

Belize
Municipal Development Project (P111928)
Climate Resilient Infrastructure Project (P127338)
Implementation Support Mission – August 8-12, 2016

Aide Memoire

Introduction

1. Between August 8 and 12, 2016, a World Bank (WB) team led by Diana Rubiano Vargas (Task Team Leader and Senior Disaster Risk Management Specialist) and Frederico Pedroso (Task Team Leader and Disaster Risk Management Specialist), and comprised of Julia Ribeiro Conter (Senior Finance Assistant), Shonell Robinson (Financial Management Specialist), Shafick Hoossein (Environmental Safeguards Specialist), Ramon Anria (Social Safeguards Specialist), Philip Barutha (Engineer) and Keren Charles (Disaster Risk Management Specialist) visited Belize to conduct an implementation support mission for the Municipal Development Project (MDP) and the Climate Resilient Infrastructure Project (CRIP).

2. The main objectives of the mission were to: (i) supervise the ongoing activities for both MDP and the CRIP as well as initiate the closing procedures for MDP; (ii) conduct site visits in Orange Walk, Corozal, San Ignacio/Santa Elena, Benque Viejo Del Carmen, Dangriga and Punta Gorda; (iii) collect data for MDP closing procedures including procurement, financial management and disbursement, and sub-projects' civil works management; and (iv) to conduct CRIP supervision to discuss ongoing activities and assess how implementation can be improved.

3. The mission team held discussions with Ms. Yvonne Hyde (CEO, Ministry of Economic Development and Petroleum (MED)), Kimberly Westby (Economist, MED), Mr. William Lamb (Executive Director, Social Investment Fund (SIF)), Mr. Ernest Raymond (Project Coordinator-MDP, SIF), Ms. Nellie Trench (Acting Project Coordinator-CRIP, SIF). A detailed list of persons met is provided in Annex A.

4. This aide memoire summarizes the findings, recommendations and agreements reached during the mission and it is subject to confirmation by World Bank management. The aide memoire will be publicly disclosed once finalized.

Municipal Development Project (MDP)

I. Implementation Status Overview

| Key Performance Rating | | |
|--|-------------------------------------|----------------------------------|
| | Previous (February 2016) | Current (August 2016) |
| Progress towards achievement of Project Development Objectives | Satisfactory | Satisfactory |
| Overall Implementation Progress | Satisfactory | Satisfactory |
| Overall Safeguards Rating | Satisfactory | Satisfactory |
| Disbursed (US\$) | \$11.568 million | \$13.963 million |
| % Disbursed | 77.12% | 93% |

5. **Overview.** Since the February 2016 supervision mission, the Project has continued to make solid progress in its implementation. The Phase II works are completed with only some minor issues and delays experienced to date in Belmopan, San Ignacio Dangriga and Punta Gorda. All the works must be done before November 30, 2016, which is the closing date. All other Phase II as well as all Phase I sub-projects have been satisfactorily completed. All of the technical assistance (TA) activities have been completed satisfactorily. As of August 12, 2016, the Project has disbursed about US\$ 13.963 million, equivalent to approximately 93% of the loan amount. The total amount disbursed and committed is US\$ 14.933 million, which is about 99.5% of the total loan. The proposed action plan is at Annex B.

6. The Project Coordinator reported that no damages were incurred to any part of the project due to Hurricane Earl on August 4, 2016. The Project Implementation Unit (PIU) also informed the Bank's Team that a comprehensive set of marketing material (e.g. documentary, flyer) is been produced and will be made available to disseminate the achievements from the project. In addition, the PIU will soon finalize the "Achievements Report", which will present a comprehensive set of lessons learned from the implementation of MDP.

A. Site Visits

7. The PIU and WB representatives jointly visited each site incorporated with the MDP project to perform an assessment. The assessment was performed during the August mission following a Category 1 Hurricane Event (Earl). This provided the assessment team an opportunity to observe the drainage performance and functionality of each site. There were no signs of failure or overflow observed at any of the sites visited. The road design and construction appear to be adequate for the traffic loading in each area and all sites appear to be on schedule and are anticipated to be completed within the agreed upon time at each site. The public feedback received on the project at each site was very positive. Annex D and E provides a detailed list of the assessment observations and recommendations.

8. From an environmental safeguards point of view the site visits were a good opportunity to observe the completion of the works and note the closing of some projects. Despite these projects nearing completion, they had a good opportunity to be tested with Hurricane Earl, a category 1 Hurricane. The fact that the drains seem to be in good working order with little damage since such an event is testimony to the fact that the drains do indeed add value and work as required. The sites were generally cleaned in compliance with the requirements set out in the Environmental and Social Management Framework (ESMF); however, some sites needed to have more attention paid to the construction debris abandoned after the construction processes. It would be prudent to address this with a closing audit report for the entire project and the actions noted on completion of the project by the ESMF like the collection of water quality data and monitoring and maintenance should be adhered to. In terms of environmental management, the areas of stagnant water need to be drained and the cleaning of the drains should be conducted at a frequency which will ensure there will be no further clogging.

9. The mission was informed that the Water Utility (BWSL) is currently in the process of upgrading their system including the replacement of old asbestos pipes. Before the MDP works are done, the PIU informs BWSL of their proposed works and schedule. In some cases, BWSL takes the opportunity to upgrade their system in advance of the road works; this may include the replacement of asbestos pipes. BWSL handles, replaces and removes all of the pipes, including those containing asbestos.

10. The following table presents in detail the findings on the sites visited during the mission.

| SITE VISITED | TECHNICAL | ENVIRONMENTAL | SOCIAL |
|--------------------|--|--|--|
| COROZAL | <ul style="list-style-type: none"> - Standing water in the Phase I drains. See recommendations. | <ul style="list-style-type: none"> - Stagnant water leads to risk of vector-borne diseases such as chikungunya, malaria and dengue fever - Stagnant water is anaerobic and is a nuisance for the surrounding community - Litter and equipment around the site | <ul style="list-style-type: none"> - Community was closely consulted and diligently involved with the design and priorities set for the works. - Vendors were temporarily within the vicinity where they operated successfully until the works were completed - Vendors were satisfied with the temporary relocation built for them as well as the permanent structure which now provided them with a solid and secure locale with water and sanitation - Vendors informed that afternoon sun is damaging the displayed produce - RAP prepared and submitted to the Bank. |
| ORANGE WALK | <ul style="list-style-type: none"> - N/A | <ul style="list-style-type: none"> - The site is in good operational order and draining well | <ul style="list-style-type: none"> - Community was closely consulted and diligently involved with the design and priorities for the park that was constructed. - Vendors were interviewed and they expressed satisfaction with the works - No commercial activities disrupted as a result of the works at Orange Walk and thus no monetary compensation was required. - Completed works highly enhanced the esthetics of the area and the works now provide a place for families to congregate and carry out cultural activities. - RAP prepared and submitted to the Bank. |
| BELMOPAN Street | <ul style="list-style-type: none"> - At residential driveway entrances, due to the shallow drains, the drains are at risk of becoming clogged and flooding private residences. These areas should be well maintained to keep free of trash and debris. See recommendations. | <ul style="list-style-type: none"> - Construction debris noted on the road sides - Drains functioning well given the high rainfall period experienced by Hurricane Earl | <ul style="list-style-type: none"> - Community was closely consulted during the street rehabilitation works being carried out. - Social impacts as a result of the street rehabilitation works in Belmopan were limited - Residents along the streets were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties - Residents with pedestrian walkway access during construction, which was limited to 3-4 hours per day. - No RAPs were required. |

| SITE VISITED | TECHNICAL | ENVIRONMENTAL | SOCIAL |
|--------------------------------|--|---|--|
| Bus Terminal | N/A | N/A | <ul style="list-style-type: none"> - Vendors and taxi drivers were closely consulted during the street rehabilitation works being carried out - No loss of income to taxi drivers during the construction - Action Plan was prepared and submitted to the Bank |
| SAN IGNACIO/SANTA ELENA | | | |
| Salazar Road | <ul style="list-style-type: none"> - No major items, See Annex D for detailed notes and recommendations. | <ul style="list-style-type: none"> - Construction rubble, litter and debris observed in the drainage system and on the road sides which clogs some areas along the drainage line - Drains are draining well and no stagnant water is observed - Grey water outlets observed directly discharging into drains without pre-treatment - Personal Protective Clothing was not being worn by construction personnel - Site clean-up of the ditches during construction is being done; however, the debris is stockpiled adjacent to the drains which fall back into the drainage channel - Personal Protective Clothing was not being worn by construction personnel | <ul style="list-style-type: none"> - Residents along the streets that are to be rehabilitated were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties. - No RAPs were required. |
| Carmelita Street | <ul style="list-style-type: none"> - Monitor area at bottom of hill to ensure no soil erosion from drainage. See Annex D for details | <ul style="list-style-type: none"> - Evidence of flooding at the bottom of the road - Stagnant water noted throughout the storm water drain | <ul style="list-style-type: none"> - Residents along the streets that are to be rehabilitated were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties. - No RAPs were required. |
| BENQUE VIEJO | <ul style="list-style-type: none"> - Residential houses located downstream of the project is at risk of flooding. This area was at flood risk before the MDP project. Team is investigating to ensure the project has not increased the impact of flood in this area. | <ul style="list-style-type: none"> - Drains are not well maintained - Material and debris from construction was observed in the drainage channel - Backflow of water is observed and fish were noted swimming in the drainage channel - Stagnant water leads to risk of vector-borne diseases such as chikungunya, malaria and dengue fever - Fish (minnows) were observed in the drainage channel | <ul style="list-style-type: none"> - Residents along the streets that are to be rehabilitated were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties. - No RAPs were required. |
| DANGRIGA | | | |
| Road | <ul style="list-style-type: none"> - Flat shallow drains at this location, will need to ensure drains are properly maintained. See recommendations. | <ul style="list-style-type: none"> - Community was closely consulted during the street rehabilitation works being carried out. - Residents consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties - A Bypass road (Midsouth Street) was made for high school children due to road rehabilitation and safety concerns. - No RAPs were required | <ul style="list-style-type: none"> - Community was closely consulted during the street rehabilitation works being carried out. - Residents consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties - A Bypass road (Midsouth Street) was made for high school children due to road rehabilitation and safety concerns. - No RAPs were required |

| SITE VISITED | TECHNICAL | ENVIRONMENTAL | SOCIAL |
|--------------|--|--|---|
| Market | N/A | <ul style="list-style-type: none"> - Fire equipment installed in the market - Ablution blocks have been built and are functioning well - The soak ways are pumped weekly as they fill up very quickly - Strong sulphur smell around the soak away | <ul style="list-style-type: none"> - Vendors were closely consulted before and during the construction of the municipal market - No loss of income during the temporary relocation and that overall conditions in the new structure had improved significantly - General complaints were that heat is now unbearable due to poor construction design which lowered the level of the ceiling considerably - Action Plan was prepared and submitted to the Bank |
| PUNTA GORDA | <ul style="list-style-type: none"> - Design at this Lucille Street location calls for grass lined ditches. Trash and debris are present in ditches and will need to be maintained. See recommendations. | <ul style="list-style-type: none"> - Drains are clogged with debris and hydrophilic plants have rooted and their roots create a dense mat of biomass blocking the drainage of water - Stagnant water with thick mats of algae at least 4cm thick in varying stages of growth and decomposition were observed - Tadpoles at least 15 days old of their metamorphic life cycle were observed - Stagnant water leads to risk of vector-borne diseases such as chikungunya, malaria and dengue fever | <ul style="list-style-type: none"> - Residents along the streets that are to be rehabilitated were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties. - No RAPs were required. |

11. Technical Recommendations:

- Coordination between the PIU and the municipalities to develop a maintenance plan for each of the sites that fits into their overall municipal maintenance plan.
- Ensure all design changes have been reviewed and properly documented with the Engineer of Record.
- Verify the drainage trench designs have met the contracted design requirements for pedestrian fall protection.
 - The PIU has designed and approve guard rails and metal grills in certain high risk areas (Belmopan).

12. Social Recommendations:

- The Social Safeguards Specialist was able to verify with the PIU counterpart that proper consultations were carried out for all project works and that the appropriate safeguards instruments were prepared and presented to the Bank. For the cases where compensations were required, documentation was provided to the Bank to this effect. The Bank considers that the project is in compliance with the Social Safeguards Policies and rates the project's Social Safeguards performance as Satisfactory.

13. Environmental Recommendations:

- All sites to adhere to the stipulations and requirements of keeping the sites clean and proper disposal of solid waste and litter that tends to accumulate in the drainage channel and hinders the flow of the water to disposal.
- The Magoons should have an assessment conducted before the disposal of storm water reaches it.

B. Financial Management and Disbursement

Summary

14. SIF continues to maintain adequate financial management arrangements that provide timely and reliable financial information to manage and monitor the project. These arrangements provide the Bank with reasonable assurance that the funds are being used for the purposes intended under the loan. Based on the aforementioned, the project maintains a FM implementation and status results (ISR) rating of Satisfactory.

Disbursements

15. As at August 11, 2016, a total of U\$13,565,300 was advanced to the designated account, of which U\$ 12,565,300 was documented in Client Connection. The outstanding advance of U\$1,000,000 has been accurately accounted for by SIF.

Undisbursed Funds

16. There is an undisbursed balance of U\$1,037,358 remaining under the loan as at August 11, 2016. Based on the projected activities and the amount of funds committed, it is expected that approximately U\$66,000 will remain undisbursed as at the project closing date.

Project Closing Procedures

Completion of Works, Delivery of Goods & Payments

17. While payments may be made up to March 31, 2017 (the disbursement deadline date), such payments shall only be in relation to eligible expenditures that were incurred on or prior to the project closing date. Thus, all goods, works and services must be delivered, performed and completed no later than November 30, 2016, with the exception of the final audit.

18. The final financial audit can be completed after the closing and application deadline date; however, a fixed contract must be in place and signed by November 30, 2016. The payment of the final financial audit, related to the closing of the project, may be documented during the grace period (December 1, 2016 to March 31, 2017). In case it is not finalized during this period, the TTL has already approved the funds to be kept in a separate bank account until payment is finalized. The project should include this expense in a request for documentation of the Designated Account in Client Connection by March 31, 2017. In case the payment is not fully made, the remaining funds must be returned to the Bank, even if the project has closed.

Disbursement of Retention Money

19. Funds withheld from a supplier by SIF pending successful completion of the contract warranty period will only be accepted by the Bank if (a) the contract for the works has been completed and the works have been provisionally accepted before the loan closing date (November 30, 2016); and (b) the contract provides for the option of replacing the retention money with an on-demand bank guarantee.

20. To obtain disbursement against an expenditure for retention money, SIF should provide an application for withdrawal to the Bank with evidence of provisional acceptance and a copy of the bank guarantee in addition to the required records. Upon completion of the warranty period, SIF should retain a copy of the project manager's certification that the contractor has corrected all defects about which it was notified; in accordance with standard policy, SIF should refund to the Bank any amount withdrawn that exceeds the amount of eligible expenditure.

Treatment of Unutilized Funds

21. The balance of the Designated Account should be documented with eligible expenditures by the end of the Grace Period (March 31, 2017). Any unutilized balance of the Designated Account shall be refunded to the Bank before May 15, 2017 in order for the loan account to be closed in the Bank's system by May 30, 2017.

Unaudited Interim Financial Report (IFRs)

22. The IFR for the quarter ended June 30, 2016 was submitted within a timely manner and is deemed to be of satisfactory quality. It was accurately prepared and all relevant documentations required were provided and reconcile to the Bank's records. The next IFR, which is for the calendar quarter ending September 30, 2016, is due by November 15, 2016. It is required that IFRs are prepared and submitted to the Bank for review until all expenditures are documented in Client Connection.

Audited Financial Statement

23. The audited financial statement for the fiscal year ended March 31, 2016 was submitted in a timely manner is deemed to be of satisfactory quality and reconciles with the Bank's records. The auditors issued unqualified (clean) opinions on (i) SIF Cumulative Sources and Uses of Funds Statement, (ii) Statement of Cumulative Investments, (iii) Compliance with Contractual Agreement and (iv) SIF Internal Control Structure. The external auditors noted no major issues pertaining to the quality of the presented financial information. The project's final audited financial statements will be incorporated in SIF's entity audit report, which is due by July 31, 2017.

C. MDP final assessment report

24. SIF Assessment: Considering the project is coming to an end the SIF begins the preparation of the project completion report which will include: (i) Assessment of the operation's objective, design, implementation, and operational experience; (ii) Assessment of the outcome of the operation against the agreed objectives; and (iii) Evaluation of the performance of the Bank during the preparation and implementation of the operation, including the effectiveness of their relationships, with special emphasis on lessons learned that may be helpful in the future.

25. Bank Implementation Completion and Results report (ICR): The ICR is an independent evaluation and is an integral part of the Bank's drive to increase development effectiveness, through a continuous process of self-evaluation, lesson learning and application, sharing of knowledge, and being accountable for results. The lessons learned from ICRs improve the quality and effectiveness of Bank loans/credits, especially for follow-on operations, while borrower/stakeholder participation in the ICR process enhances later designs, preparation, and implementation. The Bank will begin the preparation of the ICR with a specific team, different from the MDP Bank team. The designed TTL will coordinate directly with the PIU. In order to complete this report the SIF will assist the preparation of the Bank's ICR with providing information to the Bank on the economic, financial, social, institutional, and environmental conditions in which the operation was implemented, and on implementation and operation results (according to the timing specified in the legal documents).

CRIP Supervision

26. Overview. The CRIP became effective on April 29, 2015. As of August 12, 2016, the Project had disbursed approximately US\$ 887,030, equivalent to 2.96% of the loan amount. The total amount disbursed and committed is US\$ 938,918 which is 3.13% of the total loan. The progress towards the achievement of the Project Development Objectives is rated **Moderate Satisfactory** and Overall Implementation Progress rated **Moderately Unsatisfactory**.

A. Financial Management and Disbursement

Summary

27. SIF continues to maintain adequate financial management arrangements that provide timely and reliable financial information to manage and monitor the project. These arrangements provide the Bank with reasonable assurance that the funds are being used for the purposes intended under the loan. Based on the aforementioned, the project maintains a FM implementation and status results (ISR) rating of Satisfactory.

Disbursements

28. As at August 11, 2016, a total of US\$ 443,902 was advanced to the designated account, of which US\$233,192 was documented in Client Connection. The outstanding advance of US\$210,710 has been accurately accounted for by SIF.

30. The IFR for the semester ended March 31, 2016 was submitted within a timely manner and is deemed to be of satisfactory quality. It was accurately prepared and all relevant documentation required were provided and reconcile to the Bank's records. The next IFR, which is for the semester ending September 30, 2016, is due by November 15, 2016.

Audited Financial Statement

31. The audited financial statement for the fiscal year ended March 31, 2016 was submitted in a timely manner, is deemed to be of satisfactory quality and reconciles with the Bank's records. The auditors issued an unqualified (clean) opinions on (i) SIF Cumulative Sources and Uses of Funds Statement, (ii) Statement of Cumulative Investments, (iii) Compliance with Contractual Agreement and (iv) SIF Internal Control Structure. The external auditors noted no major issues pertaining to the quality of the presented financial information. The next audit report for the fiscal year ended March 31, 2017 is due by July 31, 2017.

B. Hurricane Earl Impacts and CERC Activation

32. Preliminary assessment led by NEMO indicates damages to the road network and infrastructure. Overall, reported impacts were flooding in the Cayo district at the low-lying bridge in Santa Elena/San Ignacio and Iguana Creek Bridge as well as secondary roads accesses. As such, the Team was told that the Government of Belize would like to trigger the Emergency Component CERC. The likely request will be to finance the acquisition of goods and replacement of washout bridges at Calla Creek, Santa Familia and the low line bridge Santa Elena.

Financial Management and Disbursement

33. The team had the opportunity to visit sites and it is in agreement with the pledge and would like to highlight the following points to both trigger and implement the CERC:

- All procedures and documentation are required in terms of getting disbursements and ensuring eligibility of such expenditures;
- Per the Loan Agreement, Disbursement Category 4 has been allocated US\$1,000,000 to finance expenditures for emergency recovery and reconstruction activities. No advance to cover the emergency activities shall be made before the fulfillment of the disbursement conditions outlined in the Legal Agreement. In the event that more than US\$1,000,000 is required to finance such activities, a reallocation of category must be processed;
- Currently, the project's Designated Account ceiling is US\$1,500,000. With an outstanding balance of US\$210,709.95, the available balance that may be withdrawn is US\$1,289,290.05. Pending the completion of the Action Plan of Activities (APA) and taking into consideration the expenditures forecast for the project's regular expenses, the TTL may approve an increase in the Designated Account ceiling;
- Once the conditions have been fulfilled and the Notice of Fulfilment has been sent to the Government of Belize, the project shall submit in Client Connection a withdrawal application requesting an advance supported by the relevant forecast of eligible expenditures and for which supporting documents will be provided at a later date;
- SIF should ensure that all expenditures incurred are in accordance with the Legal Agreement and APA. In addition, all activities must be properly procured based on the required procurement guidelines and payments should only be made once goods have been delivered, services rendered and works completed. SIF should report the emergency eligible expenditures to the Bank in the financial reports and through a withdrawal application for documentation of the Designated Account.

Technical, Social and Environment Safeguards

34. The table below summarizes the preliminary observations from the site visits conducted on August 12, 2016.

| | Technical Engineering | Social Safeguards | Environmental Safeguards |
|---|--|---|--|
| Calla Creek | <p>- Pedestrian bridge crossing the river was destroyed following Hurricane Earl. The bridge was a wooden built cable suspension bridge designed to accommodate pedestrian and bicycle traffic. The bridge was overtaken by the excess flow of the river following the flooding caused by the hurricane. Due to the water pressure on the bridge, the cables supporting the bridge failed at the bridge abutments where the tension in the cables caused a shear in the metal braces supporting the cables. What's left of the bridge was washed to the far side of the river bank and cannot be reused in replacement of the bridge. In addition, the abutment braces cannot be used in replacement of the suspension bridge.</p> | <p>No evidence of residential, commercial or agricultural use were present. However, description of land tenure and maps illustrating rights of way for all affected bridges and surrounding terrain where works would be carried out and proximity of closest inhabitants would need to be provided to the Bank.</p> | <p>- Pedestrian Bridge has been totally washed away - River is in flood and evidence that it had burst it's banks was observed - Ongoing erosion of the banks was evident and banks were showing evidence of attrition - Rapid flow suggests the movement of larger rocks and boulders thus causing the erosion of the river bed.</p> |
| Low-lying bridge Santa Elena / San Ignacio | <p>-The flooding caused by the rains of the hurricane increased both the volume and the velocity of the river causing extensive damage to the wooden bridge that was in place. -The existing bridge was made of wood with wooden pile supports driven into the river. The wooden piles are still present in the river but the majority of the wooden bridge decks have been washed down the river or destroyed.</p> | <p>No evidence of residential, commercial or agricultural use were present. However, description of land tenure and maps illustrating rights of way for all affected bridges and surrounding terrain where works would be carried out and proximity of closest inhabitants would need to be provided to the Bank.</p> | <p>- One lane vehicle bridge was washed away - Evidence that the river had reached past the 1:100 year flood line was evident with water damage and water level scars and debris on the surrounding vegetation and the walls of the nearby market. -The river is still flowing at high velocity and erosion of the banks is continuing</p> |

| | | | |
|----------------------|--|--|--|
| | -The existing wooden piles seem to be in good enough condition to be reused if required. (By visual inspection only) | | -The river still has high energy levels as it still carries debris. |
| Santa Familia | -Similar to Calla Creek, the pedestrian wooden cable suspension bridge has been damaged and washed down river caused by flooding. -There does not seem to be any structures or materials that can be reused at this site. | No evidence of residential, commercial or agricultural use were present. However, description of land tenure and maps illustrating rights of way for all affected bridges and surrounding terrain where works would be carried out and proximity of closest inhabitants would need to be provided to the Bank. | -The river is in flood with the overtopping of the banks, evidence of this was the very muddy bank accessible only by 4 wheel drive - The banks are highly eroded and most loose soil is washed away as sediment - The bridge is washed away -Riparian vegetation has been waterlogged and surrounding properties have also been damaged. |

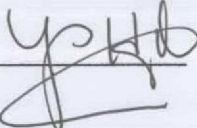
35. In addition to the initial technical remarks, Annex F presents a complete set of steps that would needed to be completed in order to ensure a speedy and effective implementation of the Emergency Component.

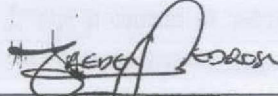
Conclusions

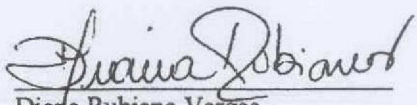
36. The mission expresses its overall satisfaction with the Government and its staff for participation in the mission in the week of August 8, 2016.

37. The MDP investments have been advanced as planned and the project is coming to an end on November 30, 2016. Some technical and safeguards recommendations have been shared with the PIU and Completions Reports will be produced by the SIF and the Bank. The Team does not have any major issues to report and would like to highlight the commitment and capacity of the PIU to successfully achieve the project's objectives.

38. The activation of the CERC component will demand the MoWTN and SIF to be focused and in coordination with the MED. This will likely impact the ordinary project implementation so the Team will revise project implementation during a next mission planned for late September. The Team remains available to support the PMU at both CERC and ongoing implementation activities.


Yvonne Hyde
CEO
Ministry of Economic Development
and Petroleum


Frederico Ferreira Pedrosa
Task Team Leader (CRIP)
World Bank


Diana Rubiano Vargas
Task Team Leader (MDP)
World Bank

Annex A – List of People met during the mission.

| Belize Social Investment Fund | |
|--|---|
| William Lamb | Executive Director |
| Ernest Raymond | MDP Project Coordinator |
| Nellie Trench | Finance Coordinator/Acting Project Coordinator-CRIP |
| Christine Lopez-King | CRIP Procurement Officer |
| Evan Dakers | MDP Social Specialist |
| Deon Barker | MDP Engineer |
| Jorge Espejo | CRIP Engineer |
| Therese Arzu | MDP Administrative Assistant |
| Savita Burns | CRIP Administrative Assistant |
| Town and City Councils' Representatives | |
| Kevin Bernard | Mayor, Orange Walk Town |
| Omar Mendez | Works Supervisor, Orange Walk Town |
| Rosa Campos | Town Administrator, Corozal Town |
| Maricelbi Barahona | Market Supervisor, Corozal Town |
| Efrain Teck | Building Inspector/Evaluation Officer, Corozal Town: |
| Khalid Belisle | Mayor, Belmopan |
| Marlowe Neal | City Administrator, Belmopan |
| Malikah Cardona | Manager, Valuation Dept., Belmopan City Council |
| Wilfred Wade | City Engineer, Belmopan |
| Michael Salazar | Deputy Mayor, San Ignacio/Santa Elena |
| Melanie Danilczyk | Revenue Manager, San Ignacio/Santa Elena |
| Erole Coleman | Councilor (Sports), Benque Viejo |
| Melivett Coyoc | Town Administrator, Benque Viejo |
| Oscar Nabet | Revenue Manager, Benque Viejo |
| Clive Lino | Town Administrator, Dangriga |
| Les Flores | Market Supervisor, Dangriga |
| Fern Gutierrez | Mayor, Punta Gorda |
| Alphane Avila | Councilor (Parks/Playgrounds), Punta Gorda |
| Contractors | |
| Imer Hernandez | Imer Hernandez Development Co. Ltd. : Corozal Town and Orange Walk Town, Belmopan, San Ignacio/Santa Elena, Benque Viejo, and Punta Gorda – Subprojects |
| Gian Castillo | Castillo's Equipment and Materials Co. Ltd. : Dangriga - Subproject |
| Consultant Technical Supervision | |
| Rasheedali Mohammed | RM Engineering – Team Leader |
| Dervin Fortnard | DE&F Engineering Ltd. - Site Supervisor |

Annex B: MDP Action Plan

| | Relevant Activities | Recommendation/Action | Responsible Agency | Due Date |
|---|------------------------------|---|--------------------|---------------------|
| 1 | Works | Continue to monitor ongoing Phase II works construction contracts to satisfactory completion and handover | PIU | Up to October 2016 |
| 2 | Assessment report by the SIF | Assessment of project results report and submit to the Bank. | PIU | Up to November 2016 |
| 3 | ICR | Information collection / data gathering | WB | Up to December 2016 |

Annex C – CRIP Action Plan.

CRIP ACTION PLAN AS AT AUGUST 30, 2016

| | Relevant Activities | Recommendation/Action | Responsible Agency | Due Date |
|---|---------------------|--|-----------------------|---|
| 1 | Works | Complete evaluation (technical and financial) and prepare recommendation of award for the FS. Initiate negotiations and draft contract | PMU/MoWT with WB NO | The Technical Reports was sent to the WB on July 27th, 2016 and was returned with comments on July 29th. MoWT to return revised report to PMU by August 31st for forwarding to WB. WB to respond by September 7th; Financial Proposals to be opened by September 14th, Evaluation Report to be sent to the WB on September 19th, WB to respond by September 23rd; Negotiations to be completed by September 28th and report sent to WB, WB to respond by September 30th; Contract to be signed in October 2016. |
| 2 | Works | Complete and issue ESIA RFP, evaluation and recommend contract award | PMU/MoWTN with WB NO | WB responded with comments to the completed RFP for the ESIA on July 26th. MoWT to make corrections by September 2nd and cleaned up version to be returned to WB. RFP to be sent to selected firm on September 5th and Proposals to be returned by October 3rd; Evaluation of Proposal to start on October 6th and report is due by October 20th; ; Financial Proposal to be opened by November 3rd; Negotiation to take place and contract to be signed by November 24, 2016. Equipment specification and TOR for installation and training plan is due by September 2nd, 2016. |
| 3 | TA | Draft equipment specification and TOR for installation and training plan for MoWT testing laboratory | PMU/MoWTN | Being done through the Transport Asset Management (TAM) TA which was initiated on June 6th Planned for mid-September 2016 |
| 4 | TA | Develop proposed support to asset management, data collection and analysis | PMU/MoWTN | To be revised by MNRI by August 31st, 2016 |
| 5 | TA | Complete NSDI Interim Report and develop work plan for completion of consultancy | PMU/MNRI | Plan to advertise in September with expectation to sign contracts by December 2016 |
| 6 | TA | Review the ToRs of systems administration and data administration) | MNRI | The EOIs were evaluated on July 13th and Shortlist Report expected by September 9th; Submit Shortlist Report and Draft RFP to WB for "no objection" by September 16th and expect response by September 30th; |
| 7 | TA | Carry out recruitment of 2 specialists based on TOR agreed with the Bank | PMU/MNRI with Bank NO | |
| 8 | TA | Initiate procurement of consultancy services for land use TA, issue RFP and short list | PMU/MNRI with Bank NO | |

Send RFP to shortlisted consultants by October 7th with due date for submission of Proposals of November 4th; Proposals to be evaluated in November; Contract signature by January 2017

Annex D – Technical Observation (Site Visits)

Overall Project General Comments:

1. Road design and construction seem to be adequate for the traffic loads in the areas.
2. Hurricane Earl (Category 1) tested the functionality of the drainage system at most of the sites and there were no signs of failure or overflow.
3. The projects all appear to be on schedule and should finish by their scheduled completion date (with extension).
4. The sites that are finished are very aesthetically pleasing and the feedback has been extremely positive by the local politicians and residents.

All Project Sites General Notes:

- Road design and construction typical details are as follows at each of the sites:
 - Chip Seal top coat with 2-3 layers (3 layers in the high traffic areas)
 - 100 mm Base Course of approximately 1 ½” minus crushed limestone aggregate material
 - 100-300 mm of subbase material of approximately 3” minus crushed limestone aggregate material (variance due to final elevation profile of finish road surface)
- All base and sub base compaction testing documentation should be submitted to the PIU for their records from the contractor
- All as-built information (top of road and drainage flow line elevations) should be submitted to the PIU for their records from the contractor
- Technical Walk-thru has been created for 2 sites
 - i.e. Weep holes in drainage channels should be clear for water drainage on all sites
- Many of the sites are challenged with minimal slope in the drains due to minimum elevation change with the outflow. This is caused by the location of the projects within the greater local drainage area.

Corozal:

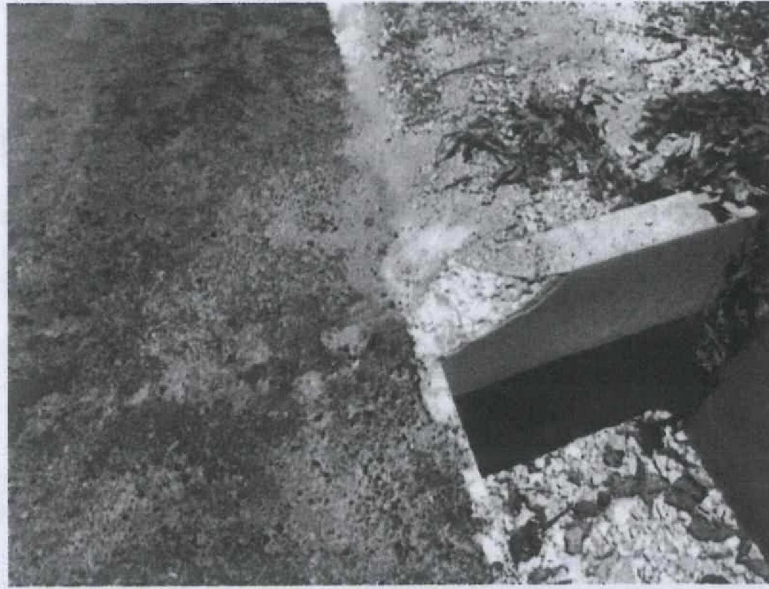
- Road is complete with paving and markings.
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.
- Some standing water in the Phase I drains.

Orange Walk:

- Road is complete with paving and markings.
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.

Belmopan:

- Road work is ongoing, anticipated to be complete on schedule
- No sign of flooding or overflow from the effects of Hurricane Earl
 - All drains seem to be functioning well, tested by the rains of the category 1 Hurricane
- Debris in drain channels, will be cleaned fully after completion of chip seal roadwork
- Various driveway entrance curbs damaged, will be repaired following completion of roadwork (See photo below)



- At residential driveway entrances, due to the shallow drains, the drains are at risk of becoming clogged and flooding private resident. These areas should be well maintained to keep free of trash and debris.
- The outfall of the site drains to an existing street ditch that parallels Constitution Street, there is concern due to the increased flow of the new MDP project this may create water to overflow on the east side and flow over the road to the west side. This area should be monitored, an intervention may need to take place if this street continues to experience flow-over. (See photo below).



San Ignacio:
Salazar

- Road is complete with paving and markings.
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.
- Many of the concrete inlet openings' concrete has broken away. These areas need to be repaired.
 - Recommendation: Due to this being re-occurring in multiple locations, it is recommended to use a different design detail. (i.e. – additional reinforcing, etc...)

Carmelita

- Road work is ongoing, anticipated to be complete on schedule.
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.
- All ditches need to be cleaned and cleared of debris following completion of road works.
- The design called for grass lined ditches in some areas, these areas will be lined with concrete to make the ditch more resilient. Much of this is due to the increased slope of the drain and road causing higher velocities of water to drain downhill.
- Recommendation: Monitor the bottom of the hill where the drainage water velocity could be high to ensure it does not erode into the existing bank. There are already measures taken by the PIU to line the ditch between 1-2' with concrete to prevent erosion. (See photo below)



Benque Viejo:

- Paving and markings are complete.
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.
- Area of concern: There seems to be signs of flooding at the bottom of the hill where the site drainage system ties into the existing system. There were signs of flooding in this area on the previous visit prior to MDP project tie-in, which indicates this is a previously flood prone area. The PIU team to follow-up to see if the MDP project has increased the flood risk, there seems to be no impact from the MDP project. (See photo below)



Dangriga:

- Road work is ongoing, anticipated to be complete on extended schedule. Project is waiting on the delivery of culverts to complete downstream drainage work
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.
- All drain ditches need to be cleaned and cleared of debris following completion of road works.
- Flat shallow drains at this location, will need to ensure drains are properly maintained. See follow-up clarifications (Maintenance Plan).

Punta Gorda:

- Road work is ongoing, anticipated to be complete on schedule.
- Drainage is functional with no signs of overflow or flooding from Hurricane Earl.
- Design at this Lucille Street location calls for grass lined ditches. Trash and debris are present in ditches and will need to be maintained. (See photo below) See follow-up clarifications (Maintenance Plan).



Follow-up Clarifications:

1. Long-term Maintenance Plan

- a. The PIU will provide TCCs with guidelines to develop a maintenance plan for ensuring that these plans fits into their overall municipal maintenance plan.
2. Design Engineer of Record to review and document all design changes.
 - a. PIU team will review to ensure all changes have been properly documented
 - b. There was a separation of design consultants – Lessons Learned
 - i. Document Pros and Cons lessons learned
3. Depth of open drains causing a potential safety concern for public safety (pedestrian fall protection)
 - a. The PIU received approval for the installation of guard rails and metal grills in high risk areas. (Belmopan)
 - b. Design firm used guidelines by the Ministry of Works and Transport (MOWT)
 - i. PIU team to verify the minimum requirements were met as specified by MOWT

Annex E – Social Safeguards Remarks

Social Observation

Orange Walk

During visit, the social specialist was informed that the community was closely consulted and diligently involved with the design and priorities for the park that was constructed.

Social impacts and measures taken: Prior to the works, the area was being used by mobile vendors and a used car and car parts business. A RAP was prepared for the relocation of these PAPs while the works were being completed. The car business was permanently relocated to a nearby location. The social specialist was able to interview vendors that were available and they expressed satisfaction with the works. Of the vendors selling vehicles and parts, only 2 were present during the visit. The social development specialist was informed that they were also satisfied with the new location, however, the PIU social specialist informed that their satisfaction required some back and forth conversations with the vendors as to the benefit that the new location would provide. It was documented that in none of the cases were commercial activities disrupted as a result of the works at Orange Walk and thus no monetary compensation was required.

It is worthy to document that the completed works highly enhanced the esthetics of the area and the works now provides a place for families to congregate and carry out cultural activities. Furthermore, through a public-private-partnership, free Wi-Fi is being provided by the municipality at the park through the local internet provider which has attracted students, tourists and citizens in general to use the facility and create a pleasant place for community gathering. Although there was no baseline assessment of citizen security issues in the project area the fact that lights have been installed as part of project works throughout the park, there is a general sense that the area has become safer as is illustrated by the increased use by the community and the overall project is categorized as a success story by local political leaders.

The Bank has received the finalized RAPs for the works at Orange Walk.

Corozal

During visit, the social specialist was informed that the community was closely consulted and diligently involved with the design and priorities set for the works.

Social impacts and measures taken: The social specialist was informed that prior to the construction of the structure, the old market was dilapidated wooden structure that was hazardous for both the vendors and customers. During the construction of the new facility, vendors were temporarily relocated to a location in the vicinity where they operated successfully until the works were completed. During the mission's visit, only one vendor was available for interview. They informed the team that they were satisfied with the temporary relocation built for them as well as the permanent structure which now provided them with a solid and secure locale with water and sanitation. They highlighted the fact that they could now lock their locales at night and that currently they have been provided with roving security during times when the market is closed. In terms of complaints, the vendors informed that the way in which the sun hits their stand in the afternoons is damaging the displayed produce. The social specialist was able to request from the CCC representative if the vendors could install an awning in order to protect their products which received a positive answer. Another concern raised by the vendor

was that there was now increased competition by farmers markets which set up shop in the vicinity twice a week; this not being in any way associated with construction of the new structure but rather as a result of regular market dynamics in the zone.

The Bank has received the finalized RAPs for the works at Corozal. The social specialist was informed that although monetary compensation was not provided to the vendors, they were given a grace period after construction for payment of monthly rent which is in the amount of US\$ 150/month and that this amount has not been increased as of yet.

Belmopan Street Rehabilitation

During visit, the social specialist was informed that the community was closely consulted during the street rehabilitation works being carried out.

Social impacts and measures taken: The social specialist was informed that the social impacts as a result of the street rehabilitation works in Belmopan were limited. Residents along the streets were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties. The project provided residents with pedestrian walkway access during construction which was limited to 3-4 hours per day. The works here are approximately 95% complete with 3 days of paving left to be done.

No RAPs were required.

Belmopan Street Rehabilitation of a One-Way Street adjacent to the Belmopan Bus Terminal

During visit, the social specialist was informed that vendors and taxi drivers were closely consulted during the street rehabilitation works being carried out.

Social impacts and measures taken: The rehabilitation of street surrounding the Belmopan Bus Terminal resulted in the temporary relocation of taxi drivers and food vendors during the implementation phase of the civil works. This however did not result in the loss of income to those stakeholders. The works were completed during a period of 4-5 months. During the visit, two taxis drivers were available to speak to the Bank team at which time they informed that they were satisfied with the works carried out. The only complaint received was that not enough parking spaces were constructed for shoppers and private citizens and as a result, private vehicles are now taking up spaces designated for taxis and that the city council is not enforcing the designated parking restrictions. The Bank Social Specialist along with PIU counterpart recommended to the members of the taxi association to raise this issue with the Municipal Traffic Department since this matter was outside of the reach of the project.

The Bank has received the finalized RAPs for the works.

Dangriga

During visit, the social specialist was informed that the community was closely consulted during the street rehabilitation works being carried out.

Social impacts and measures taken

The social specialist was informed that the social impacts as a result of the street rehabilitation works were limited. Residents along the streets that are to be rehabilitated were consulted in relation to traffic safety issues, and the replacement of pedestrian and vehicle crossings to their properties. A Bypass road (Midsouth Street) was made for high school children due to road rehabilitation and safety concerns. Bypass detour is for both pedestrian and vehicles.

The Bank's Social Specialist recommended to the mayor and local authorities that Midsouth Street made be a permanent road so that the high school students could continue using this less-trafficked way and thus continue to ensure their safety going to and from school.

No RAPs were required.

Dangriga Municipal Market

During visit, the social specialist was informed that the vendors were closely consulted before and during the construction of the municipal market.

Social impacts and measures taken: The social specialist was informed that prior to the construction of the new market, the old structure was in a deplorable state. While there the mission was able to interview one local vendor who informed that there was no loss of income during the temporary relocation and that overall conditions in the new structure had improved significantly. General complaints were that heat is now unbearable due to poor construction design which lowered the level of the ceiling considerably. The Social Specialist spoke to the mayor about this issue who subsequently informed the team that heat extractors will be installed as well as ceiling fans throughout the market.

An issue that was identified by the previous social specialist assigned to the project was that there were vendors (approximately one dozen) in the proximity of the market project that should be included in the RAP and become beneficiaries of the project. The social specialist enquired about these particular groups of vendors and was informed that these were in fact not included in the RAP or project and that they were evicted from the periphery of the market where they were active. The Bank team was informed these vendors were now operating in a private lot. The team was informed that these vendors came to the periphery of the new market after the project had already begun and furthermore that they were outside of the project's area of influence, this being the reason why they were not included as project beneficiaries. The social specialist requested that a map of the project area be provided to the Bank in order to verify this. This map was submitted to the Bank for review.

Conclusion:

The Bank considers that all Social Safeguards requirements have been met successfully under all works under the project and rates Social Safeguards as Satisfactory.

Annex F – CERC Activation and Implementation Procedures.

| Step | Actions | Responsible |
|------|--|---------------------------------------|
| 1 | Decision to Trigger Component 4 (Disbursement Category 4): In the event of a Declaration of Emergency/Disaster Area, and following the preparation of a damage, loss and needs assessment, the MED/MoF will decide whether to trigger Component 4 – the CERC. | MED / MoF |
| 2 | Preliminary Identification of Activities: Following MED/MoF's decision to trigger the CERC, the PMU will coordinate with the line ministries to prepare a list of potential activities (critical imports/subprojects) based on the results of the damage, loss and needs assessment. Summary information on proposed activities, including the nature and amount of critical imports, the location and type of the proposed emergency subprojects and their preliminary technical specifications, estimated costs and safeguard implications would be produced. 2 weeks | PMU / Line Ministries |
| 3 | Review of Eligibility of Proposed Activities: The PMU, with support from internal/external safeguard specialist(s), will review the proposed activities for financing to ensure their eligibility in accordance with the criteria and safeguard policies as defined in the Loan Agreement and to apply safeguards screening processes as defined in the Operations Manual. 1 week | PMU |
| 4 | Selection of Activities for Action Plan of Activities (APA): On the basis of the list of eligible activities reviewed, the PMU, in close collaboration with the line ministries, will finalize the APA for submission to, and approval by, the Project Steering Committee (PSC). 1 week | PMU / PSC |
| 5 | Submission to the World Bank: Once approved by the PSC, the trigger package will be submitted to the World Bank for endorsement on a "no objection" basis. 1 week | MED / MoF / PMU |
| 6 | Approval by the World Bank: The Bank will review the trigger package and inform the Government on the approval to trigger the CERC. 2 weeks | WB |
| 7 | Procurement: Major activities under this step include, inter-alia, (i) finalization of technical specifications and bills of quantities for critical imports, (ii) recruitment of a consultant/consulting firm for design/supervision of emergency subprojects; and (iii) recruitment of contractors for implementation of emergency subprojects. | PMU / Line Ministries |
| 8 | Implementation of APA Activities: Activities should be initiated within 10-15 days after contract signing. For emergency subproject activities, they should be completed before the start of the next flood / hurricane season. | PMU / Line Ministries for supervision |
| 9 | Financial Management (FM) and Progress Reporting: The PMU will follow the agreed upon FM and reporting procedures for the APA, as defined in the Loan Agreement and detailed in the Operations Manual. APA FM reporting requirements will be harmonized with existing reporting procedures so as to limit the additional burden borne by the PMU. Monthly monitoring and quarterly reporting | PMU |
| 10 | Monitoring and Evaluation: The oversight and reporting mechanisms established for the CRIP will also be applied to the APA. An external financial audit firm will audit the annual financial statements of the whole Project, including those financed by Disbursement Category 4. Annual Audit Report submitted in July of each year | PMU |