



STATEMENT

The Most Hon. Dr. Hubert Minnis

Prime Minister

**Announcement of Minister of State for
Disaster Preparedness, Management and
Reconstruction**

**Special Economic Recovery Zones for
Abaco and Grand Bahama**

Housing Relocation

Sunday, 22 September 2019

Office of The Prime Minister

**Cecil Wallace Whitfield Center
West Bay Street
Nassau, Bahamas**

Good afternoon.

I am pleased to announce that I have advised His Excellency, the Governor General, the appointment of Mr. Iram Dewitt Lewis Jr., as the Minister of State for the new Ministry of Disaster Preparedness, Management and Reconstruction.

Mr. Lewis will be sworn in tomorrow afternoon at Government House.

Iram Lewis is a son of Water Cay, Grand Bahama, which was severely affected by Hurricane Dorian.

He is the Member of Parliament for Central Grand Bahama.

Iram is a certified architect and project manager, with many years of experience in both fields.

He has served for the past two years as a Parliamentary Secretary in the Ministry of Works.

I am pleased that he has accepted this great responsibility on behalf of the people of Abaco, Grand Bahama, and indeed all of the Bahamas.

Because of the historic circumstance of this generational tragedy, this new Ministry will help to focus, and to coordinate the national response for the recovery, and reconstruction of Grand Bahama, and Abaco, respectively, our second and third most populated islands.

The main body of the ministry will function as an Authority, similar to the Public Hospital Authority.

The Authority will be responsible for the reconstruction of Abaco and East Grand Bahama.

The Authority will have an Executive Director and Board that will help to

oversee the redevelopment of Abaco and East Grand Bahama.

The Authority will have the powers and instruments of other such authorities, with the ability to act with great flexibility and rapidly.

It is critical that we remove the bureaucratic obstructions which may hinder recovery and reconstruction efforts on the ground.

Where appropriate, we will ensure applicable, regulatory reform, and changes, as well as the removal of unnecessary regulatory roadblocks and red tape.

We must, and we will rebuild, and restore Grand Bahama and Abaco stronger and more resilient.

We are One Bahamas.

When any part of our nation is affected, we are all affected.

In rebuilding Abaco and Grand Bahama, we are restoring our Commonwealth.

The climate emergency we face and the nature and power of hurricanes fueled by a heating climate and rising sea levels, demand comprehensive and dramatic changes in hurricane preparedness and disaster management.

We are living in a new era.

We must make immediate and medium-term changes.

But as a Small Island Developing State, with many major islands and many cays, there are many long-term changes and restructuring that require a dedicated cabinet ministry.

The new Ministry will remain at OPM.

Iram will be responsible for running the Reconstruction Ministry on a daily basis.

He will help to coordinate with cabinet colleagues.

He will help to coordinate the development of, and the functioning and work of the Ministry.

He will also help to coordinate with the leadership of NEMA, and with the Hurricane Relief and Redevelopment Coordinators on Grand Bahama and Abaco.

It is critical that we have effective coordination, including with international partners and agencies.

As prime minister, I will:

- guide the larger policy objectives of the ministry;
- help to coordinate the full governmental response to Hurricane Dorian;

- lead efforts to seek and to promote domestic and international investments and reconstruction initiatives on Abaco and Grand Bahama;
- help coordinate new public infrastructure and reconstruction projects on Abaco and Grand Bahama and
- ensure that red tape and bureaucratic roadblocks are cut through or removed.

I wish to outline the responsibilities of the new Ministry.

They include:

1. Relations with NEMA

2. Relations with Family Island Consultative Committees and Administrators

3. Disaster Preparedness

Disaster preparedness will include:

Working with local authorities in the:

- Development of plans and the construction of high capacity, reinforced hurricane shelters on high ground in vulnerable communities throughout The Bahamas;

- Working with NEMA in the :
 - Pre-positioning of hurricane relief stores, foodstuffs, water and supplies;

- Pre-positioning of life rafts, life jackets, generators, chainsaws, jet skis, tools and heavy equipment and other material to provide immediate services to affected areas;
- Consultation and training of residents in vulnerable communities;

Disaster preparedness will also include:
implementing and overseeing the

enforcement of Mandatory
Evacuation Orders.

I note that the Government is still in the consultation stage on legislation for these proposed orders.

No final decisions have been made in terms of legislation.

The Ministry of Disaster Preparedness, Management and Reconstruction will also be responsible for disaster response.

4. Disaster Response:

Enhanced disaster response measures will include:

- Coordinating immediate relief and response efforts with NEMA and Family Islands Administrators and Emergency Operations Committees;
- Relations with NGOs, NPOs and civil society relief efforts

5. Disaster Relief and Recovery

The new ministry will be responsible for disaster relief and recovery.

This includes:

- Coordinating efforts, directives, and works with local relief and restoration authorities appointed by the prime minister to initiate immediate “on the ground” relief efforts in affected communities, with powers:

- (i) to marshal local resources and manpower and

- (ii) to issue short-term contracts for any necessary rescue or recovery efforts, the removal of debris and road clearance in the immediate aftermath of a disaster in affected communities.

As a part of its disaster reconstruction work, the Ministry will coordinate the longer-term rebuilding process and provide:

a. comprehensive short-, medium- and long-term recovery assessments;

b. determining preferred options; and

c. prioritizing lists of recovery projects

d. provide policy guidelines for use of finances

The Ministry will:

- Prepare comprehensive assessments and proposals to the central government of the funding needs for reconstruction and

rebuilding by providing
documentation of those needs;

- Secure the services of planners and architects who
- (i.) will work with local residents to create plans for rebuilding connected to the availability of funds;
- (ii.) become a long range planning task force

The new Ministry will also be responsible
for the:

6. Preparation of information to local residents on financial matters and the changing state of local services.

7. Securing from Cabinet approval of all medium and long-term plans.

I wish to thank all of the officials at NEMA for their hard work and dedication

before and in the aftermath of Hurricane Dorian.

I also thank all other public officers for their hard work and dedication, especially public officers from affected areas, a number of whom have lost their homes and loved ones and friends.

Because of the unprecedented nature of the most powerful hurricane ever to strike the northern Bahamas, we are going to have to make unprecedented

changes to a number of government institutions.

The National Emergency Management Agency is going to be dramatically restructured, especially in light of the global climate emergency, which is making hurricanes more powerful and more deadly.

In restructuring NEMA we will work with disaster preparedness, recovery and management experts from around the

world, including the Federal Emergency Management Agency (FEMA) of the United States of America.

Let me be clear, it cannot be business as usual in government.

We have to break down the silos.

There is no time for territorial or turf battles.

Egos must be put aside in the interest of the common good.

Special Economic Recovery Zones

I now wish to address a few elements of our reconstruction strategy and program.

For the communities of East Grand Bahama, Abaco, and the surrounding cays to get back to their former levels of social and economic vitality,

it will be critical for the government to move with determination and haste to

establish the right environment needed to restore commerce in the affected areas.

Once commerce recommences, displaced residents can move back home with jobs and with economic opportunities.

These communities must be restored to the economic and social vibrancy they enjoyed before Hurricane Dorian.

We must do all that we can to ensure that this happens as soon as possible.

Accordingly, to facilitate the required social and economic recovery on the islands impacted by Dorian, I am pleased to announce that East Grand Bahama, Abaco, and the Abaco Cays, will be designated as special economic recovery zones for an initial period of three years.

This designation – modeled after what is already in place for the Over-The-Hill initiative – will enable the communities

impacted by Hurricane Dorian to benefit from a broad range of tax breaks and incentives.

They will also benefit from other means of support that will restore the various economies, and indeed, over time, make these economies more vibrant.

As special economic recovery zones, the following measures will be put in place:

1) Duty Free Purchase of all materials, fixtures, furniture, vehicles and equipment for all business needs and for all business and residential construction/rehabilitation efforts. This provision will also be extended to domestic purchase of qualifying items that I will detail shortly.

2) Waiver of Business License Fees for operations within the zone.

3) Waiver on Real Property Tax payable on all eligible properties that are reconstructed, restored or otherwise are inhabitable by October 2020.

4) A VAT credit of up to 50 percent on the sale of real property, provided that such sale will be immediately followed by material construction, on

or enhancements to the property, or the utilization of the purchased property to material commercial activity.

To maintain the credit, the qualifying activity must commence within 75 days of the close of the sale and must be followed through to scheduled completion. Otherwise the full VAT becomes payable.

5) Establishment of a \$10 million loan guarantee and equity financing programme to allow for qualifying Bahamian small and medium size business to secure up to \$500,000 in financing under the programme to fund the restoration of businesses, or the creation of new businesses.

6) The Extension of the Provisional Business License Programme to all businesses – with limited exceptions

– within the zones so as to allow for qualifying businesses to get started with their businesses within 2 business days of completed application.

7) The establishment of a business assistance One Stop Shop in Grand Bahama and Abaco that will house representatives of the Small Business Development Centre (SBDC), the Bahamas Investment Authority, the

Ministry of Finance, The Bahamas Investment Authority, The Department of Inland Revenue, The Department of Environmental Health and Building Permits units of the various agencies.

This one stop shop will be equipped and empowered to ensure that all existing and new businesses will be able to work through any regulatory requirements within 5 working days.

The provisions under the Special Economic Recovery Zone are intended to encourage and facilitate the rapid restoration of commerce in the affected areas so as to fulfill the government's core objective of ensuring that Grand Bahamians and Abacoians can restart their lives on their own home islands.

Those who have been displaced will be able to move back with the employment and entrepreneurial

opportunities that will allow them to maintain themselves once they return home.

Our policy is to create the environment that will restore these islands as quickly as humanly possible, so that those who are there can remain, and those who have left can return.

I wish to make some additional points.

For the duty free purchases of commercial items and construction materials, we are taking steps to ensure that Bahamian wholesalers and distributors benefit from these provisions so that those who want to access the concessions will be able to buy locally.

Accordingly, for East Grand Bahama, and for the Abacos, we will extend the “bonded” items facility that is a feature of the Port Authority Area of Grand Bahama.

Thus, a resident of Abaco or East Grand Bahama who is setting up his or her business or undertaking their construction project will be able to buy their items on the island at the duty free prices.

Those with approved projects in the special zones will also be able to buy their goods in New Providence and elsewhere

– through participating vendors – and be able to obtain duty free prices.

I have pointed out that the aim of this exercise is to facilitate and encourage economic activity and development.

Thus the provisions related to Real Property Tax Exemptions and Business License Fee exemptions are targeted to encourage productive activity.

In the Family Islands, it is foreign land holders who are subject to Real Property Tax.

Thus they will only qualify for this exemption if their developed properties are up to standard, or if they are taking the steps to repair and refurbish their premises to get them back to standard.

Properties that are not repaired or refurbished – or otherwise not in an

habitable condition – will not benefit from this concession.

Undeveloped properties will not benefit from this concession.

For businesses, the eligibility for the concession is predicated upon generating employment and thus creating opportunities for those who remain on these islands or who return home.

Through the Small Business Development Centre, the Bahamas

Venture Capital Fund, the Bahamas Development Bank, and our Commercial Banking sector, the government will provide up to \$10 million.

This \$10 million in funds will facilitate grants, loan guarantees, and equity capital, particularly geared at those entrepreneurs and business segments that would not normally qualify for regular bank credit.

The Government wants the business communities in the affected islands to know that we will support them in the most direct of ways to get them up and running again.

The Government recognizes though, that it must make it as easy as possible for Grand Bahamians and Abacoians to both get back in business and to access these financial facilities.

To minimize the possibilities for abuse
– businesses and individuals accessing
the duty free concessions for businesses
or individual construction projects will be
required to have their projects registered

These projects will be subject to
monitoring and verification.

However, the government will ensure
that the business licensing and the project

monitoring processes will be as nimble and as efficient as possible.

With limited exemptions for potentially hazardous undertakings, all businesses within the zone will receive a provisional business license on application – even as the formal licensing process continues.

This will allow people to begin operating immediately.

I assure you that they will be equipped and empowered to make all routine approvals on the island itself.

The goal here is that once individuals have submitted all their required documentation – all requisite approvals should take no more than 5 working days to obtain the respective regulatory sign off.

Let me now turn my attention to another pressing matter.

A shelter and housing plan has been developed to provide for the relocation of evacuees now living in shelters in New Providence, to return to Abaco and Grand Bahama.

Temporary housing options will be available for staff and many residents.

I wish to note that I will return to Grand Bahama on Wednesday to review the progress of the recovery efforts.

During that visit, a heads of agreement will be signed with the Carnival Corporation for the new cruise port.

It is more vital now than ever to continue with our economic developmental program for Grand Bahama.

We remain committed to the restoration and redevelopment of Grand Bahama.

Grand Bahama must be restored and be made stronger and more vibrant.

Last week, I met with the leadership of the Abaco Chamber of Commerce.

I have talked to many residents and friends of Abaco since Hurricane Dorian

The people of Abaco are ready to rebuild.

Abaconians are a resilient and strong people.

Marsh Harbour, the Abaco Cays and Central and North Abaco will be built stronger and more resilient.

The Hope Town lighthouse must also be restored as an enduring symbol of the resilience of the people of Abaco, the

people of Grand Bahama and all the
people of our Commonwealth.

Thank you.

