

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

GUYANA

FINANCIAL AND INSTITUTIONAL STRENGTHENING OF GUYANA WATER INC.

(GY-T1065)

PLAN OF OPERATIONS

This document was prepared by the project team consisting of: Yvon Mellinger and Catalina Gallego Hernandez (INE/WSA); Janelle Leitch and Roy Parahoo (CCB/CGY); Javier Jiménez (LEG/SGO); and Javier Grau Benaiges (WSA/CGY), as Team Leader.

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BASIC SOCIOECONOMIC DATA

For basis socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

INFORMATION AVAILABLE IN THE FILES OF INE/WSA

[Safeguard Policy Filter Report](#)
[Safeguard Screening Form](#)

ABBREVIATIONS

AFS	Audited Financial Statements
CS	Country Strategy
DFID	Department for International Development (UK)
EA	Executing Agency
FSO	Fund for Special Operations
GOG	Government of Guyana
GWI	Guyana Water Inc.
GS&WC	Georgetown Sewerage and Water Commissioners
IDB	Inter American Development Bank
IT	Information Technology
JICA	Japan International Cooperation Agency
MDG	Millennium Development Goals
MH&W	Ministry of Housing and Water
NRW	Non Revenue Water
O&M	Operations and Maintenance
STWI	Severn Trent Water International
TC	Technical Cooperation
WB	World Bank
WOP	Water Operators Partnership
WSI	Water and Sanitation Initiative

GUYANA
FINANCIAL AND INSTITUTIONAL STRENGTHENING OF GUYANA WATER INC.
(GY-T1065)

EXECUTIVE SUMMARY

Beneficiary Country:	Co-operative Republic of Guyana	
Team Leader / Members	Javier Grau Benaiges (WSA/CGY), Team Leader; Team Members: Yvon Mellinger, Catalina Gallego Hernández (INE/WSA); Janelle Leitch (CCB/CGY); Juan Carlos Lazo (CCB/CGY); Roy Parahoo (CCB/CGY); Javier Jiménez (LEG/SGO).	
Executing Agency:	Guyana Water Inc. (GWI)	
Target Beneficiaries:	Guyana Water Inc., Guyana's only water utility, will benefit from the Technical Cooperation (TC) by being provided with new tools to carry out its financial, procurement and administrative duties.	
Financing Plan:	FSO (NET INCOME)	US\$500,000
	Counterpart Financing:	US\$50,000
	Total:	US\$550,000
Objective:	The objective of this TC is to enhance GWI's financial and institutional management and to improve its revenue collection; and administrative and procurement capacities.	
Execution Timetable:	Execution period: 10 months	
	Disbursement period: 15 months	
Special Contractual Conditions:	None	
Exceptions to Bank Policies and Procedures:	None	
Environmental and Social Review:	The Program is not anticipated to have negative direct environmental or social impacts and has been classified as a 'C' according to the Safeguard Classification Tool.	
Coordination with Other Donors:	Presently, there are two donor agencies involved in the water sector in Guyana. The World Bank (WB) is funding an operation to improve access to water supply through the construction of water treatment plants and the rehabilitation of the distribution networks in Regions 2, 3 and 5. The Japan International Cooperation Agency (JICA) is financing an operation to improve access to water supply in rural communities in Region 6, in Eastern Guyana.	

I. BACKGROUND AND JUSTIFICATION

A. The Structure of the Water Sector in Guyana

- 1.1 Guyana Water Inc. (GWI) is the utility in charge of the provision of water and sewerage services in Guyana. GWI was established in 2002 when the Government of Guyana (GOG) decided to merge the two water utilities charged with the provision of potable water and sewerage services in Guyana, the Guyana Water Agency (GUYWA) and the Georgetown Sewerage and Water Commissioners (GS&WC). GWI is a public company owned by the GOG and operates under a license issued by the Ministry of Housing and Water (MH&W). This Ministry, along with the Public Utilities Commission, monitors the services provided by GWI.
- 1.2 Shortly after the creation of GWI, and using the UK's Department for International Development (DFID) funds, the GOG hired a British consulting firm, Severn Trent Water International (STWI), to run GWI under a performance management contract. However, in December 2006, in a situation of deteriorating water and sewerage services, the GOG decided to terminate the contract with STWI and re-assumed the management of GWI. Currently, a local team composed of Guyanese professionals is running the utility.
- 1.3 At the time of the management contract's termination, GWI started the preparation of a "Turnaround Plan" with the goal of addressing urgent operational and financial deficiencies at GWI. The Turnaround Plan was presented to the GOG's cabinet at the end of 2007, and since then it has been endorsed by the donors. Presently, the Turnaround Plan is the main guiding document to improve GWI's operational and financial performance, with a special emphasis in reducing the high levels of Non Revenue Water (NRW) and improving the performance of the sewage system in Georgetown.

B. Sector Challenges

- 1.4 With a customer base of approximately 150,000 customers, GWI faces numerous challenges. Current manifestations of the difficulties in providing an appropriate supply of potable water and wastewater services include: (i) *high levels of Non Revenue Water* – estimated to be 72% in 2006 and 70% in 2007, NRW is one of the main causes for GWI's inability to be financially self-sustainable; (ii) *uncertainty with respect to the safe yield of aquifers*- 90% of the water produced in Guyana comes from groundwater sources, however, current water production rates in GWI's approximate 140 boreholes are a cause of concern in relation to the potential depletion of groundwater reserves and the intrusion of saline water; (iii) *unreliable service*– it is estimated that in 2005 the number of hours per day that all connected customers received a pressurized (greater than 5 meters) water supply was only 3.62; (iv) *inadequate maintenance of the infrastructure* - the challenges in

maintaining the distribution infrastructure is evidenced by the level of NRW; (v) poor performance of the sewage system –while only 10% of Guyana’s population is connected to a sewage system, the system is unable to operate 50% of the time, increasing the risk of overflowing in Georgetown, especially during the rainy season, adding to the problems associated to floods and the risks for the health of Georgetown’s residents; and (vi) *inadequate financial performance of the sector* -.GWI is far from achieving financial self-sustainability, between 2003 and 2007, the Coverage of Operating Expenses (Revenues from Tariffs / O&M + Depreciation) averaged 61%.

- 1.5 NRW is at the center of GWI’s operational and financial problems. High levels of NRW translate into poor levels of continuity of service, poor maintenance of production and distribution infrastructure, and insufficient revenue generation to cover Operation and Maintenance (O&M) costs. As part of the Water Operators Partnership (WOP), in May 2009, with the support of GWI, the Bank organized a NRW training workshop for Caribbean utilities in Georgetown. This event served to increase of the authorities on this issue.
- 1.6 Other operational challenges in GWI include wastewater collection and treatment and the cost of energy. Only 50,000 citizens in central Georgetown are connected to a central sewage system. Sewage is collected and discharged into the mouth of the Demerara River with no prior treatment. The sewerage system dates back to the 1930s and is in urgent need of repair as a result of poor O&M. Another challenge is the high cost of electricity as a percentage of the total costs of GWI showing very poor levels of energy efficiency. It is estimated that the electricity bill amounts to 60% of GWI’s annual costs. The Bank is currently executing a Regional TC (RG-T1605: Energy Efficiency for Caribbean Water and Sanitation companies) aimed at improving energy efficiency and reducing energy costs within the water utilities in the Caribbean, including GWI.
- 1.7 GWI is also facing challenges related to its financial management. Since its creation, GWI’s Audited Financial Statements (AFS) have been qualified for various reasons such as uncertainties and limitation of scope. The AFS for 2005 received a disclaimer of opinion; specific financial areas of concern include: (i) fixed assets, (ii) creditors, verification of balances, (iii) debtors, verification of balances, (iv) inventory, physical verification, and valuation.
- 1.8 Over the past two years, GWI has worked to address these deficiencies, with an emphasis in financial accounting, reporting, maintenance of accounting records and overall financial management. The implementation of a new billing system has also contributed to GWI’s efforts to achieve financial sustainability. However, further work needs to be done to strengthen GWI’s financial management to ensure that future financial statements are not qualified.

C. The Bank's Support to the Sector and Rationale for the Proposed Operation

- 1.9 The Bank has an operation in the water sector in Guyana, the "Georgetown Water Supply and Sewerage Program II" (LO-1047/SF-GY). This operation was signed on June 14, 2000 and is executed by GWI. The initial cost of the project was US\$30 million (US\$27 million FSO financing). However, as a result of the debt relief with Guyana, this operation had to be partially cancelled and the current cost is US\$16.4 million (US\$14.7 million FSO financing). The objective of the operation is to improve the sanitary conditions of the population in Georgetown and reduce the current levels of environmental degradation through an improvement in the quality of the water supply and sewerage services.
- 1.10 LO-1047/SF-GY has three components: (i) improvements in the availability and quality of potable water and the reliability of the distribution network, (ii) improvement in the level of operation of the sewerage system, and (iii) consolidation and further improvement of GS&WC (now GWI) as the operating agency. To date, the project has committed US\$13 million and has disbursed US\$11.7 million. The current disbursement deadline is June 2010.
- 1.11 LO-1047/SF-GY includes a component aimed at consolidating and improving GS&WC (now GWI) as the operating agency. This component set ambitious targets in relation to the financial performance of the utility and in 2005, as a result of the poor quality of GWI's financial statements, the Bank temporarily suspended disbursements for LO-1047/SF-GY.
- 1.12 In November 2008, a mission by the Infrastructure and Environment Sector (INE) visited Guyana and the agreements reached with the GOG included the design of a TC to strengthen GWI's financial management. The proposed interventions in this TC will contribute to the goal of achieving GWI's financial and administrative soundness in the medium term. This TC will also design key financial benchmarks and triggers for the approval of the new operation in the water sector in 2010.
- 1.13 The new Country Strategy for Guyana for the period 2008-2012 includes two new loans for the water sector in 2010 and 2011 with a combined value of approximately US\$20 million. These operations have been agreed with the GOG and are necessary to improve the levels of access to potable water and sewerage services in Guyana. These operations will contribute to the Bank's Water and Sanitation Initiative (WSI), specifically to the objectives "100 Cities" and "Efficient and transparent operators".
- 1.14 The 2010 operation will finance the rehabilitation of the sewerage system in Georgetown. Initial works for the rehabilitation of the sewerage pump stations are being funded by the current operation LO-1047/SF-GY. However, further works are needed to rehabilitate sewer mains as well as street and yard sewers. In relation to the 2011 operation, under LO-1047/SF-GY, the Bank has been assisting GWI's efforts to reduce NRW through (i) mains replacement and a

metering program in Georgetown; and (ii) investments in leak detection and repair. However, while the Bank-funded works have focused on Georgetown, there is a need to expand the geographical scope of the intervention as funding from other donors such as the WB and DFID is coming to an end. The operation in 2011 will aim at reducing NRW in intermediate cities in Guyana, with an emphasis in Linden, Guyana's second largest city.

- 1.15 A key element for the preparation of this TC and future loan operations is the "Water and Sanitation Sector Strategic Plan" (GY-P1061), recently completed. This study, part of the Bank's WSI, complements the Turnaround Plan establishing the path to improve the performance of GWI with the goal of improving the services GWI provides to its customers and its financial position.
- 1.16 In order to start preparing these two operations, in a letter dated May 4, 2009, the GOG requested assistance from the IDB to support the preparation of Georgetown's sewerage master plan update and the designs for the rehabilitation of Linden's water supply infrastructure. The program is consistent with the IDB's Country Strategy (CS) for Guyana for 2008-2012 in the area of Social Development for Growth. Access to water and basic nutrition has been identified as key services to be addressed in the CS in order to assist Guyana in its efforts to achieve the Millennium Development Goals (MDG).

II. PROGRAM DESCRIPTION

A. Objective

- 2.1 The objective of this TC is to enhance GWI's financial management and to improve its revenue collection; and administrative and procurement capacities. This TC will finance the following components.

B. Components

- 2.2 **Component 1: Upgrade of GWI's Accounting Software:** As seen in GWI's Audited Financial Statements, GWI has a history of challenges in financial management and reporting. Shortly after its creation, GWI acquired a new accounting software. By 2008, it became evident that this software had shortcomings and there was a need to upgrade it. While the current software has four available modules - Accounts Payables, General Ledger, Inventory and Receivables, only the Accounts Payables and General Ledger modules are currently used by GWI. The current version functions on a database model that is unwieldy and has a very slow response time. Routine transactions that should take minutes often times would take hours and sometimes days to complete making reporting untimely.
- 2.3 Discussions with the manufacturer and provider of the software determined that GWI could upgrade to a more current version and be able to benefit from support provided by the manufacturer. While GWI is of the opinion that the upgrade to a

new version of the software would meet the entity's needs to improve accounting and financial management, there is concern regarding the technical support available for this software in Guyana.

- 2.4 This component will finance one procurement process for the purchase of a new accounting and financial software, to be accompanied by implementation support and training for GWI's finance department. Additionally, other departments within GWI such as Procurement, Customer Services, and Information Technology will receive training on the relevant modules related to their field of activity.
- 2.5 **Component 2: Improvements in Stores Management and Procurement:** To complement the implementation of the accounting and financial software, which is to include an inventory management module and procurement salvage and disposal module; physical improvements to the main GWI store in La Bonne Intention are necessary. The store is currently used as a place for safekeeping of used discarded items, as well as to house the inventory. However, there is a need to upgrade the building and to improve the layout and to dispose of old obsolete and discarded items.
- 2.6 In relation to procurement, to date, the interventions to improve the procurement functions within GWI have focused on the recruitment of a Head for the Procurement Department. While a Head of Procurement is needed, the focus in the short term should aim at training the existing staff in the Department, clarifying the functions of the Department along with their responsibilities to move towards a more efficient and effective procurement unit.
- 2.7 This component of the TC will finance the hiring of a consulting firm to carry out a risk assessment with the goal of determining the vulnerability of the stock in the store in La Bonne Intention and designing the mitigation measures that will need to be implemented. The consultant will also develop a fire safety plan and will provide recommendation for the improvement of the security, storage of toxic, degradable and high risk items. In relation to procurement, the TC will finance the hiring of a consulting firm with expertise in corporate procurement to implement a training program for the staff of the Procurement Department. This consultancy will also result in the development of clear guidelines establishing the roles of the different departments within GWI in relation to procurement as well as the different steps to be followed in all procurement processes. Other departments within GWI such as the Capital Investment and Planning Department (CIPD), Finance Department and the Human Resources Department will also participate in aspects related to training in corporate procurement.
- 2.8 **Component 3: Development of Standard Operating Procedures and Document Management Systems.** GWI has identified a deficiency as to the different ways of working in all areas of the utility. With a relatively high staff turnover, on the job training is critical, but since practices and norms vary widely

across the company, there is a need to pay special attention to Standard Operating Procedures (SOPs).

- 2.9 A SOP is a set of instructions having the force of a directive, covering features of operations that lend themselves to standardized procedures without loss of effectiveness. GWI currently has several divisions that operate on different procedures in areas of customer services, operations and financing.
- 2.10 A Document Management System (DMS) is a computer system used to store and track electronic documents and images of paper documents. Some of the common issues involved in managing documents include the location of the documents, the filing and retrieval of documents, retention period, security, archiving, workflow, authentication and traceability. Currently, there is segmented storage of information by each department that hinders decision making.
- 2.11 This component of the TC will finance the hiring of a consulting firm to train GWI's staff in the design, use and implementation of SOPs with the ultimate goal of eliminating GWI's customers frustration and will lead to a more customer orientated utility. This same consulting firm will provide assistance to GWI's IT department in the design and implementation of DMS.

III. BUDGET

- 3.1 The total cost of the proposed TC is US\$550,000, of which US\$500,000 are made available through the net income of the Fund for Special Operations (FSO). The remainder will be financed in kind by the executing agency. The detailed budget for the activities are as follows:

Component		Cost	Financing (US\$)	
		(US\$)	FSO	Local
1.	Component 1: Upgrade of GWI's Accounting Software	360,000	350,000	10,000
2.	Component 2: Improvements in Stores Management and Procurement	80,000	70,000	10,000
3.	Component 3: Creation of Standard Operating Procedures and Document Management Systems	70,000	60,000	10,000
4.	Project Execution Unit (staff, transportation, office costs)	20,000		20,000
5.	Monitoring and Audit	20,000	20,000	
Total		550,000	500,000	50,000

- 3.2 **Sustainability.** This TC will contribute to the improvement of the financial situation of GWI. The sustainability of the project will be realized through improvements in the financial and administrative management of the entity, which will allow it to reduce its administrative costs while improving its revenue collection capabilities.

IV. EXECUTING AGENCY AND MECHANISMS

A. Executing Agency and Executing Mechanisms

- 4.1 The Executing Agency (EA) for this TC will be GWI; the GOG-owned water utility with responsibility for water supply and wastewater management. GWI is currently executing LO-1047/SF-GY through the Capital, Investment & Planning Department (CIPD) with the assistance of GWI's Finance and Procurement Departments for aspects related to financial management and procurement, respectively. While the execution of LO-1047/SF-GY has been slowed at times, the project's execution pace has improved in the last two years, allowing it to be removed from the Bank's list of "Problem" projects in Guyana.
- 4.2 The TC will improve GWI's financial management as well as in the procurement and stores departments and will be executed by GWI's Finance Department. The Finance Department is knowledgeable of the Bank's policies as it is in charge of disbursements of the current IDB loan. For component II, the Finance Department will coordinate with the Procurement and Stores Departments under the supervision of GWI's management and GWI's Board of Directors. The TC will have a disbursement period of 15 months and an execution period of 10 months.

B. Program implementation readiness

- 4.3 The TC will be ready for implementation upon signature by the Bank and the Government of Guyana of the agreement. The procurement for consulting services and goods are expected to start in the fourth quarter of 2009.

C. Execution period and disbursement schedule

- 4.4 The execution period of this operation will be ten months. The disbursement period will be fifteen months. Both periods (execution and disbursement) will initiate with the signature of the agreement between the GOG and the Bank. A Revolving Fund equal to 10% of the Bank's resources will be established for disbursements associated to this operation. GWI's Finance Department is in charge of the financial management of the loan "Georgetown Water Supply and Sewerage Program II" (LO-1047/SF-GY) and is well aware of the Bank's financial procedures for the execution of operations.

D. Procurement

- 4.5 Procurement of goods and consulting services will be carried out by the EA in accordance with the procedures established in the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-7 and updated versions) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-7 and updated

versions). Annex II to this Plan of Operations includes the detailed procurement plan for the operation.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 The monitoring of the three components of the TC will be done through the review and approval by both the EA and the Bank's technical team of the progress and final reports prepared by the consulting firms that will implement the different components of the TC. In relation to purchase of the accounting software, GWI will supervise the implementation of this activity. However, the bank's technical and fiduciary team in Country Office Guyana (CGY) will conduct quarterly inspection visits to assess the progress of the TC.

B. Technical and basic responsibility

- 5.2 The Bank's Water and Sanitation Division (INE/WSA) will have technical basic responsibility while disbursements will be the responsibility of the Guyana Country Office. Contact point will be Javier Grau Benaiges (javiergr@iadb.org, Tel: 592-225-7950, ext 230) and Janelle Leitch (janellel@iadb.org, Tel: 592-225-7950, ext. 267). Coordination will be established with the financial and procurement specialists in CGY.

VI. PROGRAM BENEFITS AND RISKS

A. Program benefits, beneficiaries, and developmental impact

- 6.1 The principal beneficiary of this TC will be GWI. The strengthening of GWI's Finance, Procurement and Stores Departments to be undertaken under the TC will contribute to improve GWI's financial and administrative performance. Indirect beneficiaries would be the population of Guyana, who will receive a better service from GWI customer services department.

B. Risks

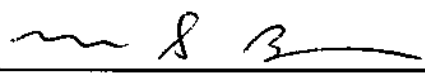
- 6.2 The only risk is related to the impacts to the financial standing of GWI if the implementation of component one was delayed. Lack of improvements in GWI's accounting and financial management might result in the audited financial statements being qualified again. To mitigate this risk, the approval of the Bank loan for the water sector in 2010 (GY-L1025) will be subject to the satisfactory implementation of component 1 of this TC. Additionally, during the implementation of this TC, the Bank, GWI, and the GOG will agree on key benchmarks to be met prior to the approval of GY-L1025.

VII. ENVIRONMENTAL AND SOCIAL STRATEGY

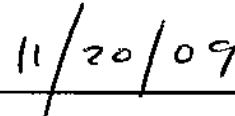
- 7.1 The operation is not anticipated to have negative direct environmental or social impacts and has been classified as a "C" according to the Safeguard Classification Tool.

VIII. CERTIFICATION

- 8.1 The Grants and Cofinancing Management Unit (VPC/GCM) certifies that US\$500,000 from the net income of the Fund for Special Operations (FSO) is available for the financing of the project activities proposed in this project document.




54 Marguerite S. Berger
Chief
Grants and Cofinancing Management Unit
VPC/GCM

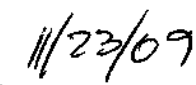


Date

IX. APPROVAL

Approved: 

C. Federico Basañes, Chief
Water and Sanitation Division
INE/WSA



Date

DETAILED BUDGET

Components	Cons. Firm Comp 1		Cons. Firm Comp 2		Cons. Firm Comp 3		Travel	Per diem	Other Direct Costs	Total FSO Funds	Local Counterpart Funds	Total Project
	IT Spec.	Fin. Software Spec.	Stores & Invent. Spec.	Proc. Spec.	SOPs & DMS Specialist	Project Mgmt Specialist						
<i>Average Daily / Unit Rates</i>	\$600	\$600	\$500	\$500	\$400	\$500	\$1,500	\$210				
Component 1: Upgrade of GWI's Accounting Software												
Installation of new software	50	30					2	40		59,400		59,400
Development of Specific Manuals for Accounting Software	20	20					2	20		31,200		31,200
Training of GWI staff on use of Software	30	50					2	40		59,400		59,400
Software, license, training materials									200,000	200,000		200,000
Supervision, transport										-	10,000	10,000
Subtotal										350,000	10,000	360,000
Component 2: Improvements in Stores Management and Procurement												
Needs Assessment for LBI stores			15	5			2	10		15,100		15,100
Design of Plan for Stores improvement			15				1	15		12,150		12,150
Procurement Training				30			1	30		22,800		22,800
Stores Management Training and Implementation of Plan			20				1	20		15,700		15,700
Direct Costs (production of training materials & manuals)									4,250	4,250		4,250
Supervision, transport										-	10,000	10,000
Subtotal										70,000	10,000	80,000
Component 3: Development of SOPs and DMS												
Review of existing organizational structure and processes					20	10	2	15		19,150		19,150
Design of SOPs					10	5	1	10		10,100		10,100
Design of DMS					10	5	1	10		10,100		10,100
Training for GWI staff					20	10	2	15		19,150		19,150
Direct Costs (production of training materials & manuals)									1,500	1,500		1,500
Supervision, transport										-	10,000	10,000
Subtotal										60,000	10,000	70,000
Project Execution Unit											20,000	20,000
Financial Audit and Monitoring										20,000		20,000
Total										500,000	50,000	550,000

PROCUREMENT PLAN

General information

Country: Guyana

Beneficiary: Guyana

Executing Agency: Guyana Water Inc. (GWI)

Project name: Financial and Institutional Strengthening of Guyana Water Inc.

Project number: GY-T1065

Brief description of the project's objectives and components: The objective of this TC is to enhance GWI's financial and institutional management and to improve its revenue collection; and administrative and procurement capacities.

Estimated date of project approval: November 2009

Estimated date of signature: November 2009

Estimated date of the final disbursement: January 2011

A. Introduction

The Executing Agency (EA) for this TC will be GWI; the GOG-owned water utility with responsibility for water supply and wastewater management. GWI is currently executing LO-1047/SF-GY through the Capital, Investment & Planning Department (CIPD) with the assistance of GWI's Finance and Procurement Departments for aspects related to financial management and procurement, respectively. While the execution of LO-1047/SF-GY has been slowed at times, the project's execution pace has improved in the last two years, allowing it to be removed from the Bank's list of "Problem" projects in Guyana.

Procurement of goods and consulting services will be carried out by the EA in accordance with the procedures established in the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-7 and updated versions) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-7 and updated versions).

B. Procurement plan

The procurement plan for the "Financial and Institutional Strengthening of Guyana Water Inc." covering the 10 months of project execution has been agreed between the Bank and the Government of Guyana. The plan, which is summarized in Appendix 1, indicates the procedure to be used for the procurement of goods, the contracting of works or services, and the method of selecting consultants, for each contract or group of contracts. It also indicates the estimated cost of the contract.

The procurement plan is available on the Bank's website: [Project Procurement Information](#)

C. Project procurement

The following is a general description of the procurement planned for the proposed project.

Procurement of consulting services: Consulting services for the project include: i) selection and contracting of a firm to install and assist in the implementation of a new accounting software for GWI; ii) selection and contracting of a firm to conduct an extensive training program for GWI's procurement and stores management departments; iii) selection of a consulting firm to design an improvement plan for the stores department at La Bonne Intention, and iv) selection and contracting of a firm to design, use and assist GWI in the implementation of Standard Operating Procedures (SOPs) and Document Management Systems (DMS).

APPENDIX 1

General information

Country: Guyana

Beneficiary: GWI

Executing Agency: Guyana Water Inc. (GWI)

Project name: Financial and Institutional Strengthening of Guyana Water Inc

Project number: GY-T1065

Brief description of the project's objectives and components: The objective of this TC is to enhance GWI's financial and institutional management and to improve its revenue collection; and administrative and procurement capacities.

Estimated date of project approval: November 2009

Estimated date of signature: November 2009

Estimated date of the final disbursement: January 2011

Period included in this Procurement Plan: From: December 2009 until October 2010

Ref. No. ¹	Description and type of the procurement contract	Estimated Contract Cost (US\$)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Pre-qualification ³ (Yes/No)	Estimated dates		Status ⁴ (pending, in process, awarded, cancelled)	Comments
					Aquafund- IDB (AQN)%	Local/ Other %		Publication of specific procurement notice	Completion of contract		
	1. <u>Consulting services</u>										
	○ Support to the Installation and Training for GWI's Accounting Software	350,000	QCBS	Ex-ante	100%	0%	No	Dec. 2009	Dec. 2010	Pending	
	○ Improvements in Stock Management and Procurement	70,000	QCBS	Ex-ante	100%	0%	No	Mar. 2009	Dec. 2010	Pending	
	○ Development of SOPs and DMS	60,000	QCBS	Ex-ante	100%	0%	No	Mar. 2009	Dec. 2010	Pending	
	○ Financial Audit	20,000	QCBS	Ex-ante	100%	0%	No	Oct.2010	Jan. 2011	Pending	

¹ If a number of similar individual contracts were to be executed in different places or at different times, these can be grouped together under a single heading, with an explanation in the comments column indicating the average individual contract amount and the period during which they would be executed. For example, an education project that includes school construction might include an item "school construction" for a total of US\$20 million, and an explanation in the comments column such as: "This encompasses some 200 contracts for school construction averaging US\$100,000 each, to be awarded individually by participating municipal governments over a three-year period between January 2006 and December 2008."

² **Goods and Works:** **ICB:** International competitive bidding; **LIB:** limited international bidding; **NCB:** national competitive bidding; **PC:** price comparison; **DC:** direct contracting; **FA:** force account; **PSA:** Procurement through Specialized Agencies; **PA:** Procurement Agents; **IA:** Inspection Agents; **PLFI:** Procurement in Loans to Financial Intermediaries; **BOO/BOT/BOOT:** Build, Own, Operate/Build, Operate, Transfer/Build, Own, Operate, Transfer; **PBP:** Performance-Based Procurement; **PLGB:** Procurement under Loans Guaranteed by the Bank; **PCP:** Community participation procurement. **Consulting Firms:** **QCBS:** Quality- and Cost-Based Selection **QBS:** Quality-Based Selection **FBS:** Selection under a Fixed Budget; **LCS:** Least-Cost Selection; **CQS:** Selection based on the Consultants' Qualifications; **SSS:** Single-Source Selection. **Individual Consultants:** **NICQ:** National Individual Consultant selection based on Qualifications; **QCII:** International Individual Consultant selection based on Qualifications

³ In the case of new Policies it applies only for Goods and Works. In the case Old Procurement Policies it applies for Goods, Works and Consulting Services.

⁴ This column "Status" should be used for retroactive procurement and for procurement plan updates.

IN REPLYING QUOTE DATE

HEREOF AND No.....



MINISTRY OF FINANCE

*Main & Urquhart Streets,
Georgetown,
Guyana.*

October 26th, 2009

Mr. Marco Nicola
Representative
Inter-American Development Bank
47 High Street
Kingston
Georgetown

Dear Mr. Nicola,

Re: GY-T1065-Financial and Institutional Strengthening of Guyana Water Inc.

Reference is hereby made to the above-mentioned subject.

Please be advised that the Government of Guyana has reviewed the Plan of Operations for the Financial and Institutional Strengthening of Guyana Water Inc.

In this regard, the Government of Guyana wishes to indicate its no-objection to the contents stated therein in the Proposed Non-Reimbursable Technical Cooperation for the Financial and Institutional Strengthening of Guyana Water Inc.

All for your information and guidance.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'J. Webster'.

Ms. Jennifer Webster, M.P
Hon. Minister in the Ministry of Finance