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RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF
THE GUYANA CONSERVANCY ADAPTATION PROJECT
GEF SCCF TF091692

October 30, 2007

IN THE AMOUNT OF
US\$3.8 MILLION

TO THE

CO-OPERATIVE REPUBLIC OF GUYANA

March24, 2011

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ABBREVIATIONS AND ACRONYMS

CAP	Conservancy Adaptation. Project
DfID	United Kingdom Department for International Development
EDWC	East Demerera Water Conservancy
GEF	Global Environmental Facility
GOG	Government of the Republic of Guyana
LIDAR	Light Detection and Ranging
MOA	Ministry of Agriculture
PEU	Project Execution Unit

Vice President:	Pamela Cox
Country Director:	Francoise Clottes
Country Manager:	Giorgio Valentini
Sector Manager:	Guang Zhe Chen
Task Team Leader:	Sylvie Debomy

**Cooperative Republic of Guyana
Guyana Conservancy Adaptation Project
CONTENTS**

	Page
A. Data Sheet	Error! Bookmark not defined.
B. Summary	Error! Bookmark not defined.
C. Project status	6
D. Proposed Changes	Error! Bookmark not defined.
ANNEX 1: Results Framework and Monitoring.....	9Error! Bookmark not defined.
ANNEX 2: Withdrawal of Grant Proceeds	10.

A DATA SHEET

Restructuring	Status: Draft
Restructuring Type: CD Approval	

1. Basic Information	
Project ID & Name	P103539,GY-GEF Conservancy Adaptation Project
Country	Guyana
Task Team Leader	Sylvie Debomy
Sector Manager/Director	Guang Zhe Chen
Country Director	Francoise Clottes
Original Board Approval Date	10/11/2007
Original Closing Date:	06/30/2011
Current Closing Date	06/30/2011
Proposed Closing Date [if applicable]	03/31/2013
EA Category	B-Partial Assessment
Revised EA Category	
EA Completion Date	01/01/2009
Revised EA Completion Date	

2. Revised Financing Plan (US\$)		
Source	Original	Revised
BORR	0.00	0.00
IBRD	3.8	3.8
Total	3.8	3.8

3. Borrower		
Organization	Department	Location
Cooperative Republic of Guyana	Ministry of Finance	Guyana

4. Implementing Agency		
Organization	Department	Location
Ministry of Agriculture	Agriculture Sector Development Unit	Guyana

5. Disbursement Estimates (US\$m)		
Actual amount disbursed as of 02/17/2011		
Fiscal Year	Annual	Cumulative
2011	17,272.43	17,272.43
2010	693,463.99	693,463.99
Total		710,736.42

6. Policy Exceptions and Safeguard Policies	
Does the restructured project require any exceptions to Bank policies?	No
Does the scale-up of restructured projects trigger any new safeguard policies? If yes, please select from the checklist below.	No

7a. Project Development Objectives/Outcomes
Original/Current Project Development Objectives/Outcomes
The objective of the CAP is to reduce the vulnerability of catastrophic flooding in Guyana's low-lying coastal area that is currently threatened by sea level rise resulting from global climate change.

7b. "Revised Project Development Objectives/Outcomes"

B. SUMMARY

1. As Per recommendations outlined in the Mid-term review (carried out in June 2010), and following those of a Quality Assessment Lending Portfolio (QALP) carried out in May 2010, the team reviewed the outcome indicators, the reallocation of funds per components and the necessity to extend the current project closing date. Below are the proposed changes :

- The following outcome indicator (Increase in the drainage relief capacity of the East Demerera Water Conservancy “EDWC” to the Demerara River by 35% by end of the Project) will be dropped to reflect the reality of the project activities which focused essentially on providing technical engineering baseline for future interventions designed to reduce flood vulnerability.
- Unused funds will be reallocated from component 2 to component 1 to cover the cost of the engineering study. As a result, the Disbursement table on Section IV.A.2 of Schedule 2 of the Grant Agreement will be amended to reflect these changes. The Proposed government financed Cunha Canal’s work has been withdrawn from the project and will be considered as a stand-alone project.
- Project closing date should be extended from June 30, 2011, to March 31, 2013 to complete all the activities of the study as some of them are season related.

C PROJECT STATUS

2 Overall the project has performed moderately satisfactorily with 18.70% of the funds disbursed. The Project implementation is built around six main contracts of which five have been awarded. The main contract for the project (US\$ 2.6 M) was signed on February 14, 2011. There are no outstanding audit, financial management, procurement, or safeguards issues.

D. PROPOSED CHANGES

- Results/indicators

The following outcome indicator (Increase in the drainage relief capacity of the East Demerera Water Conservancy “EDWC” to the Demerara River by 35% by end of the Project) will be dropped to reflect the reality of the project activities which focused essentially on providing technical engineering baseline for future interventions designed to reduce flood vulnerability.

- Components

Unused funds will be reallocated from component 2 to component 1 to cover the cost of the engineering study contract. Refer to the project cost table below to see new project costs per component and to Annex 2 for the new Disbursement Table.

- Financing

Project Costs (US\$m.3.8)		
Components/Activities	Current¹	Proposed
1-Pre-investment studies for engineering design of works²		
1.1- System Mapping: Use of Topographic and Bathymetric Mapping to support Modeling	1,300	1,440
	250	295
1.2- Assesment of EDWC System Integrity	300	545
1.3- Flow Modeling of EDWC System and Coastal Lowlands for Flood Control Management	150	420
1.4- Pre-feasibility Studies-EDWC dam and Coastal Lowlands Drainage Analysis and Works Identification	2,000	2,700
Total Component 1		
2-Investments in specific adaptation measures		
2.1- Widening of Key Drainage Relief Canals ³	0	0
	250	0
2.2- Improvement of Water Flow System within EDWC	950	400
2.3- Upgrading of Flood Control Structures	500	460
2.4- Selected Equipment Purchase and Installation	1,700	860
Total Component 2		
3- Institutional strengthening and project management		
3.1- Development of Contingency Plan	50	25
3.3- Consensus Building and Project Management ⁴	50	165
Total Component 3	100	200
Total	3,800	3,800

- Closing date
Project closing date should be extended from June 30, 2011, to March 31, 2013 to complete all the activities of the study as some of them are season related.

² Budget is revised to cover the cost of the engineering study contract (component 1 @US\$ 2,682.809). A total of US\$ 700,000 was taken from component 2 to reach the contract sum.

³ Amount was taken out of the Budget in light of the fact that DFID has withdrawn its funding for the Cunia Canal.

⁴ This amount is added to the budget to cover the cost of an engineer who will supervise implementation of the services under component 1.

capacity of the EDWC to the Demerara River by 35%												
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ANNEX 2: Withdrawal of Grant Proceeds

Category	Amount of the Grant Allocated (expressed inUSD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works	475,000	100%
(2) Goods	460,000	100%
(3) Consultant's services	2,700,000	100%
(4) Operating Expenses	165,000	100%
Total Amount	3,800,000	