



LEG/SGO/CCB/EZSHARE-456533210-61178

May 27th, 2021

Mr. Isaac Solomon  
Vice President (Operations)  
Caribbean Development Bank  
Wilkey  
St. Michael  
Barbados, W.I.

Ref: Regional. Nonreimbursable Technical  
Cooperation No. ATN/OC-18610. Volcanic  
Eruption Emergency Assistance to St.  
Vincent & the Grenadines through the  
Caribbean Development Bank (CDB).

Dear Mr. Solomon,

The purpose of this letter of agreement (the “Agreement”) between the Caribbean Development Bank (the “CDB”) (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 St. Vincent & the Grenadines to provide humanitarian assistance to the population affected by La Soufrière explosive volcanic eruption, 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 humanitarian assistance to the population affected by La Soufrière explosive volcanic eruption. Eligible items will include equipment relief supplies, medical and health supplies, food, potable water, emergency shelter, transport of relief supplies, equipment, and personnel needed as a result of the disaster caused by La Soufrière explosive volcanic eruption.

The Executing Agency will be the CDB. 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 CDB in its full amount. The Executing Agency commits to submit to the Bank,

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within one hundred and eighty (180) days after the disbursement, a report on the use of the resources from the proposed technical cooperation.

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, in representation of the Beneficiary, by signing and returning this Agreement to the Bank. Once signed by the duly authorized representatives of the parties, this Agreement will enter into force on the date of its signature by the Beneficiary.

Yours faithfully,



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Juan Carlos De La Hoz Viñas  
Representative of the Bank in Barbados

AGREED:

*Isaac Solomon*

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Mr. Isaac Solomon  
Vice President (Operations)  
Caribbean Development Bank

Date: May 31, 2021

## ANNEX

### REGIONAL TECHNICAL COOPERATION FOR EMERGENCY ASSISTANCE FOR NATURAL DISASTERS PLAN OF OPERATIONS

#### I. General Information

Country:	REGIONAL
TC Name:	Volcanic Eruption Emergency Assistance to St. Vincent & the Grenadines through the Caribbean Development Bank
TC Number:	RG-T3910
Team Leader/Members:	Chakalall, Yuri (CSD/RND) Team Leader; Theinhardt, Jean Eric (CCB/CBA) Alternate Team Leader; Blenman, Shamar (CCB/CBA); Centeno Lappas, Monica Clara Angelica (LEG/SGO); Hori, Tsuneki (CSD/RND); Inurritegui Murtua, Marisol (CSD/RND); Pelaez Restrepo, Johanna (VPC/FMP); Rodriguez Pineda, Mario Vinicio (VPC/FMP); Ruddock, Sheries Alethea (CCB/CJA); Silva, Jane De Souza (ORP/GCM); Suarez Vazquez, Gines (CSD/RND); Vucina Banjanin, Cateryn (CCB/CCB)
Date of Request:	May 14, 2021
Beneficiaries:	Caribbean Development Bank (CDB) and the population affected by effusive eruption at La Soufriere Volcano in St. Vincent & the Grenadines
Executing Agency:	Caribbean Development Bank
IDB Funding Requested (Amount and Fund's name):	OC Strategic Development Program for Sustainability (SUS): US\$200,000.00
Local counterpart funding, if any:	US\$0
Disbursement period (which includes Execution period):	6 months
Prepared by Unit:	CSD/RND-Env, Rural Dev & Disaster Risk
Unit of Disbursement Responsibility:	CCB/CBA-Country Office Barbados

#### II. Background

- 2.1 La Soufriere is the only “active” volcano, standing 1,178m above mean sea level located in the northwest on the mainland island of St. Vincent in the country of St. Vincent & the Grenadines (SVG). During the historical period 1718, 1812, 1814, 1902/3 and 1979 there have been five explosive eruptions. More recently in late December 2020 dome building (effusive) eruptions were observed and monitoring

activities were escalated. Seismic activity escalated significantly on April 8, 2021 culminating in the volcano shifting from an effusive to an explosive eruption at 8:41 am on April 9, 2021. Evacuation orders were issued by the Government for some 16,000 residents located in the high risk (red zone) in northeast and northwest of the island. On April 9, 62 shelters were reported as operational and actively housing 2, 318 evacuees. The total population of St. Vincent and the Grenadines is estimated at 110,696 persons. Neighboring countries such as Barbados have also experienced some impact from the deposition of volcanic ash, discharged into the atmosphere as a consequence of the eruption.

- 2.2 As at April 9, the Caribbean Disaster Emergency Management Agency (CDEMA) had deployed emergency coordination support personnel to assist the emergency operations coordination of the National Emergency Management Organization (NEMO) of St. Vincent & the Grenadines. Relief supplies in support of evacuee populations in shelters were also transferred from regional relief supply warehouses with logistics being coordinated by the Caribbean Disaster Response Unit (CDRU) of the Regional Security System (RSS).
- 2.3 As at April 26, preliminary damage assessment undertaken by the World Bank using the Global Rapid Damage Estimate (GRADE) methodology was conducted. Worst credible estimated damage was identified as USD 210 million dollars.
- 2.4 Many partners and governments have been responding to the needs of the country. The Caribbean Disaster Emergency Management Agency (CDEMA) has been coordinating the regional response via the Regional Response Mechanism and the Caribbean Donor Partners Group. CDEMA has deployed the CARICOM Operational Support Team, and CARICOM Disaster Relief Unit teams. The partnership with World Food Program, has strengthened coordination and facilitated relief distribution to households. The United Nations (UN) system has been fully mobilized with all the UN agencies actively involved in providing assistance on the ground. Government officers are visiting shelters daily to deliver COVID tests and vaccines. The Pan American Health Organization is providing support with counselors for psychosocial support.
- 2.5 The Caribbean Development Bank (CDB) has provided initial grant assistance through CDEMA, and directly to the Government under the Emergency Assistance programme, under its Disaster Management Strategy and Operational Guidelines (DiMSOG). However due to the extent of the impact, and notwithstanding the reduction in volcano alert levels, the ongoing need for support remains, and

additional resources are required to address the critical need for shelter, food, water and medical supplies to affected and displaced populations.

2.6 The purpose of this emergency technical cooperation is to support St. Vincent & the Grenadines through the Caribbean Development Bank (CDB) to provide humanitarian assistance to the population affected by the La Soufriere explosive volcanic eruption.

**2.7 IDB Relationship with the CDB and countries of the Eastern Caribbean** On January 27, 1977, the IDB's Charter was amended to allow the Bank to provide financial resources to the CDB to finance the development of any of the CDB member countries by providing loans and technical assistance to that institution. On July 13, 2020 the Bank and the CDB entered into a revised agreement setting forth the general standards applicable to the operating relationship between the institutions. Given the forementioned framework the CDB provides the channel for IDB assistance to support the social and economic development of the countries of the Eastern Caribbean and will therefore serve in that capacity to channel the emergency assistance provided by this technical cooperation.

### **III. Emergency Assistance**

3.1 Due to the situation described above as a result of the impact caused by an explosive eruption of the La Soufriere volcano and pursuant to the powers conferred by section 32 of the National Emergency and Disaster Management Act, Chapter 388, the Prime Minister and Minister responsible for Disaster Management, Dr. The Honorable Ralph Gonsalves on behalf of the Government of St. Vincent & the Grenadines declared a disaster at 5:00pm on April 8, 2021. The declaration of disaster and evacuation orders were published in the Government's Official Gazette (Annex 1). The declaration was made for the North-East and North-West regions of the main island of St. Vincent for communities from Fancy to Byera and for communities from Richmond to Rose bank, respectively.

## Request for Bank Assistance

4.1 On May 14, 2021, the Bank received a letter of from the CDB on behalf of the Government of St. Vincent & the Grenadines (GoSVG), requesting provision of the Technical Cooperation for Emergency Assistance in support of the emergency response to the La Soufriere explosive volcanic eruption. (Annex II). The request outlined that the technical cooperation resources would be executed and managed by the CDB, and implemented by the Ministry of Finance, Economic Planning and Information Technology, GoSVG. Additionally, the Bank is in receipt of a copy of the GoSVG's letter to the CDB acknowledging the need for emergency assistance in respect of volcano eruption impacts, and the proposed utilization of such funds.

## IV. Objectives & Description

5.1 The purpose of this emergency technical cooperation is to support St. Vincent & the Grenadines through the Caribbean Development Bank to provide humanitarian assistance to the population affected by the La Soufriere explosive volcanic eruption.

## V. Estimated Budget

6.1 The total amount of the non-reimbursable technical cooperation 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 as consequence of a natural disaster detailed as following:

Activity/Component	Expense Descriptions	Amount	Counterpart Funding	Total Funding
Humanitarian assistance	Equipment, relief supplies, medical and health supplies, food, potable water, and emergency shelter	150,000	0	US\$150,000
	Transport of relief supplies, equipment & personnel	50,0000	0	US\$50,000
<b>Total</b>				US\$200,000

## **VI. Executing Agency**

- 7.1 The Caribbean Development Bank (CDB) will serve as the executing agency given that emergency assistance will be provided to St. Vincent & the Grenadines which are non-members of the IDB, but members of the CDB which is a financial institution that helps Caribbean nations finance social and economic development programs in its member countries.

## **VII. Disbursement and Execution**

- 8.1 The resources of this operation will be disbursed in United States dollars to the account of the CDB for onward transmission to the Government of St. Vincent & the Grenadines.
- 8.2 The CDB will be responsible for managing the resources and making the disbursement to the Ministry of Finance, Economic Planning and Information Technology, GoSVG.
- 8.3 Pursuant with the 2020 Agreement for Mutual Cooperation in the Caribbean Region between IDB, Inter-American Investment Corporation (IIC) and CDB, CDB Procurement Policies and Procedures will apply for the procurement of goods, and services, financed with resources of the IDB, or resources under its administration, and made available to CDB for implementation of Projects. Eligibility to participate in the corresponding procurement process will be extended to (i) firms and individuals from and goods originating in CDB member countries which are not members of the IDB, and (ii) firms and individuals from and goods originating in IDB member countries which are not members of CDB.
- 8.4 For the purpose of disbursing the resources of this operation, the CDB will indicate to the Bank the bank account to which resources should be disbursed, on approval of this technical cooperation.
- 8.5 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. Resources may cover eligible retroactive emergency actions undertaken since the occurrence of the emergency.

- 8.6 The Bank (CCB/CBA) will be responsible for supervising the development of this operation and for disbursing the resources of the contributions.

## **VIII. Reporting**

- 9.1 The Executing Agency shall submit an expense report to the Bank which has been certified by an auditing firm considered acceptable by the Bank within 180 days after the disbursement. This report should give an account of the use of the resources of this technical cooperation. Moreover, an inventory of the 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.

## **IX. Approval**

- 10.1 In view of the natural disaster emergency situation in St. Vincent & the Grenadines, a developing member country of the CDB, and pursuant to the provisions set forth in Resolution DE-103/14, as amended by Resolution DE-34/16, and the delegation of authority granted by the President of the Bank to the Managers of the Vice-Presidency for Countries on December 16, 2014, the General Manager for the Caribbean Country Department authorizes a non-reimbursable technical cooperation operation in the amount of US\$200,000 (two hundred thousand) from the Ordinary Capital resources of the Strategic Development Program for Sustainability (as per document GN-2819-1). The Ordinary Capital Strategic Program for Sustainability (SUS) has requested access to Flexibilization Resources from the Strategic Development Programs from the Ordinary Capital (OC SDPs) to finance operation RG-T3910.

### **Annexes:**

[Letter of Request - RG-T3910](#)

[Declaration of Emergency - RG-T3910](#)

[Presidents Approval - RG-T3910](#)



