

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**GUYANA**

**ROAD NETWORK UPGRADE AND EXPANSION PROGRAM**

**(GY-L1031)**

**LOAN PROPOSAL**

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<b>ELECTRONIC LINKS</b>	
<b>REQUIRED</b>	
1. Annual Operating Plan (AOP)	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782380">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782380</a>
2. Monitoring & Evaluation Plan	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782373">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782373</a>
3. Environmental and Social Management Report (ESMR) <sup>1</sup>	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782340">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782340</a>
<b>OPTIONAL</b>	
1. Procurement Plan	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782335">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782335</a>
2. Sheriff Street Mandela Avenue Roadway Technical Analysis Report	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782285">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782285</a>
3. Sheriff Street - Mandela Avenue Roadway Economic Feasibility Report	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782200">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782200</a>
4. Public Transport Study Report	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782214">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782214</a>
5. Institutional Assessment Report	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782178">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782178</a>
6. Logic Framework	<a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782193">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36782193</a>

<sup>1</sup> If required and as specified in the guidelines for OP-703 and Disaster Risk Management Policy.

\* Brief description of content/issues related to design or implementation of project. Include reference to Chapter/paragraph.

### ABBREVIATIONS

AOP	Annual Operation Plan
BCR	Benefit Cost Ratio
E&S	Environmental and Social
EA	Executing Agency
EBDMR	East Bank Demerara Main Road
ECDMR	East Coast Demerara Main Road
EIRR	Economic Internal Rate of Return
ESIA	Environmental and Social Impact Analysis
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMR	Environmental and Social Management Report
FSO	Fund for Special Operations
GOG	Government of Guyana
HDM 4	Highways Development and Management Model 4
ICB	International Competitive Bidding
ICB	International Competitive Bidding
IDB	Inter-American Development Bank
LRR	Loan Review Report
MHA	Ministry of Home Affairs
MPW	Ministry of Public Works
NPV	Net Present Value
NRSC	National Road Safety Council
NSF	New Supervisory Framework
OC	Ordinary Capital
OM	Operations Manual
PCR	Project Completion Report
PEP	Project Execution Plan
PP	Procurement Plans
RAC	Road Agency Costs
RFP	Request for Proposals
RMMS	Routine Maintenance Management System
RSAP	Road Safety Action Plan
TC	Technical Cooperation
TOR	Terms of Reference
VPH	Vehicle per hour
WSG	Works Services Group

**PROJECT SUMMARY**  
**GUYANA**  
**ROAD NETWORK UPGRADE AND EXPANSION PROGRAM**  
**(GY-L1031)**

<b>Financial Terms and Conditions</b>				
<b>Borrower:</b> Co-Operative Republic of Guyana <b>Executing Agency:</b> Ministry of Public Works (MPW)		<b>Amortization Period:</b>	<b>FSO</b>	<b>OC</b>
			40 years	30 years
<b>Source</b>	<b>Amount (US\$ million)</b>	<b>Disbursement Period:</b>	5 years	5 years
<b>IDB (OC)</b>	33.1	<b>Grace period:</b>	40 years	5.5 years
<b>IDB (FSO)</b>	33.1	<b>Supervision &amp; Inspection Fee:</b>	N/A	**
<b>Other / Cofinancing</b>	-	<b>Interest Rate:</b>	0.25%	LIBOR based
<b>Local</b>	3.0	<b>Credit Fee:</b>	N/A	**
<b>Total</b>	69.2	<b>Currency of Approval:</b>	USD	USD
<b>Project at a Glance</b>				
<p><b>Objective.</b> The general objective of the Program is to enhance mobility and safety by reducing vehicle operating costs, travel times and road fatalities. This objective will be achieved through the upgrade, improvement and expansion of the road network. The specific objectives are to: (i) rehabilitate, improve, expand and construct roads, streets, sidewalks and bikeways; (ii) improve the road safety; (iii) strengthen the institutional capacity of the Executing Agency; and (iv) provide for the maintenance of the roads (¶1.16).</p>				
<p><b>Conditions prior to first disbursement:</b> Conditions prior to the first disbursement of the resources of the loan shall be: (i) evidence that WSG have been staffed with a finance comptroller and two accountants, a procurement officer and a junior procurement officer, a monitoring and evaluation officer, an economist, a social specialist and an environmental specialist and these personnel would be retained throughout the disbursement period of the loan; (ii) evidence that the Operations Manual for the program, with the Environmental and Social Management Framework (ESMF) for the construction and operation phases of the program as an integral part, is approved by the EA and has entered into effect; and (iii) evidence that a Grievance Mechanism for the Program has been designed and ready for implementation.</p>				
<p><b>Special Condition for the Disbursement of Financing of Component 1.</b> Presentation of a resettlement, compensation and local mitigation plan(s) for impacts identified for the Sheriff/Mandela project, developed in accordance with the Bank's policy on involuntary resettlement.</p>				
<p><b>Special execution conditions.</b> Special execution conditions shall be as follows: (i) the Execution Agency shall execute the program and each individual project or activity in accordance with the criteria, requirements, framework and monitoring arrangements set forth in the Environmental and Social Management Report (ESMR); (ii) prior to the call for bids for the Sheriff Mandela project, the EA shall present the results of the stakeholder consultations, the final Environmental Analysis and all final Environmental and Social Management Plans (ESMP), Resettlement, Compensation and Local Impact Mitigation for this project; (iii) prior to the start of the execution of the Road Safety activities comprised in Component 3 (¶1.14), the EA shall submit evidence that the WSG and the National Road Safety Council have subscribed a memorandum of understanding establishing the basis for their cooperation on the execution of said component; (iv) prior to the start of tendering for the civil works other than those included within the scope of the Sheriff Street – Mandela Avenue project, the EA will demonstrate that a Road Safety Action Plan for Guyana has been prepared; and (v) prior to signing any of the civil works contracts financed through the Program, the EA shall submit evidence that it has selected and hired a firm to supervise the execution of the respective civil works (¶3.5).</p>				
<b>Exceptions to Bank policies:</b> None				
<p><b>Project qualifies for:</b>      SEQ <input type="checkbox"/>      PTI <input type="checkbox"/>      Sector <input type="checkbox"/>      Geographic <input type="checkbox"/>      Headcount <input type="checkbox"/></p>				

(\*\*) 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 policies. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. DESCRIPTION AND RESULTS MONITORING

### A. Background, Problem Addressed, and Justification

- 1.1 General context. Guyana is a thinly-populated country of 761,000 inhabitants, who live mostly along the coastal strip. The country has a GDP per capita of US\$2,501.70<sup>2</sup> (2010). The economy depends on the export of six main commodities (sugar, gold, bauxite, shrimp, timber, rice) which represent almost 60% of the country's GDP, and thus it is susceptible to changes in commodity prices. Efficient transportation is critical to sustain Guyana's competitiveness, and to support production and exports.
- 1.2 The country's transportation system is comprised of 3,995 km of roads, 98 km of railroads entirely dedicated to ore transport, one international airport, one regional (short range international) airport, 45 additional airstrips with short runways, a single general cargo seaport in Georgetown, 4 specialized bulk loading facilities and 6,000 km of navigable water-ways for transporting bulk commodities.
- 1.3 Government responsibilities in the transportation sector are spread among various agencies<sup>3</sup>, with the Ministry of Public Works (MPW) taking on the main role. The MPW is basically responsible for transport policy and the provision and maintenance of almost all major transport infrastructure. The MPW's capacity to perform the function of executing agency has been consolidated over the years with the creation, in 2002, of the Work Services Group (WSG). This unit has evolved to become responsible for all works being undertaken by the MPW and also is responsible for the planning and management of road investments and maintenance activities. The Ministries of Agriculture and Local Government assume the responsibility for providing and maintaining some local infrastructure while the Ministry of Home Affairs (MHA) assumes some regulatory functions regarding safety and security of transport services. In relation to road safety, the National Road Safety Council (NRSC) was established in 2006 as the national coordinating mechanism with responsibilities for road safety in the country. The NRSC includes representatives of the MPW, the MHA, the Ministry of Health and the Ministry of Education.
- 1.4 **Guyana's road network.** Guyana has one of the sparsest road networks in South America with 3,995 km of roads serving a country with 216,000 km<sup>2</sup>; however, due to the concentration of the population and the main road system along the coastal areas, the majority of the population has access to paved roads. The 410km national main road network consists of six main roads of two lanes each. There are just two short segments in the paved network that are four lanes each<sup>4</sup>. Most of the main roads are in fair condition since over the last two decades the Government of Guyana (GOG) has pursued a progressive rehabilitation of the roadways and structures. Nevertheless, there are a few sections of the network which have not been rehabilitated and require extensive maintenance. Furthermore, traffic congestion on some sections of the main road network has become a major issue due to increases in the country's vehicle fleet and the creation of new housing schemes in the outskirts of Georgetown.

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<sup>2</sup> Bureau of Statistics - Guyana

<sup>3</sup> MPW&C, Ministry of Housing and Water, Ministry of Agriculture, Ministry of Local Government and Municipalities

<sup>4</sup> Two segments along the East Coast Demerara and East Bank Demerara roads totaling 10km.

- 1.5 **Growth of vehicle fleet.** Rapid growth of the fleet resulted in 43,000 new registered vehicles in the last seven years, with public transport vehicles and trucks making up approximately 20% of the country fleet and accounting for up to 30% of the road trips on the main and urban roads. These factors have contributed to congestion along the main roads leading to and from the city, as well as inside the city, as traffic passes through, moving between the east and south corridors. These heavy traffic corridors also experience the most traffic accidents.
- 1.6 **Sheriff Street-Mandela Avenue.** This road is a 7.1 km main urban artery that crosses the capital city of Georgetown, connecting the East Coast Demerara Main Road (ECDMR) to the East Bank Demerara Main Road (EBDMR). Additionally, the roadway serves as the principal access to many residential areas in Georgetown. Commercial activity is on the rise along the corridor, creating a chaotic mix of pedestrian and vehicular traffic. The road has a two lane configuration and is intersected by frequent perpendicular side streets and 12 major roads. The width of the pavements between varies 9m and 12m with 80% being in fair to poor condition. Current traffic levels on the road exceed 20,000 vehicles per day with peak periods experiencing 1500 Vehicles Per Hour (vph) (capacity on this type of road is 1320 vph) and the average travel speed being less than 30 km per hour for the entire road with some sections averaging only 15km per hour. There are no provisions for pedestrian and bicycle traffic (i.e., no sidewalks or bike lanes), which contributes to a high number of accidents generally involving pedestrians and cyclists. In the period from 2001 to 2007, there were a total of 28 fatal accidents on this 7 km stretch of road, averaging about 4 fatalities per year<sup>5</sup>.
- 1.7 **Main and Access Roads.** The main roads are comprised of two lane roads with two 3.3 m wide driving lanes and shoulders varying between 0.0 and 1.5 m wide. These roads have limited road safety features and there are no provisions for pedestrian and bicycle traffic. There is a total of 10km of four lane road consisting of four 3.4 m driving lanes, shoulders and intermittent parking lanes and sidewalks. There are developments and settlements along the side of the main roads and these roads also serve industries involved in providing construction materials, manufacturing and food or agriculture processing. The traffic along these roads is a mixture of commuter and truck traffic, and congestion can now be experienced along some sections of the network due to the slow moving trucks, the lack of overtaking opportunities owing to the narrowness of the roadway and friction from parked vehicles, pedestrian and bicycle traffic. In addition, access roads to new and established housing schemes outside of Georgetown are commonly two lane roads (between 5m and 6m wide) with little or no provision for pedestrian and bicycle traffic and a single access road is usually shared by two or more housing schemes, further contributing to traffic congestion and safety problems.
- 1.8 **Road Safety.** In 2007, Guyana had LAC's highest traffic-related death rate, estimated at 34.9 fatalities per 100,000 inhabitants<sup>6</sup>. More than 60% of victims were pedestrians, cyclists and passengers of two- and three-wheelers. Unlike other countries in the region, Guyana does not have a national road safety strategy to guide its efforts to reduce traffic accidents, and shows institutional and regulatory weaknesses.

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<sup>5</sup> Mott Mac Donald (November 2011), Sheriff Street – Mandela Avenue Roadway: Technical Analysis Report.

<sup>6</sup> AEC-IDB (August 2009), Diagnosis of Road Safety in Latin America and the Caribbean.

Furthermore, the country lacks capacity to enforce traffic regulations and vehicle inspections, and there is no defined road safety criteria being applied to road projects. And, even though there is a coordination entity embodied by the NRSC, which undertakes public awareness and education campaigns, its resources are very limited and thus its actions fall short of current demands.

- 1.9 **Urban Transport.** The public transport system in Georgetown does not provide an acceptable level of service. Service is provided by private operators using 15-passenger minibuses and the sector regulation and enforcement is weak, leading to extreme competition in the streets in detriment of passenger comfort and safety and exacerbating traffic conditions. Public transport vehicles account for 32%<sup>7</sup> of the road fatalities and 52% of the non-fatal accidents. There are few market entry barriers which has resulted in an excess of service supply that outmatches the transit demand in some areas of the city, thus vehicles at times operate under capacity, threatening the financial sustainability of the system. Moreover, transit fares do not reflect generally the actual operating costs and are not updated accordingly, minibus owners are likely to reduce vehicle maintenance and fleet renewal to stay in business. The system is currently in a circle where weak regulation leads to an excess of service supply, a low level of service, a reduction in passenger demand and the associated reduction in revenues, which in turn negatively affects the level of service.
- 1.10 **Road Maintenance.** Guyana's main road network was brought under a Routine Maintenance Management System (RMMS) administered by the WSG in 2003. The RMMS currently maintains 326 km of main road through three year contracts with the private sector. It is envisaged that this number would grow by another 84 km in the next two years as rehabilitation project move from defects liability to maintenance periods. Maintenance has been funded since the inception of the system from counterpart resources under Loan No. 999/SF-GY, Loan No. 1803/SF-GY and Loan No. 2454/BL-GY. The available funding for the RMMS would be exhausted in 2013.
- 1.11 **The Country's Strategy.** The country's strategy for the road subsector consists of: (i) rehabilitation, improvement and extension of the road network, financed by external resources, and (ii) routine maintenance of the rehabilitated network financed by recurrent resources. This strategy aims to reduce transportation costs, improve market access and overall competitiveness, and increase coverage of maintenance activities of main roads, bridges and other infrastructure. The GOG has been actively restoring infrastructure to improve traveling conditions and road safety along public roads and within the context of the US\$83.2 million 2011/2012 bi-annual allocation of resources from the Fund for Special Operations (FSO), 80% of these resources has been dedicated to the Transport Sector. Routine Maintenance programs have been successfully implemented with funds from the treasury since 2003, and they involve the private sector through the contracting out of performance-based maintenance activities. In addition, the creation of the NRSC in 2006 represents an effort of the GOG to reduce the number of injuries and fatalities caused by road accidents.
- 1.12 **The Bank's Strategy.** The proposed program is in line with the IDB's country strategy with Guyana 2008-2012 (GN-2503-1) that aims to support the Government's vision for accelerating economic growth through economic diversification and

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<sup>7</sup> ND Lea Consultants (2003) – Public Transport Study



targeted social development. This strategy promotes the improvement of the quality and coverage of the road network as a pillar of the strategic infrastructure investments in support of the economic diversification objective. The main areas of focus of the transport sector interventions are: (i) to develop a balanced transport system; (ii) to develop criteria to prioritize projects rationally within a general strategy; (iii) to provide for the improvement and the regulation of the transport system; and (iv) to improve the performance of the main logistic chains which sustain the economic growth of the country. These interventions, along with the country's sector strategy, aims to improve and expand capacity of the road network, while assuring its technical, financial, socio-environmental and economic sustainability.

1.13 **Program rationale and Strategy implementation.** There is a great need for investments in the maintenance, expansion, improvement and construction of roads in Guyana, as well as in roads safety. The Bank, following the country strategy, has been financing works in the main and secondary road network. The Bank has supported this strategy by means of seven prior operations<sup>8</sup> (three in execution) totaling US\$210 million that focused on the rehabilitation of 300 km of the main road and secondary network and one for the expansion of a section of road to four lanes between Providence and Diamond. Also, contributions were made towards developing and improving sustainable routine maintenance mechanisms for the entire main road network. Current Bank operations include provisions for works, road safety and maintenance, and studies for the upgrading and expansion of the main road and Georgetown city networks. The table below shows the areas of involvement in the last seven operations financed by the Bank:

Areas of involvement	LO 890/SF	LO 999/SF	LO 1094/SF	LO 1554/SF	LO 1803/SF	LO 2215/BL	LO 2454/BL
Road and Bridges Rehabilitation	✓	✓	✓	✓	✓	✓	✓
Routine & Periodic Maintenance		✓	✓		✓	✓	✓
Weight Control			✓				
Road Safety	✓	✓	✓	✓	✓	✓	✓
Institutional Strengthening		✓	✓	✓			

1.14 Ex-post economic analysis carried out on the main civil works components of the recently completed Loan No. 999/SF-GY (bridges) had a Net Present Value (NPV) to Road Agency Costs (RAC) ratio of 6.25; Loan No. 1094/SF-GY (road) had an Economic Internal Rate of Return (EIRR) of 22% and Loan No. 1554/SF-GY (road) had an EIRR of 38%, all demonstrating positive outcomes.

<sup>8</sup> Main Road Rehabilitation Program (LO890/SF), Bridge Rehabilitation Program – Phase I (LO999/SF), Mahaica Rosignol Road (LO1094/SF), Moleson Creek – New Amsterdam Road (LO1554/SF, Transport Infrastructure Rehabilitation Program (LO1803/SF), Road Improvement and Rehabilitation Program (LO2215/BL), and East Bank Demerara Four Lane Extension (LO2454/BL).

1.15 The proposed Program will continue the Bank's support to the road sector by financing the expansion, rehabilitation and road safety works for a section of the main and secondary road network. It will also support routine maintenance and road safety works along the entire national main road network thus continuing the objectives and goals of the prior loans in the sector. This operation draws lessons from prior operations such as the strengthening of the executing structure at the WSG and the utilization of the Routine Maintenance Management System. WSG has developed capacity to estimate the cost of works projects and this has resulted in the recent works contracts being completed within budget. The cost estimation for this program relies on this experience yet some contingency has also been built into the estimates for a potential cost escalation due to inflation. In aggregate, the prior operations and the proposed one, respond to GOG's objective of rehabilitating and expanding the road network, supporting growth and competitiveness, through the restoration of accessibility, mobility, safety and reliability of the road network. The expansion and rehabilitation of this main and secondary roadway will contribute to the improvement of urban and suburban mobility and accessibility, improved population's access to work places and social services such as medical and educational facilities. Based on an institutional analysis (see Optional Electronic Links 5) the need to strengthen the WSG in order to adequately implement the program was also identified

**B. Objectives, Components and Costs**

1.16 **Objective.** The general objective of the Program is to enhance mobility and safety by reducing vehicle operating costs, travel times and road fatalities. This objective will be achieved through the upgrade, improvement and expansion of the road network. The specific objectives are to: (i) rehabilitate, improve, expand and construct roads, streets, sidewalks and bikeways; (ii) improve the road safety; (iii) strengthen the institutional capacity of the Executing Agency; and (iv) provide for the maintenance of the roads.

1.17 **Expected results.** The program is expected to enhance mobility and safety along specific road segments such as the Sheriff Street – Mandela Avenue. This and other corridors to be selected during Program execution will be upgraded and expanded, achieving reductions in vehicle operating costs, reductions in travel times and contributing to economic growth and social development. The program is also expected to provide institutional strengthening to the Ministry of Works and Communication in areas such planning and project management. Improved urban transport will increase mobility within the Georgetown area and accessibility to markets and services for the poor. Improved road safety will contribute to the reduction of traffic related fatalities and injuries of disadvantaged groups such as pedestrians and bicycle users.

1.18 **Components.** The Program has been designed as a multiple works operation so as to finance groups of similar works and is divided into five components as outlined below.

1.19 **Component 1: Civil Works (US\$58.0 million).** This component will finance civil works, including expansion, rehabilitation, improvement and construction of roads, construction of sidewalks, bikeways and streets, shoulder widening, construction and rehabilitation of bridges and culverts, incorporation of bus stops, parking lanes, passing lanes and other features to reduce congestion and improve safety, as well as medians, traffic lights, signage and other safety related works along the corridor, as well as any required environmental and social mitigation measures.

- 1.20 As a representative sample for the multiple works Program, the country has proposed the Sheriff Street - Mandela Avenue Road, which has a budget of US\$24.0 million and represents 41% of the resources in this component. This budget estimation includes a contingency sum to mitigate potential cost escalations. The preparatory studies for this road segment have been completed (see Optional Electronic Links 2 and 3) and the detailed designs are being executed as described in ¶3.15. The remaining resources in the component will finance civil works that are physically similar to the sample, along one or more road corridors on the country's coast. All civil works projects would have to be compliant with the eligibility criteria of the program, indicated in ¶3.3.
- 1.21 **Component 2: Studies (US\$1.7 million).** This component will finance technical studies for the preparation of civil works to be financed under Component 1 that are physically similar to the sample. This would include, among other things: (i) technical/economic feasibility studies; (ii) engineering designs; (iii) socio-environmental studies and consultation processes; and (iv) any other preparatory activities of a technical nature deemed necessary for the preparation and bidding of civil works projects.
- 1.22 **Component 3: Sustainable Urban Transport and Road Safety (US\$1.5 million).** This component will finance technical assistance in two major areas of concern:
- 1.23 **Urban Transport.** The program will finance a comprehensive urban study aimed at improving mobility in and around Georgetown. The study will provide specific recommendations and options to allocate road space more efficiently among users and to increase the use of cleaner and more sustainable transportation modes, such as, public transportation and non-motorized modes. It will develop a specific diagnostic of the urban transport situation, problems and trends, and provide recommendations on matters of public transport infrastructure, operations, financing and institutional organization. The study will support the design of a public transport system, to provide users with a safe, efficient, clean and affordable service. The execution arrangements for this study will include engagement between the MPW and other public transport stakeholders such as local authorities, transit operators and related non-governmental organizations.
- 1.24 **Road safety.** This component will finance the design of a Road Safety Action Plan (RSAP), including the studies needed to be developed and the activities required to implement the program. More specifically this plan will diagnose and analyze the overall situation, identify key risks, opportunities and entry points for improvements, and prepare an action plan of activities and investments to be financed and implemented in order to reduce the number of road casualties and fatalities over time. The RSAP will also include specific recommendations that can be incorporated in the design of the projects financed by Component 1. In addition, the RSAP will make recommendations regarding policies and regulations for traffic, parking, road-sharing, improved infrastructure and signaling and institutional strengthening. This component will also finance, educational campaigns to strengthen road safety awareness. Campaigns will be streamed in different types of media (i.e. radio, internet) and to specific audiences (i.e. students, drivers, pedestrians). The scope of the educational

campaigns will be determined by the specific recommendations of the RSAP in terms of the most common causes of accidents and vulnerable groups.

- 1.25 **Component 4: Implementation Support and Institutional Strengthening (US\$4.8 million).** This component will finance program supervision and management aspects related to components 1, 2 and 3, including engagement with stakeholders such as residents, road users, private sector and other government agencies. These activities will be carried out through the hiring of consulting firms that will support the Executing Agency (EA) with the supervision of all contractors to ensuring the adequate progress and performance. This component will also finance the strengthening of the capacity of the WSG in the areas of transportation planning and evaluation, project management and monitoring, and environmental and social safeguards. The specific activities will include training of WSG and contractors, provision of technical equipment and computer software and hardware.
- 1.26 **Component 5: Routine Maintenance Management System (US\$3.0 million).** This component will finance road maintenance utilizing local counterpart resources. The resources allocated for this component will allow for uninterrupted routine maintenance of the main road network utilizing three-year performance-based lump sum contracts. These contracts will also include the maintenance of Road Safety features for the main road network such as signage and line markings.

**C. Key Results Indicators**

- 1.27 A comprehensive monitoring and evaluation system will continuously assess the Program’s development and impacts. The main indicators of the Program outcomes would be: (i) travel time costs; (ii) vehicle operation costs; and (iii) road fatalities rate. The outputs of the Program are detailed in Annex II and include: (i) rehabilitated and upgraded roads with new bike lanes and new sidewalks; (ii) feasibility and design studies; (iii) urban transport study; (iv) road safety action plan and awareness campaigns; (v) institutional strengthening activities; and (vi) roads covered under the RMMS.
- 1.28 The proposed indicators and means of verification maximize the use of the information that MPW and WSG will collect directly or indirectly during the execution of the project. Most of the proposed indicators already have baseline data for the year 2011. This baseline is the reference level for the evaluation of the program. All the output indicators will be measured directly; the outcome indicators will be either measured directly or indirectly by the Police in the case of road accidents. These measures and estimates will be compared with the expected outputs and outcomes presented in the Results Matrix. The following table presents the selected indicators and their respective means of verifications.

**Program Indicators**

INDICATOR	MEANS OF VERIFICATION	FREQUENCY
<b>Outcomes</b>		
Reduction in vehicle travel time along road corridors (minutes)	Semi-annual progress report, submitted on 28/2 and 31/8 of each year, Mid Term	Semi-Annual
Reduction in vehicle operation cost (US\$ millions)		

INDICATOR	MEANS OF VERIFICATION	FREQUENCY
Reduction in the rate of fatalities/100,000 inhabitants (nationwide)	Evaluation and Final Evaluation.	

INDICATOR	MEANS OF VERIFICATION	FREQUENCY
<b>Outputs</b>		
km of rehabilitated and upgraded roads with new bike lanes and new sidewalks	Semi-annual progress report, submitted on 28/2 and 31/8 of each year	Semi-Annual
Number of studies completed		
Number of institutional strengthening activities implemented		
Number of road safety campaigns implemented		
Km of roads under RMMS		

## II. FINANCING STRUCTURE AND MAIN RISKS

### A. Financing structure

2.1 The total cost of this Program is estimated to be US\$69.2 million. Of that amount, US\$33.1 million will be drawn from the resources of the Ordinary Capital (OC) of the Bank, US\$33.1 million from the resources of the Fund for Special Operations (FSO) of the Bank, and US\$3 million from the local counterpart contribution. The financing from FSO and OC resources of the Bank will have amortization periods of 40 years and 30 years, respectively, and grace periods of 40 years and 5.5 years, respectively. The expected disbursement period of the Project is 5 years. The following table provides a breakdown by investment category and source of funds, in million US dollars.

Category	Bank	Local Counterpart	TOTAL
<b>1. Civil Works</b>	<b>58.0</b>	<b>0</b>	<b>58.0</b>
1.1 Sheriff Street - Mandela Avenue Road	24.0	0	24.0
1.2 Other Civil Works Projects	34.0	0	34.0
<b>2. Studies</b>	<b>1.7</b>	<b>0</b>	<b>1.7</b>
<b>3. Sustainable Urban Transport and Road Safety</b>	<b>1.5</b>	<b>0</b>	<b>1.5</b>
3.1 Urban Transport	0.8	0	0.8
3.2 Road Safety Diagnostic and Action Plan	0.25	0	0.25
3.3 Road Safety Awareness Campaign	0.45	0	0.45
<b>4. Implementation Support and Institutional Strengthening</b>	<b>4.8</b>	<b>0</b>	<b>4.8</b>
4.1 Construction Supervision	4.3	0	4.3
4.2 Institutional Strengthening	0.5	0	0.5
<b>5. Routine Maintenance Management System</b>	<b>0</b>	<b>3.0</b>	<b>3.0</b>
<b>6. Audit, Monitoring and Evaluation</b>	<b>0.2</b>	<b>0</b>	<b>0.2</b>
<b>TOTAL</b>	<b>66.2</b>	<b>3.0</b>	<b>69.2</b>

2.2 The table below shows the tentative disbursement schedule, in million US dollars:

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>IDB (FSO – Blend)</b>	3.91	7.9775	10.0475	5.5625	5.6025	33.1
<b>IDB (OC – Blend)</b>	3.91	7.9775	10.0475	5.5625	5.6025	33.1
<b>Total</b>	7.82	15.955	20.095	11.125	11.205	66.2

**B. Environmental and Social Safeguard Risk**

2.3 The program will have significant, positive impacts and will benefit a large number of people by reducing congestion and loss of time, reducing air pollution and accidents, and improving conditions for economic development, among others. The potential negative impacts related to the projects can be grouped into two different categories: (i) temporary, related mostly to construction activities; and (ii) permanent, related to land use changes and possible relocation of local inhabitants. Based on its socio-economic impact, the project is classified as “B”.

2.4 Temporary environmental impacts from construction activities include traffic congestion due to the presence of construction equipment, potential air and water pollution issues related to transportation and construction practices, noise generation around inhabited areas, potential contamination of soils in campsite facilities and workshops, health and safety issues, the potential for accidents, the disturbance of alternate roads to be used during construction as by-passes, etc. All of these impacts are easily identifiable; minor to moderate in magnitude; temporary in duration; spatially restricted; easily preventable or controllable with widely available, technically simple and cost-effective mitigation techniques; and reversible in the sense that an affected area can return to its preexisting condition after an impact occurs. Mitigation activities can readily be included in an environmental and social management plan specifically designed for the areas. Temporary social impacts include nuisance from traffic, noise, air and dust emissions, as well as disruption of daily routines and potentially of business activities and services. Temporary disruptions that may become permanent or cause permanent impacts or non-recoverable losses need to be identified so they can be mitigated and compensated.

2.5 Permanent social and environmental impacts may arise in the event that homes or businesses need to be resettled or are affected by conditions that change their value, or impair their access or other functional characteristics. Easier access and changes in traffic pattern during the operation of the new roads may also result in changes in land use (densification, gentrification, and shifts between agricultural, industrial and residential uses) that can have environmental and social impacts especially if underlying tenure and land use planning frameworks are weak.

2.6 A preliminary site visit confirmed that there are no apparent major impacts on natural areas, and that impacts on surrounding residential and business areas are limited. There will be a few businesses whose access will be impacted and a potential four small businesses may have to be relocated, in principle, to nearby areas. Two gas stations, a service station, and an equipment lay-down yard were identified during the site visits as possible sources of soil and ground water contamination; soil and groundwater sampling and analysis will determine if remediation measures should be implemented.

Additionally, one of the gas stations may require relocation as there may be insufficient space to accommodate the four lane expansion given the station's current setting.

- 2.7 **Supervision, Inspection and Monitoring.** For follow-up and compliance purposes, additional safeguards will be put in place: (i) the preparation of an Environmental and Social Management Framework (ESMF) for the planning, construction and operation phases of the program as detailed in the Environmental and Social Management Report (ESMR); (ii) the implementation of a Grievance Mechanism for the Program as per the ESMR; (iii) the Supervisory Engineering Firm and Contractors, will be required to appoint Environmental and Social Specialists (E&S) to ensure implementation of the ESMPs; (iv) the EA will submit to the Bank an environmental and social compliance report every six months, including reporting on the implementation and results of the Program Communications and Stakeholder Engagement framework and Grievance Mechanism; and (v) WSG will be staffed with a social specialist and an environmental specialist with experience in civil works, will be retained for the duration of the program.

### C. Fiduciary Risk

- 2.8 As part of the movement towards country systems in Guyana, this project will follow on the successes of 2215/BL-GY and 2454/BL-GY by utilizing GOG's accounting system IFMAS as its accounting and reporting software.
- 2.9 This Program will be executed by the WSG, which has extensive experience working with the Bank with sound procurement and internal procedures. The WSG will be required to establish and maintain adequate accounting controls and records and prepare and submit annual financial statements audited to the Bank. The audits of the program may be Audit Office of Guyana, upon written non-objection of the Bank. Given the importance of this task, the MPW must ensure that personnel with accounting and/or audit and procurement experience are retained for the duration of the program.

### D. Other Key Issues and Risks

- 2.10 **Economic feasibility.** The economic evaluation of the Sheriff Street – Mandela Avenue project<sup>9</sup>, representative sample of the Program, considered the costs of the construction of civil works, the implementation of the socio-environmental measures, and the maintenance during the expected life of the road. The potential economic benefits of road rehabilitation will stem from: (i) savings in vehicle operating cost; and (ii) time savings to passengers and freight.
- 2.11 To assess the economic feasibility of this project, a conventional cost-benefit analysis technique was adopted and applied with the Highways Development and Management Model 4 (HDM 4). The indicators utilized for the comparison with the alternative and without project are: (i) NPV of the benefits accruing to road users minus the increase of costs incurred by the road agency, discounted at a rate of 12% per year; (ii) EIRR; and (iii) benefit-cost ratio (BCR). The evaluation of the Sheriff Street – Mandela Avenue project resulted, in a NPV of US\$34.13 million, an EIRR of 28.17%, and a BCR of 3.23.

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<sup>9</sup> Mott Mac Donald (November 2011), Sheriff Street – Mandela Avenue Roadway: Economic Feasibility Report.

- 2.12 This economic evaluation was complemented by sensitivity analyses, so as to evaluate the impact of the reduction of projected traffic and the increase of capital and recurrent costs. The sensitivity tests show that the EIRR varies between 19.4% and 29.4% under these scenarios, which implies the project would still be economically feasible.
- 2.13 **Maintenance strategy.** Adequate road maintenance activities impact positively on the sustainability of the investments, allowing the road to reach its complete design life. GOG established the RMMS as a means to improve road maintenance. Therefore, after the upgrade and expansion works are completed, the roads funded under the program will be transferred to the MPW RMMS, which assumes responsibility for routine maintenance using resources for the country's treasury.

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Summary of Implementation Arrangements

- 3.1 **Borrower and Executing Agency.** The Borrower will be the Co-operative Republic of Guyana, and the Executing Agency (EA) will be the Ministry of Public Works and Communication (MPW), which will implement the program through its Works Services Group (WSG). The WSG is funded by MPW administrative resources and is responsible for the planning and execution of all transport related works projects on behalf of the ministry. For this program, WSG will be responsible for the fulfillment of technical, administrative and financial management related to execution, as well as the planning, monitoring, supervision and evaluation functions. In order for the WSG to adequately perform its function, the EA will have to ensure that the key personnel identified in ¶3.4 are in place at the WSG and covered by its administrative budget.
- 3.2 The responsibilities of the EA in the execution of the program include the following: (i) to carry out the procurement processes in accordance with the Bank's policies and procedures; (ii) to prepare and obtain Bank approval for all bidding documents required to hire the civil work contractors and consulting firms; (iii) to carry out the financial management of the program resources, including the performance of internal control and registration of all administrative and accounting procedures needed for the program execution; (iv) to monitor the civil works and construction contracts through consulting firms specifically hired to that effect; (v) to maintain adequate accounting and financial controls as well as appropriate support documentation filing systems for verification by the Bank and the external auditing firm; (vi) to prepare and submit to the Bank disbursement requests and corresponding justification of expenses; (vii) to prepare and submit to the Bank reports on the progress of the program's execution, as well as updates of the Annual Operations Plan, audited financial reports, and other financial reports as required by the Bank; (viii) to record and control the results of the Program through the agreed indicators; and (ix) to address and resolve contractor claims and related contract adjustments. In addition, the EA will maintain separate files for the operations of the Program, and allow for financial and accounting monitoring of the Bank and local counterpart resources, in accordance with Bank requirements. Details of all execution arrangements will be elaborated in an Operations Manual (OM) to be prepared for the program.
- 3.3 **Eligibility criteria for future investments.** In order for individual projects to be considered eligible for financing under Component 1 of the Program, said project must:



(i) have an internal rate of return of at least 12%; (ii) be categorized by the Bank according to its environmental and safeguard compliance Policy, entirely as a functional unit (regardless of what portion the Bank is financing), as having minor to moderate environmental and social impacts (Category “B”) and this categorization must be maintained throughout the execution of the Program; (iii) be a road/street under jurisdiction of the Chief Works Officer of the MPW; (iv) not be supplemental activities related to ongoing projects being financed by the Bank; and (v) meet any other requirements agreed between the Bank and GOG and included in the Program regulations and in the ESMF included therein. Projects approved for inclusion in the Program must meet all technical requirements including implementation of the necessary environmental and social assessment and mitigation measures specified in the Program regulations including the ESMF within the OM to comply with Bank Policies.

- 3.4 **Conditions prior to the first disbursement of the resources of the loan shall be: (i) evidence that WSG have been staffed with a finance comptroller and two accountants, a procurement officer and a junior procurement officer, a monitoring and evaluation officer, an economist, a social specialist and an environmental specialist and these personnel would be retained throughout the disbursement period of the loan; (ii) evidence that the Operations Manual for the program, with the ESMF for the planning, construction and operation phases of the program as an integral part, is approved by the EA and has entered into effect; and (iii) evidence that a Grievance Mechanism for the Program has been implemented (ESMR ¶9.3).**
- 3.5 **Condition for the disbursement of financing of Component 1. Present the resettlement, compensation and local mitigation plan(s) for the Sheriff/Mandela project, developed in accordance with the Bank’s policy on involuntary resettlement (OP-710).**
- 3.6 **Special execution conditions.** Special execution conditions shall be as follows: (i) the Execution Agency shall execute the program and each individual project or activity in accordance with the criteria, requirements, framework and monitoring arrangements set forth in the ESMR; (ii) prior to the call for bids for the Sheriff Mandela project, the Borrower, shall present to the Bank: (a) the final Resettlement, Compensation and Local Impact Mitigation Plan(s) (b) the results of the stakeholder engagement process in the pre-construction phase; (c) consideration of stakeholder concerns in project design and planning; (d) the Stakeholder Engagement Plan for the construction and operations phase (e) the final Environmental Analysis and Environmental and Social Management Plans (ESMP), resettlement, compensation and local Impact Mitigation.; (iii) prior to the start of the execution of the Road Safety activities in Component 3, the EA shall submit evidence that the WSG and the National Road Safety Council have subscribed a memorandum of understanding establishing the basis for their cooperation on the execution of said component; (iv) prior to the start of tendering for the civil works other than those included within the scope of the Sheriff Street – Mandela Avenue project, the EA will demonstrate that a Road Safety Action Plan for Guyana has been prepared; and (v) prior to signing any of the civil works contracts financed through the Program, the EA shall submit evidence that it has selected and hired a firm to supervise the execution of the respective civil works; (vi) Prior to the start of tendering for any civil works, the EA will submit to the Bank, for its no objection, the feasibility, engineering,

environmental and social studies, final technical designs, stakeholders consultation results, the General and Specific Environmental Specifications, ESMP for the construction and operations phases of the Project, including Contingency and Accident Prevention and Management Plans and if necessary the Relocation Plans

- 3.7 The Borrower and the EA will supervise and report on the implementation of environmental and social conditions in accordance with the framework for supervision described in the ESMR. The supervision firms will also carry out the supervision of the environmental and social aspects of the civil works. Therefore, the Request for Proposals (RFP) for the civil works supervisory firms must incorporate the ESMP as part of the Terms of Reference (TOR), a requirement that an E&S Specialist is hired as part of their field personnel and that the firm provide any additional E&S staff as required to ensure implementation of the ESMP. The supervision firms will review all technical documentation at the beginning of their contracts and at regular intervals throughout the Program to ensure, *inter alia* the adequacy of the programming of work. The supervision firms will submit monthly reports to the Executing Agency and the Bank outlining progress in the works carried out by the contractors and will prepare as-built drawings for all work performed upon the completion.
- 3.8 **Procurement.** Procurement of goods and works as well as the procurement of consulting services using program resources will be carried out by the Borrower, through the EA in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9); and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9).
- 3.9 The contractors who will carry out the civil works will be overseen by engineering supervision firms hired by the MPW with funds from the Financing. The contractors will be hired using International Competitive Bidding (ICB) procedures and in accordance with scope of works agreed with the Bank. The bidding documents for the civil works and the respective final contracts signed shall incorporate the following requirements: (i) the final technical designs, (ii) the ESMP and any related plans and procedures including the Construction Traffic Management Plan, and General and Particular Environmental Specifications; (iii) the Resettlement Plan if applicable; and (iv) the requirement that Contractors hire an E&S Specialist as part of their field personnel.
- 3.10 **Disbursements.** Based on the Bank's New Supervisory Framework (NSF), the disbursements of Bank's contribution will be made via periodic advances. These advances will be calculated based on the semi-annual cash flow program allocated for the Program, and on investment categories, products and/or activities to be executed during the period. The disbursements' review will be performed on an ex-ante modality.

## **B. Summary of Arrangements for Monitoring Results**

- 3.11 The monitoring and evaluation strategy will include the following: (i) annual audited financial statements; (ii) Annual Operating Plans (AOPs) and Project Execution Plan (PEP); (iii) annual Procurement Plans (PP); (iv) semi-annual progress reports; (v) Loan Review Report (LRR); (vi) administrative missions; (vii) a mid-term review; and (viii) a final review.
- 3.12 The external audit of the Program will be done by independent public accountants acceptable to the Bank or by Audit Office of Guyana, with written approved by the

Bank, and will follow the guidelines set forth in Documents OP-273-2, OP-274-2, and the Guidelines for Financial Reports and External Audits for Bank-financed Operations. Standard financial reporting requirements of the Bank will apply, including: (i) annual audited financial statements of the program, which will be submitted to the Bank within 120 days following the end of each fiscal year of the Executing Agency; and (ii) a final audited financial statements of the program, which will be submitted within 120 days following the date of the last disbursement of the loan. The costs for the audits will be financed from resources of the loan.

- 3.13 The EA shall submit to the satisfaction of the Bank, within thirty (30) days prior the conclusion of each calendar year during the execution of the Program, the corresponding AOP for the next year. Semi-annual progress reports are to be submitted by the EA at the end of February and August of each calendar year containing at least the following elements: (i) the compliance with contract terms; (ii) the description and general information about activities; (iii) the progress against performance indicators and disbursement schedule agreed upon and updated schedules of execution and disbursement; (iv) progress with the collection of information on the quality of the road network and of its ancillary infrastructure (i.e. drainage), and statistics of road accidents; (v) the summary of the financial status of the Program; (vi) the description of the bidding process conducted; (vii) the evaluation of the firms; (viii) a section about the socio-environmental management of the project; (ix) a program of activities and detailed plan of execution for the two following semesters; (x) the expected future cash-flows for the following two semesters; (xi) a section identifying possible development and events that could jeopardize the execution of the Program; and (xii) updates of the AOP, PEP and PP. Given the magnitude of this task, the MPW must ensure that staff with monitoring and evaluation experience is retained for the duration of the program.
- 3.14 Using loan's resources, independent evaluators will be hired to conduct: (i) a midterm evaluation at the end of 30 months from the date of the signature of the loan contract or after disbursement of 50% of the resources, whichever comes first, and (ii) a final evaluation of the program, after 90% of loan resources have been disbursed, which will include an ex-post economic evaluation. The evaluations will include: (i) the impacts produced by the Project execution; (ii) procurement procedures and results for goods, related services, consultancies and works (iii) environment and social issues and on safeguards compliance; and (iv) ex-post economic assessments. The EA shall collect, store and retain all necessary information, environmental and social performance reviews, indicators and parameters, including the semi-annual plans, the mid-term review, and final evaluations, in order to assist the Bank to prepare the Project Completion Report (PCR). See Monitoring and Evaluation Plan for more details.

**C. Significant Design Activities Post Approval**

- 3.15 The preparation of detailed technical designs needed for tendering the works of the Sheriff Street – Mandela Avenue project are being financed through Technical Cooperation (TC) ATN/SF-11841-GY and ATN/OC-11842-GY. These designs will constitute the initial package of works to be tendered. The economic, engineering, social and environmental studies and preparation of final technical designs and specifications needed for tendering other civil works projects to be included in the program will be financed with Program resources allocated to Component 2: Studies and the TC ATN/OC-13098-GY.

## SUMMARY DEVELOPMENT EFFECTIVENESS MATRIX

<b>I. Strategic Alignment</b>			
<b>1. IDB Strategic Development Objectives</b>		<b>Aligned</b>	
Lending Program	Lending to small and vulnerable countries.		
Regional Development Goals	Infrastructure for competitiveness and social welfare: Paved road coverage (Km/Km <sup>2</sup> ).		
Bank Output Contribution (as defined in Results Framework of IDB-9)	Km of inter-urban roads build or maintained/upgraded.		
<b>2. Country Strategy Development Objectives</b>		<b>Aligned</b>	
Country Strategy Results Matrix	GN-2503-1	Improved road conditions /quality of specified corridors.	
Country Program Results Matrix	GN-2661-1	The intervention is included in the 2012 Country Program Document.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
<b>II. Development Outcomes - Evaluability</b>		<b>Highly Evaluable</b>	<b>Weight</b>
		9.0	<b>Maximum Score</b>
			10
<b>3. Evidence-based Assessment &amp; Solution</b>		8.7	25%
<b>4. Ex ante Economic Analysis</b>		10.0	25%
<b>5. Monitoring and Evaluation</b>		7.4	25%
<b>6. Risks &amp; Mitigation Monitoring Matrix</b>		10.0	25%
Overall risks rate = magnitude of risks*likelihood		Medium	
Environmental & social risk classification		B	
<b>III. IDB's Role - Additionality</b>			
The project relies on the use of country systems (VPC/PDP criteria)	Yes	Accounting and Reporting, Internal Audit.	
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			
Gender Equality			
Labor			
Environment			
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase			
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			

The objective of this operation is to reduce the operations costs, travel times of vehicles and traffic accidents in Guyana's road network through: the rehabilitation, improvement, expansion and construction of roads, streets, sidewalks and bikeways; improving road safety; strengthening the institutional capacity of the Executing Agency; and providing for the maintenance of the roads.

The POD presents the problems to be addressed by the project as well as the factors causing them, all of which is based on empirical evidence. The magnitudes of the problems are provided and the proposed interventions are clearly linked to the problems identified in the diagnosis. The results matrix has vertical logic. The outcomes are clearly specified but not all the outcomes are included in the matrix. More specifically, there are no outcomes to show improvements in road maintenance or a stronger institution as a result of the institutional strengthening of WSG. Not all outcome indicators are SMART, because they are not sufficiently specific to be measured and do not specify the unit of measure. For example, "vehicle travel time." Is it measured in minutes or hours? Travel time from where to where? Does the indicator "vehicle operating cost" correspond to an average of all types of vehicles? Although all outcome indicators have targets and sources of information, the numbers placed as baselines do not correspond to baselines because they do not present the current situation regarding that indicator in the areas of intervention of the project.

With respect to the outputs, the matrix does not present an indicator for every output given that there is no breakdown of the outputs that correspond to institutional strengthening. Not all indicators are SMART since some are not specific and are thus difficult to measure such as for example the output "construction supervision". In addition, most of the outputs are not phrased to show completion. All output indicators have baselines, targets and sources of information. With regards to the data for the PMR, the outputs have annual targets, however, the project costs are not broken down by outputs as are presented in the results matrix.

The project was analyzed using a cost-benefit analysis. The economic benefits are clearly stated, the costs reflect real resource costs to the economy and the assumptions are specified. A sensitivity analysis was undertaken of the assumptions. The project has a monitoring and evaluation plan. The evaluation plan does not follow the DEM guidelines since it does not include the evaluation questions and there are inconsistencies between the outputs in the plan and those included in the POD's results matrix. The project will be evaluated using a reflexive methodology and an ex-post cost-benefit analysis.

Finally, the risk matrix presents the projects risks which are rated for magnitude and probability. The risks presented in the risk matrix have mitigation measures and have indicator to monitor the implementation of these measures.

**RESULTS FRAMEWORK - MATRIX OF INDICATORS**

<b>Project Objective</b>	The general objective of the Program is to enhance mobility and safety by reducing vehicle operating costs, travel times and road fatalities. This objective will be achieved through the upgrade, improvement and expansion of the road network.
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<b>Outcome Indicators</b>	<b>Base Level</b>	<b>Target Level</b>	<b>Comments</b>
Reduction in vehicle travel time	100 (Base)	85	Determined by MPWC, based on the semiannual progress report.
Reduction in vehicle operation cost	100 (Base)	85	Determined by MPWC based on the semiannual progress report.
Reduction in the rate of fatalities/100,000 inhabitants (nationwide)	100 (Base)	90	Determined by MPWC based on the semiannual progress report and Police records.

	<b>Base</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Target</b>	<b>Comments</b>
<b>Component 1: Civil Works</b>								
<b>Outputs</b>								
Expansion of Sheriff Street – Mandela Avenue Road, including structures (bridges, culverts, drainage, etc.), bikeways, sidewalks and other road safety works.	0 km	0km	2km	3km	2.1km	0km	7.1 km	Determined by MPWC based on the semiannual progress report.
Rehabilitation, improvement and construction of roads, construction of sidewalks, bikeways and streets, shoulder widening, construction and rehabilitation of bridges and culverts	0km	0km	0km	Xkm	Xkm	Xkm	3Xkm	Determined by MPWC based on the semiannual progress report.
<b>Outcomes</b>								
Vehicle travel time	100*	100	100	95	90	85	85	Determined by MPWC based on the semiannual progress report.
Vehicle operation cost	100*	-	-	95	-	85	85	

\* 2011 Baseline for the Sheriff Mandela Corridors are average Vehicle Travel Time = 16.33 minutes and total annual Vehicle Operating Cost = US\$11.59 million. It is expected that other civil works in the Program will achieve similar outcomes due to the likeness of the interventions as such the indicator is stated as percentages.

	Base	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
<b>Component 2: Studies</b>								
<b>Outputs</b>								
Feasibility and Design Study	0	-	1	-	-	-	1	Determined by MPWC based on the semiannual progress report.
<b>Component 3: : Sustainable Urban Transport Road Safety</b>								
<b>Outputs</b>								
Road safety diagnostic and Action Plan	0	-	1	-	-	-	1	Determined by MPWC based on the semiannual progress report.
Public awareness/education campaign Implemented	0	-	1	-	1	-	2	
Urban transport study	0	-	1	-	-	-	1	
<b>Outcomes</b>								
Rate of fatalities/100,000 inhabitants.	15.1	-	-	14.35	-	12.85	12.85	Determined by MPWC based on the semiannual progress report and Police records.

	Base	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
<b>Component 4: Implementation Support and Institutional Strengthening</b>								
<b>Outputs</b>								
Construction Supervision	0	0.2	0.2	0.2	0.2	0.2	1	Determined by MPWC based on the semiannual progress report.
Institutional Strengthening Activities Implemented	0	2	3	-	-	-	5	Determined by MPWC based on the semiannual progress report.

	Base	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
<b>Component 5: Routine Maintenance Management System</b>								
<b>Outputs</b>								
Roads under the RMMS.	326km	0km	410km	410km	410km	410km	410km	Determined by MPWC based on the semiannual progress report.

## PROJECT FIDUCIARY AGREEMENTS AND REQUIREMENTS

<b>Country</b>	Guyana
<b>Project Name</b>	Road Network Upgrade and Expansion Program
<b>Number</b>	GY-L1031
<b>Executing Agencies</b>	Work Services Group (Wsg), Based at The Ministry of Public Works & Communication

### I. EXECUTIVE SUMMARY:

- 1.1 Guyana is a thinly-populated country of 761,000 inhabitants, who live mostly along the coastal strip. The country is one of the poorest countries in the Western Hemisphere with a GDP per capita in 2010 of US\$2,501.70<sup>1</sup>. The economy depends on the export of six main commodities (sugar, gold, bauxite, shrimp, timber, and rice) which represent almost 60% of the country's GDP, and thus it is susceptible to changes in commodity prices. Efficient transportation is critical to sustain Guyana's competitiveness, and to support production and exports.
- 1.2 The country's transportation system is comprised of 3,995 km of roads, 98 km of railroads entirely dedicated to ore transport, one international airport, one regional (short range international) airport, 45 additional airstrips with short runways, a single general cargo seaport in Georgetown, 4 specialized bulk loading facilities and 6,000 km of navigable water-ways for transporting bulk commodities.
- 1.3 Government responsibilities in the transportation sector are spread among various agencies<sup>2</sup>, with the Ministry of Public Works and Communications (MPW&C) taking on the main role. The MPW&C is basically responsible for transport policy and the provision and maintenance of almost all major transport infrastructures. The MPW&C's capacity to perform the function of executing agency has been consolidated over the years with the creation, in 2002, of the Work Services Group (WSG). This unit has evolved to become responsible for all works being undertaken by the MPW&C and is responsible for the planning and management of road investments and maintenance activities.
- 1.4 Guyana's road network. Guyana has one of the sparsest road networks in South America with 3,995 km of roads serving a country with 216,000km<sup>2</sup>; however, due to the concentration of the population and the main road system along the coastal areas, the majority of the population has access to paved roads. The National paved road network, with an extension of 410 km, consists of six main roads of two lanes each. There are just two short segments in the paved network that are four lanes each. Most of the main roads are in fair condition since over the last two decades the GOG has pursued a progressive rehabilitation of the roadways and structures. Nevertheless, there are a few sections of the network which have not been rehabilitated and require extensive maintenance. In addition, traffic congestion on some sections of the main road network has become a major issue due to increases in the country's vehicle fleet and the creation of new housing schemes in the outskirts of Georgetown.

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<sup>1</sup> Bureau of Statistics - Guyana

<sup>2</sup> Ministry of Housing and Water, Ministry of Agriculture, Ministry of Local Government and Municipalities

- 1.5 Growth of vehicle fleet. Rapid growth of the fleet resulted in 43,000 new registered vehicles in the last seven years, with public transport vehicles and trucks making up approximately 20% of the country fleet and accounting for up to 30 % of the road trips on the main and urban roads. These factors have contributed to congestion along the main roads leading to and from the city, as well as inside the city, as traffic passes through, moving between the east and south corridors. These heavy traffic corridors also experience the most traffic accidents.
- 1.6 Road Safety. In 2007, Guyana had LAC's highest traffic-related death rate, estimated at 34.9 fatalities per 100,000 inhabitants<sup>3</sup>. More than 60% of victims were pedestrians, cyclists and passengers of two- and three-wheelers. Unlike other countries in the region, Guyana does not have a national road safety strategy to guide its efforts to reduce traffic accidents, and shows institutional and regulatory weaknesses. Furthermore, the country lacks capacity to enforce traffic regulations and vehicle inspections, and there is no defined road safety criteria being applied to road projects. And, even though there is a coordination entity embodied by the National Road Safety Council, which undertakes public awareness and education campaigns, its resources are very limited and thus its actions fall short of current demands.
- 1.7 Sheriff Street-Mandela Avenue. This road is a main urban artery that crosses the capital city of Georgetown, connecting the East Coast Demerara Main Road (ECDMR) to the East Bank Demerara Main Road (EBDMR). Additionally, the roadway serves as the principal access to many residential areas in Georgetown. Commercial activity is on the rise along the corridor, creating a chaotic mix of pedestrian and vehicular traffic. Current traffic levels on the road exceed 20,000 vehicles per day with peak periods experiencing 1500 vehicles per hour (vph) (capacity on this type of road is 1320 vph) and the average travel speed being less than 30 km per hour for the entire road with some sections averaging only 15km per hour. There are no provisions for pedestrian and bicycle traffic (i.e., no sidewalks or bike lanes), which contributes to a high number of accidents generally involving pedestrians and cyclists. In the period from 2001 to 2007, there were a total of 28 fatal accidents on this 7 km stretch of road, averaging about 4 fatalities per year.<sup>4</sup>
- 1.8 The general objective of the Program is to enhance mobility and safety by reducing vehicle operating costs, travel times and road fatalities. This objective will be achieved through the upgrade, improvement and expansion of the road network. The specific objectives are to: (i) rehabilitate, improve, expand and construct roads, streets, sidewalks and bikeways; (ii) improve the road safety; (iii) strengthen the institutional capacity of the Executing Agency; and (iv) provide for the maintenance of the roads.
- 1.9 **Fiduciary Context of the country.** The Public Financial Management (PFM) systems in Guyana were assessed by the late 2007 using the combined PEFA performance measurement framework and OECD-DAC procurement assessment. The assessment concluded that Guyana's overall budget planning, accounting and reporting systems work well, IFMAS (finance and accounting system used by the Government) now operates consistently and reliably, providing updated information about all elements of budget execution; budget planning and reporting is being done in accordance with accrual accounting. The main weaknesses identified related to the supervision of statutory bodies, public procurement and internal audit and control. A new Integrated Fiduciary Assessment

<sup>3</sup> AEC-IDB (August 2009), Diagnosis of Road Safety in Latin America and the Caribbean.

<sup>4</sup> Mott Mac Donald-MPW&C (November 2011), Sheriff Street – Mandela Avenue Roadway: Technical Analysis Report.



(IFA) is planned for 2012 as a follow-up to the successful exercise conducted in 2007. The new assessment will allow Government to gauge its performance over the new strategy period. Technical Cooperation resources will be used to support the GoG in mollifying these institutional and governance factors that amplify risk.

- 1.10 The PEFA highlighted that the Government had begun to strengthen the internal control environment and improve the quality of public financial management via the establishment of the posts of qualified Financial Controllers in most Ministries. An assessment of the capacity of the Auditor General's Office was also carried out. The assessment concluded that in the initial phase, the AG will be eligible to audit all Bank financed TCs and loan projects in the pipeline or recently approved, which are deemed of low/medium complexity and risk. An extension of the said assessment is that the operations where the AG will be the external auditor will be determined on a case-by-case basis, with the Bank's non-objection being a pre-requisite.
- 1.11 For this project the Bank is recommending, in consistent with its mandate to strengthen and use national systems, the use of the national accounting system for the financial administration of the project by the PEU, and the Auditor General of Guyana for external control (depending on availability and upon written non-objection of the Bank) and if unable or agreed otherwise, a firm of independent public accountants acceptable to the Bank.

## II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCIES

- 2.1 The Borrower will be the Co-operative Republic of Guyana, and the Executing Agency (EA) will be the Ministry of Public Works and Communication (MPW&C), through its Works Services Group (WSG). As part of the movement towards country systems in Guyana, this project will follow on the successes of LO 2215/BL-GY and LO 2454/BL-GY by utilizing GOG's accounting system IFMAS as its accounting and reporting software.
- 2.2 The WSG, has accumulated extensive experience working with the Bank with sound procurement and internal procedures. The WSG will be required to establish and maintain adequate accounting controls and records and prepare and submit annual financial statements audited by the Audit Office of Guyana, or otherwise agreed to by the Bank, a firm of independent accountants acceptable to the Bank. Given the importance of this task, the MPW&C must ensure that personnel with accounting and/or audit and procurement experience are retained.
- 2.3 The responsibilities of the EA in the execution of the program include the following:
- 2.4 **Procurement:** (a) to carry out the procurement processes in accordance with the Bank's policies and procedures; (b) to prepare and obtain Bank approval for all bidding documents required to hire the civil work contractors and consulting firms; (c) to monitor the civil works and construction contracts through consulting firms specifically hired to that effect;
- 2.5 Financial Management and Accounting and Control: (a) to carry out the financial management of the program resources, including the performance of internal control and registration of all administrative and accounting procedures needed for the program execution in a manner satisfactory and acceptable to the Bank; (b) to maintain adequate accounting and financial controls as well as appropriate support documentation filing systems for verification by the Bank and the independent auditors; (c) to prepare and submit to the Bank disbursement requests and corresponding justification of expenses

- 2.6 In addition, the EA will maintain separate files for the operations of the Program, and allow for financial and accounting monitoring of the Bank resources, and the local counterpart, in accordance with Bank requirements.

**III. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS**

- 3.1 Notwithstanding the foregoing, a few institutional strengthening actions are being recommended to improve Procurement Function. The hiring of a Junior Procurement Officer and the scheduling of regular training on the Bank’s Procurement Policies. Training on IDB operational policies and procedures, and the strengthening of the formal procedures for the administration of the external audit process.
- 3.2 As indicated above, the following institutional strengthening actions are recommended: (i) As a condition prior to the first disbursement of the resources of the loan, EA shall submit evidence that the finance, accounting and procurement section of WSG have been fully staffed, including a finance comptroller and two accountants, a procurement officer and junior procurement officer .
- 3.3 Such actions should allow for an effective and transparent execution of the resources of the operation while, of utmost importance, enhancing and streamlining the permanent administrative, fiduciary and control capabilities of the EAs.

Risk	Risk Level	Mitigation Measures
1. Lack of Procurement Capacity at WSG	Medium	The appointment of a competent Junior procurement officer at the WSG to support the substantive Procurement Officer.
2. Finance	Low	Staff complement has been strengthen as a result of previous loans, however with the expansion of the portfolio, continuous training is essential.

**IV. SPECIAL CONDITIONS OF CONTRACT TO BE ADHERED TO**

- 4.1 **Conditions prior to first disbursement:** (i) As a condition prior to the first disbursement of the resources of the loan, EA shall submit evidence that the finance, accounting and procurement section of WSG are staffed with a finance comptroller and two accountants, a procurement officer and junior procurement officer. These personnel would be retained throughout the disbursement period of the loan.
- 4.2 **Type of funds to be used by executing agencies:** The type of funds to be used are established in the following manner: (i) Reimbursement of actual expenses: the effective rate of exchange on the date of payment of each expenditure, as published by the Central Bank of Guyana; (ii) Reporting on accounts (Advance of Funds): the effective rate of exchange used in the conversion of the currency of the operation to the local currency; (iii) Disbursements in alternate currencies from the US Dollar or local currency: Disbursements in another currency different from the US dollar and the Guyana dollar: In cases of direct payment and reimbursement of a guarantee of letter of credit, the equivalent of the currency

of the operation will be fixed in accordance with the amount effectively disbursed by the IDB.

- 4.3 **Registries, inspections and reports:** All records and files will be maintained by the Executing Agencies, according to accepted best practices, and be kept for up to three (3) years beyond the end of the operation's execution period.
- 4.4 **Application of procurement policies for goods, works and non-consulting services:** For applicable procurement policies for goods, works and non-consulting services please refer to document "Policies for the procurement of Goods and Works and Non-consulting Services Financed by the Inter-American Development Bank, GN-2349-9".
- 4.5 **Application of policies for the selection of consulting services:** For applicable procurement policies relating to the selection of consultants, refer to document "Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank, GN-2350-9".
- 4.6 **Methods and threshold amounts to be applied to works, goods, non-consulting services and consulting services:** The IDB thresholds table for Guyana will apply.
- 4.7 **Special agreements regarding procurement:** None.
- 4.8 **Use of electronic on-line systems for the publication and management of the procurement plans:** The on-line Electronic Procurement Execution System (known by its Spanish acronym as SEPA) introduced in Guyana in 2010 will be used for the publication and updates of the procurement plan. It is expected that the executing agency will use the SEPA program for management of its procurement activities. As part of the Modernization of National Procurement Regime, financed by the IDB, the Government of Guyana is also planning to develop an on-line procurement notice publication portal. Procurement processes falling below the national competitive bid thresholds may also be advertised on this site.
- 4.9 **Use of national or other documents than the Bank standard documents for competitive bidding:** None.
- 4.10 **Financial Statements and Reports, audited or unaudited:** (i) Semi-annual financial reports will be included in the semi-annual progress report which will be submitted by the WSG to the Bank; (ii) Annual audited financial statements of the project are to be submitted to the Bank within 120 days at the end of each fiscal year, beginning with the fiscal year in which the first project expenditures were incurred. The Auditor General of Guyana or a firm of independent public accountants acceptable to the bank will be responsible for the Audit Report.

## V. FINANCIAL MANAGEMENT

- 5.1 **Programming and Budget:** The Borrower has committed to allocate, for each fiscal year of project execution, adequate fiscal space to guarantee the unfettered execution of the project; as determined by normal operative instruments such as the Annual Operating Plan and the Procurement Plan.
- 5.2 **Accounting and Information Systems:** Project accounting will be performed using the IFMAS, for the WSG, in accordance with International Financial and Reporting Standards and International Public Sector Accounting Standards when applicable. The WSG will be providing to the Bank, additional information on the implementation for use the IFMAS

system, or on the accounting software package procured. It is expected that the accounting system will facilitate the recording and classification of all financial transactions, provide information related to: planned versus actual financial execution of the project; the financial execution plan for the next 6 months that will be attached to each request for Advance of Funds, annual Financial Statements, performance reports, and any other reports, financial or otherwise, audited or unaudited, that may be required from the Bank from time to time.

- 5.3 **Disbursements and Cash Flow:** The Bank will maintain separate advance of funds accounting in the WLMS for each EA, as a preference indicated by the WSG in the initial discussions.
- 5.4 Whenever resources from the financing are requested through an Advance of Funds, they will be deposited into a Special Account, denominated in US Dollars, established exclusively for the Project at the Central Bank of Guyana, or a Commercial Bank acceptable to the Bank.
- 5.5 As required, resources from this Special Account will be transferred to another bank account in a commercial bank, denominated in Guyana Dollars to be utilized for payment of expenditures in local currency.
- 5.6 The Executing Agencies commit to maintain strict control over the utilization of the Advances so as to ensure the easy verification and reconciliation of balances between the Executing Agency's records and IDB records (WLMS1).
- 5.7 Eligible expenditures, authorized by the PTL/Coordinator and incurred prior to the approval of this project will be reimbursed to the Borrower, in accordance with current Bank policy.
- 5.8 The project 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.
- 5.9 In order to request disbursements from the Bank, the Executing Agency will present the following forms and supporting documents:

Type of Disbursement	Mandatory Forms	Optional forms/ information that can be requested by the IDB
Advance	Disbursement Request/ Financial Plan	List of Commitments Physical/Financial Progress Reports
Reimbursements of Payments Made	Disbursement Request/ Project Execution Status/ Statement of Expenses	List of Commitments Physical/Financial Progress Reports
Direct Payment to Supplier	Disbursement Request/ Acceptable Supporting Documentation	List of Commitments Physical/Financial Progress Reports

- 5.10 Generally, supporting documentation for Justification of Advances and Reimbursement of Payments Made will be kept at the office of the Executing Agencies. Support documentation for direct payments will be sent to the Bank for processing. Disbursements' supporting documents may be reviewed by the Bank on an ex-post basis. These reviews do not entail a blanket approval, based on the samples reviewed, of the whole universe of expenditures.
- 5.11 **Internal Control and Internal Audit:** The management of the project will assume the responsibility for designing and implementing a sound system of internal control for the project.
- 5.12 **External Control and Reports:** For each fiscal year during project execution, the WSG will be responsible to produce semi-annual financial reports for the project and annual Audited Financial Statements. The combined project financial statements will be produced by the WSG, as well as the contracting and managing of the audit. The audit will be done either by the Auditor General of Guyana or by a firm of independent public accountants acceptable to the Bank.
- 5.13 **Financial Supervision Plan:** Financial Supervision will be developed based on the initial and subsequent risk assessments carried out for the project. Financial, Accounting and Institutional Inspection visits will be performed annually, covering the following: (a) Review of the Reconciliation and supporting documentation for Advances and Justifications; (b) Compliance with procedures; (c) Review of compliance with the lending criteria; (d) Conducting Ex Post Review of Disbursements.
- 5.14 **Execution Mechanism:** The WSG will be the Executing Agencies and will manage separate Advances of Funds;
- 5.15 **The WSG** will be responsible for: (i) preparation of required project reports; (ii) monitoring product, output and outcomes achievement using established indicators; (iii) preparation and submitting disbursement request to the Bank and justification of expenses; (iv) preparation of annual financial program expenses; (v) ensure compliance with all aspects of the Operating Manual; and (vi) maintain adequate documentation filing system.
- VI. SPECIAL CONDITIONS OF CONTRACT TO BE ADHERED TO FOR PROCUREMENT**
- 6.1 **Application of procurement policies for goods, works and non-consulting services:** For applicable procurement policies for goods, works and non-consulting services please refer to document "Policies for the procurement of Goods and Works and Non-consulting Services Financed by the Inter-American Development Bank, GN-2349-9".
- 6.2 **Application of policies for the selection of consulting services:** For applicable procurement policies relating to the selection of consultants please refer to document "Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank, GN-2350-9".
- 6.3 **Methods and threshold amounts to be applied to works, goods, non-consulting services and consulting services:** The IDB thresholds table for Guyana will apply, see section 7.13.
- 6.4 **Special agreements regarding procurement:** See following paragraphs.
- 6.5 **Use of electronic on-line systems for the publication and management of the procurement plans:** The on-line Electronic Procurement Execution System (known by its

Spanish acronym as SEPA) introduced in 2010 will be used for the updating and publication of the procurement plan. It is expected that the executing agency will use the SEPA program for management of its procurement activities. As part of the Modernization of National Procurement Regime, financed by the IDB, the Government of Guyana is also planning to develop an on-line procurement notice publication portal. Procurement processes falling below the national competitive bid thresholds may also be advertised on this site.

## **VII. REQUIREMENTS AND AGREEMENTS FOR EXECUTION OF PROCUREMENT**

- 7.1 **Procurement Execution:** Procurements for the proposed project will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9), of March 2011; and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9), of March 2011, and with the provisions established in the GRIF/Grant contract and this procurement plan. In addition, for all projects, the Borrower is required to prepare and submit to the Bank a draft General Procurement Notice.
- 7.2 **Procurement of Goods, Works, and Non-Consulting Services:** The procurement plan for the Program, covering the duration of project execution is summarized in Annex III, and indicates the procedure to be used for the procurement of goods, the contracting of works or non consulting services. The review of technical specifications in all cases, during the process of selection is the responsibility of the sector specialist of the operation.
- 7.3 **Procurement of IT systems:** None
- 7.4 **Procurement of Consulting Services:** The procurement plan for the operation, covering the duration of project execution is summarized in Annex III, and indicates the procedure to be used for the procurement of consultancy services, and the method of selecting consultants. The Borrower is responsible for preparing and implementing the project, and therefore for preparing the TORs, short lists, selecting the consultants, and awarding and subsequently administering the contract.
- 7.5 **Sole Source Selection:** to be used only in exceptional circumstances and is based on the Bank's no objection to the justification.
- 7.6 **Selection of Individual Consultants:** Individual consultants are employed on assignments for which: (a) teams of personnel are not required; (b) no additional outside (home office) professional support is required; and (c) the experience and qualifications of the individual are the paramount requirement. Individual consultants are selected on the basis of their qualifications for the assignment. Advertisement is not required and consultants do not need to submit proposals. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the Borrower. Individual consultants may be selected on a sole-source basis with due justification in exceptional cases. This is to be carried out in accordance with Section V (Selection of Individual Consultants) of GN-2350-9 paragraphs 5.1-5.4.
- 7.7 **Training:** The detailed procurement plan indicates to which consultancy services 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 program, including details on trainers and trainees, skills to be transferred, time frame, and

monitoring and evaluation arrangements. The cost for the training program shall be included in the consultant's contract and in the budget for the assignment.

- 7.8 **Recurring Expenses:** Include payment of utilities and other office operating expenses of the PEU, if any.
- 7.9 **Advance Contracting/Retroactive Financing:** Section 1.9 of the procurement policies allows for retroactive financing and advance contracting where the procurement procedures, including advertising, are in accordance with the procurement policies in order for the eventual contracts to be eligible for Bank financing. The Bank shall review the process used by the Borrower. A Borrower undertakes such advance contracting at its own risk, and any concurrence by the Bank with the procedures, documentation, or proposal for award does not commit the Bank to make a GRIF/Grant for the project in question. If the contract is signed, reimbursement by the Bank of any payments made by the Borrower under the contract prior to GRIF/Grant signing is referred to as retroactive financing and is only permitted within the limits specified in the GRIF/Grant Contract.
- 7.10 **Domestic Preference:** Determining whether it is appropriate and necessary to use domestic preference in the evaluation of bids should be guided by Appendix 2 of GN-2349-9 para. 1-6.
- 7.11 **Other Requirements:** Use of national or other documents than the Bank standard documents for competitive bidding: None
- 7.12 **Procurement Plan and supervision (PP):** The procurement plan for the operation covering the duration of project execution is summarized in Annex III. 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 by the Bank. The procurement plan will be updated annually or whenever necessary, or as required by the Bank.

### Main Procurement Activities

Activity	Procurement Method	Estimated Date	Estimated Amount 000'US\$
<b>Works</b>			
Sheriff Street – Mandela Avenue Roadway Construction	ICB	Oct, 2012	1,800
East Coast Demerara RMMS	NCB	Jan, 2014	500
West Coast Demerara RMMS	NCB	Jan, 2014	500
West Bank Demerara RMMS	NCB	Jan, 2014	500
Soesdyke – Linden RMMS	NCB	Jan, 2014	500

<b>Firms</b>			
Sheriff Street – Mandela Avenue Roadway Construction Supervision Services	QCBS	Oct, 2012	1,800
Feasibility and Design Studies	QCBS	Nov, 2012	1,700
Road Safety Diagnostic Study	QCBS	Oct, 2012	250
Sustainable Urban Transportation	QCBS	Jan, 2013	800
Road Safety Campaign	QCBS	Oct, 2013	200
<b>Goods</b>			
Computer software and hardware	NCB	Jan, 2013	100
Technical equipment	NCB	Jan, 2013	100

7.13 **Country Threshold:** Table (US\$ Thousands) [www.iadb.org/procurement](http://www.iadb.org/procurement)<sup>5</sup>

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
≥ 1,000	100 - 1,000	<100	≥100	25 - 100	<25	>100	<100

<sup>5</sup> Amounts for ex post and ex ante review are applicable based on the capacity of the executing agency and complexity of procurements. These amounts may be adjusted by the Bank, as capacity is improved, and/or procurement complexity varied.