

January 17, 2018

Ms. Monica La Bennett
Vice-President (Operations)
Caribbean Development Bank
Wilkey
St. Michael
Barbados, W.I.

Re: ATN/OC-16420-RG. Emergency Assistance
to OECS Countries Affected by Hurricanes
Irma and Maria.

Dear Ms. La Bennett:

The purpose of this letter of agreement (the “Agreement”) between the Caribbean Development Bank (the “CDB”) and the Inter-American Development Bank (the “Bank”) is to formalize the granting of a non-reimbursable technical cooperation (the “Technical Cooperation”), to assist the Commonwealth of Dominica in the implementation of humanitarian assistance actions to provide the required relief to the affected populations as a result of the passage of Hurricane Maria.

The Bank shall expend from the resources of the Ordinary Capital Strategic Development Program for Sustainability 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 in the Commonwealth of Dominica, as well as to the displaced population. Eligible items will include food supplies, potable water, shelter, transportation costs, medicine, among other relief items.

The Executing Agency will be the CDB. It will be responsible for managing the resources and its use will be ultimately carried out by the Office of Disaster Management of the Commonwealth of Dominica, in accordance with the terms and conditions set forth by the Plan of Operations attached.

The execution period of the Program 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 CDB in its full amount. The CDB commits to submit to the Bank, within one hundred and eighty (180) days after the disbursement, a report on the 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 Barbados.

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 CDB.

Yours faithfully,

/s/

Juan Carlos de la Hoz
Representative of the Bank in Barbados

AGREED:

/s/

Monica La Bennett
Vice-President (Operations)
Caribbean Development Bank

Date: Feb 2, 2018

ANNEX**REGIONAL****TECHNICAL COOPERATION FOR EMERGENCY ASSISTANCE FOR NATURAL DISASTERS
PLAN OF OPERATIONS****I. General Information**

Country:	REGIONAL
TC Name:	Emergency Assistance to OECS Countries Affected by Hurricanes Irma and Maria
TC Numbers:	RG-T3130; RG-T3131
Team Leader/Members:	Michael Nelson (CCB/CBH), Team Leader; Francisco Javier Urrea (CCB/CBA), Alternate Team Leader; Juan Carlos de la Hoz (CCB/CBA); Maria Florencia Attademo-Hirt (CCB/CBH); Hori Tsuneki (CSD/RND); Chitralkha Deopersad (CSD/RND); Camille Davis-Thompson (CCB/CBH); Maria Camila Padilla (FMP/CBA); Mario Vinicio Rodriguez Pineda (FMP/CBA) and Betina Hennig (LEG/SGO).
Date of Request:	September 25, 2017
Beneficiaries:	Caribbean Development Bank and populations in the Commonwealth of Dominica, and Antigua & Barbuda affected by high winds and floods.
Executing Agency:	Caribbean Development Bank (CDB)
IDB Funding Requested (Amount and Source of Funding):	RG-T3130: US\$200,000 – Ordinary Capital Strategic Development Program for Sustainability (SUS) RG-T3131: US\$200,000 – Ordinary Capital Strategic Development Program for Sustainability (SUS)
Local counterpart funding, if any:	US\$0
Disbursement period (which includes Execution period):	6 months
Prepared by Unit:	CCB/CBH
Unit of Disbursement Responsibility:	CCB/CBA

II. Background

- 2.1 The Bank provides emergency financial assistance to developing member countries when natural disasters have occurred and the scope and the intensity of the disaster are such that the country requires supplementary resources to recover promptly and adequately from its effects. On January 27, 1977, the Inter-American Development Bank (IDB) Charter was amended to allow it to provide financial resources to finance any of the members of the Caribbean Development Bank (CDB) by providing loans and technical assistance to that institution. In addition, on September 28, 1977,

- IDB and CDB entered into an agreement setting forth the general standards applicable to the operating relations between the institutions, including emergency assistance for natural resources.
- 2.2 **2017 Hurricane Season:** The on-going 2017 Atlantic Hurricane season has been one of the most active seasons on record: (i) the Accumulated Cyclone Energy (ACE)¹ index for the season, as measured by the National Oceanic and Atmospheric Administration (NOAA), is already 220 units, well above the 1980-2010 full-season median of 92 units; (ii) it has been one of only six seasons to feature at least two Category 5 hurricanes (Hurricanes Irma and Maria); and (iii) it featured a Category 4 hurricane (Harvey) which set the record for the most rainfall ever in the United States (64.8 inches). The two largest hurricanes of the season made landfall in several islands throughout the Caribbean, causing extensive and widespread damage particularly to nations within the Organization for Eastern Caribbean States (OECS).
- 2.3 **Hurricane Irma**, the 9th named storm, 3rd hurricane, and 1st major hurricane of the 2017 Atlantic Hurricane Season, became a Category 5 storm on the Saffir-Simpson scale in the Eastern Atlantic Ocean on Tuesday September 5, 2017 upon its approach to the Leeward Islands. On September 6, Irma reached its peak intensity with 185 mph (295 km/h) sustained winds and a minimum pressure of 914 hPa (27.0 inHg), becoming the strongest hurricane ever to have formed in the Atlantic basin outside of the Caribbean and the Gulf of Mexico. Over the course of its 14-day life span, Irma broke the record for the longest time spent as a Category 5 storm. Irma was responsible for approximately 100 casualties, having impacted Anguilla, Antigua & Barbuda, The Bahamas, St. Martin & St. Maarten, British Virgin Islands, US Virgin Islands, Turks and Caicos, Puerto Rico, Dominican Republic, Haiti, Cuba, and the United States. Preliminary damage and loss estimates in the Caribbean range from US\$6.7 billion to US\$15.8 billion.²
- 2.4 **Barbuda** is estimated to have suffered the highest relative losses due to Hurricane Irma.³ At its peak intensity level on September 6, the eyewall of the hurricane passed over Barbuda, while only tropical storm force winds impacted neighboring Antigua. According to the Comprehensive Satellite-Detected Building Damage Assessment conducted by the United Nations Institute for Training and Research (UNITAR-UNOSAT), of the 1,203 buildings located on Barbuda prior to the hurricane, 89% either sustained damage or were destroyed. The hospital, schools, the two hotels, airport, and all utilities (water, electricity and telecommunications) have all been rendered inoperative. Additionally, several residential blocks have been either completely flattened or submerged in flood waters. Prime Minister, Gaston Browne, after surveying the damage, declared the island uninhabitable before ordering mandatory evacuations on September 9 due to the approach of Category 4 Hurricane Jose. Approximately 1,800 residents were evacuated to Antigua, many of which are located at the sporting stadium. Furthermore, for the first time in 300 years, the island of Barbuda has been fully depopulated. Nonetheless, the Caribbean Disaster Emergency Agency (CDEMA) has listed food, household items, items for infants, and feminine products as priority humanitarian needs for displaced Barbudans.
- 2.5 **Hurricane Maria**, the 13th named storm, 7th hurricane, and 4th major hurricane of the season, rapidly intensified from a Category 1 to a Category 5 strength hurricane within 24 hours between September 17-18, 2017. On a northwesterly track, Maria made landfall in Dominica en route to successive landfalls along Guadeloupe, Montserrat, Antigua, St. Kitts & Nevis, U.S. Virgin Islands, Puerto Rico, Dominican Republic, Turks and Caicos, and The Bahamas. Maria has been measured

¹ Accumulated Energy Cyclone (ACE) index is an approximation of wind energy used by a tropical system over its lifetime, and is used to express the activity of tropical cyclones and tropical cyclone seasons.

² James Daniell; Bernhard Mühr; Antonios Pomonis; Andreas Schäfer; Susanna Mohr. [*Hurricane Irma: Report No. 1, Focus on Caribbean up until 8th September 2017*](#)

³ Ibid. Note that Saint Martin & Sint Maarten sustained the highest absolute losses (>US\$2.3 billion).

as the tenth most intense Atlantic hurricane on record with the lowest pressure this year. Sustained winds reached 175 mph (280 km/h) and its central pressure sunk to at 908 mbar (hPa; 26.85 inHg). Due to this intensity, as of September 22, 2017, Maria has claimed the lives of 37 people in the Caribbean.

- 2.6 **Dominica** has suffered the greatest loss of life, and is likely to have experienced the greatest relative losses among the affected islands. Fifteen people have died, and twenty people are missing in Dominica, the first island hit by Hurricane Maria. Initial CDEMA reports of the damage in Dominica reveal that amidst extensive flooding in the capital, Roseau, both the hospital and a community center have lost roofs, and power and telecommunications are still inoperative.⁴ In some towns, up to 95% of the roofs have been blown off. As of September 21, 2017, contact with nine communities have still yet to be established.⁵ CDEMA has listed tarpaulins, cases of water, and clearing of roadways among the most immediate humanitarian needs for Dominicans.
- 2.7 Given the extent of the damage caused by the storm, the immediacy and magnitude of the required humanitarian response, the constrained capabilities from local authorities in these two countries, rapid response in the aftermath of these hurricanes Irma and Maria will be critical to alleviating suffering and addressing needs.

III. State of Emergency Declaration

- 3.1 Due to the impact caused by Hurricane Irma, the Government of Antigua & Barbuda issued a written State of Emergency and Voluntary Evacuation Order for the island of Barbuda on September 6, 2017. The next day, due to preparations for Hurricane Jose, the Government then ordered a Mandatory Evacuation for Barbuda.
- 3.2 As a result of the subsequent impact of Hurricane Maria, the Prime Minister of the Commonwealth of Dominica declared the whole island to be in a state of emergency on September 20, 2017.

IV. Request for Bank Assistance

- 4.1 On September 25, 2017, on behalf of the Governments of Antigua and Barbuda and the Commonwealth of Dominica, the Caribbean Development Bank formally requested the Bank's emergency assistance for humanitarian relief to mitigate the impact of the Hurricanes Irma and Maria, respectively, on the affected populations of both countries.

V. Objectives

- 5.1 The purpose of the emergency assistance is to support the Commonwealth of Dominica, as well as Antigua and Barbuda, through the Caribbean Development Bank, in the implementation of humanitarian assistance actions to provide the required relief to the affected populations in these hard hit nations as a result of the passage of hurricanes Irma and Maria.

VI. Estimated Budget

- 6.1 The total amount of each non-reimbursable technical cooperation will be up to US\$200,000, which will be financed with resources from the Ordinary Capital Strategic Development Program for Sustainability of the Bank. The resources will be used according to the estimated budgets and

⁴ CDEMA, [Hurricane Maria Situation Report #1](#), September 20, 2017.

⁵ Guardian, [How the Caribbean islands are coping after hurricanes Irma and Maria](#), September 21, 2017

within the framework of eligible expenses, to provide support to minimizing human and material losses as a consequence of the natural disasters that each country experienced. These eligible expenses are detailed as following: food supplies, potable water, shelter, transportation costs, and medicine, among other relief items.

Operation	Expense Descriptions	Amount	Counterpart Funding	Total Funding
RG-T3130 – Irma	<i>Antigua & Barbuda</i> – Food supplies, potable water, equipment, materials and transportation costs etc.	200,000	0	US\$200,000
RG-T3131 – Maria	<i>Dominica</i> – Food supplies, potable water, equipment, materials and transportation costs etc.	200,000	0	US\$200,000
Total				US\$400,000

VII. Executing Agency

- 7.1 The CDB will serve as executing agency given that emergency assistance will be provided to OECS countries which are non-members of the IDB, but members of the CDB, in accordance with the terms of the Bank's Charter.

VIII. Disbursement and Execution

- 8.1 The resources of this operation will be disbursed in United States dollars in one single disbursement.
- 8.2 The CDB will be responsible for managing the resources and making the single disbursement. In Antigua & Barbuda, the Ministry of Finance & Corporate Governance has designated the National Office of Disaster Service (NODS) to implement the resources of RG-T3130. In Dominica, the Ministry of Finance has designated the Office of Disaster Management (ODM) to implement the resources of RG-T3131. NODS and ODM shall conduct required procurement in a diligent and efficient manner so that the items procured are of a satisfactory quality, delivered in a timely fashion and priced so as not to affect adversely the economic and financial viability of the operation.
- 8.3 The activities considered in this plan of operations must be carried out within a period of 6 months from the signature date of the agreement between the Bank and the CDB. The resources of the contribution must be committed within a period not to exceed three months from the signature date.
- 8.4 The Bank (CCB/CBA) will be responsible for supervising the development of this operation and for disbursing the resources of the contributions.

IX. Reporting

- 9.1 The Executing Agency will submit an expense report to the Bank within 180 days subsequent to the disbursement. This report should give an account of the use of the resources for the eligible activities and it must be accompanied by supporting documentation (i.e. invoices, receipts, etc.). Moreover, an inventory of the goods, equipment, and assets acquired with resources of this emergency assistance, which will remain subsequent to the emergency and serve to address future

emergencies, must be presented, as well as the indication of the communities and the number of people benefited.

X. Recommendation

- 10.1 In view of the emergency situation in The Commonwealth of Dominica, as well as Antigua and Barbuda, developing member countries of the CDB, and in accordance with the stipulated by Resolution DE 103/14, adopted on July 30, 2014, and by the Operations Processing Manual PR-501 (Approval of Non-reimbursable operations), it is recommended that the General Manager of the Caribbean Countries authorize the emergency assistance for natural disaster to be provided through the CDB, in the amount of US\$400,000, being US\$ 200,000 for each of the countries referred to above, with resources from the Bank's Ordinary Capital for the Strategic Development Program for Sustainability.