarian strife.

### **III. EMERGENCY ASSISTANCE**

- 3.1 Between October 7-10, 2016, the National Emergency Management Agency (NEMA), conducted a preliminary assessment of the damage in the affected islands of The Bahamas. Subsequently, under NEMA coordination, teams comprising members of the Ministry of Public Works

---

<sup>4</sup> Ibid.

<sup>5</sup> For video footage of the damage, please visit [ABCNews.com](http://ABCNews.com) – (October 6, 2016).

and Urban Development, the Department of Social Services, and the Royal Bahamas Defense Force were dispatched to conduct more detailed assessments of the status of impacted communities as well as of building structures. Additionally, since the weather event, NEMA and other private and non-governmental organizations have also organized urgent relief supplies – food, medication and water particularly for vulnerable groups such as senior citizens, the disabled and single parents – as well as begun restoration efforts in the affected islands.

#### **IV. REQUEST FOR BANK ASSISTANCE**

- 4.1 On October 13, 2016 the Minister of Finance formally requested the Bank’s emergency assistance for humanitarian relief to mitigate the impact of the hurricane on the affected population. The Ministry of Finance officially confirmed that NEMA would be the executing agency charged with carrying out relief efforts. This letter of request was submitted jointly with a Declaration of Emergency/Exigency Order that was issued by the Prime Minister on October 7, 2016.

#### **V. OBJECTIVES AND DESCRIPTION**

- 5.1 The objective of the Technical Cooperation is to support the Government of The Bahamas’ efforts to provide humanitarian assistance to the population affected by Hurricane Matthew.
- 5.2 Based on the Government’s initial assessment of the most immediate needs, the Bank’s assistance will support Government efforts to provide the required relief to the affected populations in the hardest hit islands. Eligible items will include food supplies, potable water, shelter, transportation costs, and medicine, among other relief items. Roofing repairs and other building materials will be financed with Government resources.

#### **VI. COST AND FINANCING**

- 6.1 Pursuant to Bank Resolutions DE-74/04, the Bank may contribute up to US\$200,000 per operation to assist in emergencies resulting from natural disasters, such as this one. The definition of “natural disaster”, in this particular case of the impact of Hurricane Matthew on the islands of The Bahamas, is consistent with Section B.3 of the Disaster Risk Management Policy (GN-2354-5), which describes emergencies eligible for this type of support. Only goods and services originating in member countries of the Bank may be purchased using the funds provided under this operation.

	<b>Budget Estimate</b>	<b>US\$</b>
1.	Equipment, materials and transportation costs (Assistance to affected population)	US\$200,000
	<b>Total</b>	<b>US\$200,000</b>

## **VII. EXECUTION AND DISBURSEMENTS**

- 7.1 The Technical Cooperation's resources will be disbursed in United States dollars in one single disbursement to the Consolidated Fund in order to assist NEMA in undertaking activities to address the damage caused by Hurricane Matthew. The Treasury upon receipt of the funds will subsequently credit NEMA's account at a local financial institution.
- 7.2 Acting as Executing Agency, NEMA will be responsible for management and administration of the resources.

## **VIII. REPORTS**

- 8.1 The Cabinet Office will submit to the Bank, within 180 days after the disbursement, a report on the use of the resources from the proposed technical cooperation program. An external audit of the use of the resources from this technical cooperation program is not required.

## **IX. RECOMMENDATION**

- 9.1 In view of the emergency situation in The Bahamas, and in accordance with the authority delegated by the Board of Executive Directors to the President to finance emergency operations through Resolution DE 74/04, adopted September 15, 2004, and the delegation of authority granted on May 6, 2008 by the President of the Bank to General Managers of the Vice-Presidency for Countries to approve non-reimbursable assistance for natural disasters, it is recommended that the General Manager of the Country Department Caribbean Group authorize non-reimbursable technical cooperation financing in the amount of US\$200,000 from the Bank's Ordinary Capital.