

## KOREA POVERTY REDUCTION FUND

### GUATEMALA

#### PLAN OF OPERATIONS

##### I. GENERAL INFORMATION

**Project Title:** Strategic Plan for the Integral Development of the Communities Affected by the Construction of the Chixoy Hydroelectric Project

**Technical Cooperation Number:** GU-T1061

**Project Team:** Mario Barrios, Team Leader; William Armstrong (COF/CGU); and Miguel Coronado (LEG/OPR2)

**Requesting Organization:** Government of Guatemala

**Executing Entity:** Secretaría de Planificación y Programación de la Presidencia - SEGEPLAN- (Secretary of Planning). The Bank will be responsible for the selection and hiring the consultants.

**Beneficiary:** Communities Affected By The Construction Of The Chixoy Hydroelectric Project

**Financing Plan:**

Non-reimbursable resources from the Korean Poverty Reduction Fund	US\$ 96,000
Local Counterpart	US\$ 20,000
Total	US\$116,000

##### II. BACKGROUND

- 2.1 With the construction of the dam on the Chixoy River, (construction started in 1975 and ended in 1983) approximately 23 communities were affected by the construction of the dam near the river. The area affected by the dam was 5,494 km<sup>2</sup>. Some communities from areas surrounding the river were relocated and incorporated into other communities. Some of the communities relocated are in poverty situation and others of them in extreme poverty.
- 2.2 When the feasibility studies for Chixoy were done in 1973, the National Institute for Electrification INDE, drafted a plan for the resettlement of the affected populations. This plan was only partly implemented and the degree of implementation varied from one community to another.
- 2.3 Presently, some 25 years after the dam was built and the river basin filled, the members of the affected communities are living in poverty, without economic activities to sustain them. Basic services are scarce, there is a lack of adequate housing, many residents of the communities in poverty situation and in extreme poverty suffer health problems and there is a lack of education opportunities for the children.

- 2.4 The Government of Guatemala before the situation of these 23 communities has conformed a table of negotiation integrated by international agencies of Government and institutions, with the intention of supporting to these communities depressed in the solution of its problems.
- 2.5 The Coordination of the Communities Affected by the Construction of the Chixoy Hydroelectric Dam (COCAHICH) has showed to the negotiation table the necessity to count on an instrument bases to manage to focus the resolution of the different necessities from the affected populations. Before this fact the elaboration of a plan of integral development for the affected communities is considered of vital importance, that serve as base as discussion with the Government of Guatemala.
- 2.6 In this context, on November 2006, the Government of Guatemala requested the Bank to prepare a non-reimbursable technical cooperation program to prepare the Strategic Plan for the Integral Development for the communities affected by the Chixoy Hydroelectric project.

### III. DESCRIPTION AND OBJECTIVES

- 3.1 The general objective of this operation is to contribute to the well-being of the 23 communities affected by the construction of the Hydroelectric one of Chixoy and the specific objective is to have a Plan of Integral Development to the Communities Affected by the Construction of the Hydroelectric one of Chixoy that it identifies and it guides actions and investments. The Plan of Integral Development will have to consider the conditions and individual possibilities of each community and for raising the future solutions for each one in individual being based on the concept of development and communitarian participation in the solution of problems.
- 3.2 In order to be able to hire the company/signature of experts in the subject in a short period of time, it was defined that the Bank will be responsible for the selection and hiring of consultants, with the intention of facilitating the implementation of the proposed activities.
- 3.3 For this, the Bank would contract a consulting company/signature with ample experience in this type of studies. The tasks, products, reports, duration and qualifications will be described in the Terms of Reference (TOR) that were prepared for the effect.
- 3.4 Social and environmental impact. Given the nature of this operation, aimed only to the preparation of consultancy reports, no negative social or environmental impacts are expected.

### IV. BUDGET AND EXECUTION

- 4.1 The executing agency will be the Secretaria de Planificación y Programación de la Presidencia. The Bank will be responsible for the selection and hiring the consultants and the administration of the resources. The selection of the consultants will be done in consultation with the Government of Guatemala, who will provide the counterpart resources necessary for the execution of the project.



The Bank will contribute up to the equivalent of US\$96,000 and will be financed by the Korean Poverty Reduction Fund on a non-reimbursable basis. Local counterpart will be up to US\$20,000, in kind to be used for institutional support in the elaboration of the Plan. The total cost of the project will be US\$116,000 broken down as follows:

COSTS	AMOUNT (US\$)		
	IDB	LOCAL	TOTAL
1. Coordinator consultant, 4 months x \$.4.000/month	16,000		16,000
2. Three Sectorial Specialists , 4 Months X \$3,400/Month/Consultan	40,800		40,800
3. Per diem, 50 days x \$.100	5,000		5,000
4. Local Travel, 23 communities x \$.236 , Rent of vehicle, gasoline, etc.	5,430		5,430
5. Administration expenses, reproduction of documents, meetings, etc.	2,000		2,000
6. Overhead, covers the usefulness(utility) of the company, the payment of the contract's taxes, etc.	20,770		20,770
7. Other	6,000		6,000
8. Institutional support		20,000	20,000
<b>TOTAL</b>	<b>96,000</b>	<b>20,000</b>	<b>116,000</b>

- 4.2 The implementation time will be of 4 months and the term of the last disbursement will be of 6 months after the agreement is signed.
- 4.3 The consultants will elaborate an initial workplan, an intermediate report, and a final report, which will be submitted to the consideration of the Bank and the Government of Guatemala.

#### V. RESPONSABILITY

- 5.1 5.1 The project team leader will have the technical responsibility: Mario Barrios, Sanitation Specialist, COF/CGU. ([marioba@iadb.org](mailto:marioba@iadb.org)). COF/CGU will have the responsibility to supervise the technical and administrative aspects of the project.

#### VI. RECOMMENDATION

- 6.1 Mario Barrios, designated team leader for the project of the reference and the Representative of the Country Office in Guatemala recommends the approval and the use of the resources of the Korean Poverty Reduction Fund up to US\$96,000 in order to finance the activities of this technical cooperation.

## VII. CERTIFICATION:

I certify that resources from the Korean Poverty Reduction Fund are available for up to US\$96,000 in order to finance the activities described and budgeted in this document. The commitment and disbursement of these resources shall be made only by the Bank in US\$ Dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except that local consultants working in their own borrowing member country shall have their remuneration defined and paid in the currency of that country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.