



AUDIT OF THE RESOURCES MANAGED  
DURING THE PERIOD MAY 1, 2014  
TO JUNE 30, 2015 BY THE COMMONWEALTH  
OF DOMINICA UNDER THE DOMINICA DISASTER  
VULNERABILITY REDUCTION PROJECT  
LOAN NUMBER IDA 54950, TF 016912, TF 016955

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Mr. Collin Guiste  
Project Coordinator  
Project Coordination Unit  
Disaster Vulnerability Reduction Project  
38 Cork Street, First Floor  
Roseau  
Commonwealth of Dominica

Date  
January 26, 2016

Our Ref.

Your Ref.

Dear Mr. Guiste,

This report presents the results of a financial and compliance audit of the Resources managed during the period May 1, 2014 to June 30, 2015 by the Project Coordination Unit under the Disaster Vulnerability Reduction Project Project (DVRP) financed by World Bank Credit No. 5495 - DOM.

## BACKGROUND

### Description of Entity

The Disaster Vulnerability Reduction Project (DVRP) is implemented by the Ministry of Health and the Environment, supported by a Project Coordination Unit (PCU) with oversight from the Ministry of Finance. The Government of the Commonwealth of Dominica is implementing the DVRP to reduce the vulnerability to natural hazards and the adverse impacts of climate change in Dominica and build resilience to adapt to such impacts.

The Project consists of four components:

- (i) Prevention and Adaptation Investments;
- (ii) Capacity Building and Data Development, Hazard Risk Management and Evaluation;
- (iii) Natural Disaster Response Investments; and
- (iv) Project Management and Implementation Support.

The project is expected to be implemented over a six (6) year period.

US\$39.5 million have been allocated to the DVRP through financing from a blend of grant and highly concessionary loan funding from The World Bank under the International Development Association (IDA) and the Pilot Programme for Climate Resilience (PPCR) under the Strategic Climate Fund (SCF) and counterpart support from the Government of the Commonwealth of Dominica.

## Project Cost

The total project cost is US\$39.5 million and is summarized as follows:

Project Cost By Component and/or Activity	Government Financed US \$million	World Bank Financed US \$million	Total US \$million
1. Prevention and Adaptation Investments	0.00	29.125	29.125
2. Capacity Building and Data Development, Hazard Risk Management and Evaluation	0.375	7.00	7.375
3. Natural Disaster Response Investments	0.00	1.00	1.00
4. Project Management and Implementation Support	0.00	2.00	2.00
<b>Total Project Cost</b>	<b>0.375</b>	<b>39.125</b>	<b>39.50</b>

## Project Objectives

The objective of the project is to reduce vulnerability to natural hazards and climate change impacts in Dominica through investment in resilient infrastructure and improved hazard data collection and monitoring systems. The Project consists of the following components:

### **Component 1: Prevention and Adaptation Investments**

This component will include carrying out of selected infrastructure investments, including: (a) construction of water storage and distribution infrastructure; (b) slope stabilization; (c) rehabilitation of transportation infrastructure; and (d) improvement of drainage in selected areas all through the provision of works, technical advisory services, operating costs and acquisition of goods.

### **Component 2: Capacity Building and Data Development, Hazard Risk Management and Evaluation**

This component will deal with building the capacity for analysis and assessment of risks from natural hazards and climate change, including integration of such analysis into policy and decision making process for the development of investments, and developing data collection systems including:

- (a) Creation of high resolution digital topographic and bathymetric model for Dominica;
- (b) Creation of a high resolution soil survey map;
- (c) Design and deployment of robust hydromet network; and
- (d) Development of district and community level climate adaptation plans, all through the provision of technical advisory services and training, and acquisition of goods.

### **Component 3: Natural Disaster Response Investments**

The objective of this component is the carrying out of Emergency Recovery and Reconstruction under an agreed action plan of activities designed as a mechanism to implement Dominica's response to an emergency; namely Contingency Emergency Response Component (CERC).

### **Component 4: Project Management and Implementation Support**

The objective of this component is the strengthening of the institutional capacity for Project management, including:

- (a) Strengthening the capacity and staffing of the PCU;
- (b) Preparation of investment designs and tender documents;
- (c) Preparation of Project reports;
- (d) Processing of contracts and tender evaluation;
- (e) Co-ordination of participating line ministries;
- (f) Supervision of the quality of works
- (g) Provision of training of staff of the PCU in Project management and implementation support
- (h) Monitoring and evaluation of the Project progress and results; and
- (i) Carrying out related activities on Project management and implementation.

### **Audit Objective and Scope**

We performed a financial and compliance audit of the Resources managed during the period from May 1<sup>st</sup>, 2014 to June 30<sup>th</sup>, 2015 by the Commonwealth of Dominica under the Dominica Disaster Vulnerability Reduction Project, Loan Number IDA 54950, TF 016912, TF 016955.

The objectives of the audit were:

- to issue an opinion on whether the Project financial statements presents fairly, in all material respects, the funds received and disbursements made during the year audited, as well as the cumulative investments at the end of the year, in accordance with International Accounting Standards issued by IASC and in accordance with the respective agreements with the Bank;
- to issue an opinion as to whether the supplementary financial information for the Project is fairly presented, in all material respects.
- to issue a report with respect to the adequacy of the internal control structure of the implementing institution in regard to the project and to the contribution of counterpart funds for the Project.
- to issue an opinion with respect to the PCU's compliance with the terms of the financing agreement and applicable laws and regulations (with regard to the financial aspects).
- to issue an opinion as to: (a) whether the expenditures included in the statement of requests for reimbursement (IFRs) are eligible, and if the information presented in the IRFs is reasonably dependable; (b) whether the accounting and the internal control procedures used for the preparation of the IFRs are adequate; and whether Credit funds have been used only for Project purposes, in accordance with the requirements established in the corresponding agreements with the international organizations.

- to issue an opinion as to whether the Statement of the Designated Account, if applicable, used for managing the funds provided by the Bank presents fairly the availability of funds at the end of the period audited, as well as the transactions made during the same period, in accordance with the provisions for the use of the funds established in the corresponding agreements with the Bank.

Our audit was performed in accordance with International Standards on Auditing by IFAC and the following World Bank's publications: Guidelines Annual Financial Reporting and Auditing for World Bank - Financed Activities, Terms of Reference for Audits of Projects, World Bank- Financed, Disbursement Letter and supporting annexes, Financial Monitoring Reports. We also reviewed the DVRP Operations Manual. Accordingly, our audit included such tests of the accounting records as we considered necessary in the circumstances.

The scope of our work consisted of the following:

- To establish whether all project funds were used for the purposes provided and in accordance with the conditions of the relevant financing agreements
- To determine whether counterpart funds were provided in accordance with the relevant financing agreements
- To determine whether goods and services financed were procured in accordance with the relevant financing agreements
- To review implementing entities system of recording and accounting for all project ventures including expenditures reported via Source and Uses of Funds, Funds by Disbursement Category or Special Accounts and to determine whether clear linkages exist between the books of account and the reports presented to the Bank
- To establish whether Special Accounts are being maintained in accordance with the provisions of the relevant financing agreements
- Review of project records
- Review of salary charges
- Review and testing of internal controls over project receipts and disbursements
- Review of Project Management Report and project reporting procedures.

## RESULTS OF AUDIT

### Project Financial Statements

We were able to test the validity of evidential matter related to Project Sources and Uses of Funds, Use of Funds by Disbursement Categories - Amounts in US Dollars, Designated Account Reconciliation and Statements, Cash Forecast Statements, Committed Funds Statements and Procurement Contract Monitoring Reports through examination, observation and inspection. We were provided with payment vouchers, original documentation, project reports and correspondence to support project disbursements which we reviewed. We were also able to determine the eligibility of costs charged to the Project by the application of appropriate auditing procedures.

We expressed our opinion on the Project financial statements for the period May 1, 2014 to June 30, 2015.

### Internal Control Structure

We reviewed and evaluated the internal control structure of the Unit as required by International Standards on Auditing and World Bank's guidelines in order to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation.

Our review of the internal control structure was made for the purpose of determining the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Project's financial statements.

### Compliance with Agreement Terms and Applicable Laws and Regulations

The results of our examination indicated that the tested items were generally in compliance with agreement terms and applicable laws and regulations.

In respect of untested items, we report that nothing came to our attention as a result of specified audit procedures that caused us to believe such items were not in compliance with agreement terms and applicable laws and regulations.

We thank you and the staff of the Project Coordination Unit for the invaluable assistance rendered to us during the course of the audit.

Yours faithfully

*KPB Chartered Accountants*



## AUDITORS' REPORT ON THE PROJECT FINANCIAL STATEMENTS

Mr. Collin Guiste  
Project Coordinator  
Project Coordination Unit  
Disaster Vulnerability Reduction Project  
38 Cork Street, First Floor  
Roseau  
Commonwealth of Dominica

Dear Mr. Guiste

We have audited the accompanying financial statements of the Resources managed during the period from May 1<sup>st</sup>, 2014 to June 30<sup>th</sup>, 2015 by the Commonwealth of Dominica under the Dominica Disaster Vulnerability Reduction Project, Loan Number IDA 54950, TF 016912, TF 016955.

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and World Bank guidelines. Those Standards and World Bank guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Sources and Uses of Funds of the Resources managed by the by Project Coordinating Unit (PCU) under the Dominica Disaster Vulnerability Reduction Project for the period May 1, 2014 to June 30, 2015 in accordance with International Accounting Standards and World Bank guidelines

With respect to expenditures included in the quarterly Project Management Reports/IFRs appropriate supporting documentation has been maintained and such expenditures are eligible under World Bank Credit No.5495 - DOM.

*KPBC Chartered Accountants*

Roseau, Dominica  
January 26, 2016

### KPBC CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT ON INTERNAL CONTROLS

Mr. Collin Guiste  
Project Coordinator  
Project Coordination Unit  
Disaster Vulnerability Reduction Project  
38 Cork Street, First Floor  
Roseau  
Commonwealth of Dominica

Dear Mr. Guiste

We have audited the financial statements of the Resources managed during the period from May 1<sup>st</sup>, 2014 to June 30<sup>th</sup>, 2015 by the Commonwealth of Dominica under the Dominica Disaster Vulnerability Reduction Project, Loan Number IDA 54950, TF 016912, TF 016955.

We conducted our audit in accordance with International Standards on Auditing and World Bank guidelines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the Resources managed by the Project Coordinating Unit (PCU) under the Dominica Disaster Vulnerability Reduction Project, we considered the internal control structure related to the World Bank financed program in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the Project Coordinating Unit is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the agreements; and transactions are recorded properly to permit the preparation of the Project financial statements in conformity with the financial reporting provisions. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future years is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Organisational controls

- Fund receipts
- Fund disbursements
- Procurement procedures for goods and services
- Payroll
- Fixed Assets
- Bank Reconciliations
- SMART Stream Reports
- Interim Financial Reporting (IFR)
- Project reporting

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the International Federation of Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the project financial statements may occur and not be detected within a timely year by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

*KPB Chartered Accountants*

Roseau, Dominica  
January 26, 2016

## AUDITORS' REPORT ON COMPLIANCE



Mr. Collin Guiste  
Project Coordinator  
Project Coordination Unit  
Disaster Vulnerability Reduction Project  
38 Cork Street, First Floor  
Roseau  
Commonwealth of Dominica

Dear Mr. Guiste

We have audited the financial statements of the Resources managed during the period from May 1<sup>st</sup>, 2014 to June 30<sup>th</sup>, 2015 by the Commonwealth of Dominica under the Dominica Disaster Vulnerability Reduction Project, Loan Number IDA 54950, TF 016912, TF 016955.

We conducted our audit in accordance with International Standards on Auditing and World Bank guidelines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with agreement terms, laws and regulations applicable to the Dominica Disaster Vulnerability Reduction Project, is the responsibility of the Project Coordinating Unit (PCU). As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests on Project Coordinating Unit/Dominica Disaster Vulnerability Reduction Project compliance with certain provisions or agreement terms and applicable laws and regulations.

In our opinion the Project Coordinating Unit/ Dominica Vulnerability Reduction Project was, in all material respects, in compliance with the provisions referred to in the preceding paragraph for the period May 1, 2014 to June 30, 2015.

*KPB Chartered Accountants*

Roseau, Dominica  
January 26, 2016

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## AUDITORS' REPORT ON THE DESIGNATED ACCOUNT STATEMENT

Mr. Collin Guiste  
Project Coordinator  
Project Coordination Unit  
Disaster Vulnerability Reduction Project  
38 Cork Street, First Floor  
Roseau  
Commonwealth of Dominica

Dear Mr. Guiste,

We have audited the accompanying Designated Account Statement of Resources managed during the period from May 1<sup>st</sup>, 2014 to June 30<sup>th</sup>, 2015 by the Commonwealth of Dominica under the Dominica Disaster Vulnerability Reduction Project, Loan Number IDA 54950, TF 016912, TF 016955.

Our responsibility is to express an opinion on the financial statements of the Designated Account based on our audit.

We conducted our audit in accordance with International Standards on Auditing and World Bank guidelines for Special Accounts. Those standards and World Bank guidelines require that we plan and perform the audit to obtain reasonable assurance that the Special Account financial statement is free of material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Designated Account Statement gives a true and fair view of the financial position of the Designated Account of the Resources managed by the Project Coordinating Unit (PCU) under the Dominica Disaster Vulnerability Reduction Project for the period May 1, 2014 to June 30, 2015 in accordance with International Accounting Standards and World Bank guidelines.

*KPB Chartered Accountants*

Roseau, Dominica  
January 26, 2016

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## SUMMARY OF THE MAIN AUDIT PROCEDURES PERFORMED

- Review of documents providing guidelines for the audit.
- Review of project and project related documents including loan and credit agreements.
- Examination and assessment of the internal control structure.
- Determination of audit strategy and design of appropriate audit and compliance tests.
- Performance of tests on compliance with internal control and terms of the agreements, laws and regulations.
- Verification of supporting documentation for the figures included in the project financial statements.
- Confirmation of funds disbursed by the World Bank.

**GOVERNMENT OF DOMINICA**

**DISASTER VULNERABILITY REDUCTION PROJECT**

**AUDITED FINANCIAL STATEMENT**

**(IDA and TFs-Financed)**

**For the Period May 2014 to June 2015**

**Government of Dominica – Financing (IDA and TFs)  
Disaster Vulnerability Reduction Project  
Government of Dominica – Financing IDA and TFs  
AUDITED FINANCIAL STATEMENT**

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**GOVERNMENT OF DOMINICA  
DISASTER VULNERABILITY REDUCTION PROJECT  
SOURCES & USES OF FUNDS**

(IDA and TFs-Financed)

For the Period May 1st, 2014 to June 30th, 2015

Amount is US\$

	Current Period		
	Actual		
RECEIPTS			
Source of Financing	IDA 54950	TF 016955	TOTAL
<b>World Bank</b>			
Designated Account	751,509.00		751,509.00
Direct Payment		-	-
Retroactive Financing			-
Interest Paid			-
Other *NOTE			-
<b>Total Receipts (A)</b>	<b>751,509.00</b>	<b>-</b>	<b>751,509.00</b>
<b>LESS EXPENDITURES</b>			
Component 2 -		279,078.46	279,078.46
Component 4 -		321,994.53	321,994.53
<b>Total Expenditures (B)</b>	<b>-</b>	<b>601,072.99</b>	<b>601,072.99</b>
<b>RECEIPTS LESS EXPENDITURES</b>			
<b>Net Change in Cash (A - B)</b>	<b>751,509.00</b>	<b>(601,072.99)</b>	<b>150,436.01</b>
Foreign Exchange Adjustment			
<b>BANK BALANCES</b>			
<b>Opening Cash Balances</b>			
Designated Account			
Project Account			
<b>Total Opening Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Cash Balances</b>			
Designated Account	256,592.21	(248,797.59)	7,794.62
Project Account	494,916.79	(352,275.40)	142,641.39
<b>Total Closing Balance</b>	<b>751,509.00</b>	<b>(601,072.99)</b>	<b>150,436.01</b>

Note. Exchange Rate Used \$2.6882



**Dominica: Disaster Vulnerability Reduction Project**  
**TF 016955**  
**Use of Funds by Disbursement Categories - Amounts in US\$**  
**(IDA and TFs-Financed)**  
**For the Period May 1st, 2014 to June 30th, 2015**

Categories	Current Period		
	Actual	Cummulative	Total Allocation per Legal agreements
<b>Category 2</b> Goods, Works, Non Consulting Services, Consultants' Services, Training and Operating Cost for Part B of the project	279,078.46	279,078.46	7,000,000.00
<b>Category 4</b> Goods, Works, Non Consulting Services, Consultants' Services, Training and Operating Cost for Part D of the project	321,994.53	321,994.53	2,000,000.00
<b>Grand Total</b>	<b>601,072.99</b>	<b>601,072.99</b>	<b>9,000,000.00</b>

Government of Dominica - Financing (IDA and TFs)  
 Disaster Vulnerability Reduction Project  
 Audited Financial Monitoring Report  
**COMMITTED FUNDS**  
 (IDA and TFs-Financed)  
 For the Period May 1st, 2014 to June 30th, 2015

CONTRACT NUMBER	Contract Description	Contract Estimate US \$	Status
DOMDVRPDOM 01/2014	Small Assignment - Lump-sum Payment / LiDar and Geodesy Support	61,515.00	Ongoing
DOM/DVRP/DOM 01/2014	Consulting Services -Project Co-ordinator	80,000.00	Ongoing
DOM/DVRP/SER02/2014	Consulting Services -Administrative Assistant	25,000.00	Ongoing
DOM/DVRP/SER03/2014	Consulting Services -Environmental Specialist	30,000.00	Ongoing
DOM/DVRP/SER04/2014	Consulting Services- Social Specialist	30,000.00	Ongoing
PPCR/DVRP/SHP-01/14	Good -Supply of Vehicle	50,182.28	Completed
PPCR/DVRP/DC01/15	Trimble Equipment for Mapping and Surveying uses	276,873.28	Ongoing
PPCR/DVRP/SER-02/2015DC01/15	Consulting Services- Procument and Contract Management Specialist	80,000.00	Ongoing
PPCR/DVRP/SER-02/2015DC02/15	Consulting Services- Financial Management Specialist	80,000.00	Ongoing
PPCR/DVRP/SER-03/2015	Consulting Services- Procument Assistant	25,000.00	Ongoing
PPCR/DVRP/SHP-01/15	Supply of Goods - Computer Hardware	10,187.49	On going
DOM/DVRP/SER 06/2014	Consulting Services -Small Assignment- Hydro-Metrological Field Data Collection and Capacity Analysis	19,444.00	Completed
PPCR/DVRP/DOM 01	Supply of Goods - Suvey Monuments and Implementation Tools	22,736.68	On going
<b>Total</b>		<b>\$ 790,938.72</b>	

Government of Dominica - Financing (IDA and TFs))  
 Disaster Vulnerability Reduction Project  
 Audited Financial Monitoring Report  
**ACCOUNT RECONCILIATION**  
 (IDA and TFs-Financed)  
 For the Period May 1st, 2014 to June 30th, 2015  
 (in USD)

<b>ACCOUNT RECONCILIATION</b>					
Grant No: TFs and IDA					
	Bank's Name: National Bank of Dominica	<b>TOTAL</b>	<b>IDA 54950-DM</b>	<b>TF 016912</b>	<b>TF 016955</b>
		USD	USD	USD	USD
1	Total advanced by World Bank (or Cofinancier)	751,509.00	751,509.00		
2	Less: Eligible Expenditure for the current Year ended.....documented by World Bank	0.00			
3	Less: Cummulative eligible Expenditure for the prior periods ended .....documented by World Bank				
3	Present outstanding amount advanced to Designated Account (1-2)	751,509.00	751,509.00	0.00	0.00
4	Balance of USD Designated Account per Bank Reconciliation Statement as at year end June 30th 2015	7,794.62	256,592.21	0.00	(248,797.59)
5	Balance of Project Account per Bank Reconciliation Statement as at year end June 30th 2015	142,641.39	494,916.79	0.00	(352,275.40)
6	Plus: Eligible expenditure for the current year documented after the year end.	601,072.99			601,072.99
7	Plus: Total amount withdrawn and not yet claimed Reason: .....	0.00			
8	Plus: Amounts claimed in previous Applications not yet credited at date of bank statements Applications No.	0.00			
9	Subtotal of previous applications not yet credited	0.00			
10	Less: Interest Earned	0.00			
9	Total advance accounted for (No. 4 through No. 8)	751,509.00	751,509.00	-	-
10	Difference (3-9)	0.00	0.00	0.00	0.00
11	Explanaiion of any difference shown in line 10				

**Government of Dominica**  
**Disaster Vulnerability Reduction Project**  
**Financial Monitoring Report**  
**IDA 54950/TF 016912/TF 016955**  
**Notes to the Financial Statements**  
**For the period May 2014 to June 2015**

**NOTE 1: ACCOUNTING POLICIES**

1. All transactions are recorded, and the financial statements prepared using the cash basis of accounting.
2. The financial accounts are maintained and the financial statements are prepared in Eastern Caribbean Dollars. Where required within this report, translation into United States Dollars is effected using the exchange rate of US \$1.00 to EC \$2.6882.
3. Fixed Assets procured with project resources are recorded at their acquisition cost at the date of purchase. No depreciation is recorded for project assets.
4. The Financial Statements have been prepared on the basis of historical cost convention. No account is taken of inflation.

**NOTE 2: PROJECT DEVELOPMENT OBJECTIVE**

The objective of the Project is to reduce vulnerability to natural hazards and climate change impacts in Dominica through: (i) investment in resilient infrastructure, and (ii) improved hazard data collection and monitoring systems.

**Project Beneficiaries**

The Project would benefit the entire population of Dominica, including women and other vulnerable groups, due to the reduced risk of key infrastructure failure and the increased capacity of the Government to quickly rehabilitate damaged public infrastructure following an adverse natural event. The Project would have specific benefits for people living in the geographical locations of Project interventions or using public infrastructure that would have a reduced risk of failure as a consequence of the Project activities. In addition, the Island's Indigenous Population would be well served by the Project as some of the planned infrastructure.

A successful creation of a robust spatial data management platform, early warning systems and data collection/management infrastructure will allow the country to improve decision-making applications in the context of disaster reduction and climate adaptation.

**NOTE 3: PROJECT DESCRIPTION**

The project consists of four (4) components:

**Component 1: Prevention and Adaptation Investments**

This component would be designed to reduce physical vulnerability and pilot adaptive measures to build resilience to current and future hydro-meteorological shocks. Activities under this component include carrying out of selected infrastructure investments, including: (a) construction of water storage and distribution infrastructure; (b) slope stabilization; (c) rehabilitation of transportation infrastructure

including, *inter alia*, selected primary and secondary roads and bridges; and (d) improvement of drainage in selected areas, all through the provision of works, technical advisory services, operating costs and acquisition of goods. Integrated hazard/climate analysis will inform engineering designs with respect to future service demands and infrastructure design life and will be built into the pre-engineering phase of each subproject.

### **Component 2: Capacity Building and Data Development, Hazard Risk Management and Evaluation**

This component will support the creation of relevant core data and data collection systems as well as the integration analytical tools to permit improved decision making and engineering design for risk reduction and climate change adaptation. Activities under this component support building the capacity for analysis and assessment of risks from natural hazards and climate change, including integration of such analysis into policy and decision making process for the development of investments, and developing data collection systems, including: (a) creation of high resolution digital topographic and bathymetric model for the Recipient; (b) creation of a high resolution soils survey map; (c) design and deployment of robust hydromet network; and (d) development of district and community level climate adaptation plans, all through the provision of technical advisory services and training, and acquisition of goods.

### **Component 3: Natural Disaster Response Investments**

This component would support carrying out of Emergency Recovery and Reconstruction Subprojects under an agreed action plan of activities (Agreed Action Plan of Activities) designed as a mechanism to implement the Recipient's response to an Emergency. This provisional component would allow rapid reallocation of the IDA credit, under streamlined procurement and disbursement procedures, to cover emergency response and recovery costs following an adverse natural event that causes a major disaster in Dominica. The contingent emergency component would be triggered, by an official Government of the Commonwealth of Dominica declaration of an emergency, in accordance with the country's laws and policies, following an adverse natural event. Dominica may ask the Bank to re-categorize and reallocate financing, from other project components to partially cover emergency response and recovery costs. This component could also be used to channel additional funds, should they become available, in response to the emergency.

**Component 4: Project Management and Implementation** Activities under this component would support strengthening the institutional capacity for Project management, including: (a) strengthening the capacity and staffing of the PCU; (b) preparation of investment designs and tender documents; (c) preparation of Project reports; (d) processing of contracts and tender evaluation; (e) coordination of participating line ministries; (f) supervision of the quality of works; (g) provision of training of staff of the PCU in Project management and implementation support; (h) monitoring and evaluation of the Project progress and results; and (i) carrying out related activities on Project management and implementation, all through the provision of technical advisory services, training and operating costs, and acquisition of goods. The project will also support knowledge sharing and lessons learning activities at the program level and coordination with the PPCR Caribbean Regional Program in terms of knowledge management and M&R

#### NOTE 4: PROJECT FINANCING

The cost of the project is estimated at US \$39.5 million with the financiers as follows:

	<b>Component 1</b>	<b>Component 2</b>	<b>Component 3</b>	<b>Component 4</b>	<b>Total</b>
	<b>US\$ M</b>	<b>US\$ M</b>	<b>US\$ M</b>	<b>US\$ M</b>	<b>US \$</b>
Counterpart Financing	1.125	0.375		1.5	
IDA 54950	16		1		17
SCF Credit TF 016912	9				9
SCF Grant TF 016955	3	7		2	12
<b>Total</b>	<b><u>29.125</u></b>	<b><u>7.375</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>39.5</u></b>

#### NOTE 5: CASH

Cash availability as at June 30<sup>th</sup> 2015 included

	<b>US\$</b>
Designated Account	7,794.62
Project Account	<u>142,641.39</u>
<b>Total</b>	<b><u>150,436.01</u></b>

On the 2<sup>nd</sup> day of May 2014 the sum of US \$751,509.00 from IDA 54950 was received into the designated account at the National Bank of Dominica. As at June 30<sup>th</sup> 2015 no expenditure has incurred under IDA 54950. Expenditure in the amount of US \$601,072.99 under TF 016955 was incurred. Since there were no funds available under TF 016955 to cover the expenses these expenses were paid from IDA 54950 funds. Hence the negative balances appearing under TF 016955.

#### NOTE 6: INTEREST

Interest in the amount of US \$4,824.59 was earned on deposits in the Designated Account during the period under review.

#### NOTE 7: TENDER FEES

Tender fees in the amount of EC \$3,215.88 or US \$1,196.29 was deposited in the Project Account from bidders in respect of tender documents during the period under review.

#### NOTE 8: REFUND

The amount of US \$833.27 or EC \$2,240.00 is to be refund from the Government of Dominica to the Project Account in respect of an invoice that was paid in May 2015 by the Project funds in error.

#### NOTE 9: BANK CHARGES

During the period under review bank charges in the amount of EC \$435.70 or US \$162.08 were charged to the Project Account, while bank charges in the amount of US \$236.65 was charged to the Designated Account. Bank charges are not eligible expenses under this project, hence are not captured as expenditure.

## NOTE 10: FIXED ASSETS

During the period under review fixed assets in the value of US \$96,889.19 was acquired.

	US \$
Motor Vehicle	50,182.28
Computer Equipment	18,785.70
Furniture & Equipment	<u>27,921.21</u>
<b>Total</b>	<b><u>96,889.19</u></b>

## NOTES 11: CONTRACTS AWARDED DURING THE PERIOD UNDER REVIEW

### Consulting Services

Procurement Method	Individual Consulting (IC)
Date of Contract No-Objection	October 2 <sup>nd</sup> , 2014
Approved Contract Sum	US \$61,515.00
Contractor	Timothy A. Blak S.P
Contract Description:	To Prepare detailed specification for aerial photography and LiDAR terrain and Bathymetry data acquisition and Quality Assurance/Quality Control-LiDAR and Geodesy Support.
Amount paid for the period	US \$15,378.75
Financing	100% TF 016955

Procurement Method	Individual Consulting (IC)
Date of Contract No-Objection	February 11 <sup>th</sup> , 2015
Approved Contract Sum	US \$19,444.00
Contractor	Fred L. Ogden
Contract Description:	Hydro-Metrological Field Data Collection & Capacity Analysis
Amount paid for the period	US \$19,444.00
Financing	100% TF 016955

### Goods

Procurement Method	Direct Consulting (DC)
Date of Contract No-Objection	April 29 <sup>th</sup> , 2014
Approved Contract Sum	US \$22,736.68
Contractor	Berntsen International Inc.
Contract Description:	Supply of Survey Monuments and Implementation Tools
Amount paid for the period	US \$22,437.21
Financing	100% TF 016955

Procurement Method	Shop
Date of Contract No-Objection	December 16 <sup>th</sup> , 2014
Approved Contract Sum	US \$50,182.28
Contractor	AI Motors
Contract Description:	Supply of motor vehicle
Amount paid for the period	US \$49,962.96
Financing	100% TF 016955

Procurement Method	Direct Consulting (DC)
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Date of Contract No-Objection	March 25 <sup>th</sup> , 2015
Approved Contract Sum	US \$276,873.28
Contractor	Giscard Limited
Contract Description:	Supply of Trimble Equipment for Mapping and Surveying uses
Amount paid for the period	US \$221,498.63
Financing	100% TF 016955

Procurement Method	Shop
Date of Contract No-Objection	May 5 <sup>th</sup> , 2015
Approved Contract Sum	US \$10,187.49
Contractor	W2 Beyond
Contract Description:	Supply of Computer Hardware
Amount paid for the period	NIL
Financing	100% TF 016955