

Belize
Municipal Development Project (P111928)
Climate Resilient Infrastructure Project (P127338)
Implementation Support Mission – July 18 to 22, 2016

Aide Memoire

Introduction

1. Between July 18 and 22, 2016, a World Bank (WB) team led by Frederico Ferreira Pedroso (TTL and Disaster Risk Management Specialist) and Sonia Cristina Rodrigues Da Fonseca (Senior Procurement Specialist) visited Belize to conduct an implementation support mission for the Municipal Development Project (MDP) and the Climate Resilient Infrastructure Project (CRIP).
2. The main objectives of the mission were to: (i) perform supervision activities for both MDP and CRIP with focus on procurement post-review of contracts; and (ii) discuss CRIP's implementation schemes and processes in order to overcome identified bottlenecks.
3. The mission team held discussions with Ms. Yvonne Hyde (CEO, Ministry of Economic Development and Petroleum (MEDP)); Ms. Kimberley Westby (Economist, MEDP), Mr. William Lamb (Executive Director, Social Investment Fund (SIF), Dr. Wendel Parham (Project Coordinator - CRIP, SIF), Ms. Christine Lopez King (Procurement Officer – CRIP, SIF), Mr. Lennox Bradley (Chief Engineer, Ministry of Works (MOW), Mr. Irving Thimbriel (Senior Executive Engineer, MOW), Mr. Jorge Espejo Jr. (Project Engineer - CRIP, SIF), Mr. Francis Arzu (Principal Land Information Officer, Ministry of Natural Resources and Immigration (MNRI), Coronel Shelton DeFour (Coordinator, National Emergency Management Organization (NEMO) and others. A detailed list of persons met is provided in Annex A.
4. This Aide Memoire summarizes the findings, recommendations and agreements reached during the mission and it is subject to confirmation by World Bank management. The Aide Memoire will be publicly disclosed once finalized.

CRIP Implementation

5. In light of a number of failed attempts to improve implementation for CRIP, the WB Team conducted consecutive meetings with the Ministry of Economic Development and Petroleum (MEDP) and the Ministry of Works, Transport and National Emergency Management (MoWTN) on July 18, 2016 to discuss project implementation. From the meetings, the WB Team jointly with the Government representatives from MEDP, MoWTN and the Project Management Unit (PMU) have agreed to the following:
 - The PMU will produce a robust streamline process to support implementation by defining roles, responsibilities and deadlines by the last quarter of 2016. The WB Team also noted the need for the Government to define acting roles whenever assigned staff cannot participate in decision making meetings in order to avoid further delays;
 - The PMU will develop a detailed Project Management Implementation Plan by September 14th, 2016 with inputs from the MEDP, MoWTN, and MNRI and with support from the WB Team;

- The PMU and the WB Team will include the Office of the Prime Minister in key communication regarding project implementation and management of identified bottlenecks;
- The PMU and the WB Team will include the MoWTN's chief engineer, focal point and project engineer in all communication, as requested by the MoWTN's team;
- The Chief Engineer, MoWTN and the Executive Director, SIF will discuss with the PMU the possibility of providing a vehicle to the MoWTN for use by the project engineer, financed under CRIP, to perform field activities more efficiently by MoWTN; and
- The WB Team will continue to look for international training opportunities for MoWTN staff in order to improve technical and project management capacity.

6. The WB Team informed the Government that a meeting to discuss CRIP's implementation issues will be held with WB Management in order to define managerial actions to be taken to ensure the project recovers from the poor implementation observed in its first 1.5 years since effectiveness. In this context, a management letter will be sent by the end of August 2016 communicating the overall decision and required actions to be taken to ensure better performance.

CRIP and MDP Procurement Supervision Review

Procurement Management

7. **Procurement Capacity** - In February 2016, BSIF promoted the previous Senior Accounts Officer to the role of Procurement Officer for both MDP and CRIP. The procurement officer duties include: (i) to review and provide technical assistance to the project coordinators on all procurement activities relating to the identification and selection of contractors for execution of the MDP and CRIP projects, and (ii) to oversee the bidding process relating to these projects. The Procurement Officer is officially engaged through CRIP Project (salary is paid solely by CRIP), but she provides all procurement support also for MDP project. As such, the Procurement Officer is still performing her previous duties as senior accounts officer, therefore carrying both roles – financial and procurement.

8. The selection of the new senior accounts officer is still on going and is planned that the new recruited person will start his/her duties in September 2016. This is critical to ensure that the procurement Officer has the time and availability to carry out her responsibilities according to the project's demands.

9. The following staff comprises the core of MDP and CRIP procurement activities:

- a. Ernest N. Raymond (MDP Project Coordinator);
- b. Wendel Parham (CRIP Project Coordinator);
- c. Christine Lopez King (Procurement Officer);
- d. Therese Arzu (MDP Administrative Assistant); and
- e. Savita Burns (CRIP Administrative Assistant).

Procurement Officer (Christine Lopez King):

10. Mrs. King has been with BSIF since December 2010, previously as Senior Accounts Officer. In February 2016, she was officially assigned to the role of procurement responsibilities for both MDP and CRIP although her salary is solely supported by CRIP. Christine's job summary is as follows:

- a. Identification of suitable candidates for selection of contractors for execution of approved projects, acting in accordance with the guidelines on contracting and procurement outlined in the Operations Manual and in consultation with the Project Coordinator, the Finance Unit Coordinator, SIF and the Executive Director, SIF;
- b. Coordination in scheduling of the preparation of the bidding document;
- c. Selection of the appropriate bidding document to be used for a particular tender and method of procurement;
- d. Preparation of publications for specific procurement notices associated with a particular tender; and
- e. Collaboration with project coordinator in interfacing with private sector contractors and other prospective bidders interested in providing goods and services to BSIF.

Administrative Assistant (Therese Arzu):

11. Mrs. Arzu has been with the BSIF since October 2014 providing efficient clerical and administrative support to the Procurement and PIU. In general, she is responsible for assisting Procurement Officer in:

- a. Establishing and managing a user friendly filing and records keeping system;
- b. Ensuring that for each tender, all records of advertisement, final bidding document, and internal and external correspondence are kept chronologically; and
- c. Securing a separate safekeeping area for all active contracts.

12. Although we do not envisage at this moment the need to increase the procurement capacity of the SIF by hiring additional procurement staff, this situation needs to be monitored and the need assessed continuously.

General Remarks:

13. The WB Team is available to provide complimentary training to procurement staff on WB new procurement Guidelines, practices and procurement processes. The procurement officer also benefited from the recent fiduciary training, held in May 2016 in the Dominican Republic where she was exposed to the new Procurement Policy and Framework that became effective on July 1st, 2016.

14. **Procurement Plan CRIP (PP)** - The mission had discussions on the progress of the procurement activities in the plan and found that little progress had been done since the last mission. The delays are mainly concerned with internal procedures that need to be followed by the Borrower that leads to increase of the timelines of the procurement processes. In this context, it was agreed that an updated procurement plan, incorporating all activities, and updated dates, will be submitted to the Bank for non-objection, by early September 2016..

15. **Procurement Plan MDP (PP)** - Procurement processes are in compliance with the agreed procurement plan and procedures. Contracts are on the final stages of implementation and no new contracts have been signed since October 2015. No additional procurement processes are envisaged at this stage. An updated procurement plan presenting dates, awarded contracts details and values, will be submitted to the Bank by July 29th, 2016.

Procurement Supervision

16. The mission reviewed the on-going procurement processes and contracts with summaries of findings shown below.

SUB-PROJECT REFERENCE: 8416-BZ/C30 Procurement Advisor:

17. This activity was discussed and analyzed with respect to the profile of the consultant that is envisaged. SIF will proceed with interviewing the three (3) highest evaluated consultants to determine the candidate with the best profile and qualifications matching the job requirements. Furthermore, it was also advised that professional references shall be obtained in order to complete the due diligence.

Technical Report Feasibility Study

18. Advice was given to the procurement officer on which elements needs to be included on the technical evaluation report, which points shall be taken into account and how to conduct an evaluation meeting. The report will be submitted to the bank as per Action Plan Item No.1

Procurement Post-Review

19. As part of its fiduciary responsibility, the Bank conducted a procurement post review by the supervision mission of the project Municipal Development Project (P111928) on July 19, 2016. The main objectives of the post-review were: (i) to ensure that the commitments agreed on Loan Agreement to maintain throughout the project implementation, key staff including procurement management personnel dedicated full-time to the project, with qualifications and experience satisfactory to the Bank was respected; and (ii) to assess the general quality and timeliness with which each phase of the procurement cycle is being handled by the project implementation unit.

20. As result of the review the following points were identified:

- a. It was found that the two audited procurement activities were carried out in accordance with the Bank's Guidelines apart from minor deviations that are described on the detailed Post review Report; and
- b. It was identified that some of the Contract Forms used by SIF aren't correct. The Bank will revert soon, after consulting with legal procurement about the correct standards that apply and also of possible measures for past contracts where the incorrect contract forms were used. Of particular importance is the lack of Fraud and Corruption and Right to Audit Clauses.

21. On more general notes the SIF was advised of the following:

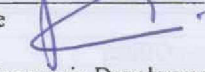
- a. Coordination between the Technical Team and the Procurement Team shall be in place to avoid delays and ensure smooth project implementation;
- b. Critical path of the procurement activities need to be identified so the correct planned dates be included on Procurement Plans; and
- c. No procurement activities can be initiated if those are not previously included on a submitted and approved Procurement Plan by the Bank. Hence, any changes on the procurement plan are subject to the bank's prior review and procurement only initiated when the NO was obtained.

Conclusions


22. The mission expresses its overall satisfaction with the Government and its staff for participation in the mission in the week of July 18, 2016.

23. As identified during the procurement activities, no major issues were found in relation to SIF's working processes. The Team praises the efforts dedicated in overcoming procurement bottlenecks and restrained capacity, and remain committed to support the ongoing activities for both MDP and CRIP.

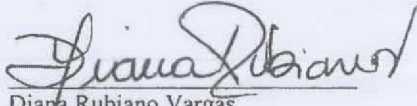
24. The mission, once again, expressed its concern at the less than satisfactory performance of CRIP given the delays experienced and non-compliance of the agreed Action Plans. The WB Team highlighted the urgent need for action from the Government to ensure implementation bottlenecks to be overcome so the project can fulfill its development objective in the proposed timeline. It was agreed that a detailed Project Implementation Plan will be developed with support from the WB Team as well as the Government will commit to ensure deadlines are met by the decision-making peers at projected instances in the streamline implementation plan. Hence, the PMU will be required to spearhead concerted efforts to put the Project onto a more sustainable trajectory in the short term.



Yvonne Hyde
CEO
Ministry of Economic Development
and Petroleum



Frederico Ferreira Pedrosa
Task Team Leader (CRIP)
World Bank



Diana Rubiano Vargas
Task Team Leader (MDP)
World Bank

Annex A – List of People met during the mission.

Belize Social Investment Fund (BSIF)	
William Lamb	Executive Director
Wendel Parham	Project Coordinator, CRIP
Christine Lopez King	Procurement Officer, CRIP
Therese Arzu	Administrative Assistant, BMDP
Savita Castillo	Administrative Assistant, CRIP
Ministry of Economic Development and Petroleum	
Yvonne Hyde	Chief Executive Officer
Kimberley Westby	Economist
Ministry of Works, Transport and National Emergency Management	
Lennox Bradley	Chief Engineer
Irving Thimbriel	Senior Executive Engineer
Graciano Medina	Senior Executive Engineer
Michelan Gilharry	Project Engineer
Jorge Espejo Jr.	Project Engineer, CRIP
Coronel Shelton DeFour	National Coordinator, NEMO
Ministry of Natural Resources and Immigration	
Francis Arzu	Principal Land Information Officer

Annex B – CRIP Action Plan.

CRIP ACTION PLAN AS AT 22JULY 2016

	Relevant Activities	Recommendation/Action	Responsible Agency	Due Date
1	Works	Complete evaluation (technical and financial) and prepare recommendation of award for the FS. Initiate negotiations and draft contract	PMU/MoWT with WB NO	Evaluation of the Technical Reports is to be completed by July 22nd, sent to the WB by July 29th, responded to by WB by August 12th; Financial Proposals to be opened by August 26th, Evaluation Report to be sent to the WB on September 6th, WB to respond by September 20th; Negotiations to be completed by October 4th and report sent to WB, WB to respond by October 18th; Contract to be signed by October 31st, 2016.
2	Works	Complete and issue ESIA RFP, evaluation and recommend contract award	PMU/MoWTN with WB NO	WB to respond to completed RFP for the ESIA by July 22nd, to be issued by July 29th, and Proposals to be returned by August 26th; Evaluation of Proposal to start on August 29th and report is due by September 26th; Financial Proposal to be opened by October 10th; Negotiation to take place and contract to be signed by October 31st, 2016.
3	TA	Draft equipment specification and TOR for installation and training plan for MoWT testing laboratory	PMU/MoWTN	Equipment specification and TOR for installation and training plan is due by July 29th, 2016.
4	TA	Develop proposed support to asset management, data collection and analysis	PMU/MoWTN	Being done through the Transport Asset Management (TAM) TA which was initiated on June 6th
5	TA	Complete NSDI Interim Report and develop work plan for completion of consultancy	PMU/MNRI	Planned for mid-August 2016
6	TA	Review the ToRs of systems administration and data administration)	WB	To be revised by MNRI by July 22nd, 2016
7	TA	Carry out recruitment of 2 specialists based on TOR agreed with the Bank	PMU/MNRI with Bank NO	Plan to advertise in August with expectation to sign contracts by November, 2016

8	TA	Initiate procurement of consultancy services for land use TA, issue RFP and short list	PMU/MNRI with Bank NO	The EOIs were evaluated on July 13th and Shortlist Report expected by August 12th ; Submit Shortlist Report and Draft RFP to WB for "no objection" by August 19th and expect response by September 2nd; Send RFP to shortlisted consultants by September 9th with due date for submission of Proposals of October 10th; Proposals to be evaluated in October; Contract signature by December 2016
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