

October 22, 2014

Mr. George Jervis
Permanent Secretary
Ministry of Agriculture
Regent Street and Vlissengen Road
Georgetown
Guyana

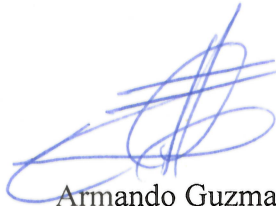
Dear Permanent Secretary:

*Guyana: Flood Risk Management Project (FRMP)P147250 - Credit 5474-GY
Adoption of Operations Manual*

I make reference to your letter dated October 14, 2014, indicating that the Co-operative Republic of Guyana (the Recipient) has formally adopted the Operations Manual of the above-referenced project, thereby complying with the Additional Condition of Effectiveness stipulated in the recently signed Financing Agreement. I am pleased to confirm that the Operations Manual is acceptable to the Bank.

We look forward to receiving the legal opinion on behalf of the Recipient, “confirming that Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms”.

Sincerely,



Armando Guzman
Senior Disaster Risk Management Specialist, Task Team Leader
Social, Rural, Urban and Resilience

Attachment: Operations Manual

cc: The Honourable Dr. Leslie Ramsammy MP, Minister of Agriculture, Ministry of
Agriculture
Mr. Lionel Wordsworth, Chief Executive Officer, National Drainage and Irrigation
Authority
Mr. Tarachand Balgobin, Head, Project Cycle Management Division, Ministry of
Finance



*GOVERNMENT OF GUYANA
MINISTRY OF AGRICULTURE*

&

INTERNATIONAL DEVELOPMENT ASSOCIATION

Flood Risk Management Project

(Project ID # P147250)

OPERATIONS MANUAL

**Ministry of Agriculture
Regent Street and Vlissengen Road
Georgetown, Guyana**

September, 2014



ABBREVIATIONS AND ACRONYMS

| | |
|-------|---|
| ASDU | Agriculture Sector Development Unit |
| BP | Bank Procedure |
| CAP | Conservancy Adaptation Project |
| CAS | Country Assistance Strategy |
| CDC | Civil Defense Commission |
| CQS | Selection Based on Consultant Qualifications |
| CV | Curriculum vitae |
| DA | Designated Account |
| DC | Direct Contracting |
| EA | Environmental Assessment |
| ECLAC | Economic Commission for Latin America and the Caribbean |
| EDWC | East Demerara Water Conservancy |
| EIA | Environmental Impact Assessment |
| EMP | Environment Management Plan |
| EPA | Environmental Protection Agency |
| EPP | Emergency Preparedness Plan |
| ESMF | Environmental and Social Assessment Framework |
| EU | European Union |
| FBS | Fixed Budget Selection |
| FM | Financial Management |
| FMR | Financial Monitoring Report |
| FRMP | Flood Risk Management Project |
| GDP | Gross Domestic Product |
| GIS | Geographic Information Systems |
| GEF | Global Environmental Facility |
| GFDRR | Global Fund for Disaster Risk Reduction |
| GL&SC | Guyana Lands and Surveys Commission |
| GoG | Government of the Republic of Guyana |
| GPN | General Procurement Notice |
| IBRD | International Bank for Reconstruction and Development |
| ICB | International Competitive Bidding |
| ICR | Implementation Completion Report |
| IDA | International Development Association |
| IDB | Inter-American Development Bank |
| IFR | Interim Financial Report |
| ISP | Implementation Support Plan |
| JICA | Japanese International Cooperation Agency |
| LCS | Least-Cost Selection |

| | |
|-------|--|
| LiDAR | Light Detection And Ranging |
| MoA | Ministry of Agriculture |
| MoF | Ministry of Finance |
| MoPW | Ministry of Public Works |
| MoU | Memorandum of Understanding |
| NCB | National Competitive Bidding |
| NCS | Non-consulting services |
| NDC | Neighborhood Democratic Council |
| NDIA | National Drainage and Irrigation Authority |
| NEAP | National Environmental Action Plan |
| NDP | Neighborhood Democratic Council |
| NPTAB | National Procurement and Tender Administrative Board |
| OM | Operations Manual |
| OMS | Operation and Maintenance System |
| OP | Operational Policy |
| PAD | Project Appraisal Document |
| PCC | Project Coordination Committee |
| PCU | Project Coordination Unit |
| PIU | Project Implementation Unit |
| PS | Permanent Secretary |
| PDO | Project Development Objective |
| QBS | Quality-Based Selection |
| QCBS | Quality and Cost-Based Selection |
| RAP | Resettlement Action Plan |
| RDC | Regional Democratic Council |
| RFP | Request for Proposal |
| RPF | Resettlement Policy Framework |
| SBD | Standard Bidding Document |
| SCCF | Special Climate Change Fund |
| SOE | Statement of Expenditures |
| SPN | Specific Procurement Notice |
| TOR | Terms of Reference |
| UNDB | United Nations Development Business |

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SECTION 1 – INTRODUCTION

The Government of Guyana (GOG) has signed the following agreements with the International Development Association (IDA)¹ to finance the Flood Risk Management Project (FRMP):

1. Credit Agreement – 5474-GY

The project is estimated to cost US\$11.89 million and is 100% Bank funded with no co-financing involved.

The Operation Manual has been prepared as a guide to the Government, including staff of the Ministry of Agriculture (MOA), on the nature and scope of project implementation and the functions and responsibilities of these entities under the Agreements.

The objectives of the manual are to:

- a) enable stakeholders to understand the scope, content, organization, and activities of the Project;
- b) indicate the performance expected of the management, operating, and support staff;
- c) ensure that the requirements for transparency, equity, compliance and accountability are met; and
- d) guide the operations of the functions to be performed under the Project to ensure consistency, timeliness and accuracy.

Project Implementation Entity

The Agriculture Sector Development Unit (ASDU) within the MOA will be the Project's main coordinating body. The Agreements require that the ASDU with functions, staff and responsibilities satisfactory to the Bank, be maintained throughout the life of the Project for the purposes of: (A) processing documentation required for disbursement of the funds; (B) procuring goods, works and services under the Project; and (C) preparing and maintaining records, accounts and financial statements referred to in the Agreements; (D) coordination and implementation of the Project; and (E) monitoring and evaluation of the Project.

This Operation Manual draws upon several documents:

- a) Credit Agreement – 5474-GY
- b) Project Appraisal Document (PAD) issued by the Bank (Report No: PAD871)

¹ In this Manual the 'Bank' is used to denote IDA.

- c) Publications of the Bank on such matters as procurement of goods and services, disbursement and accounting requirements and implementation and completion reports.

Country Background

Guyana has a land area of 215,000 square kilometers (83,000 square miles) and a low population density, with ninety percent of its 762,300² inhabitants living on the narrow coastal plain, which represents ten percent of the country's area. This is an area of reclaimed lands, much of which lies below sea level. It is crucial to the economy of the country, supporting the majority of the population including the nation's capital, Georgetown, and agricultural areas that account for approximately 27 percent of the nation's GDP.

With a GDP per capita of US\$3,647 in 2012, Guyana has a relatively high level of poverty within the Latin America and the Caribbean Region. Guyana has achieved significant advances in the reduction of moderate and extreme poverty rates, which fell 14.5 and 17 percent respectively between 1992 and 2006. Additionally, the economic performance of the country has improved in recent years with increasing foreign direct investment and GDP growth, which for the five-year period 2008-2012, grew an average of 4 percent, recovering steadily since 2007 (when it fell by 3.6 percent). In the first half of 2013; the economy grew by 3.9 percent, largely driven by rapid growth in mining, and it was projected to grow by 5.8 percent overall in 2013.

In addition to hosting the majority of the population and providing land for most of the country's agricultural activities, these areas are flood-prone, making the national economy susceptible to the impacts of the country's high seasonal rainfall and storm events. In January 2005 extreme rainfall caused widespread flooding in the coastal lowlands and resulted in an estimated US\$465 million in damages, which amounted to 59% of Guyana's GDP at the time. Other more recent severe rainfall events (e.g. February 2006, December 2008, January 2009, February 2011, and January 2012) have caused economic and livelihood losses, which further highlighted the importance of reducing Guyana's vulnerability to flooding to foster shared prosperity as an engine for equitable economic growth, job creation and poverty reduction.

Project Background

Guyana's Region 4 is an area of 1,843 square kilometers (711 square miles) with its population living predominantly on coastal reclaimed lands that are bound to the north by the Atlantic Ocean, to the west by the Demerara River and to the east by the Mahaica River and Region 5. This reclaimed land is protected from flooding by a seawall along the Atlantic Ocean that prevents the sea from inundating the area, and an inland water reservoir that is dammed on three sides. The reservoir dam parallels the Mahaica River, the Atlantic Ocean and the Demerara River and prevents storm water from the inland area from entering the reclaimed coastal land. The reservoir - referred to as the East Demerara Water Conservancy (EDWC) - is a large, shallow water storage system with a catchment area of 571 square

2 Based on 2002 census

kilometers (220 square miles). In addition to flood control, the EDWC provides agricultural lands (rice and sugar production especially) and urban areas with irrigation and drinking water.

The National Drainage and Irrigation Authority (NDIA) in the Ministry of Agriculture (MoA) is responsible for drainage and irrigation in Guyana, including management of conservancies such as the EDWC. NDIA's responsibilities cover strategic planning, investment, operation, maintenance and monitoring. In the decades leading up to the 2005 and 2006 floods, the operational capacities of the EDWC and coastal drainage systems declined due to insufficient physical investments and inadequate disaster preparation and management capacity. Following the floods, the Government of Guyana (GoG) reemphasized the importance of flood risk management to Guyana's economic, social and political well-being, increasing budget for NDIA to undertake investments, maintenance and future planning.

During rainfall events, flood protection is dependent upon both the integrity of the EDWC dam and effective drainage in the coastal areas. A series of drainage canals controlled by sluices reduce water levels by draining the EDWC and avoid dam failure caused by water levels exceeding safe operating levels or overtopping. A separate network of drainage and irrigation canals and pumps drains water from this area into the Demerara and Mahaica Rivers and the Atlantic Ocean to prevent and reduce the risk of flooding that would occur due to rainfall and runoff of storm water.

Significant improvements have been made to the EDWC dam since 2005; however, it remains vulnerable and frequently operates above the safe operating water level. The 2005 and 2006 floods left the EDWC dam in a weakened state, in need of maintenance and re-enforcement, and highlighted the fact that the EDWC did not have adequate drainage capacity to protect the dam during storm events. Since that time, GoG has repaired sections of the dam damaged during the flood and some areas are found to have marginal stability. Additionally, significant investments - a combination of GoG, World Bank and Japanese International Cooperation Agency (JICA) funds³ - were undertaken to improve water flow within the EDWC, rehabilitate several drainage relief canals and sluices, purchase equipment for maintenance and repair and construct the new Northern Relief Channel. These investments have improved the stability of the dam and operation of the EDWC, but the dam remains vulnerable to catastrophic breaching. Currently, water levels in the EDWC are typically above safe operating levels during storm events and the dam is marginally stable due to periodic slips and small breaches.

Similarly, the coastal drainage system has been upgraded since 2005 but is inadequate, resulting in annual flooding in Region 4. The poor performance of the coastal drainage system in 2005 led to catastrophic flooding lasting from 1 to over 3 weeks in some areas, the loss of 34 lives, a disease outbreak, population displacement and infrastructure damage. Since 2005, GoG with assistance from the Inter-American Development Bank (IDB) and JICA has been investing in the drainage systems in Region 4 that includes constructing, maintaining and rehabilitating drains, canals, pump stations and intake and outfall structures⁴. However, the system currently has inadequate drainage, pumping, and

³ The Project for Rehabilitation of the East Demerara Water Conservancy is a USD7.4 million JICA Grant that includes equipment purchase and rehabilitation of drainage canals and sluices in the East Coast Demerara area. The project is expected to be completed in 2014.

⁴ GoG activities in the East Demerara included clearing and desilting of canals and construction and upgrading sluices and kokers. A portion of the JICA Grant contributed to improved coastal drainage. The USD22.5 million IDB funded Agriculture Services Support Project focused on public land management policies and drainage and irrigation and undertook rehabilitation of infrastructure, some of

channel capacity, and compromised efficiency since it is combined with agricultural drainage. Investments in infrastructure to improve drainage capacity and efficiency are needed to reduce the impacts of floods in this area.

Following the 2005 and 2006 floods, GoG recognized the long-term need for flood prevention by increasing the annual budget allocated to investment and operation and maintenance of the system and investing in tools for medium- and long-term planning. The planning tools were developed under the Conservancy Adaptation Project (CAP) using financing from the Global Environment Facility (GEF) Special Climate Change Fund (SCCF) with the intention of improving the understanding of the behavior of the EDWC and coastal drainage systems for use in planning for investments and operation. In particular, GoG improved the baseline monitoring and information system for the EDWC including installing systems to monitor weather, water levels and water flow and collecting topographic and land use data in the coastal area. These were used to simulate the behavior of the EDWC and the coastal drainage system under different storm events and helped identify priority interventions in the EDWC and dam, and the coastal drainage system. These interventions are included in the GoG short and mid-term development plans, specifically in the Ministry of Agriculture's Master Drainage and Irrigation Plan for the period 2014-2030, now being finalized and its ongoing 2013-2020 Strategic Plan.

The experience since the 2005 floods demonstrated GoG's political and financial commitment to the issue. At the same time the financial resources from GoG alone are not sufficient to undertake larger investments and long term planning. With the exception of the Northern Relief Channel, activities outside of donor funding have focused on smaller short-term investments and maintenance activities that NDIA can undertake using their existing resources. Financial support from donors such as JICA, IDB, European Union (EU) and the World Bank thus provides an important source of financing to undertake the larger investments and knowledge to undertake strategic planning activities that otherwise would not be completed.

which was linked to the drainage of the East Demerara. The EU is also financing a USD25 million project to upgrade sea defenses including those in the East Coast.

SECTION 2 –PROJECT SUMMARY

Project Description

The Flood Risk Management Project provides investments to reduce the risk of flooding in Region 4, a region that contains most of the population and economy of Guyana. Flood prevention in Region 4 is dependent upon two systems. The first system consists of the East Demerara Water Conservancy (EDWC), a seawall and connecting drainage relief channels that maintain the reclaimed urban and agricultural areas. The second system is separate from the first and consists of individual drainage areas with canals draining by gravity or by pumps that drain rainfall and associated runoff that directly affect this area. The project will provide investments to reduce the risk of flooding by addressing inadequacies in these two systems. In particular, the Project will reduce the risk of flooding due to failure of the EDWC dams and due to rainfall and runoff in individual drainage areas. It will also include complementary institutional strengthening and planning to support these goals.

The Project is a continuation of Government and donor-financed upgrading of these systems that began after the severe flooding in 2005 caused loss of life, relocation, disease and infrastructure damage, significantly affecting the economy of Guyana. It also benefitted from the planning and technical assessments undertaken as part of the Conservancy Adaptation Project (CAP), financed by the Global Environment Facility Special Climate Change Fund (GEF SCCF), which identified priority areas for investment in the Region and established a technical foundation for planning and managing these systems.

Project Objective

The Project Development Objective is to reduce the risk of flooding in the low-lying areas of the East Demerara.

Project Components

The Project is composed of 3 components: 1. Priority Works for Flood Risk Reduction; 2. Institutional Strengthening; and 3. Project Management.

A.1.1. Component 1: Priority Works for Flood Risk Reduction (USD 10.3 million)

A.1.2. This component will include the upgrading of critical sections of the EDWC dams and the purchase of heavy equipment to facilitate the upgrade, the priority flood risk reduction investments in the East Coast Demerara drainage system, and the construction supervision and quality assurance of these works.

A.1.3. *Subcomponent 1.1 – Upgrading Critical parts of the EDWC dams.* The EDWC dams are 130 year old earthen dams that regularly experience minor slope failures and temporary breaches and could be compromised to the point of failure in extreme storm events. A recent assessment of the dams has shown that they are marginally stable in certain areas under certain conditions and do not meet international standards. The northeast dam is the most fragile part of the dam and is a priority for rehabilitation. The component will involve the following: (i) purchase of equipment (including but not limited to excavators, rollers, and barges) to upgrade and maintain the dam; and (ii) contracting of works for upgrading portions of the northeast dam including rehabilitation of the embankment and associated irrigation regulators and installation of surveillance equipment. The dam upgrading will include reinforcing areas of critical need and upgrading of sections of the dam including widening and strengthening the dam in accordance with established design and construction standards for dams.

A.1.4. *Sub-Component 1.2 – Investments in the East Coast Demerara Drainage System.* The drainage system consisting of a series of canals, culverts and pumps, provides drainage for rainfall and runoff in this area of reclaimed lands, known as the East Coast Demerara. The poor performance of the system during the 2005 storm directly contributed to the catastrophic impacts of this event. The system has progressively improved since that time. However, it is currently not adequate to drain excess water during annual storm events and to avoid significant damage in more extreme storm events, leading to frequent flooding.

A.1.5. The project will work in priority drainage areas along the East Coast Demerara that were identified based on a multi-criteria analysis. The drainage areas identified include: Liliendaal; Ogle; Montrose-Spriendaam; Mon Repos-Annandale; Strathspey-Enterprise-Paradise; and Beehive-Clonbrook, all of which are located east of Georgetown along the coast. The project will implement priority investments across several drainage areas in order to target key weaknesses in the system. The specific interventions will be finalized during project implementation based on a long list of prioritized interventions identified using hydraulic modeling under the CAP. The potential interventions include investments to improve pumping capacity, upgrading and constructing culverts, widening and upgrading channels and separating urban and agricultural drainage systems. The proposed investments under this subcomponent are additional pumping capacity in Mon Repos and Enterprise-Strathspey-Paradise drainage areas. These will be pursued subject to confirmation during implementation including completion of the designs, geotechnical analysis and safeguards requirements.

A.1.6. *Sub-Component 1.3 - Construction Supervision and Quality Assurance.*

This will include the procurement of an experienced consultant team to supervise the construction, supervision and quality assurance for the investments based on the Construction Quality Assurance Plan (see component 2.1). The supervision consultants for the dam works will supervise all works on the northeast dam financed by the Project. The consultants will also report on compliance with the Construction Quality Assurance Plan of those works on the northeast dam financed through other resources during the project period.

A.1.7. Component 2: Institutional Strengthening for Flood Risk Reduction (USD 0.4 million) This component is to support the MoA in improving dam safety systems, including preparation and implementation of: (a) the Construction Supervision and Quality Assurance Plan; (b) the Operations, Maintenance and Surveillance Plan; (c) the Instrumentation Plan; and (d) the Emergency Preparedness Plan in case of dam breach. It will also finance flood modeling and disaster risk management, drainage and irrigation sector-related communications activities.

A.1.8. *Sub-component 2.1 Dam Safety Improvement:* These activities are designed to establish

systems for construction, management and maintenance of the EDWC dams and to establish the necessary instrumentation to monitor dam integrity and behavior. It also includes the development of an emergency preparedness plan in case of dam failure developed through a consultative process among stakeholders and government agencies.

A.1.9. Construction Supervision and Quality Assurance Plan. The preparation of a Construction Supervision and Quality Assurance Plan that will become part of the scope of works of the Construction Supervision Consultants, the Contractors and the NDIA dam (with approval of the NDIA Board of Directors) for all current and future works on the northeast dam. This activity will review the NDIA construction practices and works on the northeast dam and the proposed construction designs and develop a plan for construction including technical criteria and quality control for use in bidding and supervision. This plan which will contain all performance criteria, standards, methodologies, testing and inspection requirements and protocols will be adopted for all the works to be undertaken in the northeast dam using Project financing and other resources.

A.1.10. Operations, Maintenance and Surveillance (OMS) manual and plan. This activity will finance consultancies to refine and finalize the EDWC dams OMS manual and plan. It will also finance training to build capacity to inspect, identify and intervene to ensure safe and sustainable operation of the EDWC, and to improve quality and health, environmental and safety standards.

A.1.11. Instrumentation plan for surveillance and forecasting. This activity includes the procurement of equipment and consultant services needed for: (i) installation and improvement of instruments to monitor and recording dam behavior for all the EDWC dams; and (ii) purchase of instrumentation for expansion of the system of hydro-meteorological data in the EDWC to include upstream watershed areas.

A.1.12. Emergency Preparedness Plan (EPP). A plan will be developed to specify the roles of responsible parties and procedures to respond in the case of dam failure both from the perspective of dam operations and the response of downstream communities. It will define responsibility for dam operations decision-making and for related emergency communications; elaborate maps outlining inundation scenarios; define flood warning system characteristics; and establish procedures for evacuating threatened areas and mobilizing emergency forces and equipment.

A.1.13. *Sub-component 2.2 Support to flood modelling.* This sub-component will support MoA in the use and expansion of the hydrology and hydraulic modeling of the EDWC and coastal drainage system that began under the CAP. In particular, this sub-component will support: (i) hydraulic and hydrologic modelling; (ii) specialized training in hydrology and hydraulic modelling, use of remote sensing tools, and data management; and, (iii) IT support for data management.

A.1.14. *Sub-component 2.3 Communications* This activity will support a series of communications activities as part of the MoA's ongoing efforts in the disaster risk management and the drainage and irrigation sectors, including activities implemented under this project. These activities will, among other things, include: (i) public meetings in the project area; (ii) coordination meetings with development partners; and (iii) information materials on the project.

A.1.15. Component 3: Project Management and Implementation Support (USD 1.2 million). This component will finance the provision to support the ASDU in the MoA to strengthen and develop their institutional capacity to conduct project management and coordination; implementation, supervision, monitoring and evaluation, including reporting and auditing activities. This sub-component will support: (i) the hiring of specialized staff; (ii) consultants to collect socio-economic data for monitoring and evaluation; (iii) preparation of designs and tender documents for execution and supervision of works, purchase of goods, and contracting of training activities and audits; (iv)

consultant services for supervision of contracts; (v) consultants for preparation of technical and financial project reporting, and mid-term and ex-poste evaluation of project activities; (vi) project audits; (vii) contracting of environmental and social safeguard consultants to develop, implement and supervise relevant plans and guide on any mitigation measures; (viii) trainings on areas such as procurement, safeguards, monitoring and evaluation, and financial management to strengthen the ASDU in their role as PIU; (ix) operating costs for the ASDU; and (x) computers and equipment for the ASDU. TORs for ASDU key staff were ready by appraisal and it is expected that hiring process will be advanced by approval.

Project Financing

The project will be financed by IDA resources as outlined in the table below.

Table 1: Project Component and Financing

| Project Components | Project Cost (US\$ 000) | IBRD or IDA Financing(US\$000) | % Financing |
|---|--------------------------------|---------------------------------------|--------------------|
| 1. Priority Works for Flood Risk Reduction | 10,350 | 10,350 | 100% |
| 2. Institutional Strengthening for Flood Risk Reduction | 382 | 382 | 100% |
| 3. Project Management and Implementation Support | 1,158 | 1,158 | 100% |
| Total Financing Required | 11,900 | 11,900 | |

SECTION 3 – IMPLEMENTATION ARRANGEMENTS

The Ministry of Agriculture (MoA) is the lead implementing agency for the project and will have overall responsibility for reporting on fiduciary matters and overall project progress to the Ministry of Finance (MoF) and the World Bank.

Agriculture Sector Development Unit (ASDU): The ASDU will serve as the Project Implementation Unit (PIU) and its functions and responsibilities will be: (a) the carrying out of monitoring, coordination and supervision of Project activities; and (b) the fiduciary, procurement, safeguards and administrative aspects of the Project (including but not limited to issuance of the tenders, undertaking financial reporting for the Project, and making payments to contractors based on recommendations from the supervising consultants and overseeing the work of the supervising consultants). Within ASDU, the Project will include an implementation team, with adequate resources, and qualified staff, including a Project coordinator, a senior civil engineer/procurement officer, a financial management specialist, and a junior accountant. Social & Environmental aspects will be the responsibility of assigned staff within the ASDU. Additionally, the ASDU will be the focal point to liaise with the relevant stakeholders such as the National Drainage and Irrigation Authority (NDIA), Ministry of Public Works (MoPW), the Regional Democratic Councils (RDCs) and Neighborhood Democratic Councils (NDCs).

National Drainage and Irrigation Authority (NDIA): NDIA, under MoA, is the national authority responsible for management and maintenance of drainage and irrigation channels. The main function of the NDIA during this project will be to coordinate with ASDU, the supervising consultant, contractor and all other relevant stakeholders during supervision of the works, including engineering inputs. They will also assume management and maintenance responsibility of the completed structure including dam safety aspects. These are all consistent with institutional mandates within the MoA and no separate agreements are necessary to formalize this arrangement. NDIA will also undertake works on the northeast dam using resources other than the Bank financing as parallel co-financing. These will be expected to conform to the requirements of the Quality Assurance Plan and will be monitored and reported on by the consultants financed under the Project.

Ministry of Public Works (MoPW): For ancillary works that affect sea defense structures, roads and bridges; the Ministry of Public Works and Communications (MoPW) will be involved. Their responsibilities will include construction and design approval and coordination with ASDU on supervision. Upon completion of the works, responsibilities will be transferred to the MoPW who will maintain the relevant structures after construction is complete. In cases where these types of works are undertaken, the MoA and the MoPW will sign a MoU outlining the arrangements for the construction design approval and supervision, maintenance and operation of the proposed works.

A Project Coordination Committee (PCC) will be convened by the MoA and comprised of relevant departments and agencies including but not limited to NDIA, Civil Defense Commission (CDC), Sea and River Defenses, MoF, Guyana Environmental Protection Agency (EPA), Ministry of Public Works and the Hydromet Department. The Committee will have statutory meetings that will be held at a minimum

on a quarterly basis and chaired by the Minister of Agriculture with the Permanent Secretary of the Ministry of Agriculture as Deputy Chair. The Chair and/or Deputy Chair will attend the Committee meetings to provide strategic leadership and direction to the Project.

The institutional arrangements are similar to those under the CAP. The shortcomings under the CAP included the challenges of coordination among agencies and capacity constraints in ASDU. These are being addressed under the Project through improved coordination mechanisms (via the Project Coordination Committee and communications program), by providing funding for project management in ASDU directly under the project, and providing continuous technical supervision and training.

The ASDU and NDIA will also manage the environmental and social safeguard aspects of activities financed by the project. Construction sites revegetation and site waste management are the responsibility of the contractor, compensation events will be handled by the assigned ASDU staff.

Implementation Responsibilities

Procurement and Contract Management

The ASDU will be responsible for managing procurement for the Project. A qualified Senior Civil Engineer/Procurement Officer, hired under the Project Management Component, will be responsible for all procurement activities. Additionally other technical consultants may be hired to provide technical assistance in the process of procurement and contract management, as needed. The main procurement challenges relate to delays in procurement due to processing time and capacity constraints in the ASDU and the limited number of qualified engineering firms and contractors working in Guyana. The Bank Procurement Specialist will provide training on Bank procurement and on-the-job training for the procurement and the other ASDU staff involved in the procurement process.

Key PIU Staff and Responsibilities

Project Coordinator: - will be responsible for the supervision of PIU staff and the review and authorization of all project reports before submission to the PCC for validation. The Project Coordinator will be responsible for receiving and issuing all correspondence to the PCC and contractors, in addition to the monitoring of the use of fixed assets. Furthermore, the Project Coordinator will be responsible for maintaining employee records; planning, scheduling and coordinating project activities; preparation of Monitoring & Evaluation (M&E) reports; preparation of annual work plans including provision of guidelines; ensuring that all steps in financial management, procurement and the implementation of the social and environmental safeguards are followed; preparation of project activity report. The TOR of the PC is outlined in Annex 1.

Finance Manager – will manage all the financial transactions involved with the Project through an established QuickBooks accounting system. Additionally, the Project Accountant will coordinate all financial activities related to the various ministries. The Project Accountant will be responsible for the

preparation of financial reports, updating the ledger, reviewing the documents and accounting books prepared/updated by the Administrative Assistant (purchase order, etc.), reimbursement and direct payment requests, and other duties assigned by the Project Coordinator. The Project Accountant will supervise the maintenance practice of all accounts and records according to Government regulations; revising and authorizing project disbursements to implementing agencies/entities; supervising the maintenance of archives of Program documents collected and produced during all phases of the Project preparation and implementation (see Section 5). The TOR of the Finance Manager is outlined in Annex 2.

Senior Civil Engineer/Procurement Officer - will assist with the coordinating of contract management, procurement of works, goods and services for the various components of the Project. The Senior Civil Engineer/Procurement Officer will be responsible for the preparation of procurement management reports, reviewing procurement documents and evaluation reports. The Senior Civil Engineer/Procurement Officer will be responsible for: (i) ensuring the integrity of the procurement processes of all works, goods and services required for the project; (ii) assisting intermediaries in preparing advertisements, bidding documents, minutes of opening of bids and proposals, Request for Proposals (RFPs), evaluations, draft contracts, minutes of negotiations, etc ; (iii) reviewing funding agreements and other contracts with intermediaries, contractors and consultants; (iv) participating in evaluation of all bids, proposals, etc; and (v) monitoring the performance of contractors, suppliers and consultants, and the delivery and completion of contracted works, goods and services. The TOR of the Senior Civil Engineer/Procurement Officer is outlined in Annex 3.

Administrative Support Staff (s) – This will include a Secretary, Drivers and Janitorial officer.

Financial Management

The Financial management (FM) of the Project will be undertaken by the ASDU which will be staffed by a Project Accountant who will be responsible for the day to day management. The ASDU has considerable experience in implementing the CAP, which had a satisfactory rating for financial management. A financial management capacity assessment of the ASDU was carried out during preparation of the Flood Risk Management Project to ensure that the systems to be used to manage the funds satisfy the Bank's minimum FM requirements under OP/BP10.00, and that they are adequate to provide, with reasonable assurance, accurate and timely information on the progress of implementation of the Project. The assessment concluded that the ASDU has adequate staff with experience in implementing Bank-financed projects and adequate control of environmental rules, procedures and systems. The ASDU is also maintaining a computerized accounting system, which will be able to generate reliable and timely financial reports. To help manage any residual risks, financial management supervision of the Project activities will be undertaken twice in a year. In addition to annual external audit of Project accounts, the internal auditors of the Government will conduct annual internal audits of Project expenditures and share the report with the Bank and external auditors.

Monitoring and Evaluation

The ASDU will be responsible for monitoring the progress on the project result indicators. Using established institutional systems, coupled with project-specific mechanisms such as the establishment of a Project Coordination Committee (PCC), (TOR outlined in Annex 4) the ASDU will track the progress of the project and provide reports to the GoG and the Bank on a regular basis as part of the agreed reporting requirements (see Section 8).

Project Coordination Committee (PCC)

The PCC will be formed in order to coordinate on drainage and flood protection activities among government agencies and provide strategic leadership and direction to the Project. The Committee will be chaired by the Minister of Agriculture and will have as minimum, statutory, quarterly meetings for the purpose of communication and coordination among the relevant agencies (MoA, MoF, Civil Defense Commission (CDC), MoPW, Sea and River Defense Unit in the MoPW, Environmental Protection Agency (EPA), and the Hydromet Office).

Generally, the role of the PCC is to:

- Assess project progress.
- Provide advice and guidance on issues facing the project.
- Assist with resolving strategic level issues and risks.
- Use influence and authority to assist the project in achieving its outcomes.

The responsibilities of the PCC are outlined in Annex 4. The PCC will consist of the following representatives:

Table 2: Members of the PCC

| Institutions | Representatives |
|--|--------------------------------|
| Chairman | Minister of Agriculture |
| Deputy Chairman | Permanent Secretary, MOA |
| Ministry of Agriculture (ASDU) | Project Coordinator |
| Ministry of Agriculture (ASDU) | Senior Civil Engineer |
| Ministry of Public Works | Permanent Secretary |
| Ministry of Local Government and Regional Development | Permanent Secretary |
| National Drainage and Irrigation Authority | Chief Executive Officer |
| Neighborhood Democratic Council, Good Success/Caledonia | Chairman |
| Neighborhood Democratic Council, La Reconnaissance/Mon Repos | Chairman |
| Neighborhood Democratic Council, Foulis/Buxton | Chairman |
| Neighborhood Democratic Council, Hope/Enmore | Chairman |
| Regional Democratic Council: Region 4 | Regional Chairman |
| Office of the President | Representative |
| Ministry of Finance | Representative |
| Civil Defense Commission | Representative |
| Environmental Protection Agency | Representative |
| Hydrometeorological Department | Representative |

SECTION 4 – PROCUREMENT AND CONTRACT MANAGEMENT

Procurement for the Project would be carried out in accordance with the “World Bank’s Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, January 2011;” “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, January 2011;” and the provisions stipulated in the Project’s Legal Agreements.

The various items under different expenditure categories are described in general below. For each contract to be financed by the Project, the different procurement methods or consultant selection methods, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank in the Procurement Plan (Annex 7 - excel worksheet attached).

The Procurement Plan (Annex 7 - excel worksheet attached) would be updated at least annually or as required to reflect the actual Project implementation needs and improvements in institutional capacity. A General Procurement Notice (GPN) in United Nations Development Business (UNDB) and Specific Procurement Notices (SPN) will be published for all international competitive bidding (ICB) procurement and consulting contracts as per Guidelines as the corresponding bidding documents and Requests for Proposal (RFPs) become ready and available.

In case of discrepancy between texts in this Operations Manual and the Financing Agreement and the applicable Procurement/Consultants’ Guidelines, the later will prevail. Whenever the national procurement act and other applicable legislation contradict the Financing Agreement and or the Guidelines, the Financing Agreement and the Guidelines will prevail.

Procurement Responsibility

The ASDU will be responsible for managing procurement for the Project. A qualified Senior Civil Engineer/Procurement Officer, hired under the Project Management Component, will be responsible for all procurement activities. Additionally, a civil engineer and other technical consultants may be hired to provide technical assistance in the process of procurement and contract management, as needed. The Project Management Component will finance the hiring of a qualified Senior Civil Engineer/Procurement Officer with experience in World Bank or any other donor procurement procedures.

During the procurement process, the National Procurement and Tender Administrative Board (NPTAB) within the Ministry of Finance will convene technical committees as necessary for the evaluation and award of contracts.

Technical inputs to bidding documents and evaluation of bid proposals will be provided by the National Procurement and Tender Administration Board (NPTAB) through (1) appointment/endorsement of the Evaluation Committee; (2) receipt of bids, (3) recording the receipt of the bids and their storage

(especially copies); (4) opening of bids; (5) minutes of opening; (6) approvals of Bid Evaluation Reports (BER's) and (7) facilitate contract award (No-objections by the cabinet; approvals by the Tender Board, etc.), as in accordance with the procurement act. The Bank would provide guidance in keeping with the bank's procurement guidelines and policies.

Modifications of the signed contract. In the case of contracts subject to prior review, before agreeing to (a) a material extension of the stipulated time for performance of a contract; or (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; or (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15% (fifteen percent); or (d) the proposed termination of the contract, the Borrower shall seek the Bank's no objection. If the Bank determines that the proposal would be inconsistent with the provisions of the Loan Agreement and/or Procurement Plan, it shall promptly inform the Borrower and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to the Bank for its record.

Procurement will be managed in accordance with the procurement thresholds identified in the project legal agreements and in accordance with applicable Bank procurement requirements.

Senior Civil Engineer/Procurement Officer Responsibilities

The Senior Civil Engineer/Procurement Officer will supervise the entire cycle of procurement processes conducted within the project, directing and managing the processes including:

- a) Preparation and update of Procurement Plan
- b) Elaboration of the ToRs
- c) Elaboration of technical specifications
- d) Establishment of packages
- e) Preparation of bidding documents and RFPs
- f) Timely publication of General Procurement Notice (GPN), Specific Procurement Notice (SPN) and Expressions of Interest (EOI)
- g) Bid opening and evaluation
- h) Selection and appointment of consultants
- i) Contract award and ratification
- j) Contract management
- k) Mobilization of contractors' and consultants' resources
- l) Distribution of goods
- m) Presentation of reports
- n) Quality control

Procurement Activities

1. Procurement of Works. Works procured under the Project would consist of civil works contracts for flood protection infrastructure, including, inter alia (i) reconstruction of the northeast dam; and (ii) construction of pump stations.

2. Procurement of works will be carried out using ICB. Other methods indicated in the financial agreement (FA) (National Competitive Bidding (NCB), Shopping, DC), could be also used if needed. The procurement will be carried out using World Bank's Standard Bidding Documents and other sample documents and templates, all agreed with the Bank. The procurement methods thresholds and prior review thresholds for Works are indicated in the table below. Domestic preferences in accordance with clause 2.55 and Appendix 2 of the guidelines will not apply.

3. Procurement of Goods and non-consulting services (NCS): Procurement of goods and NCS would include: Purchase of heavy machinery for dam works; and computers and office equipment. Procurement of goods will be carried out using National Competitive Bidding (NCB). Other methods indicated in the FA (NCB, Shopping, DC) could be also used, as needed. The procurement will be carried out using World Bank's Standard Bidding Documents and other sample documents and templates, all agreed with the Bank. The procurement methods thresholds and prior review thresholds for Goods are indicated in the table below. Domestic preferences will not apply.

4. Selection of Consultants: Consultants' services contracts procured under this project will include works supervision and the selection of individual consultants. The following selection methods may be used: Quality and Cost Based Selection (QCBS); Least Cost Selection (LCS); Selection Based on Consultants' Qualifications (CQ); Individual Consultants, and other selection methods indicated in the FA. The selections will be done using the Bank's Standard RFP and other sample documents and templates, all agreed with the Bank. Short lists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

5. Procurement Plan

The procurement plan for implementation of the proposed Project for the first 18 months will be agreed between the Borrower and the Bank team before negotiations. Summary of the procurement with larger international contracts to be financed under the project is presented below in Table 1. The plan shall be available at web address <http://worldbank.org/procure> within 30 days of the signature of the FA. It would be updated annually and the updated procurement plan shall be disclosed on this website after clearance by the Bank (Annex 7 - excel worksheet attached).

Procurement Methods and Prior Review Thresholds

For each contract to be financed by the Grant/Credit/Loan, the different procurement methods or consultant selection methods and prior review requirements are listed below in Table 2.

Table 2: Thresholds for Procurement Methods and Prior Review

| Expenditure Category | Contract Value (Threshold) US \$ thousands | Procurement Method | Contracts Subject to Prior Review |
|-------------------------------|---|--|--|
| 1. Works | >1,500 | ICB | All |
| | 100-1,500 | NCB | The first contract and each contract more than US\$750,000 |
| | <100 | Shopping | The first contract |
| | Regardless of value | Direct Contracting | All |
| 2. Goods | >150 | ICB | All |
| | 25-150 | NCB | The first contract |
| | ≤25 | Shopping | The first contract |
| | Regardless of value | Direct Contracting | All |
| 3. Consulting Services | | | |
| -3.A Firms | ≥100 | QCBS,QBS,FBS, LCS | All |
| | <100 | QCBS,QBS,FBS,LCS, and CQS | The first contract |
| | Regardless of value | Single Source | All |
| -3.B Individuals | ≥ 50 | Comparison of 3 CVs in accordance with Chapter V of the Guidelines | All |
| | <50 | | None |

Note: ICB = International Competitive Bidding - NCB = National Competitive Bidding

QCBS = Quality- and Cost-Based Selection - QBS = Quality-Based Selection

FBS = Fixed Budget Selection - LCS = Least-Cost Selection

CQS = Selection Based on Consultants' Qualifications

Goods and Works

A. International Competitive Bidding (ICB)

(a) *Grouping of contracts*

To the extent practicable; contracts for goods shall be grouped in bid packages estimated to cost US\$150,000 equivalent or more for Goods and US\$ 1,500,000 equivalent or more for Works, and will be procured through International Competitive Bidding procedures.

(b) *Special Provisions for ICB – Goods and Works*

1. The goods/works to be procured should be included in the procurement plan, if it is not; no-objection should be sought from the World Bank prior to procurement.

2. ICB should be carried out when the estimated price of the goods is US\$150,000 equivalent or more per contract or when the estimated price of works is US\$1,500,000 equivalent or more per contract.
3. The World Bank Standard Bidding Document should be used.
4. All ICB documents including bid evaluation report require prior review (NO OBJECTION) by the World Bank.
5. Bidding documents should clearly state evaluation criteria and technical specifications.
6. At least 45 days should be allowed from the date of advertising (for preparation of bids) to opening of bids.
7. Bids should be presented in one sealed envelope to the National Procurement and Tender Administration Board (NPTAB) or relevant Body set up for the purpose of this Project.
8. Opening of bids should be set at the same time and date as the time and date for receipt of the bids.
9. Opening of bids should be in the presence of bidders or their representatives who choose to attend.

At the opening, a bid opening check list (see WB Standard Bid Evaluation Form) should be properly filled in and minutes shall be prepared. Minutes shall include, as a minimum: the name of the Bidder (full name and country of origin) and whether there is a withdrawal, substitution, or modification; the Bid Price, per contract if applicable, including any discounts and alternative offers; and the presence or absence of a bid security, if one was required. The Bidders' representatives who are present shall be requested to sign the record.

1. Bidders are not allowed to review other bidder's offers.
2. Bids are not evaluated nor rejected at bid opening.
3. Any bid received after the deadline for bids' submission shall be declared late, rejected, and returned unopened to the Bidder.
4. All bids received by the deadline date for bid submission, irrespective of the number of bids received by the deadline date, should be opened and not discussed.
5. At the bid opening there should be no discussion on the merits of any bid for rejection of any bids.
6. Copy of the minutes of the bids opening should be sent promptly to the Bank. A copy of the record shall be distributed to all Bidders.
7. Evaluation of bids for goods/works should be made using the WB Standard Bid Evaluation Form.
8. Contracts for goods and works are not negotiated.
9. Publication of Award, UNDB online within two weeks from Bank's no-objection.

(c) Procedural Steps for ICB – Goods and Works

| STEP | ACTIVITY | AGENCY RESPONSIBLE |
|-------------|--|---------------------------|
| 1. | Verify request is in the procurement plan, if it is not; no-objection should be sought from the World Bank prior to procurement | ASDU |
| 2. | Prepare bidding documents | ASDU |
| 3. | Obtain No-objection from the World Bank | ASDU |
| 4. | Inform National Procurement and Tender Administration Board (NPTAB) and arrange for date and time for receipt of bids and time for bid opening | ASDU |
| 5. | Advertise in newspapers of wide coverage, the | ASDU |

| | | |
|-----|---|--|
| | Official Gazette/Website and the United Nations Development Business (UNDB) online and WB external website through Client Connection and in at least one newspaper of national circulation in the Borrower's country, or in the official gazette, or on a widely used website or electronic portal with free national and international access. | |
| 6. | Issue bidding documents | ASDU |
| 7. | Bids are submitted to NPTAB | Suppliers/Contractors |
| 8. | Open bids on established date and time in bidding documents, in the presence of all bidders | NPTAB/ASDU |
| 9. | Members of NPTAB and the Senior Civil Engineer/Procurement Officer from the ASDU witness opening of bids | NPTAB/ASDU |
| 10. | NPTAB hands over bids to Evaluation Committee | NPTAB/ASDU |
| 11. | Organize the evaluation committee and preliminary examination done at PIU | NPTAB/ASDU |
| 12. | Deliver bids to the evaluation committee in total confidence for detailed examination | Evaluation Committee |
| 13. | Prepare evaluation report (see evaluation procedures below) and recommendations of contract award and submit it to the Project Coordination Unit for review | Evaluation Committee |
| 14. | Obtain No-objection from World Bank for award of contract to lowest responsive/evaluated bidder and to draft contract agreement | ASDU |
| 15. | Obtain No-objection from NPTAB for award of contract to lowest responsive/evaluated bidder along with draft contract document, please note that contract that have a value above G\$15 Million will have to receive a Cabinet Decision) | ASDU |
| 16. | Notify bidder of the award and request performance security (if required) by a stipulated date and other guarantees. Notify the other bidders of the results of the bidding process | ASDU |
| 17. | Arrange for signing of Contract Document | ASDU/Contractor/ Supplier |
| 18. | Publication of Award, in UNDB online within two weeks from Bank's no-objection | ASDU |
| 19. | Return bid security to unsuccessful bidders | NPTAB/ASDU |
| 20. | Send signed contract documents to the World Bank (including completed Form 384) | ASDU |
| 21. | Ensure timely clearance of goods from airport/seaports | ASDU |
| 22. | Certify receipt of goods/accept works | Authorized Person(s) from ASDU or MOA |
| 23. | Administer and supervise contract | ASDU |
| 24. | Submit certified invoices and Requisition Orders for payment to the PCU | Authorized Person(s) from ASDU |
| 25. | Upon confirmation of funds, prepare Payment Voucher and request approval from authorized person | ASDU |

| | | |
|-----|---|------|
| | (s) | |
| 26. | Goods to be recorded in the Fixed Assets Register (Goods to be labeled before handing over where received at PCU or otherwise make arrangements for labeling. A record of the hand-over should be prepared and signed by IA | ASDU |
| 27. | Process payment | ASDU |

(d) *Bid Evaluation and Evaluation Report - ICB*

Bid Evaluation Committee

In order to examine and evaluate bids a Bid Evaluation Committee that would be supplemented with the necessary expertise who are qualified and familiar with the technical capacity would be appointed by the National Procurement and Tender Administration Board.

The ASDU will ensure confirmation of nominees and their willingness to participate. The ASDU and Bid Evaluation Committee is responsible for the evaluation and comparison of the bids received and for the preparation of the Bid Evaluation Report, which will be submitted to the Bank by the ASDU after the process is complete. The following sections describe in detail the steps that are followed by the Committee carrying out the evaluation.

Preliminary Examination (In accordance with the Instructions to Bidders of any specific bidding documents)

At the Tenders Evaluation Committee meeting the only bids to be rejected and returned unopened are the bids received after the bids submission deadline time and date, which is mandatory for all late bids. Other decisions about whether a bid is compliant with bid document requirements should not be made during the bids opening, which are conducted by the Evaluation Committee. A Bid Opening Checklist and Bid Opening Record should be filled out and submitted to the WB.

After the bid opening has been completed, as its first step in the evaluation, the committee should conduct a Preliminary Examination of the bids by making a thorough examination of all bids received before the deadline for submission in accordance with the Bank's standard evaluation form.

The preliminary examination of bids determines whether the bids meet the general procedural requirements of the bidding documents. In particular, the Committee should examine bids for compliance with the requirements of the Bank's standard evaluation form, using the bidding documents as the reference point. The following factors should also be taken into consideration:

1. The Bid should be signed properly by an authorized party, including the Power of Attorney if stipulated;
2. Bid securities should be in acceptable format, for suitable amount and duration;
3. Bid packages should contain all required documents including supporting evidence of bidder eligibility and qualifications;
4. Changes should be initialed;
5. The mathematical calculations should be properly computed, if not, corrections should be made; and Bids should be complete and quote prices for all items in the lot or package if so stipulated in the bidding document.

The purpose of this examination is to eliminate any bids from further and more complicated consideration if they do not meet the minimum standards of acceptability as set out in the bidding documents and are therefore not substantially responsive. However, the Borrower should exercise reasonable judgment in applying these tests and should avoid rejecting bids on trivial procedural grounds.

Detailed Evaluation (In accordance with the Instruction to Bidders of any specific bidding documents)

The preliminary examination stage of bid evaluation described above is aimed at making sure that the bids received are substantially responsive. A substantially responsive bid is one that conforms to all the terms, conditions and specifications in the bidding documents without material deviations, reservation or omission. After the preliminary bid evaluation stage, the bids are taken through a detailed evaluation in order to select the bidder whose bid not only complies with the technical requirements in bidding documents, but also offers the Employer the lowest price for the goods, works and/or services to be procured. During the bid evaluation period Bank policy requires the Employer to strictly adhere to the following principles:

- Ensure that the bid evaluation process is strictly confidential;
- Reject any attempts or pressure to distort the outcome of the evaluation;
- Reject any proposed action likely to lead to fraud and corruption;
- Comply with the Bank's prior review requirements; and
- Strictly apply only the evaluation and qualification criteria specified in the bidding documents.

Evaluation of Bids for Works Contracts (In accordance with the Instruction to Bidders of the issued bidding documents)

Evaluation of bids for works contracts is more complex than the evaluation of bids for goods. To make the evaluation process easier and transparent, it is essential for the Borrower to set out in bidding documents, well defined evaluation criteria and carry out the evaluation process in a transparent manner. If the evaluation criteria are not well defined, Bidders may be reluctant to submit bids. The evaluation of works contracts involves price and non-price factors, depending on the form of works contract being procured.

According to the procurement Guidelines, SBD, and SEF all bids are subject to detailed evaluation and only the lowest one is subject to post-qualification.

As in the case of evaluation of bids for procurement of goods, evaluation of works contracts begins with a determination of the following basic issues:

- Was the bid received by the due date required in the bidding documents;
- Is the bid accompanied by the bid security;
- Is it submitted in the required form, amount, etc. where necessary; and
- Does it comply with all the specific mandatory requirements of the bidding documents?

The Tenders/Bids Evaluation Committee proceeds to evaluate the prices offered for the contract. Depending on the kind of works contract being procured, the lowest evaluated and qualified bidder is determined and awarded the contract.

It should be also noted that in the publication of the contract award the evaluated price of each bidder should be indicated.

(e) ***The Standard Bid Evaluation Report***

After the completion of the evaluation process the Evaluation Committee, presents to the ASDU, a bid evaluation report setting out the process by which the Bid Evaluation Committee evaluated the bids received in response to the procurement process. A Standard Bid Evaluation Report format prepared by the Bank is available for use by Borrowers and its use is mandatory for ICB.

This report covers among other things:

- Key dates and steps in the bidding process;
- Bid prices, corrections, discounts and currency conversions;
- Additions, adjustments and price deviations;
- Technical evaluations if any; and statement on technical responsiveness;
- Post qualification results (including what is required in the issued BD, what the bidder's qualifications and experience, key staff and equipment etc. are, and clear statement on if the bidder meets or not the requirements of the BD);
- Names of bidders rejected and reasons for rejection of bids; and
- Proposed contract award.

(f) ***Awarding and Signing of the Contract***

Once the bids have been evaluated and a determination made on the lowest evaluated responsive and qualified bidder, and a decision has been made about the award, the next steps are to:

1. Request and obtain the World Bank's "no objection" prior to awarding the contract;
2. Request and obtain the NPTAB "no objection" prior to awarding the contract;
3. Publish contract award in UNDB online , within two weeks from Bank's no-objection;
4. Send notification of the award, a contract form, and a performance security form (indicating the amount of security) to the successful Bidder in a manner and within the time specified in the bidding documents;
5. Request the successful Bidder in a manner and within the time specified in the bidding documents; to return the signed contract together with the required performance security within the time specified in the bidding documents;
6. If the successful Bidder fails to return the signed contract or provide the required performance security, the Employer after Bank's no-objection should:
7. require forfeiture of the Bidder's Bid Security; proceed with awarding the contract to the next in the ranking lowest evaluated Bidder, provided that he is capable of performing satisfactorily;
8. Notify the awarded bidder of the award of contract (prior to expiration of bid validity period) and issue letter of acceptance with attached a contract form / Agreement, Form for submission of the performance Security and request the bidder to return the signed contract together with the performance security; and
9. Notify unsuccessful Bidders and return their bids securities as soon as possible after receiving the signed contract and the performance security.

B. National Competitive Bidding for Goods and Works

(a) *Special Provisions*

1. The goods/works to be procured should have been included in the procurement plan if it is not, a no-objection should be sought from the World Bank prior to the procurement.
2. NCB may be carried out when the estimated price of goods is <US\$150,000 equivalent per contract and when the estimated price of works is < US\$1,500,000 equivalent per contract.
3. The standard bidding documents of the World Bank may be used or a national document acceptable to the Bank
4. The first two NCB (see the prior review thresholds) and all at the amount of US\$ 750,000 require prior review (No objection) by the WB - bidding documents, advertising, bid evaluation.
5. Bidding documents should clearly state evaluation criteria and technical specifications.
6. At least 30 days should be allowed from the date of advertising (for preparation of bids) to opening of bids.
7. Bids should be presented in one envelope.
8. Opening of bids should be set at the same time and date as the bid submission deadline unless a prior no-objection is sought from the World Bank, in that case all bidders should be informed of the date and time of the bid opening.
9. Opening of bids should be in the presence of bidders or their representatives.

(b) *Procedural Steps for NCB - Goods and Works*

| STEPS | ACTIVITY | AGENCY RESPONSIBLE |
|-------|---|--------------------|
| 1-4 | Same as ICB | |
| 5 | Advertise in local newspapers | ASDU |
| 6-13 | Same as ICB | |
| 14 | Obtain Bank's no-objection to award of contract to lowest responsive bidder and to draft contract agreement (the first two contracts for goods and the first two contract for works | ASDU |
| 15-27 | Same as ICB | |

(c) *Bid Evaluation and Bid Evaluation Report* - Same as International Competitive Bidding.

(d) *Award and Signing of the contract* - Same as International Competitive Bidding.

C. Shopping

(a) *Special Provisions*

1. The goods/works to be procured should have been included in the procurement plan if it is not a no objection should be sought from the WB prior to procurement.
2. Shopping should be carried out when the:
 - Goods are estimated to cost less than US\$25,000 equivalent or less per contract.
 - Works are estimated to cost less than US\$150,000 equivalent per contract.

3. Goods may be procured by receiving written quotations from a minimum of three local and or foreign, eligible, qualified and not in a position of conflict of interest suppliers or contractors. Telephone or verbal quotations are not acceptable.
4. Small works may be procured under lump sum/unit price based, fixed price contracts awarded on the basis of quotations obtained from at least three (3) qualified domestic contractors in response to a written invitation. The invitation shall include detailed description of the works (schedule of activity/bill of quantity), including basic specifications and the required completion date, a basic form of agreement acceptable to the Bank and relevant drawings where applicable.

(b) *Procedures for Shopping – Goods and Works*

| STEP | ACTIVITY | AGENCY RESPONSIBLE |
|-------------|--|---------------------------|
| 1. | Verify request is in the procurement plan, if it is not no-objection should be sought from the World Bank prior to procurement | ASDU |
| 2. | Prepare Request for Quotations (including Technical Specifications) ⁵ and list of eligible suppliers ⁶ . The ITQ templates are attached in Annex 9. | ASDU |
| 3. | Request written quotations from local and foreign suppliers or contractors (ITQ) | ASDU |
| 4. | Receive quotations by a deadline, open and evaluate. Prepare an evaluation report using the format provided in Annex 10. (Make sure that the requirement of obtaining a minimum of three quotations has been fulfilled). | ASDU |
| 5. | Approve an evaluation report and recommendation for contract award by the procurement decision committee. Clear it with the Bank if the contract is subject to prior review | ASDU |
| 6. | Prepare letter of award and contract agreement incorporating the terms of the accepted offer. Sign Contract ⁷ | ASDU |
| 7. | Certify receipt of goods/works | ASDU |
| 8. | Submit payment request (certified invoice) and requisition order to the PCU | ASDU |
| 9. | Upon confirmation of funds, prepare Payment Voucher and request approval from authorized person (s) | ASDU |
| 10. | Process payment | ASDU |
| 11. | Keep all documents on file | ASDU |

Bid Evaluation Committee

⁵ TS should be broad enough to allow competition and not tailored to some particular suppliers, manufactures; do not use brand names and specify the parameters in the following manner: from.....-to.....; or min.....; max..... etc.; allow for equivalent standards

⁶ list of eligible and qualified suppliers should be broad enough to generate good competition but to yield at least three quotations, as required. Such a list may be prepared based on the past experience, consultation with chambers of commerce, Internet, or direct market research, etc

⁷ Keep the process confidential until the contract has been awarded

The quotations will be evaluated by a procurement committee comprising:

- Project Coordinator- or a staff acting on the PC’s behalf - ASDU
- Senior Civil Engineer/Procurement Officer - ASDU
- A representative of the MOA.

Evaluation of Quotations

The evaluation will be based on the criteria set out in the request for quotations including price, ability to meet the required delivery requirements, availability, cost of maintenance services and spare parts over a reasonable period of use (same as ICB)

(d) Award and Signing of the Contract

Same as ICB procedures except that the evaluation report is sent to the Permanent Secretary or the related Tender’s Committee, if applicable.

D. Direct Contracting (DC)

This method does not provide the benefits of competition and the transparency, so it is used in exceptional cases properly justified and approved.

| Steps in DC (goods) | | Responsibility |
|----------------------------|--|-----------------------|
| 1. | Prepare specification (TS) estimated cost of the goods to be procured directly from a single source; | ASDU |
| 2. | Prepare justification for direct contracting including the TS and cost estimates of the required goods and information about the supplier [full name, country, address, eligibility, potential conflict of interest (if any)] and why this is the only supplier who could supply the required goods), etc.;; | ASDU |
| 3. | Submit the estimated cost and the justification for direct contracting in the spirit of the Procurement Guidelines to the WB for “No Objection”; | ASDU |
| 4. | If WB accepts justification and issues its “No Objection”, proceed with the purchase by preparing draft contract (taking into account the format agreed with the Bank) including terms and conditions of supply and technical specifications; | ASDU |
| 5. | Obtain No-objection from NPTAB for single source; | ASDU |
| 6. | Send contract conditions to the supplier; supplier and negotiate it. Make sure that the prices being charged are at least the same as the supplier charges to its other customers; | ASDU |
| 7. | Send draft Contract to the WB for “No Objection”; | ASDU |
| 8. | Obtain No-objection from NPTAB for single source; | ASDU |

| Steps in DC (goods) | | Responsibility |
|----------------------------|--|-----------------------|
| 9. | After “No Objection” received, sign the contract; | ASDU |
| 10. | Publish award of contract | ASDU |
| 11. | Submit copy of the final Contract to the WB; and | ASDU |
| 12. | Receive and inspect goods and make payments as per the purchase order. | MOA/ASDU |

Selection of Consultants

The methods for selection of consultants are shown below.

E. Quality and Cost Based Selection (QCBS)

(a) Special Provisions

- The consulting services to be procured should be included in the procurement plan before starting the selection, if it is not a no-objection should be sought from the World Bank, prior to procurement.
- QCBS may be carried out for all contracts for firms, except for small and simple contracts, estimated to cost less than US \$100,000 equivalent per contract.

The ASDU prepares the advertising notice to obtain expressions of interest. The advertising notice is placed in UNDB online and WB external website and in in the national gazette, provided that it is of wide circulation or in at least one newspaper, or technical or financial magazine, of national circulation in the Borrower’s country, or in a widely used electronic portal with free national and international access

- The RFP including short list and the terms of reference require the prior review (NO OBJECTION) of the Bank.
- Request for Proposals (RFP) must include: a) letter of invitation, b) information to consultants, c) TOR, and d) proposed contract.
- The RFP should state clearly the evaluating criteria and factors and their respective weights as well as the minimum quality passing score.
- The WB Standard Request for Proposals (SRFP) should be used; The RFP requires a (NO OBJECTION) from the WB.
- A detailed list of the information that should be included in the “information to consultants” is given in Appendix II to the Consultant Guidelines.
- Technical and Financial proposals are submitted simultaneously in separate sealed envelopes.
- Opening of technical proposals should be set at the same time and date as the deadline for receipt of proposals.

When submission of both technical and financial proposals is required, officials appointed by the Borrower open the technical proposals immediately after the deadline. They verify that the financial envelopes are sealed and deposit them in a safe place under the custody of a designated officer (auditor, legal counsel). The Borrower should record the date and time that each technical proposal was received and the date on which the technical proposals were made available to the Evaluation Committee. Minutes of the technical-proposal–opening event are kept, including lists of the firms that submitted proposals. Copy of the minutes should be sent to the WB promptly after the opening. The technical proposals are handed over to the Evaluation Committee for evaluation. Late proposals should be returned unopened opening them.

Financial proposals remain sealed and are deposited with the independent authority, i.e., the auditing firm for the project until the technical evaluation report is completed and NO OBJECTION from WB is granted.

Based on the Bank’s no objection, the ASDU informs those consultants who have met the minimum qualifying score of the date and time set for opening of the financial envelope and of the firms’ score. Simultaneously, unsuccessful firms are also notified and informed that their financial envelopes will be returned unopened after the selection process has been completed. The financial envelopes of those consultants who submitted responsive technical proposals and met the minimum qualifying score are opened in the presence of the consultants or their representative who choose to attend. The minutes of opening of the financial proposals are signed by all firms attending the meeting, and a copy of the minutes is submitted to the Bank for its records.

The members of the NPTAB sign the financial proposals as witnesses to the event. The Chairman of the NPTAB hands the financial proposals to the ASDU so that the Financial Evaluation can be carried out and the combined Technical and Financial evaluation report can be prepared.

The Financial Evaluation is carried out, followed by the combined evaluation of the technical and financial proposals by weighing and adding the quality and cost scores. The combined Technical and Financial Evaluation report are sent to the NPTAB for approval of award of contract.

The combined Technical and Financial Evaluation Report along with the proposed contract award should be sent to the Bank for information.

Consultant is invited to negotiate the contract. Negotiations shall include discussions of Terms of Reference, the methodology, staffing, borrower’s inputs and special conditions of contract. The proposed remuneration rates for staff months and for reimbursable expenses are NOT permitted to be negotiated.

The draft negotiated initialed contract is sent to the WB for NO OBJECTION.

Copy of the signed contract and the completed Form 384 should be sent to the WB.

(b) *Procedures for QCBS*

| Step | Activity | Responsible Agency |
|-------------|--|---------------------------|
| 1. | Prepare Terms of Reference (TOR) | ASDU |
| 2. | Obtain Bank’s no-objection to TOR and REI | ASDU |
| 3. | Advertise in local newspapers (Gazette) and other newspapers of wide coverage and regional newspapers UN | ASDU |

| | | |
|-----|--|----------------------|
| | Development Business online (UNDB online) and in the WB external web site (use Client Connection - Create Bid) Advertise in the national gazette, provided that it is of wide circulation, or in at least one newspaper, or technical or financial magazine, of national circulation in the Borrower's country, or in a widely used electronic portal with free national and international access | |
| 4. | Obtain expressions of interest. | ASDU |
| 5. | Prepare shortlist | ASDU |
| 6. | Prepare Request for Proposal (RFP), including draft contract | ASDU |
| 7. | Obtain Bank's NO OBJECTION to RFP including short-list | ASDU |
| 8. | Obtain NPTAB's NO OBJECTION to RFP including short-list | ASDU |
| 9. | Issue RFP to all shortlisted firms | ASDU |
| 10. | Opening of technical proposals | NPTAB |
| 11. | Appoint the evaluation committee and obtain TB approval | NPTAB |
| 12. | Evaluate technical proposals and prepare technical evaluation report (TER). | Evaluation Committee |
| 13. | Obtain Bank's NO OBJECTION to technical evaluation report. | ASDU |
| 14. | Obtain NPTAB's NO OBJECTION to technical evaluation report. | ASDU |
| 15. | Notify the Consultants regarding their overall technical scores as well as scores obtained for each criterion and sub-criterion. Consultants whose proposals did not meet the minimum qualifying technical score or were considered nonresponsive to the RFP and TOR should be informed that their financial proposals will be returned unopened after the signature of the contract. The successful consultants should be notified about the place, date and time for opening of financial proposals. | ASDU |
| 16. | Notify NPTAB of date for opening of financial proposals (in the case of QCBS) | ASDU |
| 17. | Open financial envelopes of qualified firms (QCBS) Submit Minutes of FP Opening to WB and to Consultants | NPTAB |
| 18. | Evaluate financial proposal and combine scores of technical and financial proposals (QCBS) | Evaluation Committee |
| 19. | Submit combined evaluation report and Request of WB No –Objection to Negotiate with recommended consultant/Firm | ASDU |
| 20. | Submit combined evaluation report and Request of NPATB No – Objection to Negotiate with recommended consultant/Firm | ASDU |
| 21. | Negotiate with consultant recommended for contract award | ASDU |
| 22. | Obtain Bank's No – Objection to the draft initialed negotiated contract | ASDU |
| 23. | Obtain NPTAB's No – Objection to the draft initialed negotiated contract | ASDU |
| 24. | Publish the award of contracting UNDB online and promptly notify all consultants who have submitted proposals. | ASDU |

| | | |
|-----|---|----------|
| 25. | Arrange for signing of contract agreement | MOA/ASDU |
| 26. | Notify NPTAB to send the unopened Financial Proposals to the unqualified firms who have not passed the minimum technical score) | ASDU |
| 27. | Send copy of signed contract to the Bank | PCC/ASDU |
| 28. | Monitor/evaluate progress | ASDU |
| 29. | Report on performance | ASDU |
| 30. | Submit certified invoices and Requisition Order for payment to the PCU | ASDU |
| 31. | Upon confirmation of funds, prepare Payment Voucher and request approval from authorized person(s) | ASDU |
| 32. | Process payment | ASDU |

F. Selection Based on Consulting Qualification (CQS)

(a) *Special Provisions*

1. The consulting services to be procured should have been included in the procurement plan, if it is not; a no objection should be sought from the Bank prior to procurement.
2. CQS may be used for small and simple contracts estimated to cost less than US\$100,000 equivalent per contract.
3. Consultants can submit Expressions of Interest and qualification information on their experience and competence relevant to the assignment in response to REI published in local newspapers (depending on the assignment the REI may also be published in the UNDB online and dgMarket).
4. The selected firm will be requested to submit a combined technical and financial proposal.
5. Negotiations will be carried out if the combined technical and financial proposal proves acceptable.

(b) *Procedures for CQS*

| Step | Activity | Responsible Agency |
|------|--|--------------------|
| 1. | Prepare Terms of Reference (TOR) | ASDU |
| 2. | Obtain Bank's no-objection to TOR and REI | ASDU |
| 3. | Advertise in local newspapers and other newspapers of wide coverage (if necessary) | ASDU |
| 4. | Obtain Expressions of Interest and information on the consultants experience and competence relevant to the assignment. | ASDU |
| 5. | Appoint evaluation committee | ASDU |
| 6. | Evaluate the EOI's and prepare a list of all eligible, fully qualified and not in a position of conflict of interest who have expressed interest and assess and compare the , qualifications and experience and select the best qualified consulting firm. Prepare evaluation report and send it for WB clearance if the contract is subject to prior review | ASDU |
| 7. | Obtain NPTAB's NO OBJECTION to recommendation of the | ASDU |

| | | |
|-----|--|----------------------|
| | EOI | |
| 8. | After WB and NPTAB clearance, prepare the Letter of Invitation including the TOR and ask the selected consultant to submit a combined technical-financial proposal. The invitation should be prepared taking into account Appendix 1 of the SRFP and the consultant should be requested to present a detailed breakdown of cost per activity/ deliverable and present a statement that the rate used are compatible with the latest firm's payroll statements. | ASDU |
| 9. | Request firm to submit combined technical and financial proposal to the NPTAB | ASDU |
| 10. | Evaluate combined technical and financial proposal and the statements | Evaluation Committee |
| 11. | Negotiate the contract with selected consultant | ASDU |
| 12. | Obtain Bank's N.O. to draft, negotiated initialed contract | ASDU |
| 13. | Obtain Bank's N.O. to draft, negotiated initialed contract | ASDU |
| 14. | Arrange for signing of contract agreement | ASDU |
| 15. | Publish award on UNDB Online or in the same national newspaper of wide circulation and/or in the official gazette, provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access where the REI was published and dg market (can be done quarterly and in the form of a summarized table) | ASDU |
| 16. | Monitor/evaluate progress | PCC/ASDU |
| 17. | Report on performance | ASDU |
| 18. | Submit certified invoices and Requisition Order for payment to the PCU | ASDU |
| 19. | Upon confirmation of funds, prepare Payment Voucher and request approval from authorized person(s) | ASDU |
| 20. | Process payment | ASDU |

G. Least Cost Selection (LCS)

(a) *Special Provisions*

This method is only appropriate when hiring consultants for a standard or routine nature assignment such as audits, engineering designs of non-complex works. For such assignments there should be well established practices and standards. The process that is submission of proposals and evaluation is similar to QCBS **EXCEPT** a minimum qualifying mark for quality (Technical Evaluation) is established. The contract is awarded to the firm with the **LOWEST** price that secured the minimum qualifying score.

H. Individual Consultants

a) Special provisions

The selection of IC should have been included in the annual procurement plan, if it is not; no objection should be sought from the Bank prior to procurement.

b) Procedures for Selection of Individual Consultants (steps)

1. Prepare terms of reference and agree on evaluation criteria;

Main sections of the TORs:

- i. Background information on the project
 - ii. Objective(s) of the assignment
 - iii. Scope of Work
 - iv. Expected Outcomes
 - v. Duration and Estimated Time Input
 - vi. Qualification requirements and evaluation criteria
 - vii. Reporting Requirements
2. If subject to Bank's prior review, submit draft TOR and REI (if needed) for Bank's clearance
 3. Seek expression of interest from individual consultants preferably through advertisement in UNDB (for international consultants) and local newspapers, or through direct approach of fully qualified (who meet all required qualifications and experience needed for completion of the assignment), eligible and not in a position of COI consultants (in case of direct approach, the selection should be based on comparison of not less than 3 CV's and the candidates should have expressed their written interests in the selection);
 4. Based on the expression of interests received, prepare a list of a minimum of three candidates, based on their relevant experience in the field of assignment (i.e. the list should not include candidates who don't have experience/qualifications in the relevant field of assignment, or who may not fulfill any minimum experience/qualifications, etc, if so required in the request for expression of interests) The candidates should be eligible and there should not be any conflict of interest (Consultants Guidelines Para 1.9 and 1.11-1.13);
 5. Establish a small evaluation committee comprising at least three members but not more than five members;
 6. Evaluate the received CV's based on criteria set up beforehand;
 7. Prepare evaluation report using the form:
 - i. The evaluation report should include the following information:
 - ii. Advertising (When? Where? How long time has been given for expression of interest).
 - iii. How many candidates have submitted CV's by the deadline date?;
 - iv. What are the minimum required qualifications and experience (as indicated in the TOR's) and what are the criteria used in the evaluation;
 - v. It should be clearly indicated if the candidates meet all minimum required qualifications and experience and clarify if there are any deviations;

- vi. It should be clearly indicated if there is any conflict of interest (COI) and if the candidates are eligible (see the Consultants' Guidelines Para 1.9. and Para 1.11-1.13);
 - vii. Brief justification on the scores given by the evaluation committee for each of the candidates indicating their strengths/advantages and weaknesses/disadvantages. Copy of the minutes of the evaluation with the respective scores, signed by the evaluation committee, should be attached;
 - viii. It should be noticed that only the top-ranked candidate could be invited for interview, in order to validate his/her qualifications as described in the CV and against the requirements of the TOR.
 - ix. Brief justification/reasons for selection of the proposed candidate (Why s/he is the best qualified?);
 - x. It is most unlikely two and more consultants to be with one and the same qualification and respectively score. The scores should correctly reflect the qualification of the candidates and the better candidates should be given higher scores;
 - xi. TOR's; advertisement; and, CV's, should be attached to the evaluation report;
8. If subject to Bank's prior review, submit the evaluation report to the Bank; If needed, interview only the selected candidate (not all candidates) or the first two candidates before hiring
 9. After Bank's approval, negotiate contract (See the attachments Forms of Contract: with the selected consultant via email, fax or on the phone. To facilitate the negotiations you may ask the selected consultant to submit combined technical-financial proposal.
 10. If subject to Bank's prior review, submit the draft negotiated contract for Bank's clearance;
 11. Sign the contract;
 12. Keep the process confidential until contract is awarded;
 13. Supervise Consultant's performance;
 14. Ensure that payments are made against agreed deliverables/outputs.

I. Single / Sole Source Selection

(a) *Special Provisions*

The single / sole source selection for an assignment should have been included in the procurement plan; if it is not, a no objection from the Bank is required.

This method does not provide the benefits of competition and transparency, so it is used in exceptional cases properly justified and approved. The following table delineates steps necessary for completion of SSS and responsibility for their completion:

| Steps in SSS | | Responsibility |
|---------------------|---|---|
| 1. | Prepare the TOR and cost estimate (compatible with the market prices and available budget) and a justification for the single source selection of the particular consultant indicating its full name, country of origin, if he meets the eligibility and conflict of interest requirements and why this is the only consultant who could implement the assignment | ASDU |
| 2. | Send the TOR's cost estimate and justification on the SSS and obtain the WB "No Objection" on the SSS. | ASDU |
| 3. | Send the TOR's cost estimate and justification on the SSS and obtain the NPTAB "No Objection" on the SSS. | ASDU |
| 4. | Prepare the Letter of Invitation including the TOR and ask the selected consultant to submit a combined technical-financial proposal. The invitation should be prepared taking into account Appendix 1 of the SRFP and the consultant should be requested to present a detailed breakdown of cost per activity/ deliverable and present a statement that the rates used are compatible with the latest firm's payroll statements. | ASDU |
| 5. | Appoint committee for evaluation of the received combined proposals and statements | ASDU |
| 6. | Review the combined technical-financial proposal. | Evaluation Committee |
| 7. | Invite the selected consultant to negotiations. | ASDU |
| 8. | Appoint the Negotiation Committee and negotiate the contract | ASDU |
| 9. | Incorporate results of the negotiations in a draft Contract. | ASDU |
| 10. | Obtain the WB "No Objection" on Contract to be signed. | ASDU |
| 11. | Obtain the NPTAB "No Objection" on Contract to be signed. | ASDU |
| 12. | Sign the Contract with the consultant. | Borrower's Authorized Representative/ ASDU |
| 13. | Publish award on UNDB Online or in the same national newspaper of wide circulation and/or in the official gazette, provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access where the REI was published and dg market (can be done quarterly and in the form of a summarized table) | ASDU |
| 14. | Send copy of signed contract to the Bank (including completed Form 384) | ASDU |
| 15. | Receive the invoice for advance payment (if so specified in the Contract) and the bank guarantee by the contracted consultant, and pay the amount promptly to enable the work to begin. | ASDU |
| 16. | Monitor/evaluate progress and report on performance | PCC/ASDU |

Standard World Bank Bidding Documents

World Bank standard bidding documents and SRFP and other agreed template documents will be used.

Standard World Bank documents for ICB procedures can be retrieved from the World Bank's web page: www.worldbank.org.

Procurement Reports

The Senior Civil Engineer/Procurement Officer will be responsible for the control and maintenance of all procurement files and preparation of the following procurement reports.

1. Monthly update of procurement actions;
2. Completion reports on individual bid packages;
3. Quarterly Procurement Monitoring Report for inclusion in FMR prepared by the Financial Management Specialist.

Procurement Filing

Procurement files will be maintained by the Senior Civil Engineer/Procurement Officer, and contain complete copies of all correspondence and documentation related to procurement of goods, works and consultant services. The files shall provide separate information and documentation on the basis of bid packages, and each procurement activity shall be filed separately, in individual folders. The following documents, as may be applicable, shall be maintained in the Procurement Files:

1. Procurement notices (including General Procurement Notice)
2. Notice and Requests for Expressions of Interest
3. Request for Proposals (in case of consultant services), or bidding document (in the case of goods and works), or Invitations to Quote.
4. Letters requesting and responding to clarifications, between bidders and PCU, amendments.
5. Evaluation reports, including technical evaluations.
6. CVs (in case of individual consultants).
7. Copies of bids (including bid securities) proposals/quotations received.
8. Correspondence to and from the World Bank.
9. Contract documents and related amendments including copies of the performance securities.
10. Correspondence between PCU and contractors, suppliers or consultants, generated during contract execution, acceptance protocols, etc.

Records are stored in fire-proof cabinets, access to which is limited to the PIU Coordinator, Senior Civil Engineer/Procurement Officer, and the Finance Manager, Accountants, the external auditors and the World Bank.

Procurement Audit

Independent Procurement Reviews (IPR) could also be conducted upon request from the World Bank. World Bank staff will conduct ex-post reviews of Procurement activities once a year.

SECTION 5 - ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT

This section details the accounting and financial management policies and procedures to be used in the implementation of the Project. It incorporates all the covenants of the Agreements as well as those of the Government of Guyana as specified in the Financial Regulations.

Financial Management Responsibility

The ASDU will be responsible for coordinating the implementation and financial management of the project. The Bank requires the establishment of a sound financial management system that will facilitate the production of accurate and timely reports to the Bank and GoG. The financial management System (FMS) must include records and accounts for the preparation of the financial statements in a format acceptable to the Bank and reflects the operations, sources of funds and expenditures related to the project.

Financial Management Staff

The ASDU will employ a Finance Manager who is conversant with the World Bank's project financial management requirements. The specific skill sets/capacity required for using the World Bank's procedures will be upgraded /strengthened through additional training provided by the World Bank, as required. The following are the details of the financial management arrangements:

Design of the Financial Management System (FMS)

The financial management system is designed to accomplish the following objectives:

- outline and specify the accounting procedures to be used for the project, reflecting accountability and transparency;
- ensure that the established procedures are adhered to in the disbursement of project funds;
- ensure that all transactions are properly classified and accounted for;
- ensure that reports required by the Bank and the GoG are prepared on a timely basis, in an efficient and effective manner;
- define the procedures for creating, maintaining and safeguarding records and ensure that records are preserved and classified for easy access;
- allow for the efficient audit of the project financial statements;

- ensure that all assets and liabilities are properly accounted for, with a detailed inventory of goods/equipment; and,
- ensure that there are internal controls in place to foster the safeguarding of all assets.

Accounting System

ASDU uses a cash basis of accounting and its financial statements are prepared in accordance with International Financial Reporting Standards. ASDU uses Quick Books accounting software for recording transactions, maintaining the books of accounts and producing financial statements. The system allows for the tracking of inflows by sources of funding, and outflows by project component, sources of funding and disbursement category. The same software is being successfully used to support other World Bank finance projects.

Internal Control

All transactions are recorded in the Quick Books accounting system; the internal controls associated with that software package are also applied. These are as follows⁸:

- i. Donor Annual Operations Plan report
- ii. Monthly financial reports - actual against budgeted
- iii. Semiannual reports, percentage of actual to budgeted
- iv. Bank reconciliation report – both summary and details
- v. Expense to date sorted by class, sorted by category or sorted by component

Flow of Funds

The following disbursement methods will be available under the Loan: (a) Direct payment for eligible expenditures for contracts for works, goods and consultant services and (b) Reimbursements for Operating Expenses will be provided upon request by ASDU to the Bank. The following supporting documentation should be provided with each withdrawal application:

- (a) For requests for reimbursement: Statements of Expenditure for all operating expenses; and
- (b) For requests for direct payment: Records of eligible expenditures (e.g., copies of receipts, suppliers/contractors' invoices).

As all direct payments will be for contracts subject to prior review by the Bank, it is expected that, at the time of payment request, the contracts would have been reviewed by the Bank and the No Objection issued. A segregated designated account (DA) denominated in United States Dollars and managed by the

⁸ This breakdown is given in QuickBooks Training, Final Report, FINTECH, Section 4.3 Reporting

ASDU will be opened at the Central Bank. The ceiling of the DA will be US\$500,000. The Minimum Application Size for Direct Payments and Reimbursements will be US\$100,000 equivalent.

Withdrawals from the World Bank of amounts to be deposited into the segregated designated account (DA) shall be made by Application for Withdrawal supported by an Interim Financial Report (IFR). Payments to be processed by Direct Payment by the Bank must be done in accordance with the World Bank's *Disbursement Handbook*⁹.

Upon approval of each application, the amount requested will be deposited into the segregated designated account (DA) in order to finance eligible expenditures (representing approximately six months of expenditures) following the date of the report provided. The ASDU will control the segregated designated account (DA) and will be responsible for the requests for replenishment.

The Withdrawal Application Form must indicate the amount of funds required and the currency, usually US dollars, in which the funds are required. The use of the IFR simplifies and accelerates the replenishment process since the review of documents for small payments would be eliminated.

Disbursement Arrangements

Disbursements for the project will be made based on "Report-Based Disbursement" procedures - using Interim Financial Reports (IFR) - submitted to the Bank on a quarterly basis, within 45 days after the end of reporting period.

All letters of authorisation, cheques and payment vouchers should only be signed with appropriate supporting documentation (certified supplier invoices, purchase orders and requisition orders). Payment Vouchers should be stamped, indicating the date paid and cheque number, then attached to the relevant supporting documentation. In addition, after payment, all invoices must be stamped to ensure that payments are not duplicated.

All original records of receipts and payments, including; invoices, cheques, debit advices, credit advices, and bank reconciliation statements are maintained and filed by the Accounts section. Authorization letters and purchase orders must be properly filed.

Disbursement Deadline Date

The Disbursement Deadline Date is four months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the World Bank.

⁹ The Disbursement Handbook is accessible at www.worldbank.org.

Authorized signatories

Persons authorized to sign the Application for Withdrawal to obtain replenishment from the World Bank are:

TITLE

- (1) Finance Secretary - Ministry of Finance.
- (2) Deputy Finance Secretary - Ministry of Finance
- (3) Permanent Secretary - Ministry of Agriculture
- (4) Project Coordinator - Flood Risk Management Project
- (5) Finance Manager- Agriculture Sector Development Unit

Two signatories are required for each application, one from the Ministry of Agriculture and the other from the Ministry of Finance.

Journal Entries for Disbursement of funds

The proceeds from the World Bank expenditures as per the Legal Agreements must be journalized at the end of each month. The Project's Finance Manager should ensure that all expenditures recorded in the Disbursement Journal are captured in the Government's system.

Table 4 – Expenditures by Component

| Project Components | IBRD or IDA Financing(US\$000) |
|---|---|
| 1. Priority Works for Flood Risk Reduction | 10,350 |
| 2. Institutional Strengthening for Flood Risk Reduction | 382 |
| 3. Project Management and Implementation Support | 1,158 |
| Total Financing Required | 11,900 |

Bank Reconciliation Statements

Monthly bank reconciliations must be prepared on all bank accounts and signed by the Permanent Secretary, Ministry of Agriculture. For the DA, the Finance Manager will reconcile disbursements received with the Disbursement Section of the World Bank on a monthly basis. A Bank reconciliation for the DA must also be submitted to the World Bank, together with a copy of the bank statement, when submitting a withdrawal application for replenishment of the DA.

Funds Receipts

On receipt of funds from the World Bank into the DA, the commercial bank sends a credit advice to the ASDU and also to the Accountant General's Department. The Finance Manager will record the amount received in the project's accounting system.

Procedures for Payment to Vendors

The Bank requires proceeds of the credit to be used economically, efficiently and only for the purposes for which the financing is provided as described in the credit agreements. The Senior Civil Engineer/Procurement Officer is responsible for vetting the Purchase Order and sends this on to the Finance Manager who commits the funds.

For the payment of eligible expenditures the following steps will be performed:

1. Once the bill is received, it is date stamped.
2. The Finance Manager ascertains that the expenditure was properly verified by the Senior Civil Engineer/ Procurement Officer and approved by the Project Coordinator. The Finance Manager then processes the payment.
3. The Finance Manager prepares the letter of payment, attaches supporting documents, including purchase order, copy of contract, vendor invoice and goods received note.
4. The letter of payment is passed to two of the following signatories for signature:
 - (1) Finance Secretary - Ministry of Finance
 - (2) Deputy Finance Secretary - Ministry of Finance
 - (3) Permanent Secretary - Ministry of Agriculture
 - (4) Deputy Permanent Secretary – Ministry of Agriculture
 - (5) Project Coordinator – Flood Risk Management Project
 - (6) Finance Manager- Agriculture Sector Development Unit

The letter should give clear instructions to the Bank as to payee's name, the account/s to be debited and the amount to be debited. Bank payments can be made by way of telegraphic transfers, bank draft or direct transfer.¹⁰

- 1 When a payment is made by way of telegraphic transfer, details such as the ones below should be clearly stated:
 - Payee's name
 - Payee's address
 - Payee's bank name
 - Address of Payee's bank
 - Payee's bank account number
 - SWIFT code/Sort code
 - ABA/Routing Number.
 - Intermediary banking details

- 2 The letter to be sent to the Bank, together with the attached invoice, should be sent for the first signature. The letter is then sent for the second signature.

World Bank Replenishment, Reimbursement and Direct Payments

Replenishment, Reimbursement and Direct Payments are methods that would be used to request funds from the World Bank. The withdrawal applications supported by the Statements of Expenditure (SOEs) or summary sheets where applicable will be used to replenish the Special Account.

Before withdrawals from the World Bank can begin, the following must occur:

1. The credit must be declared effective by the World Bank, following compliance with all conditions specified in the credit agreement and the General Conditions.

2. The World Bank must receive evidence of authority to sign withdrawal applications (the GoG designates which officials may sign withdrawal applications and provides copies of their authenticated specimen signatures). This letter is signed by the Minister of Finance on his letterhead.

■ ¹⁰ Telegraphic transfer can be used for making overseas payments;
■ Bank draft is used for both local and overseas payments; and
■ Direct transfer is used when making local payments.

Replenishment

Application for Withdrawal for replenishment of the DA should be done on a timely basis to ensure the availability of funds to meet expenses. The first application is to request the initial advance (US\$ 1,000, 000) representing the authorized allocation or a part thereof as specified in the credit agreement. It must include a completed application for withdrawal, but requires no supporting documentation. However, prior to requesting the initial advance, the ASDU must have done the following: (1) opened the Special Account in USD in the Central bank acceptable to the World Bank, and (2) obtained a comfort letter from the depository bank and submitted the letter to the World Bank.

All subsequent withdrawal applications (replenishment requests) are made to request replenishments into the Special Account for payments already made (all replenishment applications to the USD Special Account must be in USD). The application, together with SOE's and/or Summary Sheets and Summary of Categories, must be prepared and signed by at least one authorized signatory and sent to the World Bank, together with a bank reconciliation statement. The disbursement letter will indicate the types of expenditure for which no supporting documentation other than the SOE is required and the contract value below, which SOEs are to be used (expenditures not subject to prior review). For other expenditures (above the prior review threshold), the Summary Sheets must be accompanied by full supporting documentation. SOE forms and summary sheets must set out the appropriate details for each expenditure. The application package should also include the bank statement for the Special Account and Reconciliation Statement. The borrower keeps the supporting documentation in a central location for examination by independent auditors and Bank staff during supervision missions.

If the Bank requires supporting documentation (as in the case of payments against contracts above the SOE limit, generally the same as contracts requiring prior review), copies of procurement documentation should have been forwarded to the Task Manager at the Bank for approval prior to contract award and payment. For expenses above the SOE limit, after the "no-objection" has been obtained from the Task Manager at the Bank, the relevant procurement documentation should be forwarded to the Disbursement Department of the Bank prior to requesting reimbursement on the SOE. One copy of each of the following supporting documents is normally given to the Bank:

1. Supplier's or consultant's invoice or a summary statement of work performed signed by the supervising engineer, Senior Civil Engineer/ Procurement Officer and passed on to the Project Coordinator or the Permanent Secretary or other authorized official.
2. Evidence of shipment (for equipment and materials purchased); this can be one of the following: copy of the bill of lading or forwarder's certificate.
3. Evidence of payment; this can be one of the following: receipted invoice, formal receipt or commercial bank's report of payment.

Direct Payment

Payment can be made directly by the World Bank to a third party for goods, works and services. An Application for Withdrawal is prepared. The borrower must provide supporting documentation and give clear instructions to the Bank as to:

1. Payee's name and address
2. Payee's bank name and address
3. Payee's bank account number and Swift Code
4. Sort Code
5. Country where payee is located

Audit Arrangements

The Project's financial statements shall be audited in accordance with provisions of Section 4.09 (b) of the General Conditions by independent auditors and following a TOR (see Annex 6) that is acceptable to the Bank.

The audit report will include supporting schedules providing sufficient information on the project (i.e. Sources and Uses of Funds, Statement of Expenditures (SOE), and the Special Account). The amounts in these financial statements would be required to be reconciled with the amounts in IDA's disbursement records. The audit report shall cover the period of one fiscal year and shall be transmitted to the World Bank no later than six months after the end of the fiscal year.

Detailed supporting documentation, including certification for expenditures, will be kept by the ASDU for at least one fiscal year after the Bank has received the audit report for the year in which the last withdrawal from the Credit account was made and submitted to the Bank. For all contracts requiring the Bank's prior review, full documentation will accompany "no-objection" requests. Detailed documentation will be retained by the ASDU for inspection during supervision missions and for audit by external auditors acceptable to the Bank.

Financial Reporting Requirements

The ASDU is currently using a computerized accounting system, which would be adequate for preparing timely financial reports for the project. The system is designed in such a way to ensure that the procedures conform to the following official Bank documents:

1. The Disbursement Handbook
2. The Financing Agreement
3. The Procurement Guidelines and Handbooks for Consultants Services Goods (prepared by

the World Bank)

4. Audit Agreement Standards (manual listing the requirements of the auditors)

The ASDU will ensure that information is timely and reliable. Annual financial statements detailing the projects' performance for each financial year will be prepared. To monitor project implementation, interim statements and management reports will be prepared quarterly and yearly.

Financial Reports are to be provided to the following organisations:

- World Bank (quarterly basis and annual) – 2 copies
- Ministry of Finance (quarterly) – 1 copy

Required Reports

ASDU will be responsible for producing the Interim Financial Reports (IFRs) on a quarterly basis and submitting them to the Bank. The IFRs will provide required monitoring information and include a narrative outlining the major achievements of the project for the three-month period, the sources and uses of funds, and necessary procurement tables. IFRs will be submitted to the Bank no later than 45 days after the end of each reporting period. The annual financial statements will include the project's sources and uses of funds; a detailed analysis of expenditures; a schedule of withdrawal applications presented during the year, a reconciliation of the Designated Account; the notes to the financial information; and a management representation letter. These reports will be prepared by ASDU and made available to the auditors after the end of each fiscal year.

(i) Interim Financial Report (IFR)

The IFR covers a three-month period and is submitted no later than 45 days after the end of the quarter. The cash accounting model is being used for this project. The Finance Manager is responsible for compiling the financial section of the report, while the Senior Civil Engineer/Procurement Officer is responsible for the procurement plan.

The IFR will form the basis for the bank's disbursement of project financing provided it is: i) prepared within the framework of an acceptable financial management system; ii) submitted in the standard format; and, iii) fulfils all other requirements. The standard reporting format is provided in Annex 6. The IFR will be submitted in two parts, viz:

Part 1 – The Financial Report

- 1-A Project Sources and Uses of Funds
- 1-B Uses of Funds by Project Activity
- 1-C Project Cash Withdrawals (Disbursements)

- 1-D Special Account Statement
- 1-E Project Forecast

Part 2 – Procurement Plan

- 2-A List of contracts requiring prior approval
- 2-B Contracts subject to post review

Copies of the IFR must be submitted to the following persons/organisations:

1. The World Bank (2 copies) - supported with a signed withdrawal Application Form
2. Finance Secretary, Ministry of Finance and Permanent Secretary, Ministry of Agriculture
3. File copy within the ASDU

(ii) Audit Reports

The Bank requires the GOG to submit annual audited financial statements, no later than four (4) months after the end of the fiscal year ending on December 31.

The Audit Report includes:

- a) Certified copies of the Financial Statements
- b) An opinion on the Financial Statements, Special Accounts and internal controls as outlined in the Terms of Reference issued to the Auditors.

The project financial statements for the audit covers all project funds, and should include summary statements of Special Account transactions as well as IFRs submitted during the year.

(iii) Bank Reconciliation Statements

Monthly bank reconciliation statements of the two bank accounts must be prepared; one for the US Dollar Account to maintain the disbursement of funds by the World Bank Special Account, and one for the GY Dollar Project Account.

Reconciliation Statements must be maintained for both bank accounts that serve to assist in monitoring disbursements against amounts allocated/budgeted. The Cash book, along with payment vouchers, credit advances and receipts will serve as control and will be able to identify cash movements. Based on the level of activity, reconciliation statements must be printed monthly and filed.

Three copies of the Bank Reconciliation Statements are required:

- Ministry of Finance
- one copy for file for ASDU
- Permanent Secretary, Ministry of Agriculture

(iv) Recording of Fixed Assets

A fixed asset register will be maintained by the Finance Manager to record details of items procured, and the locations of these assets, when goods are received. Yearly inventory lists will be prepared by the receivers of fixed assets in accordance with GOG requirements.

A copy of the Monthly Reconciliation report, the QuickBooks report, and the Monthly Expenditures Report shall be submitted by the Finance Manager to the Permanent Secretary, Ministry of Agriculture for his records.

SECTION 6 – SAFEGUARDS AND SUSTAINABILITY

Sustainability

The GOG recognizes that the sustainability of infrastructure investments, and of its physical development planning in general, is conditioned on improving the understanding of adaptation options to strengthen their resiliency to disaster and climate risks. The disaster vulnerability reduction works and capacity-building initiatives at technical and policy levels implemented under the project will require the ownership of the participating national authorities and the participation and support of local communities as well as the continued support of regional technical agencies.

Safeguards

| Safeguard Policies Triggered by the Project | Yes | No |
|--|-----|-----|
| Environmental Assessment (OP/BP 4.01) | [X] | [] |
| Natural Habitats (OP/BP 4.04) | [X] | [] |
| Pest Management (OP 4.09) | [] | [X] |
| Indigenous Peoples (OP/BP 4.10) | [] | [X] |
| Physical Cultural Resources (OP/BP 4.11) | [X] | [] |
| Involuntary Resettlement (OP/BP 4.12) | [X] | [] |
| Forests (OP/BP 4.36) | [] | [X] |
| Safety of Dams (OP/BP 4.37) | [X] | [] |
| Projects on International Waterways (OP/BP 7.50) | [] | [X] |
| Projects in Disputed Areas (OP/BP 7.60) | [] | [X] |

The Project is a category B investment under the World Bank’s Operational Policy on Environmental Assessment (OP/BP 4.01) as the impacts of the works are expected to be moderate in nature and will be managed through the application of appropriate engineering and management measures. Other World Bank environmental safeguards policies were triggered to manage potential project impacts including Natural Habitats (OP/BP 4.04) and Physical Cultural Resources (OP/BP 4.11) (See table above).

OP/BP 4.37 – Safety of Dams is also triggered by the project. The embankment dams for the EDWC are all significantly less than 10 meters in height. They therefore are defined as small dams under OP 4.37. However, because the EDWC has an extensive surface area; provides water and protects a significant population from flooding; is adjacent to natural habitats along the adjoining rivers; and there is a risk of significant adverse impacts due to potential failure of the dam on local communities and assets, the policy was triggered under the project.

Social (including Safeguards)

The project’s primary stakeholders are the approximately 310,000 inhabitants of the coastal areas in Region 4 that will be positively impacted by improved ability to drain agricultural areas and reduced exposure to flooding in both agricultural and urban environments. The project will benefit the primary

economic activities of the Region's inhabitants including subsistence and commercial farming (especially rice and sugar cane), businesses and government jobs and fisheries.

Given the potential for land acquisition (temporary and permanent) as well as impacts on assets, in projects involving civil works of this nature, the Involuntary Resettlement Policy (OP/BP 4.12) has been triggered and a Resettlement Policy Framework (RPF) has been developed. The RPF has been disclosed prior to project appraisal. Any impacts are likely to be limited and sub-project level Resettlement Plans will be developed and disclosed prior to sub-project financing. The GoG prepared the RPF in consultation with key stakeholders (i.e. civil society, private and public sectors, and NGOs). During project implementation it is expected that these key stakeholders will have access to weekly open meetings with the MoA to voice any views and concerns on project progress, monitoring and evaluation. In addition, a project-level Grievance Redress Mechanism will be established in order to collect and respond to beneficiary concerns or complaints.

Environment (including Safeguards)

The anticipated impacts of the works will require management of construction impacts such as noise, management of construction waste and debris, and worker safety, and mitigating some low to moderate impacts related to the management and rehabilitation of the clearing of vegetation during construction and maintenance so as to maintain its role to prevent erosion and as a natural habitat.

In relation to Natural Habitats, impacts to the biophysical and socio-economic environments are expected to be limited in nature, as much of the EDWC dams and drainage system, and the East Coast Demerara drainage systems are located in areas that have already been subjected to significant human interventions. There is no indication of important physical cultural resources in the anticipated project sites.

Impacts specific to potential works and proposed mitigation measures are outlined below.

1. Dam reconstruction, and widening and improving connectivity of internal channels: In addition to the management of construction impacts such as noise, management of construction waste and debris, and worker safety, some low to moderate impacts of the dam reconstruction are related to the management and rehabilitation of the clearing of vegetation during construction and maintenance so as to maintain its role to prevent erosion and as a natural habitat. The dam reconstruction may also involve very minor impacts on grazing lands and irrigation activities that can be prevented or mitigated.
2. Safety upgrading of water control structures: The impacts of these works are primarily related to the management of construction impacts such as noise, waste and debris management and worker safety.
3. Pump Stations (expansion, upgrading and installation): In addition to the management of construction impacts such as noise, waste and debris management and worker safety these works are

anticipated to have low to moderate impacts related traffic disturbance in some areas and noise and air pollution during operation. A small amount of temporary or permanent land acquisition may also be necessary for which Resettlement Action Plans will be developed prior to sub-project financing in accordance with the Resettlement Policy Framework (RPF).

4. Upgrading and construction of new embankments, channels and culverts for the coastal drainage systems: In addition to the management of construction impacts such as noise, waste and debris management and worker safety the works are expected to have low to moderate impacts related to traffic disturbance in some areas and related to the management and rehabilitation of the clearing of vegetation during construction and maintenance so as to maintain its role to prevent erosion and as a natural habitat. A small amount of temporary or permanent land acquisition may also be necessary for the East Coast Demerara drainage area for which land acquisition plans will be developed prior to sub-project financing in accordance with the RPF.

5. Sluice upgrading and channel widening for EDWC drainage to the Demerara River: In addition to the management of construction impacts such as noise, waste and debris management and worker safety and the aforementioned vegetative rehabilitation, the works are anticipated to have moderate impacts related to traffic disturbance and land acquisition. Depending on the design, it may affect the traffic along the East Bank Demerara Public Road, which is a main throughway along the Demerara River. In addition, widening and upgrading the channel may involve land acquisition from primarily industrial land, which will be addressed in accordance with the RPF.

Environmental and Social Assessment Management Framework.

An Environmental and Social Management Framework (ESMF) was developed, that included a process for sub-project screening and delineation of the Environmental Assessments (EAs), Environmental Management Plans (EMPs) or a Resettlement Action Plan (RAP) appropriate to the types and scale of the impacts. The “Coastal Lowlands Drainage Analysis and Works Identification Environmental Assessment for Civil Works” prepared in September 2013 will also serve as a reference.

Safeguards documentation will comply with both World Bank safeguards policies and Guyana’s national policies and cover potential impacts on Natural Habitats and Physical Cultural Resources as a precautionary measure in case the identified works may result in these impacts. This procedure (including a grievance mechanism) is detailed below. In addition to the ESMF, EMPs for the first year’s works on the dam have been completed and are acceptable to the Bank. There is no resettlement expected due to these works and therefore no Resettlement Plan was necessary for year one.

Safeguards Compliance Procedure during Implementation. As subprojects are finalized, the following process will be undertaken:

1. Screening: For each of the subprojects, screening will be undertaken based on an analysis of impacts, World Bank safeguards policies and Guyana National Legislation. On that basis requirements for an Environmental Impact Assessment (EIA) and/or an Environmental Management Plan (EMP) and Resettlement Action Plan (RAP) will be identified.

2. Preparation of Documentation: After screening of the subproject, the EMP, EIA and/or RAP will be prepared in order to analyze and develop mitigation measures for any impacts identified. RAP's will need to be submitted and cleared by the Bank, and associated compensation paid, prior to sub-project financing.
3. Review and clearance: In addition to the issuance of the environmental permit by the EPA, the ASDU will be in charge of assessing whether the draft EIA/EMP responds adequately to the requirements of this framework. The World Bank will undertake review of the implementation of the framework including the quality of the EMPs as part of the regular supervision.
4. Implementation: The applicable mitigation measures identified in the EIAs/EMP(s) will be incorporated into the bidding and contract documents. ASDU and the contracted construction supervisor will supervise the implementation of the provisions related to the mitigation measures. RAPs will be implemented by the MoA Permanent Secretary or his representative. Projects will commence works only after sub-project RAPs have been cleared by the Bank and compensation has been paid.
5. Consultation and Disclosure: Consultations will be undertaken as part of the development of the subproject documentation, and consultations will be held with concerned stakeholders prior to approval of the individual EA/EMP. In addition, a mechanism for grievance redress will be included in the EMP to allow for feedback during its implementation. This framework and the individual EMPs as they become available will be made available to the public by ASDU through the MoA website.
6. Grievance procedures: Grievances will be addressed first through discussions between the affected persons and the ASDU. If consensus is not agreed, a mediator will be appointed from an agreed list of suitable persons, and finally if parties fail to concur, the matter will go through the courts. The procedure is delineated in the ESMF. The RPF outlines a process of grievance redress related to land acquisition.
7. Monitoring and Reporting: Supervision reports for individual works and consolidated bi-annual reports will be developed. The World Bank team will supervise implementation of the agreed plans during regular missions to Guyana twice a year
8. Training and Capacity Building: A training and capacity building program will complement the implementation of the Environmental and Social Assessment Framework and the RPF. The World Bank team will supervise implementation of the agreed plans during regular missions to Guyana twice a year.

Borrower's Capacity to Implement Safeguards:

Technical staff from the NDIA and ASDU will be assigned to the Project to oversee the preparation and implementation of ESMF and RPF and ensuring Resettlement and Environmental Management Plans

before the commencement of the works. Capacity for safeguards implementation is acknowledged to be limited however a review of practices for ongoing works (Northern Drainage Relief Channel) and the management of the EDWC indicated some basic capacity exists. In particular appropriate environmental mitigation measures are practiced in the construction of the Northern Drainage Relief Channel and the Guyana Amazon Tropical Birds Society and the Guyana Environmental Protection Agency also confirmed that, in their opinion, the EDWC has been sustainably managed. Training has been (St. Lucia in May, 2014) and will be provided to the ASDU through the project and through regional World Bank training to develop their capacity further for implementation of the Environmental and Social Assessment Framework and the Resettlement Policy Framework. .

Consultations and Disclosure of Safeguards Documents:

Consultations on the ESMF and RPF were held with concerned stakeholders on March 7, 2014. Minutes of these consultations have been incorporated into the ESMF, along with any suggested revisions to the ESMF, as appropriate. Prior to start appraisal, the RPF and ESMF were disclosed in country on March 25, 2014, and on the World Bank website on March 18 and 26, 2014 respectively. The final version of the ESMF was then disclosed in country and on the World Bank website on April 11, 2014.

Additional safety measures

As part of the Conservancy Adaptation Project (CAP), an evaluation of the EDWC dams was undertaken covering the safety status, performance history and operation and maintenance procedures. Necessary remedial work and safety-related measures were identified in order to upgrade the safety status of the dam including immediate priority works on the northeast dam for which the Project will be providing financing.¹¹

The Bank has agreed on appropriate safety measures with the Borrower, considering the importance of the EDWC system in flood risk management and water supply. Basic monitoring instruments such as piezometers, settlement monuments and gauging stations are included in the engineering design. The works will be undertaken by qualified engineers with experience in these types of works, and the construction quality, cost and time control will be supervised by qualified engineers.

In order to ensure the works quality of the rehabilitation of the EDWC northeast dam and sustainability of all EDWC dams, the following plans will be prepared/improved and/or implemented: (a) a Plan for construction supervision and quality assurance; (b) an Operation, Maintenance and Surveillance (OMS) Plan; (c) an Instrumentation Plan; and (d) an Emergency Preparedness Plan (EPP). During project preparation and negotiations, the Bank and GoG agreed on appropriate dam safety measures in line with Bank safeguards.

¹¹ "CAP Pre-Investment Studies: EDWC Dam Safety and Feasibility Analysis - Environmental Assessment for Construction Activities, June 2013

1. Construction Supervision and Quality Management. The approach to construction supervision and quality management of ASDU and NDIA was reviewed during preparation and an improved approach was agreed. ASDU and NDIA had proposed to follow the same approach to construction supervision and quality management as was undertaken in ongoing and previous works. During preparation this planned approach was reviewed in order to assess the need to adjust it and to provide support during implementation to ensure that dam-safety-related elements of the design are implemented during construction. The review covered the planned organization, staffing, and equipment for supervision of the works. The proposed construction methodology and technical specifications that would form the basis for the supervision of the dam safety aspects were also reviewed along with the qualifications and equipment needed for supervision.

2. The organizational approach was adjusted to improve staffing, to include the use of a consulting firm with expertise in dam construction for supervision and to improve accountability and eliminate potential conflicts of interest in the contractual arrangements. The approach is described under the institutional arrangements and monitoring and evaluation section. The project also includes the necessary budget for supervision and quality assurance. To raise the standard of the approach for construction, supervision and quality assurance, the agreed changes will be included as part of the plan for construction supervision and quality assurance that will guide the recruitment of the construction supervision consultants for the dam works and will be completed before construction starts. A draft TOR for this update has been developed. .

3. Operation, Maintenance and Surveillance (OMS) Plan. This Plan addresses the procedures and practices for the EDWC dams and affiliated structures - the operation, maintenance, monitoring and inspection required to ensure safe and sustainable operations. This plan will cover organizational structure, staffing, technical expertise, and training required; equipment and facilities needed to operate and maintain the dams; operation and management (O&M) procedures including standing operating procedures (SOP); and arrangements for funding O&M, including dams maintenance and safety inspections. An OMS Plan was prepared by an international consultant based on the existing O&M practices and dam improvement design. The existing OMS will be refined and finalized during project implementation before completion of the works.

4. Instrumentation Plan. The dam improvement design already prepared by the international consultants includes basic dam monitoring instruments. This will be elaborated as a plan before bidding of the works and included as part of the construction technical specifications. These instruments will be procured and installed as part of the construction contract to monitor and record the behaviors of the EDWC dams. In addition, essential hydrometeorological stations required for dam and affiliated structures operations and flood emergency management, will be procured and installed under the project.

5. Emergency Preparedness Plan (EPP). This is required to improve the preparedness and resilience of the communities and assets in the influence zone, and reduce the related damages and losses in the cases of extraordinary floods in the catchment of EDWC and in the event of EDWC dam failure. The GoG team has drafted a TOR that will be used for recruiting consultants to develop the EPP. The plan will specify the roles of responsible parties when dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or

economic operations. It includes the following items: clear statements on the responsibility for dam operations decision making and for the related emergency communications; maps outlining inundation levels for various emergency conditions; flood warning system characteristics; and procedures for evacuating threatened areas and mobilizing emergency forces and equipment. The ASDU will liaise with CDC for the preparation of this plan.

Monitoring and Evaluation of Environmental and Social Safeguards

This would comprise monitoring compliance with environmental and social safeguards including the Environmental and Social Assessment Management Framework, and as appropriate environmental management and resettlement action plans. This will be undertaken by the ASDU based on their internal processes and inputs from construction supervision.

SECTION 7 – PROJECT MONITORING AND EVALUATION

Monitoring

Monitoring of project progress will be managed by the ASDU. The ASDU will utilize already existing mechanisms to perform the monitoring functions. The World Bank team will assist the ASDU in tracking performance indicators during missions.

Monitoring system

The ASDU is responsible for monitoring of and reporting on performance indicators. Progress on the indicators will be reported to the Bank semi-annually in the context of Bank supervision missions. Monitoring of the project will be carried out on a continuous basis, from the commencement to the completion of the implementation. This is essential in communicating the progress of the implementation and the adherence to the contract and requirements of the GOG and the Bank.

Information provided will include; physical quantities, expenditure and pertinent issues in the monthly report and meetings as arranged with the ASDU. Periodic site visits will be performed by the ASDU or any official authorized by the GOG or the World Bank.

The project monitoring and evaluation system will have three levels: (1) at the ASDU level, (2) at the ministries level and (3) at the field level. This monitoring and evaluation will be supplemented with consultant's inputs and World Bank missions. The regular reporting of these agencies and updating of implementation progress data drawn from the updates by the stakeholders in the project at different levels/activities will assist the ASDU in providing timely interventions. It will also help remove impediments in project implementation and build the capacity of stakeholders involved and benefiting from the project. The results and monitoring framework is provided in Annex 5.

Project Reports

The GOG, as part of its monitoring and evaluation function is required to produce and furnish to the Bank a number of reports on the implementation of the project and the progress achieved at various intervals in the life of the project. These include:

- 1 Project Progress Report
- 2 Mid-Term Review

3 Project Completion Report

See Section 8 for further details on these reports.

Staff Evaluation

The Head of the PIU will oversee the day to day operations of the project and will be responsible for all aspects of project implementation, including managing the work of all staff. The Head of the PIU will report to the Permanent Secretary, Ministry of Agriculture.

SECTION 8 – REPORTING

This section provides a summary of the reports and reporting mechanisms discussed throughout the manual. Descriptions of the reports are provided below:

Project Progress Reports

These reports are to be completed in accordance with the provision of Section 4.08 of the General Conditions and on the basis the indicators agreed to with the Bank. Each report will cover a period of six calendar months and shall be submitted to the Bank not later than forty five (45) days after the end of the reporting period.

Mid-Term Report

On or about twenty four (24) months after project effective date, the GOG is required to submit to the Bank, a mid-term report documenting the progress achieved in the project during the period preceding this report. The report should take account the monitoring and evaluation activities performed during project implementation and should also recommend measures to ensure the efficient implementation of the project and the achievement of the project objectives for the remaining project implementation period.

Once submitted, and pursuant to the legal agreement, the GOG is required to review the mid-term report with the Bank, one month after its submission.

Project Completion Report

The final report on the execution of the project is to be submitted to the Bank not later than six months after the closing date of the project.

Interim Financial Report

The Interim Financial Report summarizes the sources of project financing, with uses of funds summarized under the disbursement categories in the Grant/Credit/Loan Agreements, project expenditure by components and sub-components consistent with those in the Project Appraisal Document (PAD), project cash withdrawals, special account statement and project cash forecast. A detailed explanation of the IFR can be found in Section 5 of this Manual.

The financial reports are to be provided to the following organizations, within 45 days of the end of the quarter:

- 1 World Bank
- 2 The Government of Guyana

Financial Audit Report

Financial Audits will be carried out by a qualified independent firm, and a report furnished to the Bank no later than four months after the end of each financial year. The audit will verify the financial statements and reports for the period.

ANNEX 1

TOR for PROJECT COORDINATOR (Draft)

FLOOD RISK MANAGEMENT PROJECT

Terms of Reference Project Coordinator

I. Background

The Cooperative Republic of Guyana has received a credit from the International Development Association towards Flood Risk Management Project, and is desirous of hiring a Project Coordinator. This appointment is to coordinate the execution of the Flood Risk Management Project [FRMP] and any other WB-funded project managed by the ASDU in collaboration with the Director, ASDU.

II. Objective(s) of the assignment

The Project Coordinator shall lead all works and contracts executed under the Flood Risk Management Project in accordance with the project goals and objectives.

III. Scope of Work

The Project Coordinator will be responsible for:

- i. collaborating with the Director and other ASDU staff;
- ii. ensuring that all provisions of the FRMP are satisfied;
- iii. receiving and issuing all correspondence to all project stakeholders;
- iv. maintaining employee records and monitoring the use of fixed assets;
- v. planning, scheduling and coordinating of project activities;
- vi. preparation and submission of Monitoring & Evaluation (M&E) reports and annual work plans;
- vii. providing guidance to ensure that all steps in financial management, procurement and social and environmental safeguards are followed;
- viii. the supervision of PIU staff and the review and authorization of all project reports before submission to the PCC for validation

- ix. developing and implementing procedures for collecting and analyzing information from the various agencies involved in the Projects on a periodic basis to allow monitoring Project benchmarks and overall evaluation of results and report on execution progress;
- x. preparing Terms of Reference for consultancies and supervision
- xi. Coordinating the preparation of bidding documents, and the evaluation of proposals and bids.
- xii. promoting coordination, communication and integration among various agencies and beneficiaries;
- xiii. liaison with the Bank and other Government agencies;
- xiv. Coordinate with the ASDU Director/Permanent Secretary on all administrative matters for the use of common resources between the projects under the ASDU;
- xv. Collaborate with the relevant agencies [NDIA, CDC, Sea and River Defense Division, EPA, Hydromet Office and MoPW] to ensure all component activities are effectively coordinated.
- xvi. Undertake any other duties and responsibilities that may, from time to time, be reasonably requested by the Permanent Secretary/Director, ASDU.
- xvii. Participate, coordinate and lead the FRMP team in working with and supporting World Bank missions.

IV. Expected Outcomes

The Project Coordinator is expected to guide and lead the project implementing team in achieving the objectives of the following components: 1. Priority Works for Flood Risk Reduction; 2. Institutional Strengthening; and 3. Project Management under the Flood Risk Management Project.

V. Duration and Estimated Time Input

| | |
|-----------------------------|--|
| Type of Appointment: | Individual |
| Duration: | 1 year; renewable on basis of performance |
| Place of work: | Agriculture Sector Development Unit [ASDU], Ministry of Agriculture, Georgetown, Guyana |

VI. Qualification Requirements and evaluation criteria

- a) A Bachelor's Degree from a recognized university in the field of engineering or other relevant related field.
- b) Training from a recognized institution in Project Management
- c) Computer competence in Microsoft Word, Excel and Projects.
- d) At least 6 years' experience in project implementation.

- e) Experience in Projects funded by multilateral agencies.
- f) Excellent written, oral and interpersonal skills.

VII. Reporting Requirements

The Project Coordinator will report to the Director, ASDU. If there is no Director in place, the Project Coordinator shall report to the Permanent Secretary.

TOR for FINANCE MANAGER (Draft)

FLOOD RISK MANAGEMENT PROJECT

Terms of Reference

Finance Manager

I. Background

The Cooperative Republic of Guyana has received a credit from the International Development Association towards Flood Risk Management Project, and is desirous of hiring a Finance Manager.

The Finance Manager will report to the Project Coordinator and will be responsible for the financial management aspects of the Project, as well as with the general implementation aspects as needed. This will require the preparation of financial plans and budgets for the implementation of the components.

II. Objectives of the assignment

The Finance Manager will guide the ASDU in all financial management, disbursement, accounting and audit related matters, and provide financial supervisory services for the various project components of the FRMP. He/she will assist with the preparation for every quarter of the Project's Financial Monitoring Report, taking into consideration the FMR procedures of the World Bank, which is expected to include: (i) Financial Statements; (ii) Programme Progress in coordination with the Senior Civil Engineer/Procurement Officer.

III. Scope of work

The Finance Manager will be responsible for:

- a. Implement systems for general accounting including Program budgeting, analyzing financial performance of the operations and estimating future expenditure.
- b. Prepare Interim financial Statements, including Balance Sheets and Income and Expenditure statements.
- c. Apply principles of Financial Management, administrative processes and systems; cost management, control and evaluation; and of achieving organizational objectives in the preparation of Reports, financial policies, procedures and practices in accordance with the current ISO standards.
- d. Ensure the efficient management of cash resources within the Unit.
- e. Review accounting systems and procedures for prompt and full accountability for all financial transactions relating to receipts and payments.

- f. Implement value-for-money accounting procedures.
- g. Manage the financial activities of the Unit through the establishment of appropriate computerized accounting systems and internal audit procedures with a view to summarizing and forecasting project activity and the financial position.
- h. Evaluate performance of staff directly supervised for compliance with established policies and objectives as well as on the basis of their specific contributions in attaining set objectives.
- i. Oversee the maintenance of adequate records, in accordance with sound accounting practices, with a view to capturing the entire financial operations of the ASDU in respect of the inflows of resources from all sources and expenditures. Ensure that these records are appropriately segregated by project in keeping with the nature of the ASDU activities
- j. Initiate and oversee the timely financial audit of all records and accounts (inclusive of any special account) in accordance with standard auditing principles and Government of Guyana financial records.
- k. Engage the services of independent and acceptable external auditors and prepare for the Project Coordinator reports on any information requested by the Auditors concerning the records, accounts or the audit.
- l. Interpret financial statements to prepare for the Project Coordinator monthly, quarterly and mid-term review reports with ratio and comparative analyses to identify the major scheduled activities undertaken, targets achieved, problems encountered and actions recommended to be taken by the ASDU, funding agency and/or Consultants/Contractors over the next reporting period.
- m. Undertake any other duties and responsibilities that may, from time to time, be reasonably requested by the Permanent Secretary/Director, ASDU.
- n. Participate, coordinate and lead the FRMP team in working with and supporting World Bank missions.

IV. Expected Outcomes

The Finance Manager is expected to guide and lead all financial management, disbursement, accounting and audit related matters, and provide financial supervisory services for the various project components of the FRMP.

V. Duration and Estimated Time Input

| | |
|-----------------------------|---|
| Type of Appointment: | Individual |
| Duration: | 1 year; renewable on basis of performance |
| Place of work: | Agriculture Sector Development Unit [ASDU], Ministry of Agriculture, Georgetown, Guyana |

VI. Qualifications Requirements and Evaluation criteria

1. A Bachelor's Degree in Accounting; Finance, Business Administration plus 7 years' experience **OR** at least fifteen (15) years post experience in an accounting/financial operation, of which 5 must be in a Manager position in a Project environment.
2. Specific training in the accounting procedures adopted by any of the multilateral funding agencies, especially the World Bank, and the Government of Guyana.
3. Specific Training in Project Management
4. Computer literacy, with specific emphasis on spreadsheet applications and the use of accounting packages.
5. Knowledge of financial management, financial analysis and financial accounting to determine controls to be implemented and costing systems to be reviewed and maintained.
6. Familiarity with all aspects of program Budgeting and Project/Program Management.
7. Fluency in English language with strong written, oral communication and listening skills

VII. Reporting requirements

The Finance Manager will report directly to the Project Coordinator

TOR for SENIOR CIVIL ENGINEER/PROCUREMENT OFFICER (Draft)

FLOOD RISK MANAGEMENT PROJECT

Terms of Reference Senior Civil Engineer/Procurement Officer

(I) Background

The Cooperative Republic of Guyana has received a credit from the International Development Association towards Flood Risk Management Project, and is desirous of hiring a Senior Civil Engineer/Procurement Officer who will be required to supervise the international and national bidding process for goods, services and civil works; prepare and submit tender evaluation reports, negotiate contracts and make recommendations for award to the Government. The Specialist will develop effective contract administrative and monitoring procedures, and will train staff to apply them. The consultant will be responsible for preparing all periodic reports on project status.

(II) Objective(s) of the assignment

The Senior Civil Engineer/Procurement Officer will assist the ASDU in all contracts and procurement related matters, and provide engineering and contract management services for the various components of the Flood Risk Management Project (FRMP). He/she will assist the Project Coordinator with the preparation and negotiation of contracts for all project components and with consulting firms and consultants, suppliers of goods, and contractors.

(III) Scope of Work

- a. Prepare annual procurement plans and ensure their timely implementation and review/revise as needed, in coordination and cooperation with the Project Coordinator and have them approved by the World Bank;
- b. Prepare in cooperation with the Project Coordinator, the Financial Management and the Ministry of Agriculture's technical staff TORs for individual consultants to be engaged within the Project and other Project related consultancy services
- c. Prepare the administrative parts of the bidding documents for procurement of goods, works and services based on technical information, specifications and quantities provided by the Ministry technical staff and transmit the documents to the World Bank for review and no objection;
- d. Arrange for advertising in the national newspapers/official gazette and Development Gateway's UN Development Business online, for the procurement of goods, works and services required for the project;

- e. Prepare evaluation criteria for individual consultants to be hired under the Project in coordination with the Project Coordinator and the Ministry technical staff;
- f. Prepare evaluation criteria and draft RFPs for consultancy services and transmit those documents to the World Bank for review and no objection;
- g. Conduct the bid opening procedure and prepare minutes on Bid opening;
- h. Organize evaluation of Bids and Consultant proposals. Advise and guide the Evaluation Committees and technical staff on WB Procurement and Consultants' selection procedures. Take part in the Evaluation Committees, as necessary and feasible. Transmit evaluation documents to the World Bank for review and no objection;
- i. Prepare relevant Contracts for procurement of works, goods and consultancy services for all technical aspects of the project;
- j. Perform final check-up of the Contracts, before disbursement.
- k. Develop and implement administrative and monitoring procedures for effective supervision of works (earned value, application of escalation clauses, payment procedures, technical assessment with performance indicators to be developed and link with financial monitoring, chain of command for required actions with clear responsibilities assigned to individuals) on the basis of a standard spreadsheet model for all concerned Implementing Agencies.
- l. Prepare relevant procurement-related correspondence and coordinate procurement matters with the World Bank, Financial Management, Accounting Specialist, Project beneficiaries, and suppliers of goods and services.
- m. Ensure the forwarding of copies of signed contracts to the World Bank to facilitate disbursement;
- n. Establish and maintain an efficient procurement and contract tracking system to ensure quick retrieval of procurement information by the Financial Management and Accounting Specialist, visiting supervisory WB missions, annual audits etc.;
- o. Prepare and submit for Bank review periodic procurement progress reports, keep list of completed, on-going and planned contracts and keep updated list of contracts subject to the World Bank post review;
- p. Revise the procurement plan in coordination with relevant technical staffs, Ministry department, Project Coordinator, as needed, and submit to the WB for no-objection if necessary.
- q. Liaise with other engineering personnel and professionals and provide technical guidance where necessary.
- r. Evaluate construction and maintenance work and evaluate applications for payment to Contractors and supervising consultants in compliance with the contract; Plan, supervise and coordinate procurement activities of the ASDU for goods and services.
- s. Prepare a final report of all the works executed.
- t. Assist Project Coordinator regarding other procurement issues of relevance to Project implementation.
- u. Participate in World Bank missions.
- v. Perform other duties as required

(IV) Expected Outcomes

The Senior Civil Engineer/Procurement Officer will be responsible for the supervision of all contracts and procurement related matters, and provide engineering and contract management services for the various components of the Flood Risk Management Project (FRMP).

(V) Duration and Estimated Time Input

Type of Appointment: Individual

Duration: 1 year; renewable on basis of performance

Place of work: Agriculture Sector Development Unit [ASDU], Ministry of Agriculture, Georgetown, Guyana

(VI) Qualifications Requirements and Evaluation criteria

1. A Degree in Civil Engineering from a recognized university.
2. An appropriate post graduate Degree in Civil Engineering from a recognized university.
3. Minimum of 10 (Ten) years of professional work experience including in civil engineering, contract supervision, and in procurement of goods, works and consulting services;
4. Fluency in English language with strong written, oral communication and listening skills;
5. Advanced computer (PC) skills, especially in Microsoft Office and Microsoft Projects or related software
6. Experience in procurement of goods, works and services associated with the implementation of projects financed by the World Bank or other international financing institutions will be considered an advantage.

(VII) Reporting Requirements

The Consultant will report directly to the Project Coordinator.

ANNEX 4

TOR FOR PROJECT COORDINATION COMMITTEE

Role of the Project Coordination Committee (PCC)

A key element of the FRMP implementation strategy is the National Focal Point who is a high level public officer appointed by the Government of Guyana. This officer operating singly can be made more effective if supported with an institutional mechanism of senior officials and key stakeholders focused primarily on the issues of disadvantage and the programmatic solutions being developed to attenuate them. This is the rationale for the PCC. The reports of the PCC through the National Focal Point will advise the WB/GOG of the efficacy of its interventions as well as provide a useful source of information on nationally tailored interventions.

Responsibilities of the PCC Chair

The PCC shall be chaired by the Minister of Agriculture of the MOA and consist initially of a Representatives of the Executing Agencies and subject Ministries involved in national economic development as well relevant private sector representatives. Representatives must be of a senior enough level in the respective organizations to induce changes determined necessary for the effective implementation of Programme activities as well as have access to the highest levels of Government, the political directorate and governance in the private sector.

The responsibilities of the PCC Chair are as follows:

- i. Co-coordinating and monitor programme implementation
- ii. removing internal bottlenecks to programme implementation
- iii. identifying programming risks, implementing mitigation and contingency strategies
- iv. Identifying Projects/activities for WB support.
- v. Advising on the state of national disadvantaged circumstances
- vi. Advising on complementary initiatives being undertaken with the assistance of other development partners which impact on the state of national disadvantaged circumstances
- vii. Supporting the development of national statistical indicators of disadvantage???
- viii. Evaluating the impact of programmes.

- ix. As the Programme evolves the National Focal Point may consider inviting additional Representatives to facilitate the development and co-ordination of interventions.
- x. The PCC shall meet at least once quarterly to execute its responsibilities
- xi. A Quorum shall consist of the Chairman, the representative of the Ministry of Agriculture or the Ministry of Public Works and two other members of the committee.

ANNEX 5

RESULTS AND MONITORING FRAMEWORK

| Results Framework | | | | | | | | | | | |
|---|------|-----------------|----------|--------------------------|--------|--------|--------|----------------------|-------------|------------------------------|---------------------------------------|
| PDO: The Project Development Objective is to reduce the risk of flooding in the low-lying areas of the East Demerara. | | | | | | | | | | | |
| Project Development Objective Indicators | | | | | | | | | | | |
| Indicator Name | Core | Unit of Measure | Baseline | Cumulative Target Values | | | | | Frequency | Data Source/ Methodology | Responsibility for Data Collection |
| | | | | YR1 | YR2 | YR3 | YR4 | End Target | | | |
| Area with improved protection against breach of EDWC dams. | | ha | 0 | 0 | 15,700 | 15,700 | 15,700 | 15,700 ¹² | Semi-annual | Semi-annual progress reports | ASDU |
| Area provided with improved irrigation and drainage services | ☒ | ha | 0 | 0 | 0 | 3,240 | 7,864 | 7,864 ¹³ | Semi-annual | Semi-annual progress reports | ASDU |
| Intermediate Results Indicators: | | | | | | | | | | | |
| (Note: See 2 next pages for Intermediate Results Indicators under component 1 and 2.) | | | | | | | | | | | |

¹² The benefitting area is the area of inundation of a simulated breach of the northeast dam (CAP pre-investments studies).

¹³ The benefitting area is the area of the drainage catchment within which the works are located. The estimates are based on 3,240 ha area for Mon Repos-Annandale drainage area and 4,624 ha area for Strathspey-Enterprise-Paradise drainage area which are the areas for the proposed interventions.

| Component 1: Priority Works for Flood Risk Reduction | | | | | | | | | | | |
|---|-------------------------------------|-------------------|----------|--------------------------|---------|---------|---------|-----------------------|-------------|--|---------------------------------------|
| Indicator Name | Core | Unit of Measure | Baseline | Cumulative Target Values | | | | | Frequency | Data Source/ Methodology | Responsibility for Data Collection |
| | | | | YR1 | YR2 | YR3 | YR4 | End Target | | | |
| Direct project beneficiaries | <input checked="" type="checkbox"/> | number | 0 | 0 | 113,066 | 113,066 | 113,066 | 113,066 ¹⁴ | Annual | Census (to be updated 2012) | ASDU |
| Female project beneficiaries | <input checked="" type="checkbox"/> | % | 0 | 0 | 51 | 51 | 51 | 51 ¹⁵ | Annual | Census (to be updated 2012) | ASDU |
| Water users provided with new/improved irrigation & drainage services (female and male) | <input checked="" type="checkbox"/> | number | 0 | 0 | 0 | 47,638 | 47,638 | 47,638 ¹⁶ | Annual | Census (to be updated 2012) | ASDU |
| Water users provided with irrigation and drainage services (female) | <input checked="" type="checkbox"/> | number | 0 | 0 | 0 | 24,010 | 24,010 | 24,010 ¹⁷ | Annual | Census (to be updated 2012) | ASDU |
| Length of dam upgraded | | km | 0 | 0 | 2 | 4 | 4 | 4 | Semi-annual | Confirmation of completion with adequate quality by construction supervision consultant. | ASDU |
| Increased drainage capacity (capacity of drainage pumps or canals) | | m ³ /s | 0 | 0 | 0 | 1.5 | 5 | 5 | Semi-annual | Semi-annual progress reports | ASDU |

¹⁴Based on 2002 census population data for Region 4, East Coast Demerara only (excluding Georgetown), to be updated based on 2012 census.

¹⁵Based on 2002 census population data for Region 4, East Coast Demerara only (excluding Georgetown), to be updated based on 2012 census.

¹⁶Based on 2002 census population data Mon-Repos-Annandale and Strathspey-Enterprise-Paradise drainage area, to be updated based on 2012 census.

¹⁷Based on 2002 census population data Mon-Repos-Annandale and Strathspey-Enterprise-Paradise drainage area, to be updated based on 2012 census.

| Component 2: Institutional Strengthening for Flood Risk Reduction | | | | | | | | | | | |
|--|------|--------------------|---------------|--------------------------|-----|------------------|-----|------------|-------------|------------------------------|--|
| | | | | Cumulative Target Values | | | | | Frequency | Data Source/ Methodology | Responsibility for data collection |
| | Core | Unit of measure | Baseline | YR1 | YR2 | YR3 | YR4 | End target | | | |
| Adoption of operational procedures and surveillance systems for the EDWC dams | | completed | No systems | | | Systems in place | | | Semi-annual | Semi-annual progress reports | EDWC management unit/ NDIA / ASDU |
| Adoption of dam safety measures including procedures for emergency preparedness in case of dam breach. | | completed | No procedures | | | completed | | | Semi-annual | Semi-annual progress reports | EDWC management unit/ NDIA / ASDU |
| Expanded meteorological, hydrological monitoring network installed and active | | yes/no | no | no | no | yes | yes | yes | Annual | Semi-annual progress reports | ASDU/ Hydromet |

ANNEX 6

TOR FOR AUDIT (Draft)

AUDIT TERMS OF REFERENCE FOR THE FLOOD RISK MANAGEMENT PROJECT

a) Audit Background

Under the Loan Agreement the Bank and the Borrower agreed that there would be annual independent audits of the Project's accounting, the statements of expenditures, the Special Account and the financial statements. The annual audit reports are to be delivered to the Bank as soon as available, but not later than 4 months following the end of the fiscal year. The first audit of the Project is scheduled for to take place immediately at the end of the 2015 fiscal year. If the required/acceptable audited financial statements are not received within one month after the due date, the Bank normally discontinues the use of the SOE procedure and will withhold replenishment of the Special Account. After three months following the due date the Bank may suspend all disbursement on the loan.

For the purpose of complying with such obligation, and so that the audit reports might be timely and of benefit for both the Project and Bank management, it is necessary that the audit be contracted with sufficient lead time so the auditors may perform interim work, which might be helpful in identifying weaknesses in the internal control structure, and other aspects that may require timely corrective action. This audit approach will contribute to the Project's success.

b) Title of the Audit

Audit of the Resources Managed during (*state dates, for example: the period from January 1 to December 31, 2015 or the year ended on December 31, 2015*) by the Project Execution Unit under the "Flood Risk Management Project", financed by the International Development Association (IDA) Credit (P147250).

c) Audit Objectives

The overall objective of this engagement is to allow the auditor to express a professional opinion on the financial position and performance of the Project at the end of the period audited, as well as the adequacy of the internal controls and the compliance with the covenants of the grant agreement and applicable laws and regulations. The engagement will include a special purpose audit of the Project, including the resources provided by the Bank.

The financial and internal control audit must be performed in accordance with the International Auditing Standards issued by IFAC, and therefore must include the test of the accounting records that the auditors consider necessary under the circumstances. The specific objectives of the audit are:

- Issue an opinion as to whether the Project financial statements present fairly, in all material aspects, the financial position of the Project, the funds received and the disbursements made during the period audited, as well as the accumulated investments as at the end of the period, in accordance with international accounting standards issued by IFAC and in accordance with the requirements of the respective agreements with the Bank and other co-financing organizations.
- Issue an opinion on whether the supplementary financial information for the Project is fairly presented, in all material respects.
- Issue an opinion with respect to the adequacy of the internal control structure of the implementing institution in regards to the Project. This evaluation should also include the internal controls related to the contribution of counterpart funds for the Project.
- Issue an opinion as to: (a) whether the expenditures included in the requests for reimbursement (SOE) are eligible, and if the information presented in the SOEs is reasonably dependable; (b) whether the accounting and the internal control procedures used for the preparation of the SOEs are adequate; and (c) whether loan funds have been used only for Project purposes, in accordance with the requirements established in the corresponding agreements with the internal organizations.
- Issue an opinion with respect to the implementing entity's compliance with the terms of the Grant Agreement and applicable laws and regulations (in regard to the financial aspects).
- Issue an opinion as to whether the statement of the Special Account used for managing the funds provided by the Bank presents fairly the availability of funds at the end of the period audited, as well as the transactions made during the same period, in accordance with the provisions for the use of the funds estimated in the corresponding agreements with the Bank.

d) Procedures and Scope of the Audit

The audit should be performed in accordance with generally accepted auditing standards, which must be compatible with the Auditing Standards issued by the International Federation of Accountants (IFAC), and with the guidelines contained in the Bank publications mentioned above. Therefore the audit must include adequate planning, the evaluation and testing of the internal control structure and systems, and obtaining sufficient objective evidence to allow the auditors to reach reasonable conclusions on

which to base their opinions. In conducting their work, the auditors should pay special attention to the following requirements:

- All external funds should be used in accordance with the conditions of the relevant financial agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- Counterpart funds should be provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- Works, goods and services financed should be procured in accordance with the relevant financing agreement.
- Implementing entities should keep all-necessary supporting documents, records, and accounts in respect of all Project ventures including expenditures reported via SOEs or Special Accounts. Clear linkages should exist between the books of account and reports presented to the Bank.
- Where Special Accounts have been used, they should be maintained in accordance with the provisions of the relevant financing agreement.
- The Project accounts should be prepared in accordance with the International Accounting Standards consistently applied, and give a true and fair view of the financial situation of the Project at the end of the period and of the resources and expenditures for the year ended on that date.

The auditors must be alert for situations or transactions that may indicate fraudulent, wasteful or illegal acts and expenditures. If such evidence exists, the auditors must contact a duly authorized representative of the Bank and to the Project management, and exercise caution and due professional care in expanding their audit steps and procedures related to illegal acts. International Standards on Auditing 240 provides guidance in this respect.

e) Other Responsibilities of the Auditor

The auditor should comply with the following requirements:

- Conduct entrance and exit conferences with the IS/PEU. All request for documentations must be in writing and addressed to the Project Coordinator or Director, ASDU.
- Plan the audit work so that preliminary reviews can be conducted during the period under review (including the first few months), with the purpose of evaluating the systems of internal control and communicating to the implementing unit in a timely manner any situations that merit the attention of management before the issuance of the final audit report.

- Independently reference the audit report before issuing it.
- Obtain a Management Representation Letter in accordance with section 580 of the International Auditing Standard, signed by the management of the Project PEU.

f) Audit Reports

Once the audit has been completed, the auditors shall issue their report containing the specific opinions and conclusions required. All of the reports resulting from the Project audit should be incorporated into one document. This report should contain the detail of the funds provided by the Bank and should be addressed and delivered to the IS/PEU. However, if the Bank representative requests it so, the auditor should send a copy of the Project audit report directly to such representative.

The auditor should deliver the Final Audit Report to the PEU three months after the close of the relevant fiscal year. The reports are to be issued in English, duly signed and bound, in original and three copies. The report for the Project should contain at least: -

- A title page, table of contents, a transmittal letter to the PEU, and a summary containing the information required in the Guidelines.
- The audit report and opinion for the Project financial statements, their corresponding notes and supplementary information. If applicable, any cost that are not supported by adequate records or that are not eligible under the terms of the Grant Agreement (questioned costs) should be identified. This section should include the financial statements along with their corresponding notes and attachments.
- The audit reports on the internal control structure for the Project. Among other information discussed in the Guidelines the report should disclose the reportable conditions (those that have an impact on the financial statements), including the identification of material weaknesses, the internal control structure of the implementing unit, as well as the PEU commitments.
 - This report should include a section on the follow-up of recommendations made in prior audits, indicating the current status of the recommendations as corrected, partially corrected, or not corrected. The deficiencies that still have not been corrected should be reported again in the current audit report, along with the corresponding management's comments.
- The audit report and opinion on the PEU compliance with the terms of the Grant Agreement and applicable laws and regulations related to the Project's financial activities. This report must be consistent with section 800 of IFAC's International Auditing Standards.

- An audit report and opinion on the Special Account for the period audited. The auditor must issue an opinion as to whether the Special Account Statement adequately reflects the flow of funds for the SA during the period audited, and if this activity has been only for purposes of the Project.
- An audit report and opinion on the Statement of Request for Reimbursement (SOE Statement) for the period audited. The auditor must issue an opinion explicitly covering: (i) the eligibility of the expenditures submitted for reimbursement, (ii) the adequacy of the control procedures for preparing the SOEs, and (iii) the correct use of the Credit funds.
- A summary of the main audit procedures performed for planning the audit, evaluating the internal control structure, checking the figures included in the financial statements and other areas subject to audit, and for evaluating compliance with terms of the applicable agreements, laws and regulations.

g) Inspection and Acceptance of the Audit Work and the Reports

The Bank is responsible for inspecting and accepting the audit report of the Project, and may appoint an individual or company to carry out these activities, including the reviews of the working papers and the corresponding quality controls. If the Bank does not accept one or more reports due to deficiencies in the audit work, the auditor will carry out the necessary additional work at no additional cost to the PEU, the Project or the Bank.

Also, the representative of the Bank may contact the auditors directly to request any additional information related to the audit or the Project financial statement. The auditors must satisfy such requests promptly.

If the Bank determines the audit report is not fully satisfactory, it will send a letter to the PEU indicating the actions suggested to correct the deficiencies identified, and asking that the Bank be informed of any corrective actions taken. The PEU will also be informed of any aspects of the audit report that are not in compliance with the Terms of Reference, so that the auditor will correct the deficiency within a specific timeframe or in the subsequent audit.

h) Relationships and Responsibilities

The Client for this audit is the PEU and the Bank is an interested party. A Bank representative may participate in the entrance and exit conference and may supervise the work performed by the auditors to ensure that it complies with the terms of reference and the applicable auditing standards. Also, prior to the signing of the audit contract, the Bank will approve the terms of reference to be used and the selection of the public accounting firm selected to perform the audit.

It is the responsibility of the PEU to prepare all the financial statements and reports required, and to ensure that all the necessary records are available for the audit, that all the accounting entries and adjustments have been made, and that all the necessary actions have been taken to allow auditors to issue the final report before an applicable date. It is recommended, and the Bank considers it necessary, that the auditors perform interim work throughout the year in order to timely identify areas that require the attention of the Project's management.

The PEU is responsible for sending to the Bank's representative a copy of the draft reports immediately after they have been received from the auditor, if said representative requests so.

The auditors should adequately maintain and file the working papers for a period of three years after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made, evidencing such audits. During this period, the auditors should promptly provide the working papers that are requested by the PEU or the Bank. If the auditors do not comply with such requests (or do not respond to them in a timely manner), they will not be considered eligible to perform future audits of Projects financed by the World Bank.

i) Terms of Performance

The auditor will carry out interim work during the year of 2015. The auditor will issue the draft report 120 calendar days after 31 December 2014 and the final report before April, 2019. The PEU will send the final report for the Project to the Bank before three months.

Payment for the auditing services will be as follows: *(State the terms of payment. For example: 20 percent on the beginning date of the audit, 50 percent on the date of the draft report, and 30 percent upon the acceptance of the final report by the borrower and the Bank.)*

ANNEX 7

Procurement Plan (excel Worksheet) (attachment to Operations Manual)

ANNEX 8

World Bank's Standard Evaluation Forms (attachment to Operations Manual)
