

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

TRINIDAD AND TOBAGO

FLOOD ALLEVIATION AND DRAINAGE PROGRAM

FOR THE CITY OF PORT OF SPAIN

(TT-L1036)

LOAN PROPOSAL

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CONTENT

PROJECT SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING	2
A.	Background, Problem Addressed, Justification.....	2
B.	Objective, Components and Cost	5
C.	Key Results Indicators	7
II.	FINANCING STRUCTURE AND MAIN RISKS	8
A.	Cost and Financing	8
B.	Environmental and Social Safeguards Risks	8
C.	Fiduciary Risks and Other Risks	10
D.	Other Key Issues.....	10
III.	IMPLEMENTATION AND MANAGEMENT PLAN.....	12
A.	Summary Implementation Arrangements.....	12
B.	Summary of Arrangements for Monitoring Results	15
C.	Significant Design Activities Post Approval.....	16

Annexes	
ANNEX I:	Development Effectiveness Matrix Summary
ANNEX II:	Results Framework
ANNEX III:	Fiduciary Arrangements

Electronic Links	
REQUIRED	
1.	Annual Operating Plan (AOP) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38149576
2.	Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38150334
3.	Monitoring & Evaluation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38150273
4.	Environmental and Social Management Report (ESMR) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38150326
OPTIONAL	
1.	Technical Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38141621
2.	Socio-Economic Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38150171
3.	Financial Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38140444
4.	Institutional Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38140250
5.	Safeguard and Screening Form for Screening and Classification of projects (SSF) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38150354

Abbreviations

AOP	Annual Operating Plan
CEC	Certificate of Environmental Compliance
CS	Country Strategy
DD	Drainage Division
EPOS	East Port of Spain
ESCI	Emergent Sustainable Cities Initiative
ESMP	Environmental and Social Management Plan
GFR	General Framework Resettlement
GORTT	Government of Trinidad & Tobago
IDB	Inter-American Development Bank
MEWR	Ministry of Environment and Water Resources
MFE	Ministry of Finance and the Economy
MOU	Memorandum of Understanding
MOWT	Ministry of Works and Infrastructure
NIDCO	National Infrastructure Development Company Ltd.
OC	Ordinary Capital
OM	Operations Manual
O&M	Operation and Maintenance
PEP	Project Execution Plan
PEU	Project Execution Unit
POS	Port of Spain
PP	Procurement Plan
PSC	Project Steering Committee
TC	Technical Cooperation
T&T	Trinidad and Tobago
WASA	Water and Sewerage Authority

PROJECT SUMMARY
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Financial Terms and Conditions			
Borrower: Republic of Trinidad and Tobago		Flexible Financing Facility*	
		Amortization Period:	25 Years
		Original WAL	15,25 Years
		Grace Period:	5,5 Years
		Disbursement Period:	5 Years
Executing Agency: Ministry of Environment and Water Resources (MEWR)			
Source	Amount	Supervision and Inspection Fee:	**
IDB (OC)	120,000,000	Interest Rate:	Libor-Based
Local	0,00	Credit Fee:	**
Total	120,000,000	Currency:	US Dollars chargeable to the Ordinary Capital
Project at a Glance			
Project Objective/Description:			
The objective of the project is to minimize impacts from the lack of, or insufficient, urban drainage infrastructure in critical areas of the city of Port of Spain (POS). Specifically, the program will support the improvement of catchment management through the implementation of drainage infrastructure, improvement of mobility of the population within the central area of POS through a linear park, and institutional strengthening of the sector.			
Special contractual conditions prior to the first disbursement will be: (i) Evidence that the Borrower has appointed a Program Manager for the program pursuant to a professional profile satisfactory to the Bank; (ii) evidence that the MEWR has hired the group of specialists that will compose the Project Execution Unit (PEU) pursuant to paragraph 3.1, in accordance with terms of reference agreed upon with the Bank; (iii) evidence that the MEWR has approved, with the prior non-objection of the Bank, an Operations Manual (OM) for the project, which shall include as an annex, a version of the Environmental and Social Management Plan (ESMP) for the project acceptable to the Bank; (iv) evidence of the establishment of a Program Steering Committee (PSC); and (v) evidence that the National Infrastructure Development Company (NIDCO) has been hired, pursuant to terms of reference agreed upon with the Bank, to carry out the procurement and supervision for each of the works financed by the project (¶3.4).			
Special conditions for the first disbursement for subcomponent 2.3. The first disbursement of the loan resources for subcomponent 2.3, referred to in paragraph 1.20, shall be subject to the presentation of evidence, to the satisfaction of the Bank, of the establishment of the Drainage Division (DD) as an independent authority with competence in drainage and flood alleviation (¶3.5).			
Special execution conditions. (i) Prior to the award of the contracts for the construction of works to be financed under components 1 and 3 of the program, the MEWR shall present, to the satisfaction of the Bank, the following: (a) evidence that MEWR has entered into an Memorandum of Understanding (MOU) with the entities responsible for drainage and flood alleviation in the areas of intervention where the works of the program will take place with the purpose of defining their rights and responsibilities with regard to the works, including their operation and maintenance; (b) an updated assessment of potential environmental and social risks and impacts for the flood and alleviation works, as well as a plan with the mitigation measures to be implemented; and (c) should the execution of the design of any of the works comprised in the program require resettlement of people, the Borrower, through the Executing Agency, shall present to the Bank evidence that a plan for such resettlement has been prepared in accordance with			

the General Framework Resettlement (GFR); (ii) should the establishment of the DD as an independent authority not occur before the end of the third year from the date of the Loan Contract, the resources allocated to subcomponent 2.3 shall be utilized for the construction of works eligible under Component 1 of the program; and (iii) prior to the end of the third year from the date of the loan, the Borrower, directly or through the Executing Agency, shall present to the Bank a plan to address unplanned development and harmful agricultural practices in the upper catchment regions. Throughout the implementation of the program, the executing agency shall comply with the ESMP, including the GFR and the terms and conditions of the certificate of environmental clearance issued by the national environmental management authority (¶3.6).

Exceptions to Bank policies: None

Project qualifies for: SEQ ☒ PTI ☒ Sector ☒ Geographic ☐ Headcount ☐

(*)Under the Flexible Financing Facility (FN-655-1) the Borrower has the option to request modifications to the amortization schedule as well as currency and interest rate conversions, in all cases subject to the final amortization date and original WAL. In considering such requests, the Bank will take into account market conditions and operational and risk management considerations.

(**)The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provision of the Bank's policy.

I. DESCRIPTION AND RESULTS MONITORING

A. Background, Problem Addressed, Justification

- 1.1 **Background.** As a small twin island nation, Trinidad and Tobago (T&T), with high population density and economic pressure on coastal areas, is highly vulnerable to impacts of climate change. Flooding in both urban and rural areas is a frequent occurrence, leading to substantial losses of property, agriculture, human health and severe damage on quality of life. Based on climate change models, the average rainfall is predicted to reduce but with higher intensities, which will only be exacerbated by projected rise in sea level. Port of Spain (POS), the nation's capital city, has a population of 37,000 inhabitants according to the 2011 Census. The region that is centred on the downtown of POS and encompasses Metropolitan POS has a population of 550,000 inhabitants (approximately 41% of the total country population). POS is located on the low-lying coastal plain, surrounded by steep hills in North and North-East and the sea in South-West. It has a triangular shape which is delimited by two urban water courses: the East Dry River (St. Anne River) in the East, and the Maraval River in the North-West, and the sea in the South-West. The two rivers have been partially realigned from their original courses in the past in order to provide additional space for the city development, and the river channels have been lined with concrete.
- 1.2 **Problem Addressed.** POS suffers from frequent flooding. In the past five years, at least six flooding events have been recorded at several critical locations around the city, which cause property damages (it is estimated that approximately 670 houses and 1,030 commercial buildings are affected by flooding events), traffic disruptions (107,000 persons work every day in POS and it is estimated that each of them loses 12 hours per year due to traffic delays caused by flooding) and general uncertainty. It has been recognized that the flooding problem is hampering the quality of life and development of the city and, therefore, needs to be eliminated or minimized to an acceptable level. The flooding events are caused by storm runoff generated in the city itself and by the contributing upstream catchments. This drainage situation in POS has been aggravated over the past 30 years by urban developments, which spilled outside the area demarcated by the two rivers onto the hills slopes, and by significant land reclamation works (housing, and harbour facilities) in front of the original sea front. While the former development created additional storm runoff loads on the drainage system, the latter has effectively inhibited capacity of gravitational drainage of the internal town area. Additionally, decades of neglect of the storm water drainage infrastructure and ad-hoc and uncoordinated solutions of acute problems, has contributed to the present situation of dysfunctionality of the drainage system.
- 1.3 At the east of the East Dry River (St. Ann's River) lies East Port of Spain (EPOS), the “cultural capital” of T&T. EPOS has produced icons in the fields of culture, education, law, business, sport, and the arts. The area is rich in history and cultural traditions and boasts of a number of sites of national significance. In 2005, the Honorable Prime Minister acknowledged that EPOS and its environs were among the most depressed areas in the country. EPOS was, therefore, declared a Special Development Zone, in which special attention was to be paid to the economic and social challenges faced by

its residents. The Strategic Development Plan that guides the EPOS Development Company's¹ operations, articulate a spatial development strategy to guide the economic, social and physical regeneration of EPOS. One of the main objectives of the EPOS Strategic Development Plan (2007) is to formulate a comprehensive and integrated approach to planning, development and regeneration of this area.

- 1.4 In accordance with the EPOS Strategic Development Plan (2007), the EPOS Development Company started developing the concept of a Linear Park to benefit from the alleviation of perennial flooding in the area and adequate stream flows. The park would provide positive value in bridging the social divide between the populations who reside on the East and West regions of the East Dry River, as well as assist with the alleviation of crime while providing added value in the conversion of the river itself and the currently deteriorated surrounding public areas into a harmonious urban space with increased amenity value.
- 1.5 Having addressed the problem of flooding in POS, this linear park, which is a line of infrastructure along the East Dry River, is to serve as an urban integrator between the city center and the east side of POS. The existing infrastructure has great potential, yet lays polluted and crime-ridden due to poor maintenance, accessibility, and dividing the communities living on either side. The existing levee structure floods several times a year, often resulting in extensive damages. During the dry season the canal becomes an open-air dump for wastewater and refuse. The area lacks a serious forward-looking program of intervention. Consequently, a series of strategies have been developed, proposing to retrofit the river with a linear park, combining social programs and a flood mitigation system.
- 1.6 **Justification.** The Government of Trinidad and Tobago (GORTT), and more specifically the Ministry of Environment and Water Resources (MEWR), through its executive branch, the Drainage Division (DD), is currently pursuing an initiative to reduce and/or eliminate the flooding problems in POS. This initiative is being realized via eight separate projects (called “packages”), focused on specific areas of the city. The proposed solutions are based on a thorough knowledge of local topography and the functionality has been tested by means of a hydrodynamic model. Examples of successful drainage projects of similar characteristics could be seen in the document “Mitigation Successful Stories in the United States”². These individual packages represent feasible means of improving the local drainage situation as analyzed for each area individually.
- 1.7 **Institutional Arrangement.** Pursuant to the Waterworks and Water Conservation Act, the MEWR is the competent entity responsible for, among others, construction and carrying out of any waterworks for supplying, conveying, measuring, regulating or disposal of (storm) water; irrigation, drainage or reclamation; protection of lands against water; and the widening, deepening, straightening, improving, diversion, stopping up or joining up of watercourses.

¹ A Limited Liability Company wholly owned by the GORTT.

² Mitigation Success Stories, Association of State Floodplain Managers, Inc., Edition 4, 2002 ([see document](#)) and Tucci, Carlos E. M., *Gestión de Inundaciones Urbanas*, OMM, 2006, página 254 ([see document](#)).

- 1.8 The MEWR currently carries out its drainage responsibilities through its DD, which is divided into two branches: Construction & Maintenance Branch in charge of the four regions of Trinidad (North, Central, South and East) and mainly deal with recurrent works and public complaints; and the Planning Branch which is responsible for strategic planning of the DD, formulates the Drainage Development Program for the country, including formal drainage approval for land development. For major infrastructure works, the GORTT and MEWR rely on the National Infrastructure and Development Company (NIDCO), a special purpose state company wholly owned by the GORTT, which provides procurement, and project management services to the GORTT for assigned major infrastructure projects.
- 1.9 In addition, the current institutional framework for drainage and flood alleviation in T&T includes the participation of the Ministry of Works and Infrastructure (MOWT) and Municipal Corporations. While the Highways Act assigns to the MOWT the responsibility for drains along main roads and highways, under the Municipal Corporations Act, the Municipal Corporations (including POS City Corporation) have responsibility for construction and maintenance of drains and watercourses, except main drains and watercourses (assigned to MEWR) and drains along main roads and highways (assigned to the MOWT).
- 1.10 Given the described situation with multiple entities involved and the lack of integrated legal and institutional framework in the drainage sector, the GORTT proposed to transform the DD into an independent authority. This authority will be adjacent to the MEWR and would effectively build, operate and maintain all the future and existing drainage infrastructure in the country.
- 1.11 **IDB Assistance.** POS is one in the first set of cities selected in the IDB's Emerging Sustainable Cities Initiative (ESCI). The problem of flooding was noted under the POS ESCI Action Plan sponsored by the Bank and developed using a multidisciplinary approach with the participation of the GORTT and the POS City Corporation. Also included in the ESCI Action Plan is a revised approach of the proposed linear park of 1.4 km that will be located along the East Dry River as an urban upgrading measure. The design for the linear park is being supported under the ESCI by the agreement between the Bank and the Swiss Federal Institute of Technology (ETH). By combining the intervention for flood alleviation with the amenities of a linear park, this operation complements and proposes a definitive solution for one of the key issues identified and included in the ESCI Action Plan for the city. The Bank is currently supporting the water and wastewater sector in T&T via two loans and two Technical Cooperations (TC): "Wastewater Infrastructure Rehabilitation Program" (2600/OC-TT); "Multiphase Water Rehabilitation Program" (2890/OC-TT); "Preparation for the Rehabilitation of Sewage Infrastructure" (ATN/OC-13507-TT); and "Preparation for Wastewater Rehabilitation Program" (ATN/OC-11932-TT), to address the problems of inadequate wastewater disposal and improvement in wastewater treatment with the Water and Sewerage Authority (WASA). With the recent move of the DD to the MEWR, this ministry is responsible for both WASA and DD and has experience working with the Bank.

- 1.12 The MEWR has already demonstrated during the execution of (TC 2890/OC-TT) their commitment in undertaking a long-term program in the water sector supporting the institutional reforms needed by WASA in order to strengthen and improve the efficiency and cost-effectiveness of its services.
- 1.13 **Link to Country Strategy (CS).** The proposed operation is aligned with the CS with Trinidad and Tobago (2011-2015) (GN-2638) which states “Public sector spending will have to become more efficient and effective, and the multiple subsidies and transfers supporting patronage systems and distorting incentives for private sector activities will have to be rationalized and targeted to create incentives for the transition to a post-hydro-carbon economy”. The nature of the works under this operation is such that it depends on direct investments by the GORTT. However, transfers from the GORTT to the entities responsible for drainage and flood alleviation in the areas of intervention will not necessarily increase as it is already accounted for in the existing transfers.
- 1.14 Furthermore, as stated in the CS, “The implications of changes associated with climate change on the socio-economic and environmental conditions are expected to be significant, particularly in the key sectors of agriculture, human health, human settlements, coastal zones and water resources”. With improved capacity in the use of modeling tools that take into consideration environmental and social factors, the program will contribute directly to mainstreaming of climate change adaptation and carbon reduction into national development by supporting the implementation of a flood alleviation program and a catchment management strategy in T&T.
- 1.15 Also, through a better management of infrastructure and of water as a natural resource, the proposed program will contribute directly to the Ninth IDB General Capital Increase (GCI-9) (AB-2764) lending target for the 2012-2015 period "Lending to support climate change initiatives, sustainable energy and environmental sustainability". The program also contributes to the lending targets "Support development to small and vulnerable countries" and “Poverty reduction and equity enhancement”.

B. Objective, Components and Cost

- 1.16 The objective of the project is to minimize impacts from the lack of, or insufficient, urban drainage infrastructure in critical areas of the city of POS. Specifically, the program will support the improvement of catchment management through the implementation of drainage infrastructure, improvement of mobility of the population within the central area of POS through a linear park, and institutional strengthening of the sector.
- 1.17 The DD is currently leading an initiative to start developing a catchment management approach for flood alleviation for POS which will be reflected in the current program through Component 2. The GORTT has asked the Bank to provide support to the DD for the successful implementation of such catchment management plan and the necessary works, as well as modernizing the institutional arrangement for water resources management to ensure sustainability of the works. The plan indicates the main areas of POS affected by flooding, reasons for this situation, and proposed solutions. Some critical interventions emanating from this plan have already been

defined and elaborated at a conceptual level, which need to be finalized with validated hydrological data. These interventions, also called packages, have been planned to mitigate the flooding events experienced in the past years in the POS catchment. The full implementation of these packages, along with the development of a catchment management plan and the proper institutional arrangement, will give sustainability to such initiative.

1.18 The project is comprised of the following three components:

1.19 **Component 1. Drainage works for the critical areas flooded in POS (US\$89 million).** This intervention will cover necessary civil works to mitigate flooding events in the area of POS. The works have been already identified and defined by the DD and will be implemented within the modality of design & build schemes with the exception of Package 1 that will be on design, bid and build scheme. This approach will also consider climate change events that are reflected in the likely modifications of design storms in terms of frequency, return period and intensity, as well as sea level rise scenarios. The works are going to be located within the sub-catchment formed between the St. Ann's and Maraval Rivers, including the rivers themselves and ancillary works. The main types of works to be included are: interceptors, drainage systems, detention ponds and pumping stations. The estimates were made at a concept design level including an allowance of 10% that will cover contingencies (price escalation and project modifications). The eight packages are: Package 1: construction of approximately 3.0 km of drainage conduits along Chacon Street, Frederick Street and Broadway, Queen Street, Duncan Street, George Street, Charlotte Street, Henry Street and South Quay in POS (US\$11.7 million). Package 2: construction of approximately 4.8 km of drainage conduits along Cipriani Boulevard, Colville Street, Tragarete Road, Stanmore Avenue, Victoria Avenue, Kew Street, Duke Street and Stone Street (US\$18.4 million). Package 3: construction of approximately 2.3 km to 2.8 km of drainage conduits along Ariapita Avenue, Dennis Mahabir Street, Hamilton Holder Street, Petra Street, Alberto Street and Wrightson Road in POS (US\$10.5 million). Package 4: construction of approximately 0.8-1.0 km of drainage conduits along the Eastern Main Road and the Priority Bus Route east of the St. Ann's River, along Abattoir Road, and within the compound of the POS Market (US\$4.3 million). Package 5: construction of approximately 4.5 km of drainage conduits along Dundonald Street, Richmond Street, Abercromby Street, St. Vincent Street, Gordon Street, Oxford Street, Park Street, Duke Street, Sackville Street, Queen Street, Edward Street, Independence Square and South Quay. The package will also include outfitting new drainage outfalls into the Gulf of Paria with floating trash collectors (US\$18.9 million). Package 6: construction of approximately 3.3 km of drainage conduits along Gatacre Street, Maraval Road, French Street, Gray Street, Murray Street, Ariapita Avenue and Wrightson Road (US\$14.7 million). Package 7: construction of approximately 2.2 km of drainage conduits along Wrightson Road, Charles Street, Scott Bushe Street, Sackville Street, and through the International Waterfront. In addition, a detention basin is proposed under the park at the intersection of Charles Street and Sackville Street with Wrightson Road and Scott Bushe Street. The package will also include outfitting the detention pond and the drainage outfall into the Gulf of Paria with floating trash collectors (US\$3.0 million). Package 8: construction of a new bridge across the St. Ann's

River. Flooding at South Quay in the vicinity of City Gate has previously occurred arising from overtopping of the existing bridge due to its low level beams (US\$7.6 million).

- 1.20 **Component 2. Institutional Strengthening of the Sector (US\$10 million).** This component will have three subcomponents as follows: (i) subcomponent 2.1 (US\$1.1 million): Institutional strengthening of the MEWR. Based on the results of the institutional assessment of the Ministry conducted during program preparation, this subcomponent will fund consultancies and training aimed at consolidating the basic organizational, planning, administrative, financial management and control capacities of the Ministry. It will also finance detailed study for evaluating and improving the water quality condition (including solid waste) of the East Dry River and propose adequate mitigation measures that could be financed by the program or future developments. (ii) Subcomponent 2.2 (US\$4.3 million): Procurement of equipment to support the Operation and Maintenance (O&M) of drainage works and catchment monitoring. This will finance the servers, computers, flow measurement equipment, and software required to support the flow monitoring of the rivers' catchments. (iii) Subcomponent 2.3 (US\$4.6 million): Support the establishment of a Drainage Authority. This subcomponent will address the institutional arrangement of the sector including the necessary activities to support the creation of an independent authority adjacent to the MEWR that could build, operate and maintain all the future and existing drainage infrastructure in the country. Specifically, this subcomponent will fund consultancies to support the creation of this authority in organizational and change management, asset management and valuation, strategic planning (including corporate and operational planning), marketing and institutional branding, business processes management, operation and maintenance policy development and training, external audits and corporate governance. It will also finance technical training activities as well as the provision of an enterprise resource planning platform and office equipment.
- 1.21 **Component 3. Linear Park (US\$14.5 million).** This component will finance all the civil and landscaping works for the implementation of the 1.4 km linear park located along the St. Ann's River. The linear park will be designed in conjunction with the catchment analysis and drainage works design. The river discharge is one of the most problematic areas in POS in terms of flooding. This area needs to have an integral solution which will contemplate the redesign of the civil works at the discharge area including road bridges, diversion chambers, river bed works, etc. (Component 1). Therefore, it will be necessary to adapt the linear park to the final layout of these works in order to give desired functionality of the park. This component will finance: Designs (US\$1.27 million); Civil works and landscaping (US\$11.55 million); and ancillary works (access bridges, street improvement and lighting) (US\$ 1.67 million).

C. Key Results Indicators

- 1.22 The indicators are described in more details in the Results Framework of the project in Annex II. The main outcomes, extracted from the complete result framework, are presented in Table I-1.

Table I-1 – Main Outcomes

Key Results	Baseline	Target
Area protected from flooding (ha)	0	2,700
Persons affected by traffic delays due to floods in the project area (person)	107,000	0
Percentage of physical assets functioning according to design specification (%)	0	98
Economic damages caused by flood in the project area (US\$ million)	11.6	0
Authority for drainage operational (authority)	0	1
Systems designed, implemented, operating and maintained according to social and environmental specifications (%)	0	100
Systems operating and maintained according to design specifications (%)	0	100
Population in the affected area covered by the dissemination campaign (%)	0	100
Park operating and open to public	0	1

II. FINANCING STRUCTURE AND MAIN RISKS

A. Cost and Financing

- 2.1 The total cost for this Specific Investment Operation is US\$120 million. This amount will be financed in its entirety by the Bank, through a loan of Ordinary Capital Resources (OC). The following table provides a breakdown by investment category and source of financing.

Table II-1 – Project Costs (in US\$ million) -

Category	IDB	Total
1- Project Administration		
1.1 Project management and supervision	3.70	3.70
1.2 Works supervision	3.27	3.27
1.3 Auditing	0.15	0.15
1.4 Monitoring and evaluation	0.13	0.13
2- Direct Costs		
2.1 Drainage infrastructure packages	86.5	86.5
2.2 Institutional strengthening of the MEWR	1.11	1.11
2.3 Equipment to support the O&M of drainage works and catchment monitoring	4.25	4.25
2.4 Support the establishment of a Drainage Authority	4.64	4.64
2.5 Linear Park	13.82	13.82
3. Unallocated		
3.1 Contingencies	2.43	2.43
Total	120	120
Percentage (%)	100	100

B. Environmental and Social Safeguard Risks

- 2.2 In general, it is expected that the program will not have significant negative environmental impacts that could put at risk the natural and/or social environment. The works included in the program present moderate and low environmental and social aspects to prevent, mitigate and/or compensate the potential negative impacts. In this sense, and considering that expected negative environmental and social impacts will be local, short term, not significant and manageable through the implementation of already available mitigation measures, the program has been classified as Category “B” under IDB’s Environment Safeguards Compliance Policy (OP-703).

- 2.3 The environmental and social due diligence determined that the program is in compliance with the applicable policy directives of OP-703 and with the relevant provisions of other key policies. Specific key IDB Policies and Directives applicable to the program include OP-703 especially B.5 (environmental assessment requirements), B.6 (consultation), B.7 (supervision and compliance), and B.11 (pollution prevention and abatement), as well as IDB Access to Information Policy (OP-102), and the Natural Disaster Policy (OP-704). The B.4 (other risks and factors) has also been triggered due to the vulnerability of the operation to climate change and variability impacts (mainly during the operation phase), including sea level rise. This risk has been addressed by the development of an on-going integrated hydrological modeling which will allow mainstreaming climate change and sea level change in the design of the interventions under this program.
- 2.4 In terms of environmental and social management of the program and in compliance with the OP-703, a detailed Environmental and Social Analysis (ESA) was carried out for the interventions proposed under the program, including an outline of an Environmental and Social Management Plan (ESMP) and has been disclosed according to the Access to Information Policy (OP-102). In addition, a key stakeholder consultation meeting for the program preparation has been conducted. According to this policy, meetings with potential affected communities (residents, institutions and businesses) will be held before the loan proposal is delivered to the Bank's Board, as agreed with the MEWR. As one of the special contractual condition prior to loan's first disbursement to be included in the Loan Agreement, the ESMP will have to be finalized (attached as Annex to the OM) and entered into effect.
- 2.5 Regarding the applicability of the Involuntary Resettlement Policy (OP-710), field visits, including the assistance of a specialist in resettlement hired by the Bank, found that there is little probability of involuntary resettlement, thus far. However, some of the civil works have not been identified or designed pending completion of catchment management plans that depend upon hydrological studies that are not yet available. Depending upon design decisions to be taken in the future, certain works may require population physical and/or economic displacement. As a consequence, while involuntary resettlement is not considered an issue at this stage, in agreement with the MEWR a General Framework for Resettlement (GFR) has been drafted and will be finalized and included as annex in the ESMP. This GFR will provide the guidelines and principles for the preparation of a specific Resettlement Plan that may be needed during the execution of the program.
- 2.6 In compliance with the local requirements for obtaining the environmental permits and given the commonalities in the nature and scope of the proposed drainage works (packages), a programmatic approach to the Certificate of Environmental Clearance (CEC) applications may be adopted (instead of discrete applications). Preliminary discussions with the Environmental Management Authority (EMA) have already started for this purpose. All relevant CECs will be made a part of the contract with both the contractors for the project's design and supervision with a requirement for conformance with all relevant clauses.

C. Fiduciary Risks and Other Risks

- 2.7 An institutional evaluation of the MEWR was conducted with respect to its planning, organizational, administration, financial management and control capabilities, while taking into consideration the recent establishment of the Ministry vis-à-vis its technical and fiduciary capacities to discharge its mandate and responsibilities. As a result, the program implementation structure takes into consideration the role of the Project Execution Unit (PEU) which, in addition to project execution responsibilities, comprises those actions aimed at: (i) facilitating the organizational consolidation of the Ministry; and (ii) providing for the effective implementation of institutional strengthening activities to support the internal capacities of the MEWR both from technical and administrative standpoints. Also, based on the responsibilities assigned to NIDCO under the project execution structure, an in-depth institutional evaluation of the company was conducted through the application of the Institutional Capacity Assessment System (ICAS). These results show the presence of strengths in the fiduciary capacities of NIDCO and, thereby, reduce the overall level of risk of the loan with respect to procurement administration, project and contract management and supervision associated with the significant works of both, the drainage and linear park components.
- 2.8 **Other risks.** An assessment of the risk environment of the program was undertaken with the utilization of the Bank's methodology "Risk Management in Projects" (RMP). The results show an overall result of medium risk level. Based on the individual risks identified, a risk mitigation plan has been prepared aimed at, among others: (i) maintaining the highest engineering and technical standards in the design, construction as well as in the O&M of all infrastructure works; (ii) ensuring the effective inter-institutional coordination and collaboration among the MEWR agencies and other stakeholder institutions during and after project execution; (iii) implementing the necessary agreements among such agencies to comply with the individual technical and institutional commitments and responsibilities necessary for the successful implementation of the program; (iv) providing the means for the strengthening of the institutional and enforcement capabilities in the drainage sector; and (v) incorporating concrete promotion, dissemination and educational campaigns aimed at reversing and preventing adverse behavior from local populations which ultimately affects the sustainability and operability of drainage infrastructure. The Bank and the GORTT have jointly developed an initial Risk Mitigation Matrix which outlines the identified risks as well as their individual mitigation and monitoring actions. A joint review of the matrix will be undertaken on an annual basis, and additional mitigation actions will be adopted, as necessary.

D. Other Key Issues

- 2.9 **Institutional Viability.** Under the leadership of the MEWR, the program is the result of a joint effort of the central and local governments, which involves and takes into consideration a multistakeholder project implementation structure that clearly defines the areas of responsibility, actions and interinstitutional collaboration among the various actors, under the umbrella of a Program Steering Committee (PSC), and based on the mandate, expertise and capacity of each of the participating institutions of the GORTT. The institutional assessments have delineated the need to establish the PEU which will directly support the MEWR in program implementation and administration

and, among others, facilitate the execution and monitoring of contracts and joint agreements with NIDCO and other institutions ([Institutional Analysis](#)). Also, institutional limitations directly related to the recent establishment of the MEWR will be mitigated by the PEU for program implementation purposes, while providing for the timely execution of institutional strengthening activities directly benefiting the consolidation of the technical and administrative capacities of the Ministry.

- 2.10 **Technical Viability.** The proposed technical solutions for the interventions and the selection criteria identified for future works fully meet the need for the improvement of the drainage system and flood mitigation in POS. The [Technical Analysis](#) includes a description of the proposed works, as well as related costs and schedule. The Bank's assessment indicates that the works are feasible and are the outcome of an analysis that contemplated different technical alternatives and configurations. The costs of these alternatives were estimated and compared to make an economic feasibility appraisal considering local unit prices, technologies and services. The sizing criteria and parameters are fully compatible with local and international design standards, and materials and technology that will be used are known in T&T and have been used in other projects by the DD. The DD is reasonably familiar with the operation of the assets that will be acquired under the program, but needs to improve its O&M programs and practices. These will be supported under the institutional strengthening component. Regarding the linear park, it has been conceived using international standards that include landscaping principles, use of space, functionality, materials and modularity. The concepts that were utilized for the scheme were based on the local conditions and needs of the users. There is also local technical expertise for detail design and construction of the core infrastructure of the linear park that is included in this operation, since it includes concrete works, lining, landscaping, access works and walking/biking paths. The POS City Corporation operates Queen's Park Savannah which is POS's largest open space and the world's largest traffic roundabout (104 has). The institutional strengthening component will also support activities regarding the development of O&M activities specifically designed for the linear park.
- 2.11 **Financial Viability.** The MEWR is a recently established central government ministry charged with the mandate to manage, in a sustainable manner, the nation's natural resources, so as to ensure an adequate balance between economic and social development, while maintaining the integrity of the environment. The budget analysis of the MEWR shows that the ministry fully relies on the annual allocation of budgetary resources from the Ministry of Finance and the Economy (MFE). Its budgetary recurrent costs comprise both the general administrative costs of the MEWR and those of its divisions (including the DD), as well as the transfers to its adjacent programs, units and statutory bodies. The most important line of expenditure of the Ministry represents the current transfers to the Ministry's statutory bodies ([Financial Analysis](#)). Two main sources of capital fund the Ministry's infrastructure development projects, and are both financed by the annual budgetary resources from the MFE; namely, the Development Program Fund Account of the Consolidated Fund and the Infrastructure Development Fund.
- 2.12 In order to ensure sustainability and adequate O&M of the infrastructure works that will be constructed with loan resources, it was agreed that a contractual condition will be set in the loan contract for this purpose (¶3.7). In addition, the MEWR, during

disbursement period or any extensions thereof, and within the first quarter of each fiscal year, will deliver to the Bank its annual budget showing the budgetary provisions related to activities financed under component 2 of the program.

- 2.13 NIDCO is a special purpose state company wholly owned by the GORTT, which provides procurement, project and contract management services to the GORTT for assigned major infrastructure projects such as roads, bridges, drainage and flood mitigation, and transportation projects. NIDCO will provide some of its services in the execution of the program (¶3.2). NIDCO's operating revenue is mainly obtained from the Management Fees paid from the GORTT, which are earned in compensation for management services of infrastructure projects performed by NIDCO. The analyses of NIDCO's financial capacity for the period 2010/2012, based on its audited financial statements, showed that the company covers its operating costs mainly with those management fees. Based on its income statement projections, this trend is estimated to continue in the following years ([Financial Analysis](#)).
- 2.14 **Socio-economic Viability.** A cost-benefit analysis for the flood alleviation component was performed (Component 1). The project is economically viable, showing an Economic Rate of Return of 27.0% and an Economic Net Present Value of US\$46.8 million ([Socio-Economic Analysis](#)). The analysis was complemented by appropriate sensitivity and risk assessments that confirmed the robustness of the project. For the linear park component (Component 3) an economic evaluation will be performed once the technical studies are concluded.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary Implementation Arrangements

- 3.1 The Project Executing Agency (PEA) will be the MEWR, which will establish a dedicated PEU. The MEWR, through the PEU, will have the broad oversight responsibility for all matters related to the program, and with direct responsibility for the administration of resources and the procurement processes. The PEU will be headed by a Project Manager and include, among others, project engineers, financial management personnel, procurement officers, and legal, environmental, monitoring and evaluation experts. The specific responsibilities of the PEU will include, among others: (i) planning, including the preparation, implementation, coordination and periodic updating of the of the Program Execution Plan (PEP), CEC (AOP) and Procurement Plan (PP); (ii) financial management, including budgeting, accounting, financial reporting, as well as the preparation of requests for advances of project funds and disbursements from the Bank; (iii) monitoring, including the preparation of technical reports, as well as progress physical and financial reports, and preparing variance reports of actual results against plans; (iv) financial management and control, including the contracting of the annual external audits of the program, and ensuring that the approved recommendations are duly and timely implemented; (v) evaluation, comprising the contracting of external mid-term and final evaluations of the program and ensuring, in collaboration with the participating entities, that the approved recommendations are effectively implemented; and (vi) inter-institutional coordination with the program's public and private stakeholder institutions, and serving as the liaising and focal point for the program with the Bank ([Institutional Analysis](#)).

- 3.2 The program will be executed following the AOPs for each programmed annual activity and will include its goals, terms of reference, budget, source of funding, and responsibility for its execution. The AOPs will be prepared according to guidelines established in the OM of the program, which will set forth the details regarding program execution including coordination of activities amongst the different stakeholder institutions. For the execution of the infrastructure works comprised in Components 1 and 3, the MEWR, through the PEU, will hire the services of NIDCO, pursuant to terms of reference agreed upon with the Bank (¶3.9), taking into consideration the extensive experience of NIDCO in project management and procurement and, specifically, in the infrastructure and drainage sector in the country. NIDCO will carry out the procurement and supervision for each of the works and will hire the services of an external specialized firm for the supervision of such works. With respect to the institutional strengthening activities that form part of Component 2, the PEU will be responsible for all procurement activities including consultancies, technical assistance, and provision of equipment, among others.
- 3.3 In addition, a PSC, chaired by the MEWR, will be established. The commitment for the establishment of the PSC has been made consequent to a GORTT Cabinet decision of 5 September, 2013, with the following membership: MEWR, Ministry of Planning and Sustainable Development, MFE, MOWT, Ministry of Transport, Ministry of Local Government, POS City Corporation, Utilities (WASA, T&TEC, TSTT), NIDCO, GENIVAR, DOMA (Downtown Merchants Association), and other relevant stakeholders. The PSC will oversee the coordination among the participating entities mentioned above, monitor overall performance of the operation and facilitate the work of the PEU. The terms of reference for the creation of the PSC are to be included in the OM, and the minutes of the first meeting of the PSC will constitute the means to verify its establishment.
- 3.4 **Special contractual conditions prior to the first disbursement will be: (i) evidence that the Borrower has appointed a Program Manager for the program pursuant to a professional profile satisfactory to the Bank; (ii) evidence that the MEWR has hired the group of specialists that will compose the PEU pursuant to paragraph 3.1, in accordance with terms of reference agreed upon with the Bank; (iii) evidence that MEWR has approved, with the prior non-objection of the Bank, an Operations Manual (OM) for the project, which shall include as an annex a version of the ESMP for the project acceptable to the Bank; (iv) evidence of the establishment of a PSC; and (v) evidence that NIDCO has been hired, pursuant to terms of reference agreed upon with the Bank, to carry out the procurement and supervision for each of the works financed by the project.**
- 3.5 **Special Conditions Prior to Disbursement for Subcomponent 2.3.** The first disbursement of the loan resources for subcomponent 2.3, referred to in paragraph 1.20, shall be subject to the presentation of evidence, to the satisfaction of the Bank, of the establishment of the DD as an independent authority with competence in drainage and flood alleviation.
- 3.6 **Special Execution Conditions.** (i) Prior to the award of the contracts for the construction of works to be financed under Components 1 and 3 of the program, the MEWR shall present, to the satisfaction of the Bank, the following: (a) evidence that MEWR has entered into an MOU with the entities responsible for drainage and flood

alleviation in the areas of intervention where the works of the program will take place with the purpose of defining their rights and responsibilities with regard to the works, including their operation and maintenance; (b) an updated assessment of potential environmental and social risks and impacts for the flood and alleviation works, as well as a plan with the mitigation measures to be implemented; and (c) should the execution of the design of any of the works comprised in the program require resettlement of people, the Borrower, through the Executing Agency, shall present to the Bank evidence that a resettlement plan for such resettlement has been prepared in accordance with GFR; (ii) should the establishment of the DD as an independent authority not occur before the end of the third year from the date of the loan contract, the resources allocated to subcomponent 2.3 shall be utilized for the construction of works eligible under Component 1 of the program; and (iii) prior to the end of the third year from the date of the loan, the Borrower, directly or through the executing agency, shall present to the Bank a plan to address unplanned development and harmful agricultural practices in the upper catchment regions. Throughout the implementation of the program, the executing agency shall comply with the ESMP, including the Resettlement Framework and the terms and conditions of the certificate of environmental clearance issued by the national Environmental Management Authority.

- 3.7 **O&M of Works and Equipment.** The Borrower, through the MEWR, will undertake to: (i) ensure that the works and equipment included in the program shall be adequately maintained according to generally accepted technical standards; and (ii) present to the Bank: (a) an annual operations and preventive maintenance plan containing a description of the main activities to be carried out during that period, an estimate of the financing needed for operation and maintenance, and evidence that sufficient funding has been budgeted for the coming fiscal year; and (b) an annual maintenance report on the status of said works and equipment within the first quarter of each calendar year up to and including the fifth year after the expiration of the disbursement period of the loan contract.
- 3.8 During program execution, the MEWR will deliver the program's audited financial statements on an annual basis. The external audit will be performed by a firm of independent auditors acceptable to the Bank, in accordance with the requirements set out in document OP-273-2 "Financial Management Policy for IDB Financed Projects", and terms of reference previously approved by the Bank. The program's annual audited financial statements will be delivered within 120 days after the close of each financial year. The last audited financial statement will be presented within 120 days from the date of the last disbursement.
- 3.9 **Procurement.** The procurement of works, goods and consulting services will be done in accordance with the Bank's procurement policies and procedures (documents GN-2349-9 "Policies for the procurement of works and goods financed by the IDB" and GN-2350-9 "Policies for the selection and contracting of consultants financed by the IDB") and the PP for the project. The modality of contracting NIDCO will be sole source according to Bank policy (GN-2350-9), section 3.10 in which it is stated that "single-source selection may be appropriate only if it presents a clear advantage over competition". For the case of NIDCO as a service provider, the GN 2350-9 section 3.10 will be applicable on the following accepted cases: (a) for tasks that represent a natural continuation of previous work carried out by the firm; and (b) when only one firm is

qualified or has experience of exceptional worth for the assignment. Purchases of goods, works and consulting services will be reviewed ex post, except for international competitive bidding and in other justified cases. [Annex III](#) includes details on program procurement. The executing agency will update the PP in the course of its semiannual reports or as necessary.

- 3.10 **Construction Supervision.** In accordance with Bank procurement norms, NIDCO will contract individuals or firms to carry out the supervision of the civil works and to transfer knowledge on proper construction practices. Budget has been duly allocated to ensure proper monitoring of the construction progress, including the timely application of environmental and social mitigation measures.

B. Summary of Arrangements for Monitoring Results

- 3.11 The PEU will be in charge of monitoring performance and progress of program execution. The PEU will submit two semi-annual progress reports, within 60 days after the end of the calendar year and half year. Additionally, with Bank's resources, independent evaluators will be hired to conduct a midterm and final evaluation of the program.
- 3.12 The PSC will provide strategic direction, coordination and support for project execution. The Project Manager will be responsible for monitoring progress against agreed benchmarks, assessing the continued viability of the project.
- 3.13 Administration missions will be conducted semi-annually to monitor relevant technical, operational and financial aspects of the project. The PEU will be responsible for developing the system for gathering and maintaining the data related to the different indicators included in the Results Framework. An evaluation consultant may be hired by the PEU during the first semester of execution to assist in determining the methodology for reporting on program indicators. Progress toward meeting the different targets will be evaluated and communicated to the Bank in the semi-annual progress reports.
- 3.14 At the end of 30 months from the date of the loan contract or after 50% commitment of the resources, whichever comes first, a mid-term review is to take place with the help of an external consultant who will focus on, among other things: (i) level of progress in attaining the program's objectives stated in the Results Matrix; (ii) level of acceptance of procedures developed under the program; and (iii) degree of effectiveness of the internal and the Bank's monitoring and supervision system.
- 3.15 The final evaluation, to be carried out also with the help of an external consultant, is to take place after 90% of loan resources have been committed. The evaluation will assess: (i) degree of attainment of program objectives in relation to plans and reasons for any variances; (ii) the organization established for program execution; (iii) implementation and acceptance of procedures and systems developed through the program; (iv) sustainability of the activities funded under the program; and (v) lessons learned that could be applied to future public sector reform projects. The result of this final evaluation will be used as input for the program completion report to be prepared by the Bank.
- 3.16 **Disbursement Timetable.** The disbursement period for the project is five years. The contemplated disbursement schedule is as follows:

Table III – 1 - Disbursement schedule (US\$ millions)

Year	1	2	3	4	5	Total	%
IDB	5.07	29.99	25.48	33.97	25.49	120	100
GORTT	0	0	0	0	0	0	0
Total	5.07	29.99	25.48	33.97	25.49	120	100%

- 3.17 Advance of Funds. It is recommended that a special account be established for the advance of funds to cover eligible expenditures with resources of the loan.

C. Significant Design Activities Post Approval

- 3.18 The Bank is currently preparing the technical cooperation “Preparation for Flood Alleviation and Drainage Program” (TT-T1043). The main objective of the TC is to support the efforts of the GORTT in the strengthening of the Drainage Sector through the establishment of a new Drainage Authority. Specifically, the TC will finance activities to support: (i) the development of a legal and institutional framework for the overall governance of the sector, while defining a clear mandate and responsibilities for the various public institutions and stakeholders related to the Drainage Sector; (ii) the drafting of regulations and laws for the establishment of a Drainage Authority as an independent authority with competence in drainage and flood alleviation; and (iii) a more efficient allocation of public resources in the sector with respect to investments and O&M practices.

Development Effectiveness Matrix			
Summary			
I. Strategic Alignment			
1. IDB Strategic Development Objectives	Aligned		
Lending Program	i) Lending to small and vulnerable countries, ii) Lending for poverty reduction and equity enhancement, and iii) Lending to support climate change initiatives, renewable energy and environmental sustainability.		
Regional Development Goals	Annual reported economic damages from natural disasters.		
Bank Output Contribution (as defined in Results Framework of IDB-9)	Climate change pilot projects in agriculture, energy, health, water and sanitation, transport, and housing.		
2. Country Strategy Development Objectives	Aligned		
Country Strategy Results Matrix	GN-2638	Support the mainstreaming of climate change adaptation and carbon reduction into national development.	
Country Program Results Matrix	GN-2696	The intervention is included in the 2013 Country Program Document.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
II. Development Outcomes - Evaluability	Highly Evaluable	Weight	Maximum Score
	8.0		10
3. Evidence-based Assessment & Solution	7.8	33.33%	10
4. Ex ante Economic Analysis	10.0	33.33%	10
5. Monitoring and Evaluation	6.3	33.33%	10
III. Risks & Mitigation Monitoring Matrix			
Overall risks rate = magnitude of risks*likelihood	Medium		
Identified risks have been rated for magnitude and likelihood	Yes		
Mitigation measures have been identified for major risks	Yes		
Mitigation measures have indicators for tracking their implementation	Yes		
Environmental & social risk classification	B		
IV. IDB's Role - Additionality			
The project relies on the use of country systems (VPC/PDP criteria)	Yes	The project uses the following country systems: Financial Management (Budget, Treasury, and External Control). Procurement (Shopping Method, and National Public Bidding).	
The project uses another country system different from the ones above for implementing the program			
The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality			
Labor			
Environment	Yes	The new drainage infrastructure will significantly reduce the spill of waste water and refuse on public areas when flood events occur. This new infrastructure along with the new operation and maintenance policies will also reduce the amount of waste water and solid waste contamination in the drainage systems and hence on the East Dry River.	
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project			
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan			

The Flood Alleviation and Drainage Program supports improvement of catchment management through the installation of drainage infrastructure, improved mobility of the population within the central area of Port of Spain through a linear park, and institution strengthening, with the ultimate objective of minimizing the impacts from flooding related to loss of property, negative health consequences and traffic congestion.

The project has an economic cost-benefit analysis that supports the economic viability of the proposed activities. The logical framework presented in the POD is consistent, covering inputs, outputs, outcomes and impacts. The results matrix includes indicators at the outcome and output levels, but not impacts. The indicators in the results matrix meet SMART criteria and include baseline values and targets.

The results monitoring and evaluation will be conducted by Project Execution Unit (PEU). Monitoring and evaluation activities have been budgeted and planned. The data sources for monitoring include verification reports from the PEU and completion certificates. The project proposes an ex-post cost-benefit analysis.

Results Framework								
Objective	The objective of the operation is to minimize impacts from the lack of, or insufficient, urban drainage infrastructure in critical areas of the city of Port of Spain (POS). Specifically, the program will support the improvement of catchment management through the implementation of drainage infrastructure, improvement of mobility of the population within the central area of POS through a linear park, and institutional strengthening of the sector.							
Program Output and Outcome Indicators								
Component 1. Drainage Works for critical areas flooded in Port of Spain								
	Baseline	2014	2015	2016	2017	2018	Target	Comments/ Means of verification
Outputs								
(P 1) Detailed designs prepared for South Quay (design)	0	1	-	-	-	-	1	Verification: Design approvals by Drainage Division (DD)
(P 1 to 8) Tender documents and cost estimates prepared (tender docs)	0	8	-	-	-	-	8	Verification: Issuance of call for tender by the MEWR/ PEU
(P 1)Storm drainage network for South Quay rehabilitated (km)	0	1	2	1	-	-	4	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 2) Storm drainage network for SW QP Savannah rehabilitated (km)	0	1	2	1	.8	-	4.8	Verification: Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 2) New water and sediment detention reservoir (reservoir)	0	0	0	1	-	-	1	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 3) Storm drainage network for Woodbrook West rehabilitated (km)	0	0	2.8	-	-	-	2.8	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 3) New water and sediment detention reservoir (reservoir)	0	0	1	-	-	-	1	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB

	Baseline	2014	2015	2016	2017	2018	Target	Comments/ Means of verification
(P 4) Storm drainage network for Abattoir Rd. rehabilitated (km)	0	0	1.0	-	-	-	1.0	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P4) Set of equipment acquired (equipment)	0	0	1.0	-	-	-	1.0	Verification: commissioning certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 5) Storm drainage network for St. Vincent St. rehabilitated (km)	0	0	0	2	2	.5	4.5	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 6) Storm drainage network for Adam Smith rehabilitated (km)	0	1	2.3	-	-	-	3.3	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 6) New water and sediment detention reservoir (reservoir)	0	1	2	-	-	-	3	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 7) Storm drainage network for Sackville rehabilitated (km)	0	1.1	1.1	-	-	-	2.2	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
(P 8) Increasing cross section of St. Ann's River at Eastern Main Road (bridge)	0	0	0	1	-	-	1	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
Outcomes								
Area protected from flooding (ha)	0	0	583	800	938	379	2,700	Verification: Semi-annual reports to IDB. A flooding event is defined as a rainfall event that will directly or indirectly cause overflowing of roads, rivers, drainage networks, detention tanks or detention lagoons that affect people, households, or any other urban or rural facility.
Persons affected by traffic delays due to floods in the project area (Person)	107,000						0	Annual outcome is to be determined Verification: Semi-annual reports to IDB
Percentage of physical assets functioning according to design specification (%)	0	0	0	0	98	98	98	Verification: Semi-annual reports to IDB. The verification will occur during construction using project management protocols such as site inspection, testing of materials, drawing certification and progress reports.
Economic damages caused by flood in the project area (US\$M)	11.6						0	Annual outcome is to be determined Verification: Semi-annual reports to IDB

Component 2. Institutional strengthening of the Sector								
	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments/Mean of verification
Outputs								
Diagnosis and action plans completed (plan)	0	1	4	2	1	-	8	Refers to the institutional building of the new Drainage Authority. Includes diagnosis and actions plans for Organizational Management, Asset Valuation, Strategic Planning, Personal Management, Marketing and Institutional Branding, Business Processes Management, Enterprise Resource Planning (ERP) System and Corporate Governance, among others. Verification: Semi-annual reports to IDB
Action plan implemented (plan)	0	0	1	4	2	1	8	Refers to the institutional building of the new Drainage Authority. Includes implementation of action for Organizational Management, Asset Valuation, Strategic Planning, Personal Management, Marketing and Institutional Branding, Business Processes Management, Enterprise Resource Planning (ERP) System and Corporate Governance, among others. Verification: Semi-annual reports to IDB
Workshops/Training activities in management and operations (session)	0	0	0	4	4	4	12	Verification: PEU monitoring reports, consultant reports. Semi-annual reports to IDB.
Data handling and monitoring equipment (equipment)	0	0	0	0	0	1	1	Verification: PEU monitoring reports, consultant reports. Semi-annual reports to IDB.
Public awareness campaign on environmental protection (campaign implemented)	0						1	Details of the campaign to be developed. Verification: PEU monitoring reports, consultant reports. Semi-annual reports to IDB.
Outcomes								
Authority for drainage operational (authority)	0	0	0	0	1	-	1	Operational means: Authority established, organizational operating, administrative and technical procedures and systems in place. Verification: Semi-annual reports to IDB.

	Baseline	2014	2015	2016	2017	2018	Target	Comments/ Means of verification
Systems designed, implemented, operating and maintained according to social and environmental specifications (%)	0	0	0	0	100	-	100	Verification: Semi-annual reports to IDB.
Systems operating and maintained according to design specifications (%)	0	0	0	0	100	-	100	Verification: Semi-annual reports to IDB.
Population in the affected area covered by the dissemination campaign (%)	0	25	50	100	100	100	100	Verification: Semi-annual reports to IDB.
Component 3. Linear Park								
	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments/Mean of verification
Outputs								
New park areas built (km)	0	-	-	-	0.4	1.0	1.4	Average width of the park is 36m Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB
Outcomes								
Park operating and open to public	0	-	-	-	-	1	1	Verification: completion certificate signed by construction supervisor and MEWR/ PEU. Semi-annual reports to IDB

FIDUCIARY ARRANGEMENTS

Country: Trinidad and Tobago
Project: TT-L1036 “Flood Alleviation and Drainage Program for the City of Port of Spain”
Executing Agency: Ministry of Environment and Water Resources
Fiduciary Team: Gregory Dunbar, Financial Management Specialist and Shirley Gayle, Procurement Specialist

I. EXECUTIVE SUMMARY

- 1.1 The Bank’s methodology for Project Risk Assessment (GRP) was utilized to identify the project’s risks and to determine the corresponding mitigating measures. A limited and modified Institutional Capacity Assessment System (ICAS) was used to evaluate the Institutional Capacity of the Ministry of Environment and Water Resources (MEWR) in its capacity as Executing Agency.
- 1.2 A modified ICAS was applied due to the nascent stage of development of the MEWR’s institutional capacity, staffing and consolidation of its governance framework and structure as well as to the fact that most of its fiduciary responsibilities are currently being performed by the Ministry of Housing, Land and Marine Affairs (MHLMA) under a “shared-services” agreement between the two Ministries. The IDB capacity assessment of the MEWR indicates a medium risk in overall financial management and procurement management. We consider that after implementation of the mitigation measures, combined with the current strengthening activities that are taking place in the MEWR, the risk can effectively be reduced.
- 1.3 Public Expenditure and Financial Accountability Assessments (PEFA) assessments conducted in 2006 and 2008 as well as the Bank’s 2010 assessment of the Use of Country Systems (GUS) concluded that, in general, the country has not yet progressed very far in the application of modern approaches, tools and techniques in the area of fiscal planning and management. Some of the specific findings in the area of PFM, which are still relevant today, include: a) issues in the identification of the components of deficit financing; b) pervasive use of manual and paper-based accounting systems; c) lack of integration between operating units and information sub-systems; d) inadequate functioning of the internal audit function; e) inadequate parliamentary review of budget laws and external audit reports; and f) lack of independence of the external oversight function. The reports also highlighted the risks posed to the financial management system due to inherent weaknesses in the public procurement system that today remain unmitigated. These studies acknowledged Trinidad and Tobago’s continued commitment to establishing modern fiduciary systems and outlined specific areas which required attention. The Government of the Republic Trinidad and Tobago (GoRTT) continues, with assistance from major donors, to address key issues in its fiduciary systems. The multi-lateral developmental financing community is committed to working with the GoRTT to determine the extent to which the country’s fiduciary systems can be used for administration of donor-financed projects.
- 1.4 Given the Bank’s assessment of the country systems use will be made of the Budget, Treasury and External Control systems. Within thirty (30) days of signing amendments will be made to the Appropriations Act 2013 to recognize the loan funding in GoRTT’s Budget Estimates. A non-interest bearing account, denominated in United States dollars, will be established at the Central Bank of Trinidad and Tobago to receive drawdowns under the loan to facilitate programme execution; and the opportunity is being made available for the Auditor General of Trinidad and Tobago to undertake the External Audit of the Programme, subject to resource availability.

II. EXECUTING AGENCY'S FIDUCIARY CONTEXT

- 2.1 The MEWR was established in 2012 and much of its administrative structure and resources are still nascent. At present MEWR relies on the MHLMA for administrative, financial management, procurement and other corporate services. Many functions are currently under-staffed or not yet established. Notwithstanding, MEWR is in the process of finalizing funding from the Ministry of Finance and the Economy to support staffing and other resource needs. Despite these shortcomings, the results of the ICAS indicate that the MEWR has the necessary fiduciary capacity to participate in the execution of this Programme, although some aspects of the fiduciary systems are in need of upgrading and strengthening.
- 2.2 In consideration of the organizational developmental needs of the MEWR, the Loan incorporates institutional strengthening activities that include the implementation of an Enterprise Resource Planning system and the establishment of a Project Execution Unit (PEU) that will be fully staffed to address the financial management, procurement and other technical considerations. Operations Manuals for the PEU and the Ministry will also be developed to codify pertinent policies and procedures related to financial and technical operations at the MEWR, the Drainage Division (DD) and the PEU.
- 2.3 As a government Ministry, MEWR is governed by the Exchequer and Audit Act and the Central Tenders Board (CTB) Act 1961.
- 2.4 Currently, the procurement function in the MEWR is being carried out by various administrative and technical units. The Finance and Administration Division procures recurrent goods and services such as stationery, office equipment and vehicles. These purchases are guided by the Central Tenders Board Act 1961 as well as the thresholds granted to Permanent Secretaries by Cabinet. The DD procures some of its infrastructure programme through the CTB and some through the National Infrastructure Development Company Limited (NIDCO). NIDCO is a special-purpose government-owned company and as such operates outside of the sphere of the CTB and under its own procurement guidelines.
- 2.5 The Ministry does not have an internal Procedures Manual for procurement and relies on general national guidelines as well as the acquired knowledge and experience of the staff responsible for procurements. No documents are readily available elaborating on the authority of the PS within the thresholds granted by Cabinet and the procedures to be adopted for procurement at this level.

III. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS

- 3.1 The Project Team, in consultation with MEWR and other stakeholders, has identified the major risks that are likely to affect the proposed Programme. The parties have also jointly developed a preliminary Risk Mitigation Matrix which outlines the necessary mitigating actions to be taken. A joint review of the Matrix will be undertaken on an annual basis, and any necessary additional mitigating actions will be adopted.
- 3.2 The overall financial management risk rating of the EA is Medium for all areas in term of the execution of the project. The implementation of the mitigation actions indicated below can reduce the risk level to low for the execution of the project.

Risks Identified	Risk	Mitigating Measures
Poor coordination between the agencies involved impairing project execution	Medium	<p>Operations Manual to be developed defining and elaborating the roles and responsibilities of the Ministry, NIDCO and other entities involved in the project.</p> <ul style="list-style-type: none"> - Performance-based service contract to be formalized between MEWR and NIDCO. <p>Establishment of a specific financial management structure that has the following characteristics:</p> <ul style="list-style-type: none"> - Clear description on the coordination arrangements needed between the strategic level and executing team in charge of the daily activities for the running of the project. - Specific financial management responsibilities that will include: Financial and procurement officers and their respective reporting line within the structure. - Overall policies, procedures and internal control requirements tailored to the requirements of project. Areas of planning, budgeting, cash flow, accounting and reporting processes will be detailed in the Operation manual. - Financial planning activities for the IDB-financed Loan need to be clearly designed and finalized before execution of project. This plan (PEP, AOP, PP and FP) will serve as the basis for the Bank's disbursement projections. - Bank fiduciary supervision plan will include initially quarterly inspection visits to ascertain the proper financial management i.e. adequate functioning of the accounting systems, and the adequacy of the internal controls system.
EA unable to meet financial reporting requirements and standards.	Medium-	An accounting system that will integrate and facilitate the financial reporting and budgeting under the project, according to source of funding (loan and TC's) and categories of investments (at a minimum) will be implemented for the project.
Non-compliance with IDB procurement policies and procedures, disbursements and financial management and reporting procedures due to unfamiliarity	Medium-High	Training on Bank's financial management and procurement procedures will be provided to the project team of the Ministry and NIDCO on a continual basis.

IV. ASPECTS TO BE CONSIDERED IN THE SPECIAL CONDITIONS OF CONTRACT

4.1 To facilitate the contract negotiation by the project team and specifically by the LEG, the fiduciary arrangements that should be considered in the Special Clauses are described below:

A. Special conditions prior to first disbursement

- i. Evidence that the Borrower has appointed a Program Manager for the program pursuant to a professional profile satisfactory to the Bank.
- ii. Evidence that the MEWR has hired the group of specialists that will compose the PEU pursuant to paragraph 3.1, in accordance with terms of reference agreed upon with the Bank.
- iii. Evidence that MEWR has approved, with the prior non-objection of the Bank, an Operations Manual (OM) for the project, which shall include as an annex a finalized version of the Environmental and Social Management Plan (ESMP) for the project.
- iv. Evidence of the establishment of a PSC.
- v. Evidence that NIDCO has been hired, pursuant to terms of reference agreed upon with the Bank, to carry out the procurement and supervision for each of the works financed by the project.

B. Exchange rate

- vi. For purposes of justification of expenses to the Bank (including reimbursements), where the project expenses have been incurred in local currency, the equivalent amount to be reported in the project currency, shall be determined using:
 - a. the effective exchange rate used to convert the funds denominated in the project's currency to the local currency, or
 - b. the effective exchange rate on the payment date, without regard to the source of the financing used.

C. Financial reports and audit financial statements

- vii. The MEWR will be required to submit annual audited financial statements of the Programme within 120 days following the closing of each fiscal year. The last of these audited financial statements shall be presented by MEWR no later than 120 days following the date stipulated for the final disbursement of the Financing. The financial statement audits will be conducted in accordance with the Bank's policies, and will be carried out by a firm of independent public accountants acceptable to the Bank or the Auditor General for Trinidad and Tobago, where such appointment has been accepted.

V. FIDUCIARY ARRANGEMENTS FOR PROCUREMENT EXECUTION

- 5.1 The procurement fiduciary arrangements establish the conditions applicable to all procurement execution activities in the project.

A. Procurement Execution

- 5.2 **Staff:** The PEU within the MEWR shall be staffed with at least one Procurement Specialist, experienced in procurement within central government.
- 5.3 **Procurement of Works Goods and Non-Consulting Services:** Procurement under the project will be governed by the policies contained in GN-2349-9 Policies for the Procurement of Goods and Works. The Procurement Plan indicates the procedures to be used for the contracting of works, goods, and services generated under the project. The processes subject to National Competitive Bidding (NCB) may be executed through the use of National Bidding Documents satisfactory to the Bank. Where these are not available, the Bank's Standard Bidding Documents will be used. Review of technical specifications during the preparation of the selection process, is the responsibility of the project sector specialist.
- 5.4 **Procurement of Information Technology (IT) Systems:** Procurement of IT systems will be done in keeping with the policies referenced above. The Bank's information technology Specialist will provide technical review and advice as necessary.
- 5.5 **Selection and Contracting of Consultants:** Procurement of Consulting services will be conducted in accordance with GN-2350-9 Policies for the Selection and Contracting of Consultants. The Procurement Plan indicates the procedure to be used for the contracting of consulting services. Review of Terms of Reference for the selection of consulting services is the responsibility of the project sector specialist.
- 5.6 **Selection of Individual Consultants:** Individual Consultants will be selected in accordance with the policy for Selection of Consultants referenced above.
- 5.7 **Recurrent Expenses:** The project will finance recurrent expenses including: remuneration of contracted staff of the PEU.

- 5.8 **Sole Source Selection:** may be permitted with appropriate justification according to the Bank's policies and with the Bank's non-objection (GN-2350-9).
- 5.9 **Training:** The detailed procurement plan indicates the consultancy services to which training and workshops are applicable. As per GN-2350-9 if the assignment includes an important component for training or transfer of knowledge to Borrower staff or national consultants, the TOR shall indicate the objectives, nature, scope, and goals of the training Project, including details on trainers and trainees, skills to be transferred, time frame, and monitoring and evaluation arrangements. The cost for the training Project shall be included in the consultant's contract and in the budget for the assignment.
- 5.10 Procurement Plan and supervision (PP): [IDBDOCS-#38147908-LO1026 - Flood Alleviation and Drainage Programme - Preliminary Procurement Plan](#)

B. Procurement Supervision

- 5.11 The procurement plan of the project covering the duration of project execution is summarized in the above link. It indicates the procedures to be used for the procurement of goods, the contracting of works or services, and the method of selecting consultants, for each contract or group of contracts. It also indicates cases requiring prequalification; the estimated cost of each contract or group of contracts; the requirement for prior or post review modality by the Bank. The supervision modality will be determined and agreed for each selection process after discussion and review of the plan with the Team Leader. Ex-post reviews will be performed at least once per year but may be done more frequently if the volume of procurement activities under the ex post review modality warrants. The ex post review reports will include at least one physical inspection visit.

The procurement plan will be updated annually or whenever necessary as required by the Bank.

C. Records and Files

- 5.12 The Executing Agency, through the PEU, shall be responsible for maintaining the files and records of the project. All records and files shall be maintained by the Executing Agencies, according to accepted best practices, and be kept for a minimum of three (3) years beyond the end of the operation's execution period or as stipulated in the Loan Agreement.
- 5.13 **Country Thresholds for Procurement (in US\$'000s) [1] www.iadb.org/procurement**

Works			Goods			Consulting Services	
International Competitive Bidding	National Competitive Bidding	Shopping/Price Comparison	International Competitive Bidding	National Competitive Bidding	Shopping/Price Comparison	International Competitive Bid	Short Lists Solely by Nationals
+ 3,000	250 -3,000	-250	+ 250	50-250	-50	N/A	-200
Ex Review Ante	Ex Review Ante	Ex Ante Review	Ex Review Ante	Ex Review Ante	Ex Post Review	Ex Review Ante	Ex Review Ante

VI. SPECIFIC FIDUCIARY ARRANGEMENTS FOR FINANCIAL MANAGEMENT

A. Programming and Budget

- 6.1 The Executing Agency will ensure that a unique Budget Line is assigned to the Programme in the annual Budget cycle of the GoRTT in keeping with to Section 3, subsection (5) of National Development (Inter-American Development Bank) Loans Act Chapter 71.07. The Ministry of Planning and Sustainable Development (IDB Trinidad Governor) will take the necessary steps to

facilitate amendments to the Appropriations Act 2013 to recognize this new source of funding within thirty days of signing.

- 6.2 The Borrower will commit to allocate, for each fiscal year of Programme execution, adequate fiscal space to guarantee the unfettered execution of the Programme; as determined by normal operative instruments such as the Annual Operating Plan, the Financial Plan and the Procurement Plan. The Borrower will, at the start of each Fiscal Year, communicate to the Bank the Fiscal Space allocated to the Programme.
- 6.3 In spite of the fact that local counterpart resources are not contemplated in the original Programme budget of the programme, the MEWR will undertake to provide all required resources for the total and effective completion of the Programme activities.

B. Accounting and Financial Information Systems

- 6.4 Programme accounting will be completed under the cash basis, in accordance with International Financial Reporting Standards (IFRS) and the Financial Regulations of GoRTT. Given the heavily paper-based system that is used by Central Government and its inherent limitations, the accounting system will be augmented by the acquisition and installation of off-the-shelf accounting software. It is expected that the procured accounting software will record and classify of all financial transactions by component, provide information related to: planned vs. actual financial execution as well as generate the Statements of Cash Flows and Cumulative Investments and the list of Commitments.

C. Treasury: Disbursements and flow of Funds

- 6.5 The EA will establish, exclusively for the Program, adequate banking arrangements, denominated in US Dollars, at the Central Bank of Trinidad and Tobago for the management of the Project resources. The 12-month financial plan will serve as the basis for the disbursement of funds to the EA to cover the Project's needs (per year: 2 minimum; 4 maximum) and for the purpose to keep the Bank's projections. The main disbursement methodology will be the Advance of Funds, based on liquidity needs of the project. Other disbursement methodologies that will be used on a smaller scale are the Reimbursements (to Borrower or Executing Agency), Direct Payment to Supplier and Reimbursement against a Letter of Credit.
- 6.6 The PEU commits to maintain strict control over the utilization of the Advance so as to ensure the easy verification and reconciliation of balances between the PEU's records and IDB records (WLMS1).
- 6.7 Eligible expenditures, authorized by the Project Team Leader (PTL) and incurred prior to the approval of this Programme, will be reimbursed to the Borrower, in accordance with current Bank policy.
- 6.8 The PEU will provide adequate justification of the existing Advance of Funds balance, whenever 80% of said balance has been spent. Advances will normally cover a period not exceeding 180 days and no less than 90 days.
- 6.9 Generally, supporting documentation for Justifications of Advances and Reimbursement of Payments Made will be kept at the office of the PEU. Supporting documentation for direct payments will be sent to the Bank for processing. Disbursements will be reviewed within the ex-post modality, except for Requests for Direct Payment to Suppliers and Reimbursements (to Borrower or Executing Agency). The EA will be responsible for the maintenance of adequate and original documentation to support the project expenditures, which shall be made available for the ex post reviews. The Ex-Post reviews will be conducted on a sample of transactions. Such reviews do not imply a blanket approval of the whole universe of expenditures, based solely on the samples reviewed.

D. Internal Control and Internal Audit

- 6.10 The management of the Programme, at both the level of the MEWR and the PEU, will assume the responsibility for designing and implementing a sound system of internal control for the Programme. Given the limited presence of codified policies and procedures, the agreed system of internal controls will be documented in an Operational Manual and will provide reasonable assurance that: (i) the project funds are used for their intended purpose; (ii) project assets are properly safeguarded; (iii) project transactions, decisions and activities are properly authorized and documented; and (iv) project transactions are executed in accordance with the established policies, practices and procedures delineated in the legal agreements. In addition, proper segregation of duties, approval authority levels for signature of contracts, commitment of funds, reception of goods and services and payment to suppliers and beneficiaries should be arranged adequately and completely captured in the accounting system and records of the Programme.

E. External Control and Reporting

- 6.11 As an eligible entity to audit Bank-financed operations, the Auditor General will be included as an option, along with independent audit firms, for the conduct of the Financial Audits of the Programme. Audits will be performed in accordance with Bank's Guidelines for Financial Reports and External Audit and the International Standards on Auditing (ISA) or the equivalent. The EA, through the PEU, will be responsible for contracting of an external auditor eligible to the Bank to perform the Programme audit as follows: (i) an annual financial audit of the Programme to be submitted within 120 days of the end of fiscal year; (ii) a quarterly review of the disbursement processes and the updated financial and procurement plan to be submitted within 20 days of each period; and (iv) one final financial audit of the Programme to be submitted within 120 days after the date of last disbursement.

F. Financial Supervision Plan

- 6.12 Financial Supervision will be informed by the initial and subsequently assessed risk of the Programme and the MEWR. Financial, Accounting and Institutional Inspection visits will be conducted at least once per year to ascertain the proper functioning of the accounting systems, and the adequacy of the internal control system and follow up the fiduciary risk initially assessed.

G. Execution Mechanism

- 6.13 The Borrower has designated the MEWR as Executing Agency, with broad oversight responsibility for all matters related to the Programme, and with direct responsibility for the administration of resources and the procurement processes. For the execution of the Program, the MEWR will appoint a Programme Manager, and hire, with loan resources, a group of specialists that will constitute the Project Execution (PEU), which will be responsible for actual implementation. The PEU will be responsible for the overall administration of resources and for coordinating and executing the activities of the Programme.
- 6.14 The PEU will be comprised of 11 professionals including a Programme Manager, project engineers, financial management personnel, procurement officers, and legal, environmental and monitoring and evaluation experts. Specific responsibilities of the PEU will include: (i) preparation, implementation and coordination of the Annual Operating Plans (AOPs); (ii) preparation of budgets, project accounting, including disbursements and reimbursement of Project funds; (iii) preparation of the Program's Procurement Plan, (iv) coordination of the preparation of technical reports, progress and financial reports; (v) monitoring of the progress of Program activities and analysis of variances of actual results against plans; (vi) hiring the external audit and ensuring that the approved recommendations are implemented; (vii) facilitation of external evaluations of the Programme and ensuring, in collaboration with the participating

entities, that the approved recommendations are implemented; and (viii) serving as a liaison for the Program with the Bank.

- 6.15 For the execution of the works comprised in Components 1 and 3, the MEWR, through the PEU, will hire the services of NIDCO, pursuant to terms of reference agreed upon with the Bank. NIDCO will carry out the procurement and administration for each of the works pursuant to terms of reference agreed upon with the Bank (GN-2350-9) (¶3.2), taking into consideration the extensive experience of NIDCO in project management and procurement and, specifically, in the infrastructure and drainage sector in the country. Furthermore NIDCO will hire the services of an external supervisory firm for the supervision of the works. The modality of contracting will be sole source according to Bank policy (GN-2350-9), section 3.10 in which it is stated that “single-source selection may be appropriate only if it presents a clear advantage over competition”. For the case of NIDCO as a service provider, the GN 2350-9 section 3.10 will be applicable on the following accepted cases: (a) for tasks that represent a natural continuation of previous work carried out by the firm; and (d) when only one firm is qualified or has experience of exceptional worth for the assignment.
- 6.16 In addition, a Programme Steering Committee (PSC), chaired by the MEWR, will be established. The Mission informed that the PSC was established consequent to a Cabinet decision of 5 September, 2013, with the following membership: MEWR, Ministry of Planning and Sustainable Development, Ministry of Finance and the Economy, Ministry of Works and Infrastructure, Ministry of Transport, Ministry of Local Government, POS City Corp, Utilities (WASA, T&TEC, TSTT) NIDCO, GENIVAR, DOMA (Downtown Merchants Association); other relevant stakeholders may be coopted. The PSC will oversee the coordination among the participating entities mentioned above, monitor overall performance of the operation, and facilitate the work of the PEU.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/___

Trinidad and Tobago. Loan _____/OC-TT to the Republic of Trinidad and Tobago
Flood Alleviation and Drainage Program for the City of Port of Spain

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Trinidad and Tobago, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a flood alleviation and drainage program for the city of Port of Spain. Such financing will be for an amount of up to US\$120,000,000 from the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.