



LEG/SGO/CCB/IDBDOCS#39855986

September 29, 2015

Patricia McKenzie
Vice-President of Operations
Caribbean Development Bank
Willey
St. Michael
Barbados, W.I.

Re: ATN/OC-15153-RG. Nonreimbursable Technical Cooperation. Flooding Emergency Assistance to the Commonwealth of Dominica through the Caribbean Development Bank (CDB).

Dear Ms. McKenzie:

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 to provide humanitarian assistance to the population affected by Tropical Storm Erika, as requested.

The Bank shall expend from the resources of the Special Program/ Non-reimbursable technical cooperation funding 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 nine special disaster areas in Dominica, as well as to the displaced population. Eligible items will include food supplies, clothing, potable water, medicine, and materials for temporary shelter, 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 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 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 Executing Agency commits to submit to the Bank, within 180 days after the disbursement, a report on the use of the resources from the proposed technical cooperation.

ATN/OC-15153-RG

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/

Joel Branski
Representative of the Bank in Barbados

AGREED:

/s/

Patricia McKenzie
Vice-President of Operations
Caribbean Development Bank

Date: September 29, 2015

ANNEX

Plan of Operations

I. Basic Information

▪ Country/Region:	Caribbean
▪ TC Name:	Flooding Emergency Assistance to the Commonwealth of Dominica through the Caribbean Development Bank (CDB)
▪ TC Number:	RG-T2708
▪ Team Leader/Members:	Lesley Cassar (CCB/CCB), Team Leader; Cassandra Rogers, (RND/CBA); Shelly Pile (CCB/CBA); Denise Salabie, (FMP/CBA); and Betina Hennig (LEG/SGO).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	N/A
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Caribbean Development Bank and the populace affected by flooding and devastation in the Commonwealth of Dominica.
▪ Executing Agency:	Caribbean Development Bank
▪ Donors providing funding:	Special program / Non-reimbursable technical cooperation funding for countries affected by natural disasters
▪ IDB Funding Requested:	IDB (non-reimbursable): US\$200,000 Local: US\$0 Total: US\$200,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (which includes Execution period):	6 months
▪ Required start date:	September 11, 2015
▪ Types of consultants (firm or individual consultants):	N/A
▪ Prepared by Unit:	CCB/CCB
▪ Unit of Disbursement Responsibility:	CCB/CBA
▪ TC Included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	N/A
▪ GCI-9 Sector Priority:	N/A

II. Background and Justification

- 2.1 Tropical Storm Erika became the fifth named storm of the 2015 Atlantic Hurricane Season on August 24, 2015. The storm began impacting the Caribbean from August 26 and degenerated to a trough of low pressure on August 29, 2015. One of the countries impacted most severely by the tropical storm is the Commonwealth of Dominica, an island in the Eastern Caribbean of 289.96 square miles. The population is approximately 73,600¹. The capital is Roseau.

¹ July 2015 estimate.

- 2.2 On August 26, the center of Tropical Storm Erika passed about 90 miles to the North of Dominica at its nearest point with the storm producing intense rainfall across the island. The Canefield Airport near the capital of Roseau, Dominica, recorded 12.64 inches of rain in a 12-hour period on August 27. This resulted in severe flooding and landslides and widespread damage across the island. As of September 1, 2015, the National Emergency Operations Centre (NEOC) confirmed 12 lives are lost, 22 reported missing and 20 injured and 574 are. The communities of Petit Savanne and Coulibistrie, for example, are cut off from the rest of the island and it is reported² that nearly every community has been impacted by the storm. Some communities are no longer recognizable. The devastation is extensive across the island after floods swamped villages, wiped out roads and bridges, and destroyed homes. The community of Dubique has been evacuated. Additionally, 713 people have been evacuated from Petit Savanne, which is at this time only accessible by sea. Following a preliminary assessment of the impact, the Prime Minister of Dominica declared nine Special Disaster Areas³ on August 29, 2015.
- 2.3 Damage assessment and needs analysis are ongoing. The storm has caused damage to key facilities. The Dominica Water and Sewerage Company Limited has reported that 100% of the national water system was affected. Seventy five (75) schools (primary and secondary), 22 are either unreachable or damaged, and one is extensively damaged. Communications have also been significantly hampered. The international airport in Melville Hall is damaged and remains closed to commercial flights. The Canefield airport is operational for helicopter and small aircraft use. The Government of Dominica has reported that approximately 45% of the country is without power Preliminary estimates⁴ to September 2, indicate damage to: (i) roads and bridges at US\$226.9 million; (ii) loss of livestock at US\$213,704 and crops at US\$3.6 million; (iii) infrastructure at US\$4.4 million; (iv) farm housing, equipment and inputs at US\$881,556; (v) fishing industry at US\$657,408; and (vi) the Tourism sector in excess of US\$10.7 million⁵.
- 2.4 **IDB relationship with the CDB and the 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 members of the Caribbean Development Bank by providing loans and technical assistance to that institution. On September 28, 1977, the Bank and the CDB entered into an agreement setting forth the general standards applicable to operating relationship between the institutions. Given the aforementioned 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 Following the impact, the NEOC has been activated and Search and Rescue activities and response actions to affected communities are ongoing. Eight shelters

² *Tropical Storm Erika – Situation Report #7 as of 8.30p.m. on September 1, 2015.* Caribbean Disaster Emergency Management Agency (CDEMA). 2015.

³ The nine special disaster areas include: (i) Petite Savanne; (ii) Pichelin; (iii) Good Hope; (iv) Bath Estate (Paradise Valley); (v) Dubique; (vi) Campbell; (vii) Coulibistrie; (viii) San Sauveur; and (ix) Petite Soufriere.

⁴ Source: CDEMA (2015)

⁵ The currency used in the Commonwealth of Dominica is the Eastern Caribbean dollar (XCD). The current exchange rate with the United States dollar is as follows: XCD 1 = USD 0.37

were opened, housing approximately 411 people and damage assessments have also commenced. The Regional Response Mechanism (RRM), an arrangement for the coordination of disaster response among participating states of the Caribbean Disaster Emergency Management Agency (CDEMA), and regional and international agencies. RRM was activated and is supporting coordination of relief efforts.

- 3.2 Deployment, quantification of needs and priorities are ongoing and are being coordinated by the CARICOM Disaster and Assessment Coordination (CDAC) team on the ground. The National Emergency Operations Centre is also being supported by the CARICOM Operational Support Team (COST).
- 3.3 As of September 1, an estimated 100 relief workers were deployed to Dominica, which includes: (a) search and recovery teams; (b) military personnel supporting the distribution of relief supplies; (c) operations coordination; (d) damage and assessment; and (e) medical services. Teams have been drawn from Antigua and Barbuda, Barbados, British Virgin Islands, Grenada, Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis, and Trinidad and Tobago. Other efforts include the deployment of personnel from the CDB, Japan, UNICEF and the Pan American Health Organization (PAHO) and pledges and grants from the Governments of Canada, United Kingdom and the United States of America, the United Nations Development Program, CARICOM and the World Bank.

IV. Request for Bank Assistance

- 4.1 On September 1, 2015 the Secretary General of the Organization of American States requested assistance for Dominica from the IDB. On the same day, in a letter to the Caribbean Development Bank (CDB) the Prime Minister and Minister of Finance of the Commonwealth of Dominica formally accepted non-reimbursable technical cooperation resources from the IDB to finance humanitarian assistance. This acceptance was submitted to the IDB, via letter from CDB dated September 8, 2015, and states that Declaration of Special Disaster Areas has been announced and consequently two communities have been relocated. On September 9, 2015 a written Declaration of Special Disaster Areas was also issued by the Office of the Prime Minister of Dominica.

V. Objectives and Description

- 5.1 The objective of the technical cooperation is to support the Commonwealth of Dominica through the Caribbean Development Bank, to provide humanitarian assistance to the population affected by Tropical Storm Erika.
- 5.2 Based on the Government's assessment of immediate needs, the resources of the technical cooperation will include support for efforts to undertake required relief in the nine special disaster areas as well as to the displaced population. Eligible items will include food supplies, clothing, potable water, medicine, and materials for temporary shelter, among other relief items.

VI. Cost and Financing

- 6.1 In accordance with Resolution DE 74/04 dated September 15, 2004, the Bank may contribute up to US\$200,000 per operation to assist with emergencies resulting from natural disasters. The definition of "natural disaster", in this particular case the impact of

Tropical Storm Erika, is consistent with Chapter B.3 of the Disaster Risk Management Policy (GN-2354-5), which describes emergencies eligible for this type of support.

- 6.2 The cost of this technical cooperation is US\$200,000 to be financed on a non-reimbursable basis with Ordinary Capital resources chargeable to the Special Program/ Non-reimbursable technical cooperation funding for countries affected by natural disasters.

Budget Estimate	US\$
Equipment, materials and transportation costs	200,000
Total:	200,000

VII. Execution and Disbursement

- 7.1 The technical cooperation resources will be disbursed in United States dollars to the account of the Caribbean Development Bank in one single disbursement for onward transmission to the Government of the Commonwealth of Dominica. Acting as Executing Agency, the Caribbean Development Bank will be responsible for the management of the resources. The use of the resources will be closely coordinated by the Caribbean Development Bank and will be ultimately administered by participating national and/or international relief agencies.
- 7.2 The activities to be financed under the operation will be executed within six months of signing the Agreement.

VIII. Reports

- 8.1 The Executing Agency will submit to the Bank, within 180 days after the disbursement a report on the use of the resources from the proposed technical cooperation. An external audit of the use of the resources from this technical cooperation is not required.

IX. Recommendation

- 9.1 In view of the emergency situation in the Commonwealth of Dominica, a developing member country of the CDB, and in accordance with the authority delegated by the Board of Executive Directors to the President to finance emergency operations through Resolutions DE1/94, DE 74/04 and DE 02/06 dated January 12, 1994, September 15, 2004 and January 18, 2006, respectively 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 Country Department Caribbean Group authorize non-reimbursable technical cooperation financing in the amount of US\$200,000 from the Bank's Ordinary Capital.