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Annex

of the Commission Decision on the 2017 Annual Action Programme in favour of Saint Vincent and the Grenadines to be financed from the 11th European Development Fund

Action Document for Saint Vincent and the Grenadines identification Road Management & Rural Road Improvement Programme

| 1. Title/basic act/CRIS number | Road Management and Rural Road Improvement Programme in Saint Vincent and the Grenadines – CRIS number: 2014/37509 financed under the 11th European Development Fund |
| 2. Zone benefiting from the action/location | Caribbean, Saint Vincent and the Grenadines |
| 4. Sector of concentration/thematic area | Road Transport | DEV. Aid: YES |
| 5. Amounts concerned | Total estimated cost: EUR 5 980 000 |
| 6. Aid modality(ies) and implementation modality(ies) | Project Modality |
| 7 a) DAC code(s) | 21020 |
| b) Main Delivery Channel | Indirect management with the Caribbean Development Bank |
| 8. Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| Participation development/good governance | x | | |
| Aid to environment | | x | |
| Gender equality (including Women In Development) | x | | |
| Trade Development | x | | |
| Reproductive, Maternal, New born and child health | x | | |
| RIO Convention markers | Not targeted | Significant objective | Main objective |
| Biological diversity | x | | |
| Combat desertification | x | | |
| Climate change mitigation | x | | |
| Climate change adaptation | | x | |
| 9. Global Public Goods and Challenges (GPGC) thematic flagships | N/A. |
Summary

Saint Vincent and the Grenadines is among the most vulnerable countries in the world. Recently, intensified storms and rainfall concentration have caused significant damage to infrastructure: housing, road networks, schools, hospitals and utilities (water, electricity and telephone).

The overall objective of the intervention is to enhance the quality of and to improve climate change resilience of the road network, in particular rural roads. This will contribute to the stimulation of economic activities in rural communities and reduced vulnerability to climate change.

The specific objectives of the intervention will be to (a) strengthen the national road management and maintenance programme whilst minimising environmental impacts and (b) upgrade and "climate-proof" village and feeder roads.

To reduce the adverse effects of natural disasters, there is a continued need to rebuild damaged road infrastructure to be more resilient and of higher standards in line with best practice international codes\(^1\). In addition, for better sustainability, these actions need to be supplemented with more comprehensive disaster risk reduction measures, such as preventative maintenance, appropriate zoning, hazard mapping, disaster information mechanisms, and flood and landslide mitigation.

The proposed project is aligned with the national priorities in the road sector, which are to upgrade the road network through developing a comprehensive road maintenance programme and to upgrade village and feeder roads to facilitate greater rural economic activity. This is contained in the National Economic and Social Development Plan (2013-2025) of Saint Vincent and the Grenadines.

The project will be implemented through indirect management by the Caribbean Development Bank. Furthermore, it will complement on-going programmes, such as the programme under the Banana Accompanying Measures (BAM) and the 11\(^{th}\) European Development Fund (EDF) Post-trough Emergency Infrastructure Rehabilitation Programme implemented by the World Bank through indirect management (B-envelope).

The main added value of the proposed action will be a refined systematic approach to road maintenance, which will improve decision making, optimize resources and facilitate the development of a climate change resilient road network. In addition, the involvement of local communities in the maintenance system (high intensity labour methods) will encourage ownership and contribute to the sustainability of the proposed Road Maintenance Management System (RMMS).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Saint Vincent and the Grenadines is an archipelagic state in the Eastern Caribbean, comprising the main island, Saint Vincent, and a chain of 32 islands and cays. The total area of the country is 389 sq. km of which the main island is 344 sq. km, and the country is considered a small island developing state (SIDS) with an estimated population of 109,991.

\(^1\) For example American Association of State Highway and Transportation Officials (AASHTO), American Concrete Institute (ACI) and British Standards Institution (BSI).
The preliminary Gross Domestic Product (GDP) in 2015 was Eastern Caribbean Dollar (XCD) 1,731.14 million. In the past, Saint Vincent and the Grenadines relied almost exclusively on agriculture, but within recent times, tourism and related services, construction and other sectors have become increasingly important as contributors to the national economy. Although commerce is becoming more decentralized, the main area of economic activity is Kingstown - the country’s capital. In 2014, public external debt relative to GDP and total public debt relative to GDP was 47.7 and 78.5 percent, respectively, which contributes to Saint Vincent and the Grenadines having limited capacity to manage the fiscal impacts of exogenous shocks. According to National Accounts data, road transport constitutes approximately 8 percent of GDP, making it a significant contributor to the economy. Additionally, transport represents 11.84 percent of the Consumer Price Index (CPI).

The 2008 Country Poverty Assessment (CPA) established an incidence of poverty of 30.2 percent in Saint Vincent and the Grenadines. The CPA also found that 48.2 percent of the population was considered vulnerable. This measures the number of persons who are at risk of falling into poverty, as a result of economic and other shocks. In particular, in some rural communities, the CPA assessed poverty and vulnerability as high as 43.1 and 55.6 percent respectively.

The country’s economy remains largely agrarian in nature in spite of the growth of the service sectors and the declining contribution of the banana industry. The agricultural lands and human capability are among the major resources available to boost economic growth. Agriculture is vital to achieve national food and nutrition security and hunger and poverty reduction, as enshrined in the second Sustainable Development Goal of the post-2015 development agenda. It is also critical in its potential for economic growth and development.

Saint Vincent and the Grenadines is particularly vulnerable to a range of weather-related hazards, such as floods, hurricanes and drought. Recent floods in the country have highlighted the need for climate resilient rural roads with specific attention to drainage and slope protection which would facilitate a prompt and cost-effective delivery of relief in disaster-affected zones.

1.1.1 Public Policy Assessment and EU Policy Framework

With the support of the European Union, the Government of Saint Vincent and the Grenadines recently unveiled its National and Economic and Social Development Plan 2013-2025 (The Plan) which is termed as its blueprint for long term socio-economic development. The Plan envisages the continued development and strengthening of national institutions and the improvement of technical and administrative capacity to deal with challenges, in order to capitalise on the opportunities presented. The vision "improving the quality of life for all Vincentians" and the proposed development strategies for the country will, if carefully pursued, lead to balanced, comprehensive and sustainable development.

The Plan outlines five strategic goals. Number three "Improving Physical Infrastructure, Preserving the Environment and Building Resilience to Climate Change" is directly linked with the objectives of the action.

Road Management

According to the Plan, a well-developed road infrastructure is essential for economic growth and sustainable development. Specifically these strategic interventions focus on the development of a comprehensive road maintenance programme, upgrading village and feeder roads to facilitate greater rural economic activity and embarking on a comprehensive drainage building programme.
The institutional framework of the rural roads sector is relatively robust. The principal institutional bodies are the Ministry of Transport, Works, Urban Development and Local Government (MoTW), the Roads, Buildings, and General Services Authority (BRAGSA), Ministry of Housing and Physical Planning (MHPP). Further, the Chief Engineer of the MoTW sits on the board of BRAGSA which is a state-owned company mandated to carry out road maintenance planning and works.

The rural road network is approximately 700 kilometres. The terrain is generally mountainous, thus affecting construction, maintenance costs and techniques. BRAGSA prepares an annual budget request for works which have been specified, costed and prioritised. BRAGSA projects expenditures for 2016 of XCD 13 million for road upgrades, rehabilitation and refurbishment.

In 2007, a partial roads inventory was prepared. Further, in 2013, a database to geo-reference and document the characteristics of the transportation infrastructure was completed as part of the Regional Disaster Vulnerability Reduction Project (RDVRP). Meanwhile, BRAGSA has a grading system for road maintenance, which focuses on emergency access and farms. However, this system will need to be enhanced to ensure that all the data required for road maintenance purposes are captured.

1.1.2 Stakeholder analysis.

Main beneficiaries/primary stakeholders of the project:

1. Farmers and transporters of agricultural produce. Farmers will benefit from this project in several ways including:
   - Improved access to lands that are better suited for agriculture and animal husbandry which may lead to higher product yields.
   - Improved ability to respond to changes in market demand.
   - Increased incentive to farm more delicate fruits and vegetables through reduction in the spoilage of cargo.
   - Reduction in costs associated with farming time lost from longer travelling on poorly maintained roads.
   - Improved opportunity to utilise capital-intensive and or more modernised methods of farming
   - Improved access to produce-collection points and reduced vehicular maintenance costs for produce transporters.

As the most frequent users of feeder roads farmers and transporters can be a monitoring source for the conditions of the road which can provide information of the effectiveness of the RMMS.

2. Community members. Better maintained roads would allow community members to benefit from:
   - Having access to possible alternatives in the road network, which is particularly important when the road network is largely costal-based and can become impassable after major weather related events.

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2 Ex-post Evaluation of Road Transport Programmes in Saint Vincent and the Grenadines funded under the European Union Special framework of Assistance (SFA) and other financial protocols (October 2013)
3 See section 4.5 of the annex.
• Have improved access to their properties which may create an increase in the values of such properties, lower vehicular maintenance costs and employment during project execution.
• Enhanced education on road maintenance techniques which equips them with the skills to mitigate against the effects of climate change and reduce their vulnerability to disasters.

The community members are expected to contribute to the sustainability of the RMMS, since their involvement in the maintenance system (high intensity labour methods) will encourage ownership. This becomes important in the aftermath of natural disasters since community members can be the first responders in restoring road access.

3. Ministry of Transport, Works, Urban Development and Local Government (MoTW) and Roads, Buildings, and General Services Authority (BRAGSA). This project will benefit the MoTW and BRAGSA in the following ways:

• MoTW will be more able to satisfy its mandate of ensuring that the country’s physical infrastructure and land transportation are developed and maintained at the highest level in order to facilitate sustained economic development.
• BRAGSA, with the responsibility for the maintenance of public infrastructure in St. Vincent and the Grenadines, will benefit from a refined systematic approach to maintenance which will improve decision making, optimize resources and facilitate the development of a climate change resilient road network.
• The MoTW and BRAGSA are expected to be the main users of the RMMS and will be instrumental in its continuity and execution. Monitoring implementation and quality assurance will be performed by the MoTW.

4. Pedestrians, commercial motorists and other motorists. These stakeholders are expected to benefit from reduced vehicle maintenance costs and having access to road redundancies when the main roads are impassable.

5. National Emergency Management Organisation (NEMO) - Having access to road redundancies and better maintained roads will aid NEMO in its responsibility to restore normality after disasters.

6. The contracting authority and development partners. This initiative will support economic growth and development via enhancements to the agricultural sector and improve climate change resiliency of the infrastructure.

7. The Caribbean Development Bank. This entity is currently undertaking similar activities in the region and more particularly in St. Vincent. Advantages of the knowledge of the specificities of the region, specific and agile procedures known by other stakeholders and the experience in the sector make CDB an unsurpassable partner for implementation. CDB is currently present in MoTW, having set up a CDB Project Management Unit (PMU) responsible for the CDB financed projects valued at approximately 35 million USD. The CDB PMU consists of two project coordinators and two project engineers and is supported by two account officers.

1.1.3 Priority areas for support/problem analysis

The effects of climate change are already evident in many parts of the country with storm activities continuing to denude exposed coastlines and inland slopes. Given the country’s high vulnerability, the effects of climate change are expected to worsen if mitigating measures are not put in place.
Accordingly, disaster risk is exacerbated by climate change and climate variability trends. A number of climate change models consistently predict decreases in rainfall. Despite the reduction in precipitation, these models forecast that there is particular concern about the increasing frequency of high intensity or extreme events in the context of climate variability. The International Panel for Climate Change (IPCC) predicts that globally, the frequency of heavy precipitation or the proportion of precipitation from heavy rains will very likely increase in the 21st century. These observations imply that Caribbean countries will need to improve design criteria applied to public infrastructure.

Recently, intensified storms and rainfall concentration have caused significant damage to infrastructure: housing, road networks, schools, hospitals and utilities (water, electricity and telephone). These effects are compounded by poor quality rural roads which may be attributed to poor drainage, construction and maintenance and ineffective stakeholder coordination.

To reduce the adverse effects of natural phenomena, there is a continued need to replace damaged infrastructure with more resilient structures and ensure that new infrastructure is constructed in line with best practice international codes.

Consequently, disaster management, including reduction in high levels of risk associated with natural hazards and a changing climate, has been accorded priority on the development agenda of the Government of St. Vincent and the Grenadines. Furthermore, the Government recognises that in order to enhance the country’s resilience to climate change, increased emphasis has to be given to actions focusing on more comprehensive disaster risk reduction measures that also apply to the road sector, such as preventative maintenance, appropriate zoning, hazard mapping, establishment and enforcement of best practice international codes, disaster information management, and flood and landslide mitigation.

2 RISKS AND ASSUMPTIONS

There are a number of risks which could impact the project. While the impact may not be high in all cases it is important that they be noted and mitigating measures be put in place if the intervention is to be successful. Below are the risks which have been identified:

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate financial support to cover full cost of the intervention.</td>
<td>L</td>
<td>Scope may be reviewed and reduced while ensuring that the stated objectives are achieved; other possible sources of additional funding may be obtained. In addition, there are other donors who are involved in the sector.</td>
</tr>
<tr>
<td>Ineffective stakeholder coordination</td>
<td>M</td>
<td>Establish ownership by mainstreaming project activities into the agencies’ work programmes and conduct comprehensive and participatory consultations as part of the process; clearly identify/clarify roles and responsibilities.</td>
</tr>
<tr>
<td>Qualified contractors are available at an affordable price to effectively execute the works</td>
<td>L</td>
<td>Widen the advertising coverage; adjust the selection criteria.</td>
</tr>
<tr>
<td>Inadequate capacity within key technical agencies</td>
<td>H</td>
<td>As a priority, ensure that adequate capacity building takes place as a part of 11th EDF funded activities.</td>
</tr>
</tbody>
</table>
Environmental and climate change risks. All models predict that the effects from climate will increase unless actions are taken to ‘turn down the heat’

Road design, location, construction and rehabilitation to introduce strict environmental safeguards and climate proofing parameters.

Risks (also including risks from natural disasters) will be integrated in a risk informed investment approach and due recognition will also be given to the Climate Risk Assessment approach.

There is lack of willingness to adopt the new technology

Increased public awareness to sensitise on the benefits of utilising new technology.

Overruns during road maintenance implementation

In case of potential overruns during implementation, activities will be selected according to priorities set by agreement between the EU, the CDB and the Government of Saint Vincent. In addition, to meet the objectives and expected results of the project, the Government of Saint Vincent commits itself to cover from additional CDB allocation or by its own resources.

Insufficient funding available for road maintenance

In case of lack of resources once the RMMS will be set, the Government of Saint Vincent will ensure sustainability by adding a new CDB allocation or by its own resources.

Assumptions
- All sites will be thoroughly investigated, including all the required technical surveys and testing.
- Qualified contractors are available at a reasonable cost
- Works will not be delayed by any future natural disasters

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The Government of St. Vincent and the Grenadines has in the past implemented labour intensive road projects such as the Stabex 1994 programme, an allocation from the 7th EDF. Under this programme, the Government formulated the Labour Intensive Road Maintenance Programme (LABIRMP). The overall objective was to implement a rolling programme of maintenance for the minor road network, particularly in the areas most seriously affected by the restructuring of the banana industry by 1) addressing the issue of surplus labour in the banana producing areas as a result of constriction in the banana industry; 2) to repair deteriorating minor roads that service banana producing areas. Through this initiative, approximately eighteen (18) rural roads totalling 15 km. were fully rehabilitated and an additional fifteen (15) roads received routine maintenance at an approximate cost of EUR 3.3 million.

Further, conditional surveys were carried out on the national road network and the road inventory was updated to enable revision of the road maintenance management system.

Many lessons have been learned through the implementation of road projects in Saint Vincent and the Grenadines, they include: i) the need for increased community involvement at all levels of the project ii) the need for a strong publicity component in the project to keep information flowing to the beneficiaries on a continuous basis; iii) road designs should take the soil and topographic conditions of the country into account; iv) closer collaboration among stakeholders especially the state-owned ones; v) the outdated laws created some confusion as to the standard/specifications that the roads were to be built to; vi) better selection of roads according to
needs; and vii) ensure that reporting lines are clearly demarcated for all involved in the project, to reduce ambiguity in communication.

Implementation of these projects has demonstrated the need for closer alignment of all projects with government development policies. This suggests the need for an approach which engenders coherence between donor interventions guided by objectives which are driven by reform priorities identified at the sector level, while effectively managing transaction costs.

In November 2013, an ex-post evaluation of EU-financed road transport programmes in Saint Vincent and the Grenadines was carried out\(^4\). The main conclusion was that Saint Vincent and the Grenadines needs to have a road inventory, a classified network and a road maintenance programme, objectively and clearly defined and, as far as possible, compatible with international standards. More specifically the report indicates the following:

1) There needs to be a strategic plan for road development and maintenance in Saint Vincent and the Grenadines. This should be associated with a road inventory and a computerised road maintenance system;
2) A master plan that includes functional classification of roads, which may be incorporated in an update to the Roads Act;
3) There should be a policy for construction and maintenance techniques to be used for the new road classification;
4) Technical assistance is required in order to define and build a RMMS. In general the RMMS should include:
   - Data collection methods that are affordable, appropriate and that provide relevant information;
   - A road information system (or data base management system) that is flexible;
   - A decision support system that can be used to investigate the consequences of various management decisions and strategies;
5) For rural roads and minor roads, with reduced width, and depending on the importance of the works involved, the concept of a labour-intensive project can be justified;
6) The principal means of introducing green technologies is seen in the planting of embankments with Vetiver grass, for example. Grass can be used from areas surrounding the roads in order to stabilize embankment slopes.

### 3.2 Complementarity, synergy and donor coordination

Donor coordination and policy dialogue are within the purview of the Director of Planning, who is also the National Authorising Officer and who advises the Government on macroeconomic issues. Additionally, the Director of Planning has responsibility for the entire portfolio of development partners’ funding, including the European Union, the Caribbean Development Bank, the World Bank, Kuwait and the Republic of China – Taiwan.

Accordingly, this project is designed to build on complementary actions which have been taking place in the roads sector in St. Vincent and the Grenadines as well as those that will start and/or continue over the 11th EDF implementation period and through the B-envelope application following the 2013 Christmas floods.

At present, through funding from the European Union (EU), the Government is implementing the Agricultural Diversification and Modernisation Programme (ADMP) under the Banana Accompanying Measures (BAM) programme. The total cost of this programme is EUR 9.93

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\(^4\) See annex 4, Supporting Documents, “Evaluation of Road Transport Programmes”
million and is to be implemented over 5 years with the main aim of modernising the agricultural sector. A major expected result is the improvement of agricultural infrastructure, which includes the design of eight (8) feeder roads, one of which has been rehabilitated. The designs completed under the BAM for the rehabilitation of the feeder roads will be used for the selection of the two (2) feeder roads to be constructed from the 11th EDF funds.

The Caribbean Development Bank (CDB), through its Basic Needs Trust Fund (BNTF) supports sustainable asset building and livelihood strategies of communities. This is to be implemented over 4 years at a cost of ECS10 million. Access roads and drainage are a primary component. These funds could also be used to complement activities under the BAM, as well as the 11th EDF A and B envelopes. CDB is also providing funding for the Rehabilitation of the South Leeward Highway project from Kingstown to Layou, valued at USD 15.7 million. Approximately 11.4 kilometres of existing road and associated drainage structures are being upgraded. Additionally, the restoration of bridges and sections of the feeder road network, the Windward and Vigie Highways, and the rehabilitation of river defences along the Yarabaqua and Caratal rivers were financed by the CDB. The estimated cost of this project was USD 9 million.

In addition, in the framework of the ACP-EU Natural Disaster Risk Management programme (NDRM), the CDB is currently implementing a pilot activity to build tools to integrate Climate Resilience in the Transport Sector in the region, with a budget of EUR 0.74 million.

Complementarities will also be sought with ECHO funded projects on the islands regarding strengthening of Early Warning Systems (through the DIPECHO programme). This is especially relevant regarding the activities foreseen on rehabilitation and/or upgrade/climate-proofing of existing village/feeder roads. As local committees have been strengthened in the past, these committees could be included in the foreseen actions at community level, for a Disaster Risk Reduction approach.

The Regional Disaster Vulnerability Reduction Programme (RDVRP), funded by the World Bank, aims to reduce vulnerability to natural hazards and build resilience to climate change. Its impacts on the road sector would be through: i) substantial slopes stabilisation, coastal protection and bridge rehabilitation; ii) updating of the National Physical Plan (including work on the GIS mapping system and supporting establishment of database)5, and iii) Establishment of the roads and bridges database of BRAGSA.

Kuwait started in 2015 an intervention to rehabilitate 43 km of road throughout St. Vincent and the Grenadines with a budget of EUR 4.5 million.

The Republic of China - Taiwan is also providing funding for the rehabilitation of various road projects throughout the island, among others, the Majorca feeder road (EUR 0.7 million).

3.3 Cross-cutting issues

Rural roads are a key component of rural development. If and when adequately developed and maintained, rural roads enable and foster rural connectivity vital for improving rural incomes (on and off farm), creating productive jobs and promoting access to economic and social services. In addition, access to health and educational facilities is another benefit to rural communities. In the context of Saint Vincent and the Grenadines, rural roads serve many purposes. These include: i) to move agricultural inputs and produce; ii) to provide access to social facilities; iii) to reduce vulnerability in times of a disaster; iv) to build resilience to climate change); and v) to increase economic activities.

5 The proposed new network base map in section 4 will be based on this work. In order to prepare a database for maintenance, some additional parameters (other than GIS of the axis) are needed as width, material and year of construction, existence of hydraulic solutions, slopes, etc.
Climate change resilience and sustainable environmental measures, such as the utilisation of green techniques in stabilising embankments and slopes close to roads, will be a major focus of this programme. Some of these techniques, for example the utilisation of Vetiver grass (Chrysopogon zizanioides) for erosion control could be extended to agronomic practices. This would benefit farmers living close to the areas where road maintenance will be implemented throughout the programme. Also, environmental management procedures during road construction will be observed e.g. related to extraction of construction material in quarries, water, waste and air pollution management. In addition to the use of “green techniques”, broader environmental management measures and procedures in road construction will be followed. Environmental Impact Assessments of new roads, when necessary as per national requirements and EU EIA screening procedures will be prepared.

The level of ownership is very high as the project design was on account of the extensive consultations with beneficiaries and stakeholders in Saint Vincent and the Grenadines. There will be adoption and implementation of appropriate technology in keeping with the local environment.

Socio-cultural issues will be addressed in all areas of implementation. For instance, for rural and minor roads, with reduced width, and depending on the importance of the works involved, the concept of labour intensive projects is justified since it will provide employment opportunities for members of the affected communities, especially among youth and women, where unemployment rate is higher. Training of communities and medium and small sized contractors in high intensity labour methods will be included in the planning of activities.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of the intervention is to stimulate economic activities in rural communities.

The specific objective of the intervention is improved climate change resilience of the road network in particular rural roads

The main expected outputs are:

1) Improved institutional capacities at the regional and national level for early warning response and data analysis modelling
2) Strengthened national Road Management and Maintenance Programme
3) Feeder and village roads realigned and upgraded

4.2 Main activities

The main activities of the project contributing to the expected results will include the following:

1. Improve institutional capacities at the regional and national level for early warning response and data analysis modelling
   • Institutional strengthening of the Ministry of Transport and Works, including BRAGSA;
2. Strengthen national Road Management and Maintenance Programme
   • Technical studies, drafting of legislation, road maintenance financing mechanism to ensure sustainability and technical assistance to RMMS;
   • Institutional strengthening of the Ministry of Transport and Works, including BRAGSA;
   • Technical studies, including preparation of detailed design and bill of quantities for the works and the necessary environmental and social assessments.
   • Works supervision
   • Project management, project monitoring and evaluation (MoTW and BRAGSA)
3. Realign and upgrade feeder and village roads
   - Rehabilitation and/or upgrade/climate-proofing of existing village/feeder roads
   - Project management, project monitoring and evaluation (MoTW and BRAGSA)
   - Organisation of training and workshops in high labour intensive methods for strengthening medium and small sized contractors and community base skills and
   - contract and human resource management (contractors)

4.3 Intervention logic

The proposed project is aligned with the national priorities in the road sector, which are to upgrade the road network through developing a comprehensive road maintenance programme and to upgrade village and feeder roads to facilitate greater rural economic activity. This is contained in the National Economic and Social Development Plan (2013-2025) of St. Vincent and the Grenadines.

The project will be implemented through indirect management by the Caribbean Development Bank. Furthermore, it will complement on-going programmes, such as the programme under the Banana Accompanying Measures (BAM) and the 11th EDF Post-trough Emergency Infrastructure Rehabilitation Programme implemented by the World Bank through indirect management (B-envelope).

The main added value of the proposed action will be a refined systematic approach to road maintenance, which will improve decision making, optimize resources and facilitate the development of a climate change resilient road network. In addition, the involvement of local communities in the maintenance system (high intensity labour methods) will encourage ownership and contribute to the sustainability of the proposed Road Maintenance Management System (RMMS).

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a Financing Agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement to allow the implementation of high intensity labour methods, road works, etc.

Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of the Annex to Regulation (EU) No 322/2015.

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6 See Appendix 1 "Indicative Logframe Matrix" for additional information.
5.3 Implementation modalities

5.3.1 Procurement (direct management)

<table>
<thead>
<tr>
<th>Subject in generic terms, if possible</th>
<th>Type (works, supplies, services)</th>
<th>Indicative number of contracts</th>
<th>Indicative trimester of launch of the procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation</td>
<td>Services</td>
<td>2</td>
<td>Q12</td>
</tr>
<tr>
<td>Audit</td>
<td>Services</td>
<td>1</td>
<td>Q20</td>
</tr>
</tbody>
</table>

5.3.2 Indirect management with an international organisation

This action will be implemented in indirect management with the Caribbean Development Bank (CDB) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 323/2015. This implementation entails the realisation of expected results as described under section 4.

The implementation modalities are justified by the synergies gained from both CDB’s presence in the region and in the MoTW via a CDB PMU, and experience in the disaster risk reduction focused road rehabilitation as explained in section 1.1.2 bullet point 7 and 3.2. In fact, CDB currently supports sustainable asset building and livelihood strategies of communities, upgrading approximately 11.4 kilometres of existing road and associated drainage structures and restoring bridges and sections of the feeder road network, the Windward and Vigie Highways, and the rehabilitation of river defences along the Yarabaqua and Caratal rivers.

The entrusted entity would be responsible for the following budget-implementation tasks: (i) calls for tenders, including evaluation of offers, award and signature of contracts; (ii) financial management of contracts, including carrying out payments and recovering moneys due. Procurement methods thresholds and prior review thresholds of the CDB will apply.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 323/2015. The Commission’s authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.
5.5 Indicative budget

<table>
<thead>
<tr>
<th>Description</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution, in currency identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2 and 5.10 – Main Activities: Indirect management with the CDB (including communication and visibility)</td>
<td>5 830 000</td>
<td>N.A.</td>
</tr>
<tr>
<td>5.8 and 5.9 – Evaluation and audit</td>
<td>150 000</td>
<td>N.A.</td>
</tr>
<tr>
<td>Total</td>
<td>5 980 000</td>
<td></td>
</tr>
</tbody>
</table>

5.6 Organisational set-up and responsibilities

Consistent with Goal 17 – partnerships for the goals - of the SDGs, this project will be implemented by the Caribbean Development Bank (CDB). The project will be supervised through the annual work programme of CDB’s Economic and Infrastructure Division (EID). In addition, project specialists will be mobilized and CDB’s staff will support the project’s activities.

A Delegation Agreement will be signed with the CDB to allow the implementation of the project. Consequently, implementation modalities will follow the CDB procedures.

The CDB will manage tendering for the civil works component based on initial technical requires from the Ministry of Transport, Works, Urban Development and Local Government (MoTW). CDB will coordinate with the MoTW during implementation, including coordination and management, all civil works activities. Technical support for design and supervision will be provided by independent consulting firms contracted by CDB via its project management capacity (PMU) within the MoTW. If deemed necessary, additional staff will be recruited on a temporary or full-time basis.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation and quality assurance of this action will be part of the implementing partner’s responsibilities (CDB). The implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate semi-annual progress reports and final reports. Every report shall provide an accurate account of implementation of the action (narrative and financial parts separated), difficulties encountered, changes introduced, state of accounts, etc. as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators and, when possible, separated by gender. These would be referenced by the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action.

The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission will undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews or evaluations.

5.8 Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants contracted by the European Union.
A mid-term evaluation will be carried out to assess progress and review the implementation plan as deemed necessary.

The final evaluation will be carried out for accountability, learning purposes and assessment of the impact of the project on the project beneficiaries.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The Communication and Visibility Plan of the Action will have to be discussed and pre-agreed between all three parties (CDB, NAO and EU). The budget for communication and visibility will be included within the budget of the agreement between the CDB and the EU to be managed by the implementing partner.
**APPENDIX 1 - INDICATIVE LOGFRAME MATRIX**

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

<table>
<thead>
<tr>
<th>Intervention logic</th>
<th>Indicators</th>
<th>Baselines (reference year: 2014)</th>
<th>Targets</th>
<th>Sources and means of verification</th>
<th>Risk and Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall objective:</strong> Impact</td>
<td>Stimulated economic activities in rural communities and reduced vulnerability to climate change.</td>
<td>1. Employment rate in rural communities</td>
<td>1. 77.5 % (2012)</td>
<td>1. 87 % (2025)</td>
<td>1. Statistical Office of SVG</td>
</tr>
<tr>
<td></td>
<td>2. Earnings from agriculture as a percentage of GDP</td>
<td>2. 6.3 % (2014)</td>
<td>2. 10 % (2025)</td>
<td>2. Statistical Office of SVG</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. % Increase in growth in agriculture</td>
<td>3. 2.4 % real growth in 2014</td>
<td>3. 5 % real growth by 2025</td>
<td>3. Annual Economic and Social Reviews Country Poverty Assessment Population and Housing Censuses Surveys. Separated by gender</td>
<td></td>
</tr>
<tr>
<td><strong>Specific Objective(s):</strong></td>
<td>Improved climate change resilience of the road network in particular rural roads</td>
<td>Amendments to legislative framework and upgrading of Road Maintenance Management System (RMMS)</td>
<td>Legislation and management systems in reference year</td>
<td>New legislative framework and RMMS in place and enforced</td>
<td>Assumptions are required at SO level.</td>
</tr>
<tr>
<td></td>
<td>1. Km of road affected by landslides</td>
<td>1. 10 km affected by landslides (reference year?)</td>
<td>2. 50 % reduction in the number of landslides (reference year?)</td>
<td>1 and 2 DaLA conducted by the Ministry of</td>
<td></td>
</tr>
<tr>
<td>Outputs</td>
<td>Intervention logic</td>
<td>Indicators</td>
<td>Baselines (reference year: 2014)</td>
<td>Targets</td>
<td>Sources and means of verification</td>
</tr>
<tr>
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<tr>
<td></td>
<td>Improved institutional capacities at the regional and national level for early warning response and data analysis modelling</td>
<td>Revised road and traffic legislations</td>
<td>Roads Act 1956.</td>
<td>Roads Act amended</td>
<td>Monthly and final reports</td>
</tr>
<tr>
<td></td>
<td>Rural infrastructure in the transportation is more resilient to natural hazards and prepared for climate change and climate variability</td>
<td>Road management system upgraded with database inventory including criteria of vulnerability to climate change, GIS-based mapping, environmental safeguards and climate proofing measures</td>
<td>Road Maintenance Management System (RMMS)</td>
<td>RMMS measures in place and operational Catalogue of roads in GIS detailed</td>
<td>Contractual documents (certificates of provisional and final acceptance) ROM report(s) Evaluation and audit reports Supervisor’s measurements</td>
</tr>
<tr>
<td></td>
<td>RMMS completed for realigned asphalt and concrete roads completed by December 2019</td>
<td>75% of roads are motorable</td>
<td>100% of asphalt and concrete roads realigned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RMMS completed for bio-remediation completed by December 2019</td>
<td>10% bio-remediation</td>
<td>100% of bio-remediation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RMMS completed for road and drainage works rehabilitated by December 2019</td>
<td>40% drainage</td>
<td>80% drainage works complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feeder and Village road realigned and upgraded</td>
<td>% of RMMS completed for retaining wall constructed with drainage and road repaired and upgraded by December 2019</td>
<td>20% of different river crossing protection 20% of threatening slopes stabilised</td>
<td>60% river crossing protection in place 80% of stabilised slopes completed by January 2019</td>
<td>Site visits Supervisor’s measurements</td>
</tr>
<tr>
<td>RMMS completed bridges reconstructed by December 2019</td>
<td>25 % of bridges are usable</td>
<td>75 % of bridges reconstructed</td>
<td></td>
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<td>-----------------------------------------------------</td>
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<td>-----------------------------</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Km of Road rehabilitation</td>
<td>-</td>
<td>6.1 km rehabilitated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nb of trainings in HILM</td>
<td>-</td>
<td>10 trainings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nb of people trained in HILM in communities</td>
<td>-</td>
<td>250 persons</td>
<td>* Inscriptions to trainings (separated by gender)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX 2 - LIST OF ACRONYMS

ADMP Agricultural Diversification and Modernisation Programme
BAM Banana Accompanying Measure
BNTF Basic Needs Trust Fund
BRAGSA Bridges, Roads and General Supplies Authority
CDEMA Caribbean Disaster Emergency Management Agency
CDB Caribbean Development Bank
CDM Comprehensive Disaster Management
CPA Country Poverty Assessment
CPD Central Planning Division
CPI Consumer Price Index
CSP Country Strategy Paper
DRR Disaster Risk Reduction
DaLA Damage and Loss Assessment
EIA Environmental Impact Assessments
GDP Gross Domestic Product
GIS Geographic Information System
IPPC International Panel for Climate Change
LABIRMP Labour Intensive Road Maintenance Programme
MHPP Ministry of Housing and Physical Planning
MoTW Ministry of Transport, Works, Urban Development and Local Government
NAO National Authorising Officer
NDRM National Disaster Risk Management
NEMO National Emergency Management Organisation
NIP National Indicative Programme
PMU Project Management Unit
RDVRP Regional Disaster Vulnerability Reduction Project
RMMS Road Maintenance Management System
RMRMIP Road Management & Rural Road Improvement Programme
SDG Sustainable Development Goals
SIDS Small Island Developing State
SVG Saint Vincent and the Grenadines
XCD Eastern Caribbean Dollars