

CARIBBEAN DEVELOPMENT BANK



**NOTIFICATION OF APPROVAL BY THE PRESIDENT OF A GRANT -
DISASTER MANAGEMENT EMERGENCY RELIEF GRANT:
HURRICANE DORIAN (2019) – COMMONWEALTH OF THE BAHAMAS**

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Notified at the Two Hundred and Eighty-Seventh Meeting
of the Board of Directors on September 26, 2019.

<i>Coordinator</i>	<i>Ms. Cheryl Dixon</i>
<i>Environmental Sustainability Unit (ESU)</i>	
<i>Environmental Sustainability Analyst, ESU</i>	<i>Ms. Khaliqa Mohammed</i>

SEPTEMBER 2019

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CARIBBEAN DEVELOPMENT BANK
TWO HUNDRED AND EIGHTY-SEVENTH MEETING OF THE BOARD OF DIRECTORS
TO BE HELD IN BARBADOS
SEPTEMBER 26, 2019

PAPER BD 85/19

NOTIFICATION OF APPROVAL BY THE PRESIDENT OF A GRANT -
DISASTER MANAGEMENT EMERGENCY RELIEF GRANT:
HURRICANE DORIAN (2019) – COMMONWEALTH OF THE BAHAMAS

At its Two Hundred and Thirty-Sixth Meeting, held on May 25, 2009, the Board of Directors (the Board) of the Caribbean Development Bank (CDB), considered Paper BD 35/98 Rev. 1 entitled “Disaster Management Strategy and Operational Guidelines” and approved the Strategy set out in Chapter 3 of the attachment thereto and the Operational Guidelines (the Operational Guidelines) set out in Chapter 4 of the said Attachment.

2. Hurricane Dorian originated as a tropical depression east of the Lesser Antilles. Tropical Storm Dorian formed on the evening of August 24, 2019 and was the fourth named storm of the 2019 Tropical Atlantic Hurricane Season. Within 48 hours Tropical Storm Dorian had intensified to a Category 1 Hurricane in the Eastern Atlantic Ocean. By September 1, Hurricane Dorian had reached Category 5 status, making landfall in the Commonwealth of The Bahamas, with the greatest impact felt in the Abaco islands and Grand Bahama. These islands experienced hurricane conditions with maximum sustained winds of 185 miles per hour (mph), and gusts over 220 mph.

3. After devastating Great Abaco Island, Dorian made landfall in Grand Bahama where it remained almost stationary for more than 24 hours. The surprisingly slow rate of movement of the system; a rate of 1 mph, over Grand Bahama, resulted in catastrophic damage to homes and critical infrastructure. Prior to the event, 25 persons were evacuated from Great Abaco to New Providence. According to the Fifth Situation Report from the Caribbean Disaster Emergency Management Agency (CDEMA), as of September 3, 440 persons were recorded in 9 shelters in Great Abaco, while in Grand Bahama, 346 persons were recorded in 17 shelters.

4. The Sixth Situation Report from CDEMA, as of September 5, 2019, provided estimates of 12-15 inches of rainfall, and storm surge as much as 18-23 feet above sea level. Initial assessments indicate that there was damage to infrastructure and buildings, with approximately 90% of catastrophic damage to housing and building structures observed on the eastern end of Grand Bahama. In Abaco, 60% of homes were damaged in Marsh Harbour and a neighbourhood known as the “Mudd”, home to a large population of Haitian refugees, was completely destroyed. The national airports in Abaco and Grand Bahama were completely inundated and other critical infrastructure were damaged or destroyed including the only public hospital in Grand Bahama. The level of destruction has hampered initial relief efforts, and, as of September 8, 2019, there were 43 confirmed fatalities.

5. In the aftermath of a disaster in an affected Borrowing Member Country (BMC), the President is authorised, pursuant to paragraph 4.19 of the Operational Guidelines, to approve a grant for the affected BMC in an amount not exceeding the equivalent of two hundred thousand United States dollars (USD200,000) from the Special Funds Resources (SFR) of CDB, for providing emergency relief. The

grant is designed to support externally conducted damage assessments, provision of emergency relief supplies and equipment, transportation and fuel costs, and to supplement administrative expenses related to communications.

6. By letter to the Prime Minister of the Commonwealth of The Bahamas, dated September 2, 2019, the President offered the Bank's assistance in the form of the Emergency Relief Grant and Immediate Response Loan facilities to assist with emergency relief and restoration of essential services. By letter dated September 3, 2019 the Prime Minister, the Honourable Dr. Hubert A. Minnis, formally accepted the offer of assistance. The President, in accordance with the authority contained in the Operational Guidelines, approved a grant to the Government of the Commonwealth of The Bahamas of an amount not exceeding the equivalent of USD200,000 (the Grant), from CDB's SFR to assist in providing emergency relief assistance, following the passage of Hurricane Dorian which occurred between September 1-3, 2019 (the Project), on the terms and conditions set out and referred to in paragraph 22.01 of the attachment to this Paper.

7. The Board is therefore asked to note the approval by the President of the abovementioned Grant and the terms and conditions thereof.

PUBLIC DISCLOSURE AUTHORISED

**MEMORANDUM OF RECOMMENDATION AND APPROVAL OF A GRANT
FROM CARIBBEAN DEVELOPMENT BANK'S SPECIAL FUNDS RESOURCES**

TO: President

FROM: Director, Projects Department

DATE: September 9, 2019

SUBJECT: Disaster Management Emergency Relief Grant: Hurricane Dorian (2019)
Commonwealth of The Bahamas

[Dollar amounts refer to United States Dollars (USD) unless otherwise stated]

1. **COUNTRY:** Commonwealth of The Bahamas
2. **PROJECT TITLE:** Disaster Management Emergency Relief Grant (ERG):
Hurricane Dorian (2019)
3. **APPLICATION/PRN NO:** 1918/4169
4. **GRANTEE:** Government of the Commonwealth of The Bahamas (GOCB)
5. **BENEFICIARY:** Commonwealth of The Bahamas
6. **EXECUTING AGENCY:** Ministry of Finance, GOCB
7. **SECTOR:** Reconstruction, Relief and Rehabilitation
8. **DATE OF APPLICATION:** September 9, 2019
9. **TYPE OF FINANCING:** Grant
10. **FUND SOURCE/AMOUNT:** Special Funds Resources (SFR) \$200,000
11. **LEGAL STATUS:** Not Applicable

12. **CONSISTENCY WITH OBJECTIVES AND PRIORITIES**

- (a) **Caribbean Development Bank's Strategic Objective:**
Supporting Inclusive and Sustainable Growth and Development.
- (b) **CDB's Corporate Priority:**
Promoting Environmental Sustainability.
- (c) **Country Objectives:**
Disaster risk reduction including disaster preparedness and emergency response and the restoration of public services in the aftermath of disasters.

13. **FUNDING SOURCE AND BUDGET**

13.01 The Grant is eligible for funding from Caribbean Development Bank's (CDB's) SFR. Funds are available from within existing resources and will be spent in accordance with the Budget, details of which are at Appendix 1, or as CDB may otherwise agree in writing.

Item	Contributor	Amount (USD)
Externally-conducted Damage Assessments.	CDB	20,000
Emergency Relief Supplies and Equipment (water, generators, tarpaulin, roofing materials for emergency shelters).	CDB	20,000
Transportation and Fuel Costs (external and internal transportation of emergency relief and humanitarian supplies).	CDB	160,000
Total		200,000

14. **PROJECT BACKGROUND**

14.01 Hurricane Dorian originated as a tropical depression east of the Lesser Antilles. Tropical Storm Dorian formed on the evening of August 24, 2019 and was the fourth named storm of the 2019 Tropical Atlantic Hurricane Season. Within 48 hours Tropical Storm Dorian had intensified to a Category 1 Hurricane in the Eastern Atlantic Ocean, and by September 1, had reached Category 5 status, making landfall in the Commonwealth of The Bahamas. Hurricane Dorian impacted the Abaco islands before moving on to Grand Bahama where the system slowed significantly, moving at a rate of 1 mile per hour. Halting of the system resulted in Grand Bahama being impacted by hurricane force winds and rainfall for over 24 hours.

14.02 Prior to the event, GOCB evacuated persons residing in the Abaco Cayes (northern Bahamas) to Exuma (central Bahamas). An additional 25 persons were evacuated from Great Abaco to New Providence. Post-impact, in Grand Bahama, low-lying portions of the western and eastern parts of the island were evacuated to a government owned hotel in the central section of the island on higher ground, and 50 children were evacuated from a children's home in one of the impacted areas. As of September 3, 440 persons were recorded in 9 shelters in Great Abaco, while in Grand Bahama, 346 persons were recorded in 17 shelters.¹

14.03 Preliminary assessments indicate significant damage to infrastructure, with approximately 90% of catastrophic damage to housing and building structures on the eastern side of Grand Bahama and 80-99% damage in the centre and northern end of Abaco.² Parts of Abaco have been decimated, with Marsh Harbour being the most significantly impacted, and the neighbourhood known as the "Mudd", where a large population of Haitian refugees were located, having been completely destroyed. The national airports in Abaco and Grand Bahama were completely inundated and other critical infrastructure were damaged or destroyed including the only public hospital in Grand Bahama. The devastation left in the aftermath of Hurricane Dorian has hampered initial relief efforts, and, as at September 6, 2019, the death toll stood at 43 persons.

¹ CDEMA Fifth Situation Report, as of September 3, 2019.

² Estimates were provided at the Caribbean Development Partners Group (CDPG) Meeting at Caribbean Disaster Emergency Management Agency on September 5, 2019, and are based on aerial reconnaissance. Figures are to be confirmed by detailed on-the-ground assessments.

15. **PROPOSAL/DESCRIPTION**

15.01 The ERG will be used to assist GOCB to finance costs associated with providing and transporting emergency relief supplies to affected areas/islands in the Commonwealth of The Bahamas following the passage of Hurricane Dorian in September 2019.

16. **PROJECT OBJECTIVES**

16.01 The Grant will be provided to GOCB to allow for the following:

- (a) Purchase and transportation of emergency relief equipment and supplies;
- (b) Management and maintenance of emergency shelter operations; and
- (c) Damage assessments and support services.

17. **PROJECT JUSTIFICATION/BENEFITS**

17.01 The activities and supplies to be funded, will enable GOCB to provide emergency relief and assistance to Grand Bahama and Abaco. The vulnerability of these islands to natural hazards such as coastal erosion, flooding and hurricanes, is exacerbated by their peripheral nature, that is, they are not geographically shielded by other islands. Meteorological events have strained or put severe pressure on GOCB's ability to provide necessary financing for full scale evacuations for predicted catastrophic events such as Hurricane Dorian.

17.02 The cataclysmic impact of Hurricane Dorian on the islands of Abaco and Grand Bahama has led to a pressing need for emergency relief including financial aid and humanitarian supplies. While the Commonwealth of The Bahamas' membership to the Caribbean Catastrophe Risk Insurance Facility will provide some funds, significant additional resources will be needed to assist with relief and recovery.

17.03 The main benefit of this project is facilitation of damage assessments and relief and recovery efforts.

17.04 Given the catastrophic nature of the event, the country has received overwhelming response from the international community. Under the circumstances, GOCB has been unable to clearly detail the specific purposes for which CDB's resources will be used. The terms and conditions of this Grant provides some flexibility to allow for variations in the budget components.

18. **IMPACTS/NEEDS**

18.01 The CDPG on September 3, 2019, highlighted that while the clearing of roads had begun in New Providence, the focus remains on Search and Rescue in Abaco. The CDPG meeting revealed that only sporadic cellular communication existed on Grand Bahama, and there was a dire need for potable water. Priorities identified for support include water and water pumps; Very Small Aperture Terminals to facilitate communication; roofing materials; fuel and provision of transportation services to facilitate distribution of emergency and humanitarian relief supplies. An Immediate Assistance Supplies List shared by the Ministry of Foreign Affairs of the Commonwealth of the Bahamas included items for vector control, safe drinking water, temporary shelter, sanitation equipment and supplies. The Acting Minister of Finance, pursuant to

the Tariff Act declared on September 2, 2019, an Exigency Order for the tax exemption on goods intended for the relief of persons in the islands following the destruction caused by Hurricane Dorian.

19. **PROJECT EXECUTION**

19.01 The Ministry of Finance, GOCB will be responsible for the execution of the Grant and will identify and coordinate arrangements for the engagement of technical consultants to conduct the damage assessments, procure and deliver emergency relief supplies and personnel, and prepare and submit required reports to CDB.

20. **PROCUREMENT**

20.01 Procurement will be in accordance with CDB's Guidelines for Procurement, and Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing, and in keeping with the exemptions provided under the Disaster Management Strategy and Operational Guidelines (DiMSOG).

21. **RECOMMENDATION BY CHAIRMAN OF LOANS COMMITTEE**

21.01 The Chairman of Loans Committee, in accordance with the Operational Policies and Procedures Manual 1/Section D No. 5 Operational Procedures paragraph 5, considered this proposal and agreed to recommend the Grant for approval by the President.

22. **RECOMMENDATION**

22.01 It is recommended that the President approve a grant to GOCB of an amount not exceeding the equivalent of two hundred thousand United States dollars (USD200,000) (the Grant) from CDB's SFR to assist in providing emergency relief for the Commonwealth of The Bahamas following the impact of Hurricane Dorian which occurred during the period September 1-3, 2019 (the Project) on CDB's standard terms and conditions and on the following terms and conditions:

No.	Subject	Terms and Conditions of the Grant
1	Parties	<u>Bank</u> : Caribbean Development Bank (CDB) <u>Beneficiary</u> : Government of the Commonwealth of The Bahamas (GOCB)
2	Amount of Grant	The Bank agrees to make available to the Beneficiary by way of grant an amount not exceeding the equivalent of <i>two hundred thousand United States dollars (USD200,000)</i> from the Bank's SFR.
3	Purpose	The purpose for which the Grant is being made is to assist the Beneficiary in financing the provision of emergency relief to the Commonwealth of The Bahamas following the impact of Hurricane Dorian which occurred during the period September 1-3, 2019 (the Project).
4	Payment of Grant	Except as the Bank may otherwise agree, the Grant shall be disbursed to the Beneficiary as follows: an amount not exceeding

No.	Subject	Terms and Conditions of the Grant
		<p>the equivalent of two hundred thousand United States dollars (USD200,000) shall be paid to the Beneficiary (the Grant) on account of expenditures in respect of the Project after receipt by the Bank of a request in writing from the Beneficiary for such funds.</p> <p>The Beneficiary shall within six (6) months of receipt of the Grant:</p> <ul style="list-style-type: none"> (i) provide an account and documentation, satisfactory to CDB, in support of expenditures incurred by the Beneficiary in respect of the Project; and (ii) certify that expenditures financed by the Bank have not been financed by any other donor.
5	Period of Disbursement	<p>Disbursement of the Grant shall be made by <i>September 5, 2019</i>, or such later date as the Bank may specify in writing.</p> <p>Except as the Bank may otherwise agree, only expenditures incurred before <i>March 5, 2020</i> shall be eligible for funding under the Grant.</p>
6	Procurement	<p>Except as provided below, procurement of goods and works to be financed from the Grant shall be in accordance with the following procedures or such other procedures as the Bank may from time to time specify in writing:</p> <p><i>CDB's Guidelines for Procurement (January 2006).</i></p> <p>Where appropriate, the exemptions provided under <i>CDB's Disaster Management Strategy and Operational Guidelines</i> shall apply.</p>
7	Project Implementation	<p>Except as the Bank may otherwise agree, the Beneficiary shall implement the Project through the Ministry of Finance.</p>
8	Reports and Information	<p>Except as the Bank may otherwise agree, the Beneficiary shall furnish to CDB a report on the Project, its achievements, progress and results within sixty (60) days of the final disbursement of the Grant.</p>

23. **RECOMMENDED BY:**

SIGNED: Daniel M. Best
Director, Projects Department

September 12, 2019

Date

24. **APPROVAL:**

The abovementioned Grant is approved.

SIGNED: W^m. Warren Smith
President

September 12, 2019
Date

APPENDIX 1

**DISASTER MANAGEMENT EMERGENCY RELIEF GRANT:
HURRICANE DORIAN (2019) – COMMONWEALTH OF THE BAHAMAS**

**BUDGET
(USD)**

Item	Contributor	Amount (USD)
Externally-conducted Damage Assessments.	CDB	20,000
Emergency Relief Supplies and Equipment (water, generators, tarpaulin, roofing materials for emergency shelters).	CDB	20,000
Transportation and Fuel Costs (external and internal transportation of emergency relief and humanitarian supplies).	CDB	160,000
Total		200,000