



**NRPB**

# **Sint Maarten**

## **Digital Government Transformation Project**

**Contingent Emergency Response Component (CERC)**  
**Emergency Operation Manual**

**January 4 2022**

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## Executive Summary

1. The Digital Government Transformation Project has a fourth component, the Contingent Emergency Response Component (CERC). This component aims to provide immediate surge funding in the event of an emergency. The CERC is only triggered in the case of emergency and when certain actions, as agreed by the Government of Sint Maarten, the National Recovery Program Bureau and the World Bank teams, are met. These actions includes:
  - a) the country declares a public health emergency, natural disaster, cyber security threat or national emergency; and
  - b) presents a sound and actionable country- level response plan. Once triggered, the CERC is implemented following the exceptional policy requirements set out in Paragraph 12 of the [IPF Policy](#) (Projects in Situations of Urgent Need of Assistance or Capacity Constraints) and enables rapid reallocation of funds between project components following an emergency.
2. This CERC manual was prepared pursuant to the Grant Agreement (GA) for the Digital Government Transformation Project (P172611). The GA stipulates the preparation and submission of a Contingent Emergency Response Manual (hereafter referred to as the CERC Manual) as a condition for implementation of said CERC Component.
3. This CERC manual details:
  - a) The proposed Emergency Activities to be financed by the proceeds allocated to the Project's CERC; and
  - b) The coordination and implementation arrangements related to the programing and execution of said activities.
4. Upon No-Objection by the World Bank, the CERC Manual will be used by the NRPB as it relates to:
  - a) Triggering the CERC;
  - b) Coordination and implementation of the emergency activities;
  - c) Procurement, financial management and disbursement functions;
  - d) Compliance with the Project's safeguard policies; and
  - e) Monitoring and evaluation of the emergency activities.
5. The specific activities to be financed by the proceeds reallocated to the CERC are event and demand driven. The contents of this CERC Manual represent the framework by which this component will be triggered and by which the approved activities will be coordinated and implemented in accordance with World Bank and national policies and procedures as agreed with the World Bank.



6. Where risks and impacts of planned CERC activities overlap in nature and geographic scope with those identified in the existing ESMFs, the environmental and social provisions for mitigating risks and impacts in the existing ESMFs should apply. In the event that overlap is not established, new environmental and social provisions for mitigating risks and impacts associated with the proposed CERC activities will be advanced under the CERC-ESMF Addendum to the projects ESCP document.

## Background

7. The Government of Sint Maarten (GoSM) through the Ministry of General Affairs (MoGA) has committed to the Sint Maarten Digital Government Transformation Project (DGTP), which is being implemented by the NRPB. The Project (P172611) is financed by a US\$12 million grant from the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund administered by the World Bank, for which the NRPB is the recipient. The Project's development objective is to enhance the access, efficiency, and resilience of selected administrative public services for citizens and businesses.

8. In an event or imminence of an eligible crisis or emergency, the NRPB may submit a request to reallocate funding within the Digital Government Transformation Project (P172611) vis-à-vis the allocation of uncommitted financial resources to the CERC to support eligible emergency response activities. The use of such resources will be subject to World Bank no-objection.

## Mechanism for Triggering the CERC

9. The Digital Government Transformation Project Grant Agreement establishes: In order to ensure the proper implementation of contingent emergency response activities under Component 4 of the Project ("Emergency Response Component"), the NRPB, at the official request of the Minister of General Affairs [relevant officials of the Government], in accordance with the relevant legislation, shall:

A. In consultation with the MoGA and relevant participating institutions, prepare and furnish to the Bank for its review and approval, a Contingent Emergency Response Manual ("CERC Manual") for Sint Maarten, which shall have been approved by the Minister of General Affairs, setting forth detailed implementation arrangements for the Emergency Response Component, including:

- a) Any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Component, including the coordination mechanisms between the NRPB and any participating institutions;
- b) Specific activities which may be included in the Emergency Response Component, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion;
- c) Financial management arrangements for the Emergency Response Component;



- d) Procurement methods and procedures for the Emergency Response Component;
- e) Documentation required for withdrawals of Emergency Expenditures;
- f) Environmental and social management arrangements and instruments applicable to the Emergency Response Component consistent with the provisions of Section I.E. above; and
- g) Any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Component.

- B. Afford the World Bank a reasonable opportunity to review the proposed CERC Manual;
- C. Promptly adopt the CERC Manual for the Emergency Response Component as accepted by the World Bank and integrate it as an annex to the Operations Manual;
- D. Ensure that the Emergency Response Component is carried out in accordance with the CERC Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual and the GA, the provisions of the GA shall prevail; and
- E. Not amend, suspend, abrogate, repeal or waive any provision of the CERC Manual without the prior written confirmation of the MoGA and the prior written approval of the World Bank.

10. The NRPB shall, throughout the implementation of the Emergency Response Component, maintain or ensure the maintenance of, as appropriate, the institutional structures and arrangements established in accordance with the CERC Manual, with adequate staff and resources satisfactory to the Bank.

11. The NRPB shall not undertake, or ensure that no activities are undertaken, as relevant, under the Emergency Response Component unless and until the following conditions have been met in respect of said activities:

- a) The Government has determined that an eligible crisis or emergency has occurred, and the NRPB, with the formal concurrence of the Minister of General Affairs, has furnished to the Bank a request and the said concurrence of the Minister of General Affairs to include the relevant activities in the Emergency Response Component in order to respond to said eligible crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the NRPB thereof;
- b) The NRPB, in coordination with the participating institutions, as applicable, has prepared an Emergency Action Plan to carry out the activities referred to in (a) above, in accordance with the CERC Manual, and which plan the Bank has determined to be acceptable.
- c) The NRPB has, in coordination with relevant participating institutions,
  - 1. ensured the preparation and disclosure of all Environmental and Social Instruments required for said activities, in accordance with the CERC Manual, Section I.E of the GA and the ESCP, and
  - 2. ensured the appropriate implementation of any actions that are required to be taken under said instruments, all to the satisfaction of the World Bank.
- d) The NRPB has, and has confirmed that the relevant participating institutions have, the staffing, resources and institutional arrangements necessary for the purposes of implementing the Emergency Action Plan, as described in said Action Plan; and



- e) The NRPB has confirmed that the relevant participating institutions have adopted the CERC Manual, which shall be in form, substance and manner acceptable to the Bank.

12. The causal relationship between the eligible emergency and the need to activate the CERC in order to withdraw proceeds will be established by an official Government's declaration of emergency in accordance with the Government of Sint Maarten legal framework for Declaration of Emergency or Statement of Facts acceptable to the Bank, based on a preliminary assessment of impact and needs.

13. The Statement of Facts can be a third-party declaration of emergency, such as the United Nations (UN) Flash Appeal. In case of national emergencies or natural disasters, third-party declarations will be considered for triggering, such as National Oceanic and Atmospheric Administration (NOAA), UWI Seismic Research Center, the World Health Organization (WHO)/Pan American Health Organization (PAHO) Risk Assessment level 2 grade and greater as described by the WHO/PAHO Emergency Response Framework; or an equivalent grading by other international agencies such as World Organization for Animal Health (OIE), United Nations Environment Program (UNEP), or the Food and Agriculture Organization (FAO).

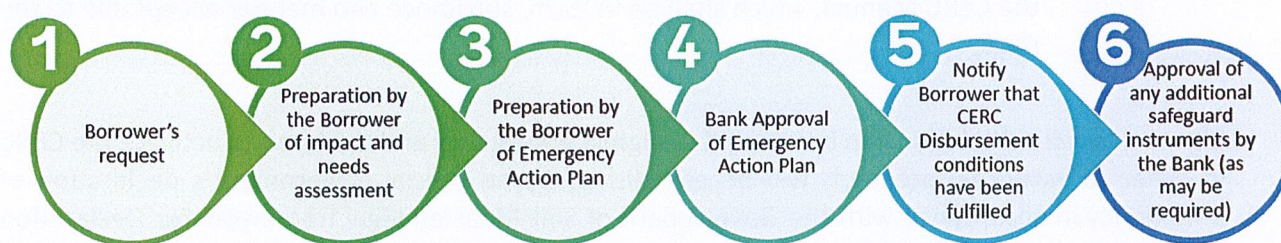
14. The Government shall seek support through the NRPB from the World Bank to select a list of activities for financing under CERC based on the positive list presented in table 2 and priorities identified at the preliminary assessment of impact and needs. Likewise, the Government may seek advice through the NRPB from the World Bank in the selection of which Project's components will reallocate funds to the CERC, if necessary.

15. An official letter of request to trigger CERC shall be sent by the NRPB to the World Bank's Country Director, with the formal concurrence of the Minister of General Affairs, indicating the following information:

- a) Nature of emergency, its general impacts, and confirmation of the causal relationship, as supported by the official declaration of emergency, between the event and the need to access the funding through CERC;
- b) Indication of the Project's funding to be reallocated to CERC and the distribution of reallocation across components and disbursement categories;
- c) General description of emergency activities to be carried out with estimated cost (brief description) in the form of an Action Plan; and
- d) Implementation modalities with respect to decentralized activities.



Fig. 1. Sequence for activation



## Coordination and Implementation Arrangements

16. The project will be implemented and managed by the NRPB in close coordination with the relevant agencies of the Government of Sint Maarten. The NRPB is the primary counterpart for the project. The Project's implementation arrangements will apply to the CERC. Throughout the CERC implementation period, the NRPB will collaborate with all relevant government departments and agencies.

17. The NRPB is responsible for managing all the technical aspects of the project, including monitoring and evaluation, financial management, procurement, environmental and social standards activities, and implementation of digital initiatives across the seven ministries of Government. A Project Coordinator has been contracted by the NRPB and will represent the NRPB at all Project-related activities. The NRPB will assign a Senior Program Manager to act as CERC Coordinator in case this component is triggered. If any specific implementation and coordination arrangements are necessary, such arrangements may be detailed in the emergency action plan.

18. Below, table 1 summarizes the specific implementation steps associated with the emergency activities and the assigned responsibilities.



Table 1. Steps for Implementation

| Step | Actions   | Responsible  |
|------|---|--|
| 1    | <b>The decision to trigger CERC:</b> In the event of an official declaration of emergency, based on preliminary Damage and Needs Assessment, the NRPB will, with the formal concurrence of the MoGA, inform the Bank about its interest in triggering CERC  | NRPB/MoGA  |
| 2    | <b>Identification of emergency activities:</b> Following the decision to trigger CERC, the NRPB and MoGA will seek support from the Bank in the selection of a list of emergency response activities within the Positive List based on results of the preliminary impact and needs assessment. Summary information will be prepared on proposed activities, including the nature and amount of goods, the location, and type of the proposed emergency services/works and their preliminary technical specifications, estimated costs, and safeguard implications.    | MoGA/NRPB/ WB/ MOH/Emergency Operations Center (EOC)/OTHER |
| 3    | <b>A request of activation:</b> The NRPB, with the formal concurrence of the MoGA, will send a letter requesting the activation of the CERC to WB. This letter shall include the description of the event, the needs, the indication of funding source and amount to be reallocated, and a list of activities to be carried out in response to the emergency (in the form of an <b>Action Plan</b> )  | NRPB/MoGA  |
| 4    | <b>WB review and non-objection:</b> The World Bank upon positive review of activation request grants no-objection.  | WB   |
| 5    | <b>Reallocation:</b> The World Bank processes the recommended reallocation of funds from Project components to CERC.  | WB   |
| 6    | Implementation of Emergency Activities: The NRPB initiates the implementation of approved emergency activities.   | NRPB   |
|      | a) Procurement: Major activities under this step include, inter-alia, (i) analysis of procurement implementation capacity and methods; (ii) preparation of technical specifications and bills of quantities for critical goods, works, and non-consulting services, (iii) recruitment of consultant/consulting firm for design/supervision of emergency subprojects; and (iv) procurement of goods, works, and non-consulting services for implementation of emergency activities.  |  |
|      | b) Financial Management and Progress Reporting: The NRPB will follow the Project's FM and reporting procedures as defined in the Project Operations Manual. An external financial audit firm will audit the annual financial statements of the whole Project.<br>c) Safeguards: The NRPB Safeguards will screen the CERC activities to confirm the environment and social risk, and will prepare the needed Safeguard Instruments according to the magnitude, scope, and nature of the works, describing the mitigation measures to be implemented during the various |  |



|   |  |      |
|---|--|------|
|   | <p>project phases. NRPB will properly monitor the ESHS implementation and report the results to the World Bank</p> <p>d) Safeguards: The NRPB will appoint an environment and a safeguards specialist for the CERC activities, which will need to follow the procedures in the CERC -ESMF which is an Annex to the Project's ESMF.</p> <p>e) Monitoring and Evaluation: The oversight and reporting mechanisms established for the Project will also be applied.</p> |      |
| 7 | Final reporting: a final report will be prepared by the NRPB once all emergency activities are finished and submitted to the WB within six months of the CERC closing date.  | NRPB |

## Procurement

19. The NRPB is responsible for ensuring that the procurement policies and procedures governing the CERC are fully and successfully applied to the contracting of goods, works and services related to the emergency activities. In addition to ensuring that the procurement policies and procedures are applied, the NRPB is also responsible for ensuring that all proposed emergency activities are eligible for financing.

20. Procurement will be carried out in accordance with the 'World Bank Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services' dated July 2016 and revised in November 2017 and August 2018 ('Procurement Regulations') and applicable to Investment Project Financing (IPF). The project is subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.

21. The CERC will finance a combination of goods, consultancy services and works for emergency repairs for emergency response. During the immediate response and recovery phase of the emergency situation, the immediate response procurement process is going to be under ex-post supervision

22. The thresholds for selection methods, and prior review to be applied to procurement under CERC during the reconstruction phase based on the World Bank's emergency procurement procedures will be agreed with the Bank and included in the Project Procurement Strategy for Development (PPSD) and the Procurement Plan.

23. The World Bank will determine the contracts for prior review that will be subject to post review.

24. Bidding Documents: International procurement for works, goods and non-consulting services will be carried out using the Bank's Standard Procurement Documents (SPD). The Standard Request for Proposal (RFP) shall be used for the selection of consultants through competitive



procedures. In the case of National Procurement, a simplified version of bidding documents as agreed with the Bank can be used. For shopping, simple Invitation to quote shall be used.

25. In accordance with paragraph 2.1 and 2.2 (e) of Annex 4 of the Procurement Regulations, each bidding document and contract financed out of the proceeds of the grant shall provide the provisions on fraud and corruption, and the provision that the bidders, suppliers, contractors and subcontractors shall permit the World Bank to inspect their accounts, records and other documents relating to the bid submission and performance of the contract, and to have them audited by auditors appointed by the World Bank.

26. Table 2 below presents a positive list that should be used for the procurement or reimbursement of already procured goods that might be required for the Government's emergency response and recovery efforts, as well as services, works and operational costs. Any activities that go beyond the positive list presented in Table 2 below are considered ineligible unless agreed by the NRPB and the Bank. The Government of Sint Maarten and the Bank may reach agreement on the conditions for the release of the financial tranches and the required documentation and certifications, such as customs and tax certificates or invoices. The acceptable procedures and addressing any associated risks and mitigation measures should be agreed upon.

27. The activities or subprojects that will be financed by the CERC Component should avoid activities or subprojects with complex environmental and social aspects (for example resettlement), because the CERC objective is to support immediate priority activities (less than 18 months). The subprojects with more environmental and social complexity could be financed with other specific sources of financing.

Table 2. Positive List of Goods Services and works

**Table 2: Positive list of goods, services and works**

| Item   |
|--|
| <b>Goods</b>   |
| <ul style="list-style-type: none"> <li>• Medical equipment and supplies</li> <li>• Non-perishable foods, bottled water and containers</li> <li>• Tents for advanced medical posts, temporary housing, and classroom/daycare substitution</li> <li>• Equipment and supplies for temporary housing/living (gas stoves, utensils, tents, beds, sleeping bags, mattresses, blankets, hammocks, mosquito nets, kit of personal and family hygiene, etc.) and school</li> <li>• Gasoline and diesel (for air, land and sea transport) and engine lubricants</li> <li>• Spare parts, equipment and supplies for engines, transport, construction vehicles.</li> <li>• Vehicles (Vans, trucks and SUVs) – (only eligible for import reimbursement)</li> <li>• Equipment, tools, materials and supplies for search and rescue (including light motor boats and engines for transport and rescue)</li> <li>• Tools and construction supplies (roofing, cement, iron, stone, blocks, etc.)</li> <li>• Equipment and supplies for communications and broadcasting (radios, antennas, batteries)</li> <li>• Water pumps and tanks for water storage</li> <li>• Equipment, materials and supplies for disinfection of drinking water and repair/rehabilitate of black water collection systems.</li> <li>• Equipment, tools and supplies for agricultural, forestry, and fisheries.</li> <li>• Feed and veterinary inputs (vaccines, vitamin tablets, etc.)</li> </ul> |
| <b>Services</b>  |
| <ul style="list-style-type: none"> <li>• Consulting services related to emergency response including, but not limited to urgent studies necessary to determine the impact of the disaster and to serve as a baseline for the recovery and reconstruction process, and support to the implementation of emergency response activities.</li> <li>• Non-consultant services including, but not limited to: investigations and surveys, aerial photographs, satellite images, maps and other similar operations, information and awareness campaigns.</li> </ul>   |
| <b>Works</b>   |
| <ul style="list-style-type: none"> <li>• Repair of damaged infrastructure including, but not limited to: water supply systems, dams, reservoirs, canals, transportation systems, energy and power supply, telecommunication</li> <li>• Repair of damaged public buildings, including schools, hospitals and administrative buildings</li> </ul>  |
| <b>Emergency Operating Costs</b>   |
| <ul style="list-style-type: none"> <li>• Incremental expenses by the Government for a defined period related to early recovery efforts arising as a result of the impact of an emergency. This includes, but is not limited to: costs of staff attending emergency response, operational costs and rental of equipment</li> </ul>  |



Table 3. Negative list under the CERC

| 1  | Uses for goods and equipment financed by the CERC, which also applies to use and storage for DRM-related activities including hazard monitoring, disaster preparedness, and future response to natural disasters.  |
|----|--|
| 2  | Activities of any type classifiable as High Risk per ESF (ESS 1)   |
| 3  | Activities that would lead to conversion or degradation of critical forest areas, critical natural habitats, and clearing of forests or forest ecosystems, etc.  |
| 4  | Activities affecting protected areas (or buffer zones thereof), other than to rehabilitate areas damaged by previous natural disasters or other phenomena  |
| 5  | Land reclamation (i.e., drainage of wetlands or filling of water bodies to create land)  |
| 6  | Land clearance and leveling in areas that are not affected by debris resulting from the eligible crisis or emergency   |
| 7  | River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel)  |
| 8  | Activities that will result in the involuntary taking of land, relocation of households, loss of assets or access to assets that leads to loss of income sources or other means of livelihoods, and interference with households' use of land and livelihoods.   |
| 9  | Construction of new roads, realignment of roads, or expansion of roads, or rehabilitation of roads that are currently located on communal lands but will be registered as government assets after rehabilitation.  |
| 10 | Construction works, or the use of goods and equipment on lands abandoned due to social tension / conflict, or the ownership of the land is disputed or cannot be ascertained   |
| 11 | Construction works, or the use of goods and equipment to demolish or remove assets, unless the ownership of the assets can be ascertained and the owners are consulted   |
| 12 | Construction works, or the uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor  |
| 13 | Construction works, or the uses of goods and equipment for military or paramilitary purposes.  |
| 14 | Construction works, or the uses of goods and equipment in response to conflict, in any area with active military or armed group operations   |
| 15 | Activities which, when being carried out, would affect, or involve the use of, water of rivers or of other bodies of water (or their tributaries) which flow through or are bordered by countries other than the Borrower/Recipient, in such a manner as to in any way adversely change the quality or quantity of water flowing to or bordering said countries. |
| 16 | Use of asbestos-based construction materials for reconstruction works  |



## Project Procurement Strategy for Development and Procurement Plan

28. The procurement arrangements under CERC shall be designed and included in the Project Procurement Strategy for Development (PPSD). PPCSD should be simplified and fit for purpose. Selection methods, selection arrangements, and market approach options including the security considerations, using streamlined procedures e.g., use of Direct Selection or Request for Quotations for large contracts should be adopted when it is appropriate.

29. To streamline the market approach, ensure better outcomes and efficiency when facing emergency, the NRPB will conduct periodic supply market assessments as a base source of information for procurement of items that can be required in case of such emergency (see the positive list). A good understanding of the reality of the prevailing market conditions in the country, its competitiveness, and the country's logistical infrastructure is essential for determining an appropriate delivery strategy for the project.

30. If the situation of the immediate response and recovery does not allow time and resources during preparation, completion of the PPCSD can be deferred to the implementation phase. Streamlined procurement arrangements, especially those that limit competition such as Direct Selection shall be documented in the PPCSD.

31. A Procurement Plan will be prepared based on the approved list of emergency activities as soon as it is feasible to the NRPB. This plan will also be used for monitoring and reporting purposes.

### Selection Methods

#### Consultants

32. Direct Selection. Direct selection of consulting firms and individuals should be used only if it presents a clear advantage over competition for the required consulting services. Firms that are already working in the country and that have a proven track record in similar assignments may be the most suitable option for the start-up activities. Consultants selected on a single-source basis may be given the right to participate in future assignments under the same project if there is no conflict of interest with the tasks performed under the initial contract. However, for future or downstream assignments, any available information must be shared with all participating firms to ensure a level playing field.

33. Selection of Consulting Firms through Consultants' Qualification Selection (CQS). CQS is often the appropriate method for small assignments. When justified, the Bank may agree to the use of CQS for contracts estimated to cost more than \$300,000.

34. Consultant Shortlists. On an exceptional basis the Bank may clear shortlists of consultants where fewer than five firms have expressed an interest to submit requests for proposals and where a wide geographic spread of shortlisted consultants cannot be achieved. If advertising at an international or national level would impede a rapid selection, advertisement for expressions of



interest may be forgone or limited to the local/state level for assignments with estimated cost of less than \$300,000. The selected firm is then requested to submit simplified technical and financial proposals.

35. Other Streamlined Approaches. Using a “pool of experts” or a list of “preselected” consulting firms may also be considered as an appropriate method for supporting counterpart agencies at various steps of project execution, including the procurement process and the preparation of ToR, shortlists, RFPs, and bidding documents. Remuneration and fees may be resolved at the time of pre-selection and prescribed in a framework agreement.

### Civil Works, Goods and Non-consulting Services

36. Direct Selection. Direct selection for the procurement of goods, and non-consulting services may be used to extend an existing contract or award new contracts in response to disasters. For such contracting to be justified, the Bank should be satisfied that the price is reasonable and that no advantage could be obtained by further competition. The direct contracting may be from the private sector, UN agencies/programs, or contractors or NGOs that are already mobilized and working in the emergency areas.

37. Request for Quotation. Request for Quotations may be an appropriate method for procuring readily available off-the-shelf goods. The Request for Quotations selection method can be used even for large contracts and the justification noted in the PPSD or procurement records as appropriate. Normally at least three price quotations should be obtained. In case that less than three suppliers or contractors are available (or less than 3 quotations are received), such situation shall be noted in the procurement records and the process shall be continued.

38. National Procurement Procedures. Simplified National procedures and documentation agreed with the Bank can be used where International procedures are considered inappropriate or too complex due implementation capacity issues, and where there is clearly no international market appetite to participate in bidding.

39. The procurement procedure to be followed for National Competitive Bidding (NCB) shall be the open competitive bidding procedure set forth in the country’s relevant Procurement laws and associated regulations that meet the requirements specified in paragraphs 5.3 – 5.6 of the Regulations and are consistent with the Bank’s Core Procurement Principles.

40. Simplification of Pre and Post Qualification criteria. The pre- and post-qualification criteria requirements of the Bank’s SBDs for both Large Works and Small Works can be amended to optimize the participation of available local or regional contractors by adapting the qualification requirements to match the qualifications of available and competent local and regional contractors.

41. Prequalified Suppliers and Contractors. Using lists of prequalified suppliers and contractors, to whom periodic invitations are issued, may also help accelerate the procurement process. Such an approach could be used for many similar simple contracts of any size, as well as for procurement of commodities. Prequalification documents may use a simplified format that is



acceptable to the Bank. Suppliers and contractors would be asked to provide quotations for simple unit prices, as for commodities. Contracts should be awarded on a competitive basis, and may be for up to two years, with a price escalation clause and the possibility of extension upon mutual agreement between the client and the supplier.

42. Accelerated Bid Times. Under International and National procurement, accelerated bid times might be envisaged, but bidding periods shorter than 15 days for International bids and 7 days for National bids should be cleared with the Bank, taking into consideration the capacity of firms (local and international) to prepare responsive bids in a short period.

43. Waiving Bid and Performance Security Requirements. For small contracts for goods or works, the preparation of bids by small and medium-size suppliers or contractors can be accelerated by taking the option, set out in paragraph 5.35, Section V of the Procurement Regulations, of not requiring a bid security. Similarly, in the case of small contracts for works or supply of goods, the borrower may decide not to require a performance security. However, in works contracts, retention money may be retained during the liability period; and for goods contracts, manufacture warranties will be requested.

44. Advance Payment. Where it is not easy for contractors and suppliers to obtain lines of credit from banks, the Government may consider increasing the amount of advance payment under works and supply contracts to up to 40 percent of the contract value, provided that the contractor/supplier provides a bank guarantee for the same amount and the World Bank clears this increased value of advance payment.



## Special Procurement Arrangements

### Commodities

45. Procurement of commodities, such as fuel, must be in accordance with paragraph 6.51, Section VI of the Procurement Regulations. Priority commodities must be determined in response to the basic needs resulting from the emergency, in particular the outreach needs of the poorest people.

### Force Account

46. In emergencies, when construction firms are unlikely to bid at reasonable prices because of the location of and risks associated with the project or a certain government agency has a sole right in certain type of work (e.g., railway track work, high tension transmission cables), Force Account for repair/reconstruction using the Government agency's own personnel and equipment or a government-owned construction unit may be the only practical method (see paragraph 6.54 and 6.55, Section VI of the Procurement Regulations).

### Use of stand-by arrangements.

47. There is no need to wait for an emergency for making arrangements for procurement of emergency works, goods and services. The NRPB may carry out advanced procurement procedures according to those established in this Manual and WB Procurement Guidelines under Framework Agreements (FAs). This long-term agreement with suppliers, contractors and providers of non-consulting services sets out terms and conditions under which specific procurements (call-offs) can be made throughout its term. FAs are generally based on prices that are either agreed or determined at the call-off stage through competition or a process allowing their revision without further competition. Prior arrangements allow the offering and signing of contracts, whose execution is only triggered when a disaster occurs.

### Use of Procurement Agents

48. The NRPB may hire a procurement agent (PA) or project management agent (PMA) if it is considered the most efficient option. The PA/PMA should be selected in accordance with paragraph 7.31 of Section VII of the Procurement Regulations for IPF Borrowers. Where large numbers of small contracts are involved, the Borrower may also employ a management contractor. One main criterion for selecting a PA/PMA is the firm's ability to deploy its staff for the Borrower in a timely manner.

## Use of United Nations Agencies

49. UN agencies may be hired on sole-source basis for contracts for which they offer their unique roles and qualifications in responding to the emergency situations. Standard forms of agreement for UN agencies as acceptable to the Bank will be adopted. For those UN agencies, where such forms have not been agreed with the Bank, the Bank's team will provide acceptable sample forms.

50. The UN agencies may participate in activities financed by the World Bank or WB-administered trust funds in one of the following ways:

- a) The UN implements all or part of project activities on behalf of the country;
- b) The UN acts as a supplier of critical goods (e.g., vaccines) under a WB-financed project; and
- c) The UN acts as a provider of technical services under a WB-financed project.

## Alternative Procurement Arrangements

51. The NRPB may consider using other multilateral or bilateral agency or organization in project design in accordance with Section III.F of the Procurement Policy, if agreed with the Bank. In such a case, the Bank may agree to rely on and apply the procurement rules and procedures of the agency or organization and may agree to such party taking a leading role in providing implementation support and monitoring of procurement activities.

## Fraud and Corruption

52. All procurement entities as well as bidders and service providers (i.e., suppliers, contractors, and consultants) shall observe the highest standard of ethics during the procurement and execution of contracts financed under the Project in accordance with Annex IV of the Procurement Regulations.

## Disbursement & Financial Management

53. The NRPB is responsible for ensuring that the financial management and disbursement policies and procedures governing the Project are fully and successfully applied to the management of the financial resources mobilized in support of the identified emergency activities. These policies and procedures are detailed in the Financial Management section of the DGTP Operation Manual. A new sheet will be added to the Interim Financial Reports to report expenditures against the CERC component of the project.

54. Incurred expenditures under Disbursement Category for Emergency Expenditures under CERC will be audited by the external auditor alongside other Project activities.



## Environmental and Social Framework Compliance

55. Activities financed under the CERC component will be mainly limited to the provision of critical goods and services, as well as repair of infrastructure as indicated in the positive list above. Activities which would be considered high risk such as land acquisition leading to involuntary resettlement and/or restrictions of access to resources and livelihoods, will be determined as ineligible through the use of the negative list above. New instruments will be publicly consulted upon and disclosed.

56. The Environmental and Social Management Framework (ESMF) for activity financed through the contingent emergency response is included in the DGTP's updated ESMF, as the CERC ESMF annex. The CERC ESMF annex provides a screening tool which will be applied to all eligible activities under the CERC. The results of the screening will determine further if the activity is suitable for financing under the CERC, and if the mitigation measures described in CERC ESMF annex are sufficient to manage the risks of the activities or if other risk management instruments (a site specific ESMP or a Pest Management Plan for example) needs to be developed. The screening will be done by the Environmental and Social specialists in the NRPB.

## Monitoring & Evaluation

57. The NRPB recognizes the particular importance of monitoring and evaluation of the CERC given that it represents a novel approach to disaster recovery financing and will require particularly strong oversight in order to ensure appropriate emergency activity implementation. In case of activation, additional indicators related to CERC will be added to the Project's Result Framework during restructuring. The CERC activities will be part of the regular project monitoring and will be assessed as part of the final project evaluation.

58. Given the number of post-disaster activities that may be initiated shortly after the approval of the use of the contingent funding – in addition to those already under implementation – the NRPB may hire additional technical consultants to support supervision and procedural compliance efforts, particularly as they pertain to social and environmental safeguards.



## CERC Closing

59. It is noted that a CERC will be activated at any time during project implementation. Considering that the CERC is expected to be implemented in a relatively short time, the Project's implementation will continue after the EAP has been completed. Accordingly, all technical, fiduciary and safeguard requirements related to the CERC will be finalized within six months of the end of implementation of the EAP and should not go beyond the disbursement deadline of the project. These include:

- a) Fiduciary Requirements, such as Audit Report, interim unaudited financial reports, and proper documentation and closing of CERC designated account.
- b) M&E Requirements, such as final evaluation report of CERC, and any other technical and social and environmental reports agreed upon CERC activation.

60. In case of a surplus of goods, these goods may be used by the Government. The management of vehicles, motorcycles, boats and other equipment should follow the standard administrative and inventory procedures applicable to other project assets managed by CERC Implementing Agency. CERC Implementing Agency will be required to report annually on the usage and location of the equipment, purchased under the CERC until the Project/s closes. This will be reviewed and audited by the external auditor alongside other Project activities as indicated in the external audit TOR after the EAP implementation period. The reports must document that goods are used as outlined in the ERM and that the negative list of uses is complied with.

61. Within four months after end of implementation of the EAP, CERC Implementing Agency will document expenditures, verify inventories, and finalize payments. On receipt of the final progress and financial reports on the activities undertaken under the agreed EAP, the Bank (through the Country Director) will notify the GoSXM that the CERC for the specific eligible expenditure is closed, and that no further withdrawals will be permitted for purposes of the specific emergency.

62. **Ex post project restructuring.** Within three months of CERC activation, specifically from the date of notification of fulfillment of the CERC disbursement conditions, the World Bank processes a Level Two restructuring consistent with the IPF Procedure to update the PDO and indicators, the component activities, the disbursement category allocations, and, if needed, the closing date and safeguard policies triggered. The PDO related to the CERC should be concise and outcome oriented, for example: "to provide immediate and effective response to an eligible crisis or emergency."

63. **Additional Financing.** Additional financing may be used to fully or partially replenish the funds reallocated to the CERC. In such cases, the restructuring may be embedded within the documentation and processing of the additional financing, as long as the additional financing is expected to be processed and approved within six months after CERC activation. If processing of the additional financing will take longer, the team should process the restructuring within three months following CERC activation and process the additional financing separately.



## Government of Sint Maarten Approval

64. In accordance with the Grant Agreement Section F.3.(e) “the Recipient has confirmed that the relevant Participating Institutions have adopted the CERC Manual, which shall be in form, substance, and manner acceptable to the Bank.” The Government of Sint Maarten hereby approves this CERC Manual under the Digital Government Transformation Project.

Signed

23 MAR 2022

Prime Minister of Sint Maarten, and Minister of General Affairs  
Ms. Silveria E. Jacobs

*Cc. - National Recovery Program Bureau, Att. Director C. Connor*

