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Report No: PADHI01011

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF US\$63 MILLION

TO THE

SAINT VINCENT AND THE GRENADINES

FOR A

BERYL EMERGENCY RESILIENT RECOVERY PROJECT

SEPTEMBER 27, 2024

Urban, Resilience and Land
Latin America And Caribbean

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CURRENCY EQUIVALENTS

(Exchange Rate Effective September 18, 2024)

Currency Unit = UNITED STATES DOLLAR (US\$)

US\$1 = EC\$2.71

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AM	Accountability Mechanism
BOSVG	Bank of Saint Vincent and the Grenadines
BRAGSA	Roads, Buildings, and General Services Authority
CAD	Current Account Deficit
CANARI	Caribbean Natural Resources Institute
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CWSA	Central Water and Sewerage Authority
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DRF	Disaster Risk Financing
DRM	Disaster Risk Management
E&S	Environmental and Social
EHS	Environmental and Health and Safety
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
FM	Financial Management
GDP	Gross Domestic Product
GoSVG	Government of Saint Vincent and the Grenadines
GRADE	Global Rapid Post-Disaster Damage Estimation
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HDSO	Human Development Service Delivery Project
HEIS	Hands-On Expanded Implementation Support
ICR	Implementation Completion and Results Report
IEG	Independent Evaluation Group
IFR	Interim Financial Report
IMF	International Monetary Fund
IPF	Investment Project Financing
ISP	Implementation Support Plan
LAC	Latin America and Caribbean
LITE	Labor-Intensive Temporary Employment
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture, Forestry, Fisheries, Rural Transformation, Industry and Labour
MoE	Ministry of Education and National Reconciliation



MoFEPIT	Ministry of Finance, Economic Planning, and Information Technology
MoNM	Ministry of National Mobilization, Social Development, Family, Gender Affairs and Persons with Disabilities
MoT	Ministry of Tourism, Civil Aviation, Sustainable Development and Culture
MoTW	Ministry of Transport, Works, Lands and Surveys, and Physical Planning
MoUD	Ministry of Urban Development, Energy, Seaports, Grenadines Affairs and Local Government
MTR	Midterm Review
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution
NEMO	National Emergency Management Organization
NGO	Nongovernmental Organization
NPV	Net Present Value
OECS	Organization of Eastern Caribbean States
PDO	Project Development Objective
POM	Project Operations Manual
PPP	Public-Private Partnership
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
PSIPMU	Public Sector Investment Programme Management Unit
RPF	Resettlement Policy Framework
RPS	Regional Partnership Strategy
SAMIS	Social Assistance Management Information System
SEP	Stakeholder Engagement Plan
SPN	Specific Procurement Notice
STEP	Systematic Tracking of Exchanges in Procurement
SVG	Saint Vincent and the Grenadines
TA	Technical Assistance
TCMP	Tobago Cays Marine Park
TOR	Terms of Reference
UN	United Nations
VEEP	Volcanic Eruption Emergency Project
VINLEC	St. Saint Vincent Electricity Services Limited
WBG	World Bank Group



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DATASHEET

BASIC INFORMATION

Project Beneficiary(ies) St. Vincent and the Grenadines	Operation Name Saint Vincent and the Grenadines: Beryl Emergency Resilient Recovery Project		
Operation ID P507316	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Substantial	Process Urgent Need or Capacity Constraint (FCC)

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input checked="" type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 11-Oct-2024	Expected Closing Date 11-Oct-2031
Bank/IFC Collaboration No	

Proposed Development Objective(s)

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



Components

Component Name	Cost (US\$)
Early recovery income support and enhancement of income generating activities	16,200,000.00
Resilient construction, reconstruction and restoration of critical infrastructure services	39,800,000.00
Project Management	7,000,000.00

Organizations

Borrower:	Saint Vincent and the Grenadines
Contact:	Camillo Gonsalves
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Telephone No:	7844571746
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Implementing Agency:	Ministry of Finance, Economic Planning, and Information Technology
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Title:	Director of Planning
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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

IDA Resources (US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
National Performance-Based Allocations (PBA)	63.00	0.00	0.00	0.00	63.00
Total	63.00	0.00	0.00	0.00	63.00

Expected Disbursements (US\$, Millions)

WB Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032
Annual	19.00	8.50	9.50	10.50	5.50	6.00	2.50	1.50
Cumulative	19.00	27.50	37.00	47.50	53.00	59.00	61.50	63.00

PRACTICE AREA(S)

Practice Area (Lead)

Urban, Resilience and Land

Contributing Practice Areas

CLIMATE



Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Overall	● Moderate

POLICY COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant



ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

LEGAL

Legal Covenants

Sections and Description

Schedule 2, Section I.B.1: The Recipient shall prepare and adopt, by not later than one (1) month after the Project Effective Date, and thereafter implement the Project in accordance with, a Project Operations Manual, in form and substance satisfactory to the Association.

Schedule 2, Section I.A.2: The Recipient shall maintain, at all times during the implementation of the Project, with a mandate, composition, and resources satisfactory to the Association, the Project Steering Committee to be responsible to provide guidance and oversight to Project implementation.

Schedule 2, Section 1.A.1: The Recipient shall, at all times during the implementation of the project (a) cause (i) MoFEPIT, through its Public Sector Investment Programme Management Unit, to be responsible for: (A) the overall Project management responsibilities, including the technical, administrative, legal, fiduciary, procurement, environmental and social risk management, and monitoring, reporting and evaluation; (B) the implementation of Parts 1.1 and 1.2 of the Project with technical inputs and support from MoNM and Part 1.3 of the Project with technical inputs and support from BRAGSA; (C) the implementation of Part 2 of the Project, with technical inputs and support from CWSA, MoA, MoT, MoUD, and VINLEC; and (D) the implementation of Part 3 of the Project, in coordination with MoT and MoUD; (ii) MoNM, to provide technical inputs and support to MoFEPIT for the implementation of Parts 1.1 and 1.2 of the Project; (iii) BRAGSA, to provide technical inputs and support to MoFEPIT for the implementation of Part 1.3 of the Project; (iv) CWSA, MoA, MoT, MoUD and VINLEC, to provide technical inputs and support to MoFEPIT for the implementation of Parts 2.1 and 2.2 of the Project; and (v) MoT, in coordination with MoNM and NEMO, and MoUD to ensure coordination with and management support for MoFEPIT for the implementation of Part 2.3 of the Project.

Schedule 2. Section I.A.1: The Recipient shall, at all times during the implementation of the Project (b) take, or cause to be taken, all actions, including the provision of funding, personnel, and other resources, to enable MoFEPIT and the



Implementing Partners to perform its respective functions under the Project, including: (i) the formation of a Project team under MoFEPIT, by not later than ninety (90) days after the Effective Date, with adequate number of staff and/or consultants, including specialists in technical, environmental and social management, financial management, procurement, and monitoring and evaluation, each with terms of reference, qualifications, and experience satisfactory to the Association; (ii) appointment of a dedicated Project coordinator, by not later than ninety (90) days after the Effective Date, with terms of reference, qualifications, and experience satisfactory to the Association; and (iii) recruitment of consultants, advisors, and technical experts, in all aspects of Project implementation, including for Project management, planning, supervision and monitoring, in adequate number, each with terms of reference, qualifications and experience satisfactory to the Association, as and when needed for the efficient implementation of the Project.

Schedule 2. Section 1. C. 1: For purposes of carrying out the activities under Part 1 of the Project, the Recipient shall make the proceeds of the Financing available to beneficiaries of the Income Support Grants under Part 1.1 and the Small Business Recovery Grant under Part 1.2 (“Beneficiaries”) and participants of the Cash-for-Work under Part 1.3 through BOSVG by entering into an agreement with BOSVG (“Implementation Agreement”), under the terms and conditions acceptable to the Association.

Schedule 2. Section I.D.1: For purposes of carrying out the activities under Parts 1.1 and 1.2 of the Project, the Recipient shall ensure that the selection of Eligible Households and Eligible Small Businesses and the provision of the Income Support Grants and Small Business Recovery Grants (collectively, the “Grants”) to Eligible Households and Eligible Small Businesses, respectively, are made in accordance with the provisions of this Agreement and the Project Operations Manual, and in a manner satisfactory to the Association.

Schedule 2. Section I.E.1: For the purposes of carrying out the activities under Part 1.3 of the Project, the Recipient shall ensure that the selection of the Cash-for-Work participants, the works to be carried out by the Cash-for-Work participants, and the defrayment of the Cash-for-Work to each Cash-for-Work participant are made in accordance with the provisions of this Agreement and the Project Operations Manual, and in a manner satisfactory to the Association.

Conditions

Type	Citation	Description	Financing Source



I. STRATEGIC CONTEXT

A. 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 the 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 mainland Saint Vincent, affecting 56 percent of the nation's population.¹ Beryl was the strongest hurricane to have affected SVG since at least 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 meeting on June 30, 2024, before 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, the private sector, and civil society organizations. Over 1,000 persons were evacuated from Union Island within 48 hours through ferry services provided by the GoSVG.
- 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 nonresidential buildings were damaged (824) or destroyed (1,259),² directly affecting approximately 4,050 persons or 3.7 percent of the national population.³ 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 affected 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 sea ports 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 and limited power and water, many of the islands' residents have evacuated to mainland Saint Vincent.
- Mainland Saint Vincent and the Northern Grenadines (Bequia and 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 southern

¹ 2012 Population and Housing Census.

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

³ *ibid* 2012 Population and Housing Census.



mainland Saint Vincent (Census Divisions of Kingstown, Suburbs of Kingstown, and Calliaqua) registered sustained winds of a Category 2 hurricane with gusts like 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 affected by Hurricane Beryl. Houses, public buildings (schools, fisheries centers, and so on), sea defense infrastructure, the Bequia airport, public utilities, and telecommunications were significantly damaged.

5. **While all sectors were affected by the hurricane, tourism; housing; and infrastructure for electricity, education, health, transportation, and fishing were the most seriously affected.** Hurricane damage was severe to the tourism industry (accommodations, tourist parks, retail and entertainment infrastructure, and so on), 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 the solar generation field on Union Island with similar impacts on Canouan and Mayreau.
6. **While the economy of 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 caught and sea moss harvested in SVG. Earnings from the export of lobster, conch, and sea moss are 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, the scale of destruction, and limited communication with the mainland. It is unlikely the Southern Grenadines will benefit from the 2024/2025 tourist season, which runs from November to April of each year.
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. Based on the 2008 national household survey and poverty assessment, an estimated 30.2 percent of the population was considered living in poverty, with another 3 percent deemed indigent. Inequality is presented by a Gini coefficient of 0.4, and nearly half of the population is concerned vulnerable. The agriculture and tourism industries, cornerstones of SVG's economy, face direct threats from these climatic changes as hurricanes can damage crops and livestock, as well as 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 the high risk of debt distress and the recent crisis driven by Hurricane Beryl.** This is supported by the assessment of the International Monetary Fund (IMF) Article IV published after 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

⁴ *ibid.*

⁵ Fisheries Division.



is expected to remain sustainable, although elevated, considering the use of the contingency funds 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 the 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 nonperforming 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 investments in the port, hospital, and other infrastructure projects. The Government's 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 afterward, noticeably as the construction of large investment projects are completed.

B. 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 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, conducts damage assessments, and defines priorities to guide response activities. NEMO is the national focal organization for organizing 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, Lands and Surveys, and Physical Planning (MoTW), largely through the Roads, Buildings, and General Services Authority (BRAGSA), in coordination with the 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. It is also coordinating with regional and international partners to provide additional relief. The Caribbean Community (CARICOM)⁶ has activated its Disaster Relief Unit 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. Nongovernmental organizations (NGOs) and private donors are supporting the GoSVG with repairs to houses and health and education facilities and reconstruction of tourism infrastructure in the Southern Grenadines. The World

⁶ 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.



Food Programme 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 Nations Children’s Fund, in collaboration with the Ministry of Health, Wellness and the Environment and the Ministry of Education and National Reconciliation (MoE), is providing psychosocial support to all children affected by the passing of Hurricane Beryl, across various communities in SVG.

12. **The GoSVG proposes to establish and scale up programs to protect livelihoods.** At present, it 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. Gender considerations are prioritized 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 the 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.⁷ Additionally, while the fishing industries affected by Beryl (including lobster and conch production) are 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. Relevance to Higher Level Objectives

13. **The project is consistent with the World Bank Group (WBG) Regional Partnership Strategy (RPS) for the Organizations of Eastern Caribbean States (OECS, of which SVG is a part), FY22–25 (Report 160349-LAC).** Specifically, the project is aligned with all three pillars of the RPS, namely (a) increasing the competitiveness of the private sector, enabling economic growth, and tackling persistently high rates of unemployment; (b) improving the quality of life of every citizen of the OECS territory through equitable and easy access to quality social services, including health, education, and social protection services; and (c) formulating a vision of inclusive and sustainable socioeconomic growth that promotes and maintains environmental integrity while supporting enhanced growth, productivity, social equity, resilience, and adaptive capacity. The emphasis on resilience has been carried forward from the previous RPS for FY15–19. The Systematic Regional Diagnostic for the OECS completed in FY19 (Report 127046-LAC) also identified ‘build cross-cutting resilience to external shocks’ as one of the priority areas for inclusive and sustainable growth. The project is also consistent with the WBG Framework for Green, Resilient, Inclusive Development approach.
14. **The project will contribute to the World Bank’s twin goals, as well as its Climate Change Action Plan (2021–25) and the World Bank Group Gender Strategy 2024–2030.** It will contribute to reducing extreme poverty and will boost shared prosperity by supporting the recovery and rehabilitation of communities affected by the hurricane. It will also support the strengthening of the overall resilience of SVG to climate change and future disasters. Given the pre-existing issue of high poverty rates, exacerbated by the COVID-19 pandemic and two natural disasters in

⁷ Caribbean Natural Resources Institute (CANARI), Report of the Gender-based climate resilience analysis for Saint Vincent and the Grenadines. EnGenDER. 2021



four years, the project will adopt a ‘Building Back Better’⁸ approach in the provision of immediate relief and long-term support incorporating resilience, adaptation and mitigation interventions to improve development outcomes. It will ensure equal access to and use of recovery and rehabilitation resources for women and vulnerable groups, empowering women in decision-making processes in disaster risk management (DRM) and rehabilitation activities. It will strengthen community services and resilience to natural disasters by closely engaging women, advancing Outcome 4 ‘Greater ownership and use of economic assets’ and Outcome 6 ‘Advances in women’s participation in decision-making’ of the World Bank’s Gender Strategy. It will also contribute to the objectives of ‘expanding and enabling economic opportunities’ and ‘engage women as leaders.’

15. **The project is consistent with the country’s Nationally Determined Contributions (NDCs) and its National Adaptation Plan (NAP), as well as priorities under the 2030 Agenda for Sustainable Development and the Sendai Framework for Disaster Risk Reduction.** The SVG’s NDCs prioritize several key areas, including enhancing resilience to climate impacts, promoting low-carbon development, and ensuring sustainable growth. Among others, the NAP outlines measures to strengthen public infrastructure against climate-related disasters. The project will assist with the restoration of livelihoods and the strengthening of critical infrastructure and services following Hurricane Beryl. As such, it aligns with these commitments and with those presented in the WBG 2021 ‘360° Resilience: A Guide to Prepare the Caribbean for a New Generation of Shocks,’ by focusing on the priority areas for building resilience and adapting to shocks, specifically, (a) ensuring social protection for the marginal and the most vulnerable, (b) safeguarding infrastructure, (c) enhancing economic opportunity, (d) ensuring environmental protection, and (e) ensuring operational readiness will be deeply embedded in the concept and activity design. In addition, the project will leverage the GoSVG’s ongoing post-volcano eruption rehabilitation efforts under the World Bank Volcanic Eruption Emergency Project (VEEP, P176943) and replicate successful mechanisms and programs for post-Beryl recovery and reconstruction. It will seek to enhance SVG’s preparedness for future climate change impacts through the application of internationally accepted climate adaptation and disaster-resilient standards, while promoting low-carbon development.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

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

PDO Level Indicators

17. The PDO will be measured by the following outcome-level indicators:
- (a) Households impacted by Hurricane Beryl benefiting from short-term income support program (number; disaggregated by gender)
 - (b) Businesses with restored economic activity (percentage, disaggregated by gender).

⁸ ‘Building Back Better’ approaches look to use of the recovery, rehabilitation, and reconstruction phases after a disaster to increase the resilience of nations and communities through integrating climate change and disaster risk reduction measures into the restoration of physical infrastructure and societal systems and look into the revitalization of livelihoods, economies, and the environment. Such approaches ensure that interventions are inclusive of the most vulnerable while also advancing longer-term resilience and sustainability to not only be better prepared for the impacts of climate change in the future but also invest in lower-carbon technologies and infrastructure that is more inclusive.



- (c) Beneficiaries with enhanced resilience to climate risks (number; disaggregated by gender)

B. Project Components

18. **The PDO will be achieved through three components**, which respond to the initial findings of the GRADE and support of the Government's overall recovery program. These 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.
19. **Component 1. Early recovery income support and enhancement of income generating activities (US\$16.20 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 MoNM. In SVG, the LITE program will be implemented by BRAGSA, in accordance with the procedures prescribed in the Project Operations Manual (POM).
20. **Subcomponent 1.1. Temporary income support grants (US\$10.65 million)**. This activity will be modeled after the successful grant program conducted under the VEEP and social protection instruments supported by the Human Development Service Delivery Project (HDS, P154253). Temporary income support grants will target poor and vulnerable households affected 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 damage suffered in specific geographic areas. The benefit amount is expected to range from a minimum of US\$111 to a maximum of US\$300 per household per month based on the number of household members and according to the cap set forth in the POM. 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-affected geographic zones, (b) income-based poverty and vulnerability thresholds (established by the MoNM based on the official poverty line and the Consumer Price Index and agreed with the World Bank in the POM), and (c) additional vulnerability criteria including households headed by women and/or with elderly or 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) under the VEEP, which will act as a co-implementing entity for this activity. Implementation arrangements will follow the existing program, modified to address the current situation. Detailed implementation procedures will be provided in the POM.
21. **Subcomponent 1.2. Small business support grants and services (US\$1.8 million)**. This subcomponent will provide a package of services to support the economic recovery of vulnerable small businesses, especially those from the devastated Southern Grenadines. The small business owners will be provided with a package of services consisting of (a) cash transfer grants as a source of funding for business capital (for example, business assets and material⁹), (b) training in business skills and financial literacy, and (c) coaching to guide business owners on the implementation of cash transfer.
- (i) **Cash transfer grants for business capital (US\$1.3 million)**. These transfers will be made in a single tranche in an amount ranging from US\$1,000 to a maximum of US\$3,000 depending on an approved business budget per small business in exchange for participating in business skills training and coaching. Technical

⁹ Funding for business capital refers to a grant that is intended for the replenishment of damaged or lost business assets of the individual vendor (that is, electronics, machinery, equipment, tools, and so on) directly related to the business objective and the replenishment of material that is required for the production of the goods or services created by the business.



coaching will be provided to ensure that the cash transfers are used for their intended purpose. This amount is consistent with similar programs 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 because of the hurricane, including those that have registered as self-employed in the Vendor Registry by the MoNM. Priority will be given to registered women-owned businesses. Cash transfers will be paid through the existing digital payment mechanism implemented by the BOSVG. Eligibility criteria and implementation procedures will be detailed in the POM.

- (ii) **Support services for business recovery and institutional strengthening (US\$0.5 million).** These include the financing of technical assistance (TA), goods, and services to adapt the SAMIS to incorporate the economic inclusion component; deliver training, curriculum, and methodologies development; and provide coaching, monitoring and evaluation (M&E), and communications.

22. Subcomponent 1.3. Labor-Intensive Temporary Employment (LITE) Program (US\$3.75 million). This program implemented by BRAGSA on an as-needed basis provides cash for work to the 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 and goods (including tools and safety gear needed to undertake the small infrastructure works of the LITE program) and will cover expenditures associated with LITE activities conducted before the signing of the Financing Agreement through retroactive financing. Additionally, health and safety trainings for beneficiaries and consultant services needed to support the planning, preparation, and supervision of the execution of the small infrastructure works will be provided by BRAGSA. 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 to be undertaken and 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 from the information available in the relevant environmental and social (E&S) instruments.

23. Component 2: Resilient construction, reconstruction and restoration of critical infrastructure and services (US\$39.8 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. Additionally, this component may prioritize the construction of critical infrastructure vulnerable to future climate and disaster risks on account of exposure to Hurricane Beryl. It will also provide financial assistance for the temporary accommodations of displaced persons and the costs associated with ferry transportation to and from the Southern Grenadines to stimulate the recovery of economic activity and reconstruction efforts. 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. MoTW/BRAGSA
- d. Ministry of Tourism, Civil Aviation, Sustainable Development and Culture (MoT)
- e. Ministry of Urban Development, Energy, Seaports, Grenadines Affairs and Local Government (MoUD)
- f. VINLEC



24. **Maintaining flexibility to accommodate the evolving needs and priorities for recovery and reconstruction.** The project pursues a framework approach to accommodate an evolving understanding of recovery and reconstruction needs and support shifting investment priorities. Currently, the extent of damages and impacts is still not fully known, and the GoSVG is in the process of coordinating and allocating donor assistance to emerging needs. Furthermore, Hurricane Beryl being uncharacteristically early in the 2024 hurricane season (which runs from June 1 to 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. The current, yet evolving, list of recovery and reconstruction activities to be financed by the project is provided in Annex 2.
25. **A prioritized list of public infrastructures in need of restoration, construction, or reconstruction and expenditures for retroactive financing will be included in the POM.** Given the vulnerability of SVG to climate and natural hazards and the severe impacts of Hurricane Beryl, activities supported by this component will be prioritized based on the urgency to address the needs of affected persons, ability to adapt to future climate patterns, and capacity to strengthen infrastructure and system functionality in face of future disasters. Prioritization processes will be defined in the POM and will be carried out using participatory approaches in line with the project's E&S instruments. This will ensure E&S risks are duly considered in finalizing investments and expenditures for retroactive financing and that efforts are made to increase climate and disaster resilience and mitigate potential negative environmental or social impacts. Potential longer-term reconstruction investments may include (a) construction of resilient water supply systems to increase water security against climate change while exploring options for use of renewable energy to meet the energy needs; (b) reconstruction of public buildings utilizing data and findings from climate, hazard and engineering assessments to inform appropriate location, redesign and reconstruction, while considering resilience and integration of energy efficiency measures; and (c) repair and reconstruction of roads and bridges incorporating climate change considerations in designs to improve connectivity during extreme weather events, while maintaining existing traffic patterns.
26. **Subcomponent 2.1. Immediate response and repair of damaged infrastructure and disrupted services (US\$9.8 million).** Activities under this subcomponent will support response comprising the procurement of materials and construction services, equipment purchase/leasing and expenditures relating to repair and restoration of infrastructure. The POM will define the positive list of physical response activities eligible for financing under this subcomponent and articulate the approach for executing them. 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.
27. **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 Financing Agreement.** Potential expenditures associated with ongoing GoSVG early recovery and response efforts that will be reimbursed under this subcomponent include but are not 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 for materials, equipment, supplies, and personnel; and (g) other activities directly related to hurricane response and recovery. Activities proposed for retroactive financing will be implemented in accordance with the World Bank Fiduciary, Procurement, and E&S policies and procedures, and the World Bank will review and assess the project's fiduciary and E&S compliances for processing retroactive financing. Retroactive financing limits according to the



World Bank policy¹⁰ is up to 40 percent of the loan amount (US\$25.2 million) for eligible expenditures made from July 1, 2024, up to the signing of the Financing Agreement.

28. **Subcomponent 2.2. Support to the medium- and longer-term construction, reconstruction, and restoration of severely damaged infrastructure of services (US\$24 million).** Support will include necessary technical studies, preparation of engineering and architectural designs, and construction and reconstruction of severely damaged and critical infrastructure and public facilities. A prioritized list of activities is provided in Annex 2 and will be further detailed in the POM. Investments will focus on the restoration and Building Back Better of water systems, public buildings (schools, fisheries centers, and so on), transportation infrastructure (bridges, airports, and so on), as well as other public infrastructure, such as sea defense. Interventions will be guided by climate and disaster risk considerations and international best practices for resilient design in the multi-hazard environment faced by SVG. Furthermore, all supported interventions will advance low-carbon development, utilize the best available technology, and prioritize energy efficiency measures and deployment of renewable energy.
29. **Subcomponent 2.3. Financial support for temporary accommodations and transportation (US\$6 million).** This subcomponent will support costs associated with the rental of temporary accommodations for displaced persons due to the destruction of houses by Hurricane Beryl. The identification of temporary accommodations is being managed by the MoT, in coordination with the MoNM and NEMO, and will include accommodation in hotels, guest houses, and private dwellings. The processes for selecting accommodation providers and beneficiaries, determining accommodation rates, confirming the eligible payments, paying providers and screening to ensure health and safety standards of accommodations will be detailed in the POM. Assistance for temporary accommodation will be provided for an estimated 10 months. Additionally, this subcomponent will support costs of ferry transportation to and from the Southern Grenadines for a period of 6 months, which is being managed by the MoUD. This activity is intended to support the transportation of displaced persons, construction workers and materials needed for recovery and reconstruction and will support economic recovery and reconstruction. Retroactive financing is available for expenditures incurred under this subcomponent between July 1, 2024, and the signing of the Financing Agreement. The annual project audit will include a detailed review of financing for temporary accommodation and transportation to confirm adherence with controls stipulated in the POM.
30. **Component 3: Project Management (US\$7 million).** This component will support essential positions for effective project management by the project team established 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) the staffing of a project coordinator, engineers (senior and junior), financial management (FM) specialists (senior and junior), procurement specialists (senior and junior), environmental specialists (senior and junior), social specialists (senior and junior), and two project officers. Additionally, this component will finance (a) all fiduciary aspects of the project including audits; (b) the provision of training and workshops;¹¹ (c) administrative, management, and operating costs, including necessary goods and equipment for project implementation; and (d) convening and reporting to the Project Steering Committee (PSC). Also, technical support for M&E, information technology and communications will be shared with the VEEP project, with oversight provided by the PSIPMU.

¹⁰ Bank Guidance, 'Projects in Situations of Urgent Need or Capacity Constraints,' July 29, 2016.

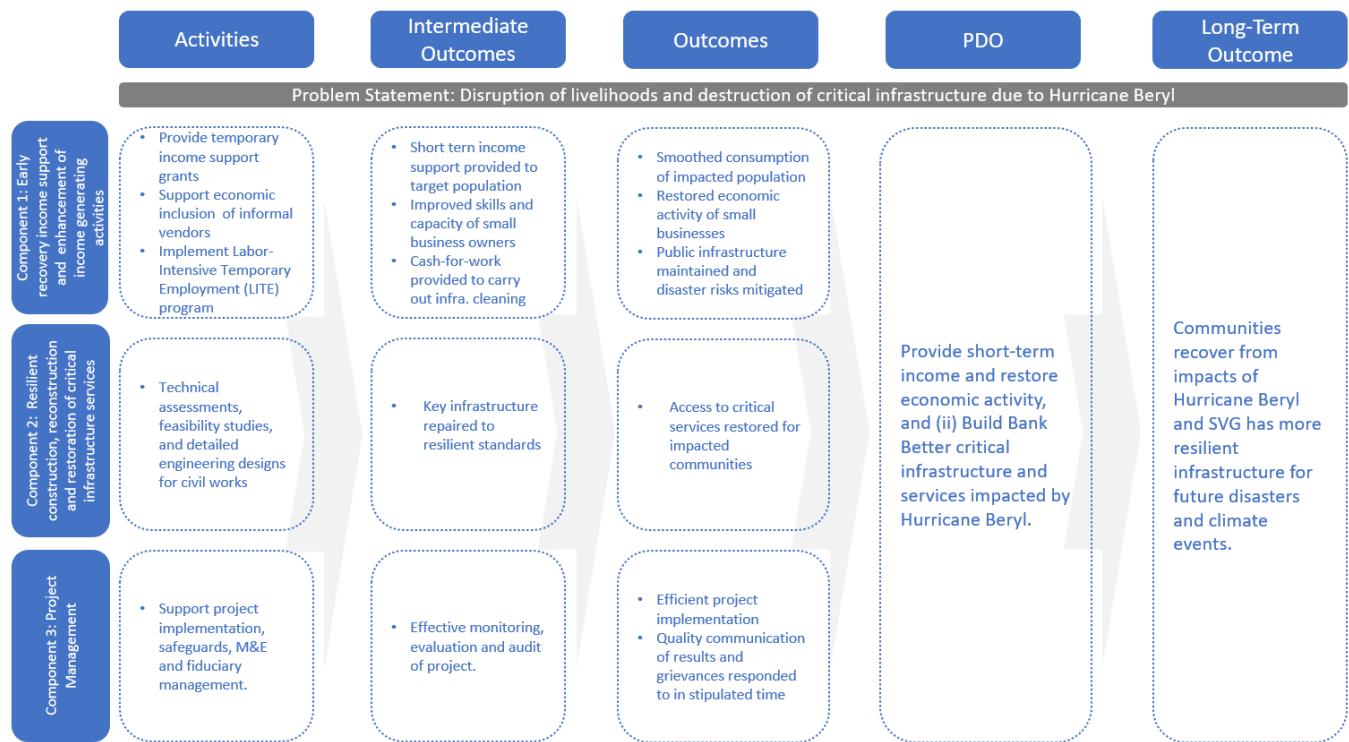
¹¹ Workshops will include technical discussions and capacity-building activities around the utilization of climate and disaster risk information and the prioritization of reconstruction and rehabilitation activities to strengthen climate and disaster resilience.



C. Project Beneficiaries

31. The project will target the communities affected by Hurricane Beryl, particularly the population of the Grenadine Islands. Direct beneficiaries of activities under Components 1 and 2 are estimated at 10,308 from the Grenadine Islands or 9 percent of the total population (110,784),¹² of which 5,050 beneficiaries (49 percent) are anticipated to be women, 9 percent elderly, and approximately 43 percent under the age of 24 years. Direct beneficiaries, from mainland Saint Vincent, will likely include an additional 10,000 persons with a similar demographic profile. In total, direct beneficiaries represent 18 percent of the total population. The entire population of SVG will benefit indirectly from the increased capacity of the Government to Build Back Better infrastructure as well as resilient public infrastructure.

D. Results Chain



32. Critical assumptions are as follows: (a) procurement processes advance smoothly with adequate market responses and quality local supply of goods, works, and services for the emergency response and early recovery activities; (b) inflation of costs for materials and services is maintained; and (c) no other emergencies causing significant damages (that is, heavy rains, landslides, floods, hurricanes, earthquakes, and volcanic eruptions) occur during implementation.

¹² ibid.



E. Rationale for Bank Involvement and Role of Partners

33. **The project leverages the World Bank’s global and Caribbean-specific experience in disaster recovery and resilience building.** In SVG itself, the World Bank supported emergency recovery in the aftermath of Hurricane Tomas in 2010, the 2013 floods, and the 2021 La Soufrière volcanic eruption which negatively affected lives, disrupted livelihoods, and significantly damaged infrastructure. In the last decade-and-a-half, the World Bank has assisted various Caribbean countries with response, recovery, and reconstruction following Hurricane Sandy in 2010; Hurricane Joaquin in 2015; and Hurricanes Harvey, Irma, and Maria in 2017; and more recently the COVID-19 pandemic.
34. **The World Bank has a relatively long history of engagement with SVG in various sectors.** Historically, it has implemented over 18 operations with net commitment of almost US\$400 million in SVG. Currently, the World Bank has a portfolio of three national projects in environment, natural resources, and the blue economy; health; and urban, resilience, and land and six regional projects in additional sectors of tourism; digital development; education; and finance, competitiveness, and innovation. The project builds on the World Bank’s expertise in disaster risk management, experience of operating in SVG, and strong collaboration/coordination with key multilateral and bilateral partners on its operations, specifically in SVG.
35. **Following Beryl, the GoSVG initiated coordination with other development partners,** including CDB, the IMF, and Taiwan, China, to support the recovery process, emphasizing strengthened community resilience. SVG anticipates US\$4 million in United Nations (UN) grants supporting its response plan and US\$4.5 million from the United States Agency for International Development, as part of its regional response efforts to Hurricane Beryl. The United Nations Development Programme and European Union is also expected to assist SVG in the development of a Post-disaster Needs Assessment in support of the recovery efforts. Based on initial assessment, the available resources are insufficient to cover the scale of damages from Hurricane Beryl. Consequently, the GoSVG is prioritizing multilateral funding for recovery and reconstruction, including through this project, with an expectation to access maximum retroactive financing to finance the urgent response needs.

F. Lessons Learned and Reflected in the Project Design

36. **The project design has been informed by the World Bank’s involvement in multi-sector, post-disaster recovery and reconstruction,** its longstanding experience and operational program in the Caribbean region, evaluations from previous operations (including Implementation Completion and Results Reports [ICRs] and Independent Evaluation Group [IEG] assessments), and international good practices. Key lessons incorporated into the project design include the following:
 - (a) **Existing systems with flexibility for tailored approaches improve implementation and service delivery in emergency projects.** Component 1 of the project will scale up the existing payment mechanisms established by the GoSVG under the VEEP and HSDS to reach a greater population in need post the emergency. Lessons from the VEEP will be internalized to enhance implementation and operational efficiencies, ensuring leveraging of institutional strengths. The project will continue using the MoNM’s National Evacuation Registry and the SAMIS to identify the beneficiaries most in need. Additionally, information systems established under the VEEP will be maintained to administer interventions including community engagement, capacity building, reporting, and monitoring.
 - (b) **Project design with focused objectives and a limited scope enhances the efficiency of emergency recovery operations.** In low-capacity contexts, such as Small Island Developing States, emergency operations require



speedy delivery of recovery activities guided by realistic goals. The project design embraces simplicity, prioritization, and flexibility, including a provision for retroactive financing. The project is informed by design and implementation experience of the VEEP, Sint Maarten Emergency Recovery Project I (P167339), Grenada Hurricane Ivan Emergency Project (P092692), and others. While recovery needs in SVG are major, the project is designed with a limited scope for efficient response prioritizing (a) short-term income for immediate relief, (b) rapid restoration and Building Back Better of critical infrastructure, and (c) improvement of the Government's capacity in service delivery.

- (c) **Strong government buy-in and leadership play a key role in the success of post-disaster relief and reconstruction.** The effectiveness of service delivery, reconstruction and retroactive financing relies substantially on the coordination mechanism and decision-making process within the Government. The project leverages the strong leadership and buy-in demonstrated in the implementation of the VEEP to address the needs posed by the current disaster.
- (d) **Inclusive community-based approaches for prioritizing monitoring investments increase ownership, accountability, and sustainability.** The project will promote community-based approaches and participatory processes to identify and prioritize local interventions that best serve the needs of affected populations, closely aligned with development objectives. Women, people with disabilities, and other vulnerable groups will be actively engaged throughout implementation to enhance social inclusion and relevance.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

- 37. **The MoFEPIT, through its PSIPMU and the project team within it, will lead the project implementation.** The PSIPMU project team 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, and E&S risk management standards and overseeing monitoring, reporting, and evaluation of processes and results.
- 38. The project team will be headed by a dedicated project coordinator and supported by dedicated specialists for technical, E&S risk management, social protection, FM, and procurement. Specialists for M&E, information technology, and communications will be shared between the project and the VEEP with oversight provided by the PSIPMU. Reporting directly to the Director of Economic Planning, the project coordinator will lead project implementation and supervise the project team in planning, organizing, and executing the project 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.
- 39. **The project will utilize the VEEP intergovernmental PSC to provide guidance to and oversight to project implementation.** The PSC established by the 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 was formed by the permanent secretaries of relevant line ministries and agencies. The structure, roles, and responsibilities of the PSC will be detailed in the POM.



Implementation Arrangements for Component 1

40. **Under Subcomponent 1.1. Temporary income support grants and 1.2. Small business support grants and services**, activities will be implemented by the MoNM in collaboration with the MoFEPIT and will be modeled after the successful grant program implemented under the VEEP. The MoNM will develop the beneficiary lists, and funds will be disbursed by the MoFEPIT through the BOSVG. As in the VEEP, the BOSVG will act as a co-implementing entity. It and has been assessed and considered acceptable by the World Bank under the VEEP.
41. **Under Subcomponent 1.3, the LITE program**, cleanup activities, will be implemented by BRAGSA in collaboration with the MoFEPIT. BRAGSA will manage beneficiary lists and confirm work schedules, while funds will be disbursed by the MoFEPIT through the BOSVG. All responsibilities in line with this support will be detailed in the POM.

Implementation Arrangements for Component 2

42. **Activities for rapid restoration and resilient construction and reconstruction of critical infrastructure and services** will be implemented by the MoFEPIT, which will conduct fiduciary tasks and provide oversight, M&E, E&S risk management, and reporting through its PSIPMU project team. The role of line ministries/agencies who will lead specific investment activities, including the MoTW, MoA, MoT, MoUD, VINLEC, and CWSA, will be limited to providing technical inputs such as supporting the development of technical specifications and terms of reference (TOR) and approval of designs for civil works. All responsibilities in line with this support will be detailed in the POM.

Implementation Arrangements for Component 3

43. **Component 3: Project Management** will be implemented by the MoFEPIT through the PSIPMU project team.

B. Results Monitoring and Evaluation Arrangements

44. **The PSIPMU project team will be responsible for the overall M&E and reporting to the World Bank.** The M&E system monitoring project implementation will leverage (a) the project results framework; (b) an M&E strategy detailing information requirements, recording tools, and methodologies for data collection, analysis, and reporting; (c) a comprehensive M&E plan, with guidance on roles and responsibilities with respect to data collection and reporting; and (d) periodic assessments and evaluations, including baseline studies, beneficiary assessments, biannual progress reports, midterm evaluations, and ex-post evaluations. The PSIPMU project team will collect, consolidate, and document project performance data, including physical and financial progress and E&S monitoring in periodic progress reports, and provide periodic information on intermediate project results and progress toward higher-level outcomes. The progress reports will include data on grievances and resolutions for timely corrective actions.
45. **The project will support institutional strengthening for M&E capacity.** As part of the capacity-building activities, trainings will be organized on reporting procedures and data analysis for accurate and timely documentation of implementation progress and impact. In addition, the project will develop a management information system to actively track service delivery to the beneficiaries on activities led by the respective implementing partners. At the project level, the MoFEPIT's PSIPMU project team will collate monthly progress reports from each implementing agency for the first two years of the project and subsequently on a quarterly basis and submit to the World Bank.



C. Sustainability

46. **Improving infrastructure resilience to climate change.** SVG is among those Caribbean countries most vulnerable to the impacts of natural hazards. With the increasing intensity and frequency of adverse events due to climate change, the need for resilient approaches to infrastructure development is heightened. The project will complement the ongoing efforts of the VEEP, with TA and hazard and climate assessment maps and data informing the engineering standards and building codes to be applied in the designs and construction. Improving the long-term disaster resilience of infrastructure can effectively reduce economic losses and personal threats caused by disasters, as well as reduce the cost of future disaster relief and reconstruction. By incorporating the ‘Building Back Better’ principle in the rehabilitation and reconstruction of damaged infrastructure, the project aligns closely with the country's priority of tackling climate change risks and increasing the physical and financial resilience to future extreme weather and climate events.
47. **Temporary grants and support services and LITE.** Component 1 of the project will provide support services and temporary grants to households and small businesses significantly affected by Hurricane Beryl to complement the immediate cash transfer program and enhance the productive capacity of beneficiaries, boosting their overall resilience. The proposed social protection activities are closely aligned with the government’s commitment to providing targeted, sustainable, and more empowering programs for those in greatest need. Moreover, the proposed activities under the LITE program will respond to the Government’s request to support cleaning activities associated with ex-ante disaster mitigation, ex-post emergency response, or infrastructure recovery.
48. **Institutional and financial sustainability.** While Hurricane Beryl puts additional stress on SVG’s existing DRM-related coordination mechanism, technical expertise, and financial resources, the project will provide a valuable opportunity to bridge any gaps in the overall system for disaster response, rehabilitation, and reconstruction. Investments targeting critical infrastructures, combined with robust project management, are expected to improve the GoSVG’s capacity to plan and deliver rehabilitation and reconstruction efforts. With significant capital expenditures required for cash transfer and repairing and upgrading damaged infrastructure, the project will support developing a more systematic and coordinated approach for developing the country’s existing Disaster Risk Financing (DRF) strategies with access to and ability to leverage various DRF instruments, thereby reducing the Government’s contingent liabilities and improving its financial resilience to future natural hazards.
49. **Intensive community and citizen engagement in rehabilitation and reconstruction.** The rehabilitation and reconstruction of community-level infrastructure will follow a community-led process, using culturally appropriate designs and local workers and contractors wherever possible. Women and vulnerable groups, such as people with disabilities, will be actively engaged throughout the design and consultation phases of any civil works, ensuring more effective and contextually appropriate interventions. In addition, the project will promote the adoption of improved hazard-resistant techniques and provide training to laborers and communities to ensure compliance with building regulations and technical requirements. Intensive local involvement in the rehabilitation and reconstruction will enable the internalization of relevant skills and experience that can be applied to future disaster scenarios.



IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

Technical Analysis

50. **During implementation, a prioritization process of interventions to be financed by the project will be undertaken, based on criteria defined in the POM.** Potential activities will be screened for eligibility, which may include the level of damage; sector relevance; and the likely economic, financial, and E&S impacts and the results of a participatory and inclusive process involving representatives of vulnerable communities, relevant development partners, and other stakeholders. Technical designs for investments will prioritize climate-smart options and measures for energy efficiency and adaptation to climate-related hazards such as flooding and landslides. The project will provide the GoSVG with the necessary resources and TA to prepare and implement an efficient recovery/rehabilitation plan, with significant flexibility. The procedures for the selection of investments and securing necessary World Bank no-objections will be detailed in the POM.
51. **Reconstruction versus replacement.** The technical approach to investments will consider the rehabilitation of structures whenever technically and financially feasible, while incorporating climate change considerations in works. Where the condition of the existing building does not allow for structural strengthening, the project will consider demolition and reconstruction, which will be undertaken when the cost of strengthening the infrastructure approaches its replacement cost. The evaluation of the replacement value will include all costs associated with the reconstruction in line with the current standards and codes, including the costs of demolishing existing buildings.
52. **Ineligible investments.** The project will not support activities that are located in or result in significant negative impacts to environmentally sensitive sites (including protected areas or areas essential for the survival of rare or scarce species), culturally significant lands or essential socioeconomic structures. The organization and process for identifying ineligible activities will be described in the Environmental and Social Management Framework (ESMF).
53. **Disaster and climate change resilience.** The project will promote the Building Back Better approach, which comprises improvements in design standards, construction quality, and functionality and the incorporation of climate change mitigation and adaptation measures, as appropriate. The integration of disaster risk and climate change considerations into the design of infrastructure investments will enhance the resilience of infrastructure to future disaster and climate risks and help protect people's lives, livelihoods, and assets, thereby contributing to the GoSVG's climate change adaptation efforts.

Paris Alignment

54. **Assessment and reduction of mitigation risks.** DRM activities undertaken to improve disaster preparedness and facilitate risk reduction are critical for avoiding the worst impacts of disasters. Emergency response activities financed under this project are undertaken to provide immediate relief to disaster-affected populations and restore critical infrastructure and services. Activities such as cash transfers that facilitate restoration of livelihoods destroyed in a disaster can be considered to have low mitigation risk. New buildings, reconstruction, rehabilitation, and deep retrofit of existing buildings will include energy efficiency measures that would lead to at



least 20% in energy savings compared to the baseline (assuming a similar building type and size without any energy efficiency measures in place). Furthermore, new bridges and roads, upgrading, rehabilitation, reconstruction, and maintenance are not expected to lead to a capacity expansion. While considerations related to energy efficiency requirements and technically feasible and economically viable low-carbon development alternatives within buildings will be included within the criteria for activities financed under Component 2, immediate, temporary, and short-term activities will be performed with the lowest carbon alternatives available that can be urgently deployed. Finally, Reverse Osmosis Desalination Plants will include energy efficiency measures of the RO treatment technology and explore options to increase the share of renewable energy. These activities are not likely to lead to carbon lock-in risks and are not subject to risks from the low-carbon transition. As a result, they are likely to have a low risk on mitigation.

55. **Assessment and reduction of adaptation risks.** The activities included in Component 1 of the project are not expected to be affected by climate hazards. On the contrary, these are intended to support those affected by climate hazards and, thus, increase their resilience. Activities under Component 2 are at risk of being affected by climate, given the country's high exposure to hazards such as rising temperatures and more frequent and intense extreme weather events. That said, the activities are intended to build resilience against these current and future impacts and will consider climate projections and include appropriate resilience measures within the design to address the risks. Consequently, the project is aligned on adaptation.

Gender

56. **Gender gaps.** Specific, quantified gender gaps for Hurricane Beryl are not currently known. World Bank research has shown that natural disasters have gender-differentiated effects. Women and girls are disproportionately affected due to existing inequalities regarding access to endowments, economic opportunities, and agency.¹³ Furthermore, evidence from the 2021 volcanic eruption suggests that women may have experienced a disproportionate loss of income due to their higher participation in wholesale and retail trade, as well as tourism-related industries such as accommodation and food services, which are severely affected by such natural disasters. Some consequences of natural disasters may be overlooked, especially for those informally employed. For instance, while the agriculture sector in SVG is male dominated, there is a large informal sector related to agro-processing and vending, employing mostly women.¹⁴
57. **In SVG, significant gender disparities remain in labor force participation,** with 57 percent of women participating compared to 77.4 percent of men. Among those employed, men are more often found in vulnerable employment, while women are more likely to work part-time, bear the responsibility of raising children without a spouse, and earn lower wages.¹⁵ Low access to assets and resources is also reflected in entrepreneurship opportunities as female-led businesses in SVG tend to have limited access to credit and land ownership¹⁶ with 38.6 percent of total businesses headed by women.

¹³ Gender Dimensions of Disaster Risk and Resilience. <https://openknowledge.worldbank.org/server/api/core/bitstreams/80f2e78e-f04f-5a59-86a6-9cfe6bcd7b87/content>

¹⁴ *ibid.*

¹⁵ *ibid.*

¹⁶ Caribbean Development Bank, Country Gender Assessment (CGA), St. Vincent and the Grenadines, 2015



58. **Actions under the project to address likely gender impacts include the following:**

- a. **Subcomponent 1.1**, temporary income support grants -to affected people will ensure that the proportion of grants is allocated to individuals, particularly women, who were employed in the most affected sectors, such as wholesale and retail trade and tourism. The project may also implement targeted outreach to ensure that women in the most affected sectors are aware of the grants and understand how to apply, using community networks, social media, and local organizations.
- b. **Subcomponent 1.2**, temporary grants, and support services for small business recovery will prioritize women-owned businesses.
- c. **Subcomponent 1.3**, the MoNM will collaborate with BRAGSA and other stakeholders to implement targeted interventions that reduce these gender gaps and promote equal opportunities in the workforce through the LITE program. These interventions may include the LITE program actively targeting women, particularly those from vulnerable backgrounds, to enhance and strengthen their skills and employability in higher-paying sectors. The MoNM will also consider developing policies that facilitate transition from part-time to full-time employment for women, particularly single mothers. This could include the provision of childcare support or flexible work hours.

Economic and Financial Analysis

59. **The benefits of providing short-term income support and of reconstructing and restoring critical infrastructure services damaged by the hurricane are expected to be substantial.** Benefits are accrued through five main strategies: (a) cash transfer and employment; (b) support for small businesses; (c) provision of basic and infrastructure services through formal service providers; (d) reconstruction using resilient approaches, including nature-based solutions; and (e) strengthened government capacity for disaster preparedness and response. The economic analysis is based on the estimates of net benefits from similar activities undertaken by other projects, which have been confirmed for implementation under the Project. At this time, it not possible to provide a quantifiable analysis with calculation of the economic internal rate of return, Net Present Value (NPV), financial rate of return given NPV and cost benefit analysis, since there is insufficient information on the specific investments that will be supported under the Project. These will be calculated at Mid-Term Review once Project investments have been selected. A summary of the benefits from each project. A summary of the benefits from each outcome is presented below.

Cash Transfers and Employment

60. **Studies from other countries show that when people receive a regular minimum income from cash grants or employment, they are more resilient to cope with shocks and enhance resilience.** There is growing evidence that the provision of cash transfers after a shock helps smooth consumption and reduces the need to resort to negative coping strategies that trigger longer-term detrimental effects (Barca et al. 2015; Dammert et al. 2018; Hill, Skoufias, and Maher 2019). Members of families that receive regular income are also healthier, and their children are less likely to be malnourished and less likely to drop out of school, with improved likelihood for the family to escape poverty over the long run. In Zimbabwe, a study of the Harmonized Social Cash Transfer program found that its beneficiaries receiving regular cash transfers increased market purchases by 37 percent correlating positively with food security and diet diversity which increased by 1.2 percentage points and 0.77 percentage points, respectively. The impacts being higher among households exposed to shocks.¹⁷ The size and frequency of the cash transfer are relevant for higher impacts. Healthier (both mentally and physically) people are less likely to

¹⁷ Bhalla, et al., The effect of cash transfers and household vulnerability on food security in Zimbabwe, 2017



require emergency health services, lose fewer workdays due to illness, and spend more time on productive activities. Cash transfers paid through the existing digital payment mechanism will ensure efficiency in payment and will help bring the unbanked into the formal financial systems, with lasting benefits.

Support for Small Businesses

61. **Cash grants to micro and small businesses, accompanied by training in life skills, FM, entrepreneurship, and business skills, generate significant returns in the form of higher lifetime incomes of the people benefiting from the support.** For example, an impact evaluation of Uganda’s Youth Opportunity Program shows that people benefiting from the project’s interventions, which are of nature similar to those proposed under this project, had 38 percent higher incomes than those that did not.¹⁸ Other studies have shown that beneficiaries of similar interventions increase their incomes between 10-40 percent.¹⁹ Another impact evaluation also shows that the positive impacts on income persist over time.²⁰
62. **Support for micro and small businesses also offers significant non-quantified benefits.** These include increased savings from higher incomes, with the savings smoothing consumption during shocks; improved nutritional status, health, and educational attainment of children; and improved physical and psychosocial health and overall sense of well-being of beneficiaries.

Provision of Basic and Infrastructure Services through Formal Service Providers

63. **Basic and infrastructure services delivered in the aftermath of a natural disaster often cost much more and take longer to deliver than those from formal, regulated providers.** Following a disaster, affected people often obtain bottled water from private vendors at a much higher cost than piped water. They get electricity from generators rather than from the grid. People may have to travel much longer distances with higher investments of time and money circumventing damaged road networks. Parents may be required to hire tutors to educate their children rather than rely on publicly funded, damaged schools with disrupted classes. The benefits of reconstructing facilities and infrastructure and restoring basic and infrastructure services greatly exceed the costs in almost all cases. Benefits of specific types of facilities and infrastructure services include the following:
 - a. **Piped water supply.** Benefits come through time savings from collecting water. These benefits are especially important for women, who can spend the time saved on income-generating activities and other priorities, and for children, who can use the time to attend school.
 - b. **Feeder roads.** Reconstructing feeder roads will reduce the time and travel costs of farmers to access markets. This in turn will increase the incomes of farmers, while reducing the cost of food for consumers.
 - c. **Schools.** Returns to investment in education substantially exceed the costs, according to data compiled over decades. Returns are measured as the increase in lifetime earnings of people compared to the NPV of the costs of education. Returns to an additional year of schooling in low-income countries average

¹⁸ Blattman, Christopher, Nathan Fiala, and Sebastian Martinez. 2014. “Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda.” *Quarterly Journal of Economics* 129 (2): 697–752.

¹⁹ Blattman, Christopher, Eric P. Green, Julian Jamison, M. Christian Lehmann, and Jeannie Annan. 2016. “The Returns to Microenterprise Support among the Ultra Poor: A Field Experiment in Postwar Uganda.” *American Economic Journal: Applied Economics* 8 (2): 35–64.

Banerjee, A., E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry. 2015. “A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries.” *Science* 348 (6236): 1260799–1260799.

²⁰ Banerjee, Abhijit, Esther Duflo, and Garima Sharma. 2021. “Long-Term Effects of the Targeting the Ultra Poor Program.” *American Economic Review: Insights* 3 (4): 471–486.



about 9.5 percent, compared to 8.2 percent in high-income countries.²¹ Returns for an extra year of education are the highest for primary education, at 24.5 percent for low-income countries. They are also higher for females than males, with an additional year of education increasing lifetime income of females by about 8.8 percent compared with 8 percent for males.

- d. **Fishing and fish processing facilities.** Reconstructing fish processing facilities will enable fishers to restart their livelihoods, with all the benefits noted above, including that of a regular income.

Reconstructing Using Resilient Approaches, Including Nature-Based Solutions

64. **The reconstruction of roads and facilities making use of climate-resilient approaches, including nature-based solutions and innovative technologies, will increase resilience to natural disasters.** While potentially requiring higher capital expenditures initially, lower costs of maintaining the roads and facilities, including avoiding the need to reconstruct them over their life, is expected to significantly exceed the cost of the initial investments. Constructing a resilient road network and storage facilities also contributes to food security, by reducing the probability of road closure, exacerbated access-related challenges, and loss of stored food due to damage from a natural event.

Strengthened Government Capacity for Disaster Preparedness and Response

65. **Strengthening the Government's capacity to prepare for and respond to natural disasters and Building Back Better damaged infrastructure will save lives and reduce injuries in the face of future disasters.** Providing support to address gaps in the Government's current system of detecting, preparing for, and responding rapidly to natural disasters will have lasting benefits for the residents of SVG. The Government will be able to call for evacuations in a timelier manner and respond with assistance. Institutional strengthening in disaster preparedness and response is key to saving lives and preventing injuries from future disasters, according to a 2022 report from the IEG of the World Bank.²² Furthermore, infrastructure built according to improved climate- and disaster-resilient design standards has improved the capacity to withstand and protect inhabitants during future disaster events.

B. Fiduciary

Financial Management

66. **The project will apply the same FM arrangements as the VEEP, considered adequate given its Substantial risk.** The MoFEPIT's PSIPMU, which implements the VEEP and has experience in implementing World Bank-funded operations, will fulfill the project's FM responsibilities. The PSIPMU will apply the MoFEPIT's FM systems relating to planning and budgeting, accounting systems, internal controls, and reporting. It shall include applicable FM arrangements in the POM. The recent FM assessment of the VEEP confirmed that the PSIPMU maintains adequate FM systems and that its FM performance is Satisfactory with Substantial risks. The key risks include (a) non-compliance with fiduciary requirements due to stretched FM capacity since the PSIPMU manages multiple projects, (b) likely payment of temporary grants and cash for work to ineligible beneficiaries due to the emergency nature of the project, (c) weak budget preparation and monitoring as the project involves many sectors, and (d) inaccurate financial reports as the PSIPMU project team prepares them manually using Excel worksheets.

²¹ Psacharopoulos, George, and Harry Anthony Patrinos. 2018. "Returns to Investment in Education: A Decennial Review of the Global Literature." Policy Research Working Paper No. 8402. World Bank, Washington, DC.

²² World Bank. 2022. *Reducing Disaster Risks from Natural Hazards: An Evaluation of the World Bank's Support, Fiscal Years 2010–20*. Independent Evaluation Group. Washington, DC: World Bank.



67. **The MoFEPIT has agreed to implement important measures to strengthen the FM arrangements and mitigate identified risks**, specifically, (a) augment fiduciary capacity of the PSIPMU, including considering recruiting a junior accountant if there is an increased FM workload during the project implementation; (b) conduct detailed audits of temporary grants, cash-for-work benefits, and financial assistance for temporary accommodation and transportation (at least annually) and implement the audit recommendations to strengthen the respective internal controls and payment mechanisms; and (c) develop the Smart Stream reporting module to be able to automatically generate interim financial reports (IFRs) directly from the accounting system. The agreed FM arrangements are detailed in Annex 1.

Procurement

68. **Procurement procedures.** The recipient will carry out procurement under the project in accordance with 'The World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers' (Procurement Regulations), dated September 2023; the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated July 2016; and other provisions stipulated in the Financing Agreement.
69. **Procurement will be carried out by the PSIPMU project team within the MoFEPIT**, which is also implementing the VEEP.
70. **Procurement approaches will utilize the flexibility provided by the World Bank's Procurement Framework for fast-track emergency procurement by countries.** Key measures to fast-track procurement include (a) use of simple and fast procurement and selection methods fit for an emergency situation including direct contracting, as appropriate; (b) streamlined competitive procedures with shorter bidding time; (c) use of framework agreements including existing ones, if any; (d) procurement from UN agencies enabled and expedited by World Bank procedures and templates; (e) force account and community-driven development, as needed; and (f) increased thresholds for requests for quotations and national procurement, among others.
71. **Advance procurement and retroactive financing.** In anticipation of the project, the recipient may advance with the procurement under the above procurement arrangements and may seek the World Bank's approval for advance contracting and the recognition of retroactive financing within the parameters set forth in the Financing Agreement. For the contract (advance contracting) to be eligible, the procurement procedures followed by the recipient shall be consistent with Sections I, II, and III of the Procurement Regulations, and all vendors/suppliers/contractors/consultants should have signed the Letter of Acceptance of the World Bank's Anticorruption Guidelines and Sanctions Framework. The Implementation Agreement with the Recipient will include management of procurement and contracting processes. Retroactive financing will also be provided for expenditures already incurred in response to the disaster under the GoSVG national procurement requirements. The GoSVG will submit a list of activities already procured for World Bank review and approval for reimbursement. The Procurement Plan will be limited to procurement by the MoFEPIT, which has the local capacity to coordinate with the GoSVG on procurement activities, including works, and the expertise to handle large-scale procurement of goods, works, and services at the global level.
72. **A Project Procurement Strategy for Development (PPSD) is required, in accordance with the World Bank's Procurement Framework.** The major planned procurements include (a) procurement of materials and services required for the reconstruction of damaged critical infrastructure; (b) services for reconstruction, including consulting services, as needed, for design and supervision and detailed engineering assessments of damaged



critical infrastructure; (c) immediate recovery activities; and (d) supplies and equipment to reestablish the livelihoods of affected populations.

- 73. **The residual risks related to procurement are Substantial**, resulting from the magnitude of recovery efforts and the remoteness of the areas with severe impacts. Risks are related to overall price increases in transport, materials, and the already saturated local construction capacity. Other potential risks are the PSIPMU being overwhelmed with other projects, delays in the development of TOR, and poor performance of consultants which may result in delays in the overall project procurement processes.
- 74. **To mitigate these risks, the following measures are proposed:** (a) contracting UN agencies, where possible; (b) strengthening the procurement capacity of the PSIPMU through an international procurement consultant to support key stages of the procurement processes, particularly activity prioritization, preparation of bidding documents, and evaluation of bids; (c) appointing a procurement assistant to provide administrative support; (d) strengthening the technical team, which will prepare critical inputs to procurement, including technical specifications for equipment, TOR, and bills of quantities; and (e) training the procurement officer and technical experts on the World Bank Procurement Regulations and contract management.

C. Legal Operational Policies

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

D. Environmental and Social

- 75. **The overall E&S risk classification rating for this project is Substantial.** The project requires rehabilitation, reconstruction, and augmentation of high-priority public and community-level infrastructure, including roads and bridges, water supply and transmission, electricity distribution, schools, the airport, and fishing centers, and the cleanup/removal of debris caused by the hurricane. The nature of the emergency response means uncertainty in the details of civil works to be supported and at the same time requires the fast and efficient delivery of rehabilitation works for at least the critical infrastructure. The World Bank will review and update, if necessary, the Environmental and Social Risk Classification throughout the life of the project.
- 76. Commensurate with the scale of the damage, most reconstruction activities will be focussed on Canuoan, Mayreau, and Union Islands, which were badly affected by the hurricane, and to a lesser extent in the south of Saint Vincent. The remoteness and limited capacity of the islands adds complexity and challenge in the provision of equipment and resources necessary for good management of environmental and health and safety (EHS) impacts during the rebuilding works.
- 77. The removal and appropriate disposal of the debris will likely be challenging in the islands, where waste disposal facilities are limited. Although much of the debris is expected to be inert, the variety of infrastructure that has been damaged is expected to have generated some debris that may be hazardous, toxic, or persistent, which may



require shipping to suitable licensed facilities, potentially in neighboring countries. Export of wastes will require prior careful consideration of transboundary regulations and controls during transport.

78. The Tobago Cays - Mayreau (Tobago Cays Marine Park (TCMP) is the only specially protected area under the Cartagena Convention in SVG, and has been designated for its globally significant coral reefs (supporting two critically endangered and one endangered species of coral), nesting and feeding areas for the critically endangered Hawksbill Turtle and endangered Green Sea Turtle, mangrove systems (including a patch of red mangrove which is rare in SVG), seagrass beds, and a salt pond (in Mayreau). TCMP surrounds Mayreau and five adjacent uninhabited islands and is actively managed with the objective of protecting the resources of the Tobago Cays for the people of SVG.
79. Union - Palm Island Marine Conservation Area, Canuoan Marine Reserve, and South Coast (Saint Vincent) Marine Park are also designated under national law for the important marine biodiversity resources they support, although management plans for these reserves have not yet been prepared. All four protected areas are contiguous with the islands on which the works are proposed. Urgent measures are required to prevent contamination from the debris affecting the marine environment, as well as careful controls of discharges from implementation of project activities.
80. **The core instruments to identify and manage E&S risks and impacts will be prepared early to guide the project²³.** These instruments will consist of (a) an ESMF, (b) a Stakeholder Engagement Plan (SEP), (c) Labor Management Procedures, and (d) a Resettlement Policy Framework (RPF). The documents will be prepared to the World Bank's satisfaction and will be consulted and disclosed in accordance with World Bank requirements.
81. **The ESMF will set out the organization and procedures for identifying E&S risks and impacts.** The ESMF procedures will be used to determine whether activities are eligible and whether further targeted assessment work is required and to identify the appropriate documents (such as an Environmental and Social Management Plan [ESMP]) needed to ensure adequate mitigation. Mitigation will be per national requirements, the World Bank's Environmental and Social Framework (ESF), and the WBG EHS Guidelines and will be integrated into the technical designs as well as the relevant implementation arrangements for each activity, such as the procurement process for works contractors.
82. **The project will initially focus on the Early Recovery Income Support Program, for which physical works are not expected, and the LITE program, which will provide payments for work undertaken by the community.** The LITE works will be coordinated by government agencies and will include activities to support the recovery of basic community infrastructure, such as debris clearing, and localized nontechnical structure repair. The responsible government agencies will develop environmental and social health and safety briefings and trainings based on appropriate codes of conduct and the World Bank Korea Green Growth Trust Fund EHS Induction for Construction Workers and ensure delivery before the works commence. In addition, the government agencies will ensure that the equipment necessary to complete the works safely and in accordance with the ESF is available and used for the LITE works.
83. **When required, ESMPs will be prepared, consulted, and disclosed locally before proceeding with site-specific project activities.** Where the ESMF identifies the need for an ESMP, it will be reviewed and approved by the World

²³ According to OP 10.00, para. 12, the borrower may defer compliance with the environmental and social requirements applicable to IPF projects from the preparation phase to the implementation phase (see, e.g., OP/BP 4.01, OP/BP 4.10, OP/BP 4.11, OP/BP 4.12) if meeting those requirements would prevent the effective and timely achievement of the objectives of the project.



Bank before the start of the works. The RPF will be used for cases that lead to physical or economic displacement. ESMPs and Resettlement Action Plans will be consulted, submitted to the World Bank for prior approval, and disclosed.

84. **Recruitment of environmental specialists to the PSIPMU and to other World Bank-financed projects during the last year has ensured good capacity for screening and preparing E&S instruments.** The PSIPMU E&S specialists are familiar with the World Bank ESF, having been involved in the projects supported by the World Bank and participated in trainings/workshops on ESF. They will be responsible for overseeing the E&S risk management of the project and preparing E&S instruments before the establishment of a dedicated project team. Although the GoSVG has and continues to deliver projects complying with the World Bank ESF requirements, the disaster setting will strain capacity to effectively supervise EHS performance while works are undertaken simultaneously at multiple locations on each island, and therefore, E&S specialists will be recruited into project team posts. The dedicated E&S specialists of the project team will be responsible for the day-to-day E&S risk management of the project activities (Components 1 and 2), including implementing the ESMF to determine eligibility, screening for impacts, undertaking any assessments or studies, and preparing appropriate E&S instruments. The project team E&S specialists will ensure E&S requirements are incorporated into the technical designs, procurement processes, and construction phases. With support and assistance from the relevant specialists in the PSIPMU, the project team E&S specialists will coordinate with the different implementing partners as necessary and ensure that supervising engineers are appropriately staffed and trained in E&S matters as part of their duties.
85. **Effective and demonstrable citizen engagement will be central to the project implementation.** Given the communication and engagement limitations in a post-disaster scenario, careful planning is needed to reduce any risk of exclusion of vulnerable groups from project-supported interventions. As part of the post-disaster response, informing and receiving real-time feedback from citizens can provide insight into how a crisis affects vulnerable populations, including women, enabling timely course correction. A community-based and owner-driven resilient approach will be pursued to ensure engagement with communities, particularly the vulnerable, through the project life cycle. A communications strategy on project interventions will be implemented. The SEP will set out the nature and periodicity of stakeholder consultations and the beneficiary feedback surveys, which will be used to measure and improve citizen engagement. The SEP will ensure the participation of all stakeholders to understand the needs of the affected populations; ensure transparency and coordination between government entities, the PSIPMU, and communities; and receive feedback and grievances. During implementation, beneficiary feedback will be sought, including on communication of the project's progress and feedback channels and the grievance redress mechanism (GRM). The project results framework will measure beneficiary satisfaction with the project's stakeholder engagement process. An indicator will measure the level of satisfaction with the process of consulting among people living in the targeted project area during the preparation and implementation of the project interventions.
86. **A robust GRM will be established to address concerns and complaints promptly and transparently at no cost or discrimination toward project-affected communities.** Staff from implementing partners and local-level coordination structures will be oriented on their roles and responsibilities in addressing grievances, particularly around exclusion and manipulation of targeting and entitlements. Channels will be developed to allow for community M&E of site-specific project activities such as through social audits or citizen feedback platforms. These measures are expected to deepen citizen engagement and reinforce community cohesion. The GRM is also expected to provide early warnings on emerging environmental, social, and health and safety risks.



V. GRIEVANCE REDRESS SERVICES

87. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of World Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank's Accountability Mechanism, visit <https://accountability.worldbank.org>.

VI. KEY RISKS

88. **The project's overall risk is assessed as Moderate.** With respect to the World Bank's Systematic Operations Risk-Rating Tool (SORT) categories, only three risk categories are assessed as Substantial, as outlined below.
89. **The E&S risk rating is Substantial** and discussed in paragraphs 73-77. The project's E&S risks will be mitigated through (a) careful screening and identification of risks and issues to inform the timely provision of controls, guided by E&S instruments; (b) providing clarity of the engineering standards to be met during the technical design of the rehabilitation works in the designers TOR; (c) strengthening E&S technical and institutional capacity to ensure proactive supervision of all work areas and across the program; (d) briefing LITE workers on E&S issues and the labor GRM, integrating E&S issues into the procurement process and ensuring contract management is undertaken by supervision teams that include E&S specialists; (e) implementing robust citizen engagement, the GRM and an SEP to ensure the participation of all stakeholders, understanding the needs of the affected populations, ensuring transparency and coordination between government entities, and receiving and addressing feedback and grievances; and (f) reporting quarterly on E&S issues.
90. **Fiduciary risks are Substantial.** The main identified risks include (a) delay in implementing the Procurement Plan and compliance with FM due to the current workload of the PSIPMU; (b) the complexity of the contracts to be financed under the project; (c) expected poor market response and capacity to deliver on scale, (d) payment of temporary grants and cash for work to ineligible beneficiaries; and (e) weak project budget preparation and monitoring due to the involvement of many sectors. To mitigate this risks, the following measures are proposed: (a) hiring an experienced procurement consultant to support the PSIPMU at key stages of the procurement process, particularly the preparation of bidding documents and evaluation of bids; (b) strengthening the technical team, which will prepare critical inputs to procurement, including technical specifications for equipment, TOR, and bills of quantities; and (c) engaging with other agencies to identify potential vendors/contractors qualified for the project.
91. **The Institutional Capacity for Implementation and Sustainability risk rating is Substantial.** Weak institutional capacity, including limited personnel to take on fiduciary and procurement responsibilities, as well as E&S tasks,



will risk the smooth implementation of the project. Limited technical expertise and insufficient technical resources (for example, civil engineering) have already slowed down implementation of other World Bank projects under the PSIPMU's responsibility and have the potential to affect the project. The project's institutional framework involves multiple technical agencies overseeing different activities, which could introduce coordination challenges. Competing development priorities, such as the execution of other ministry-led projects, may also divert crucial technical and financial resources from the project activities. To mitigate these risks, the project includes targeted TA through Component 3, to strengthen institutional capacities and improve inter-institutional coordination for planning and redevelopment initiatives. Additionally, the project will mobilize further TA through grant resources to enhance technical capacity and ensure smooth implementation. In terms of the construction sector, the Government and the World Bank will collaborate closely to stimulate and engage this market segment, thereby improving participation and competition.



VII. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

Baseline	Closing Period
Support SVG to provide short-term income support and to restore and reconstruct critical infrastructure and services.	
Households impacted by Hurricane Beryl benefiting from short-term income support program (Number)	
Nov/2024	Oct/2031
0	4,000
➤ of which are women (Percentage)	
Nov/2024	Oct/2031
0	50
Businesses with restored economic activity (Percentage)	
Nov/2024	Oct/2031
0	40
➤ of which are women owned (Percentage)	
Nov/2024	Oct/2031
0	50
Beneficiaries with enhanced resilience to climate risks (Number)	
Nov/2024	Oct/2031
0	15,000
➤ of which are women (Percentage)	
Nov/2024	Oct/2031
0	50

Intermediate Indicators by Components

Baseline	Closing Period
Early recovery income support and enhancement of income generating activities	
Beneficiaries who received business cash grants to support for business recovery (Number)	



Nov/2024	Oct/2031
0	700
➤ of which are women (Percentage)	
Oct/2024	Oct/2031
0	50
Beneficiaries who received business skills and financial literacy training. (Number)	
Nov/2024	Oct/2031
0	700
➤ Of which are women (Percentage)	
Nov/2024	Oct/2031
0	50
Beneficiaries who received cash-for-work payments for temporary employment (Number)	
Nov/2024	Oct/2031
0	4,000
➤ Of which are women (Percentage)	
Nov/2024	Oct/2031
0	50
Resilient construction, reconstruction and restoration of critical infrastructure services	
Prioritized list of infrastructure investments finalized and included in procurement plan (Yes/No)	
Nov/2024	Mar/2025
no	yes
Water systems constructed, rehabilitated, and/or reconstructed in accordance with climate and disaster resilient improvements and practices (Number)	
Nov/2024	Oct/2031
0	1
➤ Designs produced for the development of new/rehabilitated water systems (Number)	
Nov/2024	Jul/2027
0	1
Bridges constructed to climate and disaster resilient standards (Number)	
Nov/2024	Oct/2031
0	1
Implemented project activities at the community level, with women included in decision making process (Yes/No)	
Nov/2024	Oct/2031
no	yes



Early recovery and restoration of critical services supported through retroactive financing (Yes/No)	
Nov/2024	Oct/2031
no	yes
Public buildings repaired or reconstructed in accordance with climate and disaster-resilient improvements. (Number)	
Nov/2024	Oct/2031
0	1
➤ Designs produced for the repair or reconstruction of public buildings (Number)	
Nov/2024	Jul/2027
0	1
Project Management	
Grievances responded to in the stipulated time (Percentage)	
Nov/2024	Oct/2031
0	80
Beneficiary satisfaction with project's stakeholder engagement process (Percentage)	
Nov/2024	Oct/2031
0	80
➤ of which are women (Percentage)	
Nov/2024	Oct/2031
0	50



Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

Support SVG to provide short-term income support and to restore and reconstruct critical infrastructure and services.	
Households impacted by Hurricane Beryl benefiting from short-term income support program (Number)	
Description	This indicator will measure the cumulative number of households affected by Hurricane Beryl benefitting from a temporary income support program.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
of which are women (Percentage)	
Description	This indicator will measure the proportion of women affected by Hurricane Beryl benefitting from temporary income support as a share of the total beneficiaries benefitting from the short-term income support program.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Businesses supported and with restored economic activity (Percentage)	
Description	This indicator will measure the percentage of businesses supported with cash transfer grants for business capital and business skills and financial literacy training and coaching and still operating 3 months after having received and completed the support.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
of which are women (Percentage)	
Description	This indicator will measure the percentage of women affected businesses supported with cash transfer grants for business capital and business skills and financial literacy training and coaching and still operating 3 months after having received and completed the support.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Beneficiaries with enhanced resilience to climate risks (Number)	
Description	This indicator will measure the cumulative number of people benefitting enhanced resilience to climate risks by this project.
Frequency	Semiannual
Data source	Progress report (PSIPMU)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section



Collection	
of which are women (Percentage)	
Description	This indicator will measure the proportion of women benefiting from restored public services in a resilient manner financed by this project.
Frequency	Semiannual
Data source	Progress report (PSIPMU)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

Early recovery income support and enhancement of income generating activities	
Beneficiaries who received business cash grant to support their recovery (Number)	
Description	This indicator will measure the cumulative number of small business owners that have received business cash grants and obtained business assets and material to help resume their business operations.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Of which are women (Percentage)	
Description	This indicator will measure the percentage of women small business owners that have received business cash grants and obtained business assets and material to help resume their business operations.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Beneficiaries who received business skills and financial literacy training (Number)	
Description	This indicator will measure the cumulative number of small business owners that enrolled in and completed business skills and financial literacy training.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Of which are women (Percentage)	
Description	This indicator will measure the percentage of women small business owners that have enrolled in and completed business skills and financial literacy training.
Frequency	Monthly
Data source	Progress reports (MoNM)
Methodology for Data Collection	Progress reports prepared by the PSIPMU



Responsibility for Data Collection	PSIPMU M&E section
Beneficiaries who received cash-for-work payments for temporary employment (Number)	
Description	This indicator will measure the cumulative number of beneficiaries benefited from the LITE program that received cash-for-work payments.
Frequency	Semiannual
Data source	Progress reports (BRAGSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Of which are women (Percentage)	
Description	This indicator will measure the percentage of women benefited from the LITE program that received cash-for-work payments
Frequency	Semiannual
Data source	Progress reports (BRAGSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Resilient reconstruction of critical infrastructure and services	
Prioritized list of infrastructure investments finalized and uploaded in procurement plan (Yes/No)	
Description	This indicator will measure whether a prioritized list of infrastructure investment has been completed and formally included in the Procurement Plan.
Frequency	Semiannual
Data source	Progress reports (MoTW, BRAGSA, MoA, and CWSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Water systems rehabilitation and/or augmented, in accordance with climate and disaster resilient improvements and practices with operational capacity restored. (Number)	
Description	This indicator will measure the cumulative number of water systems rehabilitated and/or augmented by the project which could include rehabilitation or replacement of all damaged system components (intakes, transmission, distribution, and storage) and/or augmentation (for example, new wells, desalination, storage, transmission, and distribution) in accordance with climate- and disaster-resilient standards and practices.
Frequency	Semiannual
Data source	Progress reports (CWSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Designs produced for the development of new/rehabilitated water systems (Number)	
Description	This indicator will measure the cumulative number of designs produced for the development of new/rehabilitated water systems.
Frequency	Semiannual
Data source	Progress reports (CWSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU



Responsibility for Data Collection	PSIPMU M&E section
Public buildings repaired or reconstructed in accordance with climate and disaster-resilient improvements. (Number)	
Description	This indicator will measure the cumulative number of public buildings including schools, and critical fishery facilities, repaired by the project in accordance with the climate- and disaster-resilient standards.
Frequency	Semiannual
Data source	Progress reports (BRAGSA and MoA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Designs produced for the repair or reconstruction of public buildings (Number)	
Description	This indicator will measure the cumulative number of climate- and disaster-resilient standards-informed designs produced for the repair or reconstruction of public buildings.
Frequency	Semiannual
Data source	Progress reports (BRAGSA and MoA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Bridges constructed to climate and disaster resilient standards (Number)	
Description	Number of bridges rehabilitated or protected through the finance of this project
Frequency	Semiannual
Data source	Progress reports (MoTW and BRAGSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Implement project activities at the community level, with women included in decision making processes. (Yes/No)	
Description	This indicator will measure the inclusion of women in decision-making processes related to project activities implemented at the community level.
Frequency	Annually
Data source	Progress reports (PSIPMU)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Early recovery and restoration of critical services supported through retroactive financing (Yes/No)	
Description	This indicator will measure the extent to which early recovery efforts and the restoration of essential services are funded and implemented using retroactive financing.
Frequency	Annually
Data source	Progress reports (MoTW, BRAGSA, VINLEC, MoUD, MoT, MoA, and CWSA)
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Project Management	
Grievances responded to in the stipulated time (Percentage)	
Description	The indicator will measure the proportion of grievances responded to within the stipulated time, as defined by the



	safeguards documents, related to Components 1 and 2.
Frequency	Semiannual
Data source	Progress reports (PSIPMU). Measurement methodology will be defined in the POM.
Methodology for Data Collection	Progress reports prepared by the PSIPMU
Responsibility for Data Collection	PSIPMU M&E section
Beneficiary satisfaction with project’s stakeholder engagement process (Percentage)	
Description	This indicator will measure the average citizen satisfaction rate with the project’s stakeholder engagement process, providing insights into the effectiveness of the citizen engagement processes in the project. The planned project surveys will gather feedback from community members on their satisfaction with (a) access to project information and awareness of decisions taken, (b) their opportunities to provide feedback and participate in the dialogue, and (c) the responsiveness of the implementing entity to the feedback provided. These criteria will be rated on a 1–5 scale (1 being the lowest and 5 the highest) and will be equally weighted. In addition, qualitative feedback will be collected as well to improve the stakeholder engagement processes, if needed. For example: What is working well? How can the project improve its information dissemination strategy? The PSIPMU will oversee this survey and report annually (PSIPMU will start reporting from year 3 of the project). Results will be gender disaggregated.
Frequency	Annually (The PSIPMU will start reporting from year 3 of the project.)
Data source	Perception survey (PSIPMU)
Methodology for Data Collection	Perception survey. Measurement methodology will be defined in the POM.
Responsibility for Data Collection	PSIPMU M&E section
of which are women (Percentage)	
Description	This indicator will measure the satisfaction rate of women with investment activities under the project.
Frequency	Annually (The PSIPMU will start reporting from year 3 of the project.)
Data source	Perception survey (PSIPMU)
Methodology for Data Collection	Perception survey. Measurement methodology will be defined in the POM.
Responsibility for Data Collection	PSIPMU M&E section



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Saint Vincent and the Grenadines
Beryl Emergency Recovery Loan

A. Implementation Arrangements

1. **The GoSVG will be responsible for the overall project implementation through the PSIPMU within the MoFEPIT**, while a PSC will provide overall policy direction and guidance for project implementation. The MoFEPIT, as the implementing agency, will build on the experience from implementing the World Bank-funded project VEEP. The PSC, chaired by the MoFEPIT including representatives from the MoA, MoNM, CWSA, MoTW, MoT, MoUD, and BRAGSA, as well as other relevant government agencies, will be responsible for coordinating among government agencies during the implementation of the project.

2. A dedicated project team is being established within the PSIPMU under the strategic oversight of the MoFEPIT, to perform the day-to-day implementation activities including contract management, procurement, FM, and E&S safeguards. The PSIPMU project team will be staffed with a mixture of MoFEPIT civil servants and external specialists to be engaged by the project, as needed. If needed, following existing operational policies, and based on the contract amount, a field office may be established for field oversight of civil works and construction supervision contracts and for reporting implementation progress and other implementation issues to the PSIPMU.

3. The PSIPMU project team will implement the project in accordance with the POM, which will be prepared in consultation with the World Bank and will set forth the guidelines and specific procedures for carrying out the project. The POM will include (a) the detailed description of all project activities supported under the Financing Agreement, (b) eligibility of beneficiaries under Subcomponents 1.1 and 1.2, (c) the implementation agreement model, (d) the sequencing of activities and a planned timetable for the activities, (e) the prioritization framework, (f) the ESMF, (g) the procurement and FM arrangements for the project, (h) the coordination arrangements governing the day-to-day execution of the project, and (i) the M&E data collection and reporting arrangements. The PSIPMU currently does not have a communications team, but the provision of TA and/or staff to increase capacities through the project or additional trust fund resources will be explored, given the importance of communication in an emergency project.

Procurement

4. **Procurement procedures.** The borrower will carry out procurement under the project in accordance with the World Bank's Procurement Regulations, dated September 2023; the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, revised in January 2011 and July 1, 2016; and other provisions stipulated in the Financing Agreement.

5. **Procurement arrangements.** The project will be implemented by the PSIPMU within the MoFEPIT. The PSIPMU will have the responsibility for procurement, disbursement, FM, and so on. Given the current workload of the PSIPMU, additional procurement support may be needed. An international procurement consultant will be hired under the World Bank team to offer day-to-day procurement support and customized training, and opportunities to provide implementation support through the World Bank Hands-On Expanded Implementation Support (HEIS) program will be explored.



6. **PPSD summary.** A simplified PPSD has been prepared to define the applicable procurement arrangements; appropriate selection methods, including market approach; and the type and frequency of reviews to be conducted by the World Bank.

7. **Procurement Plan.** A Procurement Plan for the first 18 months of the project has been developed as part of the PPSD preparation and will be submitted for the World Bank's approval and published through Systematic Tracking of Exchanges in Procurement (STEP). The project will be executed in accordance with the World Bank Procurement Regulations and the provisions stipulated in the Procurement Plan and the POM. Contracts eligible for financing shall be procured in accordance with the Procurement Plan, which defines the applicable procurement methods, estimated costs, prior review requirements, and time frame. The Procurement Plan will be updated annually, or as required, to reflect project implementation needs and improvements in institutional capacity and procurement risk.

8. **The World Bank's Standard Procurement Documents shall be used for all contracts subject to international competitive procurement.** In the limited number of cases where local procurement procedures are used, the borrower will be required to use procurement documents and forms of contract acceptable to the World Bank. Wherever the national market approach will be applied, the Letter of Acceptance of the World Bank's Anticorruption Guidelines and Sanctions Framework will be required.

9. For open, international competitive procurement, the recipient shall publish the Specific Procurement Notices for all goods, works, non-consulting services, and the requests for expressions of interest on its free-access website, if available, and in at least one newspaper of national circulation in the recipient's country and in the official gazette. For open international procurement selection of consultants using an international shortlist, the recipient shall also publish the SPN in United Nations Development Business online, through STEP, and, if possible, in an international newspaper of wide circulation.

10. Procurement under the project will comprise approximately 60 contracts with a total estimated cost of US \$31,200,000, broken down into works, goods, and consultancy contracts, mostly of low-value, low-risk nature.

11. The procurement to be financed under the project constitutes a considerable challenge, not only in terms of the number and value of the contracts to be procured but also in terms of the technical input that the PSIPMU will procure. It will, therefore, require a considerable investment of both procurement and technical expertise if these contracts are to be procured on time to meet the development objectives of the project.

12. **Procurement prior review.** The prior-review thresholds applicable to Substantial risk projects, listed in Table 1.1, will apply to the project. All World Bank-financed contracts estimated to cost at or above the thresholds stated in Table 1.1 shall be subject to the World Bank's procurement prior review. Even below the prior-review thresholds, the project team will provide extensive procurement support and handholding to the borrower's staff to support them in conducting procurement.



Table 1.1. Procurement Prior-Review Thresholds for Substantial Risk Projects

Type of Procurement	Prior-Review Threshold (US\$, millions)
Works (including turnkey, supply and installation of plant and equipment, and PPP)	10.0
Goods, information technology, and non-consulting services	2.0
Consulting services: firms	1.0
Consulting services: individuals	0.3

Note: PPP = Public-private partnership.

13. **Procurement risk rating.** The project procurement risk subsequent to the mitigation measures is Substantial. The main risks identified are the delay in the implementation of procurement due to the current workload of the PSIPMU, the complexity of the contracts to be financed under the project, and the poor market response. To mitigate these risks, the following measures are proposed (a) hire an experienced procurement consultant to support the PSIPMU at key stages of the procurement process, particularly preparation of bidding documents and evaluation of bids; (b) strengthen the technical team which will prepare critical inputs to procurement, including technical specifications for equipment, TOR, and bills of quantities; (c) train procurement specialists and technical experts on the World Bank Procurement Regulations and on contract management; and (d) engage with other agencies to identify potential vendors/contractors qualified for the project.

14. **POM.** The procurement arrangements and procedures will be detailed and fully documented in the procurement section of the POM, based on the provisions of the Financing Agreement, and as agreed between the GoSVG and the World Bank. The manual will also detail the processing timelines and the hierarchy of approval within the MoFEPIT. The POM will also include procedures and selection criteria for beneficiaries of the cash transfer (Component 1) program as well as guidance for the application for retroactive financing to be implemented under the project.

Financial Management (FM)

15. **The FM arrangements to be applied in administering the project were assessed as adequate with Substantial residual risk.** The MoFEPIT’s PSIPMU project team that will be responsible for implementing the project is familiar with World Bank-financed operations and the World Bank’s policies and guidelines and maintains an adequate FM system. The project will apply the same FM arrangements as under the VEEP to ensure (a) the project funds are used only for the intended purposes; (b) the preparation of accurate, reliable, and timely periodic financial reports; and (c) the safeguarding of the PSIPMU project team’s Implementation Unit’s assets. The specific arrangements are noted below.

16. **FM staffing.** An accountant from the PSIPMU will be recruited to fulfill the FM responsibilities of this project. The project accountants will work closely with the other accountants and report directly to the project coordinator. The project accountant prepares the financial reports and bank reconciliations and assists in the preparation and monitoring of the budget. The Accounts Department in the Economic Planning Division is responsible for recording project transactions. Payments are approved by the Accounts Department, the PSIPMU, and finally the Treasury Department. The PSIPMU management will determine whether to recruit a junior accountant during project preparation if there is an increase in workload.

17. **Budgeting.** The project coordinator will prepare an annual budget with the project technical personnel from the PSIPMU and relevant line ministries. The Director of Economic Planning will approve the project’s budget. The annual budget will be revisited quarterly and updated as needed.



18. **Internal control.** The project will apply the ministries' established accounting policies and internal control procedures, the Constitution, and the Finance Administration Act to ensure that the funds are adequately executed, managed, controlled, and incorporated in the GoSVG's institutional accounting and budget systems. The applicable internal controls for temporary grants, cash-for-work program benefits, and financial assistance for temporary accommodation and transportation shall be described in the POM.
19. **Eligibility and funds flow.** Regular audit reviews shall be conducted for the project to check the adequacy and adherence to the internal controls. Their recommendations shall contribute to strengthening the project internal controls.
20. **Accounting and financial reporting.** The project will follow cash basis accounting, and all project transactions will be recorded in the SIGFIS (Smart Stream). The PSIPMU will work with the Treasury Department to include the project's activities in Smart Stream using the appropriate coding designed for external funds in accordance with the project design (components and activities). Project implementation will rely on the SIGFIS, and execution will rest with the PSIPMU. The project financial reports will include IFRs and annual reports. The GoSVG will explore the development of a Smart Stream reporting module to be able to automatically generate IFRs directly from the accounting system. Overall, the same system for FM will be employed under the project.
21. **IFRs.** The PSIPMU will be responsible for producing and submitting IFRs to the World Bank on a quarterly basis. These reports would provide the required monitoring information and would be used for disbursement. The format and content of the quarterly IFRs will be the same as that of the VEEP and will be included in the POM and the Project Disbursement and Financial Information Letter (DFIL). These reports shall be submitted to the World Bank no later than 45 days after the end of each quarter.
22. **Disbursement.** Project funds' disbursement will be processed according to the World Bank's procedures as stipulated in the DFIL and the Disbursement Guidelines for Investment Project Financing, dated February 2017. The MoFEPIT shall use any of the allowed four disbursement methods (a) advance, (b) reimbursement, (c) direct payment, and (d) special commitments. Advances will be processed to a segregated Designated Account (DA) denominated in U.S. dollars, held at the BOSVG. Advances to the DA would be made based on the forecast of the project's eligible expenditures for a period of six months, based on IFRs. Supporting documentation for expenditures made from the DA would also be based on the IFRs. As eligible expenditures are incurred, the PSIPMU project team would withdraw the amount to be financed by the World Bank from the DA (US\$ or the Caribbean dollar) in accordance with the Financing Agreement. The PSIPMU will operate a local currency account to finance project expenditures in the local currency.
23. **Funds flow and disbursement of (i) temporary income support grants, (ii) small business recovery grants, and (iii) Cash-for-work.** The eligibility criteria, payment processes, and implementation procedures for these grants and cash-for-work will be described in the POM. The payment steps will proceed as follows: the line ministries responsible for each type of benefit will approve a payment list for eligible beneficiaries and submit it to the MoFEPIT PSIPMU project team. The project team will review the list and process a transfer from the project DA to BOSVG, who will, in turn, make the payments to the eligible beneficiaries through the existing BOSVG digital payment mechanism. BOSVG will prepare monthly financial reconciliations of benefits paid, refund outstanding balances to the project's DA, and submit the reconciliations to PSIPMU project team within a reasonable time upon processing the payments. If beneficiaries for income support grants and cash-for-work cannot access digital payments deployed by the BOSVG, the project team will agree with the BOSVG on special procedures for processing payments in cash. The process will be documented in the POM.



24. **External auditing.** The PSIPMU project team shall prepare annual project-specific financial statements and subject the statement to external audit by an independent, private audit firm acceptable to the World Bank. The auditor should be contracted under the project no later than six months after the project's effectiveness based on the TOR that was cleared by the World Bank. The project scope shall include conducting a detailed audit of temporary grants, cash-for-work benefits, and financial assistance for temporary accommodation and transportation. The project's annual audit report and management letter shall be required to be submitted to the World Bank for review no later than six months following the end of the fiscal year. In accordance with the World Bank's disclosure of information, the audited financial statement will be published and made available to the public.

25. **Supervision plan.** The World Bank's team will provide timely and effective support to the PSIPMU project team. The project will be monitored through (a) desk reviews of audit reports, IFRs, and status of action plans agreed upon with the client following visits or audit findings, if any, and (b) on-site reviews of the continuous adequacy of the project FM arrangements. These will include monitoring and reviewing the status of implementation of any agreed actions and issues identified by the auditors, including other issues related to project accounting, reporting, budgeting, internal controls, and flow of funds. A review of a sample of transactions will also be conducted during supervision missions or on-site monitoring reviews.

Environmental and Social Safeguards

26. An ESMF will be prepared to the satisfaction of the World Bank to describe the roles, responsibilities, and processes for identifying E&S risks and ensuring that the technical designs and delivery of works contain the necessary mitigation for activities to be completed in accordance with the ESF. The MoFEPIT's PSIPMU has indicated it will recruit to create the dedicated team allocated to the project (the project team) and that this will include two additional environmental specialists (senior and junior) and two social specialists (senior and junior), recognizing the challenges of implementing the project in four separate islands. Dedicated E&S specialists will be part of the project team and provide the day-to-day management, advice, and inspection for the E&S risk management throughout all the phases of activities and obtain and keep the records necessary to demonstrate requirements have been met. Until this team is in place, the E&S specialists in the PSIPMU will support this project. The PSIPMU will ensure that a functioning GRM is in place.

B. Implementation Support Plan (ISP) and Resource Requirements

27. **The World Bank will provide implementation support to the PSIPMU and the project team.** This support will include (a) monthly virtual implementation support missions, (b) periodic technical discussions and field visits by the World Bank, (c) monitoring of the PSIPMU reporting on implementation progress and achievement of results, (d) review of the quarterly FM reporting, and (e) review of the periodic updates of the Procurement Plan.

28. **Overall approach to implementation support.** Implementation support will be provided by the World Bank, consisting of staff with relevant competencies in project operations, procurement, finance, M&E, E&S risk management, DRM, and emergency preparedness and response. The World Bank will conduct implementation support missions every six months (at a minimum) throughout the project's implementation period. Implementation support missions will include field visits to verify physical implementation and compliance with the processes as stated in the POM. Additional support will include frequent coordination with the PSIPMU for updates on implementation performance and progress. The World Bank will monitor the progress of the following (a) achievement of results indicators, (b) overall and component-specific project implementation progress, (c) proper fiduciary management of all activities carried out by the PSIPMU, (d) ESF compliance, (e) reconciliation of payments with contracts, and (f) monitoring compliance of key legal obligations. The



World Bank will also mobilize staff and consultants who will directly support project implementation with specialized TA, as needed.

29. The World Bank will work closely with the PSIPMU to ensure the recipient's compliance with the World Bank's fiduciary and ESF policies and to monitor progress in achieving the project outcomes. The PSIPMU will prepare and transmit to the World Bank progress reports, work plans, and financial reports, as well as reports on implementation issues, among others. The World Bank will also explore HEIS for procurement, E&S, or other areas where additional support is available to enhance implementation.

Environment and Social Safeguards

30. The World Bank's E&S specialists will provide technical support and oversight throughout the project implementation, including guidance in the preparation of required safeguards instruments (ESMF, ESMPs, and Environmental Codes of Practice). Semi-annual assessments on ESF compliance will be conducted through the implementation support missions and field visits. The PSIPMU and the PSIPMU project team will receive support from the World Bank for the preparation and implementation of relevant E&S documents and instruments to assist in the delivery of the project in accordance with the ESF requirements, such that adequate mitigation and controls are established in the technical designs and works contract requirements before any physical activity is being undertaken. During the project implementation, the World Bank will monitor the project's ESF performance, provide timely advice, and work closely with the PSIPMU and the PSIPMU project team on areas for improvement on a continuing basis. The World Bank will also provide capacity-building support to the PSIPMU, recipient institutions, partner agencies, and others, as necessary.

Midterm Review

31. A midterm review (MTR) will be carried out halfway through the project implementation to review progress towards the results framework and achievement of PDOs as well as project implementation. In preparation for the MTR, an independent review of implementation progress will be carried out, including beneficiary assessments, as appropriate. The MTR will provide recommendations for any potential changes or restructuring necessary to improve the project's relevance, efficacy, or efficiency.

Implementation Completion and Results Report

32. To evaluate project outcomes, an ICR report will be drafted by the recipient and the World Bank within six months of the project completion. Beneficiary assessments may be conducted as part of the process. The ICR report is expected to provide accountability or and transparency on the performance and results of the project and capture and disseminate experience from operational design and implementation to improve the design of future operations.

33. The following ISP is based on the preliminary estimates of the skill, time, and resource requirements for implementing the project through its lifetime. As the needs of the PSIPMU evolve over time, the ISP will be reviewed annually to ensure that it provides the required support.

34. Table 1.2 and Table 1.3 indicate the level of inputs that will be needed from the World Bank to provide implementation support for the project.



Table 1.2. ISP

Time	Focus	Skills Needed
First 18 months	<ul style="list-style-type: none">• Support to the PSIPMU• Successful start of the project across all components• Establishment of E&S systems and processes• Technical designs and prioritization• FM systems functioning• Procurement• Establishment of M&E system• Monitoring of implementation of project activities	All skills
18–50 months	<ul style="list-style-type: none">• Ensure adequate implementation support of all aspects of the project.• Monitor implementation of project activities, including site visits.• Support final evaluation and ICR.	All skills

**Table 1.3. Skills Mix Required**

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task team leaders	50	14	International or field-based staff
Technical specialist (DRM)	50	14	International or field-based staff
Technical specialist (transport)	40	5	International or field-based staff
Technical specialist (water infrastructure)	40	5	International or field-based staff
Technical specialist (fisheries)	25	5	International or field-based staff
Technical specialist (community engagement and gender)	25	4	International or field-based staff
Environmental specialist	21	14	International or field-based staff
Economist (M&E)	10	5	International or field-based staff
Social specialist	20	14	International or field-based staff
Procurement specialist	50	Local travel as needed	STC field-based staff
FM specialist	25	Local travel as needed	STC field-based staff
Country office operational support	75	Local travel as needed	STC field-based staff
Consultants for infrastructure	50	Local travel as needed	STC field-based staff
Consultant for communications	75	Local travel as needed	STC field-based staff

Note: STC = Short-term consultant.



ANNEX 2: Candidate Project Activities

Potential List of Activities Proposed by the Economic Planning Division Based on Ministries/Agencies/Departments Submissions

Agency/Ministry	Activities	New Activities	Retroactive Activities
		Cost (US\$)	Cost (US\$)
MoFEPIT	Project management	7,000,000	0
MoE	Establishment of temporary schools for students from Union Island	0	1,300,000
MoNM	Income support and business support	12,450,000	0
Fisheries Division	Repairs to fisheries complex	6,500,000	0
MoTW	LITE	2,600,000	1,200,000
	Construction of permanent bridges (Noel and Overland) including supervision	10,000,000	0
BRAGSA	Cleanup and removal of debris (land and seabed)	0	7,000,000
	School repair		650,000
VINLEC	Generation, transmission, and distribution and fencing	0	900,000
MoUD	Ferry service and other transportation costs to and from the Southern Grenadines	900,000	1,800,000
MoT	Housing for displaced persons from the Southern Grenadines	2,000,000	1,300,000
CWSA	Reverse osmosis desalination plants (Union Island and Mayreau)	6,000,000	0
	Purchase, installation, and commissioning of shredder, baler, and a water truck	1,400,000	0
Subtotal		48,850,000	14,150,000
Total cost		63,000,000	—



ANNEX 3: Map – Saint Vincent and the Grenadines:

