

## TC Document

### I. Basic Information for TC

▪ Country/Region:	GUYANA
▪ TC Name:	Support for Climate Resilient Road Infrastructure II
▪ TC Number:	GY-T1190
▪ Team Leader/Members:	Guerrero, Pablo (INE/TSP) Team Leader; Persaud, Christopher (INE/TSP) Alternate Team Leader; Canterbury, Karen Allison (CCB/CGY); Collins, Michael I. (CSD/RND); Jimenez De Arechaga, Maria Del Pilar (LEG/SGO); Liddell, Clevern Anneliese (CCB/CGY); Monteiro Silva Maria Emilia (INE/TSP); Persaud, Dayavati (CCB/CGY); Richard Mix (INE/TSP)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	GY-L1084.
▪ Date of TC Abstract authorization:	24 Feb 2023.
▪ Beneficiary:	Government of Guyana (Ministry of Public Works)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	AgroLAC 2025 Multidonor Trust Fund(MAG); OC SDP Window 2 - Infrastructure(W2B)
▪ IDB Funding Requested:	AgroLAC 2025 Multidonor Trust Fund (MAG): US\$270,000.00 OC SDP Window 2 - Infrastructure (W2B): US\$200,000.00 Total: US\$470,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	June 2023
▪ Types of consultants:	Firms; Individuals
▪ Prepared by Unit:	INE/TSP-Transport
▪ Unit of Disbursement Responsibility:	CCB/CGY-Country Office Guyana
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Social inclusion and equality; Productivity and innovation; Economic integration; Environmental sustainability; Gender equality; Diversity

### II. Description of the Associated Loan

- 2.1 This Technical Cooperation (TC) will give support to the preparation of the Program to Support Climate Resilient Regional Road Infrastructure Development II (GY-L1084). The general objective of the program is to improve accessibility and connectivity in Region No.6 of Guyana. The project-specific objectives are to: (i) improve access and connectivity of residents to social infrastructure such as schools and health centers; (ii) increase access to economic centers; (iii) improve regional integration and border crossing management; and (iv) lower generalized travel time and cost. The program will also rehabilitate the access to the Corentyne River Bridge as well to the New Amsterdam - Molsen Creek main road; additionally, the program will finance border crossing infrastructure. This will reduce the infrastructure gap while increasing sustainability through the incorporation of climate resilience to the road and drainage design.
- 2.2 The improved accessibility and connectivity that this program will bring is expected to result in benefits such as increase school and health centers attendance, increase

transportation services, reduction in economic cost for businesses, and reduced travel times and costs. The potential beneficiaries of this operation are: (i) residents of communities in Region No.6 including persons with disabilities, women, businesses and motorists; and (ii) motorists and persons traveling to and from Suriname.

### III. Objectives and Justification

- 3.1 **Objective.** The objective of this Technical Cooperation (TC) is to support the development of road infrastructure and regional development in Guyana and to strengthen the capacity of the public sector to overcome critical project planning and implementation issues (particularly socio-environmental and climate resilience aspects) and to manage a growing public investment agenda. The purpose is to create capacity and assist a local counterpart technical team within the Ministry of Public Works (the Works Service Group) to lead project planning and preparation in socioenvironmental aspects, gender and diversity, engineering designs for adaptation and resilience; and to conduct analysis of infrastructure and access barriers for agriculture products to access markets.
- 3.2 **Justification.** The discovery of offshore oil and gas has resulted in dramatic economic growth and transformation in Guyana with the country's Gross Domestic Product (GDP) increasing in 2022 by 37.2% and is expected to grow by 45.3% in 2023. It is projected that at the end of 2023 Guyana's GDP will be close to 100% of 2021 figures. This phenomenon allows the Government of Guyana (GOG) to embark on an investment effort to expand, upgrade, and revamp infrastructure.
- 3.3 Guyana ranks 104th in road infrastructure<sup>1</sup> having one of the sparsest road networks in South America with 4,000 km of roads serving a country with 214,970 km<sup>2</sup>. As a result, Guyana has a low road network density of 18.5 km/1,000 km<sup>2</sup>.<sup>2</sup> According to the road index developed by the Inter-American Development Bank (IDB), the small percentage of paved roads and the low-road density are the two factors that influence its low position in the ranking the most. The cost of bridging this gap in paved roads is estimated to be between US\$2.3B to US\$5.9B over the next 10 years.<sup>3</sup>
- 3.4 The scope of intervention of the loan being prepared and therefore of this TC is Region 6, also known as the East Berbice – Corentyne Region, one of Guyana's ten Administrative Regions. Region 6 is bordered by Suriname to the East, the Atlantic Ocean to the North, and Brazil to the South. Region 6 is the second most populous region, one in five Guyanese citizens lives in this region, but 35% of homes lack all-weather road access, severely impeding school attendance, access to health-centers, employment and services, such as garbage collection and vector eradication<sup>4</sup>.
- 3.5 Furthermore, agriculture is a major export earner for Guyana and contributes to about 20% to non-oil GDP. The GoG views agriculture as important for addressing food security and diversifying the economy, with efforts that include sugar production, boosting rice, and corn production. The country's tropical climate and topography and large amounts of arable land, favorable climatic conditions, proximity to the United States and access to CARICOM markets makes it an attractive investment to support

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<sup>1</sup> According to the Global Competitiveness Index (GCI).

<sup>2</sup> Road coverage relative to surface area: Guyana 0.0185 km/km<sup>2</sup>; the Dominican Republic: 0.41 km/km<sup>2</sup>; Nicaragua: 1.64 km/km<sup>2</sup>; and Honduras: 2.31 km/km<sup>2</sup>.

<sup>3</sup> There is a need to increase land connections between rural communities with new paved, two-lane roads (Infrastructure Gap Assessment and Investment Pathway Report, Castalia, 2021).

<sup>4</sup> According to the Infrastructure Gap Assessment and Investment Pathway Report (Castalia, 2021).

food security across the Caribbean. Region 6 is an important rice, sugar cane, vegetables, and livestock producer, however transport and logistics costs make up a large part of the delivered cost of products, giving the low-road coverage of the area. In Region 6, there are currently no paved roads connecting Guyana to Brazil, and there is no bridge connecting the major coastal highways of Guyana and Suriname<sup>5</sup>, thus reducing connectivity with the national-road network linking to destinations in the country.

- 3.6 Lastly, Region 6 has seen important developments such as the new Deep-Water Harbour being developed along the Berbice river that will further open the door to economic development. Region 6 also has ambitious plans for a deep-water port along the ocean coast that will allow access to new international markets and links to the Caribbean. Additionally, there is an ongoing collaboration with the Government of Suriname to bridge the Corentyne River, facilitating bilateral exchange. Nonetheless, Region 6 does not have adequate border crossing infrastructure to cater for the future growth in foreign trade expected to come from the construction of the international bridge over the Corentyne River.
- 3.7 The GoG has embarked on a large investment effort to upgrade and revamp infrastructure in the country, which consists of interventions in the case of transport of critical coverage, capacity, and quality upgrades of its road network, which include actions for rehabilitation, improvement, conservation, as well as strengthening the capacities of the authorities. Therefore, the project will require the presentation, by the beneficiary, of a set of studies, such as the feasibility of the program, the socio-environmental management frameworks, that are required for compliance with the policies of environmental and social safeguards, among others. Several of these studies will be financed by this TC. Likewise, the TC will finance studies on cross-cutting themes such as gender, adaptation to climate change, and technology among others.
- 3.8 **Gender.** Women labor participation in 2019 was 46.43%, compared to 70.69% for men. Female unemployment reached 19.20% in 2020, higher than male unemployment, which stood at 14.70% in 2020<sup>6</sup>. On average, women earn 30.69% less per hour than men<sup>7</sup>. Some of this may be attributed to women working in less lucrative careers, but even when earnings in similar jobs are considered, there is 37% gap between men and women<sup>8</sup>. If employment sectors are compared, over 80% of women's jobs are in the service activities, a trend that remains since 2000<sup>9</sup>. In the period 2019-2020 at the University of Guyana, the 64.2% of enrolments were from women<sup>10</sup>. Yet, there are some fields, including infrastructure and STEM careers, that are predominantly male dominated. In the Department of Mechanical Engineering 3% of students are women, at electrical engineering 7% of enrollments are female, while at Civil Engineering, the 19% of students are female<sup>11</sup>. In technical education, 24% of enrolments belong to women<sup>12</sup>.

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<sup>5</sup> Country Infrastructure Briefs ([IDB, 2021](#)).

<sup>6</sup> Idem.

<sup>7</sup> [UN Women, 2022](#).

<sup>8</sup> Gender and work in the Caribbean, Guyana report (ILO, 2018).

<sup>9</sup> Bureau of Statistics, 2020.

<sup>10</sup> [Ministry of Education Sports and Culture, 2020](#).

<sup>11</sup> Idem.

- 3.9 **Diversity.** The National Commission on Disability has revealed that about 2% of the population (11,713 individuals) have disabilities<sup>13</sup>. Disabilities were categorized as physical/mobility disability, visual/seeing disability, hearing/speech disability, learning/cognitive, mental health, and medical/other disability. Currently the country has the persons with disabilities act chapter 36:05 Act 11 of 2010<sup>14</sup>, which includes laws regarding equal opportunity for employment, education health, housing, and water among others. Lack of physical and communication accessibility as well as a lack of empathy are some of the biggest barriers faced by people with disabilities when using public transportation<sup>15</sup>. The CT proposes creating a manual of standards for the design of sidewalks, crossroads, and bus stops incorporating universal design standards.
- 3.10 **Strategic Alignment.** This TC is aligned with the Second Update to the Institutional Strategy 2020-2023 (AB-3190-2), as it aims to improve Guyana's ability to capitalize on a wider investment revolution to close its sustainable infrastructure gap and improve efficiency, safety, and transparency of the transport sector infrastructure. It is consistent with the strategic goals of: (i) Productivity and Innovation, by promoting investment, technology, and innovation, collaborating with the private sector to mobilize resources and build technical capacity within the country; (ii) Social Inclusion and Equality, by improving access to educational and employment opportunities, investments in transportation have important economic impacts, which improve social inclusion and equality; and (iii) Economic Integration, as it aims to increase the economic integration of lagging population through infrastructure networks. It is also consistent with the cross-cutting issues of: (i) Gender Equality and Diversity, by improving access to educational and employment opportunities, investments in transportation have important economic impacts, which improve social inclusion and equality; and (ii) Climate Change and Environmental Sustainability, by having a strong approach in climate adaptation and resilience.
- 3.11 The TC is also consistent with: (i) the IDB Group Country Strategy with Guyana 2017-2021 (GN-2905), that is still in effect, and is aligned with the strategic objective to support investment in infrastructure for private sector growth through the strengthening of resilient infrastructure and the facilitation of Public-Private Partnership (PPP) opportunities to develop investments in transport; and (ii) with the Transportation Sector Framework (GN-2740-12) by contributing to the second dimension of success, focused on supporting the region toward the consolidation of transportation systems to provide roads improvements as it supports the key segment priorities of being bold in infrastructure, particularly through transport solutions.
- 3.12 In addition, the objective and activities included in the scope of this TC are aligned with the Window 2 of the Strategic Development Program financed with the Bank's Ordinary Capital OC-SDP-W2B (GN-2819-14) following the objectives of: (i) improving the quality of infrastructure projects in LAC; (ii) improving the performance, quality and sustainability of infrastructure services; (iii) improving design quality and efficiency in the execution of infrastructure projects; and (iv) generating and deepening sector

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<sup>12</sup> This data excludes the students from the Carnegie School of Home Economics which offers courses related to care activities, handicrafts, beauty, food management, among others. Education Statistical Digest 2019-2020, ([Ministry of Education Sports and Culture, 2020](#)).

<sup>13</sup> [DPI, 2019](#).

<sup>14</sup> [ILO, 2010](#).

<sup>15</sup> [IDB, 2022](#).

knowledge on good infrastructure practice. It is also aligned with the AgroLac2025 Multidonor Trust Fund (MAG) in the objective of improving agricultural productivity and natural resources management as a means of enhancing food security and it will contribute to the achievement of the results of the MAG pillar I of Increased Productivity through Sustainable Intensification and MAG pillar II of Trade and Access to Markets.

#### IV. Description of Activities and Outputs

- 4.1 **Component I: Support for the preparation, execution, and supervision of the program.** Includes: (i) preparation of the program operation manual; (ii) engineering studies for road component development; (iii) preparation of economic evaluation of the program; and (iv) studies for climate change adaptation.
- 4.2 **Component II: Increased access to Guyana agricultural sector players to regional markets.** The studies to be financed are: (i) diagnosis of infrastructure and market-access barriers, accessibility to logistics and freight transport services of the agribusiness sector in Region 6, including gender issues and inclusion of people with disabilities; (ii) design a strategy to promote the inclusion of gender and diversity issues through practical and vocational training<sup>16</sup>; and (iii) miscellaneous road accessibility and community impacts assessment.
- 4.3 **Component III: Dissemination and knowledge.** The following activities will be financed: (i) dissemination activities of results and experiences obtained when preparing the loan; and (ii) exchange of experiences with experts on the topics addressed by the program.
- 4.4 **Budget.** The indicative budget of the TC will be US\$470,000.00. From this total, US\$200,000 will be financed by the Window 2 of the Strategic Development Program financed with the Bank's Ordinary Capital OC-SDP-W2B (GN-2819-14). The other US\$270,000 will be financed by the MAG. There will be no counterpart. The distribution of costs is presented in the following table.

**Indicative Budget (US\$)**

Component	IDB/ W2B Fund	IDB/ MAG Fund	Total Funding
<b>Component I:</b> Support for the preparation, execution and supervision of the program	200,000	20,000	220,000
<b>Component II:</b> Increased access to Guyana agricultural sector players to regional markets	0	200,000	200,000
<b>Component III:</b> Dissemination and knowledge	0	50,000	50,000
<b>Total</b>	<b>200,000</b>	<b>270,000</b>	<b>470,000</b>

#### V. Executing agency and execution structure

- 5.1 At the request of the beneficiary, the Bank will be the executing agency of this TC. The activities will be coordinated by TSP/CGY, in collaboration with Transport Division

<sup>16</sup> This strategy will include inputs for the development of a guide to universal design standards in the public space (sidewalks, crossings, bus stops).

(INE/TSP) and Environmental and Safeguard Unit Solutions (VPS/ESG). CCB/CGY will act as the Unit of Disbursement Responsibility (UDR) of the contracts signed. This execution is justified by the Bank's experience with the preparation and development of the operational and technical instruments proposed and to better coordinate with other activities for project preparation of GY-L1084. In this sense, the Bank will be responsible for: (i) identifying the studies and technical work necessary to structure the project; (ii) selecting and hiring consultants to provide the necessary services; and (iii) managing the execution and delivery of consulting services. The activities will be carried out in coordination with the Beneficiary.

- 5.2 The TC will be executed by the Bank through the hiring of consultants to carry out each study. The Bank will contract the services of individual consultants, consulting firms and non-consulting services in accordance with the policies and procedures in force at the Bank. The activities to be executed under this operation are included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement methods, namely: (i) hiring of individual consultants, as established in the AM-650 standards; (ii) contracting of consulting firms for services of an intellectual nature in accordance with GN-2765-4 and its associated operating guidelines (OP-1155-4); and (iii) contracting of logistics services and other non-consulting services, in accordance with policy GN-2303-28.

## **VI. Project risks and issues**

- 6.1 A risk in the preparation of the program are delays caused by the responsiveness of the counterpart given the large investment agenda. To mitigate this risk, the team involved in the preparation of the loan is holding close dialogues with the Government and with the Country Office, to identify and mitigate possible bottlenecks and develop strategies to reduce possible negative impacts on the project schedule. In addition, the team's continued presence and follow-up as part of the portfolio implementation will allow for clarification with the government of the measures needed to accelerate decision-making when required.

## **VII. Exceptions to Bank policy**

- 7.1 No exemption to the Bank policy is considered.

## **VIII. Environmental and Social Strategy**

- 8.1 This technical cooperation will finance environmental and social studies related to a project in preparation, whose terms of reference and products will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

### **Required Annexes:**

[Request from the Client - GY-T1190](#)

[Results Matrix - GY-T1190](#)

[Terms of Reference - GY-T1190](#)

[Procurement Plan - GY-T1190](#)