

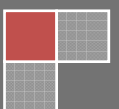


Operations Manual

Hurricane Tomas Emergency Recovery Project

November 2011

Central Planning Division
Ministry of Finance and Economic Planning
1st Floor, Administrative Centre, Bay Street, Kingstown, St. Vincent
Tel.: 784-457-1746 • Fax: 784-456-2430 • E-mail: cenplan@vincysurf.com



ABBREVIATIONS AND ACRONYMS

AG	Accountant General
BRAGSA	Buildings, Roads and General Services Authority
CDB	Caribbean Development Bank
CPD	Central Planning Division
ECD	Eastern Caribbean Dollars
EIA	Environmental Impact Assessment
EOI	Expression of Interest
FMS	Financial Management System
GDP	Gross Domestic Product
GOSVG	Government of Saint Vincent and the Grenadines
GPN	General Procurement Notice
HTERP	Hurricane Tomas Emergency Recovery Project
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IFR	Interim Financial Report
MoARTFF	Ministry of Agriculture, Rural Transformation, Forestry and Fisheries
MoE	Ministry of Education
MoFEP	Ministry of Finance and Economic Planning
MoTW	Ministry of Transport and Works
NCB	National Competitive Bidding
NEMO	National Emergency Management Office
OECS	Organization of Eastern Caribbean States
PAD	Project Appraisal Document
PS	Permanent Secretary
PSIPMU	Public Sector Investment Programme Management Unit
RFP	Request for Proposals
RFQ	Request for Quotation
SBD	Standard Bidding Documents
SDR	Special Drawing Rights
SOE	Statement of Expenditures
SPN	Specific Procurement Notice
UNDP	United Nations Development Programme

Table of Contents

LIST OF TABLES, FIGURES, AND ANNEXES	1
SECTION 1 – INTRODUCTION.....	2
CENTRAL COORDINATING ENTITY	2
COUNTRY BACKGROUND	3
PASSAGE OF HURRICANE TOMAS.....	3
OVERVIEW OF ADVERSE ECONOMIC AND SOCIAL IMPACTS.....	4
GOVERNMENT RESPONSE	4
SECTION 2 –PROJECT SUMMARY.....	6
PROJECT OBJECTIVES	6
PROJECT DESCRIPTION	6
EXPECTED OUTCOMES	7
PROJECT FINANCING	8
SECTION 3 – IMPLEMENTATION ARRANGEMENTS	10
IMPLEMENTATION RESPONSIBILITIES	10
SECTION 4 – PROCUREMENT AND CONTRACT MANAGEMENT.....	14
PROCUREMENT RESPONSIBILITY.....	14
PROCUREMENT SPECIALIST RESPONSIBILITIES.....	14
PROCUREMENT ACTIVITIES.....	15
PROCUREMENT METHODS.....	16
GOVERNMENT OF SAINT VINCENT AND THE GRENADINES PROCUREMENT PROCEDURES	17
SECTION 5 - ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT	20
FINANCIAL MANAGEMENT RESPONSIBILITY	20
FINANCIAL MANAGEMENT STAFF.....	20
DESIGN OF THE FINANCIAL MANAGEMENT SYSTEM (FMS).....	20
ACCOUNTING SYSTEM.....	21
INTERNAL CONTROL	21
FLOW OF FUNDS	21
BANK RECONCILIATION STATEMENTS	24
FUNDS RECEIPTS	24
PROCEDURES FOR PAYMENT TO VENDORS	24

WORLD BANK REPLENISHMENT, REIMBURSEMENT AND DIRECT PAYMENTS	25
SECTION 6 - SAFEGUARDS AND SUSTAINABILITY.....	31
SAFEGUARDS	31
ENVIRONMENTAL ASSESSMENT.....	31
SECTION 7 - PROJECT MONITORING AND EVALUATION.....	32
MONITORING	32
MONITORING INDICATORS	32
STAFF EVALUATION	33
SECTION 8 - REPORTING.....	34
PROGRESS ON RESULTS INDICATOR.....	34
INTERIM FINANCIAL REPORT	34
FINANCIAL AUDIT REPORT	34

LIST OF TABLES, FIGURES, AND ANNEXES

- Table 1 – Project Financing by Component
- Table 2 – Categories of Eligible Expenditure
- Table 3 – Line Ministry Focal Points
- Table 4 – Standard Thresholds for Procurement Methods and Prior Review
- Table 5 – Expenditures by Component
- Table 6 – Allocation of Credit Proceeds
- Table 7 – Schedule for the Submission of Financial Reports
- Table 8 – Schedule for the Submission of Progress Reports

- Figure 1 – PSIPMU Organizational Chart
- Figure 2 – Flow Chart of GoSVG’s Procurement Procedures
- Figure 3 – Flow of Funds Chart

- Annex 1 – Responsibilities of the Project Steering Committee
- Annex 2 – Flow of Financial Procedures
- Annex 3 – Environmental Report
- Annex 4 – ToR for Procurement/Contract Management Specialist
- Annex 5 – ToR for Financial and Accounting Specialist
- Annex 6 – Results and Monitoring Framework
- Annex 7 – Interim Financial Report
- Annex 8 – Procurement Plan

SECTION 1 – INTRODUCTION

The Government of St. Vincent and the Grenadines (GoSVG) has signed a Credit Agreement (CR: 4852 -SV) with the International Development Association (IDA)¹ to finance the Hurricane Tomas Emergency Recovery Project (HTERP). The project costs are associated with rehabilitating damaged infrastructure in the transportation, education and public sectors and strengthening disaster risk management capacity. The total project cost is estimated at US\$5 million. The project is 100% funded by a World Bank IDA credit with no co-financing involved.

This Operational Manual has been prepared as a guide to the Government, including staff of the Central Planning Division (CPD) and Line Ministries, on the nature and scope of project implementation and the functions and responsibilities of these entities under the Project Credit Agreement. These functions and responsibilities are:

- (i) coordination of the implementation of the Project;
- (ii) monitoring and evaluation of the Project;
- (iii) preparation of the required reports, processing of documentation required for disbursement of Credit proceeds and for the procurement of goods, works and services under the Project; and
- (iv) the maintenance of the records and separate accounts required under the Project.

The objectives are to:

- a) enable stakeholders to understand the scope, content, organization, and activities of the Project;
- b) indicate the performance expected of the management, operating, and support;
- c) ensure that the requirements for transparency, equity, compliance and accountability are met; and
- d) guide the operation of the functions to be performed under the Project to ensure consistency, timeliness and accuracy.

Central Coordinating Entity

The Central Planning Division (CPD) within the Ministry of Finance and Economic Planning (MoFEP) will be the Project's main coordinating body. The Credit Agreement requires that the CPD with functions, staff and responsibilities satisfactory to the Bank, be maintained throughout the life of the Project for the purposes of: (A) processing of documentation required for disbursement of the Credit proceeds; (B) the procurement of goods, works and services under the Project; and (C) preparation and maintenance of the records, accounts and financial statements referred to in the Agreement; (D)

¹ In this Manual the 'Bank' is used to denote IDA.

coordination and implementation of the Project; and (E) monitoring and evaluation of the Project.

The CPD is responsible for all procurement processes, management of the Project's bank accounts, accounting and preparation of Project's reports (including financial, management, progress and procurement).

This Operations Manual draws upon several documents:

- (a) the Credit Agreement²
- (b) the Emergency Project Paper issued by the Bank (Report No. 58443-VC)
- (c) publications of the Bank on such matters as procurement of goods and services, disbursement and accounting requirements and implementation and completion reports

Country Background

St. Vincent and the Grenadines consists of 32 islands covering a total of 389 square km with a total population of approximately 106,000³. St. Vincent, the northernmost island, is the country's commercial and political centre, accounting for 90 percent of both the land area and population.

According to the 2010 National Accounts, the Gross Domestic product of SVG was US\$ 583 million. SVG has a poverty headcount index of about 30.2 percent as of 2007/08 and an estimated unemployment rate of 21 percent. St. Vincent and the Grenadines ranks 91st out of 182 countries on the 2007 United Nations Development Program (UNDP) Human Development Index.

SVG is exposed to a range of natural hazards. Most common are hazards stemming from weather related phenomena such as winds, rainfall, hurricane and drought. The islands experience an annual hurricane season from June to November, followed by a dry season from November to January.

Passage of Hurricane Tomas

On Saturday October 30, 2010, Hurricane Tomas, a Category 1 Hurricane on the Saffir-Simpson Hurricane wind scale passed the northern most part of SVG. Wind speeds were estimated at 75 mph (120 km/hr) with gusts reaching up to 90 mph. The storm developed rapidly off the coast of Barbados and reached Category 1 strength within 24 hours after the first storm watch was issued. Hurricane force winds affected the northern and eastern areas of SVG. The southwestern parts of SVG avoided hurricane force winds due

² The Credit Agreement constitutes a contract between the Government of St. Vincent and the Grenadines and the World Bank.

³ 2001 Population and Housing Census

to the protective effect of the interior mountains. The Grenadines received Tropical Storm force winds, high in the north, minimal towards the south of the chain and storm surge and wave action were significant.

Overview of Adverse Economic and Social Impacts

Hurricane Tomas caused heavy damage in SVG. National disaster areas were formally declared in accordance with the SVG National Emergency and Disaster Management Act, 2006, by the GoSVG from Sandy Bay to Park Hill on the Eastern side and Belle Isle to Fitz Hughes on the Western side of the island. Over 26 percent of the population was severely impacted. Approximately 1,200 persons were displaced and took refuge in designated shelters.

Private homes, public buildings and infrastructure, roads and power systems sustained significant damage. Damage to the distribution network for both power and water (transmission lines etc.) was responsible for most of the service interruptions; however, by November 2, 2010, 90 percent of the population had access to power and 70 percent of the water company's clients were being served. The agriculture sector experienced significant losses, estimated in excess of US \$25 million, with banana crops experiencing most of the losses. The government-led detailed housing damage assessment concluded that over twelve hundred homes were damaged. Parts of the road network were closed in the days following the event. The primary road network experienced limited damage, while key secondary roads suffered more significantly. Government buildings suffered damage, with three schools and five community centres badly damaged.

Damage to schools was limited with three structures significantly affected. However, in accordance with the National Shelter Policy, schools used as emergency shelters were closed to accommodate refugees. This adversely affects families and school children forcing parents to change their work schedules to accommodate displaced students. Additionally, several schools suffered ancillary damage resulting from their use as refuges.

Impacts were felt in the health sector including loss of services and some damage to infrastructure. Ambulance services were temporarily halted and as most clinics lack generator systems, many health clinics were without power. The national hospital experienced flooding.

Land slippage from the storm was significant and, in some areas along roadways, this has created dangerous situations. Unless stabilized, road blockages will continue to occur as slopes continue to erode. In some areas, landslides have placed private property at risk and conditioned crop fields in some locations have been rendered useless.

Government response

Immediately after the event, the Government declared natural disaster areas in the most affected parishes. Public utilities were restored to near full service in a matter of days

and the primary road system was cleared within a week of the event. In accordance with the National Emergency Management Office Act (2006), the Damage and Needs Assessment Committee (15 members) began work immediately after the passage of Tomas.

On November 10, 2010, the Assessment was completed with contributions from the Ministry of Transportation and Works (MoTW), Ministry of Education (MoE), Ministry of Agriculture, Rural Transformation, Forestry and Fisheries (MoARTFF), Ministry of Housing, Informal Human Settlement, Lands and Surveys, and Physical Planning (MoHILP), National Emergency Management Office (NEMO) and others. The Government budget was adjusted internally to address some recovery activities, in accordance with the recommendations from the Damage and Needs Assessment. Emergency repair works were initiated in the form of temporary fixes to protect damaged structures from further exposure.

SECTION 2 –PROJECT SUMMARY

Project Objectives

The project aims to assist the Government in recovering from the impact of Hurricane Tomas.

The development objectives are to: i) rehabilitate damaged and vulnerable infrastructure, caused by the passage of Hurricane Tomas; and, ii) advance the Government's ability to identify natural hazard related risks.

Project Description

The Hurricane Tomas Emergency Recovery Project will rehabilitate damaged infrastructure and stabilize high risk areas. The project will also include institutional strengthening investments aimed at improving the Government's capacity to identify and assess risks to adverse natural events. Proceeding with urgent rehabilitation works under BP/OP 8.00 will enable the Government to begin work on strengthening vulnerable infrastructure prior to the 2011 hurricane season.

The project is divided into three components. They are as follows:

Component 1 - Rehabilitation of vulnerable and damaged infrastructure (US\$4,420,000)

This component would include a specific set of civil works activities including the rehabilitation and reconstruction of damaged schools and community centers, the strengthening of a river defense site and the rehabilitation of transportation infrastructure. These civil works would aim at delivering resilience of these structures to be executed to ensure the structures are resilient to future adverse natural events, thereby reducing their vulnerability to natural hazards. The list of works was prioritized by the Government in the Appraisal Mission that took place in early November 2010, and include, inter alia, the following:

- Rehabilitation and reconstruction of damaged schools, including: Georgetown Secondary, Georgetown Primary and Troumaca Secondary
- Rehabilitation and reconstruction of damaged community centers, including: Rose Hall, Rose Bank and Rillan Hill
- Strengthening of the Marriaqua River Defense (Tiviot River)
- Stock-piling of gabion baskets
- Rehabilitation of Hopewell Road

Component 2 - Institutional Strengthening and Hazard and Risk Analysis (US\$164,000)

This component would finance training of staff and procurement of equipment to improve the capacity within the Ministry of Housing, Informal Human Settlements, Lands and Surveys and Physical Planning (MoHILP) and the National Emergency Management Organization (NEMO), to work with geo-referenced information. This is an important basis for evaluating natural hazard and climate change risks. Activities include purchase of equipment and provision of services to assist with data collection and management. This component is structured to assist with building the capacity of NEMO and MoHILP in risk analysis and is designed to lay the foundation for activities included in the Disaster Vulnerability Reduction Project including:

- Identification and creation of required baseline data for hazard assessment and risk modeling
- Development of institutional systems for the collection, sharing and management of geospatial data among national agencies and with regional institutions
- Purchase of technical equipment needed to support risk management and analysis including GPS instruments, computer and server hardware, GIS and analytical software, large flatbed scanner, plotters and related equipment.

Component 3 - Project Management and Implementation Support (US\$416,000)

Activities under this component relate to the institutional support and capacity development for project management and execution. They include training, staffing and assistance associated with project execution such as consulting services and support for:

- Preparing designs and tender documents for execution and supervision of works, purchase of goods and contracting of training activities;
- Completing of project reporting;
- Processing of contracts including the evaluation of tenders, preparation of evaluation, reports, selection of contractors and negotiation and supervision of contracts;
- Liaising with participating line ministries during project execution;
- Supervising the quality of works; and
- Other activities, as required, to provide support to the project management unit.

Expected Outcomes

Expected outcomes of this project include: i) improved data and data management resources and capacity; ii) structurally sound, more hazard and climate change resilient buildings iii) greater percentage of population with access to safe shelters; and, iv) strengthened transport network.

Expected output indicators include: i) number and type of data collection and processing tools acquired and operational ii) number of schools and shelters rehabilitated, repaired,

or rebuilt with due attention given to resilience sustainability, social and environmental considerations; iii) number of road repairs and slope stabilization works completed

Project Financing

The total cost of the project is US\$ 5 million. The project is 100% Bank funded inclusive of all taxes. There is no co-financing involved.

The World Bank requires the establishment of sound financial management procedures to ensure it can provide timely and accurate financial information regarding project resources and expenditures and to facilitate the production of accurate Financial Monitoring Reports (FMR) for the Bank and project management on a quarterly basis. The CPD is responsible for implementing a viable system of internal controls to ensure the transparency of transactions and flow of funds relating to project implementation. Furthermore, the system of internal controls is meant to prevent or detect any errors, which would result in an adverse impact on the financial statements of the Project, and to safeguard the project’s assets.

The funds provided by the Bank loan must be deposited in a Special Account in US dollars in a commercial bank acceptable to the World Bank. The Bank will replenish the Special Account for eligible expenditures upon submission of a withdrawal application, together with a Statement of Expenditure (SOE) and/or summary sheets, as applicable.

The amount of funds allocated to each project component and the categories of eligible expenditures can be found in Table 1 and Table 2 below:

Table 1 – Project Financing by Component

Project Financing Plan - Summary Table			
Component	Agency	USD '000s	% of Project
1. Rehabilitation of vulnerable and damaged infrastructure	MoTW	4,420	89%
2. Institutional Strengthening and Hazard and Risk Analysis	NEMO, MoHILP	164	3%
3. Project Management and Implementation Support	MoFEP	416	8%
TOTAL		5,000	

Table 2 – Categories of Eligible Expenditure

Category	Amount of the Credit Allocated (Expressed in SDR)	Percentage of Expenditures to be financed (incl. taxes)
Goods, works, consultants' services, training and operating costs under the project	3,300,000	
Total	3,300,000	100%

SECTION 3 – IMPLEMENTATION ARRANGEMENTS

The Central Planning Division (CPD) will be responsible for managing the general implementation of the project including procurement and financial management and monitoring and evaluation aspects.

For the implementation of civil works, the CPD will rely on technical support for the descriptions for the bidding documents and for some of the implementation supervision from relevant line ministries, including the National Emergency Management Office (NEMO), the Ministry of Housing, Informal Human Settlements, Lands and Surveys and Physical Planning (MoHILPP), and the Ministry of Transport and Works (MoTW). More complex civil works will rely on the services of an independently contracted engineer, as necessary.

The CPD will also manage the environmental and social safeguard aspects of activities financed by the project. The CPD has project management capacity and has managed safeguards of several World Bank projects investing in public infrastructure.

Implementation Responsibilities

Procurement and Contract Management

Procurement activities will be managed through the CPD. All contracting activity including bidding, contractor selection, and execution supervision will be managed through the CPD with the technical assistance of the participating line ministries. As needed, line ministries will provide technical support particularly with respect to works projects. Line ministries will also provide technical documentation to support procurement activities and, as needed, the CPD will engage the services of qualified specialists and engineers to assist with procurement and supervision.

Financial Management

All financial management activities will be managed by the CPD. Using a sound financial management system, the CPD will provide accurate and timely reports to the Bank and GoSVG. The Financial Management System (FMS) utilized must include records and accounts for the preparation of the financial statements in a format acceptable to the Bank and reflects the operations, sources of funds and expenditures related to the project.

Monitoring and Evaluation

The CPD will be responsible for monitoring the progress on the Project result indicators. Using established institutional systems, coupled with project-specific mechanisms such as the establishment of a project steering committee, the CPD will track the progress of

the project and provide reports to the GoSVG and the Bank on a quarterly basis as part of agreed reporting requirements.

Participating Ministries

Participating ministries will provide technical staff to assist in contract supervision however, the responsibility for the management of change orders and contract modifications rests solely with the CPD. Participating line ministries include: Ministry of National Security /NEMO), Ministry of Housing Informal Human Settlement, Land and Surveys and Physical Planning, , Ministry of Transport and Works, Ministry of Education and Ministry of National Mobilisation etc. Representatives from each of the participating line ministries have been identified to serve as focal points to the project. Table 3 below lists each focal point.

Table 3 – Line Ministry Focal Points

Participating Agency	Focal Person
Ministry of Finance and Economic Planning	Director of Planning /Senior Projects Officer / Project Coordinator
Ministry of Housing, Informal Human Settlements, Lands and Surveys and Physical Planning	Chief Technical Officer
Ministry of Transport and Works	Chief Engineer
Ministry of National Security etc	Director of NEMO
Ministry of National Mobilisation	Director of Community Development
Ministry of Education	Project Manager

Hurricane Tomas Emergency Recovery Project Steering Committee (HTERPSC)

This committee is responsible for ensuring the smooth execution of Project activities and successful accomplishment of project objectives. The Committee will meet monthly to review project implementation performance and be convened, when necessary, to attend to urgent matters which may arise in the course of implementation of the Project. Generally, the role of the Hurricane Tomas Recovery Project Steering Committee is to:

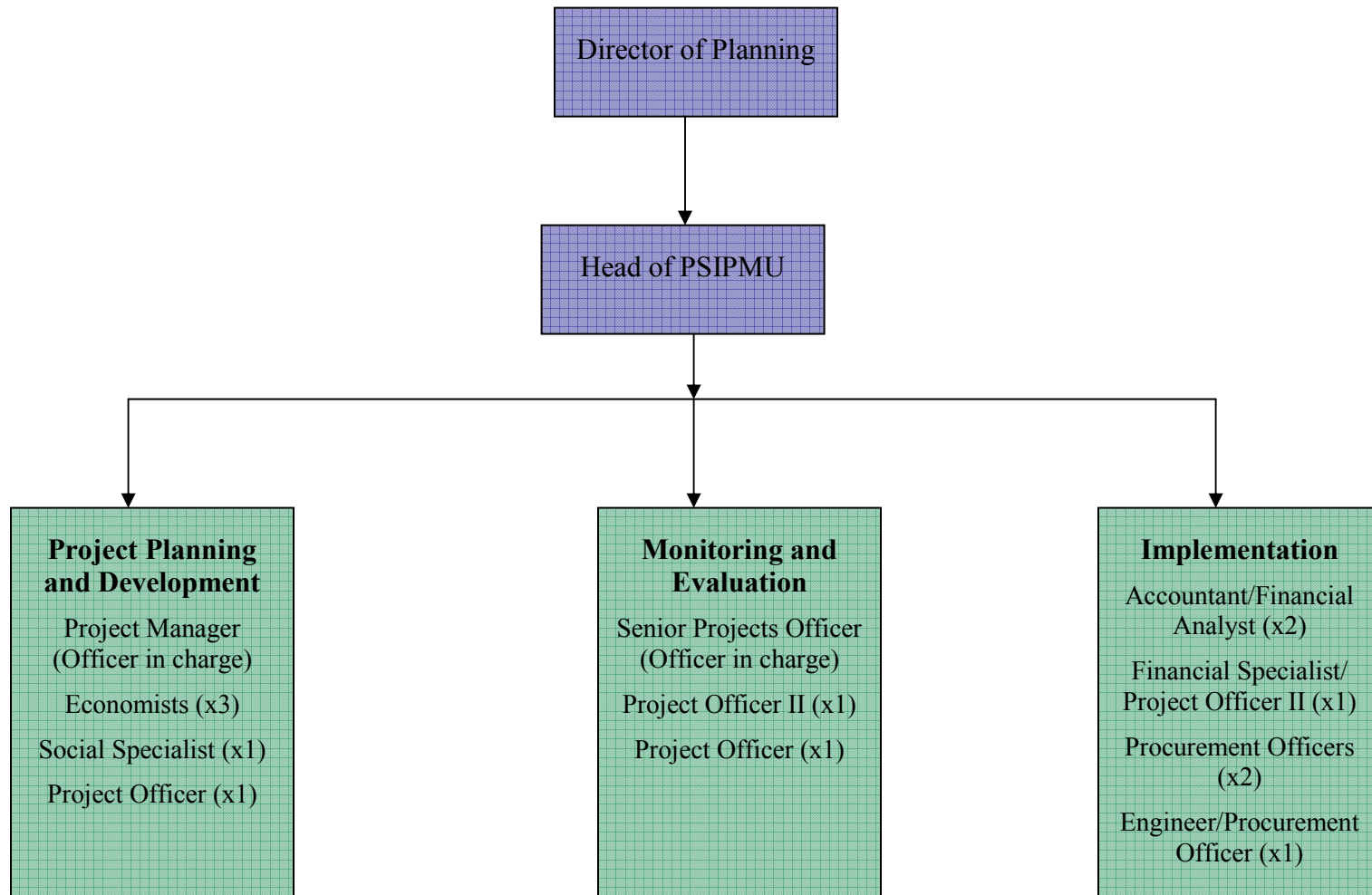
- Assess project progress.
- Provide advice and guidance on issues facing the project.
- Assist with resolving strategic level issues and risks.
- Use influence and authority to assist the project in achieving its outcomes.

The HTERPSC will consist of the following representatives:

Organization	Representative
Central Planning Division	Director of Planning (Chairperson) Marcelle Edwards-John (Senior Project Officer)

Organization	Representative
	Janelle Quow (Engineer/Procurement Specialist) Ronette Jordon (Project Officer I - Secretary)
Ministry of Transport, Works & Urban Development	Permanent Secretary/Alternate: Chief Engineer
Ministry of National Security etc.	Permanent Secretary/Alternate: Director of NEMO
Ministry of Housing etc	Permanent Secretary/Alternate: Chief Technical Officer
Ministry of Education	Permanent Secretary/Alternate: Project Manager

Figure 1 – Public Sector Investment Programme Management Unit (PSIPMU) Organizational Chart



SECTION 4 – PROCUREMENT AND CONTRACT MANAGEMENT

This section outlines specific methodologies that the CPD will apply to procure civil works, goods, consultancies and other services. Procurement for the Project shall be carried out in accordance with the World Bank’s “Guidelines: Procurement Under IBRD Loans and IDA Credits” dated May 2004, revised October 2006 and May 2010; and “Guidelines: Selection and Employment of Consultants by World Bank Borrowers”, dated May 2004, revised October 2006 and May 2010 and the provisions stipulated in the Credit Agreement.

In case of discrepancy between the operational manual and the Legal Agreement, the stipulations in the Legal Agreement will prevail. Whenever the national laws contradict the Loan Agreement and the Guidelines, the national laws shall prevail.

Procurement Responsibility

The Central Planning Division located in the Ministry of Finance and Economic Planning will be responsible for executing all procurement activities to be financed by the project, including bidding, contractor selection, and project supervision. During the procurement process, the CPD will convene technical committees as necessary for the design, evaluation, award, and supervision of contracts.

Technical inputs to bidding documents and assistance in project supervision will be provided from line ministry focal points. Responsibility for the management of change orders and contract modifications rests solely with the CPD.

Procurement will be managed in accordance with the procurement thresholds identified in the project legal agreement and in accordance with applicable Bank procurement requirements. The CPD has several years of experience working with Bank procedures and has demonstrated its competence in working within Bank established policies and procedures. However, as implementation proceeds, the CPD will evaluate its training needs and identify capacity strengthening activities to be executed under Component 3 of the project.

Procurement Specialist Responsibilities

The Procurement Specialist will supervise the entire cycle of procurement processes conducted within the project, directing and managing the processes including:

- a. Preparation and update of Procurement Plan
- b. Elaboration of the TORs
- c. Elaboration of technical Specifications
- d. Establishment of packages
- e. Preparation of bidding documents and RFPs

- f. Timely publication of General Procurement Notice (GPN), Specific Procurement Notice (SPN) and Expressions of Interest (EOI).
- e. Bid opening and evaluation
- f. Selection and appointment of consultants
- g. Contract award and ratification
- h. Mobilization of contractors' and consultants' resources
- j. Distribution of goods
- k. Presentation of reports
- l. Quality control.

A detailed TOR for the Procurement Specialist is in Annex 4.

Procurement Activities

Goods and Equipment

Goods procured under the project are estimated to cost US \$448,000. These would include equipment for institutional strengthening, gabion baskets and a vehicle to aid project management. Procurement will be carried out under International Competitive Bidding (ICB) methods of procurement using the Bank's standard bidding document (SBD), as well as national shopping (SH) consistent with the agreed procurement thresholds.

The delivery of goods will be verified by the Procurement Specialist within the CPD.

Civil Works

Works procured under the project will consist of several civil works contracts including construction of gabion wall for river defense, repair to damaged public buildings and transport infrastructure. These works are estimated to cost US\$3,866,000 and packaged as follows:

Package 1:

- Slope Stabilisation and Road Repair – Hopewell Road;
- River Defense – Tiviot River.

Package 2:

- Retrofitting of Emergency Shelters – Rose Hall Community Centre
- Retrofitting of Emergency Shelters – Rose Bank Community Centre.

Package 3:

- Retrofitting of Emergency Shelters – Troumaca Ontario Secondary School
- Retrofitting of Emergency Shelters – Rillan Hill Community Centre.

Package 4:

- Retrofitting of Emergency Shelters – Georgetown Secondary School

Package 5:

- Retrofitting of Emergency Shelters – Georgetown Primary School

All procurement will be carried out using the Bank's standard bidding documents (SBD).

Certification of works will be carried out by the Chief Engineer, Ministry of Transport, and Work (or his authorized representative) or the works consultant assigned the responsibility for supervision where one is appointed. The CPD will monitor and check the completion of certified works.

Consulting Services

Consultant services totaling approximately US\$590,000 will include technical assistance (training) services for institutional strengthening and hazard risk analysis, design and supervision of civil works for rehabilitation of school infrastructure, shelters and community centers, river defense and road repair and slope stabilization, salaries for project coordination unit staff, and technical and financial audits. Selection methods for consultant contracts are agreed in the Financing agreement.

The work of consultants will be monitored and certified for payment at agreed intervals by Procurement Specialist. The CPD will monitor and check for completion of certified assignments.

Procurement Methods

The CPD will carry out procurement in accordance with the World Bank's "Guidelines: Procurement Under IBRD Loans and IDA Credits" dated May 2004, revised October 2006 and May 2010; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers", dated May 2004, revised October 2006 and May 2010.

The CPD has developed a procurement plan for the first eighteen months of project implementation. This plan provides the basis for the procurement methods as well as the timeframe within which different procurement items proceeds through the procurement cycle. The procurement plan will be updated in agreement with the Bank annually, or as required, to reflect actual project implementation needs and improvements in institutional capacity. The procurement plan is provided in Annex 8

The general description of various items under different expenditure categories is described below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs and prior review requirements are listed below.

Table 5: Standard Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value (Thresholds) US \$ '000s	Procurement Method	Contracts Subject to Prior Review
1. Works	>1,500	ICB	All
	>200 <1,500	NCB	First three regardless of value and all >500
	200<	Shopping	First
	Regardless of value	Direct Contracting	All
2. Goods	>150	ICB	All
	>100<150	NCB	First
	100<	Shopping	First
	Regardless of value	Direct Contracting	All
3. Consulting Services			
▪ 3.1	>100	QCBS, QBS, FBS, LCS	All
	<100	QCBS, QBS, FBS, LCS and QCS	First
	Regardless of value	Single Source	All
▪ 3.2 Individuals	Regardless of value	Comparison of three 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; QCS – Selection Based on Consultant Qualification; IC – Individual Consultant

Government of Saint Vincent and the Grenadines Procurement Procedures

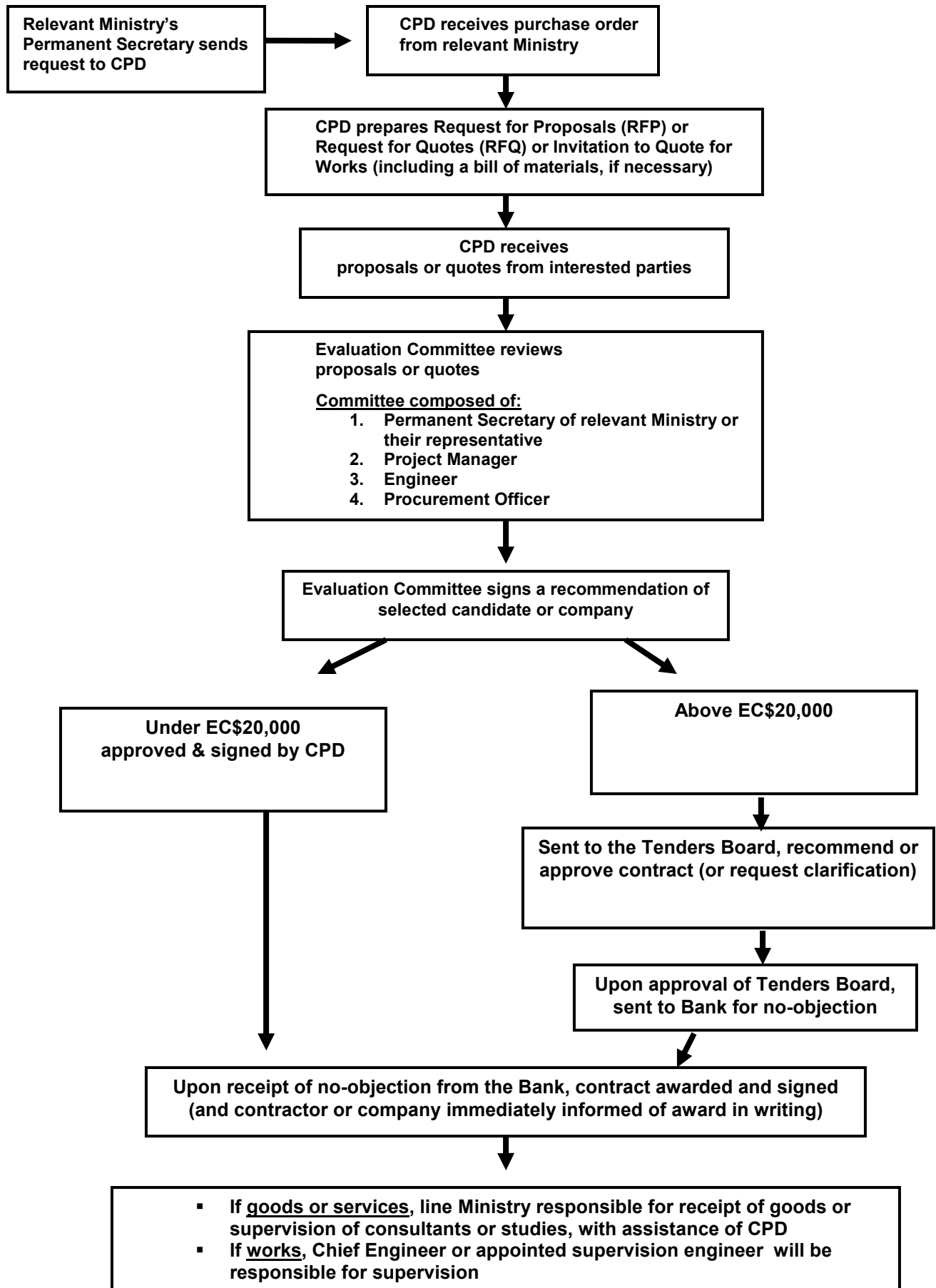
Below is a general description of steps required to manage the procurement process:

- The CPD, in collaboration with the relevant line ministry focal person, will prepare the necessary Request for Proposal (RFP) (for consultants), RFQ Request for Quotations (RFQ) (for goods) or tender documents for works (including designs and bills of quantities if relevant).
- For contracts requiring prior review, the CPD will seek the Bank’s “no-objection” to the bidding documents.
- When the “no-objection” is provided the CPD invites proposals (for consultants), quotes (for goods) and tenders (for works).
- Proposals, quotes and tenders are submitted to the relevant authority (eg. Director of Planning, Central Supplies Tenders Board).
- An evaluation committee will evaluate proposals and make recommendations under the purview of the Procurement Officer.

- If contract is below EC\$20,000 the CPD may approve the recommendation then proceed with issuing contracts or procuring goods, after obtaining the Bank's no objection.
- If the contract is over EC\$20,000, the evaluation report together with the recommendation for contract award will be signed by the evaluation committee and sent to the Central Supplies Tenders Board through the Director of Planning, for approval. The Central Supplies and Tenders Board may request clarifications, approve or object to award of the contract.
- If it is approved, the Central Planning Division will seek the Bank's no objection to issue the contract (for prior review contracts).
- Upon receipt of no-objection from the World Bank, the contract is awarded and signed. The line ministry will be responsible for the reception of goods or supervision of studies with support from the CPD. In case of works, the supervision role will be taken or coordinated by the Chief Engineer or appointed supervision engineer.

Figure 2 below describes the steps required to award contracts.

Figure 2 - Flow Chart of GoSVG's Procurement Procedures



SECTION 5 - ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT

This section details the accounting and reporting policies and procedures to be used in the implementation of the Project. It incorporates all the covenants of the World Bank Credit Agreement as well as those of the Government of St. Vincent and the Grenadines as specified in the Financial and Store Rules.

Financial Management Responsibility

The Central Planning Division (CPD) will be responsible for coordinating the implementation and financial management of the project. The Bank requires the establishment of a sound financial management system that will facilitate the production of accurate and timely reports to the Bank and GoSVG. The financial management System (FMS) must include records and accounts for the preparation of the financial statements in a format acceptable to the Bank and reflects the operations, sources of funds and expenditures related to the project.

Financial Management Staff

The CPD has three project accountants, one of whom is conversant with the World Bank's project financial management requirements. The specific skill sets/capacity required for using the World Bank's procedures will be upgraded/strengthened through additional training provided by the World Bank, as required. The following are the details of the financial management arrangements:

Design of the Financial Management System (FMS)

The financial management system is designed to accomplish the following objectives:

- (i) outline and specify the accounting procedures to be used for the project, reflecting accountability and transparency;
- (ii) ensure that the established procedures are adhered to in the disbursement of project funds;
- (iii) ensure that all transactions are properly classified and accounted for;
- (iv) ensure that reports required by the Bank and the GoSVG are prepared on a timely basis, in an efficient and effective manner;
- (v) define the procedures for creating, maintaining and safeguarding records and ensure that records are preserved and classified for easy access;
- (vi) allow for the efficient audit of the project financial statements;
- (vii) ensure that all assets and liabilities are properly accounted for, with a detailed inventory of goods/equipment; and,

- (viii) ensure that there are internal controls in place to foster the safeguarding of all assets.

Accounting System

The accounting system used for this project is the Peachtree 2007 software.

This system is designed to cover

1. internal control;
2. flow of funds to support project activities;
3. financial reporting arrangements including linkages to key performance indicators;
and
4. auditing arrangements.

Internal Control

The internal accounting controls are designed to prevent or detect errors or irregularities, which would have an impact on the financial statements. The accounting system to be used is Peachtree Complete Accounting supported by various excel spreadsheets for cash books and various ledgers.

Flow of Funds

The project will operate two bank accounts, which were opened at the Bank of St. Vincent and the Grenadines. These are:

1. Hurricane Tomas Emergency Recovery Loan Project US\$ Special Account – Account Number 9000
2. Hurricane Tomas Emergency Recovery Loan Project EC\$ Project Account – Account number 134872

The US\$ special account is a US Dollar denominated bank account used to channel funds from the Bank to the Project. This account will be operated in accordance with the procedures and guidelines set forth in the Bank's *Disbursement Handbook*. The initial deposit into the US Dollar Special Account will be US\$500,000. Funds from the US Dollar Special Account will be periodically transferred to a Local Currency Account from which payments in local currency can be made.

Transfers from the US Dollar denominated Account to the EC Dollar denominated Account will be done via a letter of authorization to the Bank of St. Vincent and the Grenadines.

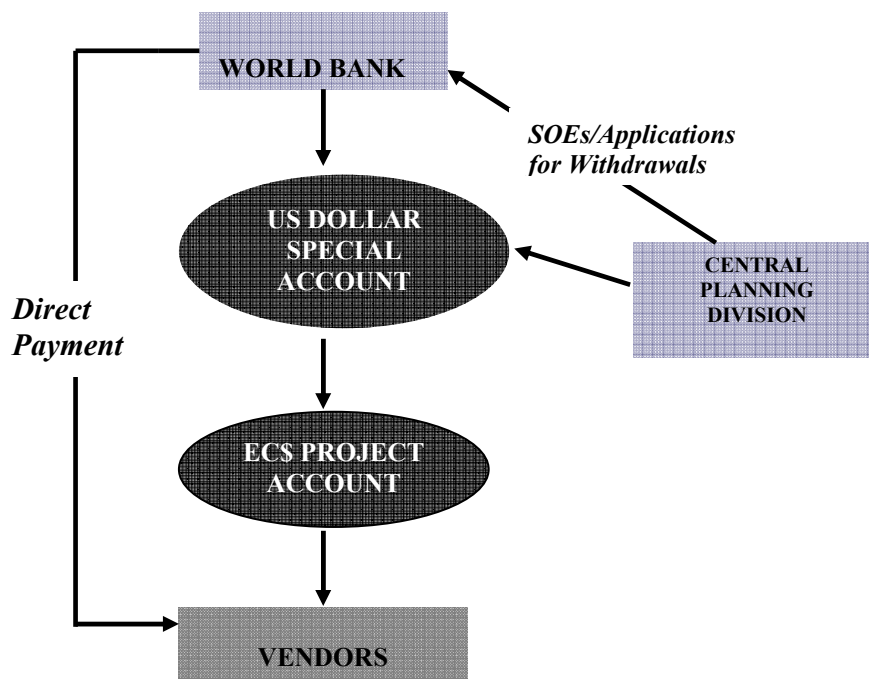
Withdrawals from the World Bank Credit Account of amounts to be deposited into the Special Account shall be made by Application for Withdrawal supported by an Interim

Financial Report (IFR). Payments to be processed by Direct Payment by the Bank must be done in accordance with the World Bank's *Disbursement Handbook*⁴.

Upon receipt of each application, the amount requested will be deposited into the Special Account in order to finance eligible expenditures (representing approximately six months of expenditures) following the date of the report provided. The CPD will control the Special Account and will be responsible for the requests for replenishment.

The Withdrawal Application Form must indicate the amount of funds required and the currency, usually US dollars, in which the funds are required. The use of the IFR simplifies and accelerates the replenishment process since the review of documents for small payments would be eliminated. The chart below illustrates the flow of funds within the Project:

Figure 3 – Flow of Funds Chart



Disbursement Arrangements

Disbursements for the project will be made based on “Report-Based Disbursement” procedures - using Interim Financial Reports (IFR) - submitted to the Bank on a quarterly basis, within 45 days after the end of reporting period.

All letters of authorisation, cheques and payment vouchers should only be signed with appropriate supporting documentation (certified supplier invoices, purchase orders and

⁴ The Disbursement Handbook is accessible at www.worldbank.org.

requisition orders). Payment Vouchers should be stamped, indicating the date paid and cheque number, then attached to the relevant supporting documentation. In addition, after payment, all invoices must be stamped to ensure that payments are not duplicated.

All original records of receipts and payments, including; invoices, cheques, debit advices, credit advices, and bank reconciliation statements are maintained and filed by the Accounts section. Authorization letters and purchase orders must be properly filed.

Authorised signatories

For disbursement from the account, two of the following signatories are required to sign letters of Authorisation or order transfers on behalf of the Project:

1. Accountant General
2. Director of Planning
3. Permanent Secretary, MTW
4. Deputy Director of Planning

Persons authorized to sign the Application for Withdrawal to obtain replenishment from the World Bank are:

1. Budget Director
2. The Director of Planning
3. Deputy Director of Planning

Only one signatory is required for each application.

Journal Entries for Disbursement of funds

The proceeds from the World Bank expenditures as per the Credit Agreement must be journalized at the end of each month. The Project’s Financial Management Specialist⁵ should ensure that all expenditures recorded in the Disbursement Journal are captured in the Government’s system.

Debit	Capital project expenditure head
Credit	Capital Revenue Credit
Credit	Capital Revenue GOSVG

Component/Category	Total (US\$ millions)	Percent of Financing
<i>Component 1:</i> Rehabilitation of Vulnerable and damaged	4,420	89%

⁵ The Financial Management Specialist for this project is the Project Officer II in the Implementation Unit of PSIPMU.

infrastructure		
Component 2: Institutional Strengthening and hazard and Risk Analysis	164	3%
Component 3: Project Management and Implementation Support	416	8%
Total	5,000	100%

Table 5 – Expenditures by Component

Table 5 – Allocation of Credit Proceeds

	Amount of the	Financing
	Credit Allocated	Percentage
Expenditure Category	USD '000s	(percent)
1. Works	4,130	83%
2. Goods	423	8%
3. Consultants Services	422	8%
4. Operating Expenditures	25	1%
Total	5,000	100%

Bank Reconciliation Statements

Monthly bank reconciliations must be prepared on all bank accounts and signed by the Deputy Director of Planning. For the Special Account, the Financial Management Specialist will reconcile disbursements received with the Disbursement Section of the World Bank on a monthly basis. A bank reconciliation for the Special Account must also be submitted to the World Bank, together with a copy of the bank statement, when submitting an withdrawal application for replenishment of the Special Account.

Funds Receipts

On receipt of funds from the World Bank into the Special Account, the commercial bank sends a credit advice to the CPD and a copy is then sent to the Accountant General's Department. The Financial Management Specialist will record the amount received in the project's accounting system.

Procedures for Payment to Vendors

The Bank requires proceeds of the credit to be used economically, efficiently and only for the purposes for which the financing is provided as described in the credit agreements. The

Procurement Specialist is responsible for vetting the Purchase Order and sends this on to the Financial Management Specialist who commits the funds.

For the payment of eligible expenditures the following steps will be performed:

1. Once the bill is received, it is date stamped.
2. The Financial Specialist ascertains that the expenditure was properly verified by the Deputy Director of Planning or Procurement Specialist. The Financial Specialist then processes the expenditure.
3. The Financial Specialist prepares the letter of payment, attaches supporting documents, including purchase order, copy of contract, vendor invoice and Goods Received note.
4. The letter of payment is passed to any two of the following signatories for signature:
 1. Accountant General
 2. Director of Planning
 3. Permanent Secretary, MTW
 4. Deputy Director of Planning

The letter should give clear instructions to the Bank as to payee's name, the account/s to be debited and the amount to be debited. Bank payments can be made by way of telegraphic transfers, bank draft or direct transfer.⁶

1. When a payment is made by way of telegraphic transfer, details such as the ones below should be clearly stated:-
 - Payee's name
 - Payee's address
 - Payee's bank name
 - Payee's bank account number
 - ABA/Routing Number.
2. The letter to be sent to the Bank, together with the attached invoice, should be sent for the first signature. The letter is then sent for the second signature.

World Bank Replenishment, Reimbursement and Direct Payments

▪ ⁶ Telegraphic transfer can be used for making overseas payments;
▪ Bank draft is used for both local and overseas payments; and
▪ Direct transfer is used when making local payments.

Replenishment, Reimbursement and Direct Payments are methods that would be used to request funds from the World Bank. The withdrawal applications supported by the Statements of Expenditure (SOEs), will be used to replenish the Special Account.

Before withdrawal from the World Bank can begin, the following must occur:

- The credit must be declared effective by the World Bank, following compliance with all conditions specified in the credit agreement and the General Conditions.
- The World Bank must receive evidence of authority to sign withdrawal applications (the borrower designates which officials may sign withdrawal applications and provides copies of their authenticated specimen signatures). This letter is signed by the Minister of Finance on his letterhead.
- Disbursement conditions (if any) related to the credit or specific disbursement category must be met.

Replenishment

Application for Withdrawal for replenishment of the Special Account should be done on a timely basis to ensure the availability of funds to meet expenses. The first application is to request the initial advance (US500, 000) representing the authorized allocation or a part thereof as specified in the credit agreement. It must include a completed application for withdrawal, but requires no supporting documentation. However, prior to requesting the initial advance, the CPD must have done the following: (1) opened the Special Account in USD in a commercial bank acceptable to the World Bank, and (2) obtained a comfort letter from the depository bank and submitted the letter to the World Bank.

All subsequent withdrawal applications (replenishment requests) are made to request replenishments into the Special Account for payments already made (all replenishment applications to the USD Special Account must be in USD). The application, together with SOE's and/or Summary Sheets and Summary of Categories, must be prepared and signed by at least one persons who are the authorized signatories and sent to the World Bank, together with a bank reconciliation statement. The disbursement letter will indicate the types of expenditure for which no supporting documentation other than the SOE is required and the contract value below, which SOEs are to be used (expenditures not subject to prior review). For other expenditures (above the prior review threshold), the Summary Sheets must be accompanied by full supporting documentation. SOE forms and summary sheets must set out the appropriate details for each expenditure. The application package should also include the bank statement for the Special Account and Reconciliation Statement. The borrower keeps the supporting documentation in a central location for examination by independent auditors and Bank staff during supervision missions.

If the Bank requires supporting documentation (as in the case of payments against contracts above the SOE limit, generally the same as contracts requiring prior review),

copies of procurement documentation should have been forwarded to the Task Manger at the Bank for approval prior to contract award and payment. For expenses above the SOE limit, after the “no-objection” has been obtained from the Task Manger at the Bank, the relevant procurement documentation should be forwarded to the Disbursement Department of the Bank prior to requesting reimbursement on the SOE. One copy of each of the following supporting documents is normally given to the Bank:

- Supplier’s or consultant’s invoice or a summary statement of work performed signed by the supervising engineer or other authorized official.
- Evidence of shipment (for equipment and materials purchased); this can be one of the following: copy of the bill of lading or forwarder’s certificate.
- Evidence of payment; this can be one of the following: receipted invoice, formal receipt or commercial bank’s report of payment.

Direct Payment

Payment can be made directly by the World Bank to a third party for goods, works and services. An Application for Withdrawal is prepared. The borrower must provide supporting documentation and give clear instructions to the Bank as to:

- Payee’s name and address
- Payee’s bank name and address
- Payee’s bank account number and Swift Code
- Sort Code
- Country where payee is located

Audit Arrangements

The Project’s financial statements shall be audited in accordance with provisions of Section 4.09 (b) of the General Conditions by independent auditors and following a TOR that is acceptable to the Bank.

The audit report will include supporting schedules providing sufficient information on the project (i.e. Sources and Uses of Funds, Statement of Expenditures (SOE), and the Special Account). The amounts in these financial statements would be required to be reconciled with the amounts in IDA’s disbursement records. The audit report would be transmitted to the World Bank no later than six months after the end of the fiscal year.

Detailed supporting documentation, including certification for expenditures, will be kept by the CPD for at least one fiscal year after the Bank has received the audit report for the year in which the last withdrawal from the Credit account was made and submitted to the Bank. For all contracts requiring the Bank's prior review, full documentation will accompany “no-

objection” requests. Detailed documentation will be retained by the CPD for inspection during supervision missions and for audit by external auditors acceptable to the Bank.

Financial Reporting Requirements

The CPD is currently using a computerized accounting system, which would be adequate for preparing timely financial reports for the project. The system is designed in such a way to ensure that the procedures conform to the following official Bank documents:

1. The Disbursement Handbook
2. The Financing Agreement
3. The Procurement Guidelines and Handbooks for Consultants Services Goods (prepared by the World Bank)
4. Audit Agreement Standards (manual listing the requirements of the auditors)

The CPD will ensure that information is timely and reliable. Annual financial statements detailing the projects’ performance for each financial year will be prepared. To monitor project implementation, interim statements and management reports will be prepared quarterly and yearly.

Financial Reports are to be provided to the following organisations:

- World Bank (quarterly basis and annual) – 2 copies
- Ministry of Finance and Economic Planning (quarterly) – 1 copy

Required Reports

Several financial reports are required to be sent by the CPD to the Bank at various time intervals. These reports include the IFR, the audit report, bank reconciliation statements and others. The procedural flow for developing each financial report can be found in Annex 1 of this Manual.

(i) Interim Financial Report (IFR)

The Bank requires that the Interim Financial Report (cash basis) be submitted no later than 45 days after the end of the quarter. Based on the fiscal year of January - December, the IFR is due as indicated below.

Table 7: Schedule for the Submission of Financial Reports

Financial Reports	Report period	Due Date
1	Jan – Mar	15 th May, 2011
2	Apr – Jun	15 th August ,2011
3	Jul – Sep	15 th November, 2011
4	Oct – Dec	15 th February, 2012
5	Jan – Mar	15 th May, 2011,2012
6	Apr – Jun	15 th August ,2012
7	Jul - Sep	15 th November, 2012
8	Oct - Dec	15 th February, 2013

The IFR covers a three-month period and is submitted at the end of each quarter comprising financial reports and a list of the contracts. The cash accounting model is being used for this project. The Financial Management Specialist is responsible compiling for the financial section of the report while the Procurement Specialist is responsible for the procurement plan.

The IFR will form the basis for the bank’s disbursement of project financing provided it is: i) prepared within the framework of an acceptable financial management system; ii) submitted in the standard format; and, iii) fulfils all other requirements. The standard reporting format is provided in Annex 7. The IFR will be submitted in two parts, viz:

Part 1 – The Financial Report

- 1-A Project Sources and Uses of Funds
- 1-B Uses of Funds by Project Activity
- 1-C Project Cash Withdrawals (Disbursements)
- 1-D Special Account Statement
- 1-E Project Forecast

Part 2 – Procurement Plan

- 2-A List of contracts requiring prior approval
- 2-B Contracts subject to post review.

Copies of the IFR must be submitted to the following person/organisations:

1. The World Bank (2 copies) - supported with a signed withdrawal Application Form
2. Director General, Ministry of Finance and Economic Planning
3. File copy within the CPD

(ii) Audit Reports

The Bank requires the GoSVG to submit annual audited financial statements, no later than six (6) months after the end of the fiscal year ending on December 31.

The Audit Report includes:

- a) Certified copies of the Financial Statements
- b) An opinion on the Financial Statements, Special Accounts and internal controls as outlined in the Terms of Reference issued to the Auditors

The project financial statements for the audit covers all project funds, and should include summary statements of Special Account transactions as well as IFRs submitted during the year.

(iii) Bank Reconciliation Statements

Monthly bank reconciliation statements of the two bank accounts must be prepared; one for the US Dollar Account to maintain the disbursement of funds by the World Bank Special Account, and one for the EC dollar Project Account.

Reconciliation Statements must be maintained for both bank accounts that serve to assist in monitoring disbursements against amounts allocated/budgeted. The Cash book, along with payment vouchers, credit advances and receipts will serve as control and will be able to identify cash movements. Based on the level of activity, reconciliation statements must be printed monthly and filed.

Two copies of the Bank Reconciliation Statements are required:

- Ministry of Finance and Economic Planning
- one copy for file for CPD

(iv) Recording of Fixed Assets

A fixed asset register will be maintained by the Financial Management Specialist to record details of items procured, and the locations of these assets, when goods are received. Yearly inventory lists will be prepared by the receivers of fixed assets in accordance with GOSVG requirements.

A copy of the Monthly Reconciliation Report, the Peachtree report, and the Monthly Expenditures Report shall be submitted by the Financial Management Specialist to the Ministry of Finance and Economic Planning for their records.

Section 6 - Safeguards and Sustainability

Safeguards

Environmental

In accordance with Bank environmental safeguards requirements, this project has been classified as Category B. This indicates that the works to be carried out are likely to have minimal environmental impacts which can be mitigated through good contract management. Supervision for environmental compliance will be managed by the CPD under Bank supervision. In addition to Bank requirements, the CPD will be responsible for ensuring the proper application of any national environmental requirements.

Social

The works to be undertaken under the project are largely rehabilitative at pre-existing sites. As a consequence no social safeguards were triggered.

Environmental Assessment

The government has prepared an Environmental Assessment (EA) examining project activities and providing an environmental framework to guide project execution. Generally, the assessment concluded that the works proposed under the project are largely rehabilitation and retrofitting of selected infrastructure and public buildings, and impacts are generally associated with the actual construction phase of the works activities. Limited new constructions could be included in individual projects. Against this backdrop, an environmental management plan was prepared as part of the assessment which outlined possible mitigation measures. These included utilizing a screening procedures and incorporating specific construction clauses into contracts. The Environmental report is provided in Annex 3 and the full environmental assessment is available at http://www.gov.vc/index.php?option=com_content&view=article&id=429&Itemid=225 .

Section 7 - Project Monitoring Reporting and Evaluation

Monitoring

Monitoring of project progress will be managed by the CPD. Training for the development of performance indicators, data collection and evaluation methods has been included in previous World Bank projects being implemented by the CPD. In addition, the CPD will utilize already existing mechanisms to perform the monitoring functions. The World Bank team will assist the CPD in tracking performance indicators during missions.

Monitoring system

The CPD is responsible for monitoring of and reporting on performance indicators. Progress on the indicators will be reported to the Bank semi-annually in the context of Bank supervision missions. Monitoring of the project will be carried out on a continuous basis, from the commencement to the completion of the implementation. This is essential in communicating the progress of the implementation and the adherence to the contract and requirements of the GoSVG and the Bank.

The CPD will rely on information from the line ministry focal points to inform sectoral results from project activities. Information provided will include; physical quantities, expenditure and pertinent issues in the monthly report and meetings as arranged with the CPD. Periodic site visits will be performed by the CPD or any official authorized by the GoSVG or the World Bank.

The project monitoring and evaluation system will have three levels: (1) at the CPD level, (2) at the line ministries level and (3) at the field level. This monitoring and evaluation will be supplemented with consultant's inputs and World Bank missions. The regular reporting of these agencies and updating of implementation progress data drawn from the updates by the stakeholders in the project at difference levels/activities will assist the CPD in providing timely interventions. It will also help remove impediments in project implementation and build the capacity of stakeholders involved and benefiting from the project. The results and monitoring framework is provided in Annex 6.

Monitoring Indicators

Baseline studies will be carried out at the beginning of the project to facilitate the effectiveness of the project during implementation according to the established qualitative and quantitative result level indicators of the project. Additional studies will be carried out and compared with the established baseline at the completion of the project (4 months before the closing of the project).

Primary data relating to population, demography and other scientific studies will be drawn from national accredited institutions and local administration to develop project plans.

Project Progress Reports

During implementation, information on project progress will be collected from stakeholders viz: beneficiary communities; implementing agencies or line ministries and consultants. Each report shall cover the period of one calendar quarter and shall be furnished to the Bank not later than one month after the end of the period covered by such report. The schedule for the submission of progress reports to the World Bank is as follows:

Table 8: Schedule for the Submission of Progress Reports

Hurricane Tomas ERL		
Progress Report	Report Period	Due Date
1	Jan – Mar	4/30/11
2	Apr – Jun	7/31/11
3	Jul – Sep	10/31/11
4	Oct – Dec	1/21/12
5	Jan – Mar	4/30/12
6	Apr – Jun	7/31/12
7	Jul – Sep	10/31/12
8	Oct – Dec*	1/31/13

*Mid Term Review

The project can provide support for the strengthening of monitoring and evaluation systems under Component 3.

Staff Evaluation

The Head of the PSIPMU will oversee the day to day operations of the project and will be responsible for all aspects of project implementation, including managing the work of all staff; and will report on a regular basis to the Director of Planning.

SECTION 8 - REPORTING

This section provides a summary of the reports and reporting mechanisms discussed throughout the manual. Descriptions of the reports are provided below:

Project Progress Reports

These reports shall be submitted to the World Bank in accordance with section 5.08 of the General Conditions. The schedule for their submission is provided in Section 7 above.

Interim Financial Report

The Interim Financial Report summarizes the sources of project financing, with uses of funds summarized under the disbursement categories in the credit agreement, project expenditure by components and sub-components consistent with those in the Project Appraisal Document (PAD), project cash withdrawals, special account statement and project cash forecast. A detailed explanation of the IFR can be found in Section 5 of this Manual.

The financial reports are to be provided to the following organizations:

- 1 World Bank
- 2 The Government of Saint Vincent and the Grenadines

Financial Audit Report

Financial Audits will be carried out by a qualified independent firm, and a report furnished to the Bank no later than six months after the end of each financial year. The audit will verify the financial statements and reports for the period.

ANNEX 1

STEERING COMMITTEE

Responsibilities of the Steering Committee Chair

The Steering Committee Chair is the Director of Planning. Should the Chair be unable to attend a meeting, the Deputy Director of Planning will serve as Committee Chair. The responsibilities of the Steering Committee Chair are as follows:

- Sets the agenda for each meeting.
- Ensures that agendas and supporting materials are delivered to members in advance of meetings.
- Makes the purpose of each meeting clear to members and explains the agenda at the beginning of each meeting.
- Clarifies and summarizes what is happening throughout each meeting.
- Keeps the meeting moving by putting time limits on each agenda items and keeping all meetings to two hours or less.
- Encourages broad participation from members in discussion by calling on different people.
- Ends each meeting with a summary of decisions and assignments.
- Follows up with consistently absent members to determine if they wish to discontinue membership.
- Finds replacements for members who discontinue participation.

Responsibilities of Steering Committee Members

Individual Steering Committee members have the following responsibilities:

- Understand the goals, objectives, and desired outcomes of the project.
- Understand and represent the interests of project stakeholders.
- Take a genuine interest in the project's outcomes and overall success.
- Act on opportunities to communicate positively about the project.
- Ensure that the project is making prudent decisions – especially in procurement and in responding to issues, risks and proposed project changes.
- Check that the project is aligned with the strategy as well as policies and directions across government as a whole.

Report	Procedural Steps	Day of Month	Assisted by	Approved by
	including procurement plan) c) Peachtree Report			
4) Year to date financial statements and yearly audit	a) Monthly Bank Reconciliation b) Peachtree Report	<i>15th of second month of new year</i>		
5) Fixed Asset Register & Acceptance of Accounts	a) Letter issued by CPD to party requiring and acceptance letter b) Letter reviewed from party accompanied by details and description of assets received i. Dependent upon parties response, CPD Officer may have to visit party to inspect/collect information on assets required for register c) Information reviewed and register can then be completed	<i>After receipt of a fixed asset</i>	Party receiving the fixed asset Party receiving the fixed asset CPD Assistant Secretary	
6) Prepare Payment Voucher	a) Invoice reviewed by the CPD must be approved by the Procurement Specialist for payment (e.g., in order to ensure it is correct) b) Supporting document is then	<i>Prepared ad hoc as</i>	Procurement Specialist	

Report	Procedural Steps	Day of Month	Assisted by	Approved by
	<ul style="list-style-type: none"> organized <ul style="list-style-type: none"> (i) No-Objection (ii) Contract (copy) c) Approval issued by the Director MoFEP d) Voucher Prepared b) Approved by the CPD c) Approved by the AG department d) Sent to the World Bank 	<i>payments come to the CPD</i>	<p>Director of Planning – Central Planning Division, MoFEP</p> <p>CPD Coordinator Accountant General</p>	<p>Director of Planning</p> <p>Accountant General</p>
7) Daily posting and filing	Processed vouchers and documents and file in appropriate file	<i>Carried out daily when vouchers are paid</i>		

ANNEX 3

ENVIRONMENTAL REPORT

In accordance with Bank environmental safeguards requirements, this program has been classified as Category B in accordance with OP/BP 4.01 on Environmental Assessments. Works proposed under the program are largely rehabilitation and retrofitting of selected infrastructure and public buildings, and impacts are generally associated with the actual construction phase of the works activities. Limited new constructions could be included in individual projects. A significant portion of the project involves the purchase of goods and services.

While asbestos materials have not been identified in structures targeted for repair or reconstruction under this project, asbestos management procedures, defined in this section, shall be implemented should they be discovered during the construction process.

Implementation and Supervision

During project preparation, the institutional capacity of the CPD to undertake the environmental assessment and monitor safeguard compliance was assessed. Supervision for environmental compliance will be managed through the CPD under Bank Supervision. In addition to Bank requirements, the CPD will also be responsible for ensuring the proper application of any national environmental requirements.

The implementation of environmental management procedures shall rest with the MoTW and shall be supervised by the CPD. The executing agency shall provide the contracting officer who will be responsible for direct supervision and implementation of works. Environmental management plans shall be presented for approval to the contracting officer. These plans shall be reviewed, along with other contract documentation, by the CPD for presentation to the Bank.

The executing agency through the contracting officer shall designate a field representative who shall conduct periodic inspections to assure environmental compliance. These reports shall be forwarded to the CPD for inclusion in the contract performance documentation.

Standard Contract Clauses

To facilitate environmental management, the following clauses have been developed for inclusion in construction contracts. These are based on the findings of the environmental assessment conducted for the proposed works. These clauses may be modified to conform with Saint Vincent and the Grenadines law and shall remain in force throughout the contract period. It is recommended that these clauses be included in an Environmental Appendix to the construction contract. In most cases,

it is the responsibility of the contractor to present environmental plans to the contracting officer prior to the commencement of works. Plans developed need only be as detailed as the works require.

Specific Clauses

1. Site Security

The contractor shall be responsible for maintaining security over the construction site including the protection of stored materials and equipment. In the event of severe weather, the contractor shall secure the construction site and associated equipment in such a manner as to protect the site and adjacent areas from consequential damages. This includes the management of onsite wastes, construction and sanitary, additional strengthening of erosion control and soil stabilization systems and other conditions resulting from contractor activities that may increase the potential for damages.

2. Discovery of antiquities

If, during the execution of the activities contained in this contract, any material is discovered onsite which may be considered of historical or cultural interest, such as evidence of prior settlements, native or historical activities, evidence of any existence on a site which may be of cultural significance, all work shall stop and the supervising contracting officer shall be notified immediately. The area in which the material was discovered shall be marked and the evidence preserved for examination.

Work may resume, without penalty of prejudice to the contractor, upon permission from the contracting officer with any restrictions offered to protect the site.

3. Asbestos

If in the event a construction project requires the stabilization or removal of asbestos construction materials, the contractor shall contact the Public Health Department of the Ministry of Health and the Environment and with the assistance of the Solid Waste Management Unit of the Central Water and Sewerage Authority, develop an asbestos management plan. Site management shall consist of stabilizing friable asbestos and the provision of worker protection to prevent contamination with asbestos fibers. Respiratory protection together with measures to prevent the contamination of clothing and inadvertent transport of asbestos fiber off-site shall be provided to exposed workers.

The asbestos management plan shall include as a minimum:

- Description of the issue and extent of contamination
- Site safety measures
- Stabilization techniques to be employed

- Storage and transport plan
- Approved disposal procedure
- Worker awareness and training

4. Worker Sanitation

Sanitation facilities shall be provided to site workers. All sanitary wastes generated as a result of project activities shall be managed in a manner approved by the contracting officer. The contractor shall provide the contracting officer with a site sanitation plan for approval and implementation prior to the commencement of site activities.

5. Noise Control

The contractor shall control noise emissions generated as a result of contracting activities to the extent possible. In the case of site locations where noise disturbance will be a concern, the contractor shall ensure that the equipment is in good working order with manufacturer supplied noise suppression (mufflers etc.) systems functioning and in good repair. Where noise management is a concern, the contractor shall make reasonable efforts to schedule activities during normal working hours (between 8 am and 5 pm). Where noise is likely to pose a risk to the surrounding community, the contractor shall inform the contraction officer and shall develop a public notification and noise management plan for approval by the contracting officer.

6. Use and management of hazardous materials, fuels, solvents and petroleum products

Any use hazardous materials excluding pesticides, oils, fuels and petroleum products shall conform to the proper use recommendations of the product. Waste hazardous materials and their containers shall be disposed of in a manner approved by the contracting officer. A site management plan will be developed by the contractor if the operation involves the use of these materials to include estimated quantities to be consumed in the process, storage plans, spill control plans, and waste disposal practices to be followed. This plan is subject to the approval of the contracting officer.

7. Use of preservatives and paint substances

All paints and preservatives shall be used only with the approval of the contracting officer. Information shall be provided to the contracting officer that describes the essential components of the materials to be used so that an informed determination can be made as to the potential for environmental effects an suitability can be made. Storage, use, and disposal of excess paints and preservatives shall be managed in conformance with the manufacturers recommendations and as approved by the contracting officer. The contractor shall provide the contracting officer with a list of

materials and estimated quantities to be used, storage, spill control and waste disposal plans to be observed during the execution of the contract. This plan is subject to the approval of the contracting officer.

8. Site stabilization and erosion control

Contractor shall implement measures at the site of operations to manage soil erosion through minimization of excavated area, preservation of existing ground cover to the extent possible, provision of approved ground cover.

Where excavations are made, contractor shall implement appropriate stabilizing techniques to prevent cave-in or landslide. Erosion control measures shall be approved by the contracting officer.

An erosion management plan will be required where the potential exists for significant sediment quantities to accumulate in wetlands, lakes, rivers and near-shore marine systems. This plan shall include a description of the potential threat, mitigation measures to be applied, and consideration for the effects of severe weather and an emergency response plan.

9. Management of standing water

Under no circumstances shall the contractor permit the collection of standing water as a consequence of contractor activities without the approval of the contracting officer and consultation with the Ministry of Health's environmental health unit.

10. Management of trash and debris

The contractor shall provide the contracting officer with a trash and debris management plan that conforms to the solid waste management policies and regulations of Saint Vincent and the Grenadines. Under no circumstances shall the contractor allow construction wastes to accumulate so as to cause a nuisance or health risk due to the propagation of pests and disease vectors. The site waste management plan shall include a description of how wastes will be stored, collected and disposed of in accordance with current law. Additionally the contractor shall provide for the regular removal and disposal of all site wastes and provide the contracting officer with a schedule for such removal.

ANNEX 4

PROCUREMENT/CONTRACT MANAGEMENT SPECIALIST

Summary

The Procurement/Contract Management Specialist will perform in a dynamic and proactive manner the following tasks. The specialist will perform similar activities under other WB's financed projects (including the Regional Disaster Vulnerability Reduction Project).

Qualifications/ Experience

- Engineering or Project Management degree with a minimum of 10 years experience in managing projects and handling procurement at international level.
- Experience with donor programs and knowledge of procurement regulations and bidding documents used by multilateral and/or bilateral donors.
- Experience in contract management, supervision of goods and works and handling claims.
- Experience in training in Bank's procurement procedures, and practical experience in application of WB's rules, use of bidding documents and consultant's selection procedures and documents.
- Experience in working with Government is desirable.
- Demonstrated ability to work in teams within a collaborative mode.
- Fluency in English and good communication skills.

Duties and Responsibilities

- Assist with project implementation generally and report on all matters relating to procurement of goods, works and services (including civil works and related consulting services, furniture, equipment, materials and supplies, fellowships and training, and specific services provided by individuals) under the project and provide systematic, timely information for use by the Government and the funding agencies on the procurement of all civil works, goods and services for the HTERP
- Prepare and update the project procurement plan and corresponding budget for tracking purposes, identifying if the bids are for international or local tender, the timing of each procurement.
- Provide support in preparation and review of Bidding Documents, Request for Proposals (RFP), and Expressions of Interest including standardized Forms to be used for NCB, International and Local Shopping, Direct Contracting, Consultants Selection etc.

- Ensure timely publication of the annual General Procurement Notices (GPN), Specific Procurement Notices (SPN), and requests for Expression of Interests (EOI) when required.
- Maintain a Register of qualified suppliers and consultants and ensure periodic update of the Register.
- Interact with the Government's and technical officers, for coordination of the preparation of Terms of Reference for Consultants and Specifications/Drawings/Bills of Quantities for goods and works.
- Initiate and coordinate the procurement process for any procurement method, and provide support in the selection of the short lists consultants and pre-qualification of suppliers or contractors where necessary.
- Coordinate the response to the inquiries from tenderers or consultants.
- In cases of procurement actions requiring the Bank's "no objection", coordinate the dispatch of procurement documents to the Bank, monitor the Bank's response time on issuing "no objections" at different levels of the procurement process and follow-up accordingly.
- Conduct any pre-tender meetings or site visits.
- Assist in the coordination of the Evaluation Committee meetings, including any bid opening session, and assume the role of the Committee's secretary if required in recording the minutes of the meetings.
- Prepare the minutes of the Evaluation Committee meetings, and assist the Central Supplies Tenders Board for bidding and evaluation purposes as required.
- Assist in the preparation of any tenders evaluation report and proposals evaluation report.
- Provide support in preparation of the final contracts, and ensure timely distribution of all relevant procurement and contract documents to all stakeholders (Government, Accounts Department, Technical Officers, Consultants, Suppliers, and the Bank).
- Monitor timely receipt of the Goods, provisional acceptance of works and consultant's monthly status reports.
- Monitor the issuance of final acceptance certificates by the Project in respect to delivery of goods, handing over of works and completion of services.

- Monitor the receipt of the Suppliers and Consultants invoices and ensure the request does not exceed the contract allowance.
- Where required payments exceed the contract amount, verify the validity of the invoice, and prepare a request for “no objection” from the Bank for extension of supplies or services.
- Assist in dealing with any claims during implementation or any dispute or arbitration arising from performance of the contractors/ suppliers/ consultants.
- Maintain the performance-monitoring database for all suppliers and consultants.
- Maintain and update the Project’s procurement filing system, and ensure timely input of all relevant documents in their respective files.
- Provide intensive procurement training program for national staff that might be appointed for implementation of the Project.
- Establish and maintain an inventory of final destinations of all goods/equipment procured under the projects, including specifically inventories of all goods/equipment supplied to individual schools; Manage the distribution of furniture, equipment, materials and supplies procured under the project to the end-users;
- Keep records for performance of goods and services, and brand names procured from various manufacturers for evaluation with regard to performance requirements of the Ministry of Education in order to construct and maintain a performance portfolio of experiences for the Ministry.
- Carry out actions necessary to acquire and maintain insurance policies consistent with IDA guidelines, and to require and maintain equipment service agreements.

Specific Responsibilities

In assisting in the above areas, the Procurement/Contract Management Specialist will:

- (1) Establish and maintain records of, and monitor schedules and compliance with, procurement procedures pertinent to International Competitive Bidding, Limited International Bidding and local Competitive Bidding under the HTERP for all goods, works and services including training and expert services.
- (2) Establish and maintain records of all schedules and bidding documents on procurement under the HTERP, for processing and for the file records of the CPD.

- (3) Prepare and submit to the Director of Planning, bidding documents for procurement of goods or works under HTERP, and prepare for forwarding to the Bank, as appropriate, the necessary documentation for their review.
- (4) Keep abreast of all procurement procedures as are outlined by the IDA procedures under the Credit Agreements.
- (5) Work closely with the Financial Management Specialist of the CPD in preparing budgetary estimates and in ensuring timely, complete documentation of actual expenditures incurred in relation to procurement of civil works (including professional fees), goods and services.
- (6) Prepare procurement related section for inclusion in the quarterly progress reports, and other reports/information as may be requested by the Director of Planning and in any forms [reports/diagrams] that might be required by the Project's needs.

ANNEX 5

FINANCIAL MANAGEMENT SPECIALIST

The Financial Management Specialist will assist the CPD in all financial management, disbursement, accounting and audit related matters, and provide financial supervisory services for the various project components. He/she will assist with the preparation every quarter of the Project's Financial Monitoring Report, taking into consideration the FMR procedures of the World Bank, which is expected to include: (i) Financial Statements; (ii) Programme Progress in coordination with the Procurement Specialist; and (iii) Procurement Management (including Goods, Works and Services).

Qualifications and Experience:

- A first degree in Accounting
- 10 years experience
- Qualifications in Project Accounting
- Familiarity with fiduciary and disbursement procedures of the World Bank desirable.

Duties and Responsibilities

The Financial Management Specialist will be responsible for:

- Ensuring that all accounting records and bank accounts are up-to-date using computerized accounting system.
- Preparing monthly Bank Reconciliation for all Bank Accounts (Special Account, Project Account, etc.) on a timely basis.
- Submitting monthly Bank Reconciliation for Project Account to the Accountant General for the maintenance of the Government's accounting records and General Ledger.
- Establishing and maintaining suitable systems of internal control (including procurement - goods, works and services, fixed assets, civil works, inventories management and distribution).
- Developing a Financial Procedures Manual within an agreed time frame (and thereafter updating the Manual on a regular basis).
- Preparing the project's Budgets/Cash Flow Projections.

- Monitoring Programme compliance with the Government's accounting reporting requirements.
- Preparing Quarterly and Annual Program Financial Statements, as well as reporting on material variances; recommending remedial action, as appropriate, within an agreed time frame.
- Ensuring compliance with operating procedures of donors (e.g. Procurement, Disbursements, Special Accounts, Special Commitments, etc); also, meeting with all stakeholders on relevant financial matters and ensuring that the accounting reporting system is responsive to their expectations.
- Assessing reports received from internal/external auditors and following up any audit queries/management letters.
- Monitoring, in conjunction with the Procurement/Contract Management Specialist, the management aspects of all project activities, as well as evaluating any difficulties being experienced (e.g. comparing actual results with agreed performance indicators, physical existence, etc.).
- Reviewing information technology issues, including the computerization of accounting records.

ANNEX 6
RESULTS AND MONITORING FRAMEWORK

Project Development Objective (PDO): The development objectives are to support the Recipient's efforts to: i) rehabilitate damaged and vulnerable infrastructure, caused by the passage of Hurricane Tomas; and, ii) strengthen the Recipient's ability to analyze location specific risks.										
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 affected students returned to structurally improved schools	<input type="checkbox"/>	Number of students	Three (3) school buildings damaged during Hurricane Tomas with a total student population of 1100.	200	700	1,100	Bi-annual	Annual Project Progress Reports Certificates of completion Evaluation of Consultants Final Report	Ministry of Transport and Works	Number of students who after Hurricane Tomas were moved to different school locations returned to target schools that have improved structures
Indicator Two: Number of people with access to safe emergency shelters with gender separated bathroom and shower facilities	<input type="checkbox"/>	Number of people	Six (6) government buildings that serve as shelters, including three (3) schools and three (3) community centers damaged by Hurricane Tomas. These 6	150	1,150	1,300	Yearly	Annual Project Progress Reports Certificates of completion Evaluation of Consultants Final Report	NEMO and Ministry of Transport and Works	Number of people with access to safe emergency shelters with gender separated bathroom and shower facilities

			shelters serve 1,300 people							
Indicator Three: Number of government officials of NEMO and MoHILP able to produce location specific exposure maps	<input type="checkbox"/>	Number of officials trained	Two institutions with a total of 2 technical officials with specific training on GIS analysis tools	4	6	6	Yearly	Annual Project Progress Reports Number of people participating on training Inventory report of instrumentation/software installed	MoHILP/ Physical Planning Unit	Measurement of increased national capacity to capture and manage climate data.
Intermediate Level Result (Component One)										
Intermediate Result indicator One: Number of emergency shelters that have male and female bathroom facilities rehabilitated/reconstructed under the project.	<input type="checkbox"/>	Number of emergency shelters	Three (3) community centers damaged by Hurricane Tomas. These three (3) shelters serve 500 people	1	3	3	Yearly	Annual Project Progress Reports Certificates of completion Evaluation of Consultants Final Report	NEMO and Ministry of Transport and Works	Number of emergency shelters that were damaged by Hurricane Tomas that are rehabilitated/reconstructed under the project that have male and female bathroom facilities.
Intermediate Result indicator Two: Number of schools structurally improved/rehabilitated under the project.	<input type="checkbox"/>	Number of schools	Three (3) government school buildings were damaged during Hurricane Tomas	1	2	3	Bi-annual	Annual Project Progress Reports Certificates of completion Evaluation of Consultants Final Report	Ministry of Transport and Works	Number of schools that were damaged by Hurricane Tomas that are structurally improved/rehabi

			with a total student population of 1100.							lited under the project.
Intermediate Level Result (Component Two)										
Intermediate Result indicator One: Number of NEMO and MoHILP staff trained in GIS analysis tools.		Number of officials trained	Two (2) institutions with a total of two (2) technical officials with specific training on GIS analysis tools	4	6	6	Yearly	Annual Project Progress Reports Number of people participating on training Inventory report of instrumentation /software installed	MoHILP	Measurement of increased national capacity to capture and manage climate data.
Intermediate Result indicator Two: Number of hazard maps produced by the government.		Number of hazard maps	Currently on 3 hazard maps exist for SVG: a) a volcanic hazard map that is kept upto-date by UWI; b) a landslide hazard map that is 10 years out of date; and 3) a	2	1	1	Yearly	Annual Project Progress Reports Number of location specific hazard maps	NEMO and Ministry of Transport and Works	Measurement of increased national capacity to capture location and hazard specific data.

			storm surge hazard map that is 10 years out of date							
Intermediate Result indicator Three: Number of public buildings geo-referenced in a national exposure database.		Number of public buildings	There are currently 0 public buildings in national exposure database	10	30	50	Yearly	Annual Project Progress Reports Number of public buildings included in exposure database Completion of database	NEMO and Ministry of Transport and Works	Measurement of increased national capacity to capture and analyze hazard exposure of public buildings

**ANNEX 7
INTERIM FINANCIAL REPORT**

Government of SVG

Project #.....

**Hurricane Tomas Emergency Recovery Project
Interim Un-audited Financial Monitoring Report**

Expenditure Summary

For the Semester ending

(US\$'000's)

	IDA	PPCR Credit	PPCR Grant	TOTAL	Remaks
1			-	-	-
1. Rehabilitation of vulnerable and Damaged Infrastructure					
2. Institutional Strengthening and Hazard Risk Analysis			-	-	-
3. Project Managemetn			-	-	-
4 Front End Fee			-	-	-
Total			-	-	-

Government of SVG
Project #.....
Hurricane Tomas Emergency Recovery Project
Sources and Uses of Funds
For the Semester ending on
(Amounts in US'000)

	SEMESTER			CUMMULATIVE		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
RECEIPTS						
IDA Financing						
Front End Fee						-
Total Receipts						-
Less: Payments (By Project Component)						
1. Rehabilitation of vulnerable and Damaged Infrastructure						
2. Institutional Strengthening and Hazard Risk Analysis						
3. Project Management						
4 Front End Fee						
Total Expenditures						
NET RECEIPTS						
Foreign Exchange Difference						
Opening Balances - [Date]						
IDA						
Total Opening Balances						
Closing Balances - [Date]						
IDA						
Total Closing Balances*						
Difference due to Exchange Rate Fluctuations						
Notes: Exchange rates used						

Government of SVG
Project #.....
Hurricane Tomas Emergency Recovery Project
Cash Forecast Statement
For the Semester ending on.....

	Disbursement Category	Project Expenditure		Remarks
		1		
		Total	2	
1				
2				
3	Front-end Fee			
	TOTAL AMOUNT			
	Exchange Rate US\$1 =			

Government of SVG
Project #.....
Interim Un-audited Financial Monitoring Report
Cash Forecast Statement
For the Semester ending

		US\$
Expenditure to be financed by the Credit		
Less: Payments to be made by the Credit		
Expenditure to be financed by the Credit		
Less: Balance in the DA		
Funds required to be advanced to the DA		
<u>Subject to the terms of Disbursement Letter</u>		
Actual advance to be made		

Government of SVG - IBA Credit.....
Hurricane Tomas Emergency Recovery Project
Interim Un-audited Financial Monitoring Report

COMMITTED

Contract Number	Contract Description	Contract Estimate	Status