

CARIBBEAN DEVELOPMENT BANK

TWO HUNDRED AND NINETY-SIXTH MEETING OF THE BOARD OF DIRECTORS

TO BE HELD VIRTUALLY

DECEMBER 9, 2021

PAPER BD 87/21

**NOTIFICATION OF APPROVAL BY THE PRESIDENT OF A GRANT-
TECHNICAL ASSISTANCE - NATURAL DISASTER MANAGEMENT -
LA SOUFRIÈRE VOLCANIC ERUPTION, ST. VINCENT AND THE GRENADINES**

In accordance with the authority delegated by the Board of Directors at its Two Hundred and Eighty-Third Meeting (Minute 283.27), the President approved a grant to the Government of St. Vincent and the Grenadines of an amount not exceeding the equivalent of two hundred thousand United States dollars (USD200,000) from the Special Funds Resources of the Caribbean Development Bank allocated from resources provided by the Inter-American Development Bank under the Non-Reimbursable Technical Cooperation No. ATN/OC-18160. Volcanic Eruption Emergency Assistance to St. Vincent and the Grenadines to assist with financing the provision and transportation of personnel, relief supplies and equipment; medical and health supplies, food, potable water, and transitional housing/emergency shelter in the aftermath of the eruption of the La Soufrière volcano.

2. It is a condition of the aforementioned authority that each technical assistance project approved by the President and the terms and conditions thereof be reported to the Board at its first convenient scheduled meeting after approval of the project.

3. The Board is therefore asked to note the approval by the President of the above-mentioned project and the terms and conditions thereof.

**MEMORANDUM OF RECOMMENDATION AND APPROVAL BY THE PRESIDENT OF A
REQUEST FOR A TECHNICAL ASSISTANCE GRANT**

TO: President
FROM: Vice President, Operations
DATE: September 9, 2021
SUBJECT: **Technical Assistance Grant: Natural Disaster Management - La Soufrière Volcanic Eruption, St. Vincent and the Grenadines**

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

1. **COUNTRY:** St. Vincent and the Grenadines (SVG)
2. **PROJECT TITLE:** Technical Assistance Grant: Natural Disaster Management - La Soufrière Volcanic Eruption, SVG
3. **APPLICATION/PRN NO:** 2073/4275
4. **GRANTEE:** Government of St. Vincent and the Grenadines (GOSVG)
5. **BENEFICIARY:** St. Vincent and the Grenadines
6. **IMPLEMENTING AGENCY:** Ministry of Finance, Economic Planning, and Information Technology, GOSVG
7. **SECTOR:** Reconstruction, Relief and Rehabilitation
8. **DATE OF APPLICATION:** May 14, 2021
9. **TYPE OF FINANCING:** Technical Assistance Grant
10. **FUND SOURCE/AMOUNT:** Special Funds Resources (SFR): Inter-American Development Bank (IDB) Non-Reimbursable Technical Cooperation No. ATN/OC-18160. Volcanic Eruption Emergency Assistance to SVG/USD200,000
11. **LEGAL STATUS:** Government with the authority to accept the Grant on the standard terms and conditions of the Caribbean Development Bank (CDB) and on the terms and conditions set out in Appendix 1 to this Paper.

12. **CONSISTENCY WITH OBJECTIVES AND PRIORITIES**

- (a) **CDB's Strategic Objective:**
Building Environmental Resilience.
- (b) **CDB's Corporate Priority:**
Increasing resilience and adaptive capacity to disaster risk and climate change impacts.
- (c) **Country Objectives:**
Purchase and transportation of Relief Supplies.

13. **FUNDING SOURCE AND BUDGET**

13.01 The Grant is eligible for funding from CDB's SFR, allocated from resources provided by IDB under the IDB Non-Reimbursable Technical Cooperation No. ATN/OC-18160. Volcanic Eruption Emergency Assistance Grant. 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)
Relief supplies and equipment, food, water, transitional housing/temporary shelter for the homeless and those evacuated from villages, medical and health supplies.	CDB	149,800
Transport of relief supplies and personnel within SVG	CDB	50,000
Wire transfer fees.	CDB	200
Total		200,000

14. **PROJECT BACKGROUND**

14.01 On December 29, 2020, the alert level of the La Soufrière Volcano in SVG was elevated from Yellow to Orange because of increased tectonic activity at the site. The University of the West Indies, Seismic Research Centre's (SRC) monitoring systems, satellite imagery and visual observations confirmed increased seismic and fumarolic activity, strong gas emissions, emergence of a satellite dome on the southeast of the existing volcanic dome and changes to the crater lake. An effusive eruption within the crater, with visible gas and steam, was also observed.

14.02 Seismic activity at the La Soufrière Volcano changed significantly on April 8, 2021, when the seismic station closest to the summit began recording low-level seismic tremors. Based on these changes, the volcano alert level was raised to Red, and the GOSVG issued an Evacuation Order for residents in the Red Hazard Zone of the volcano. In addition, at 6:00 p.m. on Thursday April 8, 2021, the Prime Minister, signed the National Emergency and Disaster Management (Declaration of Disaster) (No. 2) Notice, 2021, declaring a disaster for the State of SVG (See Appendix 2 for a copy of the declaration). The Declaration of Disaster was made for the communities from Fancy to Byera and adjacent areas in the Northeast, and the communities from Richmond to Rose Bank and adjacent areas in the Northwest (Statutory Rules and Order, 2021 No. 14 Gazetted April 12, 2021). This Declaration triggered a Level 3 Response which is for an event which overwhelms the capacity of the affected state to respond, and which leads to the Regional Response Mechanism being activated and regional operations are mounted to support national response.

14.03 On April 9, 2021, at approximately 8:40 a.m. the La Soufrière Volcano transitioned from an effusive eruptive phase to an explosive eruptive phase, with the ash plume rising as high as ten kilometres. Since the initial eruption, there have been several smaller events. The SRC has indicated that the pattern of seismic activity exhibited at that time was typical of the growth and destruction of lava domes and included explosions with accompanying ashfall, of similar or larger magnitude. It was stated that these would continue to occur with little or no warning. On May 6th, officials announced that the alert level of La Soufrière was changed from Red to Orange due to consistent reduced seismic activity. The SRC stated on May 6th that seismic activity at La Soufrière has remained low since the explosion and ash venting event which occurred on April 22, 2021. However, lahars continue to pose a dangerous threat to the river valleys surrounding the volcano, including Wallibou and Rabacca.

14.04 As of August 12, 2021, 36 public shelters remain open with 1,483 occupants. At the peak of the event, a total of 22,309 persons were displaced. These numbers continue to decrease as people leave to return to their homes. A preliminary damage assessment report completed by the World Bank using the Global Rapid Damage Estimate (GRADE) methodology was done. The GRADE report assessed damage under two scenarios. Scenario 1 which estimates damage at USD82 million (mn) and Scenario 2 (worst

credible) estimates damage at USD210 mn. A Detailed Damage Sector Analysis (DDSA) was completed in early May. It was conducted by the GOSVG Damage Assessment and Needs Analysis Sub Committee and assisted by the Caribbean Disaster Emergency Management Agency (CDEMA) DDSA team. Seven sectors were assessed: Agriculture, Health, Water, Electricity, Social Sector (compiled by CDB), Infrastructure and Coordination. The total preliminary estimate was XCD310,281,712.20. A post Disaster Needs Assessment was conducted by GOSVG with assistance from the United Nations Development Programme, CDEMA, CDB and other development partners. A draft has been submitted to GOSVG for their review and sign off.

14.05 CDEMA activated the Regional Response Mechanism and lead the regional coordination of response to the situation. CDEMA dispatched personnel from the CARICOM Operational Support Team (COST) and CARICOM Disaster Relief Unit teams to assist with ground logistics and warehousing. The COST teams have been stood down and CDEMA is now assisting in the recovery process. The United Nations System has also been mobilised and has been assisting in several areas.

14.06 CDB by letter of May 14, 2021, to the IDB, requested support on behalf of GOSVG under IDB's Special Programme/Non-Reimbursable Technical Cooperation for Emergency Assistance for countries affected by natural disasters. IDB responded to the request and, on May 19, 2021, the President of the IDB approved the provision of a Non-Reimbursable Emergency Technical Cooperation for St. Vincent and the Grenadines in the aftermath of the explosive eruption of the La Soufrière Volcano through resolution DE34/16, in the amount of USD200,000 and submitted a Letter of Agreement in respect of the Technical Cooperation for countersignature by CDB. The Letter of Agreement was countersigned by the Vice-President of Operations on May 31, 2021 and returned to IDB.

15. **PROPOSAL/DESCRIPTION**

15.01 It is proposed that CDB approve a grant to GOSVG of an amount not exceeding the equivalent of two hundred thousand United States dollars (USD200,000) (the Grant) from CDB's SFR allocated from resources provided by IDB under the IDB Non-Reimbursable Technical Cooperation No. ATN/OC-18160. Volcanic Eruption Emergency Assistance to SVG, to assist in financing the costs associated with the provision of emergency relief supplies to affected areas in SVG, following the eruption of La Soufrière volcano on April 9, 2021, and subsequent eruptions.

16. **PROJECT OBJECTIVES**

16.01 The Grant will be used to support GOSVG's relief and humanitarian assistance operations to the affected population. It will assist GOSVG to meet the costs of purchase and transport of personnel and relief equipment and supplies, food, water, bedding, transitional housing/temporary shelter for the homeless and those evacuated from villages, medical and health supplies.

17. **PROJECT JUSTIFICATION/BENEFITS**

17.01 The severity of the impact of the La Soufrière volcanic eruption on April 9th and subsequent eruptions, resulted in widespread dislocation of sections of the population resulting in the evacuation of over 20,000 persons and damage to the country's telecommunications, water and electricity services and critical physical infrastructure such as main roads and bridges. The scale of damage is such that GOSVG will require significant external support to address the continuing humanitarian relief needs, as the effects of the eruptions on infrastructure (homes, schools, roads etc.) will result in some communities being displaced for extended periods. The activities and supplies to be funded by the Grant are associated with GOSVG's response programme, which will enable GOSVG to resume normal activities as quickly as possible and to begin planning for short, medium and long-term recovery and rehabilitation efforts.

17.02 The funding provided by this project will help relieve some of the financial burden on the resources of GOSVG in responding to and recovering from the eruption. The Grant will be used to fund the expenses incurred, specifically: the costs of purchasing and transporting personnel and relief supplies such as food, potable water, medical and health supplies for evacuees living in private homes and government shelters, and other related costs.

18. **IMPACT/NEEDS**

18.01 The eruption of the La Soufrière volcano has resulted in damage to housing, the health sector, agriculture, infrastructure, and the water supply infrastructure due to ash deposits in the reservoirs and posed health risks to affected communities. As stated earlier, over 22,000 persons were displaced and in shelters, and ash laden or otherwise contaminated water meant that some communities did not have access to a safe drinking water supply. The immediate demand for potable water was met via trucked water and bottled water.

18.02 A detailed list of needs has been prepared and circulated regionally and internationally. The greatest needs were for adequate water for the displaced population, water tanks, shelter supplies including cots, medical supplies and equipment, general needs including hygiene kits, cleaning supplies etc; and agriculture supplies including feed for animals. Donors are responding but the need remains as detailed damage assessments are concluded.

19. **PROJECT EXECUTION**

19.01 The Ministry of Finance, Economic Planning and Information Technology will be responsible for the implementation arrangements and will coordinate activities with the National Emergency Management Organisation to procure and deliver the relief supplies. They will also prepare and submit required reports to CDB on completion of the activity. The execution period will be six months effective from the date of disbursement. The resources of the Grant must be committed within a period of three months from the date of signing. Only expenditures incurred before November 30, 2021, shall be eligible for financing out of the proceeds of the Grant. Resources may cover eligible retroactive emergency actions undertaken since the occurrence of the emergency, on April 9, 2021. A report on the use of the resources from the Grant will be submitted to the Bank, by GOSVG, for onward transmission to the IDB by November 30, 2021. The report will include (a) project achievements, progress, and results; (b) an inventory of all goods, equipment and assets acquired using the Grant resources; (c) a certified statement of the expenditures incurred by the Beneficiary in respect of and in connection with the Project; and (d) certification that expenditures financed by the Bank have not been financed by any other donor.

20. **PROCUREMENT**

20.01 Procurement shall be conducted by GOSVG in accordance with the Procurement Policy for CDB Financed Projects (November 2019) and the Procurement Procedures for CDB Financed Projects (January 2021), except that, in accordance with the IDB-CDB Financing Agreement, procurement shall be extended to countries eligible for procurement under IDB-funded projects which are not member countries of CDB.

21. **DISBURSEMENT**

21.01 Given the urgency with which support is needed, payment of the Grant of USD200,000 will be made in a single disbursement on approval of the request from GOSVG for disbursement. It is expected that the Grant will be fully disbursed by November 30, 2021.

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

22.01 Loans Committee considered this paper by Round Robin on October 11, 2021, and agreed to recommend the Grant for approval by the President.

23. **RECOMMENDATION**

23.01 It is recommended that the President approve a grant to GOSVG of an amount not exceeding the equivalent of two hundred thousand United States dollars (USD200,000) from CDB's SFR allocated from resources provided by IDB under the IDB Non-Reimbursable Technical Cooperation No. ATN/OC-18160. Volcanic Eruption Emergency Assistance to St. Vincent and the Grenadines to assist GOSVG in financing the costs associated with the provision of emergency relief supplies to affected areas in SVG following the eruption of the La Soufrière volcano on April 9, 2021 (the Project) on CDB's standard terms and conditions and on the terms and conditions set out below.

TERMS AND CONDITIONS

No.	Subject	Terms and Conditions of the Grant
1.	Parties	<p><u>Bank</u>: Caribbean Development Bank (CDB)</p> <p><u>Beneficiary</u>: Government of St. Vincent and the Grenadines (GOSVG)</p> <p><u>Implementing Agency</u>: National Emergency Management Organisation (NEMO)</p>
2.	Amount of Grant	<p>The Bank agrees to make available to the Beneficiary, by way of grant, an amount not exceeding the equivalent of two hundred thousand United States dollars (USD200,000) from the Special Funds Resources of the Bank allocated from resources provided by the Inter-American Development Bank (IDB) under the IDB Non-Reimbursable Technical Cooperation No. ATN/OC-18160 Volcanic Eruption Emergency Assistance to St. Vincent and the Grenadines (the Grant).</p>
3.	Purpose	<p>The purpose for which the Grant is being made is to assist the Beneficiary in financing the costs associated with the provision of emergency relief supplies to affected areas in St. Vincent and the Grenadines following the eruption of the La Soufrière volcano on April 9, 2021 (the Project).</p>
4.	Disbursement of Grant	<p>Except as the Bank may otherwise agree, disbursement of the Grant shall be made by the Bank to the Beneficiary in one (1) payment on satisfaction of the condition precedent to disbursement without the necessity for a request or further instruction from the Beneficiary.</p> <p>Except as the Bank may otherwise agree, only expenditures incurred before November 30, 2021, shall be eligible for financing out of the proceeds of the Grant.</p> <p>The Beneficiary shall comply with the Bank’s “Disbursement Guidelines for CDB-Financed Projects” published in January 2019, which may be amended from time to time by the Bank.</p>
5.	Period of Disbursement	<p>Disbursement of the Grant shall be made by November 30, 2021, or such later date as the Bank may specify in writing.</p>
6.	Procurement	<p>Except as provided below, procurement of goods, works and/or services to be financed from the Grant resources shall be in accordance with the following policy and procedures or such other policy or procedures as the Bank may from time to time specify in writing:</p> <p>(a) Procurement Policy for Projects Financed by CDB (November 2019); and</p> <p>(b) Procurement Procedures for Projects Financed by CDB (January 2021).</p>

APPENDIX 1

**TECHNICAL ASSISTANCE GRANT: NATURAL DISASTER MANAGEMENT –
LA SOUFRIÈRE VOLCANIC ERUPTION, ST. VINCENT AND THE GRENADINES)**

BUDGET
(USD)

Item	Contributor	Amount
Relief supplies and equipment, food, water, transitional housing/temporary shelter for the homeless and those evacuated from villages, medical and health supplies.	CDB	149,800
Transport of relief supplies and personnel within SVG.	CDB	50,000
Wire Transfer fees.	CDB	200
Total		200,000

SAINT VINCENT AND THE GRENADINES

STATUTORY RULES AND ORDERS

2021 NO. 12

(Gazetted 8th April, 2021)

IN EXERCISE of the powers conferred by section 32 of the National Emergency and Disaster Management Act, Chapter 388, the Minister makes the following Notice-

**NATIONAL EMERGENCY AND DISASTER MANAGEMENT (DECLARATION)
OF DISASTER) NOTICE, 2021**

1. This Notice may be cited as the National Emergency and Disaster Management (Declaration of Disaster) Notice, 2021. Citation

2. Notice is given pursuant to section 32 of the National Emergency and Disaster Management Act that the Minister responsible for disaster management declared that: Notice of declaration of disaster
 - (a) a volcanic eruption is likely to happen in the State in the areas specified in the Schedule; and
 - (b) that it is necessary for the National Emergency Management Organisation or a person authorised under the Act to exercise disaster management powers under the Act, to prevent or minimise loss of human life, illness or injury to humans, property loss or damage or damage to the environment.

3. The Declaration was made by the Prime Minister and Minister responsible for disaster management on the 8th day of April, 2021 at 5:00 p.m. Time and date of disaster

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SCHEDULE

(section 2)

AREAS IN RESPECT OF WHICH THE DECLARATION IS MADE

- (a) In the North East, the communities from Fancy to Byera and adjacent areas.
- (b) In the North West, the communities from Richmond to Rose Bank and adjacent areas.

Dated this 8th day of April, 2021.

DR. THE HON. RALPH GONSALVES
Prime Minister, Minister responsible for
Disaster Management.

Printed by the Government Printer at the Government Printing Office,
Campden Park Industrial Estate, St. Vincent and the Grenadines.

2021

[Price \$1.60]

SAINT VINCENT AND THE GRENADINES

STATUTORY RULES AND ORDERS

2021 NO. 14

(Gazetted 12th April, 2021)

IN EXERCISE of the powers conferred by section 32 of the National Emergency and Disaster Management Act, Chapter 388, the Minister gives the following Notice:

NATIONAL EMERGENCY AND DISASTER MANAGEMENT (DECLARATION OF DISASTER) (NO. 2) NOTICE, 2021

1. This Notice may be cited as the National Emergency and Disaster Management (Declaration of Disaster) (No. 2) Notice, 2021. **Citation**

2. Notice is given of the declaration set out in the Schedule to this Notice and made pursuant to section 32 of the National Emergency and Disaster Management Act. **Notice of declaration of disaster**

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SCHEDULE

(Section 2)

DECLARATION

WHEREAS section 32 provides that the Minister responsible for disaster management may declare a disaster for the State, or a part of the State if he is satisfied that a disaster has happened, is happening or is likely to happen in the State; and it is necessary for the National Emergency Management Organisation or a person authorised under the National Emergency and Disaster Management Act, Chapter 388 to exercise disaster management powers under the Act, to prevent or minimise loss of human life, illness or injury to humans, property loss or damage or damage to the environment.

AND WHEREAS being satisfied that a disaster has happened, is happening or is likely to happen because of a volcanic eruption I, **DR. THE HONOURABLE RALPH GONSALVES PRIME MINISTER AND MINISTER RESPONSIBLE FOR DISASTER MANAGEMENT, HEREBY DECLARE** a disaster for the State of Saint Vincent and the Grenadines.

This Declaration is made by me on this 8th day of April, 2021 at 6 pm.

Dated this 8th day of April, 2021.

DR. THE HON. RALPH GONSALVES
Prime Minister, Minister responsible for
Disaster Management.

Printed by the Government Printer at the Government Printing Office,
Campden Park Industrial Estate, St. Vincent and the Grenadines.

2021

[Price \$1.60]