|  |
| --- |
| **draft**  **PROgram**  **OPERATIONS MANUAL**  Energy Matrix Diversification and  Institutional Strengthening of  the Department of Energy  (EMISDE)  GY-L1066 |
| Prepared for:  **THE INTER-AMERICAN DEVELOPMENT BANK**  Guyana  **November, 2018** |

**TABLE OF CONTENTS**

**CHAPTER 1: INTRODUCTION 7**

1.1 Scope of the Program Operations Manual 7

1.2 Introduction 8

1.3 Background 9

1.4 Program Operation Manual’s Use, Duration and Modification 10

**CHAPTER 2: PROGRAM DESCRIPTION AND BUGETTED COST 11**

2.1 Program’s Objectives 11

2.2 Expected Outcomes 11

2.3 Program’s Components 12

2.4 Cost Structure 13

2.5 Program Duration 14

**CHAPTER 3: INSTITUTIONAL FRAMEWORK FOR**

**EXECUTION OF THE COMPONENTS 15**

3.1 Program Management 15

3.2 Program Organizational Structure 15

3.3 Governance Structure 17

3.4 Designation of Official Signatories 23

3.5 Coordination Arrangements 25

3.6 Monitoring and Evaluation 26

3.7 Special Contractual Conditions for the First Disbursement 27

3.8 Communication Strategy 28

3.9 Correspondence 28

3.10 Program E-Mail Account\_ 28

3.11 Document Management\_ 28

**CHAPTER 4: THE CYCLE FOR ACTIVITIES AND WORK 29**

4.1 Background 29

4.2 Bidding and Contracting 29

**CHAPTER 5: FINANCIAL MANAGEMENT AND DISBURSEMENT 30**

5.1 Organization of the financial management function 30

5.2 Roles of the Project Staff in Financial Management 30

5.3 The Program Accounting Function 32

5.4 Accounting and Information System 33

5.5 Authorization Process 33

5.6 Disbursement Period, Guides, Procedures and Schedule 33

5.7 Bank Accounts and Financial Procedure 34

5.8 Annual Audit 34

5.9 Maintaining Records 35

5.10 Exchange Rate 36

5.11 Chart of Accounts 36

5.12 Monthly Reports 36

**CHAPTER 6: PROCUREMENT OF WORKS, GOODS AND**

**SERVICES POLICIES AND PROCEDURES 38**

6.1 Procurement Description 38

6.2 Procurement Function 38

6.3 Procurement Plan 39

6.4 Procurement Methods 39

6.5 Procurement Work Flow 42

6.6 Advertising of Procurement Processes 45

6.7 Mis-procurement 45

6.8 Procurement Monitoring 45

6.9 Procurement Evaluation 46

6.10 Obligations for Beneficiaries and Consultants 48

**CHAPTER 7 ENVIRONMENTAL AND SOCIAL MANAGEMENT PRINCIPLES 49**

7.1 Program Classification 49

7.2 Environmental and Social Management Requirements 49

**CHAPTER 8: REPORTING, MONITORING AND EVALUATION 51**

8.1 Reporting 51

8.2 Summary of IDB Reporting Requirements 51

8.3 Monitoring 51

8.4 Evaluation 53

8.5 Auditing 54

8.6 Summary of IDB Reporting Requirements 55

8.7 Budget for Monitoring, Evaluation and Auditing 56

**List of Tables**

Table 1.1: Description of the Constituents of the POM 7

Table 2.1: Budget Table (in million US$) 14

Table 6.1 - Procurement Responsibility Assignment Matrix 38

Table 6.2: Thresholds for the Procurement of Goods and Works and Selection of

Consulting Services (US$000’s) 40

Table 6.3: Workflows for the Procurement of Goods, Works - ICB and NCB 42

Table 6.4: Procurement of Goods and Works – Shopping 43

Table 6.5: Workflows for the Selection and Recruitment of Services 44

Table 8.1: Summary of IDB Reporting Requirements 55

Table 8.2: Supplementary Reports 56

**List of Figures**

Figure 1: Program Organizational Structure 17

**List of Acronyms**

| **Acronym** | **Definition** |
| --- | --- |
| AFS | Audited Financial Statements |
| AOP | Annual Operation Plan |
| BoD | Board of Directors |
| CEO | Chief Executive Officer |
| CQS | Selection Based on Consultants’ Qualifications |
| CS | Country Strategy |
| EA | Executing Agency |
| EOI | Expressions of Interest |
| ESMP | Environmental and Social Management Plan |
| FB | Fixed Budget |
| FS | Financial Specialist |
| GEA | Guyana Energy Agency |
| GoG | Government of Guyana |
| GPL | Guyana Power and Light, Inc. |
| GPN | General Procurement Notice |
| GSDS | Green State Development Strategy |
| ICB | International Competitive Bidding |
| IDB | Inter-American Development Bank |
| IFRS | Internal Financial and Reporting Standards |
| LCS | Least-Cost Selection |
| LIB | Limited International Bidding |
| M&E | Monitoring and Evaluation |
| MoF | Ministry of Finance |
| MoPI | Ministry of Public Infrastructure |
| MoU | Memorandum of Understanding |
| NCB | National Competitive Bidding |
| PCMD | Project Cycle Management Division |
| OC | Ordinary Capital |
| POM | Program Operations Manual |
| PC | Program Coordinator |
| PCU | Program Coordinating Unit |
| PMR | Progress Monitoring Report |
| PEP | Program Execution Plan |
| PP | Procurement Plan |
| PS | Procurement Specialist |
| QBS | Quality-Based Selection |
| QCBS | Quality-and-Cost-Based Selection |
| RE | Renewable Energy |
| RM | Risk Matrix |
| SOP | Standard Operating Procedures |
| SPN | Specific Procurement Notices |
| SSS | Single Source Selection |
| UNDB | United Nations Development Business |

**CHAPTER 1**

**INTRODUCTION**

**1.1 Scope of the Program Operations Manual**

The scope of this Program Operations Manual (POM) is to define the administrative, institutional, technical and operational frameworks of the Program ***“Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)"*** GY-L1066, between the IDB and the Cooperative Republic of Guyana. The POM also outlines the level of responsibilities of the institutions, individuals and committees involved in the implementation of the Program, in order to achieve its objectives. Table 1.1 gives a brief description on the constituents of the POM.

**Table 1.1: Description of the Constituents of the POM**

|  |  |
| --- | --- |
| **CHAPTERS** | **DESCRIPTION** |
| Chapter 1 | Introduces the Program Operations Manual. |
| Chapter 2 | Presents the conceptual framework and the cost structure of the Program, as well as the description of its components. |
| Chapter 3 | Outlines the overview of the institutional and administrative framework, defining the organizational execution modality and the roles and responsibilities of the Executing Agencies and Program Executing Units. |
| Chapter 4 | Describes the cycle of the works and activities that will be undertaken. |
| Chapter 5 | Gives details on the financial procedures for the Program’s execution. |
| Chapter 6 | Describes the policies and procedures for the procurement of Goods and Works and for the Selection and Contracting of Consultants. |
| Chapter 7 | Describes the Environmental and Social Management Principles that the Program must address. |
| Chapter 8 | Outlines the Program’s reporting requirements in addition to the monitoring, evaluation and auditing mechanisms. |

**1.2 Introduction**

This POM establishes the terms, conditions, policies, procedures and processes to be applied during the execution of the Program ***"Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)"* GY-L1066,** (hereafter referred to as “the Program”) financed by the Inter-American Development Bank (hereafter referred to as “the Bank”). Specifically, however, the POMdefines all administrative, financial, procurement, and execution rules and procedures required for Program implementation and management, including:

1. detailed description of implementation arrangements;
2. definition of roles and responsibilities of all personnel;
3. establishment of financial and procurement norms and work flows; and
4. Indicator manual with detailed information on the indicators of the Results Matrix.

The total estimated cost of the Program is US$25.11 million, of which the IDB is contributing with a loan of US$21.16 million with US$10.580 million from its Ordinary Capital resources (OC) and US$10.580 million from IDB Concessional Ordinary Capital and the Guyana Power and Light (GPL) has a voluntary contribution of US$3.95 million. The Borrower for the proposed operation is the Government of Guyana.

The Executing Agencies (EAs) will be the Guyana Power and Light, Inc. (GPL) and the Guyana Energy Agency (GEA). For the effective implementation of the program, each EA will individually establish its own Program Coordinating Unit (PCU) and will be responsible for the overall administration of the proposed operation, including planning, budgeting, execution, monitoring and evaluation and financial and procurement activities.

**Note: The PCUs established will have close collaboration with each other on Program related matters.**

**1.3 Background[[1]](#footnote-1)**

The energy sector has been strategic, and the country has invested in infrastructure and studies that have contributed to its development. Guyana has now an important opportunity to convert its abundance of natural resources into sustainable energy but transitioning towards a cleaner energy mix requires critical infrastructure investments to respond to growing demand[[2]](#footnote-2), and improve capacities to address the challenges of the new scenario where Guyana becomes a regional oil and gas producer. The current Green State Development Strategy (GSDS)[[3]](#footnote-3) describes under the energy transition pillar that the country plans to move towards the implementation of cleaner solutions in the generation mix. The strategy aims to improve power supply reliability, reduce electricity costs, increase energy security, and utilize indigenous natural resources while diversifying the energy mix. The GoG has also commenced a plan and develop power generation projects to diversify the electricity matrix in the hinterlands. The hinterlands are rural communities usually distant from the coastal areas, and they have a large potential of renewable energy[[4]](#footnote-4) such as mini-hydro, biogas, wind and solar.

This program has identified three distinct problems in the energy sector in Guyana:

**(i) Lack of diversification of energy sources in electricity generation in the hinterlands.**

To date, the operation of small off-grids in the hinterlands relies on imported diesel for power generation, which is costly and negatively affects the environment. The fuel is usually transported in bulk using rivers and unpaved roads which becomes increasingly problematic in the rainy season[[5]](#footnote-5), resulting in limited electricity service to a certain number of hours, and unreliable and expensive electricity costs in the townships.

**(ii) The DBIS transmission electricity system requires large infrastructure investments.**

The updated expansion plan highlights the need to reinforce and upgrade the transmission system of the DBIS to:

(i) attend the increasing electricity demand estimated for the next 15 years; (ii) reach international operating standards replacing aged and unreliable equipment; (iii) integrate new generation sources (non-conventional renewable energy such as solar and wind, and natural gas); (iv) improve quality of service and (v) ensure a constant electricity supply that can adapt to variation due to seasonal or daily surges.

**(iii) The nascent oil and gas sector in Guyana require a regulatory framework and capable human capabilities to manage this new sector**.

Guyana was never an oil and gas producer and therefore, existing institutional, legal and regulatory laws governing the oil and gas energy sector are inexistent or not adequate. The existing GoG institutions are already overburdened, and yet they must deal with new demands that will have important impacts on the country. In this context, the GoG has recently created the Department of Energy that now needs to develop the entire oil and gas regulatory and institutional architecture to allow for a proper and careful development of country’s hydrocarbon sector. Being this a new sector, Guyana has limited in-country local human capacity that can develop the mentioned regulatory framework with the necessary arrangements under which both public and private stakeholders will operate. The country requires high level technical support for this matter to build a strong nascent and transformative oil and gas sector.

The Government of Guyana (GoG) expressed its interest in the design of a program that includes a coordinated approach to meet these challenges. The program will also build upon the outcomes and lessons learned from the execution of the ongoing program “Power utility Upgrade Program” GY-L1041, whose objective is to improve the overall efficiency of the distribution system primarily through interventions to reduce overall system losses.

**1.4 Program Operations Manual’s Use, Duration and Modification**

The POM is a key requirement in the implementation of the Program and will provide guidance for the achievement of the agreed objectives during the Program’s execution period. The POM will be subject to an annual review by the PEUs, subject to change based on agreement of the GPL, GEA and the Bank. Any modifications to the POM identified as a consequence of Program implementation will have to receive the approval of representatives of the GPL, GEA and with the prior no-objection of the Bank.

**CHAPTER 2**

**PROGRAM DESCRIPTION AND BUDGETED COST**

**2.1 Program’s Objectives**

The objective of the program is tosupport Guyana’s evolving energy sector by:

1. investing in sustainable/cleaner energy solutions to diversify the energy matrix in the Hinterland while contributing to climate change mitigation;
2. investing in the reinforcement of transmission infrastructure to improve reliability and stability of the DBIS; and
3. strengthening the Department of Energy (DE) to develop a regulatory framework and improve institutional capacity and governance of the Oil & Gas sector.

To achieve this objective, the Program will be implemented through the following components:

* Component 1: Renewable Energy (RE) solutions for the Hinterland
* Component 2: Reinforcement of transmission infrastructure
* Component 3: Institutional Strengthening and Governance of the DE
* Component 4: Program Management and Other Costs

**2.2 Expected Outcomes**

In keeping with the Results Matrix Framework of the Program, the expected outcomes are as follows:

|  |  |
| --- | --- |
| **IMPACT** | **OUTCOMES** |
| 1. diversification of the energy matrix resulting in generation cost reductions; 2. reduction and avoidance of CO2 emissions; 3. improvement of unserved electricity demand; and 4. a fully functional DE with the required capacity to manage the O&G sector. | 1. utility scale solar PV capacity is installed and operating in three selected townships in the hinterland; 2. female entrepreneur groups are empowered and use electricity in their productive activities**;** 3. reduced number of outages in the DBIS; 4. improved DBIS stability; 5. O&G regulatory framework is created; and 6. Production Sharing Agreement procedures are in place and enforced for better management of the O&G sector. |

**2.3 Program’s Components**

The details of the three main components of the Program are as follows:

|  |  |  |
| --- | --- | --- |
| **Component Number** | **Component Name** | **Cost** |
| **Component 1** | **Renewable energy (RE) solutions for the Hinterland** | **US$8,600,000.00** |
| This component will finance the installation of three PV tied mini-grid systems in the townships of Bartica, Mahdia and Lethem, including two Mega-Watt-hour storage capacity to meet the increasing demand. In particular, this component will finance:   1. the investment in solar technology in three townships. 2. the installation of three PV-tied mini-grid systems in Bartica (1.5 MW), Lethem (1 MW), and Mahdia (0.65 MW), totaling 3.15 MW. 3. the implementation of a storage capacity to manage intermittence of these sources. | | |

|  |  |  |
| --- | --- | --- |
| **Component Number** | **Component Name** | **Cost** |
| **Component 2** | **Reinforcement of transmission infrastructure** | **US$9,950,000.00**  (The contribution by GPL will be $3,950,000.00) |
| This component will finance the reinforcements of the DBIS with upgrade of the Sophia substation; and rehabilitation of about 5 kilometers of associated transmission lines. In particular, this component will finance:   1. the installation of a reactive compensation system (VAR) at the New Sophia substation. This investment requires the installation of a 69-kV bay to accommodate the connection. 2. the incorporation of the international standards of N-1 criteria commonly implemented in utilities. It is a two-fold solution to solve the problems associated with the single circuit L5, 69 kV transmission line, namely: i) construct an additional transmission line between Kingston and Sophia at a higher rating than the existing line and on separate structures, and, ii) upgrade the existing line to the rating of the new line. | | |

|  |  |  |
| --- | --- | --- |
| **Component Number** | **Component Name** | **Cost** |
| **Component 3** | **Institutional Strengthening and Governance of the Department of Energy** | **US$4,500,000.00** |
| This component will finance activities geared towards building the capacity of the GoG to manage the oil & gas sector. In particular, this component will finance the following activities:   1. design and development of the new Department of Energy, including architecture, governance, policy framework, and flow of key processes needed to support the operation of such structure. 2. conduct high level training and coaching of government staff, knowledge transfer and workforce development. | | |

|  |  |  |
| --- | --- | --- |
| **Component Number** | **Component Name** | **Cost** |
| **Component 4** | **Program Management and Other Costs** | **US$2,060,000.00** |
| This component will finance personnel and other recurrent costs required for supporting the project’s administration; and auditing costs and those related to monitoring and evaluation activities. | | |

**2.4 Cost Structure**

The total estimated cost of the Program is US$25.11 million. This amount is financed by the IDB with a loan of US$21.16 million. From this amount US$10.580 million will be contributed from its Ordinary Capital resources (OC) and US$10.580 million from its Concessional Ordinary Capital. The local counterpart contribution of US$3.95 million will be made by GPL. Table 2.1 provides a breakdown by components and source of financing.

**Table 2.1: Budget Table (in million US$)**

|  |  |  |  |
| --- | --- | --- | --- |
| **PROGRAM COMPONENTS** | **IDB FINANCING**  **(USD)** | **LOCAL**  **COUNTERPART (a)**  **(USD)** | **TOTAL COST**  **(USD)** |
| **Component 1: Renewable energy (RE) solutions for the Hinterland** | **$8,600,000.00** | **-** | **$8,600,000.00** |
| **Component 2: Reinforcement of transmission infrastructure** | **$6,000,000.00** | **$3,950,000.00** | **$9,950,000.00** |
| **Component 3: Institutional Strengthening and Governance of the Department of Energy** | **$4,5000,000.00** | **-** | **$4,5000,000.00** |
| **Component 4: Project Management and Other Costs** | **$2,060,000.00** | **-** | **$2,060,000.00** |
| **4.1 Project Management total**  **a. GEA**  **b. GPL** | **$1,750,000.00**   1. **$1,268,000.00** 2. **$482,000.00** | **-** | **$1,750,000.00** |
| **4.2 Contingencies total**  **a. GEA**  **b. GPL** | **$310,000.00**   1. **$155,000.00** 2. **$155,000.00** | **-** | **$310,000.00** |
| **TOTAL** | **21,160,000.00** | **3,950,000.00** | **25,110,000.00** |

Changes to the approved Budget are subject to the Bank’s prior approval. All requests for virements within and across budget lines must be formally submitted to the Bank for consideration and include a technical justification.

**2.5 Program Duration**

The Program is scheduled for implementation over a four (4) year period. This timeline may be reduced or extended by agreement of the parties to the Loan Agreement.

**CHAPTER 3**

**INSTITUTIONAL FRAMEWORK**

**FOR**

**EXECUTION OF THE COMPONENTS**

**3.1 Program Management**

The GoG will achieve the objectives of the Program and undertake the activities of the various Program’s Components through the effective utilization of the GEA and GPL.

The GEA will be assigned to complete the activities of Component 1 and Component 3 and GPL will be assigned to complete the activities of Component 2.

GEA and GPL will each establish a dedicated PEU. The PCUs will have overall technical and administrative responsibility for all matters relating to the Program and direct responsibility for the administration of Loan resources and procurement processes.

**In the case of GPL,** the PCU that is currently implementing the Program GY-L1041 includes a Program Coordinator, Loss-reduction Specialist, Distribution Network Design Specialist, Information Technology Specialist, Procurement Specialist and a Finance Comptroller. This PCU continue to be used for this Program. The PCU will however be reinforced with **a Fiduciary Assistant**; **Procurement Assistant**; a **Transmission Engineer Specialist**; and a **Monitoring and Evaluation Assistant**.

**In the case of GEA,** the PCU will be led by a**Program Coordinator** supported by a **Renewable Energy Specialist**; **Financial Specialist** with experience in contract management; and a **Monitoring and Evaluation Assistant**.

**3.2 Program Organizational Structure**

The organizational structure for the Program is delineated in Figure 1 below. This structure depicts the institutional arrangement as described in the foregoing section.

**Figure 1: Program Organizational Structure**

**MINISTRY OF FINANCE**

**MINISTRY OF PUBLIC INFRASTRUCTURE**

**(MINISTER OF THE MOPI)**

**PERMANENT SECRETARY, MOPI**

**3.3 Governance Structure**

**3.3.1 Program Oversight**

**The Ministry of Public Infrastructure**

The Oversight Mechanism for the Program will be undertaken by the Ministry of Public Infrastructure (MoPI). The MoPI will establish the appropriate strategies to support integration between the GoG, GPL and GEA. The GoG, GPL, and GEA must adopt a collaborative approach towards service delivery with continuous assessment of their working relationship to ensure quality and value for money. As part of the special conditions precedent to the first disbursement a subsidiary agreement executed between the MoPI, GPL and GEA will be signed, which establishes how the resources shall be used and the obligations of GPL and GEA to execute the Program in accordance with the contract and the Program Operations Manual (POM).

**The Ministry of Finance**

The role of the Ministry of Finance (MoF)within the government structure is to manage and maintain sound public finances, providing a positive framework for public and private initiatives and mobilizing inflows and resources. The MoF will monitor, review and evaluate the performance of the Program. The MoF will be notified when request for funds are being made by the GPL and GEA through each of their Program Coordinators. The Advance for Funds documentation and other finance transactions will be submitted and justified to the MoF.

**3.3.2 Program Coordinating Units**

A dedicated PCU will be established within the GEA and GPL, respectively and will be responsible for the overall execution of the assigned component (s). In general terms, the PCUs will be responsible for carrying out all the operational and fiduciary, financial management and procurement obligations, including social and environmental safeguards, necessary for Program execution and for maintaining all formal communication with the Bank. These communications must be signed by one or more authorized signatories. Among other responsibilities, each PEU will be in charge of:

1. Performing technical and operational coordination of the Program’s Component
2. Programming, approving and financing all Program and activities
3. Supervising the formulation, execution, and evaluation all interventions
4. Ensure the achievement of outputs and outcomes through the monitoring of indicator
5. Procuring all the services and goods necessary to carry out Program execution
6. Preparing Terms of Reference, tendering and procurements of goods, construction works, services and consultancies
7. Ensuring that the Program, and all project components, meet with the environmental and social requirements established in the ESMP, including semiannual compliance reporting
8. Preparing and updating the Program-annual Execution Plan (PEP), Annual Operational Plan (AOP), Procurement Plan (PP), Risk Matrix (RM), and the Progress Monitoring Report (PMR)
9. Submitting disbursement requests and preparing financial statements and
10. Contracting and supervising the Program’s evaluation exercise.

**PROJECT EXECUTION UNIT - GPL**

**The related staff of the PCU established within GPL, in addition to the existing team currently implementing GY-L1041, the new operation includes:**

1. One (1) Financial Assistant
2. One (1) Procurement Assistant
3. One (1) Transmission Engineer Specialist
4. One (1) Monitoring and Evaluation Assistant

**PROJECT EXECUTION UNIT- GEA**

**The related staff of the PCU established within GEA include:**

1. One (1) Program Coordinator
2. One (1) Financial Specialist
3. One (1) Renewable Energy Specialist
4. One (1) Monitoring and Evaluation Assistant

**The PCUs’ Team Composition and Responsibilities** **are detailed below:**

**For GPL**

**In addition to the existing PCU team implementing GY-L1041, the following will be included in order to support and contribute the programs implementation:**

**Transmission Engineer Specialist**

Under the general direction of the PC of GPL, the main responsibilities of the Transmission Engineer Specialist include:

* Managing the overall engineering of the L5 transmission reinforcements and the reactive compensation investment.
* Coordinating with GPL’s international transmission and project division for the realization of the works and supervise its implementation.

**Fiduciary Assistant**

Under the general direction of the FS, the main responsibilities of the Fiduciary Assistant include supporting the FS on the AOP preparation as well as SAR and PMR. Specific responsibilities to be assigned by the FS.

**Procurement Assistant**

Under the general direction of the PS, the main responsibilities of the Procurement Assistant include supporting the PS on all procurement matters, including those related to contract monitoring. Also assist in the development of procurement plans and procurement process for goods, works and services required for the implementation of the Program. Specific responsibilities to be assigned by the PS.

**Monitoring and Evaluation Assistant**

The M&E assistant will implement and supervise projects under component 2. Frequent field visits will be required and as well as high coordination with the implementation stakeholders, local authorities and PC. M&E will evaluate the degree of performance, compliance of environmental requirements, and quality of services being delivered. The M&E Local Specialist will be responsible for the M&E plan deployment. Taylor made tools and instruments will be develop by the M&E Assistant for the optimal supervision and evaluation the project deliverables. In this regard, the M&E Assistant will guide the PCU and GEA through establishing appropriate data collection systems and monitoring tools and support achieving the outputs of the program.

**Note: The MoU between GEA and the Department of Energy includes details on coordination activities related to the implementation of Component 3.**

**For GEA:**

**Program Coordinator (PC)**

The PC is the manager of PCU and the main responsible person of Program execution for the assigned components of the Program. In general, the PC is responsible for coordinating and supervising all aspects of implementation, including planning, implementation, financial management, procurement, monitoring, evaluation, and reporting. The PC will report to the respective CEO of GEA on technical, administrative and fiduciary issues. The main responsibilities of the PC include:

* Provide advice and support in the establishment and staffing of the PCU
* Manage the PCU on a day-to-day basis
* Prepare and follow through a phased program of action to ensure coordination of efforts in implementing the Program
* Develop and strengthen collaboration with relevant government agencies partners, the Bank and other stakeholders to facilitate their understanding and support to the Program
* Ensure that Program implementation follows the stipulations of the POM
* Coordinate and supervise administrative, technical and communication activities necessary for the successful Program implementation
* Initiate and coordinate the preparation of annual work plans
* Supervise the development and update of the following tools: PEP, AOP, PP, Risk RM and PMR
* Coordinate and supervise the preparation, monitoring and reporting on the execution of the overall procurement plan of the project for the procurement of goods, consulting and non-consulting services consistent with the Bank’s procurement guidelines
* Ensure the provision of logistical and other support to local and international consultants engaged under the Program
* Conduct, commission, and/or coordinate timely monitoring and evaluation activities
* Supervise ToR preparation, bidding and procurement processes for goods, works, consultancies and services
* Submit disbursement requests and justifications to the Bank
* Supervise the preparation of financial statements and present evaluation reports

**Note:** For the development of all the above activities, the PC will be supported by the PEU staff. The PC will liaise and consult with the Bank Country Office's Team Leader and Operations Analyst in matters relating to the Program, as necessary or required.

**Renewable Energy Specialist (RES)**

The RES will be responsible for the technical implementation of the works. The Solar Engineer Specialist will also be responsible for developing the technical documents for the ToRs and the monitoring of the works. The Solar Engineer Specialist will work in close coordination with the contractor for the supervision of the quality of the works and in the compliance with the designs.

**Financial Specialist (FS)**

The FS will conduct the financial administration of the Program, as well as assist and report to the PC in all financial matters related to the implementation of the Program. The FS is also responsible for preparing and updating Financial Progress, Project Account, Accounting Manual, disbursements and payments, financial planning and accounting records, and other related financial reports as required by the Bank and the GoG. The main responsibilities of the FS include:

* Procure an off-the-shelf financial accounting system for the Program to meet the requirements of the GoG and the Bank
* Contribute to preparation of the AOP; lead the development of the Budget and Disbursement Projections to ensure the consistency of activity and procurement plans with budgetary resources
* Assist the PC in compiling and consolidating accounts and prepare Unaudited and Audited Project Account in the stipulated date for each Fiscal Year, as agreed in loan/credit agreement
* Adjust and follow the Accounting Manual as per need of the Program
* Establish and maintain internal controls.
* Ensure the compliance of the Program financial operations with the contractual clauses and requirements of the Loan Agreement with the Bank, including the POM
* Integrate financial procedures and systems with the Management Information System to track program progress and management performance
* Give input to financial related matters in program’s meetings
* Assist in the planning and budgeting for the Program, taking the lead role in the financial plan and budgets and ensuring that the assumptions, parameters, guidelines and policies in planning are complied with
* Monitor Program performance and make recommendations to improve performance in relation to Financial Management
* Prepare financial disbursement request and justifications and monitor financial disbursements and all administrative procedures in line with GoG and Bank requirements
* Prepare and submit the financial reports stipulated in the POM, and as may be requested by the Bank and the GoG from time to time, including the financial status and Disbursement forms, and annual Audited Financial Statements (AFS) of the Program
* Facilitate the conduct of audit exercises by external auditors
* Ensure the timeliness of required financial reports to the IDB on a regular basis
* Participate in preparation of the Semiannual Progress Reports, contributing in particular to the financial sections
* Maintain appropriate files and records, provide information and otherwise facilitate, as needed, the following activities and events:
  1. Periodic portfolio review meetings between the Bank and the GoG
  2. Annual program monitoring meetings (led by the Bank)
  3. Routine inspection and supervision visits (from IDB Country Office)
  4. Mid-term evaluation of the Program
  5. Final evaluation of the Program
  6. The Project Completion Report
* Facilitate and host Financial Inspection Visits by the Bank to supervise the Financial and Accounting operations, at least once a year
* Perform any other related duties as required by the PC

**Monitoring and Evaluation Assistant**

The M&E assistant will implement and supervise projects in Bartica, Lethem and Mahdia. Frequent field visits will be required and as well as high coordination with the implementation stakeholders, local authorities and PC. M&E will evaluate the degree of performance, compliance of environmental requirements, and quality of services being delivered. The M&E Local Specialist will be responsible for the M&E plan deployment. Taylor made tools and instruments will be develop by the M&E Assistant for the optimal supervision and evaluation the project deliverables. In this regard, the M&E Assistant will guide the PCU and GEA through establishing appropriate data collection systems and monitoring tools and support achieving the outputs of the program.

**3.4 Designation of Official Signatories**

**3.4.1 Operations and administrative transactions**

Due authority will be vested in the following persons, jointly and individually in their stated areas of responsibility to act on its behalf in the capacities specified below in connection with the execution and implementation of the Investment Loan, ***"Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)"* GY-L1066***,*and to sign any other documents, all in their responsibilities as follows:

1. **Official signatories**

The official signatories to procurement and other operational transactions and acting individually are as follows:

|  |  |
| --- | --- |
| **Position in GPL** | **Position in GEA** |
| CEO, GPL | CEO, GEA |
| PC, PCU | PC, PCU |

1. **Acts relating to the execution of the Investment Loan including variation**

As to all acts relating to the execution of the Investment Loan including variation to the conditions and terms of the Letter of Agreement (any one of the following signatories) subject to the approval of the MoPI.

|  |  |
| --- | --- |
| **Position in GPL** | **Position in GEA** |
| CEO, GPL | CEO, GEA |
| PC, PCU | PC, PCU |

1. **Acts relating to the execution of the loan agreement, except variations**

As to all acts relating to the execution of the Investment Loan, except variations to the conditions and terms of the Loan Agreement (any one of the following signatories):

|  |  |
| --- | --- |
| **Position in GPL** | **Position in GEA** |
| CEO, GPL | CEO, GEA |
| PC, PCU | PC, PCU |

1. **Backups for Operations and Administrative Transactions**

In the case of absence of the CEO of GPL and GEA, the following designated officials will act individually for operational and administrative transactions:

|  |  |
| --- | --- |
| **Position in GPL** | **Position in GEA** |
| PC, PCU | PC, PCU |

1. **Disbursements**

In the case of requests for disbursements/reimbursements, payments, the following designated officials will act jointly:

|  |  |
| --- | --- |
| **Position in GPL** | **Position in GEA** |
| CEO, GPL | CEO, GEA |
| PC, PCU | PC, PCU |

**3.4.2 Functions of Stakeholders**

The relevant stakeholders will be consulted throughout the duration of the Program. For the purposes of Program planning, execution, monitoring, close-out and evaluation their participation in stakeholder engagement workshops will be required.

**3.4.3 Stakeholder Management Strategy[[6]](#footnote-6)**

The PCUs are dedicated towards ensuring an appropriate stakeholder engagement strategy plan is developed, executed and maintained by all members of the PCUs. The PCUs of GPL and GEA will collectively review the stakeholder engagement mapping and strategies at least twice a year to ensure stakeholders are properly engaged and managed to provide support, commitment, technical advice and other relevant assistant for the ease of execution of the Program.

**3.5 Coordination Arrangements**

**3.5.1 Coordination mechanisms between PCUs and the MoPI**

The coordination of the Program with the MoPI would be facilitated through the Permanent Secretary of the MoPI. The PCs and CEOs will report on the progress of the Program to the Permanent Secretary of the MoPI. The progress reporting should include but not be limited to issues relating to actual progress achieved as against planned, disbursement status, challenges, risks and issues experienced with corrective actions, procurement matters and risks updates. The reporting will be done monthly. The FS will report to the PC. The FS is responsible for the preparation of:

## Monthly Status Report, Quarterly Projections

## Semi-Annual Achievement Reports

## Annual Draft Estimates of Expenditure

## Annual Operating Plan consisting of:

* Implementation Plan
* Procurement Plan
* 18 Month Financial Plan
* 4-year Consolidated Financial Plan

## Monthly and Annual Financial Statements consisting of:

* Statement of Cumulative Investment
* Statement of Cashflows
* Respective notes to the financial statements

**3.5.2 Coordination mechanisms between MoPI and Ministry of Finance**

Through the use of the standard operating procedures, the MoF will be notified on Program related matters as required, in additional to when the request for funds are being made by the EAs. This will be facilitated by the Permanent Secretary of the MoPI with support from the CEO of GPL and GEA.

**3.5.3 Interaction with the Bank**

The Bank will be engaged throughout the implementation of the Program. The PCUs would seek no-objection from the Country Office team for any modifications to Program documents, procurement activities, or other activities requiring no-objection from the Bank as outlined in the Loan Agreement. The PCUs will also seek no-objection by the Environmental Social Safeguards Division of the Bank for any modifications to the environmental and social documents. The Bank will provide technical support and oversight in the operations of the Program where necessary. The Bank requires the EAs through to prepare and submit financial reports on a periodic basis.

**3.5.3 Interaction among both PCUs**

Both PCUs through the respective PCs will establish a standard operating procedure for its interactions on Program implementation related matters. This standard operating procedure will include but not limited to the following areas:

* Frequency of status reporting meetings
* Meeting agendas
* Meeting participants
* Coordination preparation for Program missions with the Bank
* Coordination preparation for Program reporting meetings with the MoPI and MoF
* Stakeholder engagement approaches
* Semi-annually progress reporting
* Semi-annually financial reporting

**3.6 Monitoring and Evaluation**

Both GPL and GEA through its PCUs will be in charge of monitoring the Program’s performance and progress throughout the execution period. The Program monitoring will be based on the Results Framework (also referred as Result Matrix), the Semi-Annual Report to the Bank and the AOP. GPL and GEA will collectively submit two semi-annual progress reports throughout the execution of the Program to the Bank which will include semi-annual financial reports.

**3.7 Special Contractual Conditions for the First Disbursement**

In addition to the general conditions for first disbursement included in the General Conditions of the Loan Agreement, the special contractual conditions for the first disbursement will be as follows:

1. the entry into force of the POM according to the terms and conditions previously agreed with the Bank;
2. the entry into force of a subsidiary agreement between the Borrower, GEA and GPL establishing the obligations of the parties for the execution of program Components 1 and 3, and 2 respectively, and the manner in which the resources of the loan and of the local counterpart will be transferred;
3. the establishment of a PCU within GEA and of the recruitment or assignment of a coordinator, a Renewable Energy specialist, a financial specialist with experience in contract management, and a monitoring assistant; and
4. the recruitment or assignment within GPL’s existing PCU[[7]](#footnote-7) of an electricity transmission design expert, a financial assistant, a procurement assistant, and of a monitoring assistant.

Condition 1 will allow for the proper execution of the program by the EAs by detailing the guiding principles for execution and coordination of activities while condition 2 will help to establish the obligations of the parties for the execution of all Components and the manner in which the financial resources of the program will be transferred. Conditions 3 and 4 are essential to ensure that the Borrower begins the implementation of the program with a qualified team in each EA.

**3.8 Communication Strategy**

GPL and GEA through its respective PCUs will be the direct liaison with the Bank in terms of the management and operations of the Program and will provide the requisite progress and status reports on the operations of all resources as outlined in the approved Project Execution Plan (PEP). The PCUs will continuously assess its existing stakeholders and identify new stakeholders, with a view of ensuring that appropriate stakeholder engagement and communication strategies are developed and deployed. The PCUs will analyze the various levels of project information required, the frequency and the modes of transmission.

**3.9 Correspondence**

All correspondence of the Program will be stored electronically and physically filed in the appropriate manner by each PCU. Each PCU will utilize a dedicated storage facility to store all Program Information including each correspondence received and sent. The files should also be kept in hard-copy at the PCU’s office. An authorized signatory must sign all official correspondence between EAs, its respective PCUs and the Bank. The individuals on the list may change from time to time and such change must be communicated in writing and agreed by all the relevant parties, receiving the no-objection from the Bank. Their designations are as follows:

|  |  |
| --- | --- |
| ***From GPL***   * CEO * PC, PCU | ***From GEA***   * CEO * PC, PCU |

**3.10 Program E-Mail Account**

An email account will be established on the GPL and GEA email systems respectively, for the Program and will be managed by the PCs.

**3.11 Document Management**

The PCUs will establish a Document Management System for the Program. This Document Management System will allow for quick access to any document or file. For better Management control, all documents will be scanned and place in this repository. The objective is to keep all the paperwork and electronic files that come into the PCUs in a centralized system.  As a Risk Mitigation strategy, files in the systems will be read only and only key personnel will have access and authorization to write or modify.

**CHAPTER 4**

**THE CYCLE FOR**

**ACTIVITIES AND WORK**

## 4.1 Background

The Program will be executed in accordance with the AOPs developed by the EAs that will include for each programmed annual activity, its goals, terms of reference, budget, source of funding, and responsibility for its execution.

**4.2 Bidding and Contracting**

The procurement of goods, works, and non-consulting services will be carried out in accordance with IDB’s Procurement Policies for the Procurement of Goods and Works Financed by the IDB (GN-2349-9) and the selection and contracting of Consulting Services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants financed by the IDB (GN-2350-9). A more detailed explanation on the requirements of the bidding and award of contracts is presented in Chapter 6 of this document.

**CHAPTER 5**

**FINANCIAL MANAGEMENT**

**AND DISBURSEMENT**

**5.1 Organization of the Financial Management Function**

The Fiscal year of the Program is the period January 1st to December 31st of each year. The GPL and GEA through its PCUs has the overall responsibility for the financial management of the Program. This includes the overall management of funds and compliance with the relevant terms and conditions of the Loan Agreement and the governing financial regulations, policies and procedures of the CRG.

The day-to-day operational management of Program funds will be the responsibility of the PCs and FSs of the PCUs, who will be responsible, *inter alia*, for budgeting, payments, and monitoring of all expenditures.

The FS, in collaboration with the PC and the PS, will be responsible for the preparation of the annual disbursement plan for the execution of activities, will signal limits of expenditure within the budget, and will monitor expenditure with a view to achieving cost effectiveness and efficiency.

**5.2 Roles of the Project Staff in Financial Management**

Financial Management is not solely the responsibility of the FS, but all the Program Staff involved, directly or indirectly in the financial management of the Program. The following outlines the specific financial roles of the PC, FS and PS of the Program.

**The Program Coordinator**

1. Along with the FS, plan and review disbursement requests and ensure timely compliance as deemed necessary to maintain the cash flow of the Program. This should be done after review of the financial plan.
2. Coordinate the timely submission of the appropriate request to the Bank for advance of funds as required;
3. Be responsible for providing the strategic, organizational, financial and technical direction of the Program, monitoring the progress of the Program and the day to day operational management of the Program’s Fund;
4. When appropriate, liaise with the CEOs and the MoF regarding specific financial matters; and
5. Provide information to the respective Boards of Directors (BoD) and executives of the MoPI regarding the progress in the financial execution of the Program.

**The Financial Specialist**

1. Prepare the justification of expenses from previous disbursement, according to the respective component’s activities;
2. Responsible for the overall financial administration and control of the resources of the Program, including the effective operation of the financial reporting systems, budgeting payments and monitoring all expenditures;
3. Prepare the justification of expenses from local counterpart funds;
4. Keep updated financial statements and audit reports to support disbursement requests to the Bank and to the BoD;
5. Assist the respective PCs and CEOs in the yearly planning of disbursement request to the Bank; and
6. Prepare payments, reports and other documents as necessary.

**Procurement Specialist**

1. Responsible for leading the overall administrative processes for the contracting of works and purchases of goods, services other than consulting, and consulting services; and
2. Responsible for management of all contracts.

**5.3 The Program Accounting Function**

The Program’s accounting function falls under the purview of each PCU through the FSs, reporting directly to the PCs and respective CEO. The Program’s accounting function will maintain records of all financial transactions of the Program using an off-the-shelf financial accounting software. The Program’s financial information system includes:

1. Developing expenditure forecast and projections of loan drawdowns;
2. Capturing all financial transactions via the use of an appropriate Accounting Software, (e.g. QuickBooks, IFMIS or Sage) that will generate and manage a general ledger, chart of accounts, detailed bank and expense accounts and periodic financial statements;
3. Entering financial information into the financial management (General Ledger) and Vote Book;
4. Processing Payments; and
5. Preparing an annual budget detailing the budgetary provisions related to activities financed under the Program in the third quarter of each fiscal year of the Program.

**5.3.1 Responsibility of Financial Specialist**

The Financial Specialist will be responsible for overall management of the financial system which includes but is not limited to:

1. Establishing, implementing and maintaining the accounting and internal control system for the financial administration of Program in accordance with generally accepted accounting principles, government accounting rules and regulations and IDB’s policies and procedures (as applicable);
2. Preparing financial and implementation reports on the status of loan and counterpart resources to the Bank and the EAs including monthly/quarterly progress reports, project budget, financial plans/ disbursement projections and reports on the status of advance of funds;
3. Preparing financial statements, which will be audited by an independent audit firm and to be submitted to the Bank within 120 days after end of each fiscal year;
4. Preparing and following up on all payments, disbursement requests in accordance with
5. component activities and financial plan;
6. Maintaining updated financial statements and audit reports to support disbursement requests to the Bank and GoG;
7. Preparing the justification to access local counterpart funding if it is required for Program execution;
8. Maintaining an adequate filing system for files and records for the financial administration of Program resources;
9. Conducting monthly and mid-term reviews and formulating recommendations based on Program performance.

**5.4 Accounting and Information System**

The approved Financial Accounting Software will form the backbone of the PCU’s accounting system, which will be used for recording all financial transactions under the Program to facilitate basic financial reporting. A Chart of Accounts will also be developed for the Program. Each PC and FS will be responsible for the financial reporting and will be guided by the International Financial and Reporting Standards (IFRS), the GoG Financial Regulations and by the Bank’s Financial Management Guidelines, as applicable. The FS will prepare Budget and expenditure reports for the BoD in accordance with the EA’s Procedures.

**5.5 Authorization Process**

The PC will review and recommend for the CEOs’ approval all reports produced, drawdown requests, payment requests, queries and other financial matters. The respective CEO of GPL and GEA will review and authorize all funding requests, drawdown requests, payment requests, queries and other financial matters.

**5.6 Disbursement Period, Guides, Procedures and Schedule**

**5.6.1 Period of Disbursement**

The period for final disbursement of the resources of the financing shall expire four (4) years from the effective signature date of the Loan Agreement.

**5.6.2 Program Disbursement Guidelines**

All the activities related to Disbursement will follow the new IDB Project Disbursement Guide. Resources of the Bank will only be used for eligible expenses, including goods, works and services detailed in the procurement plan and AOP and acquired according to Bank procurement policies and procedures. For the Bank to make any disbursement, GPL and GEA through its respective PCUs, will follow the guidelines as outlined in the Financial Management Guidelines for IDB-Financed Projects- OP-273-6 and the Disbursement and Audited Financial Reports and External Audit Management Handbook.

**5.6.3 Program Disbursement Procedure**

The financial plan will serve as the basis for the disbursement of funds to cover the Program’s liquidity needs and for maintaining the Bank’s projections. The resources of the Financing for the Program shall only be used for payments of goods and services originating in the member countries of the Bank.

**5.6.4 Methods of Disbursement**

The main disbursement methodology will be the Advance of Funds applicable to all components of the Program´s eligible expenditures. This Advance Funds will cover projected expenditures for a period up to 180 days, based on liquidity needs of the Program. The funds will be advanced through each EA’s account. The Advance of Funds method as the name suggests is where the funds for budgeted activities are requested in advance of carrying out the activities of each component.

**5.6.5 Petty Cash**

Each PCU will have available a petty cash fund to cover expenses for its operations and administration up to an amount of USD 1000 per month, subject to ex-post review. Each PCU will be responsible for the maintenance of adequate and original documentation to support the program expenditures and shall be made available for the ex-post reviews.

**5.7 Bank Accounts and Financial Procedure**

GPL and GEA will both act as the depository for funds released from the Bank for the execution of this Program. A separate bank account will be established by the GPL and GEA in GYD and USD. The FS will perform the reconciliation of the Program’s records and any other financial reporting requirements.

**5.8 Retroactive Financing**

The Bank may finance retroactively eligible expenses incurred by the Borrower prior to the date of loan approval up to the amount of US$3.17 million (15% of the proposed Bank financing), provided that all the requirements are substantially similar to those set out in the loan agreement requirements. The expenses may include feasibility studies in accordance with Section 1.12 of GN-2350-9. These expenses must have been incurred on or after 31 of July 2018 (approval date of the Project Profile), and under no circumstances shall expenditures incurred more than 18 months prior to the loan approval date be included.

**5.9 Annual Audit**

Financial report audits must be conducted in accordance with international standards on auditing. An external auditor that is qualified[[8]](#footnote-8) to audit Bank funded projects will be engaged for each fiscal year. Sufficiently before the end of the reporting period to allow for the auditor to carry out the audit work and present the audited financial statements within four months after the financial year end.

The external auditor will be required to carry out the external financial audit work in accordance with the content and scope established in the contract, the guidelines and the Financial Reports and External Audits Handbook for IDB-Financed Projects.

The PCUs will engage a firm of independent public accountants acceptable to the Bank to conduct an annual audit. Auditors are to be selected through the CQS procurement method. Auditors will be allowed to hold office for the duration of the Program. The last audit report shall be submitted within one hundred twenty (120) days following the expiration of the Original Disbursement Period or any extensions thereof.

The FS will arrange an audit planning meeting with the selected auditors, IDB and relevant Program staff:

* Discuss audit plan including risk assessment, audit timeline, documentation and relevant schedule request etc.

The Bank will provide a template for preparing the Financial statements for the Program. Based on the templates, the FS will prepare draft financial statements comprising of:

1) Statement of Cash Flows

2) Statement of Cumulative Investment

3) Respective Notes to the Accounts

4) All supporting expense schedules required by auditors

This will be done in timely manner for submission to the auditors before commencement of the annual audit. These will be accompanied by the relevant requested audit schedules and other information that is required by the auditors. On sign-off of the audit report a cover letter to IDB with accompanying financial statements must state that the information contained can be shared with public. **Refer to 5.3 and IDB’s Financial and External Audit Handbook.**

**5.10 Maintaining Records**

For recording keeping, each PCU will allow record keeping for a minimum of 7 years. Payments will be assigned a sequential number and will be filed numerically by the number and date. Correspondents and reports will be filed by type and by date. Files will be maintained by each PCU and will also maintain a document transmission ledger, which when documents leave the organization, the EAs must sign for as receiving and returning.

**5.11 Exchange Rate**

For purposes of justification of expenses to the Bank (including reimbursements), where the Program expenses have been incurred in local currency, the equivalent amount to be reported in the Program’s currency (i.e. United States Dollars), shall be determined using the effective selling exchange rate on the payment date and buying rate for deposits without regard to the source of financing used, as published by the MoF.

**5.12 Chart of Accounts**

The Chart of Accounts will use a capital code developed using the approved Financial Accounting Software. The Chart of Accounts must be designed to reflect the PEP component and sub component reference numbers for ease of tracking and to allow for more precise allocation of expenses during data entry.

**5.12.1 Editing of Chart of Accounts**

New account numbers can be added to the Chart of Accounts as deemed necessary to enhance reporting requirements. The Chart of Accounts should reflect the components and sub- components that are agreed in the Loan Agreement and aligned with the Bank’s LMS records. For changes to be made to the Chart of Accounts, each PCUs must gain the approval from the Team Leader and the respective CEO. Account numbers set up incorrectly or deemed inactive for a long period of time can be made inactive in the chart of accounts by the FS. Thus, avoiding zero balances showing up on financial reports generated by the approved Financial Accounting Software.

**5.12.2 Review of the Chart of Accounts:**

A review of the Chart of Accounts will be conducted semi-annually. The FS will submit a hard copy of the Chart of Accounts to the PC for review. Once satisfied, the PC will sign the hard copy and return to the FC for filing.

**5.13 Monthly Reports**

The FS will prepare the following reports on a monthly basis:

1. Statement of Cumulative Investment
2. Bank Reconciliation
3. Variance Analysis Report
4. Summary of Open Purchase Orders (List of Outstanding Commitments)

These reports will be circulated to the CEOs of each EA and its respective PC for review.

**CHAPTER 6**

**PROCUREMENT OF WORKS, GOODS AND SERVICES, POLICIES AND PROCEDURES**

**6.1 Procurement Description**

The procurement of works, goods and consulting services will be conducted in accordance with the Bank’s procurement policies and procedures for the Procurement of Goods and Works (GN-2349-9) and for the Selection and Contracting of Consultants (GN-2350-9).

**6.2 Procurement Function**

The PCs of GPL and GEA will be responsible for the successful coordination of the procurement of all goods, works and services as advised by the CEO of GPL and GEA respectively and approved by its Board of Directors. The PCs will provide oversight to the PCU as per the Program Governance Structure. The acquisition of goods, works, and related services to the assigned Program’s component (s) shall be subject to the Procurement Procedures specified in the Loan agreement. The Procurement Responsibility Assignment Matrix for the Program is delineated in Table 6.1.

**Table 6.1 - Procurement Responsibility Assignment Matrix**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **KEY PROCUREMENT TASKS** | **PCU TEAM MEMBERS** | | | | |
| PC | PS | FS | **TT** | **EC** |
| Prepare Procurement Plan | R-A | P | I | C |  |
| Bid Document Preparation | I-R-A | P |  | C |  |
| Procurement Publication | I-R-A | P |  |  |  |
| Bid Evaluation |  | I-R |  |  | P |
| Evaluation Report | I-R-A | I-R |  |  | P |
| Contract Management | I-R-C | P | I | I-C |  |
| Procurement Records Management | I-R | P |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **LEDGEND** | | **LEDGEND** | |
| Primary Function | P | Program Coordinator | PC |
| Contributor | C | Procurement Specialist | PS |
| Input Required | I | Financial Specialist | FS |
| Review | R | Technical Team | TT |
| Approval | A | Evaluation Committee | EC |

**6.3 Procurement Plan**

The Procurement Plan (PP) is the administrative planning tool that will allow GPL and GEA through its respective PCU to formulate and agree with the Bank on the procurement of consulting firms, individual consultants, goods, works, and non-consulting services necessary for the fulfillment of the objectives of the Program. Its formulation allows for the necessary programming of procurement processes to achieve the results set out in the AOP. The PP will be prepared by the Procurement Specialist and shall receive the Bank’s non-objection prior to the commencement of any procurement process included in the PP. The PCUs through the Procurement Specialists will update the PP at least annually or as needed throughout the duration of the Program. Any modification to the PP will be submitted to the Bank for review and approval. The PP will contain inter alia the following information:

1. A brief description of the goods, works and service required to execute the Program;
2. The estimated amounts of the different tenders for bids, under which the procurements will be grouped;
3. The source of financing and the procurement method anticipated for each bid, on the basis of the norms established for the various methods of procurement; and
4. The estimated dates for the publication of the procurement notices and subsequent estimated dates for bid opening, evaluation, submission of non-objection requests, contract signing and completion of contract.

The PCUs will only undertake procurement activities that are listed in the PP and have received their respective non-objection. The finalized plan will be uploaded in Procurement Plan Execution System (SEPA) and the Bank’s website for viewing by the public

**6.4 Procurement Methods**

All procurement processes to be done under the Program will be part of the approved PP prior to the commencement of the process. The selection methods used in the execution of the Project will be in accordance with the Bank’s policies and considering the IDB and thresholds on the Procurement of Goods and Works and Selection of Consulting Services (See Table 6.1).

**Table 6.2: Thresholds for the Procurement of Goods and Works and Selection of Consulting Services (US$000’s)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **THRESHOLDS** | | | | |
| **International Competitive Bidding Threshold\*** | | **National Competitive Bidding Range \*\***  **(Complex Works and non-common goods)** | | **Consulting Services** |
| Works | Goods | Works | Goods | |  | | --- | | International Short List | |
| >1,000,000 | >100,000 | <1,000,000 | |  | | --- | | <100,000 | | |  | | --- | | >100,000 | |

\* When procuring simple works and common goods and their amount is under the International Competitive

Bidding thresholds, Shopping may be used.

\*\* When procuring complex works and non-common goods with amounts under the NCB range, Shopping

shall be used.

**6.4.1 Preparation of Bid Documents for Procurement of Works and Goods**

The bidding documents will be prepared by the PCU then sent to the Bank for ex-ante no-objection. Procurement methods through which Goods and Works can be contracted are as follows:

1. International Competitive Bidding (ICB);
2. Limited International Bidding (LIB);
3. National Competitive Bidding (NCB);
4. Shopping or Price Comparison (PC);
5. Direct Contracting (DC); and
6. Force Account

The Bank’s standard documents for the procurement of goods and works will be used as the basis of any Bid Documents required.

**6.4.2 Preparation of Bid Documents for Procurement of Contractors/Consultants’ Services**

The bidding documents for the procurement of contractors/consultant services will be prepared by the PCU and then sent to the Bank for ex-ante no-objection. The Bank’s Standard request for proposals (July, 2013) and the Simplified form of Contract for Consulting Services Small Assignments (June, 2013) will be used for the procurement of consultant services pursuant to the Policy for Selecting and Contracting Consultants financed by the Inter-American Development Bank (GN-2350-9).

The procurement of consulting services will be carried out according to the Bank’s Policy for the Procurement of Consultants (GN-2350-9). Methods of selection that can be used for Consultant’s services are:

1. Quality-and-Cost-Based Selection (QCBS);
2. Quality-Based Selection (QBS);
3. Selection under a Fixed Budget (FBS);
4. Least-Cost Selection (LCS); and
5. Selection Based on Consultants’ Qualifications (CQS).

**6.4.3 Preparation of Bid Documents for Procurement of Contractors/Consultants’ Services**

For individual consultants, the procurement procedures shall follow the provisions mentioned in Chapter 5 of GN-2350-9.

**6.5 Procurement Work Flow**

Tables 6.3, 6.4 and 6.5 demonstrate the workflow that will be followed by the PCUs and the when conducting the procurement processes under the Program.

**Table 6.3: Workflows for the Procurement of Goods, Works - ICB and NCB**

| **Process** | **Document/Mode** | **Details** | **Responsibility** |
| --- | --- | --- | --- |
| 1. Submission of request | Memo | Scope of works, Bill of quantities, Specifications, Drawings, Identifiable Cost, Centre /Account code, Source of funding, Authorized approval, Justification | Program Coordinator |
| 1. Preparation of Tender Document and Preparation of advertisement | IDB Standard bidding document  And Specific Procurement Notice (SPN) | ICB or NCB as specified in the PP and in line with thresholds OR QCBS/QBS/FBS/LCS/CQS  and SPN Template | Program Coordinator / Procurement Specialist |
| 1. Review of tender Document | Bidding Document |  | Procurement Specialist  /Program Coordinator |
| 1. No Objection to Tender Document and SPN from IDB | Official Letter by Authorized signatory | Bidding Document, SPN and all other relevant documentation if deemed necessary. | Authorized signature, but not the financial officer. |
| 1. Issue of bidding document | Register, email | Bidder, project name, ID, date, receipt No., etc. | Program Coordinator / Procurement Specialist |
| 1. Bid Opening | Minutes of Meeting |  | Procurement Specialist / Program Coordinator |
| 1. No Objection to Evaluation Committee by IDB | Official Letter by Authorized signatory | Names and designation of Evaluation Committee | Procurement Specialist / Project Manager |
| 1. Evaluation of tender | Evaluation Report |  | Evaluation Committee / Procurement Specialist (but not as member of the evaluation committee) |
| 1. No Objection to Evaluation Report and draft contract | Official Letter by Authorized signatory | Bid Document  Evaluation Report with recommendation of award  Bids received  Draft contract  All other documents such as clarifications, etc. | Procurement Specialist  / Program Coordinator |
| 1. Award of Contract | Letter of award by the Program Coordinator | Contractor, amount, etc. | Procurement Specialist  / Program Coordinator |
| 1. Notification of award to bidders | Letter of acceptance/unsuccessful bid by the Program Coordinator | Name of bidder, name of project, Project ID | Program Coordinator / Procurement Specialist |
| 1. Agreement | Draft Contract | A system generated number is provided to the contract before its signature. | Program Coordinator / Procurement Specialist |
| 1. Issue of Contract | Signed Contract, relevant Bonds and Insurances | A contract minor or major is created in oracle PO module using the approved agreement. | Program Coordinator / Procurement Specialist |
| 1. Request to IDB for PRISM number | Official Letter by Authorized signatory | Letter of request and signed contract | Procurement Specialist  / Program Coordinator |

**Table 6.4: Procurement of Goods and Works - Shopping**

| **Process** | **Document/Mode** | **Details** | **Responsibility** |
| --- | --- | --- | --- |
| 1. Submission of request | Memo | Date, Description, Specifications, Quantities, Identifiable Cost, Centre /Account code, Source of funding, Authorized approval, Justification | Program Coordinator |
| 1. No Objection to Shopping and shortlisted suppliers | Official Letter by Authorized signatory | Justification, shortlisted suppliers, description and specifications | Procurement Specialist  / Program Coordinator |
| 1. Request for quotations | Letter to shortlisted suppliers | Date, potential supplier, Description, quantities, and specifications, country of manufacturer, brand, validity date, deadline for submission, availability/stock, and estimated delivery time. | Procurement Officer |
| 1. Receipt and acceptance of quotations | Quotation (letter or email) | Same as above. | Program Coordinator / Procurement Specialist |
| 1. Evaluation of quotations | Bid sheet | Price (cost and VAT), required specifications, delivery time, quality, warranty, delivery service. | Program Coordinator / Procurement Specialist |
| 1. Selection | Comments on bid sheet | Recommendation by Procurement Officer and endorsement by Procurement Director | Program Coordinator / Procurement Specialist |
| 1. No Objection to selected supplier and drat contract | Official Letter by Authorized signatory | Selected supplier, compliance with requirements and conditions for delivery, draft contract | Director of Procurement  / Program Coordinator |
| 1. Agreement | Draft Contract | This is also entered in Oracle for approval. A system generated number is provided | Program Coordinator / Procurement Specialist |
| 1. Issue of Contract | Signed Contract, relevant Bonds and Insurances | A contract minor or major is created in oracle PO module using the approved agreement. | Program Coordinator / Procurement Specialist |
| 1. Request to IDB for PRISM number | Official Letter by Authorized signatory | Letter of request and signed contract | Program Coordinator / Procurement Specialist |

Table 6.5: Workflows for the Selection and Recruitment of Services

| **Process** | **Document/Mode** | **Details** | **Responsibility** |
| --- | --- | --- | --- |
| 1. Submission of request | Memo | Scope of works, Terms of References, Identifiable Cost, Centre /Account code, Source of funding, Authorized approval, Justification | Program Coordinator |
| 1. Preparation of RFP Document and Preparation of advertisement | IDB Standard bidding document and Specific Procurement Notice (SPN) | ICB or NCB depending on the amount; QCBS/QBS/FBS/LCS/CQS  and REoI Template | Program Coordinator / Procurement Specialist |
| 1. Review of RFP Document | RFP |  | Procurement Officer  / Program Coordinator |
| 1. No Objection to RFP Document and REoI from IDB | Official Letter by Authorized signatory | RFP, REoI and all other relevant documentation if deemed necessary. | Authorized signature, *but not the financial officer.* |
| 1. Issue of RFP document | Register, email | Bidder, project name, ID, date, receipt No., etc. | Program Coordinator / Procurement Specialist |
| 1. Bid Opening | Minutes |  | Procurement Specialist  / Program Coordinator |
| 1. No Objection to Evaluation Committee by IDB | Official Letter by Authorized signatory | Names and designation of Evaluation Committee | Procurement Specialist  / Program Coordinator |
| 1. Evaluation of the technical proposal | Evaluation Report |  | Evaluation Committee / Procurement Officer (but not as member of the evaluation committee) |
| 1. No-Objection to the evaluation report | Evaluation Report copy of the received technical proposals |  | Procurement Specialist  / Program Coordinator |
| 1. Evaluation of the financial proposals | Evaluation Report | Finalization of the evaluation and formulation of the recommendation for award | Evaluation Committee / Procurement Specialist  (but not as member of the evaluation committee) |
| 1. No Objection to Evaluation Report and draft contract | Official Letter by Authorized signatory | Bid Document  Evaluation Report with recommendation of award  Bids received  Draft contract  All other documents such as clarifications, etc. | Procurement Specialist  / Program Coordinator |
| 1. Award of Contract | Letter of award by the Program Coordinator | Contractor, amount, etc. | Procurement Specialist  / Program Coordinator |
| 1. Notification of award to bidders | Letter of acceptance/unsuccessful bid by the Project Manager | Name of bidder, name of project, Project ID | Program Coordinator / Procurement Specialist |
| 1. Agreement | Draft Contract | A system generated number is provided to the contract before its signature. | Program Coordinator / Procurement Specialist |
| 1. Issue of Contract | Signed Contract, relevant Bonds and Insurances | A contract minor or major is created in oracle PO module using the approved agreement. | Program Coordinator / Procurement Specialist |
| 1. Request to IDB for PRISM number | Official Letter by Authorized signatory | Letter of request and signed contract | Procurement Specialist  / Program Coordinator |

**6.6 Advertising of Procurement Processes**

Advertising is an important element of the procurement process, to enable broad participation of eligible bidders and publicize the various procurement processes to be performed under the Program. Advertising will be performed according to the IDB Procurement Policies GN-2349-9, and GN2350-9. The PCUs will establish a General Procurement Notice (GPN) in United Nations Development Business (UNDB) Online upon approval of the Program to generally indicate the categories of major procurements to be made ​​under the Program over the life of the Program. All procurement by ICB shall be published in Development Business (UNDB Online) as well as in a newspaper of national circulation. Procurement subject to NCB will be published in a local newspaper of national circulation. The PCUs will also publish opportunities on the SPN on the website of GPL and GEA and/or the CRG’s website.

**6.7 Mis-procurement**

In accordance with the IDB’s Procurement Policies applicable to the Program, the IDB will not finance expenditures for goods, works, consulting and non-consulting services which have not been procured in accordance with the Bank Procurement Policies and as the approved PP. In such cases, the Bank will declare Mis-**procurement (See Para.1.12 of the IDB Guidelines on Procuremen**t), and the portion of the loan allocated to the goods and works that have been Mis-procured will be cancelled.

**6.8 Procurement Monitoring**

Procurement of goods, works, and consulting services will be reviewed using an ex-ante approach by the IDB to ensure that the documents and selection procedures satisfy the IDB’s policies and are consistent with the approved procurement plan.Procurement processes are subject to audits by the Bank to ensure that the Project has fulfilled all the procurement procedures stipulated in the Loan Agreement. The PCUs will maintain adequate Procurement Records to reflect, in accordance with sound procurement practices (including related supervision, review and auditing), the procurement activities of the Program and ensure that all such Procurement Records evidencing such procurement activities are retained until at least **three (3) years** after the Closing Date.

For the purposes of this POM, Procurement Records refer to:

1. With respect to procurement of goods, works and non-consulting services: public notices of bidding opportunities; bidding documents and addenda; bid opening information; bid evaluation reports; formal appeals by bidders and outcomes; signed contracts, addenda and amendments; records on claims and dispute resolution; and records of time taken to complete key steps in the process; and
2. With respect to selection of consultants: public notices for expressions of interest; requests for proposals and addenda; technical and final evaluation reports; formal appeals by firms and related outcomes; signed contracts, addenda and amendments; records on claims and dispute resolution; and records of time taken to complete key steps.

**6.9 Procurement Evaluation**

**6.9.1 Procurement Evaluation Stages**

In undertaking the Procurement activities of the Program, procurement evaluations will be a key aspect of the project and will proceed through the following three stages:

|  |  |
| --- | --- |
| **STAGE** | **STAGE DESCRIPTION** |
| **Examination** | This stage serves to check whether bids/proposals are complete, properly signed, arithmetically correct and responsive to the invitation to tender. Only tenders that are deemed substantially responsive will be subsequently evaluated. The non-responsive bids are rejected. |
| **Evaluation** | This stage serves to determine which is the most advantageous bid, considering price and other relevant factors depending on the procurement methodology being used and that are referred to in the bidding documents.  The objective is to secure goods/works/services at the most economical cost, or that most respond to the Program’s needs, depending on the selection method that is used. This phase of the process entails verification of price and other relevant factors such as time for completion, operating costs, efficiency, availability of service and spare parts, reliability of the proposed construction method, etc. |
| **Post-qualification** | This stage serves to verify that the most advantageous bid is also made by a reliable and trustworthy supplier/firm/entity. Unless all tenderers are prequalified, and no reason exists to review their credentials before award, the PCUs will need to check, before formulating the recommendation to award, that the tenderer who has submitted the lowest evaluated bid also has the capacity to carry out the contract and/or the assignment. Verification entails review of: capacity, technical capability, product reputation, financial resources, parts and services, past performance and experience (size/complexity), personnel resources, equipment resources and litigation/arbitration history. |

**6.9.2 Final Evaluation Report**

The final evaluation report will contain the following information:

|  |
| --- |
| Section 1:         Description of the goods/works/services  Section 2:         Description of the bidding process  Section 3:         Constitution of the evaluation committee  Section 4:         Description of the bid submission and opening processes  Section 5:         Analysis of the bid/proposal’s responsiveness  Section 6:         Detailed technical evaluation of the bid/proposal  Section 7:         Verification of the post-qualification requirements  Section 8:         Determination of the lowest-evaluated bid/proposal  Section 9:         Formulation of the recommendation for award  Section 10:       Signature by all the members of the evaluation committee  APPENDIX 1: Bank’s no-objection to launch the procurement process  APPENDIX 2: Copy of the SPN / Request for Manifestation of Interest  APPENDIX 3: Bid opening minutes  APPENDIX 4: Preliminary examination of the bids  APPENDIX 5: Country of origin  APPENDIX 6: Evaluation of delivery schedule, if applicable. |

Both GPL and GEA through its respective PCUs will submit to the Bank a copy of the evaluation report for no-objection, along with the corresponding offers/proposals and all other relevant support documentation. The PCUs will ensure that when negotiation is an option, the selected bidder will not:

1. be invited to reduce its prices;
2. invited to undertake work not specified in the bidding document; or
3. modify the bid.

## 6.10 Obligations for Beneficiaries and Consultants

The direct beneficiaries as well as consultants and any other institution that performs activities with IDB’s resources from the Contract and administered by GPL and GEA, must agree with the Bank’s policies, which will be included in the contract documents:

1. Allow the Executing Agency, the Independent Audit Firm, and the Bank to examine the procedures for buying or contracting works, goods and services financed with Loan resources;
2. Provide assurance that all works, goods and services financed with Loan resources will be used exclusively for the purpose of the Program. Once the Program has been completed, the construction machinery and equipment utilized in the execution of the Program may be used for other purposes with the prior no-objection of the Bank;
3. Present complete and accurate financial information required by the Bank regarding use of resources from the Loan;
4. Present complete and accurate financial information and results to consultants hired to evaluate the Program or for other studies as required;
5. Adopt in agreement with legislation criteria the necessary mitigation measures to counteract negative environment effects from the Program activities;
6. Beneficiaries commit themselves to supervise the quality of works being built by contracting firms and financed with the Loan resources, as well as ensure compliance with environmental regulations;
7. The firm is legally established in a country member of the IDB or the Consultant is a citizen or a bona fide resident (non-diplomatic) of a Bank member country.

**CHAPTER 7**

**ENVIRONMENTAL AND SOCIAL MANAGEMENT PRINCIPLES**

**7.1 Program Classification**

In accordance with the IDB’s Policy OP-703, this Program is classified as Category “B”.

The infrastructure development consists of the installation of three solar plants in the townships of Bartica, Madhia and Lethem (Component 1) and the installation of a new transmission line in Georgetown and upgrade of three related substations (Component 2). It is anticipated that the project will generate moderate impacts that could be easily mitigated by the implementation of the required mitigation measures.

**7.2 Environmental and Social Management Requirements**

The fulfillment of conditions related to social and environmental matters are as follows

1. Prior to the start of the respective works of the Program, the respective Executing Agency must provide evidence that: (i) Stakeholder Engagement Plans, Grievance Readdress Mechanisms (internal and external) are implemented for both Components; (ii) proper hazardous waste disposal sites have been identified for both Components; (iii) all sites are inspected for presence of archeological findings;
2. Any substantive changes to the ESHS Plans shall be in writing and approved by the Bank in a manner consistent with the Bank's environmental and social safeguards policies.
3. With respect to the Project and Associated Facilities, if any, the Executing Agencies shall notify the Bank in writing within ten (10) days of any (1) potential or actual material noncompliance with the environmental and social requirements; (2) accidents, incidents or other significant events [e.g. spills, fires, discharges of hazardous substances]; (3) significant actual or imminent social conflicts; (4) ESHS regulatory action such as government inspections and regulatory reports and action, significant changes, judicial and arbitral claims, etc.; or (5) any newly identified environmental and social risks and impacts, that may affect the environmental and social aspects of the Project and of its Associated Facilities, if any, in each case such notice shall include actions taken or proposed with respect to such events.

Note: The EA shall each prepare and present to the Bank’s satisfaction, an ESHS Compliance Report (ESCR), in the form and content to be agreed upon with the Bank as part of the semester/biannual progress report and until two years after construction is completed

**CHAPTER 8**

**REPORTING, MONITORING, AUDITING**

**AND EVALUATION**

**8.1 Reporting**

GPL and GEA through its respective PCUs will present to the Bank Program Execution Reports and Financial Reports.

**8.2 Summary of IDB Reporting Requirements**

GPL and GEA through its respective PCUs will submit specific reports to the Bank in accordance with the Bank’s reporting requirements.

**8.3 Monitoring**

GPL and GEA through its respective PCUs will be responsible for monitoring the Program’s performance and progress throughout the execution period. Program monitoring and evaluation will be based on the following:

1. **Program Execution Plan (PEP)**

The PEP, which include a comprehensive planning of the Program and associated risks, the critical path of milestones or actions that must be taken to ensure that the Investment Grant is disbursed within the period indicated and a detailed Financial Plan. The PEP shall be updated as necessary.

1. **Annual Operating Plan (AOP)**

The AOP, which will be prepared each year by the PIUs on the basis of the PEP and presented to the Bank for its non-objection. The AOP will contain detailed Program execution activities, and for each activity it will detail annual goals, budget and implementation schedule. The first AOP will at least cover the Program’s **first eighteen-month** period.

1. **Results Matrix (RM)**

The Program’s Results Matrix includes the indicators for the Program’s results with respective baselines and targets to achieve, outputs for each component, and the expected impact of the Program in the long term.

1. **Semi-Annual Progress Reports**

Semi-annual progress reports, which should be presented to the Bank within (60) days following the end of each calendar semester (every six months) during Program execution of the AOP and will include a financial report and the outcomes and outputs achieved in the execution of the AOP, the Procurement Plan and the Project Results Matrix.

GPL and GEA through its respective PCUs will use the project supervision and monitoring system which will include:

1. analysis of the technical and financial reports;
2. annual monitoring meetings;
3. midterm evaluation carried out by an independent external consultant upon fifty percent (50%) of the loan resources; and
4. Final evaluation, carried out by an external consultant upon ninety percent (90%) of the loan resources.

In addition, the system will include routine inspection visits normally carried by the Bank Guyana Country Office and IDB Team in Washington DC. GPL and GEA through tits respective PCUs will present semi-annual technical and financial progress reports. In addition, it will present the following on an annual basis:

1. An assessment of the AOP for the year;
2. The AOP for the upcoming year; and
3. Audited financial statements.

The information from these documents will serve as input for the annual monitoring meetings and inspection visits**.**

**8.3.1 Semi-Annual Progress Report**

The Semi-Annual Progress report addresses the implementation of the activities of the Program within sixty (60) days after the end of each Semester. The content of the report will include the following elements:

1. descriptions of the executed activities per component;
2. accounts of the contractors’, consultants’ and the supervision firm’s performances;
3. description of the procurement processes carried out during the reported period and any update to the procurement plan;
4. updated schedule of physical progress and disbursements;
5. level of compliance with the performance indicators;
6. review of critical determinants of the socioeconomic feasibility of the Program, particularly actual investments costs;
7. description of the elements that are affecting the Program’s implementation, and identification and proposal of corrective measures;
8. identification of new risks / events that may potentially affect the future implementation of the Program, and update of the Matrices produced within the Program’s Risk Management process;
9. execution plan to be completed in the following two six-month periods;
10. a summarized Program financial statement; and
11. the estimated cash flow for the next two six-month periods.

**8.4 Evaluation**

**8.4.1 Mid-Term Evaluation**

Using the Program’s resources, independent evaluators will be hired to conduct a mid-term and final evaluation of the Project. GEA and GPL will present a mid-term evaluation report to the Bank 60 days after the date on which 50% of the loan proceeds have been disbursed, or two (2) years after the first disbursement of the Loan, whichever occurs first. The mid-term review will take place with the help of an external consultant who will focus on, among other things:

1. the level of progress in attaining the Program’s objectives stated in the Results Framework;
2. the level of acceptance of procedures developed under the Program, including environmental and social issues, on safeguards compliance, as well as ex-post economic assessments; and
3. the degree of effectiveness of the internal controls and the Bank’s monitoring and supervision system.

**8.4.2 Final Evaluation**

The final evaluation, to be carried out with the help of an external consultant will take place 90 days after the date on which 90% of loan resources have been disbursed. The result of this final evaluation will be used as an input for the Program Completion Report to be prepared by the Bank. At a minimum the final evaluation will assess:

* the degree of attainment of program objectives in relation to plans, and reasons for any variances;
* the level of attainment of the economic benefits;
* the organization established for program execution;
* implementation and acceptance of procedures and systems developed through the program;
* sustainability of the activities funded under the program, paying special attention to the GPL’s operation and maintenance capacity and;
* lessons learned that could be applied to future Programs

**8.4.3 Evaluation Methodology**

A mixed method evaluation methodology of the Program will be undertaken. The main evaluation questions will relate to the relevance, effectiveness, efficiency, impact, sustainability and utility of the Program implemented.

**8.5 Auditing**

**8.5.1 External Audit**

Any external audit which is to be carried out will be performed by a firm of independent auditors acceptable to the Bank and in accordance with International Accounting and Reporting Standards, and present to the Bank´s satisfaction such information as may be requested by the Bank related to the independent auditors whose services have been engaged. GPL and GEA through its respective PCUs will be responsible for contracting the independent auditor, which will be selected and hired in accordance with the procedures and terms of reference agreed upon with the Bank. The cost of the audits will be financed with the Program’s resources.

**8.5.2 Internal Audit**

GPL and GEA through its respective PCUs will establish an internal control system which should provide reasonable assurance that:

1. The Program’s funds are used for its intended purpose and program development objectives, with special attention given to the principles of economy and efficiency;
2. The Program’s assets are properly safeguarded;
3. The Program’s transactions, decisions, and activities are properly authorized and documented; and
4. The Program’s transactions are executed in accordance with the established policies and procedures of the Bank as prescribed in the Loan Agreement.

**8.6 Summary of IDB Reporting Requirements**

**8.6.1 General Program Reports**

The summary of the IDB’s reporting requirements for the Program are outlined in Table 8.1.

**Table 8.1: Summary of IDB Reporting Requirements**

| Report Required | Frequency | Deadline | Agency/Individual Responsible |
| --- | --- | --- | --- |
| Annual Operations Plan | Annual | November of each year of execution | GPL and GEA through its respective PCs |
| Updated Procurement Plan | Annual | At the time of requesting disbursements | GPL and GEA through its respective PC s |
| Semi-annual Progress Report | Semi-annual | Report Due within 30 days after close of semester. | GPL and GEA through its respective PC s |
| Semi-annual Maintenance Plan from January to June | Semi-annual | Report Due within 30 days after close of semester. | PEUs’ PCs |
| Financial Reports | At the time of requesting disbursements | At the time of requesting disbursements | GPL and GEA through its respective PCs |
| Audited Financial Statements of the project accounts |  | Report Due within120 days after the end of each fiscal year. | PCUs |
| Audited Financial Statements of the GPL and GEA |  | Report Due within120 days after the end of each fiscal year. | PCUs |
| Annual Audited Financial Statements | Annual | To be submitted to the Bank within120 days at the end of each fiscal year, beginning with the fiscal year in which the first project expenditures were incurred | GPL and GEA through its respective PCs |
| Mid-term evaluation | Once during the execution of the Program | 2 years after the first disbursement | Independent consultant |
| Final Evaluation | At the end of the Program | 3 months before the last disbursement is made | Independent consultant |
| Inspection Visit Report | Frequency to be determined by the bank after assessing the fiduciary risk |  | IDB |
| Program Completion Report | At the end of the Program | At the end of the Program | Independent consultant |

**8.6.2 Supplementary Program Reports**

In addition to the principal IDB’s reporting requirements, Table 8.2 identifies the supplementary reports that will be prepared during the execution of the Program.

**Table 8.2: Supplementary Reports**

|  |  |  |
| --- | --- | --- |
| **Report Type** | **Submission Period** | **Responsibility** |
| Monthly Program Status Report | As agreed to by key Program stakeholders | Program Coordinator |
| Monthly Program Coordination Meeting | As agreed to by key Program stakeholders | Program Coordinator |

**8.7 Budget for Monitoring, Evaluation and Auditing**

A budget of $180,000.00 has been assigned to undertake the monitoring, evaluation activities of the Program and a budget of $120,000.00 has been assigned to undertake the auditing activities of the Program.

1. Excerpts from Project Profile, 2017 [↑](#footnote-ref-1)
2. Average annual growth of around 5.8% per annum. [↑](#footnote-ref-2)
3. Framework of the Guyana GSDS and Financing Mechanisms. The UNDP is elaborating a detailed operational plan for the GSDS. <https://motp.gov.gy/index.php/notices/policies/2016-framework-for-guyana-green-state-development-strategy> [↑](#footnote-ref-3)
4. Guyana has extensive hydropower potential estimated at 7600MW, a solar radiation of about 5 kWh/m2/d on horizontal surface on average. The country is also planning to introduce wind measuring studies. [↑](#footnote-ref-4)
5. In the townships such as Lethem (450 kilometers distant from Georgetown) and Mahdia (200 kilometers distant from Georgetown) transportation of bulk fuels is done mainly by boats and it becomes very difficult during the rainy season, leading townships with power shortage to their customers. [↑](#footnote-ref-5)
6. See Appendix 1 for detailed Stakeholder Engagement Mapping and Strategies [↑](#footnote-ref-6)
7. (3238/OC-GY,3239/BL-GY and GRT/EX-14519-GY) [↑](#footnote-ref-7)
8. The Bank will provide the PCU with a list of audit firms. [↑](#footnote-ref-8)