

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

MEXICO

EXECUTION SUPPORT FOR PHASE II OF THE PROGRAM FOR STRENGTHENING OF STATES AND MUNICIPIOS AND ADDITIONAL FEASIBILITY STUDIES

(ME-T1022)

PLAN OF OPERATIONS

This document was prepared by the project team consisting of: Carlos Miranda (RE2/FI2), Project Team Leader; José Juan Gómez (RE2/OD3); Luis Suárez and Sergio Urra (COF/CME); Javier Cayo (LEG) and Yolanda Galaz (RE2/FI2).

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BASIC SOCIOECONOMIC DATA

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

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

ABBREVIATIONS

BANOBRAS	Banco Nacional de Obras y Servicios Públicos, S.N.A
CAP	Core Action Plan
DGPM	Diagnostics and Good Practices Manual
FORTEM	Strengthening Program for States and Municipios
JSF	Japan Special Fund
POM	Program Operation Manual
SNCF	National Fiscal Coordination System
SNG	Sub-national government

PLAN OF OPERATIONS
EXECUTION SUPPORT FOR PHASE II OF THE PROGRAM FOR STRENGTHENING OF
STATES AND MUNICIPIOS AND ADDITIONAL FEASIBILITY STUDIES
(ME-T1022)

EXECUTIVE SUMMARY

Beneficiary:	The subnational governments in Mexico.		
Executing Agency:	<i>Banco Nacional de Obras y Servicios Públicos, S.N.C. (BANOBRAS)</i>		
Financing:	IDB: (JSF)	US\$	1,500,000
	Local:	US\$	375,000
	Total:	US\$	1,875,000
Objectives:	To continue supporting the decentralization process in Mexico by enhancing the management capacity and financial situation of states and municipios (sub-national governments, or SNGs) through the direct support to the execution of Phase II of FORTEM (ME-0256) as well as providing resources for additional feasibility studies and institutional strengthening for the future Phase III of FORTEM (ME-L1017).		
Execution timetable:	This operation will be executed in twenty four months and disbursed in twenty six months		
Special contractual conditions:	As a condition prior to first disbursement, BANOBRAS will present evidence to the Bank of the counterpart team assigned to execute this technical cooperation (par. 4.2)		
Exceptions to Bank Policies and Procedures:	None		
Environmental and social review:	Reviewed and approved by CESI on October 27, 2006		
Coordination with Other Donors:	Close coordination with Japan and the Japan Special Fund (JSF).		

I. BACKGROUND AND JUSTIFICATION

- 1.1 Since 1999, the Bank has supported the decentralization process in Mexico through the *Programa de Fortalecimiento a Estados y Municipios* (Strengthening Program for States and Municipios) better known as FORTEM (loans 1214/OC-ME and 1383/OC-ME) and the recently approved Phase II (ME-0256) which will guarantee the Bank's participation in this important endeavor for the next three years. Most important of all, there is a Phase III to the FORTEM (ME-L1017) scheduled for approval in early 2008, which will also commit the Bank to continue supporting the Government of Mexico in its decentralization efforts.
- 1.2 The general objective of FORTEM is to support the decentralization process in Mexico by enhancing the management capacity and financial situation of subnational governments (SNG's). The specific objectives are to: (i) introduce best practices geared towards strengthening the management of public funds by SNG's; (ii) strengthen these governments' financial situation; and (iii) finance investment projects with high social return and technical assistance to expand these governments' capacity to deliver public services. For the recently approved Phase II (ME-0256) there has been initial interest in receiving financing for the states of Jalisco, Hidalgo, Sinaloa and Baja California. As such, the FORTEM fully complements the efforts and programs established by the Government to deepen and consolidate the decentralization process in the country. The World Bank (IBRD) is also participating in these efforts and the Bank's project team often consults IBRD project teams to ensure full complementarity between both institutions.
- 1.3 The Bank's sector strategy is in line with the Bank's Country Strategy with Mexico, approved by the Bank's Board of Executive Directors on 27 March 2002, and which proposes focusing the Bank's operations on four priority vectors: (i) modernization of the social sector and poverty reduction; (ii) integration; (iii) modernization of the State and subnational decentralization and development; and (iv) improvement of private sector productivity. Strengthening of the capacity of subnational governments is a basic requirement within the strategic vector of modernization of the State, not just for purposes of preserving the macroeconomic and political stability of its spheres of influence and of the country, but also to make significant progress on other important development challenges, such as improvements in the delivery of basic social services. In this context, characterized by a growing SNG's role in budget administration and the delivery of basic public services, it is foreseeable that the Bank's actions at the SNG's level will also take on growing importance in the future.
- 1.4 For the execution of Phase I (loan 1383/OC-ME), a Diagnostic and Good Practices Manual (DGPM) was prepared for state and municipal governments in collaboration with an international rating agency (Standard and Poor's). The manuals are a collection of best practices and specific methodologies, both at the national and international levels, for evaluating SNG's progress in their institutional situation. These tools are used to perform financial and institutional

diagnostic assessments of SNG's that wish to participate in the program. On the basis of the diagnostic assessment, a core action plan (CAP) is prepared that contains specific strengthening targets and means of verification. An obligatory component of the action plan is establishment of an investment planning system.

- 1.5 The executing agency for FORTEM sets the debt ceiling and the amount available to an SNG under the credit line. The SNG's prepare an investment plan under the guidelines of the Program Operations Manual (POM). After the investment plan is approved by the executing agency and the Bank, credit line funds are available in three tranches: 50% upon signature of the contract, 30% once certain conditions set out in the CAP are fulfilled, and 20% once the remaining conditions have been complied with.
- 1.6 The recently approved Phase II of FORTEM (ME-0256) will continue meeting SNG's demands and building on the lessons learned in Phase I (loan 1383/OC-ME). The Bank will play a more active role in disseminating the benefits and advantages of the program, and it will support the executing agency and the SNG's in the institutional and financial diagnostic process, and in preparation of their investment plans. Given the competition that the program's resources face from the commercial banking system, special emphasis will be placed on reducing transaction costs and coordinating FORTEM interventions with other Bank instruments (such as the private sector) to increase the overall value-added. The Project Team has agreed with the Mexican authorities to closely follow up the execution of this initiative in order to adjust it accordingly, including rethinking the overall strategy of the Bank's actions with SNG's in Mexico.
- 1.7 Taking into consideration the preceding considerations, the Bank, in close collaboration with the Government of Mexico and its agencies, will continue working in close collaboration in enhancing and strengthening the execution of the recently approved Phase II (ME-0256) but also, and equally important, in laying the ground for the future Phase III (ME-L1017).
- 1.8 The value added of the proposed initiative is considerable and significant because the SNG's will be offered technical support and resources to support them in the preparation of their diagnostic assessment and a core action plan (CAP) containing specific strengthening targets and the corresponding means of execution and verification. The proposed TC will also make funds available for the preparation of feasibility studies in eligible areas and sectors established in the POM, which will support the continuation of the Bank's overall strategy in the decentralization sector. Most important of all, the Bank will strengthen its relevance and presence in Mexico by helping in the preparation of specific terms of reference for diagnostics and CAP's for all those SNG's interested in participating in the FORTEM. Finally, some resources will also be available to finance pilot ideas directly related to the development efforts of the SNG's.

II. PROGRAM DESCRIPTION

A. Program goal and purpose

- 2.1 To continue supporting the decentralization process in Mexico by contributing to enhance the management capacity and financial situation of states and Municipios (sub-national governments, or SNG's) through the direct support to the execution of Phase II of FORTEM (ME-0256) as well as providing resources for additional feasibility studies and institutional strengthening for the future Phase III of FORTEM (ME-L1017).

B. Description and Components

- 2.2 A group of highly qualified external consultants will be contracted to work on each of the activities detailed in the components hereunder.
- 2.3 **Component 1. Preparation of diagnostic assessments** (US\$469,600). To prepare 15 assessments using the Diagnostic and Good Practices Manual (DGPM) prepared between the executing agency, Standard and Poor's, and the Bank., which is an essential element for SNG's to participate in the future Phase III of the FORTEM (ME-L1017). The idea is that independent consultants use these manuals as guidelines to assess the overall situation on an SNG, identifying its strengths and weaknesses, which will serve as input to prepare action plans detailed in the following paragraph.
- 2.4 **Component 2. Preparation of core action plans (CAP's)** (US\$486,400). Fifteen CAP's will be prepared based on the diagnostic assessment using the DGPM and will include: (i) specific objectives, plans and activities for strengthening in the financial, institutional, and service management areas; (ii) recommended activities to meet those objectives; (iii) dates by which the SNG commits to meet the agreed targets; (iv) indicators and targets for each disbursement; and (v) the means of verification of outcomes. The financial and institutional strengthening areas included in the CAP's will be determined on a case by case basis and will be custom made in accordance with the needs of each SNG and its execution capacity, using the findings of the diagnostic assessment for each of the DGPM submodule and the expected degree of progress towards the benchmark for each submodule. These CAP's will result in the preparation of an investment plan, which will be used by the SNG, once it has obtained the approval of its local legislative body, to enter into a financial arrangement to access the resources provided by the FORTEM.
- 2.5 **Component 3. Feasibility Studies.** (US\$607,000) 15 studies will be prepared based on the demand presented by the SNG's for activities identified in the CAP's that will be reflected in their investment plans and for which the SNG's will get financing from BANOBRAS. These studies will be only prepared by specific requests from the SNG's and will be the result of the diagnostics exercise, which

may recommend the preparation of a specific feasibility study to be included in the CAP.

- 2.6 **Component 4. Institutional strengthening of the Center for Studies and Economic Evaluation of Projects (*Centro de Estudios de Evaluación Económica de Proyectos*- CEPEP).** (US\$187,000). The CEPEP was created in BANOBRAS in 1995 as part of the Municipal Development Project (Loan 837/OC-ME) to establish a body of professionals highly trained in analytical techniques and socioeconomic evaluation of projects. As such, the CEPEP has achieved a special recognition in this area in Mexico and often provides this type of assistance and guidance to other government agencies in project evaluation. Some additional consultants would be contracted to help them verify the technical, financial and environmental viability and sustainability of individual projects presented for funding through the FORTEM program. Also, the tools to be used in conducting socioeconomic analyses of projects will be evaluated in order to prepare a more objective and timely evaluation of projects to be funded under the future Phase III of FORTEM (ME-L1017).
- 2.7 **Component 5. General support to the execution of Phase II of FORTEM** (US\$125,000). This will finance general administrative activities of support to the program's execution. Considering that the dissemination of the FORTEM activities throughout Mexico is an important element to advance the Bank's strategy in support of the decentralization process in Mexico, several workshops will be organized to disseminate good practices learned. A communications campaign will also be developed and implemented with the assistance of the Bank's External Relations Department (EXR). Resources will also be available for an independent evaluation as an input for the preparation of Phase III of FORTEM, as well as an input for the design and/or updating of project instruments.

III. COST AND FINANCING

A. Summary cost table

- 3.1 The estimated cost for this operation is the equivalent of US\$1,875,000 of which the Japan Special Fund (JSF) would provide US\$1,500,000 and the local counterpart would be US\$375,000, according to the table presented hereunder. A detailed budget is included as Annex II.

Support to Execution of Phase II of FORTEM and additional feasibility studies			
Activities/Components	JSF	Local	Total
1. Preparation of 15 diagnostic assessments	389,600	80,000	469,600
2. Preparation of 15 core action plans	406,400	80,000	486,400
3. Preparation of 15 feasibility studies	477,000	130,000	607,000
4. Institutional strengthening of CEPEP	152,000	35,000	187,000
5. Support to Phase II of FORTEM	75,000	50,000	125,000
TOTAL	1,500,000	375,000	1,875,000
Percentage	80.0	20.0	100.0

B. Description and composition of financing

- 3.2 As indicated earlier, the JSF will be providing 80% of the funding.. Local counterpart represents the remaining 20% and will complement the resources provided by the JSF, mainly in the provision of logistical support, staff, office space, transportation services, among others, to collaborate with the team of consultants.

C. Sustainability

- 3.3 The sustainability of this initiative is strengthened by: (i) having the financing from the JSF; (ii) having the support from BANOBRAS to provide the necessary guidance and orientation to all the consultants involved; and (iii) being part of a successful on-going operation (ME-0256) that will lead to a new Phase III of FORTEM (ME-L1017) in the near future.

IV. EXECUTING AGENCY AND MECHANISM

A. Executing Agency

- 4.1 The executing agency will be *Banco Nacional de Obras y Servicios Públicos, S.N.C.* (BANOBRAS), a development bank in Mexico that functions as a financial intermediary for projects financed by financial international organizations and which has had a long and fruitful relationship with Bank for almost forty years as executing agency for many infrastructure and technical operation projects financed by the Bank. The Government of Mexico has designated BANOBRAS as a financial intermediary and to oversee the execution of all infrastructure projects financed with resources from the Bank, IBRD and other international financial institutions. During the years, BANOBRAS has gained considerable experience and in-depth knowledge about state and municipal issues and development efforts. Most recently, the Bank and BANOBRAS have worked closely together in the execution of the Phase I of the FORTEM program (loan 1383/OC-ME), the recently approved Phase II loan 1744/OC-ME). It is noteworthy to point out the complementarity between this initiative and the Phase II of FORTEM, where BANOBRAS is also the executing agency, making this initiative an important input for the Bank in advancing its overall strategy of support to decentralization efforts in Mexico.

B. Executing mechanism

- 4.2 BANOBRAS, in close coordination and collaboration with the Bank office in Mexico (COF/CME) and the Project Team, will oversee the work to be performed by all the consultants identified in the aforementioned components in order to ensure that all activities are conducted within the timeframe agreed and, most important, to coincide with the preparation activities of Phase III of FORTEM (ME-L1017). BANOBRAS will also be responsible for processing the payments for the work carried out by the consultants, as well as present to the Bank progress

reports and/or any other information deemed necessary. Whenever appropriate, BANOBRAS will coordinate with its field offices in Mexico all the activities contemplated in this initiative, as well as provide the necessary and required support to all the consultants involved. As a condition prior to first disbursement, BANOBRAS will present evidence to the Bank of the counterpart team assigned to execute this technical cooperation.

C. Program implementation readiness

- 4.3 The initiative is ready to commence its activities as soon as the resources are available because several SNG's have already requested support from the Bank in preparation diagnostics and core action plans.

D. Execution period and disbursement schedule

- 4.4 This technical operation will be executed in 24 months and the disbursement period has been estimated in 26 months.

E. Procurement

- 4.5 There will be no procurement of goods in this operation. The contracting of the consultancy for the financial advisory group will follow the Bank's procedures for the procurement of services, as stated in the Procurement Policy Document GN-2350-7. A Procurement Plan has also been prepared (Annex III).

V. MONITORING AND EVALUATION

A. Monitoring and evaluation

- 5.1 Since most of the proposed activities will be an essential input for the preparation, processing and approval of the future Phase III (ME-L1017), every single activity will be closely monitored by the Project Team in close coordination with BANOBRAS. To these effects, the progress reports prepared every six months will be a useful input for the future operation. These progress reports will be complemented with supervision missions by the Project Team in close coordination with COF/CME. A final evaluation financed with resources from this operation will also be carried out in order to identify best practices for similar operations in the future.

B. Technical and basic responsibility

- 5.2 The technical responsibility for this operation will be in the Division of Finance and Basic Infrastructure (RE2/FIN2). Mr. Carlos A. Miranda is the Project Team Leader and can be contacted at carlosmi@iadb.org (Phone: 202-623-1590 and fax: 202-623-1953)

C. Progress reports

- 5.3 The Bank will agree with BANOBRAS on both the timing and content of progress reports, which will reflect every single activity described earlier in this document in Chapter II. These progress reports will be useful to adjust any of the proposed activities to fulfill the objectives of the proposed operation. These progress reports will be complemented with supervision missions by the Project Team in close coordination with COF/CME.

VI. PROGRAM BENEFITS AND RISKS

A. Program benefits and developmental impact

- 6.1 As indicated earlier, support to decentralization is one of the Bank's most important pillars in its strategy with Mexico. The proposed initiative is fully in line with that strategy and the development, financial, and administrative strengthening of the participating SNG's will have a highly positive impact.

B. Target Beneficiaries

- 6.2 The participating SNG's in the FORTEM will be the first group of beneficiaries and since the Bank's overall strategy is to have a closer involvement in all the promotion activities, the participation of other SNG's is ensured.

C. Risks

- 6.3 No major issues or risks are expected for this proposed operation. Should there be any major needs for adjustments to the proposed activities in the future due to unforeseen circumstances (i.e. new laws and practices related to decentralization) the multi-phase modality of the FORTEM program, as well as the flexibility of the POM, will allow the Bank to respond in the most appropriate and timely manner within the original objectives of the FORTEM program.

VII. ENVIRONMENTAL AND SOCIAL REVIEW

A. CESI review

- 7.1 Given the fact that the main objective of this proposed initiative is the preparation of diagnostics, core action plans, and feasibility studies, no adverse environmental impacts are foreseen. Should the need arise to prepare specific studies related to environmental subjects, there will be resources available for this endeavor. Most important of all, close observance of all environmental requirements will be followed as part of the approved Phase II in execution (ME-0256), which was approved by the CESI on November 18, 2005. This Plan of Operations was reviewed and approved by the CESI as presented in this document on October 27, 2006.

B. Measures taken to avoid negative social and environmental impacts

- 7.2 As indicated earlier, this initiative will not have negative social and environmental impacts.

**EXECUTION SUPPORT FOR PHASE II OF THE PROGRAM FOR STRENGTHENING OF
STATES AND MUNICIPIOS AND ADDITIONAL FEASIBILITY STUDIES**

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CERTIFICATION

I certify that this operation was approved for financing by the donor of the Japan Special Fund through a memorandum dated September 26, 2006 and signed by Keisuke Nakamura, RE2/FSS. Also, I certify that resources from the Japan Special Fund are available for up to US\$ 1,500,000 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 Plan of Operations. 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.

Goro Mutsuura
Chief
Japan Special Fund

Date

**EXECUTION SUPPORT FOR PHASE II OF THE
PROGRAM FOR STRENGTHENING OF STATES AND MUNICIPIOS
AND ADDITIONAL FEASIBILITY STUDIES
(ME-T1022)**

Logical Framework

Narrative summary	Indicators	Means of verification	Assumptions
GOAL			
To continue supporting the decentralization process in Mexico by enhancing the management capacity and financial situation of states and municipalities (subnational governments, or SNGs).	1. Participating SNGs have strengthened management capacity and have assessed their financial situation after execution of the technical cooperation operation.	1.1 Final project evaluation report. 1.2 Risk rating agency reports	1.1 The government pursues implementation of its Decentralization Policy. 1.2 The FORTEM strategy is pursued. 1.3 SNGs are receptive to the project.
PURPOSE			
To strengthen SNGs through direct support for the execution of Phase II of the Program for Strengthening of States and Municipios (FORTEM, loan ME-0256), as well as providing resources for additional feasibility studies and institutional strengthening for the future Phase III of FORTEM.	1. Improve the management capacity of participating SNGs. 2. At least 6 additional SNGs are participating in the FORTEM program by the end of the technical cooperation operation. 3. Baseline: 7 states currently participating.	1.1 Progress reports. 1.2 Final project evaluation.	1.1 SNGs maintain interest in strengthening their management capacity and financial situation. 1.2 Demand for access to resources for additional feasibility studies
COMPONENTS			
Component I: Preparation of diagnostic assessments. Assess the overall situation on an SNG, identifying its strengths and weaknesses using the Diagnostic and Good Practices Manual (DGPM).	1. Prepare 15 diagnostic assessments using the DGPM agreed between the Bank and the FORTEM executing agency (ME-0256). 2. Baseline: 7 diagnostic assessments.	1.1. Progress reports. 1.2. Final project evaluation.	1.1 The government/FORTEM strategy for supporting the decentralization process is pursued.

Narrative summary	Indicators	Means of verification	Assumptions
Component II: Preparation of core action plans (CAPs). CAPs are based on the diagnostic assessment and include specific objectives, plans and activities for strengthening in the financial, institutional, and service management areas.	<ol style="list-style-type: none"> 1. Prepare 15 CAPs based on the needs of each SNG. 2. Baseline: 7 CAPs 	<ol style="list-style-type: none"> 1.1 Progress reports. 1.2 Final project evaluation. 	1.1 The government/FORTEM strategy for supporting the decentralization process is pursued.
Component III: Feasibility studies for activities identified in the CAPs that will be reflected in their investment plans and for which the SNGs will get financing from FORTEM.	<ol style="list-style-type: none"> 1. Prepare 15 studies based on SNG demand and related to their CAPs and investment plans. 2. Baseline: 0 studies. 	<ol style="list-style-type: none"> 1.1 Progress reports. 1.2 Final project evaluation. 	1.1 The government/FORTEM strategy for supporting the decentralization process is pursued.
Component IV: Institutional Strengthening of the Center for Studies and Economic Evaluation of Projects (CEPEP). Strengthen the tools and mechanisms for socioeconomic analysis.	<ol style="list-style-type: none"> 1. Strengthen and provide training to CEPEP to support SNGs in conducting better and more timely socioeconomic analyses of projects to be funded with FORTEM resources. 	<ol style="list-style-type: none"> 1.1 Progress reports 1.2 Final project evaluation 	1.1 The government/FORTEM strategy for supporting the decentralization process is pursued.
Component V: General support for the execution of Phase II of FORTEM. This component will finance general program management activities, including organization of workshops.	<ol style="list-style-type: none"> 1. Hold at least 4 dissemination workshops on FORTEM activities and program scope. 2. Baseline: 0 workshops. 	<ol style="list-style-type: none"> 1.1 Progress reports. 1.2 Final project evaluation. 	1.1 The government/FORTEM strategy for supporting the decentralization process is pursued.

MEXICO
Support to Execution of Phase II of FORTEM and Additional Feasibility Studies
(in US\$ 000)

	JSF/BID	Local	Total
1. Preparation of 15 diagnostic assessments (US\$24,840/diag.)	389.600	80.000	469.600
1.1 45 consultants @US\$250/30 days	337.500	0.00	
1.2 Per Diem (90 days @US\$150/day)	13.500	0.00	
1.3 Travel (36 trips @US\$600/trip)	21.600	0.00	
1.4 5 Consultation workshops@4.000 each	8.000	12.000	
1.5 Logistical support (office, transportation,etc)	3.000	55.000	
1.6 Publications	6.000	13.000	
2. Preparation of 15core action plans @US\$25,960 each	406.400	80.000	486.400
2.1 40 consultants @US\$300/30 days	360.000	0.000	
2.2 Per diem (68 days@US\$150/day)	10.200	0.000	
2.3 Travel (30 trips @US\$640/trip)	19.200	0.000	
2.4 5 Consultation workshops@4.000 each	8.000	12.000	
2.5 Logistical support (office, transportation,etc)	3.000	54.000	
2.6 Publications	6.000	14.000	
3. 15 Feasibilty Studies @29,466 each	477.000	130.000	607.000
3.1 15 consultants for 6 months @US\$4,500/month	335.000	70.000	
3.2 12 Research assistants @US\$2,500/4 months	120.000	20.000	
3.3 3 Consultation workshops @US\$4,000 each	6.000	6.000	
3.3 Travel 15 @US\$600 Trip	8.000	1.000	
3.4 Per diem (45 days@US\$150/day)	5.000	1.750	
3.5 Logistical support (office, transportation, etc)	3.000	31.250	
4 Strengthening of CEPEP	152.000	35.000	187.000
4.1 5 consultants for 5 months@US\$4,500/consultant	112.500	0.000	
4.2 Equipment (software)	9.000	15.000	
4.2 Equipment (hardware)	5.500	20.000	
4.3 Project evaluation designer @US\$4,000/4 months	16.000	0.000	
4.4 Model programmer @US\$3,000/3 months	9.000	0.000	
5.Support to FORTEM execution	75.000	50.000	125.000
5.1 3 consultants for 4 months@US\$4,500 each	54.000	0.000	
5.2 General administrative support	0.000	20.000	
5.3 Evaluation	11.000	10.000	
5.4 Equipment	0.000	20.000	
5.5 Promotional campaign	10.000	0.000	
TOTAL	1500.000	375.000	1875.000
Percentage	80.00	20.00	100.00

MEXICO
EXECUTION SUPPORT FOR PHASE II OF THE
PROGRAM FOR STRENGTHENING OF STATES AND MUNICIPIOS
AND ADDITIONAL FEASIBILITY STUDIES
ME-T1022
Procurement Plan

I. GENERAL

1. Project information

Financial Terms and Conditions				
Borrower: Nonreimbursable			Amortization period:	N/A
Executing agency: Banco Nacional de Obras y			Grace period:	N/A
Servicios Públicos, S.N.A. (BANOBRAS)			Disbursement period:	12 months
Source	Amount (US\$)	%	Interest rate:	N/A
IDB (JSF)	1,500,000	80	Inspection and supervision:	N/A
Local	375,000	20	Credit fee	N/A
Total	1,875,000	100	Currency:	US\$

2. Procurement plan approved by the Bank on:

3. General Procurement Notice published on: N/A

4. Period covered by the procurement plan: 12 months.

II. GOODS, WORKS AND NONCONSULTING SERVICES

1. Procurement packages with methods and time schedule

Table 1: Goods and Works

1	2	3	4	5	6	7	8
Ref. no.	Contract (description)	Estimated cost (US\$)	Procurement method	Prequalification (Yes/No)	Domestic preference (goods) (Yes/No)	Review by Bank (prior/post)	Expected bid opening date
	Works						
		N/A					
	Goods						
		N/A					
	Nonconsulting services						
		N/A					

III. SELECTION OF CONSULTANTS

Consulting assignments with selection methods and time schedules

Table 2t: Consulting Services

1	2	3	4	5	6	7
Ref. no.	Description of assignment	Estimated cost (US\$)	Selection method	Bank review (prior/post)	Expected proposal submission date	Comments
I.	Consulting firms					
II.	Individual consultants					
45	Consultants	337,500	CQS	Prior	N/A	N/A
40	Consultants	360,000	CQS	Prior	N/A	N/A
15	Consultants	335,000	CQS	Prior	N/A	N/A
5	Consultants	112,500	CQS	Prior	N/A	N/A
3	Consultants	54,000	CQS	Prior	N/A	N/A
III.	Other methods					
1	Audit study	11,000	FBS	Prior	N/A	N/A

Selection methods

QBS: Quality-based selection
FBS: Selection under a fixed budget
SSS: Single-source selection

LCS: Least-cost selection
CQS: Selection based on the consultants' qualifications

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/07

México. Nonreimbursable Technical Cooperation ATN/JF-____-ME for Execution Support for
Phase II of the Program for Strengthening of States and Municipios and
Additional Feasibility Studies

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the Japan Special Fund, to enter into such agreement or agreements as may be necessary with Banco Nacional de Obras y Servicios Públicos, S.N.C. (BANOBRAS), and to adopt such other measures as may be pertinent for a technical cooperation for execution support for phase II of the program for strengthening of states and municipalities and additional feasibility studies referred to in the plan of operations referred to in document AT-_____.

2. That up to the sum of US\$1,500,000 is authorized for the purposes of this resolution, chargeable to the resources of the Japan Special Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

(Adopted on __ _____ 2007)

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ME-T1022