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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 02-Sep-2024 | Report No: PIDIA01210



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) St. Vincent and the Grenadines	Region LATIN AMERICA AND CARIBBEAN	Operation ID P507316	Operation Name Beryl Emergency Recovery Loan
Financing Instrument Investment Project Financing (IPF)	Estimated Appraisal Date 04-Sep-2024	Estimated Approval Date 31-Oct-2024	Practice Area (Lead) Urban, Resilience and Land
Borrower(s) Saint Vincent and the Grenadines	Implementing Agency Ministry of Finance, Economic Planning, and Information Technology		

Proposed Development Objective(s)

(i) Provide short-term income and restore economic activity, and (ii) Build Back Better critical infrastructure and services impacted by Hurricane Beryl

Components

Early recovery income support and enhancement of income generating activities
Resilient construction, reconstruction and restoration of critical infrastructure services
Project Management

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	63.00
Total Financing	63.00
of which IBRD/IDA	63.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	63.00
IDA Credit	63.00

Environmental And Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

- On July 1, 2024, the eye of the category 4 storm, Hurricane Beryl passed between the islands of Saint Vincent and the Grenadines (SVG) and Grenada with maximum sustained winds of 150 mph.** Beryl intensified rapidly to become the first Category 4 storm for the month of June and earliest in the year on record for the Atlantic Ocean. This phenomenon was fueled by the near-record warm sea surface temperatures in the region driven by climate change. The eye of the storm passed over Grenada and through the Southern Grenadines, devastating the inhabited islands of Canouan, Mayreau and Union Island and causing widespread damage to the Northern Grenadines and the mainland Saint Vincent, impacting 56 percent of the nation’s population¹. Beryl is the strongest hurricane to have impacted SVG since 1875. There were six fatalities associated with the storm.
- On June 30, 2024, at 6:40 pm AST, Prime Minister Ralph Gonsalves formally declared a national disaster.** This declaration invoked emergency powers in accordance with Saint Vincent's National Emergency and Disaster Management Act, Section 32 Subsection 1. Early response measures taken by the Government of Saint Vincent and the Grenadines (GoSVG) included attending the Caribbean Disaster Emergency Management Agency (CDEMA)-led Caribbean Development Partners Group (CDPG) meeting on June 30, 2024, prior to Beryl’s landfall, and coordinating preparation efforts with over 166 partners from local, regional, and international agencies. The SVG National Emergency Management Organization (NEMO) activated emergency shelters nationwide and started delivering essential relief supplies through a network of local actors, private sectors, and civil society organizations. Over 1,000 persons were evacuated from Union Island within 48 hours through ferry services provided by the GoSVG.

¹ 2012 Population and Housing Census



3. **Damage to the Southern Grenadines has been catastrophic with over 90 percent of buildings heavily damaged or destroyed.** The islands of the Southern Grenadines (from South to North: Petit Saint Vincent and Palm Island (both private resort islands), Union Island, Mayreau, and Canouan) were exposed to Category 3 and 4 hurricane winds. Rapid and remote assessments estimate that more than 2,000 residential and non-residential buildings were damaged (824) or destroyed (1,259)², directly affecting approximately 4,050 persons or 3.7 percent of the national population³. Building damage ranged from loss of roof cladding to complete loss of roofs and complete building collapse (principally wooden structures). Critical infrastructure and services were heavily impacted by the hurricane, with severe damage or destruction to hospitals, schools, police stations, electricity and telecommunications systems, fisheries centers and transportation infrastructure, including air and seaports and sea defenses. Response and rescue services were hampered owing to the remote location of the Grenadine islands. Damage to electric power infrastructure was extensive as most of the transmission and distribution infrastructure was destroyed. As a result, publicly supplied power and water resources are extremely limited. The Southern Grenadines depend largely on rainwater harvesting and public cisterns. Due to the lack of safe housing, limited power, and water, many of the islands' residents have evacuated to mainland Saint Vincent.
4. **Mainland Saint Vincent and the Northern Grenadines (Bequia, Mustique) were spared the most devastating effects of the storm eye wall but were nonetheless exposed to storm surge and winds in excess of 130 mph.** The islands of the Northern Grenadines (from South to North: Petite Mustique, Mustique and Bequia) and the southern mainland Saint Vincent (Census Divisions of Kingstown, Suburbs of Kingstown and Calliaqua) registered sustained winds of a Category 2 hurricane with gusts similar to those of a Category 3. In the Northern Grenadines and Southern Saint Vincent, a population of roughly 58,000 persons (Northern Grenadines: 6,184; Saint Vincent: 50,926) or 52 percent of the national population⁴ was impacted by Hurricane Beryl. Houses, public buildings (schools, fisheries centre, etc.), sea defense infrastructure, the Bequia airport, public utilities and telecommunications were significantly damaged.
5. **While all sectors were impacted by the hurricane, tourism, housing and infrastructure for electricity, education, health, transportation and fishing were most seriously affected.** Hurricane damage was severe to the tourism industry (accommodations, tourist parks, retail and entertainment infrastructure, etc.), the fishing industry (public infrastructure, and private assets, including boats and gear) and public utilities and infrastructure (water, electricity, and transportation, including airports and seaports). The electricity sector suffered major damage, with a nearly 100 percent loss of above ground transmission and distribution lines and solar generation field on Union Island with similar impacts on Canouan and Mayreau.
6. **While the economy of the mainland Saint Vincent is relatively diverse, the Grenadine islands depend on tourism and fishing.** The importance of the blue economy to the survival of Grenadines cannot be overstated. Union Island, Canouan, Mayreau and Bequia account for most of the lobster and conch catch and sea moss harvested in SVG. Earnings from the export of lobster, conch and sea moss is estimated at US\$8.74 million between 2019 and 2023.⁵ Owing to the destruction in the Southern Grenadines, both tourism and fishing activity will require months to recover. Economic losses are yet to be fully quantified but are expected to be significant given the loss of jobs, livelihoods and productive assets. Many persons remain displaced and in shelters. Meanwhile, response and recovery efforts are hampered in the Southern Grenadine islands owing to their remote location, scale of

² Hurricane Beryl 2024, Global RApid Post-Disaster Damage Estimation (GRADE) Report, July, 2024, World Bank

³ 2012 Population and Housing Census

⁴ 2012 Population and Housing Census

⁵ Fisheries Division



destruction and limited communication with mainland. It is unlikely the Southern Grenadines will benefit from the 2024/2025 tourist season, which runs from November to April.

7. **Climate change is exacerbating SVG's vulnerability to more intense and frequent hurricanes.** These extreme weather events pose significant risks to the island's economic stability and social fabric. The agriculture and tourism industries, cornerstones of SVGs economy, face direct threats from these climatic changes as hurricanes can damage crops and livestock, critical infrastructure and lead to costly recovery efforts. Additionally, the island's infrastructure, including transportation, housing, and public utilities, is at risk of being compromised or destroyed by powerful storms, which can have long-lasting effects on the population's well-being and the country's economic resilience. The social implications too can be profound, with communities facing displacement, loss of livelihoods, and increased poverty rates in the wake of such disasters. As sea levels rise and hurricanes grow more severe, the challenges for SVG will likely intensify, necessitating robust adaptation and mitigation strategies.
8. **SVG's macroeconomic policy framework is adequate for the proposed Project, despite high risk of debt distress and the recent crisis driven by Hurricane Beryl.** This is supported by the assessment of the International Monetary Fund Article IV published after the Hurricane Beryl on July 22, 2024. The impact of Beryl on Gross Domestic Product (GDP) is expected to be contained, considering the post-hurricane reconstruction efforts that will support economic activity. The near-term fiscal deficit and financing needs are likely to rise, while public debt is expected to remain sustainable, although elevated, considering the use of the Contingencies Fund, and grants. The Government remains committed to meeting the regional debt target and rebuilding fiscal buffers in the medium term. The current account deficit (CAD) is expected to widen in the near term due to decline in tourism and agriculture exports as well as increased imports for reconstruction that will be financed largely by disaster relief grants and concessional financing. The financial system is generally sound and expected to weather the shocks given its ample liquidity buffers, relatively low levels of non-performing loans, and mandatory insurance in the mortgage market. Growth is projected at 4.9 percent in 2024 and medium-term growth is expected to be supported by an expansion in tourism, through Sandals Resort that opened in 2024, and strong investment on the port, hospital, and other infrastructure projects. The authorities' broad based structural reform efforts are expected to foster competitiveness and economic performance. Inflation is projected to ease to 2.5 percent by end-2024, on account of lower imported inflation. The CAD is projected to narrow over the medium term, as exports grow, and large infrastructure projects are completed. The public debt-to-GDP ratio is expected to remain elevated in the near term before steadily declining afterwards, noticeably as construction of large investment projects is completed.

Sectoral and Institutional Context

9. **NEMO, in the Ministry of National Security, is the lead agency for organizing and managing disaster response in SVG.** The minister Prime Minister heads this Ministry. Authorized under the National Emergency and Disaster Management Act No. 15 of 2006, the Director of NEMO reports directly to the Prime Minister who serves as the Chairperson of the National Emergency Committee. NEMO coordinates with government line ministries to execute disaster response activities, manages and distributes emergency supplies, manages the national shelter network, provides damage assessments, and defines priorities to guide response activities. NEMO is the national focal organization for regional and international response activities.
10. **Line ministries are responding to the national disaster in accordance with their respective charters.** The Ministry of National Mobilization, Social Development, Family, Gender Affairs and Persons with Disabilities (MoNM) has



initiated activities to identify and support persons adversely affected by the hurricane and has begun the registration process to identify those persons whose buildings (homes and businesses) were damaged. The Ministry of Transport, Works, Land and Surveys, and Physical Planning (MoTW), largely through the Roads, Buildings, and General Services Authority (BRAGSA), in coordination with Central Water and Sewage Authority (CWSA), has initiated cleanup and debris removal activities and is supporting efforts to provide urgent small and medium repairs to damaged public buildings, including schools. Saint Vincent Electricity Services Limited (VINLEC) and CWSA are working to restore damaged electricity and water utilities respectively, especially in the Southern Grenadines.

11. **Regional and international partners are actively providing aid and assistance.** CDEMA has activated the Regional Coordination Center. Through the Regional Response Mechanism, it is assisting teams with damage assessments, logistics for emergency supplies and response. CDEMA is also coordinating with regional and international partners for additional relief. The Caribbean Community (CARICOM)⁶ has activated their Disaster Relief Unit (CDRU) which has deployed personnel to assist with debris removal. The Caribbean Development Bank (CDB) is providing an initial US\$ 5.5 million in emergency financial support and is in discussion with the GoSVG on additional assistance. Non-Governmental Organizations (NGOs) and private donors are supporting the GoSVG with repairs to houses, health and education facilities and reconstruction of tourism infrastructure in the Southern Grenadines. The World Food Program has established a relief transshipment hub in Barbados and is delivering food to SVG and Grenada. The NGO, World Central Kitchen, is also actively providing meals to residents on the severely affected islands. Furthermore, the United National Children’s Fund, in collaboration with the Ministry of Health, Wellness and the Environment (MoH) and Ministry of Education (MoE), is providing psychosocial support to all children affected Hurricane Beryl across various communities.
12. **The GoSVG proposes to establish and scale-up and establishing programs to protect livelihoods.** At present the government is focused on emergency response and relief operations. It is committed to several short- and medium-term efforts to support livelihoods and economic recovery. This includes an emergency employment program for cleanup and debris removal, a cash transfer program including income support, and a small business recovery program to support livelihoods resilience. The GoSVG is focusing on addressing gender issues and meeting the needs of the most vulnerable citizens. It will prioritize gender considerations in planning and implementing recovery interventions, recognizing that natural disasters disproportionately affect women. In SVG, women often face heightened vulnerability due to their higher representation in sectors hardest hit by disasters, such as retail and tourism, as well as in their roles as primary caregivers. Hurricane Lenny in 1999 affected SVG and caused losses to the fisheries sector with significant gender-differentiated impacts along the fisheries value chain. Men, who largely fished, were unable to work at sea due to loss of their vessels or due to rough seas and storms, while women, mainly involved as fish vendors, were highly affected due to their reliance on the catch of the fishermen (CANARI, 2021). While the fishing industry impacted by Beryl (including lobster and conch production) is largely dominated by men, the processing is predominantly done by women. As the government designs and executes recovery efforts, it is essential to address these gender-specific vulnerabilities to ensure that women receive equitable support and opportunities for economic recovery and resilience.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

⁶ The Caribbean Community (CARICOM) is an intergovernmental organization that is a political and economic union of 15 member states and five associated members throughout the Americas, the Caribbean and Atlantic Ocean.



The Project Development Objective (PDO) is to (i) provide short-term income and restore economic activity, and (ii) Build Back Better critical infrastructure and services impacted by Hurricane Beryl.

Key Results

The PDO will be measured by the following outcome-level indicators:

- (a) People benefiting from short-term income/livelihoods support program (number; disaggregated by gender);
- (b) People benefiting from constructed, reconstructed, or restored utility/infrastructure services (number; disaggregated by gender)
- (c) Early recovery and restoration of critical services supported through retroactive financing (Yes/No).

D. Project Description

13. **The PDO will be achieved through three components**, which respond to the initial findings of the Global Rapid Post-Disaster Damage Estimation (GRADE) and support of the Government's overall recovery program. The components are: (a) Early recovery income support and enhancement of income generating activities; (b) Resilient construction, reconstruction and restoration of critical infrastructure and services; and (c) Project Management.
14. **Component 1. Early recovery income support and enhancement of income generating activities. (US\$15.00 million)**. This component will support three subcomponents, namely, temporary income support grants, small business support grants and services, and a (Labor Intensive Temporary Employment) LITE program. In the case of the grant programs, eligible recipients will be identified by the Ministry of National Mobilization, Social Development, Family, Gender Affairs, and Persons with Disabilities (MoNM). In SVG, the LITE program will be implemented by BRAGSA in accordance with procedures prescribed in the Project Operations Manual (POM).
15. **Subcomponent 1.1. Temporary income support grants (US\$10.65 million)**. This activity will be modeled after the successful grant program conducted under the Volcanic Eruption Emergency Project [(VEEP) P176943] and social protection instruments supported by the Human Development Service Delivery Project [(HDS) P154253]. Temporary income support grants will target poor and vulnerable households impacted by the hurricane. Beneficiaries will be provided with income support for a period of 6-9 months. The benefit amount will be nuanced to the severity of the damages suffered in specific geographic areas. The benefit amount is expected to range from a minimum of EC\$500.00 and a maximum of EC\$800.00 per household per month based on the number of household members and according to the cap set forth in the Financing Agreement. The beneficiaries will be registered in the Social Assistance Management Information System (SAMIS) administered by the MoNM and prioritized based on (a) eligibility criteria including hurricane impacted geographic zones, (b) income-based poverty and vulnerability thresholds (established by MoNM based on official poverty line and the Consumer Price Index and agreed with the Bank in the POM), and (c) additional vulnerability criteria including households headed by women and/or with elderly, disabled members and/or with an unemployed head of household. Eligibility will be validated through a community expert committee. Cash transfers will be paid through the existing digital payment mechanism established and satisfactorily implemented by the Bank of Saint Vincent and the Grenadines (BOSVG), who will act as a co-implementing entity for this activity, as under the VEEP. Detailed implementation arrangements modified to address the current situation, will be provided in the POM.
16. **Subcomponent 1.2. Small business support grants and services (US\$1.80 million)**. This subcomponent will provide a package of services to support the economic recovery of vulnerable small businesses with emphasis on operators in the devastated Southern Grenadines. The small business owners will be provided with (a) cash



transfer grants as a source of funding for business capital (e.g., business assets and material); (b) training in business skills and financial literacy; and (c) coaching for business owners on implementation of cash transfer program.

- (i) Cash transfer grants for business capital (US\$1.3million). Small businesses will be provided with approximately US\$1,300 each in exchange for participating in business skills training and coaching. Coaching will be provided to ensure the cash transfers are used for intended purposes. This amount is consistent with similar programs deployed in SVG. This program will benefit recipients of the temporary income support grants as well as other persons who have suffered loss of business income as a result of Hurricane Beryl, including those that have registered as self-employed in the Vendor Registry of the MoNM. Priority will be given to women-owned businesses and registered women-headed households. Cash transfers will be paid through the existing digital payment mechanism implemented by the Bank of SVG (BoSVG). Detailed eligibility criteria and implementation procedures will be provided in the POM.
- (ii) Support services for business recovery and institutional strengthening (US\$0.5 million): Includes the financing of technical assistance, goods and services necessary to (a) update the SAMIS to incorporate an economic inclusion component, (b), develop curriculum and training/coaching methodologies as well as deploy the training/coaching, (c) monitoring and evaluation of the program, and (d) and related communications.

17. **Subcomponent 1.3. LITE Program (US\$2.55 million).** This program implemented by BRAGSA on an as-needed basis provides cash-for-work to vulnerable unemployed population, including those affected by the Hurricane. It will support community infrastructure maintenance, climate related disaster preparedness and post-Beryl recovery efforts. Three phases of the LITE program have been financed through the VEEP and the following phases will be continued through this Project. This subcomponent will finance cash-for-work; goods (including tools and safety gear needed to undertake the small infrastructure works of the LITE Program); trainings for beneficiaries; consultant services needed to support the planning, preparation, and supervision of the execution of the small infrastructure works. The menu of eligible activities will include labor intensive cleanup activities associated with the hurricane. BRAGSA, with the support of the community, will organize the works undertaken and also control and supervise their implementation. The Program will cover individuals over 18 years of age, potentially from poor households, including households that are female-headed and residents of communities where the works will be undertaken. Cash-for-work will be paid through the existing digital payment mechanism implemented through the BOSVG. Detailed eligibility criteria, payment processes, and implementation procedures will be outlined in the POM, drawing on relevant Environmental and Social (E&S) instruments.

18. **Component 2: Resilient construction, reconstruction and restoration of critical infrastructure and services (US\$41 million).** During disasters, continued operation of critical public infrastructure is key to efficient response and recovery. This component will support the rapid restoration and resilient reconstruction of critical infrastructure and services damaged by Hurricane Beryl. Support under this component will focus on supporting the rapid restoration and resilient construction, reconstruction of priority infrastructure and services. Additionally, this component may prioritize critical infrastructure vulnerable to future climate and disasters on account of exposure to Hurricane Beryl. Based on needs and priorities, the following agencies are identified as potential implementation partners providing technical guidance and oversight for resilient construction, reconstruction and restoration in their respective sectors:

- a. CWSA,
- b. Ministry of Agriculture, Forestry, Fisheries, Rural Transformation, Industry and Labour (MoA),



- c. Ministry of National Security (MoNS)
- d. MoTW /BRAGSA,
- e. Ministry of Tourism etc.
- f. Ministry of Health etc.
- g. Ministry of Urban Development.

19. **Needs to maintain flexibility to accommodate the evolving needs and priorities for recovery, construction and reconstruction.** The Project pursues a framework approach to accommodate an evolving understanding of recovery, construction and reconstruction needs and support shifting investment priorities. Currently, the extent of damage and impact is still not fully known and GoSVG is in the process of coordinating and allocating donor assistance to emerging needs. Furthermore, with Hurricane Beryl being uncharacteristically early in the 2024 hurricane season (which runs from June 1 – November 30), the risk of additional storm events is high as the season progresses. Therefore, an adaptive approach in project design is critical to accommodate potential impacts from additional storm activity.
20. **Subcomponent 2.1. Immediate response and repair of damaged infrastructure and disrupted services (US\$18 million).** Activities under this subcomponent will support response including the procurement of materials and construction services, equipment purchase/leasing, and expenditures relating to repair of infrastructure. The POM will define the positive list of physical response activities eligible for financing under this subcomponent. The potential activities include (a) cleanup and debris removal, (b) repair of infrastructure and services, (c) repair of damaged public facilities, and (d) purchase/leasing of machinery and equipment for debris management and immediate response and recovery of critical services.
21. **For activities under this subcomponent, retroactive financing will be provided to support the immediate relief and response measures started by the GoSVG before the signing of the loan agreement.** Potential expenditures for retroactive financing will include but not be limited to (a) labor, equipment and transportation costs for response and debris removal; (b) resources for the generation, transmission and distribution of electricity; (c) establishment of temporary schools for students of Union Island; (d) purchase of materials, equipment and labor to restore critical infrastructure and utilities; (e) accommodation support for displaced persons; (f) inter-island transportation support for material, equipment, supplies and personnel; (g) resources for LITE; (h) other activities directly related to hurricane response and recovery. Activities proposed for retroactive financing will be implemented in accordance with Bank Fiduciary, Procurement and E&S requirements and the POM will define the procedures to ensure compliance, as well as for the review and reimbursement. Retroactive financing limits as per World Bank policy⁷ is up to 40 percent of the Credit amount (US\$25.2 million) for eligible expenditures made from July 1, 2024 to the date of signing of the Financing Agreement.
22. **Subcomponent 2.2. Support to the medium-term reconstruction of severely damaged infrastructure and restoration of services (US\$23 million).** Activities under this subcomponent will include the necessary technical studies, preparation of engineering and architectural designs, and reconstruction and restoration of severely damaged infrastructure and public facilities. Investments will focus mainly on the restoration and Building Back Better of severely damaged water systems, public buildings (schools, police station, fisheries centers, etc.), transportation infrastructure (bridges, airports, etc.), as well as other public infrastructure, such as sea defense. Interventions will be guided by climate and disaster risk considerations and international best practice for resilient

⁷ Bank Guidance, "Projects in Situations of Urgent Need or Capacity Constraints, July 29, 2016



design in a multi-hazard environment faced by SVG. Furthermore, the supported interventions will advance low-carbon development, utilize the best available technology and prioritize energy efficiency and deployment of renewable energy.

23. **Component 3: Project Management (US\$7million).** This component will support essential positions for effective project management by the Public Sector Investment Programme Management Unit (PSIPMU) of the Ministry of Finance, Economic Planning, and Information Technology (MoFEPIT), and identified implementing partners. These include (a) project coordinator and specialists in financial management (FM), procurement, monitoring and evaluation (M&E) and E&S; and (b) technical experts needed for project preparation and implementation . The component will finance administrative, management and operating costs including necessary goods and equipment, for implementing the project. Fiduciary aspects of the project including audits the provision of training and workshops⁸ and costs associated with convening and reporting to the Project Steering Committee will also be financed.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The Environmental Risk Rating is Substantial. Potentially significant environmental risks and impacts may include, among others: (a) diverse impacts on lands and land use, including on marine Protected Areas and natural habitats or other sensitive landscapes, from the management, and disposal of non-hazardous and hazardous solid wastes during debris clearing and disposal, construction works and operation of augmented water supply systems; (b) exposure of community and construction workers to harmful materials during debris clearance, risks from unstable and collapsing buildings, and exposure to disease; (c) application of inappropriate engineering standards during design works and lack of enforcement of building codes leading to unsafe structures relied upon by the community; (d) difficulty with achieving sufficient oversight and providing adequate facilities (including suitable waste management processes, provision of tools, materials and equipment for safe systems of work, as well as adequate worker accommodation) due to the remote location of Mayreau, Union and Canouan islands; (e) exposure to new storms/natural disasters during the recovery effort prior to the rebuild of the disaster recovery infrastructure. An Environmental and Social Management Framework has been prepared describing: a. Details of the sensitive receptors and locations of E&S baseline features, such as protected areas, rare species records, potential areas of contaminated land/materials etc. b. Lists of the licenses, permits, and approvals and the processes that the sub-projects will need to follow to obtain these and comply with SVG E&S Laws and Regulations, together with a summary of the key requirements of the WB ESF relevant ESSs. c. An organisation chart showing the roles that will manage the identification of the ESHS risks and impacts, their inter-

⁸ Workshops will include technical discussions and capacity building activities around the utilization of climate and disaster risk information and the prioritization of reconstruction and rehabilitation activities to strengthen climate and disaster resilience.



relationships and reporting lines. d. A flow chart (with associated checklists or points for consideration) of the process for integrating E&S information into the design, procurement and construction of the activities to be undertaken. The ESMF will identify when further studies, assessments or management plans may be required, or when typical Environmental and Social Codes of Practice are appropriate for use. The social risks associated with this project are rated moderate, they are easily identified, small scale, and can be managed by the PIU who has experience in similar Bank projects. Risks are associated with access to benefits under activities in component 1.1 and 1.2 which are temporary grants for consumption support for poor and vulnerable households, and income support and cash transfers for selected vulnerable households including those in the informal economy. Beneficiaries will be identified and paid through the approach working well under the current VEEP Project (P176943) and the Human Development Service Delivery Project (P154253). Targeting approaches of those projects which includes criteria for poor households, and vulnerable households, will be elaborated on to direct the largest share of grants to those areas impacted most by the hurricane. For subcomponent 1.3. there are some labor risks in the Labor Intensive Temporary Employment (LITE) Program, specifically these relate to the payment of wages and working conditions. The LITE program has been running well under the VEEP. Social risks associated with Component 2 which is the restoration and resilient reconstruction of critical infrastructure services damaged by Hurricane Beryl are associated with labor, cultural heritage, and economic resettlement. Because sites have yet to be identified, screening by the client for each site will be done during implementation, these are similar tasks to what has been done under VEEP with no significant social issues being identified. Measures to properly identify and engage with stakeholders for component 1 and 2 will be described in the project's SEP which will be finalized following project effectiveness. A LMP will be prepared and a RPF will also be prepared for economic displacement, if any. These will be based on similar documents approved for VEEP. Although the project will initially be serviced by the Environmental and Social Specialists of MSIPMU and the VEEP project, an additional two environmental specialists and one social specialist will be recruited and allocated solely to the project to ensure ESHS risks and impacts are identified and managed. Recognising the demands of this project in addition to those of the rest of the GoSVG development program, the GoSVG has requested Hands-on Extended Implementation Support (HEIS) to support the development of the project and backstop while the dedicated specialists are recruited.

E. Implementation

Institutional and Implementation Arrangements

24. **The MoFEPIT through its PSIPMU and the Project Team within it, will lead the project implementation.** The PSIPMU will be responsible for the technical, administrative, legal, fiduciary, procurement, oversight of E&S risk management, and M&E aspects of the project. This includes ensuring compliance with fiduciary agreements, procurement regulations, social and environmental risk management standards and overseeing monitoring, reporting, and evaluation of processes and results. The Project team will be headed by a dedicated project coordinator and supported by dedicated specialists for technical, E&S risk management, social protection, financial management, procurement, and M&E. Reporting directly to the Director of Economic Planning, the project coordinator will lead and supervise the Project Team in planning, organizing, and executing the Project's activities. The organizational structure of the project team, along with the duties and responsibilities of all the team members will be documented in the POM.
25. **The Project will utilize the VEEP's inter-governmental PSC for guidance and oversight of project implementation.** The PSC established by Cabinet in March 2022 for a national, multi-sectoral response to the La-



Soufrière volcanic eruption and under the VEEP, will extend its responsibilities to the Project upon its effectiveness. The PSC, formed by permanent secretaries of relevant line ministries, includes representation from the MoA; the MoNM; the MoH; the Ministry of Urban Development, Energy, Seaports, Grenadines Affairs and Local Government (MoUD); the MoE, the MoT; MoNS; the MoTW; the heads of VINLEC, CWSA, NEMO and BRAGSA. The structure, roles and responsibilities of the PSC will be detailed in the POM.

Implementation arrangements for Component 1

- 26. **Subcomponent 1.1. Temporary income support grants:** activities will be implemented in line with the successful grant program conducted under the VEEP through MoNM and oversight of PSIPMU. As in the VEEP, the BoSVG will act as a co-implementing entity and has been assessed and considered acceptable by the Bank.
- 27. **Subcomponent 1.2, Small business support grants and services:** this will be implemented by MoNM and the BoSVG with the oversight of PSIPMU Project Team.
- 28. **Subcomponent 1.3, LITE Program:** activities will be implemented by BRAGSA and BoSVG. MoFEPIT will conduct fiduciary tasks and provide oversight of the implementation through its PSIPMU Project team.

Implementation arrangements for Component 2

- 29. **Activities for rapid restoration and resilient construction and reconstruction of critical infrastructure and services:** will be implemented by the MoFEPIT, through its PSIPMU Project Team, including fiduciary tasks, M&E, E&S risk management and reporting. The role of line ministries/agencies who will lead specific investment activities, including MoTW, MoA, MoNS/NEMO, and CWSA, will be limited to providing technical inputs such as supporting the development of technical specifications and terms of references (TORs), and approval of designs for civil works.

Implementation arrangements for Component 3

- 30. **Component 3: Project Management:** will be implemented by the MoFEPIT through the PSIPMU Project Team.

CONTACT POINT

World Bank

Jared Phillip Mercadante
Disaster Risk Management Specialist

Elad Shenfeld
Senior Disaster Risk Management Specialist

Borrower/Client/Recipient



Saint Vincent and the Grenadines

Camillo Gonsalves
Minister of Finance
cgonsalves@gov.vc

Implementing Agencies

Ministry of Finance, Economic Planning, and Information Technology

Recardo Frederick
Director of Planning
rfrederick@svgcpd.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):

Jared Phillip Mercadante, Elad Shenfeld

Approved By

Practice Manager/Manager:

Country Director: