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EMERGENCY PROJECT PAPER

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 9.7 MILLION
(US\$15 MILLION EQUIVALENT)

TO

SAINT LUCIA

FOR A

HURRICANE TOMAS EMERGENCY RECOVERY PROJECT

February 17, 2011

Sustainable Development Department
Caribbean Country Management Unit
Latin America and the Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31, 2011)

Currency Unit = Special Drawing Rights (SDR)

SDR\$1 = US\$0.64

US\$1.54 = SDR\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ARP	Abbreviated Resettlement Plan
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CIDA	Canadian International Development Agency
CIMH	Caribbean Institute for Meteorology and Hydrology
CV	Curriculum Vitae
DA	Designated Account
DFID	UK Department for International Development
DMP II	Second Disaster Management Project
DOA	Director of Audit
DVRP	Disaster Vulnerability Reduction Project
ECLAC	United Nation's Economic Commission for Latin America and the Caribbean
EMF	Environment Management Framework
EMP	Environment Management Plan
ERDMP	Emergency Recovery Disaster Management Project
ERL	Emergency Recovery Loan
ESSAF	Environmental and Social Screening and Assessment Framework
EU	European Union
FY	Fiscal Year
GDP	Gross Domestic Product
GFDRR	Global Facility for Disaster Reduction and Recovery
GIS	Geographic Information System
GoSL	Government of Saint Lucia
IBRD	International Bank for Reconstruction and Development
IC	Individual Consultant
ICB	International Competitive Bidding
ICR	Implementation Completion Report
IDA	International Development Association
IFC	International Finance Corporation
IFR	Interim Financial Report
INTOSAI	International Organization of Supreme Audit Institutions
JICA	Japanese International Cooperation Agency
LCS	Least Cost Selection
LIB	Limited International Bidding
MCW	Ministry of Communication, Works, Transport and Public Utilities

MoE	Ministry of Education and Culture
MoF	Ministry of Finance, Economic Affairs and National Development
MoH	Ministry of Health, Wellness, Family Affairs, National Mobilization, Human Services and Gender Relations
MoHULG	Ministry of Housing, Urban Renewal and Local Government
MoPDE	Ministry of Physical Development and the Environment
N/A	Not Applicable
NCB	National Competitive Bidding
NEMO	National Emergency Management Organization
OCHA	UN Office for the Coordination of Humanitarian Affairs
OECS	Organization of Eastern Caribbean States
OM	Operations Manual
OP/BP	Operational Policy/Bank Procedure
ORAF	Operational Risk Assessment Framework
PAC	Public Accounts Committee
PAHO	Pan American Health Organization
PCU	Project Coordination Unit
PDO	Project Development Objective
PFM	Public Financial Management
PPCR	Pilot Program for Climate Resilience
QCBS	Quality and Cost-Based Selection
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
RPS	Regional Partnership Strategy
SBDs	Standard Bidding Documents
SDR	Special Drawing Rates
SoE	Statement of Expenses
SLU	Saint Lucia
TBD	To Be Determined
ToR	Terms of Reference
UNDP	United Nations Development Program
VHF	Very High Frequency

Regional Vice President:	Pamela Cox
Country Director:	Françoise Clottes
Sector Director:	Laura Tuck
Sector Manager:	Guang Zhe Chen
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SAINT LUCIA
Hurricane Tomas Emergency Recovery Project

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SAINT LUCIA
Hurricane Tomas Emergency Recovery Project

PROJECT PAPER

LATIN AMERICA AND THE CARIBBEAN

Basic Information						
Country Director: Françoise Clottes	Sectors: Urban Development (50%); Flood			Protection (40%); Central Government		
Sector Director: Laura Tuck	Administration (10%)			Themes: Disaster Recovery		
Sector Manager: Guang Zhe Chen	Environmental Category: B			Expected Closing Date: March 31, 2014		
Team Leader: Niels B. Holm-Nielsen	Expected Effectiveness Date: March 14, 2011			Expected Closing Date: March 31, 2014		
Project ID: P125205	Lending Instrument: Emergency Recovery			Joint IFC:		
Expected Effectiveness Date: March 14, 2011	Loan (ERL)			Joint Level:		
Project Financing Data						
<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:						
Proposed terms: Standard, with 35 years maturity, including 10 years grace period						
Financing Plan (US\$m)						
Source			Total Amount (US\$m)			
Total Project Cost:			15			
Cofinancing:			0			
Borrower:			0			
Total Bank Financing:			15			
IBRD						
IDA						
New						
Recommitted						
Client Information						
Recipient: Government of Saint Lucia						
Responsible Agency: Ministry of Finance, Economic Affairs and National Development						
Contact Person: Mr. Isaac Anthony, Permanent Secretary						
Telephone No.: +1 758 468 5500						
Fax No.: +1 758 452 6700						
Email: ianthony@gosl.gov.lc						
Estimated disbursements (Bank FY/US\$m)						
FY	11	12	13	14		
Annual	1	6	6	2		
Cumulative	1	7	13	15		
Project Development Objective and Description						
Project development objective:						
The objective of the Project is to support the recovery and reconstruction of the Recipient in the aftermath of Hurricane Tomas.						

Project description:

The project has four components:

Component 1: Support for Early Recovery. Supporting the early recovery of the Government's key economic sectors from the impact of Hurricane Tomas, through the provision of goods, technical advisory services and emergency operating costs.

Component 2: Institutional Strengthening and Hazard and Risk Analysis. Strengthening the institutional capacity at national level, including the Ministry of Housing, Urban Renewal and Local Government, the Ministry of Physical Development and the Environment, the Ministry of Finance, Economic Affairs and National Development and the National Emergency Management Organization to, *inter alia*: i) evaluate and integrate natural hazard and climate change risk reduction into national development policy and decision-making processes using geo-referenced information; ii) carry out various risk assessments and impact evaluation studies in highly affected areas and specific sectors; and iii) review the National Disaster Management Plan and improve disaster management capacity.

Component 3: Reconstruction and Rehabilitation of Damaged Critical Public Infrastructure. Carrying out of selected reconstruction and rehabilitation activities of damaged infrastructure in the Government's transport, health and education sectors.

Component 4: Project Management and Monitoring Support. Strengthening and developing the institutional capacity of the Project Coordination Unit for Project management and execution, including procurement, financial management, monitoring and supervision of Project activities, through the acquisition of goods, provision of technical advisory services, training and operating costs.

Safeguard and Exception to Policies	
Safeguard policies triggered:	
Environmental Assessment (OP/BP 4.01)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Natural Habitats (OP/BP 4.04)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Forests (OP/BP 4.36)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Pest Management (OP 4.09)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Physical Cultural Resources (OP/BP 4.11)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Projects in Disputed Areas (OP/BP 7.60)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the project require any exceptions from Bank policies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Have these been approved by Bank management?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Conditions and Legal Covenants:		
Financing Agreement Reference	Description of Condition/Covenant	Date Due
Schedule 2, Section I D. 1 (a)	The Government prepares, adopts and discloses the Environmental and Social Screening and Assessment Framework (ESSAF) and the Resettlement Policy Framework (RPF); and ensures that the Project is carried out in accordance with the ESSAF and the RPF.	Before commencement of civil works
Schedule 2, Section II.A.2	On or about the date eighteen (18) months after the Effective Date, the Government shall undertake in conjunction with the Bank, the Participating MDAs, a comprehensive mid-term review of the Project.	Eighteen (18) months after the Effective Date.
Schedule 2, Section IV B. 1 (b)	The Government presents evidence satisfactory to the Bank, indicating compliance with eligibility criteria established in the Operational Manual for financing of Eligible Expenditure under Category (1).	Before withdrawals are made under Category (1) of the Categories of Eligible Expenditures Table in the Financing Agreement.

A. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide a Credit in an amount of SDR 9.7 million (US\$15 million equivalent) to Saint Lucia (SLU) for the Hurricane Tomas Emergency Recovery Project.

2. The proposed Credit would help finance post-hurricane reconstruction and recovery in Transportation, Health, and Education sectors throughout the island and strengthen disaster risk management capacity to lay the foundation for the longer-term sustainable strategy to improve the resilience, preparedness and response capacity of Saint Lucia to natural hazards.

3. The project would finance the following activities: (i) support the early recovery of the Government's key economic sectors from the impact of Hurricane Tomas through the provision of goods, technical advisory services and emergency operating costs; (ii) technical assistance and purchase of equipment to improve national capacity to evaluate and integrate natural hazard and climate change risk reduction into national development policy and decision-making processes; (iii) reconstruction and rehabilitation of selected education, health and transportation facilities and services damaged by the Hurricane; and (iv) strengthening and developing the institutional capacity of the Project Coordination Unit for Project management and execution.

4. Partnership arrangements. This Project is entirely financed by IDA with no co-financing involved. Other bilateral and multilateral agencies (the Japanese Government, the Caribbean Development Bank and the European Union) are supporting complementary activities of the Government's recovery needs in various areas, including the Water, Agriculture, Housing, Tourism, and Education sectors. Management and coordination of the overall Hurricane Tomas recovery effort is carried out by a designated Disaster Recovery Committee set up within the Ministry of Finance, Economic Affairs and National Development (MoF) to handle the post-Hurricane recovery process. The Committee processes immediate rehabilitation funding requests coming from each public agency, mobilizes resources for the recovery needs and coordinates international/donor support of bilateral and multilateral development agencies.

B. Emergency Challenge

Country Context

5. Saint Lucia is a small island economy with relatively strong social indicators. Although it is a middle income country, in 2006, 28% of the population was estimated to live below the locally defined poverty line, and in 2008, approximately 16.8% of the population was unemployed. The island is mountainous of volcanic origin, with an area of 620 square km, 158 km of coastline, and an estimated population of 169,960 (2008).

6. Saint Lucia is an open, tourism-based economy, with revenues based on balance of payment statistics amounting to 40% of the gross domestic product (GDP). After growing 3.6% annually on average during 2003-2006, economic activity slowed down sharply as the country was hit by multiple external shocks in recent years. Starting with Hurricane Dean in August 2007, the external shocks continued with an earthquake in November 2007 and the food and

energy price hikes in 2007-2008. The growth rate fell to 0.7% in 2008, and the real GDP is estimated to have contracted by 5.2% in 2009, due to the adverse impact of the global crisis. The downturn has hit the Tourism sector, the largest employer after the public sector, and all other sectors connected with it. Investment and construction have also slowed down.

7. An important issue confronting Saint Lucia's development is the vulnerability of its population and economy to natural disasters which can seriously impact the productive sectors of the economy, such as tourism and agriculture, with particularly severe effects on communities and households. Saint Lucia is exposed to a range of natural hazards, the most important of which stem from weather-related phenomena such as winds, rainfall, hurricane and droughts. Disasters caused by these hazards impose large costs on the country's fragile economy and exacerbate poverty levels.

8. Hurricane Tomas impacted Saint Lucia on the night between October 30 and 31, 2010, with maximum sustained wind speeds of 90-95 mph with higher gusts. The Hurricane caused torrential rain for 24 hours, resulting in total rainfall of 533 mm. This amount of rainfall, concentrated in many of the short steep-valley watersheds of Saint Lucia, triggered widespread flooding and numerous landslides, particularly in the central and southwestern segments of the island, owing to the topography of the area characterized by mountainous terrain, rivers and flat valleys.

Overview of Adverse Economic and Social Impacts

9. Hurricane Tomas affected almost the entire island of Saint Lucia and inflicted severe damage from the Northeast Coast to the Southern West region of the island. The bulk of the damages resulted from flash flooding and subsequent landslides that made roads impassable, destroyed bridges and homes and washed away river banks in the central and southwestern parts of the island.

10. According to the United Nations' Economic Commission for Latin America and the Caribbean (ECLAC) Macro Socio-Economic Damage Assessment report (December 2010), the total impact from Hurricane Tomas represents 43.4% of Saint Lucia's GDP - nine times its agricultural GDP, three times its tourism GDP, 62% of exports of goods and services, 19% of its gross domestic investment and 47% of its public external debt.

11. The Infrastructure sector was the most heavily affected, representing 43% of the total impact, in addition to the social sectors and the productive sectors which also suffered significant damages.

12. The damage to the road structures is extensive, largely spread across the island, and includes destruction of bridges; erosion of bridge embankments; destruction of culverts that are undermining bridge abutments; caved-in areas that are undermining embankments; road slippage; mud and fallen trees on the roadways; and cracks and erosion of roads which only permitted limited circulation between the north and the south during the first week after the hurricane. The road blockage was due to landslides, debris accumulation, erosion, retaining structures damage, destroyed bridges (three large bridges on primary roads and at least five more on secondary roads), and collapsed riverbanks.

13. The Water sector infrastructure experienced severe damage, from silted intake valves to damaged/destroyed water pipes, pumps, electrical panels and equipment at the main dam (the John Compton Dam), severely limiting access to potable water through the entire island, with over 80% of the population without access to piped water for over ten days after the disaster event occurred.

14. Health infrastructure incurred serious damages, particularly in the Southwestern part of the island where delivery of services was compromised due to extensive damage to the hospital in Dennery, which has been decommissioned, and damage to the road infrastructure surrounding the Soufriere Hospital, which made access to the facility nearly impossible. Other health facilities have also been impacted to varying degrees, including Victoria Hospital, Gros Islet Polyclinic, and Ti Rocher, Micoud, Jacmel and Castries health centers. The sector also suffered from water supply shortage in the aftermath of the hurricane, due to damages sustained on water tanks or low-capacity tanks inhibiting the provision of sufficient water during the disaster.

15. All the educational facilities on the island have been impacted by Hurricane Tomas. An estimated 15% of the facilities sustained severe damages. Typical losses include partial or total collapse of roofs caused by wind, structural damage due to landslides and debris and mud flows, flooding of classrooms, offices and other structures, and heavy siltation. Nearly two-thirds of all schools on the island, or 63 out of the 100 schools, suffered significant enough damage to cause the need for clean-up beyond what could be handled by the usual clean-up crews. School materials and equipment, including furniture, computers, books, teaching aids and school supplies have also been lost. Many of the educational facilities are old buildings and/or are located in low-lying flood-prone areas or along river banks, which heightened their vulnerability to the disaster impacts.

16. Damage in the Housing sector is relatively limited, with 3.5% of the housing stock affected. In all, some 1,860 shelters were damaged and destroyed, with destroyed houses accounting for 248 or 13% of those affected.

17. Significant damages to the different productive sectors are also observed, particularly the Agriculture sector. Banana plantations were the most severely affected, with silt deposits, debris, flooding and mainly snapping of plants accounting for approximately 75% of the total damage to the sector. The fishing and livestock industries were also affected and significant on-farm infrastructure suffered some damage.

Government Response

18. Immediately after the hurricane, the Government of Saint Lucia (GoSL) declared a national State of Emergency on October 31, 2010, adopted a series of relief measures and launched emergency repair works. Emergency repair works were initiated in the form of temporary fixes to protect damaged structures from further exposure and to restore services. Within a few days of the event, the electric power system was operating at nearly 95% of capacity. The Ministry of Communications, Works, Transport and Public Utilities (MCW) completed debris removal from landslides on roads and bridges within days, enabling the

reopening of primary roads to allow movement around the island. Water supply capacity took several weeks to be restored to its pre-hurricane level.

Government Strategy for Recovery

19. The GoSL's medium- to long-term recovery strategy is focused on the repair and rehabilitation of damaged structures and the elimination of potential dangerous exposures and debris created by the hurricane. Initial government efforts are designed to stabilize the situation with temporary patches and other protective measures to restore services and guard against worsening damages.

20. Planning for recovery investments is well underway as the various Ministries have completed their damage assessments and, in many cases, begun the process of prioritization of investment activities. The GoSL has engaged with a number of donor and multilateral agencies to identify funding sources and has identified potential resources from the European Union (EU), Caribbean Development Bank (CDB) and the Japanese International Cooperation Agency (JICA). In addition, the Caribbean Catastrophe Risk Insurance Facility (CCRIF)¹ was triggered and US\$3.2 million was paid out to Saint Lucia under the program.

21. In addition to the various GoSL sector-specific Damage and Needs Assessments, a Rapid Needs Assessment was conducted by the Eastern Caribbean Donor Group² and the UN/ECLAC has undertaken a Macro Socio-Economic and Environmental Assessment of the Damage and Losses caused by the Hurricane. Based on the results of these assessments, and as funds become available, the GoSL intends to execute projects in the affected sectors according to the priorities assigned during the development of the damage assessment. As rehabilitation efforts develop, the GoSL, as part of the design process for works, will look to build resilience into structures that will be rehabilitated. As a result, the scope of engineering works would include vulnerability identification, structural integrity assessment and the integration of improved resilience measures.

Donor Strategies and Response

22. A number of donors have pledged support to the GoSL recovery effort, in line with their traditional areas of engagement on the island. The Prefecture of Martinique provided transport logistics support and heavy equipment for the clean-up and early recovery operations, as well as humanitarian assistance, while the Regional Council of Guadeloupe provided water pipes to support the early rehabilitation of the Water sector. The CDB has pledged support for the infrastructure and education reconstruction, in addition to retroactive financing of debris removal and other recovery activities. The Japanese Government is expected to support the financing of

¹ CCRIF is a risk pooling facility, owned, operated and registered in the Caribbean for Caribbean governments. It is designed to limit the financial impact of catastrophic hurricanes and earthquakes to Caribbean governments by quickly providing short term liquidity when a policy is triggered. See: <http://www.ccrif.org/content/about-us>

² The Eastern Caribbean Donor Group consists of the following agencies: CDEMA, CIDA, CIMH, DFID, OCHA, PAHO, and UNDP.

the Water and Environment sectors' recovery needs; funds contributed by the EU are expected to be directed towards housing and agricultural rehabilitation.

Existing Coordination Mechanisms

23. Management and coordination of the overall Hurricane Tomas recovery effort is being carried out by a designated Disaster Recovery Committee within the MoF. The Committee handles the post-Hurricane recovery process and processes the rehabilitation funding requests coming from each public agency, mobilizing resources for the recovery needs. It coordinates international/donor support of bilateral and multilateral development agencies and it communicates the GoSL's recovery strategy to the public.

24. Following the passage of Hurricane Tomas, the Cabinet has established a National Reconstruction and Development Unit within the MoF, to spearhead the coordination of major reconstruction rehabilitation projects/works and plans undertaken post Hurricane Tomas.

C. Bank Response

The Project

Brief Description of Bank's Strategy of Emergency Support

25. Prior to Hurricane Tomas, the World Bank together with the Ministry of Finance, Economic Affairs and National Development was in the process of identifying and preparing a disaster/climate risk management program, the Disaster Vulnerability Reduction Project (DVRP) financed by IDA and the Pilot Project for Climate Resilience (PPCR). In addition to physical risk reduction activities, the program is expected to improve Saint Lucia's capacity to reduce risks to natural hazards and climate change in its development planning and programs by creating capacity to measure hazard risk and integrate these measures in development policy and planning. The preparation of this program will continue and is expected to be submitted for Board Approval in FY12.

26. The Hurricane Tomas Emergency Recovery Project would provide needed additional resources to support Saint Lucia's effort to rehabilitate damaged infrastructure and stabilize high-risk areas on an expedited basis. The project would also include institutional strengthening investments aimed at improving capacity to evaluate and integrate natural hazard and climate risk reduction into national development policies and decision-making processes. Some of the institutional strengthening activities under this project are designed to lay the foundation for activities that will be included in the two subsequent projects.

27. Proceeding with urgent rehabilitation works under World Bank Operational Policy on *Rapid Response to Crises and Emergencies* (OP/BP 8.00) would enable the commencement of work on strengthening vulnerable infrastructure prior to the 2011 hurricane season.

Project Development Objectives

28. The objective of the Project is to support the recovery and reconstruction of the Recipient in the aftermath of Hurricane Tomas.

Summary of Project Components

29. **Component 1: Support for Early Recovery (US\$1.5 million).** This component would focus on supporting the early recovery of the Government's key economic sectors from the impact of Hurricane Tomas, through the provision of goods, technical advisory services and emergency operating costs. Emergency Operating Costs would include the incremental expenses incurred by the GoSL for early recovery efforts arising as a result of the impact of Hurricane Tomas, including, *inter alia*, additional transportation costs (i.e. gasoline and use of other transportation), increased electricity bills for the public sector, staff overtime and rental of light and heavy machinery (i.e. generators and equipment for removal of debris). The funds under this component would allow the GoSL to recover emergency expenditures incurred following the disaster instead of diverting resources from other pre-disaster budgeted expenditure. Goods and services under this component would be financed retroactively and the eligibility of the expenditures will be determined based on review of satisfactory supporting documentation presented by the Government, including adherence to appropriate procurement practices where applicable. The World Bank would provide retroactive financing up to 10% of the credit amount depending on the availability of the documented expenditures. All supporting documents for such expenditures must also be verified by the Internal Auditors of the Government of Saint Lucia and by the Project Coordination Unit (PCU) Coordinator, certifying that the expenditures were incurred for the intended purpose and to enable a fast recovery of Saint Lucia following the damage caused by Hurricane Tomas, before the Application is submitted to the World Bank. This verification should be sent to the World Bank together with the Application.

30. **Component 2: Institutional Strengthening and Hazard and Risk Analysis (US\$1.5 million).** This component will include strengthening the institutional capacity at the national level, including the MoF, Ministry of Housing, Urban Renewal and Local Government (MoHULG), the Ministry of Physical Development and Environment (MoPDE) and the National Emergency Management Organization (NEMO) to: i) evaluate and integrate natural hazard and climate change risk reduction into national development policy and decision-making processes using geo-referenced information; ii) carry out various risk assessments and impact evaluation studies in highly affected areas and specific sectors; and iii) review the National Disaster Management Plan and improve disaster management capacity.

31. **Component 3: Reconstruction and Rehabilitation of Damaged Critical Public Infrastructure (US\$11 million).** The Government would carry out selected reconstruction and rehabilitation activities of damaged infrastructure in the Government's transport, health and education sector. This component would finance civil works, technical advisory services and goods required for the rehabilitation of the damaged infrastructure. These civil works would be executed to ensure that target structures are resilient to future adverse natural events, thereby reducing their vulnerability to disasters.

32. **Component 4: Project Management and Monitoring Support (US\$1 million).** While the project will be implemented by the same PCU currently implementing the Bank-financed Second Disaster Management Project (DMP II), OECS Skills for Inclusive Growth Project and Enhancing Public Service Performance Project, additional resources will be needed to face the current emergency and increased workload in project management and execution, including procurement, financial management and accounting, engineering oversight and supervision of Project activities. This component would strengthen and develop the institutional capacity of the Project Coordination Unit for Project management and execution, including procurement, financial management, monitoring and supervision of Project activities, through the acquisition of goods, provision of technical advisory services, training and operating costs.

Eligibility for Processing Under OP/BP 8.00

33. The proposed project is an Emergency Recovery Credit that would be processed under the Operational Policy/Bank Procedures 8.00. This policy is triggered upon the formal request from the GoSL for assistance. The losses and damages caused by Hurricane Tomas are estimated at 43.3% of Saint Lucia's GDP. Some of the damages call for immediate action to rehabilitate and secure public buildings and infrastructure. A streamlined ERL with simplified procedures is the most appropriate instrument to respond to the immediate needs of Saint Lucia following the disaster.

Consistency with Regional Partnership Strategy for OECS

34. The World Bank Group's assistance to the Organization of Eastern Caribbean States (OECS) for FY2010-2014 under the Bank's Regional Partnership Strategy (RPS) 2010-2014 (Report No. 53762-LAC), discussed by the Executive Directors on May 3, 2010, focuses on two strategic objectives: i) building resilience and ii) enhancing competitiveness and stimulating growth over the medium term. To help build resilience, the World Bank Group supports interventions aimed at promoting fiscal and debt sustainability, protecting and improving human capital and strengthening climate and disaster resilience.

35. In line with the RPS objectives, this project would focus on activities contributing to vulnerability and risk reduction through a combination of works, procurement and institutional development activities. These activities would directly address one of the core objectives of the World Bank Group's RPS for the OECS, and contribute to the strengthening of fiscal sustainability through improved risk reduction and increased resilience to natural hazards.

Expected Outcomes

36. Expected outcomes for this project include: i) improved risk analysis and management and risk reduction systems and hazard exposure mapping capacities of relevant public agencies; and ii) restoration of access to rebuilt and rehabilitated safe selected basic services (transport, education, health) that were destroyed and/or disrupted by the hurricane, and increased resilience of these structures to future hurricanes.

37. The output indicators expected to be produced through the project activities are: i) a comprehensive institutional and capacity analysis of the physical planning processes, various

specific risk assessments and a review of the existing National Disaster Management Plan; and ii) number of bridges and health and education facilities rehabilitated and adequately equipped. An indicative list of pre-identified projects is presented in Annex 1.

D. Appraisal of Project Activities

38. Following the GoSL's request for support in the aftermath of Hurricane Tomas, World Bank damage assessment (November 2010) and emergency project appraisal (December 2010) missions were conducted. Activities included: i) a rapid assessment of the direct damage inflicted by Hurricane Tomas; ii) identification and technical discussions on priority recovery activities to be financed under the project; iii) institutional capacity assessments (fiduciary and safeguards) and management of the project implementing agencies; iv) environmental and social safeguard framework development; and v) damage assessment of past Bank-financed disaster mitigation investment projects and review of lessons learned from these projects.

Technical Appraisal

39. Investments under this project have been identified and selected in consultation with the relevant sector ministries and public agencies, in coordination with the MoF. Activities include the rehabilitation and reconstruction of education and health facilities and the rehabilitation of damaged bridges. Selection criteria applied for the activities to be included under the project are as follows:

- Proposed rehabilitation activities are directly related to Hurricane Tomas' impacts;
- Investments should be (realistically) completed within the 3-year project life; thus, implementation readiness should be demonstrated by the status of investment preparation at least at feasibility stage and costs estimated with reasonable accuracy; and
- To the extent possible, proposed activities should have minimal environmental and social safeguards issues, including avoidance of land acquisition and resettlement, to improve the likelihood of the project being executed within the proposed project life.

Economic Analysis

40. The combination of the nature of the event and the type of environmental vulnerability in Saint Lucia has made Hurricane Tomas an important capital stock event. The total impact from Hurricane Tomas represents 43.4% of Saint Lucia's GDP.

41. An economic analysis of the operation is not possible at this early stage of the recovery process. The overall pattern of restoration of infrastructure and services across all sectors is underway. Nonetheless, each proposed activity to be financed under this operation was evaluated and selected on the basis that it relates to critical infrastructure, the rehabilitation of which could support Saint Lucia's rapid economic recovery from the hurricane and thus is a priority identified by the GoSL. Given that the Infrastructure sector was the most heavily affected, representing 43% of the total impact, followed by the social sectors which also suffered significant impact, all subprojects included under this operation focus on the most affected sectors, namely Infrastructure, Education and Health. . The selection of project activities include: critical bridges

on primary road networks and the most impacted school and health facilities. An indicative list of pre-identified projects is presented in Annex 1.

42. The rehabilitation and reconstruction works will be executed to ensure that target structures are resilient to future adverse natural events, thereby reducing their vulnerability to disasters and related potential economic loss.

Financial Management

43. An assessment of the financial management arrangements of the Project Coordination Unit, located in and established under the MoF, was undertaken in December 2010. Currently, all World Bank-financed projects in Saint Lucia are implemented by this PCU. The PCU has significant experience as it has been implementing Bank-financed projects for over a decade. The PCU is currently implementing three Bank-financed projects, and is maintaining financial management arrangements acceptable to the World Bank. Since the PCU has adequate experienced staff, accounting and reporting system, and accountability and control environment, the overall financial management risk is assessed as “moderate”.

Procurement

44. Procurement for the proposed project would be carried out in accordance with World Bank’s “*Guidelines: Procurement Under IBRD Loans and IDA Credits*”, published in May 2004 (revised October 2006 and May 2010); and “*Guidelines: Selection and Employment of Consultants by World Bank Borrowers*” published in May 2004 (revised in October 2006 and May 2010), with flexibility in the procurement of works, goods, and consultant services as stipulated in OP/BP 8.00 for Rapid Response to Crises and Emergencies and the provisions stipulated in the Financing Agreement. For each contract to be financed by the credit, the various procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and timeframe are agreed between the Borrower and the World Bank in the Procurement Plan.

45. A capacity assessment of the implementing agency, the PCU, to implement procurement activities for the project has been carried out in the context of the project preparation (December 2010). The assessment report indicated that the overall risk of the PCU carrying out procurement was determined to be “moderate”. The assessment reviewed the organizational structure of the PCU and, in particular, the procurement functions of the staff. The existing procurement team is headed by the PCU Coordinator, who has attended several trainings on the World Bank and other procurement procedures and has more than 10 years of experience in procurement. The team is comprised of two procurement officers and a procurement assistant, who work on projects financed by several international agencies, including the World Bank.

46. The assessment report has identified the need for hiring additional procurement staff and for training in procurement to strengthen the PCU’s capacity to handle additional procurement activities and responsibilities with heavy civil works elements. An action plan was discussed and the recommendation was agreed on as shown in Annex 6.

47. A potential risk for lack of competition for larger civil works contracts by existing qualified contractors in Saint Lucia has been reviewed. Under National Competitive Bidding (NCB) processes, the PCU would take measures to encourage domestic contractors to participate in NCB bidding for civil works. In the meantime, the PCU would expand advertisement of such bidding opportunities in the Caribbean region, including publication in the regional press and on the Saint Lucia official procurement web site.

Environmental and Social Safeguards

48. The project is considered Category B, and the policy on Environmental Assessment (OP 4.01) is triggered. All works will focus on rehabilitation and reconstruction of infrastructure damaged during the Hurricane that are expected to be small-scale, generating only minor and localized environmental impacts that can be easily identified, mitigated and managed. No large-scale, significant and/or irreversible impacts are expected. Overall, the expected environmental impacts are mostly associated with the construction phase of the rehabilitation works and include debris management, worker sanitation, noise control, use of hazardous materials and soil erosion.

49. Consistent with the Procedural Guidelines for OP/BP 8.00 operations, an Environmental and Social Screening and Assessment Framework (ESSAF) is under preparation to ensure compliance with the World Bank's safeguard policies. The ESSAF would be completed, consulted with the relevant project beneficiaries and disclosed within three months after the proposed project is declared effective, and no later June 1, 2011. It would be followed throughout project implementation. The ESSAF would establish the objectives, procedures, institutional framework and implementation arrangements for identifying and managing potential environmental and social impacts from project activities. It addresses mechanisms for consultation and redress of possible grievances and will include the specific screening tool that is recommended for use on all sub-projects. The Framework would also assist the PCU in screening all the subprojects for their likely social and environmental impacts, identifying documentation and preparation requirements and prioritizing the investments.

50. Given the small-scale environmental impacts expected under this project, an Environmental Management Framework (EMF) already developed by the PCU under the DMP II (2004) in Saint Lucia would apply to all investments under this project. Such procedures – site screening, public consultations and information dissemination, inclusion of Environmental Management Plans (EMP) in bidding documents and supervision of environmental aspects during construction – would be applied to all investments under the operation. The EMF will be integrated into the ESSAF referenced above, which would form part of the Operations Manual (OM) of the project.

51. The project is not expected to impact critical natural habitats. However, the Natural Habitats Policy (OP 4.04) is triggered as a precaution and to permit flexibility in the activities financed by the project. The ESSAF would also include screening procedures to ensure that potential sub-projects would not involve unprecedented or significant conversion of natural habitats.

52. The policy on Physical Cultural Resources (OP 4.11) is triggered as a precaution; the ESSAF will include provisions to identify any impacts to physical cultural resources as part of the environmental screening process for sub-projects, and “chance find” procedures would be included in all works contracts.

53. Land acquisition and resettlement are not anticipated under this project. In most cases, the works relate to the repair and rehabilitation of existing structures. As for the two new constructions, namely the Dennery hospital and the Dennery infant school, the hospital facility would be rebuilt in its current location and the school would be relocated and constructed on currently unoccupied public land already identified by the Government. However, the Involuntary Resettlement Policy (OP 4.12) is triggered as precaution and to allow flexibility in the activities financed.

54. A Resettlement Policy Framework (RPF) is currently under preparation. The RPF would be finalized and disclosed within a month after the proposed project is declared effective, and no later April 1, 2011. The RPF would assist the PCU in i) screening all sub-projects for land acquisition and physical and/or livelihood displacement resulting from such land acquisition; and ii) identifying documentation and preparation requirements for compliance with World Bank Safeguards Policy. In the unlikely event that the project leads to land acquisition and/or resettlement, Abbreviated Resettlement Plans and/or Resettlement Action Plans (RAPs), as may be applicable, would be prepared for specific sub-projects in accordance with the project’s RPF.

55. The OP 4.10 on Indigenous Peoples is not expected to be triggered under the project.

56. The PCU’s environmental safeguard capacity to implement the required measures was reviewed during preparation of the proposed operation and deemed to be adequate. The PCU has previously implemented the Saint Lucia DMP II and used an EMF, including screening mechanisms and environmental checklists. The PCU does not have a full-time Environmental Officer; however, several staff are familiar with the World Bank’s safeguards policies. Previously, the PCU has hired local environmental consultants to carry out the environmental screening, as well as to supervise the implementation of works. The MCW also has overall responsibility for monitoring works to help implement the ESSAF and monitor the environmental compliance of activities. Through this project, refresher courses on the World Bank’s safeguards would be held for the PCU technical staff who work with communities, conduct site screenings and design mitigation measures at the sub-project level.

57. No exceptions to Bank Policy are sought under this project.

E. Implementation Arrangements and Financing Plan

58. Implementation arrangements for the Project would follow the same structure as was used under the ERDMP and the DMP II.

59. The PCU in the Ministry of Finance, Economic Affairs and National Development (MoF) would be responsible for, *inter alia*, project planning, carrying out and monitoring the project’s procurement activities and contract management process, financial management and supervision of project activities.

60. The beneficiary ministries, including the Ministry of Education and Culture (MoE), the Ministry of Health, Wellness, Family Affairs, National Mobilization, Human Services and Gender Relations (MoH), the Ministry of Communications, Works, Transport and Public Utilities (MCW), the Ministry of Physical Development (MoPDE), the Ministry of Housing, Urban Renewal and Local Government (MoHULG) and the National Emergency Management Organization (NEMO) will provide technical support to the PCU as needed (e.g. review and preparation of technical terms of reference, provision of technical specifications for goods to be purchased and for consultancies and other required technical inputs).

61. The PCU would report on a bi-annual basis to the World Bank. Annual performance reviews will be conducted, with the one to be held during the second year of implementation serving as a mid-term review.

62. The PCU would be retained for the duration of the project.

Financial Management and Disbursement Arrangement

63. The PCU has experience in managing the fiduciary aspects of various projects financed by the World Bank. The proposed project would use the existing PCU and its financial management arrangements, which are acceptable to the World Bank. The proposed arrangements would facilitate proper utilization of available resources, and ensure consistency of fiduciary implementation across projects, as well as fiduciary risk management. Due to Hurricane Tomas, a significant proportion of the infrastructure in Saint Lucia in the various sectors such as Communications, Health, Education and Water is heavily damaged. A major portion of the project funds would be used for reconstruction of the damaged facilities. As such, the project implementation would involve various sectors affected by the hurricane. Therefore, technical and fiduciary aspects of the project management would be divided between the sector ministries and the PCU. However, it would be the responsibility of the PCU that the project funds are used for their intended purpose by the various line ministries/agencies.

64. The project would be 100% financed by the Bank and as such, no counter-part funds would be involved. The annual budgets would be prepared by the PCU and integrated into the annual development budget of the GoSL. The approved annual budget would be entered into the accounting system and used for periodic comparison with actual implementation by generating monthly and quarterly interim financial reports.

Flow of Funds and Disbursement

65. The World Bank financing would be channeled primarily through a segregated Designated Account (DA) denominated in US Dollars, which will be opened by the PCU in the Bank of Saint Lucia Limited. The PCU would also operate a local currency account to finance project expenditures in the local currency to which funds from the US Dollars Designated Account will be periodically transferred. These accounts would be operated in accordance with the procedures and guidelines set forth in the World Bank's Disbursement Guidelines. Advances to the DA will be made based on the forecast of the project eligible expenditures for a period of at least six months based on Interim Financial Reports (IFRs). The DA would thus have a

Variable Ceiling. Supporting documentation for expenditures made from the DA would also be based on IFRs. The IFRs would be submitted to the World Bank on a quarterly basis and no later than 45 days after the end of each quarter. The Project would also be able to use the Direct Payment and Reimbursement disbursement methods. The Minimum Application Size for Direct Payments and Reimbursements would be US\$0.5 million equivalent. Direct Payments would be documented by Records and Reimbursements by the IFRs.

Retroactive Financing

66. The World Bank would provide retroactive financing up to 10% of the credit amount depending on the availability of the documented expenditures, which are identifiable and verifiable and comply with the World Bank's procurement guidelines and/or with other eligibility criteria acceptable to the World Bank. The project may submit an application for retroactive financing based on a list and category of expenditures agreed upon during project negotiations. All supporting documents for such expenditures must be verified by the Internal Auditors of the GoSL and by the PCU Coordinator, certifying that the expenditures were incurred for the intended purpose and to address the damage caused by Hurricane Tomas before the Application is submitted to the Bank. This verification should be sent to the World Bank together with the Application.

Monitoring and Evaluation

67. Monitoring and evaluation would be managed by the PCU. The World Bank team would assist the PCU in tracking performance indicators during regular supervision missions.

68. To satisfy OP/BP 8.00 requirements, a World Bank team would visit Saint Lucia no less than four times a year during the first 12 months following effectiveness of the project to supervise ongoing activities and to carry out a post-review of contract and procurement actions. Based on the overall risk assessment, the post-review field analysis would cover all major investments (preventive physical mitigation measures), and a sample of not less than one in three civil works facilities.

Closing Date and Implementation Schedule

69. The proposed project would be implemented over a three-year period, with a closing date of March 31, 2014. The contracts for the identified infrastructure works are all expected to be signed during the first six months of implementation.

F. Key Risks and Mitigation Measures

70. As referenced in Annex 4: Operational Risk Assessment Framework (ORAF), key risks to achieving Project Development Objectives were identified as well as mitigation measures to minimize the potential impact of these risks. The ORAF would also be used to monitor and reassess risks and review mitigation measures during project implementation. There are no controversial aspects of the project.

71. The risk rating for project implementation is Medium-L. A Medium-L risk rating corresponds to a risk that would have low impact but a high likelihood of occurring. This rating reflects that the project would be a very large project for Saint Lucia to implement which could lead to delays in implementation. The project design is mitigating this risk by a design focusing on relatively straightforward civil works in the form of buildings and bridges, which avoids complex processes such as resettlement or land acquisition. The project also provides financing for Saint Lucia to strengthen the implementation capacity of the PCU.

72. Implementing agency-level risks include inadequate coordination, quality control and information sharing mechanisms across various agencies and levels (regional and national), which are essential given the project's cross-ministerial implementation design. To improve government coordination and promote data sharing, the World Bank would allocate technical assistance in data management and risk modeling to relevant government institutions. To ensure quality control, the World Bank would allocate funds for independent inspections and plans to establish critical path inspection procedures and integrate them into construction contracts.

G. Terms and Conditions for Project Financing

73. The project would be financed by an IDA credit under Standard terms of 35 years maturity including 10 years grace period.

Annex 1: Detailed Description of Project Components

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

1. The objective of the Project is to support the recovery and reconstruction of the Recipient in the aftermath of Hurricane Tomas. The project would have four components:

2. **Component 1: Support for Early Recovery (US\$1.5 million).** This component would support the early recovery of the Government's key economic sectors from the impact of Hurricane Tomas through the provision of goods, technical advisory services and emergency operating costs. Emergency Operating Costs would include the incremental expenses incurred by the GoSL for early recovery efforts arising as a result of the impact of Hurricane Tomas, including, *inter alia*, additional transportation costs (i.e. gasoline and use of other transportation), increased electricity bills for the public sector, staff overtime and rental of light and heavy machinery (i.e. generators and equipment for removal of debris). The funds under this component would allow the GoSL to recover emergency expenditures incurred following the disaster instead of diverting resources from other pre-disaster budgeted expenditure. Goods and services under this component would be financed retroactively and the eligibility of the expenditures will be determined based on review of satisfactory supporting documentation presented by the Government, including adherence to appropriate procurement practices where applicable. The World Bank would provide retroactive financing up to 10% of the credit amount depending on the availability of the documented expenditures. All supporting documents for such expenditures must also be verified by the Internal Auditors of the Government of Saint Lucia and by the PCU Coordinator, certifying that the expenditures were incurred for the intended purpose and to enable a fast recovery of Saint Lucia following the damage caused by Hurricane Tomas, before the Application is submitted to the World Bank. This verification should be sent to the World Bank together with the Application.

3. **Component 2: Institutional Strengthening and Hazard and Risk Analysis (US\$1.5 million).** This component would strengthen the institutional capacity at the national level of the Ministry of Finance, the Ministry of Housing, Urban Renewal and Local Government, the Ministry of Physical Development and Environment and the NEMO to: i) evaluate and integrate natural hazard and climate change risk reduction into national development policy and decision-making processes using geo-referenced information; ii) carry out various risk assessments and impact evaluation studies in highly affected areas and specific sectors; and iii) review the National Disaster Management Plan and improve disaster management capacity. This component is designed to lay the foundation for activities that would be included in subsequent Disaster Vulnerability Reduction Projects. Activities financed under this component would include:

- (a) Comprehensive institutional capacity analysis of physical planning processes (technical evaluation of the lessons learned from the impact of Hurricane Tomas, spatial data infrastructure assessment, decision-making process for spatial and coastal management);

- (b) Procurement of equipment for GIS-based analysis, data management and storage, as well as training on the use of this equipment;
- (c) Sector-specific risk and impact assessments (i.e. risk assessment study for the Education and Water sectors; flood risk assessment for the Dennery village; evaluation of hurricane-induced run-off impact on coral reefs, etc.);
- (d) Review and recommendations to improve the existing National Disaster Management Plan and associated capacity building as needed; and
- (e) Procurement of emergency communication equipment to replenish NEMO's damaged stock, including hand-held VHF radios, VHF repeaters, base station radios, packet radios stations, etc.

4. Component 3: Reconstruction and Rehabilitation of Damaged Critical Public Infrastructure (US\$11 million). The Government would carry out selected reconstruction and rehabilitation activities of damaged infrastructure in the Government's transport, health and education sectors. This component would finance civil works, technical advisory services and goods required for the rehabilitation of the damaged infrastructure. These civil works would be executed to ensure that target structures are resilient to future adverse natural events, thereby reducing their vulnerability to disasters. Activities under this component would likely include:

(a) Subcomponent 3.1: Assistance to the recovery of the Health Sector (US\$3 million): it includes technical assistance for the design and supervision of works, the rehabilitation/reconstruction of health facilities and the procurement of medical supplies and equipment. The following activities are considered:

- (i) Dennery Hospital relocation of services and reconstruction. Retrofitting and equipping the temporary facility of Dennery Hospital, and reconstruction of the Dennery Hospital facility and equipment.
- (ii) Rehabilitation of health facilities. Renovation of pediatric ward roof and medical equipment of the Victoria Hospital; repairs to the emergency room and roofing of the Soufriere Hospital; repairs to the roof and installation of hurricane-resistant windows and doors at the Entrepot Health Centre; repairs to the roof and installation of hurricane-resistant windows and doors at the Jacmel Health Center; and drainage works and installation of hurricane-resistant windows and doors.
- (iii) Security structure/covering for rainwater harvesting installation.

(b) Subcomponent 3.2: Assistance to the recovery of the Education Sector (US\$4 million): it includes technical assistance for the design and supervision of works, school rehabilitation and school supplies. The following activities are considered:

- (i) Rehabilitation and reconstruction of school facilities.

This is an indicative list of school facilities proposed under this project:

Brief Activity Description
<u>Dennery Infant School</u> (218 students): Construction of the school in a new site
<u>George Charles Secondary</u> in Cul de Sac (619 students): Raising of the access road and construction of drains
<u>Babonneau Secondary</u> (527 students): Installation of gabion baskets to arrest land slippage and stabilize the slope
<u>Ave Maria Primary</u> in Castries (626 students): Reroofing and replacement of ceiling of some sections of the school
<u>St. Joseph's Convent</u> in Castries (676 students): Clearing the landslide, construction of retaining wall
<u>Vieux Fort Comprehensive Campus B</u> (1,007 students): Repairs to roof, ceilings, fencing, doors, windows and other classroom infrastructure
<u>Marigot Secondary</u> in Roseau (445 students): Clearing of debris and construction of a retaining wall to arrest the land slippage and reinstatement of damaged railings
<u>Soufriere Primary</u> (342 students): Clearing of the site and repairing damaged bridge and fence; replacement of furniture and electrical equipment
<u>Sir Arthur Lewis Community College</u> in Morne Fortune (main college campus) and Mabouya Valley (College's farm): Repairs to the roof, ceiling and guttering, replacement of doors and windows, repairs of fence, greenhouses and farm infrastructure, replacement of equipment
<u>Cicéron Secondary</u> (489 students): Construction of a retaining wall to arrest the land slippage
<u>La Croix Maingot Combined</u> in Castries (355 students): Construction of a retaining wall to arrest the land slippage and to improve drainage on the site
<u>Piaye Secondary</u> in Laborie (600 students): Repair all damages including the installation of replacement windows and repair the roof
<u>Augier Combined</u> in Vieux Fort (343 students): Construction of a new classroom to replace the damaged one and to repair and reinforce the school's roof
<u>Dame Pearllette Louisy Primary</u> (950 students): Establishment of a new computer lab; repairs to fencing and clearing of school yard
<u>Morne Du Don Combined</u> (325 students): Construction of a retaining wall to arrest the land slippage, repairs to roof, ceiling and fence
<u>Castries Comprehensive Secondary</u> (831 students): General cleaning and repairs to concrete roof
<u>Dennery Primary</u> (300 students): Retrofitting of the roofs of the school buildings; construction of drains to channel runoff and backfilling of selected sections of the site
<u>Reunion Combined</u> in Choiseul (148 students): Retrofitting of the roof and replacement of doors, windows and fencing
<u>Bocage Combined</u> (1,113 students): Retrofitting of roof and ceiling; there is also the need to construct storm drain to the back of the school
<u>Bexon Primary</u> (200 students): Clearing of the school yard; raising the access road, construction of storm drains and foot bridge; replacement/refurbishment of the school's Special Education room
The following schools all suffered roof and ceiling damages:
<ul style="list-style-type: none"> • Mon Repos Combined

Brief Activity Description
<ul style="list-style-type: none"> • Micoud Primary • Belle Vue Combined • Vieux Fort Primary • Vieux Fort Infant • Vieux Fort Sec. Campus A

(ii) Replacement of damaged items. It includes:

<p><i>Furniture:</i> This includes student desks, student chairs, teacher desks, teacher chairs, chalk boards, standard bookshelves, filing cabinets, lunch tables, teachers’ cupboards and principals’ chairs</p>
<p><i>Machinery/Fixtures and Electrical Equipment:</i> This includes microwaves, refrigerators, freezers, cookers, air conditioning units, duplicating machines, fax machines, photo copy machines, copiers/printers, computers, laminating machines, risographs, sewing machines and fans</p>
<p><i>Electronic Items/Tools:</i> This includes water tanks, water pumps, generators, weed eaters, lawn mowers, wheel barrows, water hoses, transformers, radios/CD players, DVD players, power strips, voltage regulators, projectors, televisions, PA systems and speakers</p>
<p><i>Stationery/Instructional Supplies/Cleaning Supplies:</i> This includes text books, tape, pens, pencils, crayons, erasers, note books, registers, scheme books, paper, bristol boards, markers, chalk, disinfectant, bleach, insecticide, brooms and mops, bass brooms, gloves, mop buckets, dust masks, garbage bags, bins, plastic rakes</p>
<p><i>Resource Materials:</i> This includes student report books, flip charts and stands, glue, scissors, model clocks, maps, globes, motivational stickers, charts, board games, electronic games, alphabet mats, bean bags, library books, activity rugs, first aid kits, door mats, office rugs, paper cutters, binding machines, staplers</p>
<p><i>Other Items:</i> This includes blenders, electric kettles, food processors, cake mixers, keyboards, recorders, xylophones, sofa chairs and folding tables</p>

(iii) Increase of water storage capacity. Installation of rain water harvesting systems with a capacity to store 50,000 gallons of water will be strategically placed to serve clusters of schools, namely Gros Islet Primary, Castries Comprehensive Secondary, St. Aloysius RC Boys’ Primary, Bexon Infant School, Entrepot Secondary School, Vide Bouteille Secondary School, Ave Maria Girls’ Primary School, Clendon Mason Secondary School, Vieux Fort Primary School, Canaries Primary School, Soufriere Primary School and Micoud Secondary School.

(c) Subcomponent 3.3: Assistance to the recovery of the Transport Sector (US\$3 million), which includes technical assistance for the design and supervision of works and rehabilitation of critical bridges works.

This is an indicative list of bridge works proposed under this project:

Bridge
Cap Choc Bridge rehabilitation
Bois D'Orange Bridge rehabilitation
Cresslands Bridge rehabilitation
Ravine Poisson Bridge rehabilitation
Troumassee Bridge rehabilitation
Wanier Bridge rehabilitation

Additional works worth US\$1 million will be included in this component, in consultation with the MoF and relevant ministries.

5. **Component 4: Project Management and Monitoring Support (US\$1 million).** While the project would be implemented by the same Project Coordination Unit (PCU) currently implementing three World Bank-financed projects - namely: (i) Second Disaster Management Project (DMP II); (ii) OECS Skills for Inclusive Growth Project; and (iii) Enhancing Public Service Performance Project - additional resources would be needed to face the current emergency and increased workload in project management and execution, including procurement, financial management and accounting, engineering oversight and supervision of Project activities. This component would strengthen and develop the institutional capacity of the PCU for Project management and execution, including procurement, financial management, monitoring and supervision of Project activities, through the acquisition of goods, provision of technical advisory services, training and operating costs.

Annex 2: Results Framework and Monitoring

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

Project Development Objective (PDO): The objective of the Project is to support the recovery and reconstruction of the Recipient in the aftermath of Hurricane Tomas.										
PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3				
Indicator one: Number of people with access to rebuilt and rehabilitated safe selected basic services (transport, education, health) affected by Hurricane Tomas	<input checked="" type="checkbox"/>	Number of daily users	10.000 students	4.000	9.000	10.000	Semi-annual	Semi Annual Project Progress Reports	Ministry of Communications, Works, transport and Public Utilities	Restored levels of service in selected public buildings and infrastructure – specifically education and health facilities and transport infrastructure – at a minimum to pre-hurricane levels
			hospital and health centers patients	TBD	TBD	TBD		Relevant Ministries reports	Ministry of Education and Culture	
			bridges users	TBD	TBD	TBD			Ministry of Health	
Indicator two: Improved national and local risk management and risk reduction systems and abilities for future natural hazards through studies and assessments, the review of the National Disaster Management Plan, and capacity building for Government staff	<input type="checkbox"/>	Number of government-produced policies and plans that integrate hazard risk information	0		1	2	Semi-annual	Semi Annual Project Progress Reports Relevant Ministries reports Studies and assessments produced	Ministry of Finance Ministry of Physical Developments NEMO	Measurement of increased national ability to analyze, assess and integrate natural hazard and climate change risk reduction into national development policies and decision

										making processes
INTERMEDIATE RESULTS										
Intermediate result level Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition)
				YR 1	YR 2	YR 3				
Intermediate Level Result (Component two)										
<i>Intermediate Result Indicator one:</i> Number of Staff from the Ministry of Physical Developments and NEMO trained in GIS analysis tools	<input type="checkbox"/>	Number of Government officials trained	Number of Staff trained (Ministry of Finance, Economic Affairs and National Development, Ministry of Physical Development and NEMO)	TBD	TBD	TBD	Semi-Annual	Semi-Annual Project Progress Reports Number of people participating to the training Inventory report of instruments/ Software installed	Ministry of Physical Developments NEMO	Measurement of increased national capacity to perform risk analysis and hazard exposure mapping
<i>Intermediate Result Indicator two:</i> Number of studies and assessments undertaken, including the review of the National Emergency Management Plan	<input type="checkbox"/>	Number of studies and assessments undertaken	0	Two (2) studies and assessments prepared	Four (4) studies and assessments prepared	All studies and assessment completed	Semi-Annual	Semi-Annual Project Progress Reports Number of studies and assessments prepared Evaluation of Consultants Final Report	Ministry of Physical Developments NEMO	Measurement of increased national capacity for physical planning processes
<i>Intermediate Result Indicator Three:</i> Number of Communication	<input type="checkbox"/>	Number of Communication equipment procured (200)	0	Procurement of all equipment	All equipment procured	All equipment procured	Annual		NEMO	Measurement of increased national capacity

equipment procured		handheld VHF radios, 6 VHF repeaters, 24 base stations radios, 24 packet radio stations, 20 mobile VHF radios, 20 magnet mobile antennas, 30 battery back-up for repeaters and base stations)								coordination in emergency situations
Intermediate Level Result (Component three)										
<i>Intermediate Result Indicator one:</i> number of bridges rehabilitated	<input type="checkbox"/>	Number of bridges	Six (6) bridges damaged by Hurricane Tomas. These six (6) bridges are considered critical for the transport sector	2	4	6	Annual	Annual Project Progress Reports Certificates of completion Evaluation of Consultants Final Report	Ministry of Communications, Works, transport and Public Utilities	Number of bridges that were damaged by Hurricane Tomas and that are rehabilitated
<i>Intermediate Result Indicator two:</i> number of schools facilities rehabilitated or rebuilt, and equipped, with due attention to resilience sustainability	<input type="checkbox"/>	Number of Schools	Twenty-seven (27) schools damaged by Hurricane Tomas, with a total student population of over 10.000.	9	18	27	Bi-annual	Annual Project Progress Reports Certificate of completion Evaluation of Consultants Final Report	Ministry of Education and Culture Ministry of Communications, Works, transport and Public Utilities	Number of school facilities that were damaged by Hurricane Tomas and that are rehabilitated or rebuilt, and equipped, with due attention to resilience sustainability

<i>Intermediate Result Indicator three:</i> number of health facilities rehabilitated or rebuilt, and/or equipped, with due attention to resilience sustainability	<input type="checkbox"/>	Number of Health Facilities	Five (5) health facilities damaged by Hurricane Tomas	2	4	5	Annual	Annual Project Progress Reports Certificate of completion Evaluation of Consultants Final Report	Ministry of Health Ministry of Communications, Works, transport and Public Utilities	Number of health facilities that were damaged by Hurricane Tomas and that are rehabilitated or rebuilt with due attention to resilience sustainability
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Annex 3: Summary of Estimated Project Costs

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

Project Components	Credit Amount Allocation (equivalent US\$)	Expenditures to be Financed (Percentage)
1. Support for Early Recovery*	1.5	100
2. Institutional Strengthening, Hazard and Risk Analysis	1.5	100
3. Reconstruction and Rehabilitation of Damaged Critical Public Infrastructure: Goods, works, consultants' services	11	100
4. Project Management	1.0	100
TOTAL AMOUNT	15.0	

*Note: Retroactive financing could be up to the equivalent of US\$1.5 million can be disbursed depending on the availability of the documented expenditures, which are identifiable and verifiable and comply with the World Bank's procurement guidelines and/or with other eligibility criteria acceptable to the World Bank.

ANNEX 4: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

Project Development Objective(s)	
The objective of the Project is to support the recovery and reconstruction of the Recipient in the aftermath of Hurricane Tomas.	
PDO Level Results Indicators:	<p>Indicator One: Number of people with access to rebuilt and rehabilitated safe selected basic services (transport, education, health affected by Hurricane Tomas)</p> <p>Indicator Two: Improved national and local risk management and risk reduction systems and abilities for future natural hazards through studies and assessments, the review of the National Disaster Management Plan, and capacity building for government staff</p>

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measure
Project Stakeholder Risks	Medium-I	The risk that users of schools, health clinics and bridges are dissatisfied with the reconstruction and rehabilitation works financed under the project.	The elements to be financed under the projects have been chosen where there is no need to change the scope or the location of the service.
Implementing Agency Risks	Medium-I	The proposed operation is a large project for the PCU and will require the PCU to maintain and possibly increase project management capacity. The project and other expected increases of the project portfolio handled by the PCU could overwhelm the PCUs capacity for project management.	The project will finance part of the PCUs project management costs, allowing the PCU to increase its capacity. The PCU would hire a senior procurement specialist with a civil engineering background, improve its FM capacity, and to improve its capacity for supervision of Bank safeguards.
Project Risks			
<ul style="list-style-type: none"> • Design 	Low	Delays in project implementation could lead to greater losses related to already damaged infrastructure. Should rehabilitation of schools and health centers not be completed quickly, the population dependent on these facilities will be at greater risk in	In accordance to OP/BP 8.0, a Bank team will travel to Saint Lucia on a quarterly basis for project supervision in the first year. Recurrent missions and a high degree of follow-up will help ensure that project activities move forward as projected in the procurement plan.

		upcoming hurricane seasons.	
• Social & Environmental	Low	Potential for inadequate works site management that does not take appropriate mitigation measures, and results in environmental damage from construction activities	Use of an Environmental and Social Screening and Assessment Framework has been developed for project-financed activities. GoSL has also previously managed numerous Bank projects and has demonstrated institutional capacity for safeguards enforcement. In addition, targeted “refresher” training in safeguards application will further strengthen safeguards capacity within the implementing agency. Regular World Bank supervision will also ensure adherence to World Bank safeguard policies as well as with national environmental policies and building codes.
• Program & Donor	N/A	N/A	N/A
• Delivery Quality	Low	Quality of works completed may be insufficient to resist future hurricanes, due to poor construction or materials.	An independent engineer will be engaged by the PCU who will have responsibility for approving technical aspects of bidding documents. Once construction begins the engineer will make site visits together with engineers from beneficiary Ministries, along with the MCW, to supervise quality of works. Finally, the engineer will be responsible for accepting delivery of final works.

Overall Risk Rating at Preparation	Overall Risk Rating at Implementation	Comments
Medium-L	Medium-L	A Medium-L risk rating corresponds to a risk that would have low impact but a high likelihood of occurring. This rating reflects that the project will be a very large project for Saint Lucia to implement which could lead to delays in implementation. The project design is mitigating this risk by a design focusing on relatively straight forward civil works in the form of building and bridges, which avoids complex processes such as resettlement or land acquisition. The project also provides financing for Saint Lucia to strengthen the implementation capacity of the PCU.

Annex 5: Financial Management and Disbursement Arrangements

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

1. **Overall Conclusions.** An assessment of the financial management arrangements of the PCU, currently located in and established under the MoF, was conducted by the World Bank. Currently, all World Bank-financed projects in Saint Lucia are implemented by the centralized PCU. The PCU has significant experience in implementing World Bank-financed projects. It has been implementing World Bank-financed projects for over a decade. The PCU is currently implementing three World Bank-financed projects - namely: (i) Second Disaster Management Project (DMP II); (ii) OECS Skills for Inclusive Growth Project; and (iii) Enhancing Public Service Performance Project - and is in compliance with the World Bank financial management requirements. Since the PCU has adequate experience in implementing World Bank-financed projects and has adequate staff, accounting, and reporting system, accountability and control environment and the overall financial management risk is assessed as “moderate”. The Office of the Director of Audit (DOA), a constitutional body, would be used to audit the accounts of the project. Besides the annual project audit, the DOA agreed to conduct two performance audits of the project: one in 2013 and the final performance audit once the project implementation is completed. The scope of the performance audits would be wider than the annual financial audit. The audit team would include experts in doing such review. This would involve review of economy, efficiency and effectiveness in the use of project resources. The Director of Audit conducts a few performance audits every year and submits its reports to the Public Accounts Committee of the Parliament. The DOA has comprehensive methodology and experienced staff in conducting such audit. The provision for performance audits in the project implementation would enhance fiduciary assurance for use project funds for intended purpose.

2. **Public Financial Management (PFM) System in Saint Lucia.** The public financial management system in Saint Lucia has advanced over the past decade, but still falls short of international benchmarks in a number of areas. The Government has a transparent budget system, and is using a computerized accounting system (Smart Stream) to compile the financial management information. The system is able to generate timely budget reports for different line ministries, but it could be enhanced to make it more comprehensive, e.g to perform bank reconciliations. The Director of Audit (DOA) has just completed the audit of accounts for 1999-2003 and the report should be submitted to the Public Accounts Committee of the Parliament (PAC) soon, but consolidation of accounts of the Government and the associated audit reports since 2004 are still pending.³

Detailed Financial Management Arrangements

3. The proposed project would use the existing PCU. The PCU’s financial management arrangement is acceptable to the World Bank in view of its experience in managing the fiduciary aspects of various projects financed by the World Bank. The proposed arrangements would facilitate proper utilization of available resources and ensure consistency of fiduciary

³ For a further discussion of St. Lucia’s PFM system, see the Program Document for *St. Lucia - Economic and Social Development Policy Loan and Credit Program*. World Bank Report No. 53990-LC. PFM issues are most fully discussed in paragraphs 71-82 of that document.

implementation across projects, as well as fiduciary risk management. Due to Hurricane Tomas, much of the infrastructure in Saint Lucia in the various sectors such as Communications, Health, Education, Water, etc., is heavily damaged. A major portion of the project funds would be used for reconstruction of damaged facilities. As such, the project implementation would involve various sectors affected by the hurricane. Therefore, technical and fiduciary aspects of the project management would be divided between the sector ministries and the PCU located in the MoF. However, overall fiduciary responsibility would remain with the PCU. These arrangements would facilitate centralized management of the project's fiduciary functions and implementation of the project activities under the various line ministries with the technical support of the concerned ministries and agencies. While the PCU utilizes elements of the existing country systems (e.g. the audit is performed by the Director of Audit), the PCU is generally not integrated with the Government's normal systems, with the PCU maintaining a separate accounting system (in Quickbooks) and each project using its individual bank accounts. Since the PCU has adequate experience in project implementation and would exercise significant oversight in the implementation of the project activities, the overall financial management risk of the project is assessed as "moderate". The following are the details on the financial management arrangements:

4. **Budgeting.** The project would be 100 percent financed by the Bank and as such, no counterpart funds would be involved. The annual budgets would be prepared by the PCU and integrated in the annual development budget of the Government of Saint Lucia. The approved annual budget would be entered into the accounting system and used for periodic comparison with actual implementation by generating monthly and quarterly interim financial reports.

5. **Staffing.** The PCU is adequately staffed with the accountant, assistant accountants, and team assistants. In addition, the PCU Coordinator is an accountant with extensive experience with World Bank-financed projects (from 1995 until recently), including within the existing PCU.

6. **Accounting and Reporting.** The project would use the existing 'QuickBooks' accounting software for maintaining the project accounts. The computerized accounting system would allow for the tracking of inflows and outflows by: (i) project component; (ii) funding source; and (iii) disbursement category. Based on this information, the PCU would be able to prepare Interim Financial Reports (IFRs), which will be used for monitoring the implementation progress of the project. A new Chart of Accounts has been prepared for the project. While preparing accounting and financial information, the project would follow cash basis of accounting and all primary supporting documentation will be maintained to facilitate ex-post reviews, the external annual audits, and review by the World Bank as per the provisions of the General conditions, the Financing Agreement and the Government Law. Recipients are responsible for ensuring that document retention beyond the period required by the legal agreement complies with their government's regulations. The detailed accounting policies and procedures would be set forth in the updated project Operational Manual. The annual financial statements will include the Project's sources and uses of funds, a detailed analysis of expenditures, a schedule of withdrawal applications presented during the year, a reconciliation of the Designated Account, the notes to the financial information, and the management representation letter. These reports would be prepared by the PCU and made available to the auditors. The PCU will be responsible for preparing the IFRs on a quarterly basis and submitting them to the World Bank. The IFRs would

provide the required monitoring information and will be used for disbursement purposes. They would include a narrative outlining the major project achievements for the quarter, the project's sources and uses of funds, and a detailed analysis of expenditures. The IFRs should be submitted to the World Bank no later than 45 days after the end of each reporting period.

7. Internal Control and Internal Audit. The project would adapt the Operation Manual currently used by the PCU. The OM would reflect the structure of the PCU, administrative arrangements, internal control procedures, including procedures for authorization of expenditures, maintenance of records, safeguard of assets (including cash), segregation of duties to avoid conflict of interest, regular reconciliation of bank account statements, bank signing mandate (to include at least two signatories), regular reporting to ensure close monitoring of project activities, as well as the flow of funds to support project activities. The project specific information, i.e. the Chart of Accounts, the formats of the reports, etc. would be added as part of the Annexes to the Manual. All transactions for the project would be pre-audited by the Internal Audit Unit of the Office of the Accountant General before payments are made.

8. Safeguard of Assets and Certification of the Technical Quality of Work. Assets acquired by the project would be in the custody of the respective institutional departments, which will also keep copies of the supporting documentation. The PCU would maintain supporting records and balances. At least one annual physical inspection would be undertaken by the implementing agency and the PCU staff, preferably with the participation of the internal and external auditors. In addition, all major reconstruction work of the project and the technical quality of the work would be certified by the concerned head of the Department of the line Ministries and agencies (e.g. Chief Engineer of the MCW).

9. Flow of Funds and Disbursement. The World Bank financing would be channeled primarily through a segregated Designated Account denominated in US Dollars, which would be opened by the PCU in the Bank of Saint Lucia Limited. The PCU would also operate a local currency account to finance project expenditures in the local currency, where funds from the US Dollars Designated Account will be periodically transferred to. These accounts would be operated in accordance with the procedures and guidelines set forth in the Bank's Disbursement Guidelines. Advances to the Designated Account would be made based on the forecast of the project eligible expenditures for a period of at least six months based on Interim Financial Reports (IFRs). The DA would thus have a Variable Ceiling. Supporting documentation for expenditures made from the Designated Account will also be based on IFRs. The IFRs would be submitted to IDA on a quarterly basis and no later than 45 days after the end of each quarter. The Project would also be able to use the Direct Payment and Reimbursement disbursement methods. The Minimum Application Size for Direct Payments and Reimbursements will be US\$ 0.5 million equivalent. Direct Payments would be documented by Records and Reimbursements by the IFR's. The Withdrawal Schedule is as follows:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services and Emergency Operating Costs under Part A of the Project	970,000	100%
(2) Goods, works, consultants' services, Training and Operating Costs under Parts B, C and D of the Project	8,730,000	100%
TOTAL	9,700,000	

10. Retroactive Financing. The Bank would provide retroactive financing up to 10 percent of the credit amount depending on the availability of the documented expenditures, which are identifiable and verifiable and comply with the World Bank's procurement guidelines and/or other eligibility criteria acceptable to the Bank. The project may submit an application for retroactive financing based on a list and category of expenditures agreed on during project negotiations. All supporting documents for such expenditures are required to be verified by the Internal Auditors of the Government of Saint Lucia (GoSL) and by the PCU Coordinator, certifying that the expenditures were incurred for the intended purpose and addressing the damage caused by Hurricane Tomas before the Application is submitted to the Bank. This verification should be sent to the World Bank together with the Application.

11. External Annual Audit and Performance Audit Arrangements. Project financial statements would be audited by the Director of Audit (DOA), as in most OECS countries. The annual audit report would be submitted to the World Bank within six months following the end of the fiscal year (April-March) of the Government of Saint Lucia. The audit must be carried out in accordance with International Standards on Auditing issued by the International Organization of Supreme Audit Institutions (INTOSAI) and/or International Standards on Auditing, and the World Bank's guidelines on auditing. The auditors' terms of reference (TOR) of audit would be prepared by the project and cleared by the World Bank before the engagement of the auditor. The TOR would include the audit of financial transactions, the review of the internal control structure and mechanisms, and the review of the project's compliance with the terms of the credit agreement. The annual audit reports will include an opinion on the project financial statements, including Designated Account Reconciliation, a review of the internal controls, an opinion on the project's compliance with the terms of the credit agreement, and a copy of the auditor's letter to the management. Besides the annual audit, the DOA has agreed to conduct two performance audits of the project as per agreed terms of reference. The first performance audit would be conducted after two years of project implementation in 2013 and the final performance audit

would be conducted after the full project implementation and would be made available to the Bank before the Implementation Completion Report (ICR).

12. Project Financial Management Supervision. As part of its project supervision missions, IDA would conduct risk-based financial management supervisions at appropriate intervals. These will pay particular attention to: (i) project accounting and internal control systems; (ii) budgeting and financial planning arrangements; (iii) review of the IFRs; (iv) review of audit reports, including financial statements and remedial actions recommended in the auditor's Management Letters; (v) disbursement management and financial flows; and (vi) any incidences of corrupt practices involving project resources.

Annex 6: Procurement Arrangements

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

General

1. Procurement for the proposed project would be carried out in accordance with World Bank's "*Guidelines: Procurement Under IBRD Loans and IDA Credits*", published in May 2004 (revised October 2006 and May 2010); and "*Guidelines: Selection and Employment of Consultants by World Bank Borrowers*" published in May 2004 (revised in October 2006 and May 2010), with flexibility in the procurement of works, goods, and consultant services as stipulated in OP/BP 8.00 for Rapid Response to Crises and Emergencies and the provisions stipulated in the Financing Agreement. For each contract to be financed by the credit, the various procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and timeframe are agreed between the Borrower and the World Bank in the Procurement Plan.
2. Retroactive financing could be used for eligible expenditures provided the proposed contracts to be financed comply with the World Bank's procurement guidelines and/or other eligibility criteria acceptable to the World Bank as well as procedures specified below.
3. **Procurement of Works.** Works procured under the project would consist of *Reconstruction and Rehabilitation of Damaged Critical Public Infrastructure* estimated at a total cost of around US\$10 million, which would include the rehabilitation of the Transport, Health, and Education sectors, with 10% of the construction cost to be used for design and supervision. Procurement would be carried out using the World Bank's standard bidding documents (SBDs) following national competitive bidding (NCB), and shopping for small value contracts as agreed with the World Bank.
4. **Procurement of Goods.** Goods procured under the project estimated to cost a total of around US\$3.0 million would include equipment to assist with data collection and management, computer hardware and software, vehicles, office equipment, and office supplies. Procurement would be carried out using international competitive bidding (ICB) and the shopping method of procurement, and will follow Bank's standard bidding documents (SBDs). Limited international bidding (LIB), national competitive bidding (NCB), and shopping shall be used as agreed with the World Bank.
5. **Selection of Consultants.** Consultant services estimated at a total of around US\$2.0 million would include technical assistance (training) by firms and individual consultants for institutional strengthening and hazard risk analysis, consultant fees for project coordination unit staff, and technical and financial audits. The consultant services for design and supervision of civil works for rehabilitation of *Damaged Critical Public Infrastructure* estimated at US\$1.0 million would be selected under Least Cost Selection (LCS) procedures, following advance procurement under paragraph 1.12 of the Guidelines. Short lists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Assessment of the Agency's Capacity to Implement Procurement

6. Procurement activities would be carried out under the responsibility and oversight of the PCU. A recent World Bank procurement capacity assessment was carried out in December 2010. The assessment report indicated that the overall risk of the PCU carrying out procurement was determined to be "moderate". The assessment reviewed the organizational structure of the PCU, and in particular, the procurement functions of the staff. The existing procurement team is headed by the PCU Coordinator, who has attended several trainings on the World Bank and other donors' procurement procedures and has more than 10 years experience in donors' procurement procedures. The team is comprised of two procurement officers and a procurement assistant who work on projects financed by several international agencies, including the World Bank. In regard to projects financed by the World Bank, the procurement should be conducted following the procurement guidelines and procedures of the World Bank. The assessment report has also identified the need for hiring one additional procurement staff and for additional training in order for the PCU to handle additional procurement activities and responsibilities with heavy civil works elements. An action plan was discussed during the mission and the recommendations below were agreed on with the borrower:

- (a) Initiating selection of a senior procurement specialist with civil engineering background after project negotiation with the commencement of his/her contract by credit effectiveness;
- (b) Submission to the World Bank of a revised chapter on procurement in the OM, updating the procedures and responsibilities as well as flow of documentation;
- (c) Agreeing with the World Bank on the initial summary procurement plan at project negotiation and update it annually or as needed; and
- (d) Training in procurement to be provided by the World Bank to the procurement team and other staff at the project launch.

Procurement Plan

7. **Thresholds for the Procurement Method and Bank Review.** The procurement plan for implementation of the proposed project was agreed upon between the Recipient and the Project Team on February 7, 2011 and it is included in Table 1. It will also be available in the project's database and on the World Bank's external website. The procurement plan would be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The recommended thresholds for the use of the procurement methods and the requirement for World Bank prior review as identified in the Table 2 below are applied under OP/BP 8.00 for the emergency operation, not common to regular investment Lending projects of the World Bank. Supervision of procurement would be carried out through prior review supplemented by supervision at least twice a year.

Table 1. Summary Procurement Plan
(February 7, 2011)

Contract Type	Description of Contract	Estimated Cost (US\$)	Procurement Method	Review by Bank (Prior / Post)	Estimated date of award
Component 2 – Institutional Strengthening and Hazard Risk Analysis – US\$1.5m					
Goods	Component 2 Equipment for Institutional Strengthening and related training	\$350,000	ICB	Prior	September 15, 2011
Consulting services	Component 2 - Technical assistance	\$200,000	QCBS	Prior	June 1, 2011
Consulting services	Component 2 – Specific Risk Assessments (at least 3)	\$650,000	QCBS	Prior	TBD
Consulting Services	Component 2 – Review of National Disaster Management Plan	\$300,000	IC	Prior	May 1, 2011
Component 3 – Reconstruction and Rehabilitation of Damaged Critical Public Infrastructure –US\$11m					
Assistance to Health Sector US\$2,600,000					
Consulting services	Component 3 – Technical Assistance for Design and Supervision of Works	\$220,000	LCS	Prior	May 1, 2011
Civil works	Component 3- Retrofitting of Temporary Facility – Dennery Hospital	\$120,000	Shopping	Post	May 1, 2011
Goods	Component 3 – Procurement of Equipment for Temporary Facility – Dennery Health Centre	\$40,000	NCB	Post	May 1, 2011
Civil works	Component 3 –	\$1,700,000	NCB	Prior	May 15, 2011

	Reconstruction of Dennery Hospital and related Equipment				
Civil works	Component 3 - Rehabilitation of Health Facilities – Renovation of Pediatric Ward (roof and medical Equipment)	\$70,000	Shopping	Post	June 15, 2011
Civil works	Component 3 - Rehabilitation of Health Facilities – Repairs to Emergency Room and Roofing - Soufriere	\$130,000	Shopping	Post	June 15, 2011
Civil works	Component 3 - Rehabilitation of Health Facilities – Repairs to Entrepot Health Centre (Roof and installation of hurricane resistant windows and doors)	\$90,000	Shopping	Post	June 15, 2011
Civil works	Component 3 - Rehabilitation of Health Facilities – Repairs to Jacmel Health Centre (Roof and installation of hurricane resistant windows and doors)	\$110,000	Shopping	Post	June 15, 2011
Civil works	Component 3 - Rehabilitation of Health Facilities – including drainage works and installation of hurricane resistant windows and doors	\$110,000	Shopping	Post	June 15, 2011
Civil works	Component 3 - Security Structure / covering for rain water harvesting system (installation)	\$10,000	Shopping	Post	June 1, 2011

Assistance to Education Sector – US\$5m

Consulting Services	Component 3 - Technical Assistance for Design and Supervision of Works	\$270,000	LCS	Prior	May 1, 2011
Civil Works	Component 3 – Repairs and Rehabilitation of Roof –NSDC Centre	\$100,000	NCB	Prior	TBD
Civil Works	Component 3 – Construction in new (Dennerly Infant School)	\$1,480,000	NCB	Prior	TBD
Civil Works	Component 3 – Raising of Access road and Construction of Drains (George Charles Secondary School)	\$90,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Installation of Gabions (Babonneau Secondary)	\$220,000	NCB	Prior	September 15, 2011
Civil Works	Component 3 – Roof and Ceiling (Ave Maria School)	\$130,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Roofing, Ceiling Fencing, doors etc (Vieux Fort Comprehensive Campus B)	\$150,000	NCB	Post	September 15, 2011
Civil Works	Component 3 – Construction of Retaining Wall (Marigot Secondary)	\$70,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Repairs bridge and fence; replacement furniture and electrical equipment (Soufriere Primary)	\$110,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Repairs to roof, ceiling and guttering; replacement of doors, windows, repairs to fencing and greenhouses, replacement of equipment (Sir Arthur	\$90,000	Shopping	Post	September 15, 2011

	Lewis Community College)				
Civil Works	Component 3 – Construction of Retaining Wall (Ciceron Secondary)	\$260,000	NCB	Post	September 15, 2011
Civil Works	Component 3 – Construction of Retaining Wall and drainage Improvements (La Croix Marigot Combined)	\$60,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Repairs of Damages, installation of windows and roof (Piaye Secondary)	\$50,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Establishment of Computer Lab, Repairs to Fencing (Dame Pearlette Louisy Primary)	\$140,000	Shopping	Post	October 15, 2011
Civil Works	Component 3 – Construction of Retaining Wall and repairs to roof, ceiling and fence (Morne Du Don Combined)	\$110,000	Shopping	Post	October 15, 2011
Civil Works	Component 3 –Repairs to roof, general cleaning (Castries Comprehensive Secondary School)	\$60,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Retrofitting of roof and construction of drains (Dennery Primary)	\$130,000	Shopping	Post	October 15, 2011
Civil Works	Component 3 – Retrofitting of roof and ceiling and construction of drain (Bocage Combined)	\$70,000	Shopping	Post	September 15, 2011
Civil Works	Component 3 – Raising of Access Road, Construction of Drains	\$220,000	NCB	Prior	October 15, 2011

	and foot bridge and refurbishment / replacement of Special Education Room (Bexon Primary)				
Civil Works	Component 3 – Roof and Ceiling Repairs (Mon Repos Combined, Micoud Primary, Bellevue Combined, Vieux-Fort Infant, Primary and Secondary Campus A)	\$190,000	NCB	Post	September 15, 2011
Goods	Component 3- Replacement of Damaged Items - Furniture	\$150,000	ICB	Prior	June 15, 2011
Goods	Component 3- Replacement of Damaged Items – Lot 1: Machinery / Fixtures and Electrical Equipment Lot 2: Electronic Items / Tools Lot 3: Stationary / Instructional Supplies/ Cleaning Supplies Lot 4: Resource Materials Lot 5: Other Items	\$700,000	ICB	Prior	June 15, 2011
Civil Works	Component 3 – Increase Water Storage at Various Schools	\$150,000	NCB	Post	June 15, 2011
Assistance to Road Infrastructure Sector – US\$3,400,000					
Consulting services	Component 3 – Technical Assistance for Design and Supervision of Works	\$100,000	LCS	Prior	May 1, 2011
Goods	Component 3 – Procurement of Stock of Gabion Baskets	0	LIB	Prior	June 15, 2011
Civil Works	Component 3 – Rehabilitation of Choc Bridge	\$1,000,000	NCB	Prior	September 15, 2011

Civil Works	Component 3 – Ravine Poisson Bridge Rehabilitation	\$700,000	NCB	Prior	TBD
Civil Works	Component 3 – Troumassee Bridge Rehabilitation	\$60,000	Shopping	Post	TBD
Civil Works	Component 3 – Warnier Bridge Rehabilitation	\$250,000	NCB	Prior	TBD
Civil Works	Component 3 – Brois D’Orange Bridge Rehabilitation⁴	TBD	NCB	Prior	TBD
Civil Works	Component 3 – Cresslands Bridge Rehabilitation⁵	TBD	NCB	Prior	TBD
Component 4 – Project and Monitoring Support					
Consulting services	Component 4 Financial Audit	\$30,000	CQ/SS (to be justified)	Prior	TBD
Consulting Services	Component 4 Engineer and other (procurement and financial management)Staff	\$800,000	IC	Prior	TBD
Goods	Component 4 - Furniture and Equipment – Lot 1 Vehicle Lot 2	300,000	ICB	Prior	TBD
Consulting Services	Component 4 - Technical Advisory Services	150,000	IC	Prior	TBD
Consulting Services	Component 4 - Training	100,000		Prior	TBD
Operating Costs	Component 4 - Operating Costs	150,000			

⁴ To be considered through re-allocation of funds during Project implementation

⁵ To be considered through re-allocation of funds during Project implementation

Table 2. Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value (Thresholds) US\$ thousands	Procurement Method	Contracts Subject to Prior Review
1. Works	>1,800	ICB	All
	>150 -<1,800	NCB	First three regardless of value and all >500
	<150	Shopping	First
	Regardless of value	Direct Contracting	All
2. Goods	>150*	ICB	All
	>25<150	NCB	First
	25<	Shopping	First
	Regardless of value	Direct Contracting	All
3. Consulting Services			
-3.1 Firms	>100	QCBS,QBS,FBS, LCS	All
	<100	QCBS,QBS,FBS, LCS and CQS	First
	Regardless of value	Single Source	All
-3.2 Individuals	Regardless of value	Comparison of 3 CVs in accordance with Chapter V of the Guidelines	First five and then TORs

Note: QCBS = Quality and Cost-Based Selection; QBS = Quality-Based Selection; FBS = Fixed Budget Selection; LCS = Least-Cost Selection; CQS = Selection Based on Consultant Qualifications; IC = Individual Consultant.

**Note: Minimum of bid preparation time is 4 weeks.*

Annex 7: Implementation and Monitoring Arrangements

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

Institutional, Implementation, and Monitoring Arrangements

1. Implementation arrangements for the Project would follow the same structure as was used under the ERDMP and the DMP II. The Project Coordination Unit (PCU) in the Ministry of Finance, Economic Affairs and National Development (MoF) would be responsible for, *inter alia* project planning, carrying out and monitoring the project's procurement activities and contract management process, financial management and supervision of project activities.
2. The beneficiary ministries, including the Ministry of Education and Culture (MoE), the Ministry of Health, Wellness, Family Affairs, National Mobilization, Human Services and Gender Relations (MoH), the Ministry of Communications, Works, Transport and Public Utilities (MCW), the Ministry of Physical Development (MoPDE), the Ministry of Housing, Urban Renewal and Local Government (MoHULG), and the National Emergency Management Organization (NEMO) would provide technical support to the PCU as needed (ex: review and preparation of technical terms of references, provision of technical specifications for goods to be purchased and for consultancies, etc., and other required technical inputs).
3. The PCU would report on a bi-annual basis to the World Bank. Annual performance reviews would be conducted, with the one to be held during the second year of implementation also serving as a mid-term review.
4. **Project Coordination and Management:** The PCU would be retained for the duration of the project, and would report directly to the MoF.
5. The MCW/PCU would be the agencies supporting Component 1 of the project. In this regard, the MCW would provide the requisite documentation for the approval of the retroactive financing for the provision of goods, technical advisory services and Emergency operating costs to facilitate early recovery of the key sectors from the impact of Hurricane Tomas.
6. The MoF, MoPDE, MoHULG and NEMO would be the technical agencies supporting Component 2 of the projects. The MoPDE would provide inputs for a) acquisition of equipment and goods for GIS-based analysis, data management and storage; b) consultant support to strengthen institutional capacity to acquire, manage, and interpret critical data; and c) consultant support to undertake the comprehensive institutional and capacity analysis of physical planning processes and the various specific risk assessments. The MoPDE would be responsible for the technical specifications for goods to be purchased to support their internal activities.
7. Technical specifications for consultancies would be developed jointly with NEMO and the MoPDE serving as the lead technical agency. The PCU would manage the procurement and contracting process. NEMO would provide their communication equipment specifications and requirements.

8. The MCW, the MoE, MoH and the MoHULG would be the technical agencies supporting Component 3. In this regard, the Ministries would support subcomponents a) rehabilitation of transport infrastructure; b) rehabilitation of education infrastructure; and c) rehabilitation of health infrastructure. The Ministries would be responsible for the technical specifications in the bidding documents and for the supervision of civil works. The PCU would manage the procurement and contracting process.

Annex 8: Project Preparation and Appraisal Team Members

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

	Planned	Actual
Appraisal	12/13/2010	12/13/2010
Negotiations	01/31/2011	02/07/2011
Board/RVP approval	03/10/2011	
Planned date of effectiveness	03/21/2011	
Planned date mid-term review	08/14/2012	
Planned closing date	03/31/2014	

Bank staff and consultants who worked on the project included:

Name	Title	Unit
Niels Holm-Nielsen	Sr. Disaster Risk Management Specialist/TTL	LCSUW
Tiguist Fisseha	Disaster Risk Management Consultant	LCSUW
Ana Campos Garcia	Civil Engineer Consultant	LCSUW
Rossella Della Monica	Disaster Risk Management Consultant	LCSUW
Marc Forni	Disaster Risk Management Consultant	LCSUW
Ana Daza	Language Program Assistant	LCSUW
Zuzana Tomkova	Disaster Risk Management Consultant	LCSUW
Rocio Manrique	Temporary - Program Assistant	LCSUW
Joaquin Toro	Sr. Disaster Risk Management Specialist	LCSUW
Mozammal Hoque	Sr. Financial Management Specialist	LCSFM
Yaa Oppong	Sr. Social Development Specialist	SDV
Yingwie Wu	Sr. Procurement Specialist	LCSPT
Anjali Acharya	Sr. Environmental Specialist	LCSEN
Bertrand Mazur	Sr. Structural Engineer Consultant	Regional Council of Guadeloupe
Edith Ruguru Mwenda	Sr. Counsel	LEGAF
Miguel-Santiago Oliveira	Sr. Finance Officer	CTRFC

Annex 9: Environmental and Social Screening Framework and Resettlement Policy Framework

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

Introduction

1. Under the proposed project, works would focus on rehabilitation and reconstruction of infrastructure damaged during the Hurricane. No large-scale, significant, and/or irreversible impacts are expected. In the Health sector, the Dennery hospital facility would be reconstructed and about 5 health facilities would receive rehabilitation and repairs (roof replacement, hurricane-resistant windows and doors, etc.). In the Education sector, a number of early childhood, primary, and secondary schools would be rehabilitated (roof and ceiling damage, land slippage, damage to classroom furniture and equipment, etc.) and some would be relocated. In addition, rainwater harvesting systems would also be installed in some health facilities and schools. In the Transport sector, a number of critical bridges will be rehabilitated.
2. The PCU under the MoF has been undertaking activities under the World Bank-financed DMP II with a scope that is identical to this emergency recovery project. Among the activities was the rehabilitation or reconstruction of small public works to improve their function and resistance to loss and damage. These projects have generally positive environmental impacts, albeit some could result in minor adverse environmental impacts that would, however, be mostly local and reversible.
3. For the purposes of implementing DMP II and its additional financing project, the PCU developed an EMF to manage any potential adverse environmental impacts in a more structured and systematic manner. This document provided a basis for evaluating the potential for adverse environmental effects associated with the development of these small-scale public works projects. Incorporating the social safeguards and screening aspects, this EMF would be broadened under the current project to form the Environmental and Social Screening and Assessment Framework (ESSAF).

Environmental and Social Screening and Assessment Framework (ESSAF)

4. An ESSAF is under preparation, in accordance with OP/BP 8.00 and would be followed throughout project implementation. The ESSAF would establish the objectives, procedures, institutional framework, and implementation arrangements for identifying and managing potential environmental and social impacts from project activities. It would also address mechanisms for consultation and redress of possible grievances, and would include the specific screening tool that is recommended for use on all sub-projects. The Framework would also assist the PCU in screening all the subprojects for their likely social and environmental impacts, identifying documentation and preparation requirements, and prioritizing the investments.
5. The objective of the ESSAF is to ensure that for all activities financed by the project, all efforts are made to avoid and minimize negative environmental and social impacts, and where they cannot be avoided, that these impacts are identified and necessary mitigation measures are

developed and implemented, following relevant Saint Lucian laws and regulations of the World Bank.

Environmental and Social Issues

6. **Environmental Impacts.** The project is considered Category “B”, and OP 4.01 is triggered. All works are expected to be small-scale, generating only minor and localized environmental impacts that can be easily identified, mitigated, and managed. Overall, these environmental impacts are mostly associated with the construction phase of the rehabilitation works, and include debris management, worker sanitation, noise control, use of hazardous materials, soil erosion, etc. Given these small-scale environmental impacts, an EMF already developed by the PCU under the DMP II and its additional financing (2004 - 2011) in Saint Lucia would apply to all investments under this project. Such procedures – site screening, public consultations and information dissemination, inclusion of EMPs in bidding documents, and supervision of environmental aspects during construction - would be applied to all investments under the project. This ESSAF, including the EMF referenced above, would form part of the OM.

7. The EMF also includes provisions to identify any impacts to physical cultural resources as part of the environmental screening process for subprojects, and “chance find” procedures will be included in all works contracts. The related policy is triggered as a precaution.

8. Given the project’s focus on rehabilitating existing infrastructure, no impacts on natural habitats are expected; nonetheless, an environmental screening checklist has been developed which includes questions to verify at the subproject level that no natural habitat impacts will occur, and to ensure subprojects are redesigned to avoid any such impacts, if identified.

9. **Social Impacts** are expected to be limited to disruptions caused during the rehabilitation and improvement of existing public infrastructure including health, education, and transport infrastructure. Impacts should be limited to the construction phase and are to be managed in coordination with the relevant line Ministries to assure a) affected communities are informed of the interventions, b) disruption is minimized, and c) community safety is assured.

10. For example, construction during the school term would require coordination with the Ministry of Education to assure students are protected from hazards associated with construction sites and that students are maintained in an environment conducive to learning. Procedures would be included in the OM to define the coordination activities required between the PCU and the MoE needed to minimize these potential impacts on staff and students. Among the activities would be the inclusion of specific contractor requirements to be implemented based on the nature and timing of construction activities. During the review process for school construction contracts, for example, the MoE would work with the PCU to ensure that timing and security issues are adequately addressed in the contracts to protect the student environment. The same applies for construction affecting the other sectors.

11. Land acquisition and resettlement are not anticipated under this project. In most cases, the works relate to the repair and rehabilitation of existing structures. As for the two new constructions, namely: the Dennery hospital and the Dennery infant school, the hospital facility

would be rebuilt in its current location and the school would be relocated and constructed on currently unoccupied public land already identified by the government. However, the Involuntary Resettlement Policy (OP 4.12) is triggered as precaution, and to allow flexibility in the activities financed.

12. A Resettlement Policy Framework (RPF) is currently under preparation. The RPF would assist the PCU in i) screening all subprojects for land acquisition and physical and/or livelihood displacement resulting from such land acquisition; and ii) identifying documentation and preparation requirements for compliance with World Bank Safeguards Policy. In the unlikely event that the project leads to land acquisition and/or resettlement, Abbreviated Resettlement Plans (ARPs) and/or Resettlement Action Plans (RAPs), as may be applicable, would be prepared for specific sub-projects in accordance with the project's RPF.

Consultation and Disclosure

13. The ESSAF and the RPF would be shared with concerned communities, non-governmental organizations, and development partners. It would be disclosed in-country by the PCU and would also be made available at the World Bank's InfoShop. Relevant subproject-specific safeguard documents/mitigation plans prepared subsequently would also be disclosed. The ESSAF and RPF would form part of the project's OM and is referenced in the project's Legal Agreements.

Criteria for Investment Proposals

14. Rehabilitation investment proposals should demonstrate that they are technically and financially viable, economically efficient, environmentally and socially sound and manageable within the project's lifetime, with sufficient institutional capacity in place to implement and operate/maintain. The proposals would undergo rapid technical, financial, social, and environmental analysis prior to inclusion into the project. In general, the investment proposals should demonstrate the following:

- Proposed rehabilitation activities are directly related to Hurricane Tomas' impacts;
- Investments should be (realistically) completed within the 3-year project life; thus, implementation readiness should be demonstrated by the status of investment preparation at least at feasibility stage and costs estimated with reasonable accuracy; and,
- To the extent possible, proposed activities should have minimal environmental and social safeguards issues, including avoidance of land acquisition, resettlement, etc. to improve the likelihood of the project being executed within the project life.

15. Consultation and disclosure requirements would be simplified to meet the requirements of this Emergency Operation. The ESSAF would be disclosed in the sector ministries and other public places in Saint Lucia and in the World Bank InfoShop.

ESSAF Procedures: Screening, Guidelines, and Clause Selection

16. Environmental and social impact screening, mitigation, and management measure development and implementation would follow these steps:

- Step 1 – Identification of subprojects according to the selection criteria.
- Step 2 – Screening for potential environmental and social safeguard impacts and determination of safeguards documents required according to Saint Lucia regulations and World Bank policies.
- Step 3 – Review of safeguards screening by the World Bank.
- Step 4 – Preparation of safeguard documents, consultation, and disclosure.
- Step 5 – Review and clearance of the safeguard documents within the Government and the World Bank.
- Step 6 – Implementation of agreed-upon actions; and supervision, monitoring, and evaluation.

17. The assessment process, presented here, is a three-part exercise. It consists of a screening procedure, a checklist evaluation, and a set of contract clauses designed to impose environmental and social management requirements. It is designed to determine first whether it is appropriate to use this checklist procedure for the application of environmental and social requirements. If a project presents the potential for significant environmental or social impacts, an environmental or social assessment is required and this procedure is not applicable. The framework would screen-out category A works, and procedures would be included if there are category B works that would require a more thorough environmental impact assessment or management plan.

18. The second part of the process is the application of the checklist to determine the nature of the environmentally and socially important activities that are likely to arise during the projects construction. Once these activities are identified, a series of standard contract clauses are then applied based on the checklist, to define contractor environmental performance requirements. The basic procedure is as follows:

1. *Initial Impact Screening* - The sponsoring agency makes a determination concerning whether the project in question is likely to produce significant controversy or significant major environmental and/or social impacts. If significant impacts are anticipated, these guidelines do not apply and a full environmental assessment or social assessment should be completed.
2. *Guidelines Application* - If the environmental impacts anticipated are not major in nature, the sponsoring agency may use these guidelines to identify typical areas of impacts usually associated with the actual construction and implementation of small works projects.
3. *Clause Selection* - once the areas of impact are identified, the associated contract clause is selected for inclusion in the construction contract. Once the environmental and social requirements are selected and included in the works contract, the responsible agency, through the supervising contract officer, will periodically review contractor performance to assure compliance with these requirements.

19. Prior to the submission of small works activities for funding consideration, the issuing agency (agency requesting the work) shall perform the review presented in the assessment procedures section and shall provide the PCU with the results of that review and the contract clauses to be used in the works contract. The PCU shall forward these findings to the Head of the Physical Planning and Development Division for review and concurrence. This is the office empowered with environmental review authority under the Physical Planning and Development Act No. 29, of 2001.

Role of the Project Coordination Unit

20. The PCU shall serve as the coordinating agency for the approval of all projects to be completed under this program - all project-supported activities would be approved and authorized by the PCU. The PCU will ensure that all project activities adhere to the requirements of the ESSAF, and that designated environmental and social specialists are appointed for overseeing the implementation and monitoring of the framework. A focal person would be appointed for oversight on required environmental and social clearances and studies. The World Bank task team would include environmental and social specialists to facilitate the implementation of the ESSAF and the RPF and provide approval of environmental and social assessments/studies requiring World Bank clearance.

Capacity Building and Monitoring of Safeguard Framework Implementation

21. As part of the capacity building to be provided for implementation of the proposed operations, the Safeguards Focal Points and relevant staff of the concerned Ministries would also receive training in ESSAF's application. During supervision of these operations, the World Bank would assess the implementation of the ESSAF and RPF, and recommend its additional strengthening, if required.

Grievance Redress Mechanism

22. A grievance redress mechanism for the project is necessary for addressing legitimate concerns of affected individuals and groups who may consider themselves deprived of appropriate treatment under the project. The mechanism would include (i) a recording and reporting system, including grievances filed both verbally and in writing; (ii) designated staff with responsibility at various levels of the Government; and (iii) a time frame to address the filed grievances. This mechanism will be detailed in the subproject safeguards documents. The functioning of the grievance redress mechanism would be regularly monitored and evaluated by the PCU throughout project implementation.

Annex 10: Economic and Financial Analysis

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

1. An economic analysis of the operation is not possible at this early stage of the recovery process while the overall pattern of restoration of infrastructure and services across all sectors are underway. Subprojects to be financed under this operation have been limited to the most urgent and effective prevention works, and all reconstruction projects to be approved would be evaluated on the basis of economic criteria as well.

2. ***Build Back Better principles.*** Infrastructure designs would aim at improving the resilience of the corresponding infrastructure to future natural disasters. This includes evaluating the risks, conducting cost-benefit analysis, and using appropriate technical solutions.

Annex 11: Documents in Project Files

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

1. Emergency Recovery Credit Request Letter from the Government of Saint Lucia
2. Hurricane Tomas Damage Assessment Report – World Bank
3. The Eastern Caribbean Donor Group Rapid Needs Assessment
4. UN-ECLAC Macro Socio-Economic Damage and Loss Assessment Report
5. Environmental and Social Screening Framework
6. Review of World Bank-Financed DRM Projects in the Aftermath of Hurricane Tomas – World Bank

Annex 12: Statement of Loans and Credits

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements	
			IBRD	IDA	SF	GEF			Orig.	Frm. Rev'd
P097141	2007	OECS (St Lucia) Skills for Inclu. Growth	0.00	3.50	0.00	0.00	0.00	2.83	2.20	0.00
P086469	2004	LC Disaster Management Project II	3.70	6.80	0.00	0.00	0.00	1.62	-1.37	1.26
Total:			3.70	10.30	0.00	0.00	0.00	4.45	0.83	1.26

COUNTRY
STATEMENT OF IFC's
Held and Disbursed Portfolio
In Millions of US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic.	Loan	Equity	Quasi	Partic.
Total portfolio:		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic.
Total pending commitment:		0.00	0.00	0.00	0.00

Annex 13: Country at a Glance

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project

St. Lucia at a glance

2/25/10

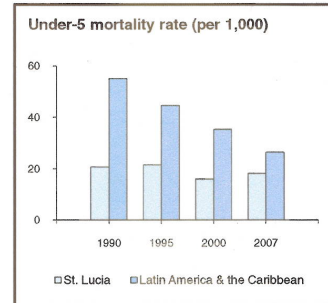
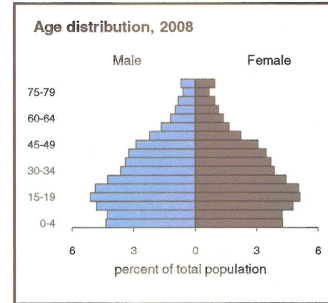
Key Development Indicators

(2008)

	St. Lucia	Latin America & Carib.	Upper middle income
Population, mid-year (millions)	0.17	565	948
Surface area (thousand sq. km)	0.6	20,421	47,176
Population growth (%)	1.2	1.1	0.8
Urban population (% of total population)	28	79	75
GNI (Atlas method, US\$ billions)	0.9	3,833	7,472
GNI per capita (Atlas method, US\$)	5,420	6,780	7,878
GNI per capita (PPP, international \$)	9,190	10,309	12,297
GDP growth (%)	0.5	4.4	4.7
GDP per capita growth (%)	-0.7	3.2	3.8

(most recent estimate, 2003–2008)

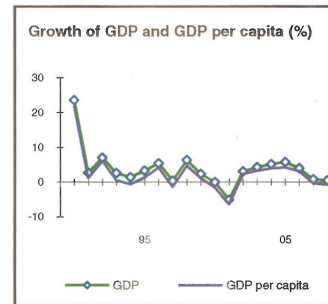
Poverty headcount ratio at \$1.25 a day (PPP, %)	21 ^a	8	..
Poverty headcount ratio at \$2.00 a day (PPP, %)	41 ^a	17	..
Life expectancy at birth (years)	74	73	71
Infant mortality (per 1,000 live births)	14	22	21
Child malnutrition (% of children under 5)	..	5	..
Adult literacy, male (% of ages 15 and older)	..	92	95
Adult literacy, female (% of ages 15 and older)	..	90	93
Gross primary enrollment, male (% of age group)	111	119	112
Gross primary enrollment, female (% of age group)	108	115	108
Access to an improved water source (% of population)	98	91	94
Access to improved sanitation facilities (% of population)	..	78	82



Net Aid Flows	1980	1990	2000	2008 ^b
(US\$ millions)				
Net ODA and official aid	9	12	11	24
Top 3 donors (in 2007):				
European Commission	4	2	2	9
Canada	0	2	0	4
Japan	0	0	7	2
Aid (% of GNI)	6.6	3.3	1.7	2.6
Aid per capita (US\$)	75	92	70	141

Long-Term Economic Trends

Consumer prices (annual % change)	19.5	4.7	3.6	2.5
GDP implicit deflator (annual % change)	10.2	3.2	2.2	3.2
Exchange rate (annual average, local per US\$)	2.7	2.7	2.7	2.7
Terms of trade index (2000 = 100)	100	114	100	102



Population, mid-year (millions)	0.1	0.1	0.2	0.2
GDP (US\$ millions)	133	397	708	996
		(% of GDP)		
Agriculture	14.4	14.5	7.1	4.8
Industry	23.6	18.1	19.0	17.8
Manufacturing	10.5	8.1	5.1	5.8
Services	62.0	67.3	74.0	77.5
Household final consumption expenditure	75.4	71.1	65.6	79.5
General gov't final consumption expenditure	17.5	14.7	18.5	18.9
Gross capital formation	34.3	25.8	25.7	25.9
Exports of goods and services	67.0	72.6	53.3	51.5
Imports of goods and services	94.2	84.2	63.0	75.8
Gross savings	12.9	11.0	12.0	-5.3

1980–90 1990–2000 2000–08
(average annual growth %)

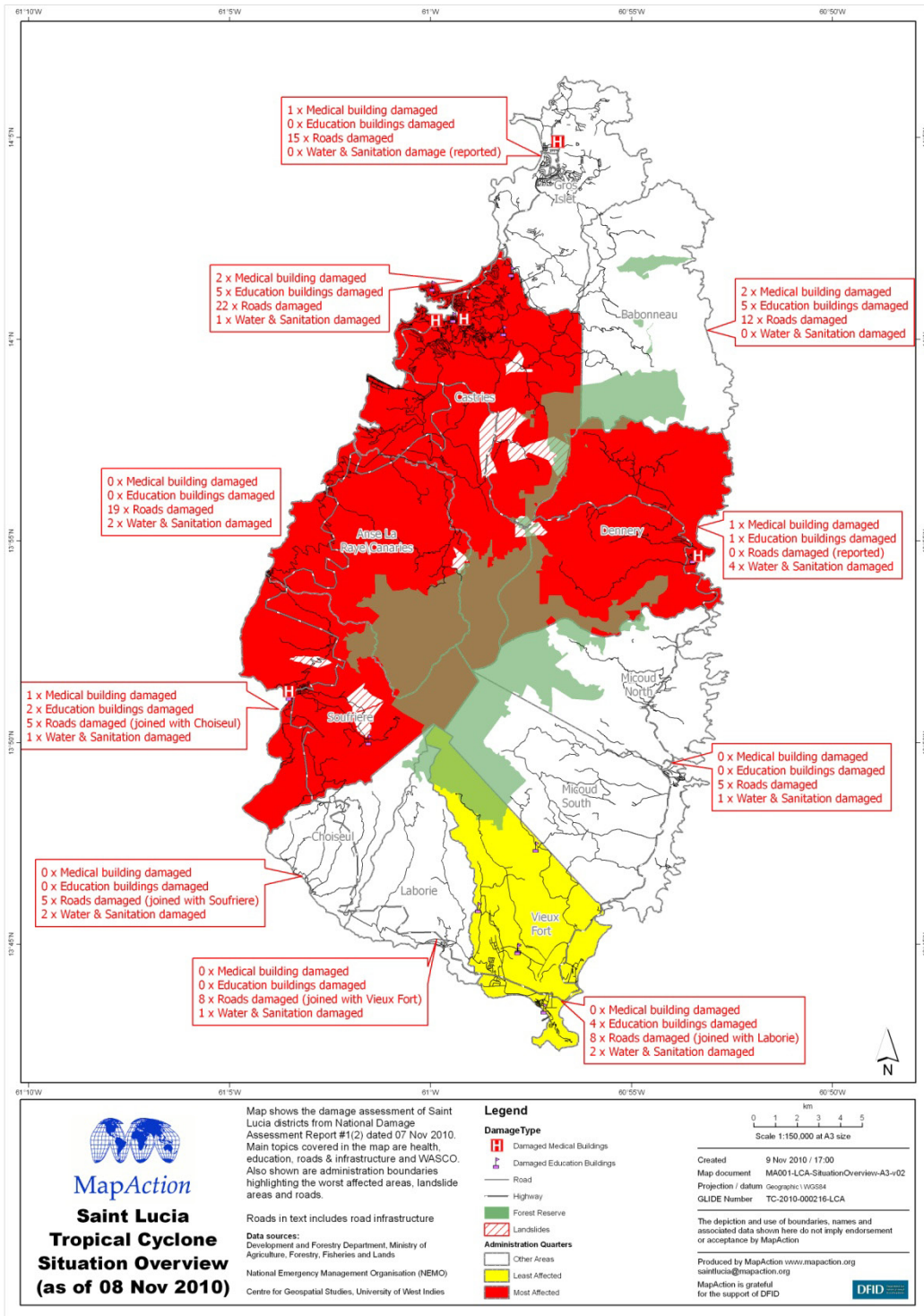
Population	1.5	1.5	1.1
GDP	6.8	3.3	3.2
Agriculture	7.6	-4.1	-6.1
Industry	9.2	3.5	1.0
Manufacturing	11.1	-0.4	3.8
Services	6.8	4.4	3.6
Household final consumption expenditure	..	..	..
General gov't final consumption expenditure	..	..	..
Gross capital formation	..	..	..
Exports of goods and services	..	..	..
Imports of goods and services	..	..	..
Gross savings	..	..	..

Note: Figures in italics are for years other than those specified. 2008 data are preliminary. .. indicates data are not available.
a. Country poverty estimate is for earlier period. b. Aid data are for 2007.

Development Economics, Development Data Group (DECDG).

Annex 14: Maps

SAINT LUCIA: Hurricane Tomas Emergency Recovery Project



Source: Map Action