



LEG/SGO/CCB/EZSHARE-2030403020-4112

September 6, 2019

Ms. Athena Marche
Acting Deputy Financial Secretary
Ministry of Finance
Cecil Wallace-Whitfield Centre
P.O. Box N-3017
West Bay Street
Nassau, NP - The Bahamas

Ref: Nonreimbursable Technical Cooperation
No. ATN/OC-17544-BH. Emergency Assistance
due to Hurricane Dorian.

Dear Ms. Marche,

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 nonreimbursable technical cooperation (the “Technical Cooperation”), to assist The Bahamas to provide emergency humanitarian assistance to the Bahamas due to Hurricane Dorian, as requested.

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 provide emergency assistance for humanitarian relief to mitigate the impact of Hurricane Dorian on affected population. Eligible items will include food supplies, potable water, fuel, temporary shelter, clothing materials, transport and insurance equipment and materials needed as a result of the disaster caused by Hurricane Dorian.

The Executing Agency will be the National Emergency Management Agency (the “NEMA”). It will be responsible for managing the resources and its use, 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 NEMA in its full amount via the Consolidated Fund. The Executing Agency 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.

ATN/OC-17544-BH

In accordance with the Bank's Policy on Access to Information, the Bank will make available on its "Web" page the text of this communication, unless within a maximum period of ten (10) working days from the date of signature of this communication, the Bank is notified in writing that the information contained herein is considered to be confidential or that its publication may adversely affect relations with the Bank.

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 Bahamas.

Yours faithfully,

/s/

Daniela Carrera-Marquis
Representative of the Bank in The Bahamas

AGREED:

/s/

Athena Marche
Acting Deputy Financial Secretary
Ministry of Finance

Date: September 6, 2019

THE BAHAMAS

TECHNICAL COOPERATION FOR EMERGENCY ASSISTANCE FOR NATURAL DISASTERS

PLAN OF OPERATIONS

1. General Information

Country:	BAHAMAS
TC Name:	Emergency Assistance due to Hurricane Dorian
TC Number:	BH-T1074
Team Leader/Members:	Nelson, Michael Reginald (CCB/CBH) Team Leader; Hori, Tsuneki (CSD/RND) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Chakalall, Yuri (CSD/RND); Deopersad, Chitrallekha (CSD/RND); Kanjee, Viraj (ITE/IPC); Morales Vasquez, Nalda Orfilia (VPC/FMP); Roberts, Syreta (CCB/CBH); Silva, Jane De Souza (ORP/GCM)
Date of Request:	September 3, 2019
Beneficiaries:	Affected populations in communities damaged by high winds, floods and tornadoes.
Executing Agency:	The National Emergency Management – National Entity Responsible for Humanitarian Assistance.
Special Conditions:	Resources to be disbursed in US dollars in one single disbursement to the Consolidated Fund
IDB Funding Requested (Amount and Fund's name):	US\$200,000.00-Oc 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-Country Office Bahamas
Unit of Disbursement Responsibility:	CCB/CBH-Country Office Bahamas

2. Background

2.1. The Inter-American Development Bank (“the Bank”) provides emergency humanitarian assistance through technical cooperation (TC) to borrowing member countries when natural disasters have occurred, a state of emergency has been declared, 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. The Bahamas, an archipelagic nation of 30 inhabited islands, has been affected from September 1, 2019 through September 3, 2019 by natural disaster due Hurricane Dorian, a Category 5 strength storm on the Saffir-Simpson scale. Over the 1980–2010 period, The Bahamas has experienced 12 major storms and one flood, costing some US\$2.5 billion, or 30 percent of overall Gross Domestic

Product (GDP), according to an International Disaster Database report.¹ Within just the last four years (2015–2018), and excluding Hurricane Dorian, the country has been directly affected by two category 4 hurricanes and one category 5 hurricane, causing cumulative damage and losses of approximately US\$674 million² – representing approximately one-fifth of the all damages and losses incurred during the entire 1980–2018 period.

2.2. From September 1, 2019 through September 3, 2019, Hurricane Dorian, the most powerful hurricane on record to make landfall, and the second-most powerful hurricane ever recorded in the Atlantic Ocean, directly hit the northern islands of the Berry Islands (population 807), Abaco (population 17,000), and Grand Bahama (population 51,000), with one-minute sustained winds of 185 mph (295 km/h) winds and gusts of up to 220 mph (354 km/h).³ The 200-mile diameter of the storm also meant that the islands of North Eleuthera, New Providence, and Bimini experienced lessened hurricane conditions.

2.3. According to the National Hurricane Center of the U.S National Oceanic and Atmospheric Administration (NOAA), the eye of the Hurricane Dorian passed over Marsh Harbor in Abaco on September 1, 2019, before hovering over Grand Bahama for the island of Grand Bahama for more than 40 hours. The reason the cyclone moved very little is that the storm was caught in weak steering currents between high pressure ridges to its east and northwest and a trough to its north. The core bands of the storm also impacted the Berry Islands, while outer bands affected Bimini, North Eleuthera, New Providence and North Andros. The track and strength of the storm is illustrated in the following graphic.

¹ See www.emdat.be.

² IDB & UN ECLAC Economic Impact Assessments of Hurricanes Joaquin (2015), Matthew (2016), and Dorian (2017). In 2017, the passage of Hurricane Dorian caused US\$131 million in economic damages and losses, impacting both the south eastern and northwestern areas of The Bahamas. The passage of Hurricane Matthew in October 2016, resulted in over US\$438 million in damages and losses, as sections of northern and central parts of the archipelago were affected. Hurricane Joaquin impacted the southern-most islands exactly one year earlier causing some US\$105 million in damages and losses to the southeastern and central Bahamas.

³ Grand Bahama and Abaco are important economic engines in the Bahamian economy.



2.4. The devastation has been unprecedented as seen from aerial [video](#). In a September 3, 2019 press conference, the Prime Minister stated that 60% of all homes in Marsh Harbor, Abaco had been destroyed. Preliminary estimates from the International Federation of Red Cross and Red Crescent Societies are that as many as 13,000 houses might have been severely damaged or destroyed on Grand Bahama Island and the neighboring Abaco Islands, representing about 45 percent of all homes on the two islands. Hurricane Dorian brought storm surge of up to 23 feet above normal levels in Abaco and Grand Bahama, which have inundated large sections of these islands, and either trapped thousands in the highest points of their buildings, or forced them into the elements in search of rescue. As a result of the extensive flooding, there is also concern regarding saltwater intrusion and contamination of wells, worsening the potential humanitarian crisis. Initial assessments carried out by the World Food Programme (WFP) with the Caribbean Disaster Emergency Management Agency (CDEMA) and other humanitarian partners, indicate that Abaco will likely require food and water for more than 14,000 people and Grand Bahama for over 47,000 people. Information on the Berry Islands is still pending.

2.5. According to preliminary reports, Hurricane Dorian is responsible for at least 7 casualties in the affected islands, but this number is expected to increase as the storm more information becomes available on the status of Grand Bahama. Additionally, multiple injuries have been reported, and at least 21 people have

been airlifted to New Providence as rescue efforts continue.⁴ Relief efforts to these islands will be particularly obstructed as both Marsh Harbor Airport and Grand Bahama airport is reported to be under five feet of water. Up to 50 children have been evacuated from a children's home in impacted areas in Grand Bahama. Twenty-five people have been evacuated from Great Abaco to New Providence. Nine shelters in Great Abaco are housing 449 persons, while seventeen shelters in Grand Bahama are sheltering 346 persons.⁵ There is no electricity on both islands as electricity poles have been snapped and downed, which will require a protracted period of time to be restored. Telecommunications have been severely debilitated as well due to the storm, and communication on the status of the communities is presently taking place primarily via satellite phone. The scale of mental and medical health needs is yet to be determined but will dwarf existing local capacity.

- 2.6. Given the slow movement and extended duration of the storm, the widespread extent of the damage caused, the relatively large distances among the islands of The Bahamas, and the constrained response resources, rapid response in the aftermath of Hurricane Dorian will be critical to alleviating suffering and addressing humanitarian needs.

3. State of Emergency Declaration

- 3.1 Due to the impact caused by Hurricane Dorian, the Government of The Bahamas immediately issued an exigency order/declaration of emergency on September 2, 2019 for the islands of Abaco, Grand Bahama and several nearby cays (Annex I).

4. Request for Bank Assistance

- 4.1 On September 4, 2019, the Ministry of Finance also 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, as in previous years, the National Emergency Management Agency (NEMA), the national entity that will be leading and coordinating humanitarian assistance, would be the executing agency charged with carrying out relief efforts (Annex II).

5. Objectives

- 5.1 Emergency Humanitarian Assistance to The Bahamas due to Hurricane Dorian.

⁴ No casualties occurred in The Bahamas during the past three hurricanes.

⁵ Caribbean Disaster Emergency Management Agency (CDEMA). Hurricane Dorian Situation Report No. 5. September 3, 2019.

6. Estimated Budget

6.1 The total amount of the non-reimbursable technical cooperation of up to US \$200,000 will be financed with resources from the Ordinary Capital Strategic Development Program for Sustainability (SUS). The resources will be used according to the estimated budget and within the framework of eligible expenses, that will provide support to minimizing human and material losses as consequence of a natural disaster detailed as following:

Activity/Component	Expense Descriptions	Amount	Counterpart Funding	Total Funding
Support for the population affected by Hurricane Dorian.	Food supplies, potable water, fuel, temporary shelter, clothing, materials and transport and insurance of equipment and materials needed as a result of disaster.	200,000	0	US\$200,000
Total				US\$200,000

7. Executing Agency

7.1 The Bank's Representative in The Bahamas, per Resolution 74/04, has identified in coordination with the Government of The Bahamas, the National Emergency Management Agency (NEMA), which will administer the utilization of the resources granted. NEMA, was established as a Department of Government in 2006 under the Disaster Preparedness and Response Act. According to the Act, the Director of NEMA has responsibility for coordinating and implementing the general policy of the GOB relating to the mitigation of, preparedness for, response to and recovery from emergencies and disasters.⁶

⁶ Disaster Preparedness and Response Act, 2006. NEMA responsibilities include (i) recommendation on programs on disaster preparedness and coordination; (ii) development and recommendation on national disaster management policies and their harmonization, including annual national preparedness and response plans; (iii) information gathering and analysis on the quality of the environment as they these relate to the likelihood of disasters and achievement of

8. Disbursement and Execution

- 8.1 The resources of this operation will be disbursed in United States dollars in one single disbursement.
- 8.2 The goods and services acquired with the resources of this cooperation will originate from member countries of the Bank and will follow the Bank's procurement policies and procedures (GN-2349-9 and GN-2350-9).
- 8.3 For disbursing the resources of this operation, the Ministry of Finance will provide to the Bank the banking information so that funds can be disbursed to the Consolidated Fund in order to assist NEMA in undertaking activities to address the damage caused by Hurricane Dorian. The Treasury upon receipt of the funds will subsequently credit NEMA's account at a local financial institution.
- 8.4 The activities considered in this technical cooperation operation must be carried out within a period of 6 months from the signature date of the Agreement between the Bank and the Executing Agency. The resources of the contribution must be committed within a period not to exceed three months from the signature date.
- 8.5 The Bank (CCB/CBH) will be responsible for supervising the development of this operation and for disbursing the resources of the contributions.

9. Reporting

- 9.1 The Cabinet Office shall submit an expense report to the Bank which has been certified by an auditing firm considered acceptable by the Bank within 180 days subsequent to the disbursement. This report should give an account of the use of the resources of this technical cooperation. Moreover, an inventory of the eligible goods, equipment, and assets acquired through this technical cooperation which remain subsequent to the emergency and which serve to address future emergencies must be presented.

10. Recommendation

objective of the Act; (iv) in collaboration with other Government agencies, the conduct of investigations, studies, surveys, research and analysis relating to ecological systems and environmental quality and the documentation and definition of changes in the natural environment as these relate to the likelihood of disasters, in collaboration with Government and other agencies; (v) preparation and review disaster risk assessment maps; (vi) public information and education; and (vii) provision of technical advice on draft regulations in disaster risk management.

10.1 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 Caribbean Countries authorizes non-reimbursable technical cooperation financing in the amount of US\$200,000 from the Bank's Ordinary Capital.

Annexes:

State of Emergency Declaration

Request for Bank Assistance

[Results Matrix](#)