

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	GUYANA/CCB - Caribbean Group
▪ TC Name:	Definition of Government's national Priorities and Delivery Management Model for the Public-Sector Investment Program -PSIP
▪ TC Number:	GY-T1144
▪ Team Leader/Members:	MOSQUEIRA MEDINA, EDGARDO (IFD/ICS) Team Leader; RUSSELL, MARIKO (IFD/ICS) Alternate Team Leader; REYES RANGEL, ANGELA MARIA (IFD/ICS); LIDDELL, CLEVERN ANNELIESE (CCB/CGY); MAHFOUZ, GIOVANNA L. (IFD/ICS); CHRETIEN, LOUIS-FRANCOIS (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	08 Nov 2017
▪ Beneficiary:	Cooperative Republic of Guyana
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 700,520.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	18 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	IFD/ICS
▪ Unit of Disbursement Responsibility:	IFD/ICS
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law

II. Objective and Justification

- 2.1 The objective is to contribute to the improvement of services delivered to citizens through measures aimed at strengthening the efficacy and efficiency of the public sector investment management, which will accelerate the execution and improve the quality of public investment projects. To do this, it seeks as a first step to facilitate a methodology to define the government's national priorities, articulating them in terms of their impact on Guyanese citizens. It aims to support the government in defining a set of measurable, concrete goals and targets to assess the progress in such key priority areas. The concrete and clear definition of the government's priorities will be the first step in the effort to enhance the management of Guyana's Public Sector Investment Program (PSIP), leading to a faster, more transparent and more effective execution of investment projects, with emphasis on those financed by external resources. The second step will seek to strengthen the PSIP chain through the design and implementation of a delivery management model, which will streamline and reduce the bottlenecks in the procurement and execution processes and ensure that the targets related to the key priority areas are met.
- 2.2 This TC is justified in the increased interest from the government of Guyana in strengthening the Public Sector Investment Program (PSIP). The PSIP accounted for approximately 8.3% of GDP in 2017, but it has failed to achieve development results because of significant delays in execution of available resources. Currently, the PSIP's annual implementation rate is as low as 20% and, on average, projects have a 13-month delay. These delays are estimated to cost US\$5 million per year, including interest rates,

cost overrun, and operational costs, and US\$10 million in opportunity costs. A thorough diagnostic work was carried out, finding that several issues curtail the correct functioning of the PSIP and cause these delays, including i) the lack of definition of government's priorities; ii) complex public procurement processes; iii) serious capacity constraints in line ministries in charge of the projects; iv) poor utilization of existing capacity and v) the in existence of accountability mechanisms and formal routines.

III. Description of Activities and Outputs

- 3.1 Component 1: Creation of methodology to define the government's priorities, concrete goals and targets; Component 2: Implementation of a Delivery Management Model for an effective execution of the PSIP; and Component 3: Staffing and functioning costs for the delivery management unit.
- 3.2 **Component I: Component 1: Creation of methodology to define the government's priorities, concrete goals and targets.** Methodology to define the government's priorities, concrete goals and targets.
- 3.3 **Component II: Component 2: Implementation of a Delivery Management Model for an effective execution of the PSIP.** Implementation of a Delivery Management Model for an effective execution of the PSIP.
- 3.4 **Component III: Component 3: Staffing and functioning costs for the delivery management unit.** Staffing and functioning costs for the delivery management unit

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Creation of methodology to define the government's priorities, concrete goals and targets.	\$ 100,000.00	\$ 0.00	\$ 100,000.00
Component 2: Implementation of a Delivery Management Model for an effective execution of the PSIP.	\$ 375,000.00	\$ 0.00	\$ 375,000.00
Component 3: Staffing and functioning costs for the delivery management unit.	\$ 225,520.00	\$ 0.00	\$ 225,520.00

V. Executing Agency and Execution Structure

- 5.1 At the request of the Government of Guyana, the executing agency will be the Bank through the Innovation in Citizen Services Division (IFD/ICS).
- 5.2 This request is justified by the fact that Bank execution will allow a more dynamic implementation of the activities, considering the main objective of the technical cooperation is enhance project implementation. The lengthy procurement processes within the government, the limited knowledge of Bank's procurement rules and the limited technical capacity at the Ministry of the Presidency would jeopardize the achievement of the objectives of the TC and the final outcomes it aims to contribute to.

VI. Project Risks and Issues

- 6.1 The risks are: resistance from some line ministries to the implementation of a management model in the center of government out of fears of losing control of resources and power over decisions (ii) lack of collaboration by the different project

execution units within line ministries, which are in charge of the implementation of externally financed projects; (iii) weak follow up of recommendations identified in the exercise by the Government of Guyana. The TC will mitigate these risks by: (i) ensuring a methodology that promotes wide participation by stakeholders, listening to issues as perceived by the front line; (ii) frequent on-the-ground presence to adjust the model as needed, considering the current situation in Guyana.

VII. Environmental and Social Classification

7.1 The ESG classification for this operation is "undefined".