

## TECHNICAL COOPERATION DOCUMENT

### I. Basic Project Data

▪ Country/Region:	GUYANA
▪ TC Name:	Support for Climate Resilient Road Infrastructure
▪ TC Number:	GY-T1184
▪ Team Leader/Members:	Guerrero, Pablo (INE/TSP) Team Leader; Persaud, Christopher (INE/TSP) Alternate Team Leader; Calderon Anton, Jose De Jesus (INE/TSP); Fook, Alana Kimlin (INE/TSP); Henriquez Revoredo, Patricia (VPS/ESG); Jimenez De Arechaga, Maria Del Pilar (LEG/SGO); Johnson, Jodi (VPS/ESG); Liddell, Clevern Anneliese (CCB/CGY); Mix Vidal, Richard Alexander (INE/TSP); Oseguera, Agustin (INE/TSP) Arechaga, Maria Del Pilar (LEG/SGO); Johnson, Jodi (VPS/ESG); Liddell, Clevern Anneliese (CCB/CGY); Mix Vidal, Richard Alexander (INE/TSP); Oseguera, Agustin (INE/TSP)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	GY-L1081.
▪ Date of TC Abstract authorization:	24 Jan 2022.
▪ Beneficiary:	Government of Guyana (Ministry of Public Works)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Infrastructure(W2B)
▪ IDB Funding Requested:	US\$350,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	28 months
▪ Required start date:	20 May 2022
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/TSP-Transport
▪ Unit of Disbursement Responsibility:	CCB/CGY-Country Office Guyana
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and Equality; Economic integration; Climate Change; Economic integration; Environmental sustainability; Gender equality; Productivity and innovation; Social inclusion and equality

### II. Description of the Associated Loan

- 2.1 This Technical Corporation (TC) is supported by the Program to Support Climate Resilient Road Infrastructure Development (GY-L1081) that has the general objective of improving the quality, accessibility, resilience, and safety conditions of Guyana's road transport infrastructure through an increase in paved road coverage, climate-resilient interventions and the rehabilitation and upgrading of provincial roads. The program will also promote efficiency improvements in the sector by incorporating the works into road maintenance management systems, investing in technology for traffic and road asset management, and by building capacity at the Ministry of Public Works. This loan is currently in preparation for the Project Proposal stage, the expected approval date is on October 12<sup>th</sup>, 2022.

### III. Objective and Justification

- 3.1 The general objective of this TC is to support the development of road projects and to strengthen the capacity of the public sector to overcome critical project issues (particularly socio-environmental and climate resilience aspects) and manage a new

public investment agenda. The purpose is to create capacity and assist a local counterpart technical team within the Ministry of Public Works (the Works Service Group) to lead project preparation in socio-environmental aspects, gender, project engineering, and traffic management services.

- 3.2 **Sector Context.** Since the discovery of oil and gas offshore Guyana in 2015, there has been a dramatic rent increase in the Guyanese economy. This has manifested itself in a marked increase in vehicle registration i.e., increased traffic on the national road network, as well as in a construction boom. In this context, the Government of Guyana has embarked on a large investment effort to upgrade and revamp infrastructure in the country, which consists of interventions in the case of transport of critical coverage, capacity, and quality upgrades of its road network, which include actions for rehabilitation, improvement, conservation, as well as strengthening the capacities of the authorities.
- 3.3 According to the Global Competitiveness Index, out of 140 economies, Guyana ranks 104<sup>th</sup> in terms of road infrastructure, 87<sup>th</sup> in port infrastructure, and 93<sup>rd</sup> in air transport infrastructure. Potential economic synergies with its neighbors are unexploited in part because the existing infrastructure network does not adequately connect these economies; sales to Guyana's main export destinations (United States, Canada, Trinidad and Tobago, and the United Kingdom) are hampered because shipping costs in and out of the country are high relative to other countries in the Caribbean, due to the lack of deep-water ports and insufficient domestic logistics infrastructure. Road density, measured in terms of area (0.024 Km per Km<sup>2</sup>), is far lower than the LAC regional average (0.462 Km per Km<sup>2</sup>).
- 3.4 The Inter-American Development Bank (IDB) is preparing a new loan operation for the upgrading of the East Bank Demerara (EBD) Road from Grove to Timehri (23.5 km). The loan operation follows on from the recently completed 4-lane widening project from Providence to Diamond (5 km) also financed by the IDB. Grove is the neighboring village on the southern side of Diamond so the project when completed, would provide an improved road corridor from Georgetown to the Cheddi Jagan International Airport (CJIA) located at Timehri. The Grove to Timehri section of the EBD road was last rehabilitated and widened in 1996 through a loan operation financed by the IDB and although there have been maintenance interventions over the years the road has reached the end of its design life, as evidenced by a progressively deteriorating pavement structure with cracking, rutting and potholing in places.
- 3.5 Therefore, the project will require the presentation, by the beneficiary, of a set of studies, such as the feasibility of the program, the socio-environmental management system (including updating existing and drafting new assessments and management plans and carrying out stakeholder engagement processes) that is required for compliance with the IDB Environmental and Social Policy Framework (ESPF) as well as with national law, among other assessments. Several of these studies will be financed by this TC. Likewise, the TC will finance studies on transport-related to cross-cutting themes such as gender, adaptation to climate change, and technology, among others.
- 3.6 In addition, the intense number of projects under construction or in preparation in the country and the project area will generate a large flow of vehicles in specific and central areas of the city and in the vicinity of the road to be built. It is necessary to understand the complexity of the traffic generated, the capacity of interchanges and intersections, and the aggregate effects on traffic flow.
- 3.7 **Vision 2025.** The TC is consistent with the Bank's [Vision 2025: Reinvest in the Americas: a Decade of Opportunities](#). Specifically, with the opportunities for investment and growth of : (i) regional integration and value chains, by improving the quality of relevant connecting infrastructure; (ii) digital economy, by introducing modern

solutions for traffic modelling; (iii) gender and diversity, by promoting skill development, and reforming social spending to promote formality, while also considering the inclusion of diverse groups (indigenous peoples, Afro-descendants, persons with disabilities, LGBTQ+ individuals) and migrants; and (iv) climate change action, by strengthening the climate resilience of infrastructure works.

- 3.8 **Institutional Alignment.** This TC is aligned with the Second Update to the Institutional Strategy 2020-2023 (AB-3190-2), as it aims to improve Guyana's ability to capitalize on a wider investment revolution to close its sustainable infrastructure gap and improve efficiency, safety, and transparency of the transport sector infrastructure. It is consistent with the strategic goals of: (i) Productivity and Innovation, by promoting investment, technology, and innovation, collaborating with the private sector to mobilize resources and build technical capacity within the country; (ii) Social Inclusion and Equality, by improving access to educational and employment opportunities, investments in transportation have important economic impacts, which improve social inclusion and equality; and (iii) Economic Integration, aims to increase the economic integration of lagging population through infrastructure networks. It is also consistent with the cross-cutting issues of: (i) Gender Equality and Diversity, by improving access to educational and employment opportunities, investments in transportation have important economic impacts, which improve social inclusion and equality; (ii) Climate Change and Environmental Sustainability, by having a strong approach in climate resilience.
- 3.9 The TC is also consistent with: (i) the Guyana Country Strategy 2017-2021<sup>1</sup> ([GN-2905](#)) in its strategic objective of delivering critical infrastructure through the strengthening of resilient infrastructure and the facilitation of public - private partnership opportunities to develop investments in transport; and (ii) with the Transportation Sector Framework (GN-2740-7) by contributing to the second dimension of success, focused on supporting the region toward the consolidation of transportation systems to provide roads improvements as it supports the key segment priorities of being bold in infrastructure, particularly through transport solutions.

#### IV. Description of Activities and Outputs

- 4.1 **Component I: Support for the Preparation of the Program.** Includes: (i) financing of the program operation manual; (ii) preparation of the environmental and social management system (including update of existing and drafting of new E&S assessments, management plans and carrying out stakeholder engagement processes); (iii) preparation of economic analysis of the Program; and (iv) engineering studies for the road, analysis for utilities network relocation and non-revenue water losses estimation as well as studies for the adaptation to climate change. The topic of gender and social inclusion will be considered in this component as part of the social management system.
- 4.2 **Component II: Macroscopic Traffic Modelling.** The study to be financed will utilize population and commercial data from Guyana's Bureau of Statistics, the study area will be disaggregated into Traffic Analysis Zones (TAZs) from which trip generation and attractions will be mapped. Using an appropriate trip assignment methodology, the generated trips will be assigned to the existing network. The resultant model will be calibrated using a combination of data from previous models developed in the area (microscopic) as well as short-term ADT counts.

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<sup>1</sup> The 2021-2025 [country strategy update](#) will be approved by September 2022.

- 4.3 **Component III: Dissemination and Knowledge.** The following activities will be financed: (i) dissemination activities of results and experiences obtained when preparing the loan; and (ii) intraregional events and exchange of experiences with experts on the topics addressed by the Program.

## V. Budget

- 5.1 The indicative budget of the TC will be US\$350,000.00, of which 100% will be financed by Window 2 of the Strategic Development Program financed with the Bank's Ordinary Capital OC-SDP-W2B (GN-2819-14) in the objectives of: (i) improving the quality of infrastructure projects in LAC; (ii) improving the performance, quality and sustainability of infrastructure services; (iii) improving design quality and efficiency in the execution of infrastructure projects; and (iv) generating and deepening sector knowledge on good infrastructure practices. It also contributes by addressing the cross-cutting issue of evaluating the impact of potential projects on women and minorities. There will be no counterpart and the distribution of costs is presented in the following table.

**Indicative Budget**

<b>Activity/Component</b>	<b>IDB/Fund Funding</b>	<b>Counterpart Funding</b>	<b>Total Funding</b>
Support for the preparation, execution, and supervision of the Program	US\$250,000.00	US\$0.00	US\$250,000.00
Macroscopic Traffic Modelling	US\$70,000.00	US\$0.00	US\$70,000.00
Dissemination and Knowledge	US\$30,000.00	US\$0.00	US\$30,000.00
<b>Total</b>	<b>US\$350,000.00</b>	<b>US\$0.00</b>	<b>US\$350,000.00</b>

## VI. Executing Agency and Execution Structure

- 6.1 The Bank will be the executing agency. The activities will be coordinated by TSP/CGY, in collaboration with Transport Division (INE/TSP) and Environmental and Safeguard Unit Solutions (VPS/ESG). CCB/CGY will act as the Basic Responsibility Unit (URB) of these contracts.
- 6.2 At the request of the beneficiary, the Bank will be the executing agency of this TC. This execution is justified by the Bank's experience with the preparation and development of the operational and technical instruments proposed and to better coordinate with other activities for the project preparation of GY-L1081.
- 6.3 The TC will be executed by the Bank through the hiring of consultants to carry out each study. The Bank will contract the services of individual consultants, consulting firms and non-consulting services in accordance with the policies and procedures in force at the Bank. The activities to be executed under this operation are included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement methods, namely: (i) hiring of individual consultants, as established in the AM-650 standards; (ii) contracting of consulting firms for services of an intellectual nature in accordance with GN-2765-4 and its associated operating guidelines (OP-1155-4); and (iii) contracting of logistics services and other non-consulting services, in accordance with policy GN-2303-28. For its part, financing the purchase of goods (including software/platforms/applications and their development) is limited by GN-2765 policy to 10% of the value of the contract. The Bank will be responsible for: (i) identifying the studies and technical work necessary to structure the project; (ii) selecting and hiring consultants to provide the necessary services; and (iii) managing the execution and delivery of consulting services. The activities will be

carried out in coordination with the Beneficiary. The Bank will hire consultants or companies following the Policy for the selection and contracting of consulting firms for the operational work carried out by the Bank (document GN-2765-1), the Complementary Policy for the workforce (AM-650), and the Institutional Procurement Policy (document GN-2303-20); for logistics and other related services (GN-2303-28). Policies for the selection and contracting of consulting firms or works executed by the IDB (GN-2765-4 and OP1155-4). The provisions of OP-619 are also considered, which include the concept of a digital solution to meet the demand of project teams on issues related to digital platforms, software development, etc., which replaces the version that was in force in Annex 10 of GN-2629. Therefore, ITE is required to grant its agreement with the digital solution that would be served by this consultancy to begin the contracting process.

## **VII. Project Risks and Issues**

- 7.1 A risk in the preparation of the Program are delays caused by the current conjuncture with COVID-19, which has led to the temporary closure of some government agencies, slow response time due to contagion, or challenges with organizing public consultations. To mitigate that risk, the team involved in the preparation of the loan is holding close dialogues with the government and with the Country Office, to identify and mitigate possible bottlenecks and develop strategies to reduce possible negative impacts on the project schedule.
- 7.2 There are other activities that are not clear for the coming months such as field visits to projects and public consultations, which are ESPF requirements and must be adapted to the local sanitary context.

## **VIII. Environmental and Social Classification**

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

### **Required Annexes:**

[Request from the Client - GY-T1184](#)

[Results Matrix - GY-T1184](#)

[Terms of Reference - GY-T1184](#)

[Procurement Plan - GY-T1184](#)