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War in Middle East Threatens USVI's Ability to Secure 10 Percent Matching Fund Waiver, ODR Director Says

USVI Faces Financial Hurdle with \$1.5 Billion FEMA Match Amid Global Tensions

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An Israeli military unit launches an operation from southern Israel targeting the Gaza Strip. By. GETTY IMAGES

Escalating tensions in the Middle East and Eastern Europe may jeopardize the U.S. Virgin Islands' chances of securing a vital waiver for FEMA matching funds, which are crucial for the territory's disaster recovery efforts, according to Office of Disaster Recovery Director Adrienne Williams-Octalien.

The USVI is struggling to meet the local 10% match requirement for numerous public assistance grants, with the potential matching funds reaching up to \$1.5 billion—surpassing the territory's [entire budget for 2023/2024](#). Despite aggressive lobbying for an exemption, the path forward remains uncertain amid global financial pressures.

Mrs. Williams-Octalien on Monday expressed her concerns to lawmakers, calling the situation a "great concern." Governor Albert Bryan Jr. has been persistent in his efforts, [telling the Consortium](#) that he has advocated for the waiver to various federal administrations. The recent unrest overseas has further complicated these efforts, potentially redirecting available funds and impacting the decision-making process regarding the USVI's waiver request.

"It has a tremendous impact because it's really about funds, the availability of funds and where the priorities go for their existing dollars," she said, referring to the conflicts and the U.S.'s funding of Ukraine and Israel. The ODR director says it is indeed reduced to a matter of precedence. "The territory is very, very small. We don't have that much leverage, but we're not going to stop."

The comments were made during a Committee on Disaster Recovery, Infrastructure, and Planning hearing. Sen. Milton Potter probed the agency's commitment to securing the waiver, questioning the confidence in the outcome and suggesting the need for alternative solutions. Mrs. Williams-Octalien highlighted past discussions with Shalanda Young, director of the United States Office of Budget and Management, focused on advancing the waiver request for critical facilities. She acknowledged the significant roadblocks the territory faces and confirmed the waiver's uncertainty.

Governor Bryan disclosed in early October that FEMA had [denied the waiver request](#), though he assured that the USVI would continue to seek the exemption. Williams-Octalien referenced a recent change in FEMA's policy to fund only immediate needs due to budget constraints. Nonetheless, she remained hopeful, citing productive discussions with FEMA's administrator.

The international crises, however, loom large over the territory's fiscal future. Williams-Octalien warned that these conflicts affect the availability of funds and the prioritization of fiscal allocations, indicating a challenging path ahead for the USVI as it contends with the wider implications of global unrest on its recovery efforts.