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**TECHNICAL ANNEX FOR A PROPOSED LOAN
OF US\$ 220 MILLION**

TO

THE ISLAMIC REPUBLIC OF IRAN

FOR A

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT

October 5, 2004

**Finance, Private Sector and Infrastructure
Middle East and North Africa Department**

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Currency Equivalents

(Exchange Rate effective October 7, 2004)

Currency Unit: Iranian Rials (IRR)

Exchange Rate

US\$1.00 = 8,565 IRR

Weights and Measures

1 meter (m) = 3.228 feet

1 kilometer (km) = 0.62 miles

1 hectare (ha) = 2.47 acres (ac)

Fiscal Year of Borrower

March 21 – March 20

Abbreviations and Acronyms

BEERP	Bam Earthquake Emergency Reconstruction Project
BGPTF	Bam Guidance and Policy Task Force
BRO	Bam Reconstruction Office
BP	Bank Procedures
BTF	Bam Provincial Task Force
CQ	Consultants' Qualifications
EERP	Earthquake Emergency Recovery Project
FC	Financial Controller
FMR	Financial Monitoring Report
FMU	Financial Management Unit
GDP	Gross Domestic Product
GOI	Government of Iran
HF	Housing Foundation of the Islamic Revolution
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICHTO	Iranian Cultural Heritage and Tourism Organization
IFAC	International Federation of Accounts
IRCS	Iranian Red Crescent Society
IRI	Islamic Republic of Iran
IS	International Shopping
ISA	International Standards on Auditing
ITC	Iran Telecommunications Company
KTC	Kerman Telecommunications Company
MASC	Monitoring and Advisory Services Consultant
MOE	Ministry of Education
MOEAF	Ministry of Economic Affairs and Finance
MOHME	Ministry of Health and Medical Education
MOI	Ministry of Interior
MICT	Ministry of Information and Communications Technology
MORT	Ministry of Roads and Transportation

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MOU	Memorandum of Understanding
MPO	Management and Planning Organization
NCB	National Competitive Bidding
NCRNDI	National Committee for Reduction of Natural Disasters' Impact
NDTF	National Disaster Task Force
NGO	Non-Governmental Organization
NS	National Shopping
O&M	Operation and Maintenance
OP	Operational Policy
PAP	Project Affected Person
PASC	Procurement Advisory Services Consultant
PFS	Project Financial Statements
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RAP	Resettlement Action Plan
SA	Special Account
SBD	Standard Bidding Document
SESAF	Social Environmental Screening and Assessment Framework
SOE	Statement of Expenditures
SW	Small Works
TASC	Technical Advisory Services Consultant
TCI	Telecommunication Company of Iran
TOR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational and Scientific and Cultural Organization

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I. BACKGROUND TO THE EARTHQUAKE

1. **Bam.** Bam is a historical oasis city located in Kerman Province in the southeastern part of the country. In 2003, the population of Bam District (consisting of Bam City, neighboring Baravat and Arg-e-Jadid towns and 900 surrounding villages) was equal to 200,000 while the population of the city of Bam alone numbered around 92,000 inhabitants. Bam is an important part of Iran's history and is internationally renowned for its quality dates and rich cultural heritage. This includes the 2500-year old Arg-e-Bam citadel considered among the largest earthen structures in the world.
2. **December 26, 2003 Earthquake.** A major earthquake registering 6.5 on the Richter scale devastated the Bam District on December 26, 2003. Latest estimates indicate that more than 26,000 people were killed, 30,000 injured and up to 75,600 left homeless. A substantial number of professional and managerial staff from local civil service has also perished, thus making it a human resource tragedy for the local governance.
3. **Government Emergency Response in the Aftermath of the Earthquake.** Search and rescue efforts were immediately mobilized by the Government of Iran (GOI), through the National Committee for Reduction of Natural Disasters' Impacts (NCRNDI) under the Ministry of Interior (MOI) and the Iranian Red Crescent Society (IRCS). The latter mobilized more than 8,500 relief workers and volunteers and launched large-scale rescue, evacuation and relief operations. The affected District was divided into fourteen zones, and relief and humanitarian assistance in each zone was assigned to a Provincial Government in the country.
4. **Donor Support for Rescue and Relief Operations.** International agencies and more than 44 countries have contributed to the rescue and relief operation. Both United Nations agencies and international non-governmental organizations (NGOs) have been in the field since the aftermath of the earthquake to support the Government in the immediate socio-economic concerns. In February 2004, and at the request of the GOI, the International Bank for Reconstruction and Development (IBRD) carried out also a damage assessment mission to Iran.
5. **Damage incurred by the Earthquake.** The earthquake destroyed 85% of the buildings and severely affected infrastructure networks. The rich cultural heritage of Bam, including Arg-e-Bam and 26 other cultural heritage sites suffered significant damage. The "Qanats" (traditional underground irrigation systems) that were vital to the dates production sustained severe damages. Preliminary figures of damage were estimated to be equal to US\$1.5 billion (direct damage: US\$1.2 billion, indirect damage: US\$0.3 billion).
6. **Disaster Management Capacity in Iran.** Iran is known to be one of the most earthquake prone countries in the world. With two major seismic belts, the entire country faces moderate to very high seismic risks. One runs along the Zagros Mountains in southern Iran, along the

Persian Gulf, while the other runs through northern Iran around the Caspian Sea. In the 20th century alone, twenty large earthquakes have claimed more than 140,000 lives, destroyed many villages and cities, and caused extensive economic damage to the country. Serious attention to emergency response and disaster management emerged after the 1990 Rasht/Gilan earthquake. In 1991, the Consultative Assembly assigned formal responsibilities for natural disasters management to the Ministry of the Interior, which up to that time, were discharged by a special task force within the Office of the President.

7. While the country's emergency response capacity has improved considerably, it remains insufficient should a major earthquake or a natural disaster occur in a large urban area, like Tehran. Better inter-agency coordination on all aspects (research, training and application) and all stages of disaster management (prevention, relief, reconstruction) is needed to enable smoother transition from relief to reconstruction, and to better prepare for future potential disasters. Over the next five years, the UN system in Iran envisions to support the Government in developing and mainstreaming appropriate risk-reduction policies and practices beyond Bam to reduce the possibility of similar catastrophes in vulnerable cities.
8. While the major focus remains on the physical reconstruction, the proposed project will address the emergency preparedness of the Kerman Province. Broader capacity building activities will be implemented under the on-going Emergency Earthquake Recovery Project (EERP, Loan 4697-IRN) that aims at medium-to-long term strengthening the country's disaster management system.
9. **Special institutional set-up for the reconstruction of Bam.** While relief efforts were coordinated through the MOI based on the above structure, the Government created the Bam Guidance and Policy Task Force (BGPTF) that is charged with issuing policy guidelines, as well as planning and supervising the reconstruction efforts. This Task Force comprises the Minister of Housing and Urban Development (Chairman), the head of the Management and Planning Organization (MPO), three representatives of the president, the Minister of Interior, the Minister of Economic Affairs and Finance, the Minister of Culture and Islamic Guidance, the president of the Iranian Red Crescent Society, the president of the Housing Foundation of the Islamic Revolution and the Kerman Governor-General.
10. Three subcommittees were created. These include: (i) the Internal Aid Committee; (ii) the International Aid Committee; and (iii) the Reconstruction Planning Committee. The first two committees are headed by the Minister of Economic Affairs and Finance, whereas, the third committee is chaired by the Head of the Housing Foundation and acts as the executive arm of the Task Force. At the local level, the "Bam Provincial Reconstruction Task Force" was formed and is composed of the Governor-General (Chairman), the head of the province's MPO office, the head of the province's Housing and Urban Development Organization, the Managing Director of the province's Housing Foundation (HF), the Head of the province's Economic Affairs and Finance Organization, the Managing Director of the Cultural Heritage Organization of the province, Bam's Governor, Bam's Mayor and the Head of Bam's Islamic City Council. Identification, preparation and implementation of the reconstruction works was carried out by the sectors and utilities concerned under the coordination of the above Task Force.

II. IBRD'S RESPONSE AND STRATEGY

11. The IBRD has significant global and country-specific experience in post-disaster emergency reconstruction. Over the past two decades, the IBRD's financing for post-disaster recovery projects amounts to US\$40 billion and has accumulated a strong knowledge base to promote strategic approaches to disaster risk and the integration of disaster risk management into the development process. In Iran, between 1992 and 2002, three reconstruction projects were prepared with a total lending value equal to US\$487 million¹. The projects covered both reconstruction investments and technical assistance programs aimed at improving disaster management capacity of the Government.
12. **Lessons from previous IBRD involvement.** The main lesson learned from recent emergency lending operations by the IBRD is that the project objectives should be realistic and focused on achieving rapid resumption of economic and social activities. Projects that have successfully achieved their objectives had simple design, relied on already existing institutions and were not burdened with macro-conditionality. Furthermore, considering that emergency projects are prepared on an accelerated schedule, rigorous independent auditing and evolving monitoring and evaluation systems are to be planned and budgeted for.
13. The design of the project incorporates lessons drawn from past and on-going IBRD-financed emergency projects in Iran. They are: Sistan River Flood Works Rehabilitation Project (LN3478-IRN, October 1992 – June 2000, US\$57 million), the Earthquake Emergency Response Project (LN3301-IRN, March 1991 – June 1996, US\$250 million) and the on-going Earthquake Emergency Recovery Project (EERP, LN 4697-IRN, US\$180 million). The first two projects were rated satisfactory by OED. Disbursements were slower than expected due to implementations delays, and the loans closed 2 to 3 years beyond the original schedule. The on-going EERP has accumulated delays of about 6 months. Key lessons learned from previous projects were integrated into the design of the this project and are summarized in Table-1. It is also expected that, with the opening of the Bank liaison office in Tehran in FY05, and the recruitment of a local fiduciary team, implementation issues will be further addressed.

Table-1 Lessons Learned from Previous Projects and Mitigation Measures

Factors Contributing to Delay	Measures Incorporated in the Project Design
<ul style="list-style-type: none"> • Differences between the national procurement regulations and IBRD's procurement guidelines, contributing to delay in the finalization of bidding documents. 	<ul style="list-style-type: none"> • Use of the same standard documents (National Competitive Bidding (NCB) works and International Competitive Bidding (ICB) goods) prepared under the on-going EERP that addresses this difference.
<ul style="list-style-type: none"> • Lack of inter-agency coordination in the implementation of the reconstruction programs. 	<ul style="list-style-type: none"> • Creation of a strong project management unit (i.e. Bam Reconstruction Office (BRO)) with adequate staffing under effective leadership, reporting directly to the key decision-makers.
<ul style="list-style-type: none"> • Unfamiliarity of the implementation agencies on the IBRD procurement and fiduciary procedures. 	<ul style="list-style-type: none"> • Recruitment of a Procurement Coordinator at the BRO. • Recruitment of a Procurement Advisory Services Consultant responsible for procurement management under the project.

¹ They are: Sistan River Flood Rehabilitation Project (LN3478-IRN, US\$57 million), the Earthquake Emergency Response Project (LN3301-IRN, US\$250 million) and on-going Earthquake Emergency Recovery Project (LN 4697-IRN, US\$180 million).

<ul style="list-style-type: none"> • Delay in authorizing payment and disbursement. 	<ul style="list-style-type: none"> • Appointment of a dedicated Financial Controller for the project and the establishment of the Financial Management Unit, next to BRO.
<ul style="list-style-type: none"> • Delay in allocating counterpart financing (both revenue and expenditure lines). 	<ul style="list-style-type: none"> • For this project, the Government has already committed the budget resources for the counterpart financing.

III. DETAILED PROJECT DESCRIPTION AND COST ESTIMATES

14. The GOI has formulated a comprehensive reconstruction program that focuses on the priority reconstruction needs of the District of Bam. The program aims at restoring the basic living conditions including the provision of key social and economic services in the affected region. The funding of the reconstruction program relies primarily on Government financing as well as support from the World Bank, the Japan Bank for International Cooperation, the Islamic Development Bank and countries from the Persian Gulf and Europe. Government contribution to the overall construction program exceeds US\$200 million. The Bank-financed elements of the comprehensive reconstruction program constitute the BEERP. Activities retained under the Bank-financed project were selected based on: (i) efficiency of implementation; and (ii) strategic focus (*refer to Table-2*).

Table-2 Criteria Adopted for the Selection of Project Activities

Criteria	Description
Efficiency of Implementation:	Activities that are: <ul style="list-style-type: none"> • Simple and could be implemented immediately; • Independent from prior pre-investments and parallel donor financing; • Require minimal land expropriation or resettlement; • Linked to a minimal number of Government agencies.
Strategic Focus:	Activities that contribute to: <ul style="list-style-type: none"> • Strengthening the management of implementation of the comprehensive reconstruction program through the establishment of the Bam Reconstruction Office; • Addressing the shelter needs of the affected population through the provision of construction material and equipment for housing and commercial buildings; • Reconnecting the city of Bam with the rest of Iran through the repair of the transport and telecommunications infrastructure; • Restoring confidence & hope to the local population through improved emergency preparedness in the Province of Kerman and the District of Bam.

15. Considering the comprehensive and complex nature of the reconstruction program, the project will assist the GOI in program management, coordination and implementation. This will be achieved through the establishment by the GOI of the BRO that will act as the “one-stop” coordination unit for project management and donor coordination. The BRO staff and experts will be financed under the project.
16. **Project Objectives.** The objectives of the BEERP are to: (a) restore the living conditions of the communities affected by the earthquake; (b) improve emergency preparedness in the Province of Kerman and the city of Bam; and (c) strengthen the planning and management capacity under the reconstruction program. Considering the complexity of the reconstruction efforts and taking into account the Bank’s country and international experience in earthquake

projects, the project will be implemented over a *four (4)* years period. Also, project activities will be simple, independent from pre-investments and will require limited land expropriation efforts. Achieving the above objectives will be carried out through the activities listed in Table-3.

Table-3 Project Objectives and Corresponding Project Activities

Objectives	Project Activities
Objective-1: Restoring the living conditions of the communities affected by the earthquake:	(a) Provision of equipment and construction material for housing and commercial buildings; (b) Repair of the transport infrastructure; (c) Repair of the telecommunications infrastructure.
Objective-2: Improving emergency preparedness in the Province of Kerman and the city of Bam:	(a) Retrofitting of strategic emergency response buildings in the Kerman Province; (b) Purchase of emergency response vehicles for the District of Bam.
Objective-3: Strengthening the planning and management of the reconstruction program:	(a) Establishment of the "Bam Reconstruction Office"; (b) The provision of technical assistance.

17. **Project Description and Costs** The total cost of the proposed Project is estimated to be equal to US\$235 million, of which US\$220 million will be financed by an IBRD Loan, with GOI's counterpart funding equal to US\$15 million. The project objectives will be met through the five components described below. The project cost and Bank financing is included in Table-4 and further details on the project components are included in **Attachment-1**.
18. **Component-A- *Provision of Construction Material and Equipment for Housing and Commercial Buildings***: This component will finance the procurement of: (i) construction material (steel bars, steel components for frames and Portland cement) for housing and commercial buildings; (ii) construction equipment; and (iii) design and supervision activities.
19. **Component-B- *Repair of the Transport Infrastructure***: This component will finance: (i) the rehabilitation and preventive works for the main highway linking Bam with the provincial capital city of Kerman; (ii) the rehabilitation and reconstruction of the Bam Airport facilities; (iii) the rehabilitation and paving of village streets; and (iv) design and supervision activities.
20. **Component-C- *Repair of the Telecommunications Infrastructure***: This component will finance: (i) the repair and reconstruction of telecommunication center buildings; (ii) the reconstruction of the transmission networks; (iii) reconstruction and expansion of mobile and data services; and (iv) design and supervision activities.
21. **Component-D- *Improved Emergency Preparedness in the Province of Kerman and the District of Bam***: This component will finance: (i) retrofitting works of strategic emergency response buildings in the Province of Kerman; (ii) the provision of emergency response vehicles for the District of Bam (fire fighting trucks and ambulances) to replace equipment lost during the earthquake ;; and (iii) risk assessment and design and supervision activities.

22. **Component-E- Project Management and Technical Assistance:** This component supports (i) project management through the establishment of the BRO; and (ii) technical assistance to the BRO, aiming at assisting project implementation and improving project management capacity through the procurement of consulting firms for “Procurement Advisory Services” and “Monitoring Advisory Services” and the recruitment of consulting firms and individuals for “Technical Advisory Services”. Assistance will be provided to BRO for the supervision of the project’s performance monitoring indicators that are included in **Attachment-2**.

Table-4 Project Cost and Bank Financing

Component	Project Cost US\$million	Bank Financing US\$million
<i>Component-A:</i> Provision of Equipment and Construction Material for Housing and Commercial Buildings.	150.00	150.00
<i>Component-B:</i> Repair of the Transport Infrastructure	29.32	22.35
<i>Component-C:</i> Repair of the Telecommunications Infrastructure	12.10	11.45
<i>Component-D:</i> Improved Emergency Preparedness in the Province of Kerman and the District of Bam	10.00	8.39
<i>Component-E:</i> Project Management & Technical Assistance	7.80	5.85
Baseline Cost	209.22	198.04
Physical and Price Contingencies	24.68	20.86
Front End Fee	1.10	1.10
TOTAL PROJECT COST	235.00	220.00

IV. INSTITUTIONAL ARRANGEMENTS AND PROJECT IMPLEMENTATION

23. **Policy-making.** The overall responsibility for the reconstruction of Bam is entrusted by the Government of Iran to the inter-ministerial BGPTF chaired by the Minister of Housing and Urban Development. Reporting to this policy-making body is the Reconstruction Planning Sub-Committee, chaired by the President of the HF which serves as the Technical Secretariat for the implementation of the reconstruction program. At the provincial level, the BTF headed by the Governor of the Province of Kerman is responsible for the coordination of program implementation.
24. **Project Implementation Arrangements.** The project will be implemented by the HF, line ministries and other specialized agencies of the Government. Project management support will be provided through the BRO that will be set-up under the Reconstruction Planning Sub-Committee at the HF as shown in **Attachment-3**. The BRO will be responsible for the overall contract management, coordination and procurement assistance to project implementation agencies; as well as the supervision and monitoring of implementation progress. The BRO will play an oversight function to ensure the adherence of the implementing agencies to the safeguard policies and to the implementation of relevant mitigation measures. The mission discussed the overall staffing of BRO and agreed on the need to establish offices in both Tehran and Bam. The BRO will be composed of 13 staff; 6 based in Tehran and 7 in Bam as shown in **Attachment-4**.
25. **Implementation Agencies.** Procurement will be the responsibility of the participating implementation agencies. However, all payment transactions will be processed at the

Financial Management Unit (FMU) at the Housing Foundation. BRO will be responsible for providing technical and advisory support through the PASC, MASC and TASC.

Component	Agency
Component-A: Provision of Construction material and equipment for housing and commercial buildings	Housing Foundation of Islamic Revolution
Component-B: Repair of the Transport Infrastructure	
(i). Bam-Kerman Highway	General Office (GO) of the Ministry of Roads and Transportation (MORT) in the Kerman Province
(ii). Bam Airport	Airport Authority of Kerman
(iii) Village Streets	Housing Foundation of Islamic Revolution
Component-C: Repair of the Telecommunications Infrastructure	Telecommunication Company of Iran (TCI)
Component-D: Improved Emergency Preparedness in the Province of Kerman and District of Bam	Provincial Government of Kerman and provincial offices of participating sector ministries.
Component-E: Project Management and Technical Assistance	BRO

26. **Procurement Arrangements.** Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement Under IBRD Loans and IDA Credits" dated May 2004; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, and the provisions stipulated in the Loan Agreement (LA). The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs. A General Procurement Notice of bidding opportunities and consultants' contracts was advertised in the UN Development Business on July 28, 2004 and will be updated annually for all outstanding procurement.
27. **Special Procurement Provisions.** Iranian procurement procedures needs to be reconciled with and adapted to Bank requirements under the procurement guidelines, irrespective of adequate capacity of implementing agencies to handle procurement and adequate control organizations in the country. In particular, the Bank's procedures need to be applied according to a number of Procurement Arrangements and Provisions (PAP) to be included as integral part of the LA. The detailed PAP are attached in **Attachment-5**. A Memorandum of Understanding (MOU) between the Bank and GOI is expected to be finalized by November 2004. The MOU defines the procurement provisions that all Bank financed project should follow mainly with regards to procurement activities that are based on the Iranian public procurement system.
28. **Procurement of Works.** Works procured under this project, would include: (i) rehabilitation of the 190 km long Kerman-Bam highway; (ii) rehabilitation of the Bam civil airport including reconstruction of the control tower, of technical buildings and of ancillary buildings; (iii) reconstruction of about 20 km of village streets; (iv) a pilot program for the structural retrofitting of public buildings; and (v) rehabilitation/reconstruction of telecommunication buildings. The procurement will be done using the Bank's Standard Bidding Documents (SBD) for all ICB and National SBD agreed with (or satisfactory to) the Bank.

29. **Procurement of Goods.** Goods procured under this project would include: (i) construction materials (steel rebars, steel components for house frames, Portland cement); (ii) construction equipment; (iii) communication and navigation equipment for Bam airport; (iv) telecommunication equipment; (v) emergency response equipment; and (vi) office equipment and furniture. The procurement will be done using Bank's SBD for all ICB and National SBD agreed with (or satisfactory to) the Bank.
30. **Selection of Consultants.** The project will require consulting services in the fields of: (i) Procurement Advisory Services, including follow up and advice in contract management and certification of payments; (ii) Monitoring Advisory Services, including technical audit; (iii) Technical Advisory Services, to be provided mostly by individuals in the fields of urban planning, social and environmental safeguards, etc.; (iv) consulting services for risk assessment and for design and supervision of the pilot structural retrofitting program; (v) individual consultants (nationals) hired to staff the BRO for the duration of the project; and (vi) consulting services for design and supervision of all civil works. Short lists of consultants for services estimated to cost less than \$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.
31. **Assessment of the Procurement Capacity of the Housing Foundation.** The HF will be the agency in charge of overall coordination and supervision of the reconstruction activities. As such, the HF through BRO, will be directly responsible for managing procurement activities for its own urban reconstruction component. Procurement activities for other components will be carried out by the line ministries or agencies responsible, like General Office of Kerman of the Ministry of Roads and Transport, etc.
32. An assessment of the capacity of the Implementing Agencies to implement procurement actions for the project was carried out between March and June 2004. The assessment reviewed the organizational structure for implementing the project and the procurement capacity at the HF. The latter was found to be generally adequate for normal procurement needs under GOI's procurement laws and regulations. However, this was found to be inadequate for managing procurement activities in compliance with IBRD's Guidelines and procedures.
33. Most of the issues/ risks concerning the procurement component for implementation of the project have been identified and include: (i) systemic issues of divergences between national legislation and Bank Guidelines and procedures; (ii) limited experience of, international public procurement practices, particularly in the application of principles of transparency; (iii) need for enhanced integration of procurement and technical capacities for the production of generic specification and quantifiable evaluation criteria; (iv) limited exposure to Bank Guidelines and procurement practices; and (v) poor command of the English language.
34. The mitigation measures which have been incorporated into the project design consist of:
- The BRO, in addition to carrying out procurement for the components under the responsibility of HF, will be responsible for providing advisory services and supervision of procurement and contract management to the other agencies and institutions implementing the other project components. In other words, the BRO will carry overall responsibility for quality assurance and compliance with LA procurement provisions for all component of the Project;

- Strengthening BRO's procurement capacity by hiring a Procurement Coordinator with qualifications and experience acceptable to the Bank. In particular, the candidate should be able to communicate effectively in English;
 - Employing a highly qualified consulting firm to provide PASC to the BRO in the management of procurement activities, preparation of bidding documents, assistance to other implementation agencies in the above activities, and management of reconstruction/rehabilitation contracts carried out by other agencies, including certification of payment applications. The Draft TOR for the services of the PASC are included in **Attachment-5**.
35. Based on the existing information on the overall environment for procurement and in particular the approach to procurement under IBRD financed projects and the procurement capacity assessment of the HF/BRO, the overall procurement risk assessment is judged to be high. As a result, the Borrower, for the first time under a Bank project, has agreed to use part of the loan proceeds to recruit an international procurement services consultant.
36. **Procurement Plan.** The Borrower, at appraisal, developed a Procurement Plan for project implementation which provides the basis for the procurement methods (**Attachment-6**). This plan was reviewed and agreed upon during project appraisal. It is available at the HF and the BRO offices in Tehran and will be also available in the Project's database and in the Bank's external website. The Procurement Plan will be updated in agreement with the Project Team on an annual basis or as required to reflect the actual project implementation needs.
37. **Frequency of Procurement Supervision.** In addition to prior review, supervision to be carried out from Bank offices, the capacity assessment of the Implementing Agency has recommended three supervision missions the for first year of implementation and two full supervision missions per year afterwards during which post-reviews of procurement will be carried out.

FINANCIAL MANAGEMENT

38. **Risk Assessment and Mitigation Summary.** The financial risks associated with this operation are considered high due to the: (i) limited knowledge by the Bank team of the procedures governing the emergency budget addendum under which the project will be implemented; (ii) risk of poor information transfer between Bam and Tehran on material delivery and distribution; (iii) limited warehousing and distribution facilities in Bam for the construction material purchased; and (iv) tracking the large number of beneficiaries receiving construction material vouchers. Part of the above risks were mitigated through the project design while others will require close supervision.
39. The following mitigation measures were introduced into the project design. These include:
- The establishment of the BRO in Tehran and Bam to provide the required support and to validate any information needed by the FMU in Tehran;
 - The HF, being the agency implementing the purchase of construction material has developed warehousing and distribution systems capable of tracking the delivery process. Also, contracts for delivery of construction materials will stipulate different delivery dates;

- The BRO office in Bam will be staffed with communications and legal officers to follow-up on any public complaints.
40. **Financial Management Arrangements.** The financial management functions will be centralized at the FMU that will be located at the HF and reporting to the BPGTF. The FMU will be responsible for project disbursements in accordance with the appropriate policies and procedures of the World Bank. All payments will be subject to the applicable controls, rules and regulations of Iran in addition to the BRO verification and approval. A full time Financial Controller (FC) will be assigned by the Ministry of Finance to the FMU. An Accountant will be recruited to the FMU in order to assist the FC with the accounting tasks and the preparation of withdrawal applications. Also, an accounting system capable of generating timely project reports will be established at the FMU.
 41. The FMU will maintain records and accounts, and prepare financial statements in a format acceptable to the World Bank. These shall reflect the operations, resources and expenditures related to the Loan/Project execution. Also, the FMU will maintain supporting documents supporting documents for all expenditures including those that are paid for from the Special Account. The records should reflect all categories of withdrawals such as replenishments to the Special Account, reimbursements with SOEs and/or summary sheets with supporting documents, direct payments, and payments against Special Commitments issued by the Bank.
 42. The IBRD Loan will be provided to the Islamic Republic of Iran who will allocate the loan proceeds, on-grant basis, to the HF and the respective Government agencies. Also, the GOI will provide the counterpart funding, to the various ministries or organizations implementing the project. To ensure that funds are readily available for project implementation and following the Central Bank authorization, two accounts will be opened at a commercial bank and will be operated by the FMU. One account will be the project SA, denominated in US Dollars, while the second will be in local currency and will deposit the project counterpart funds. The FMU will maintain and operate an accounting system to generate the quarterly Financial Monitoring Reports (FMRs). The FMU staff will be subject to training in Bank guidelines and procedures. A detailed description of the financial management arrangements is included in **Attachment-7**.
 43. **Auditing Arrangements.** The records, accounts and financial statements of the Project and the records and accounts for the SA for each fiscal year will be audited. This will be carried out in accordance with auditing standards acceptable to the Bank, consistently applied, by independent auditors acceptable to the Bank. Audited Financial Statements will be submitted to the World Bank as soon they become available but not later than six months after the end of the fiscal year. In fulfillment of the LA, the Governing Body will engage a qualified independent audit firm according to terms of reference and scope of work acceptable to the World Bank. The cost of the audit will not be financed from the loan proceeds.

Disbursement Arrangements.

44. **Retroactive financing.** Payments made for expenditures prior to the Loan signature date but after August 25, 2004 in an aggregate amount not to exceed the equivalent of US\$40,000,000 will be reimbursed to the Government upon presentation of a withdrawal application with supporting documents and/or Statement of Expenditures (SOEs).
45. **Use of Statements of Expenditures.** SOEs will be used for all expenditures for: (i) works under contracts costing less than US\$ 500,000 equivalent each; (ii) goods under contracts

costing less than US\$ 250,000; (iii) services under consultant firms contracts costing less than US\$100,000 equivalent each and under individual consultant contracts costing less than US\$50,000 equivalent each; under such terms and conditions as the IBRD shall specify by notice to the Borrower.

46. **Special Account.** The SA will have an authorized allocation of US\$10 million and an initial deposit of US\$5 million, while the full allocation may be claimed when disbursements and special commitments reach US\$30 million. Replenishment of the SA would follow IBRD's procedures, and a bank's statement of SA transactions would support all replenishment applications. The minimum amount for applications regarding direct payments and special commitments would be 20% of the respective authorized allocations to the SA.

SAFEGUARDS

47. **Environmental Aspects.** The overall environmental impact of the proposed project is expected to be positive in that it supports the restoration of necessary infrastructure in areas heavily damaged by the earthquake. Potentially negative environmental impacts are primarily associated with the construction works, such as land clearing, disposal of debris and worker safety. Investments identified under the IBRD financing will only include reconstruction of core units and will not involve major expansion of space² nor invasion into green areas. The Project does not finance investments related to solid waste management facilities.
48. To ensure full compliance with the IBRD's environmental and social safeguard requirements, and based on the best-practice models in similar earthquake recovery operations, a Social and Environmental Screening and Assessment Framework (SESAF) was finalized during appraisal (**refer to Attachment-8**). MASC will be financed under Component-E of the project and will provide monitoring support to BRO throughout the project duration.
49. The Project is rated as a category "B", which requires the preparation of an Environmental Assessment (EA) under OP.4.01. Under normal IBRD processing, official receipt and clearance of the EA by the IBRD and public disclosure of the EA both in Iran and the IBRD's Info shop is a prerequisite for appraisal. Given the emergency nature of the Project, an exemption from the application of the above rule was obtained. As a result, the SESAF was disclosed in local language (Farsi) in Iran and at the Bank prior to Board presentation. During Project implementation, all proposed projects will be screened to ensure that environmental and social risks, if any, could be adequately addressed through the application of the standardized guidelines of practice provided for under the SESAF.
50. **Social Aspects.** The social impacts of the earthquake have been considerable. The main social concern is restoring livelihoods of people as rapidly as possible. Given the comprehensive nature and citywide scale of the reconstruction program, the following social safeguard policies may be triggered: Cultural Property (OPN. 11.03) and Involuntary Resettlement (OP/BP 4.12). OP 4.20 on indigenous peoples does not apply because persons affected by the project are neither vulnerable ethnic minority nor scheduled as tribal people within the provisions of Iranian law.
51. **Cultural Property (OPN. 11.03)** The Project does not finance works related to the cultural heritage sites in Bam. However, during the planned infrastructure works, caution should be

² For example, retrofitting works will aim at providing necessary structural reinforcement to the existing buildings (selection to be finalized during the Strategic Assessment Study) to be seismic-resistant and will not involve major expansion of the buildings.

taken by the BRO and the implementation agencies to ensure protection of the cultural heritage sites in case of chance-finds. The above-mentioned SESAF includes guidelines on chance-finds procedures to be reinforced in all civil works. The project will liaise closely with the appropriate organizations such as United Nations Educational, Scientific and Cultural Organization (UNESCO) specialized in restoration of the cultural and architectural heritage

52. **Involuntary Resettlement (OP/BP 4.12).** The Project is not directly engaged in the physical reconstruction efforts. It finances, however, the provision of equipment and construction material for the reconstruction of housing and commercial buildings, and therefore, the chance of triggering OP/BP 4.12 is minimum. However given the large-scale reconstruction activities during the project period, possible triggering OP/BP 4.12 should not be totally ruled out. As a proactive measure, the above-mentioned SESAF has included guidelines to ensure application of OP/BP 4.12.
53. The GOI has agreed to consult the Bank when relocations involve more than 25 families, and has agreed to implement the principles of full compensation and livelihood restoration for any Project Affected Person (PAP). This includes any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by the involuntary taking of land resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location, resulting in adverse impacts on the livelihood of such person, provided that such person should have before the occurrence of the Earthquake, either: (i) formal legal rights to land, including customary and traditional rights recognized under the laws of the Borrower; or (ii) claims to such land or assets, provided that such claims are recognized under the laws of the Borrower, or become recognized through a process identified in the Resettlement Action Plan (RAP). The GOI will review relocations on a case-by-case basis and will provide information to the Bank about any secondary displacement that has occurred to date. The GoI will review additional cases as they arise and ascertain that agreed procedures for resettlement and rehabilitation are being followed. Based on the agreed principles provided in the SESAF, a land acquisition data sheet will be prepared and agreed with the Bank during the first six months of implementation.
54. If land acquisition is necessary, the GOI will inform the Bank and prepare an appropriate RAP to ensure from the Government that the principles of full compensation and livelihood restoration for affected persons will be applied. If private land is needed for relocation/reconstruction land will be purchased on the principle of willing seller-willing buyer. Decisions about land acquisition will be taken only after full consultation with the affected people and full disclosure of information and entitlements. The owners and occupants of the acquired land would be eligible for support based on the Bank's policy on Involuntary Resettlement. The GOI would work with agencies experienced in working with local populations to ensure proper consultation, compensation and relocation assistance to the displaced persons. In addition to providing details of procedures for dealing with land acquisition and entitlement, the SESAF will outline provisions for the development of an effective grievance redressing mechanism.
55. **Local Consultation.** In order to ensure effective participation of affected communities, especially the most vulnerable groups, a communication strategy will be finalized and agreed upon with the Borrower during the first six months of Project implementation. The strategy presents the consultation process among different stakeholders (project implementation agencies, local governments, community leaders, NGOs, women, youth and children). Also,

a Sr. Social Officer and Sr. Legal Officer will be hired at BRO under the project in order to implement the Communication Strategy and the SESAF. They will also ensure: (i) the timely consultation of the affected population; (ii) the early identification of social safeguard concerns; and (iii) the sound implementation of relevant mitigation measures.

56. **Urban Planning.** In April 2004, the High Council of Urban Planning and Architecture at the MHUD approved the Structural Plan (2015) for the city of Bam. During project preparation, IBRD experts reviewed the draft Plan and presented comments to the GOI. Among the key recommendations were the protection of buffer zones and the minimization of potential resettlement and land expropriation. These have since been incorporated into the Plan. The GOI intends to proceed with the preparation of the detailed city plans and, provision is made under Component-E of the BEERP to provide technical assistance to the GOI (on needs-basis) to ensure coherence between the city plans and the reconstruction efforts (i.e. in terms of location, sequence, compliance with design ordinances and building codes).
57. **Supervision.** This project will justify intense supervision. In addition to prior review, three full supervision missions are planned for the first year of implementation and two full supervision missions will be conducted each year in the field thereafter during which post-reviews of procurement will be carried out.

V. ACTION PLAN

58. The following actions were taken by the GOI prior to Loan negotiations:

- (a) *At the Project Management Level:* establish and nominate the *core* staff of the BRO offices in Tehran and Bam according to World Bank procedures and guidelines for the selection of individual consultants. The core staff includes: the Director, the Sr. Technical Officer and the Sr. Procurement Coordinator in Tehran; and the Manager, the two Sr. Technical Officers in Bam.
- (b) *At the Procurement Level:* (i) publish the Expression of Interest for the PASC consulting firm under the project; (ii) prepare and submit the Procurement Plan for the first 18 months of project implementation.
- (c) *At the Financial Management Level:* (i) nominate a fully dedicated Financial Controller to the project; and (ii) nominate a Project Accountant to the FMU to assist the Financial Controller.

59. The following actions were completed by the GOI prior to Board presentation:

- (a) *At the Project Management Level:* Nominate the remaining non-core staff of the BRO offices in Tehran and Bam according to World Bank procedures and guidelines for the selection of individual consultants.
- (b) *At the Procurement Level:* Short-list firms and send invitation for “Request for Proposals” for the PASC under the project.
- (c) *At the Safeguards Level:* Submit to the World Bank and disclose the SESAF at the MEAF; the HF; the Governorate of Kerman; and the Municipality of Bam in Iran.

TABLE A: PROJECT SUMMARY COST

Component	Local	Foreign	Project Cost US\$ million
<i>Component-A:</i> Provision of Construction Material and Equipment for Housing and Commercial Buildings	0.20	149.80	150.00
<i>Component-B:</i> Repair of the Transport Infrastructure	24.06	5.26	29.32
<i>Component-C:</i> Repair of the Telecommunications Infrastructure	1.04	11.06	12.10
<i>Component-D:</i> Improved Emergency Preparedness in the Province of Kerman and the District of Bam	4.30	5.70	10.00
<i>Component-E:</i> Project Management and Technical Assistance	3.84	3.96	7.80
Baseline Cost	33.44	175.78	209.22
Physical and Price Contingencies	4.94	19.74	24.68
Front End Fee		1.10	1.10
TOTAL PROJECT COST	38.38	196.62	235.00
Financing:			
Gol	2.45	12.55	15.00
IBRD	35.93	184.07	220.00
Total	38.38	196.62	235.00

TABLE B: ESTIMATED SCHEDULE OF DISBURSEMENT

US\$ Million	FY05	FY06	FY07	FY08	FY09
Annual	33	55	77	33	22
Cumulative Total	33	88	165	198	220
Cumulative Percent Total	15%	40%	75%	95%	100%

Project Implementation Period:	December 31, 2004 - December 31, 2008
Expected Effectiveness Date:	February 15, 2005
Expected Loan Closing Date:	May 31, 2009

TABLE B: DISBURSEMENT ARRANGEMENTS

	Category	Amount of the Loan Allocated (Expressed in US Dollars)	% of Expenditures to be Financed
(1)	Civil works	25,540,000	75%
(2)	Goods:		100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for items procured locally
	(a) for Parts A, B, C, and D of the Project	161,400,000	
	(b) for Part E of the Project	200,000	
(3)	Consultants' services and training:		88% of local expenditures for services of consulting firms and individuals domiciled within the territory of the borrower and 95% for foreign expenditures.
	(a) for Parts A, B, C, and D of the Project	5,250,000	
	(b) for Part E of the Project	5,650,000	
(4)	Fee	1,100,000	Amount due under Section 2.04 of the LA
(5)	Unallocated	20,860,000	
	TOTAL	220,000,000	

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-1:

Description of Project Components and Detailed Cost Estimates

ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Detailed Project Costs

Component	Procurement category	Total Cost		IBRD financing	
		US\$million	%	US\$million	
A- Provision of Equipment and Construction Material for Housing and Commercial Buildings		150.00		150.00	
1.1- Construction Material	goods	110.00	100	110.00	
1.2- Construction Equipment	goods	40.00	100	40.00	
B- Repair of Transport Infrastructure		29.32		22.35	
2.1- Repair of the Kerman-Bam Highway	works	21.00	75	15.75	
2.2- Repair of the Bam Airport	works	3.80	75	2.85	
	goods	0.30	100	0.30	
2.3- Repair of the Village Streets	works	2.05	75	1.54	
2.4- Engineering Designs and Construction Supervision	cs	2.17	88	1.91	
C- Repair of Telecommunications Infrastructure		12.10		11.45	
3.1- Reconstruction of the Telecommunications Buildings	works	2.20	75	1.65	
3.2- Repair of the Transmission Networks	goods	7.10	100	7.10	
3.3- Expansion of Mobile and Data Services	goods	2.00	100	2.00	
3.4- Engineering Designs and Construction Supervision	cs	0.80	88	0.70	
D- Improved Earthquake Preparedness in the Province of Kerman and the District of Bam		10.00		8.39	
4.1- Retrofitting of Key Emergency Response buildings in the Province of Kerman	works	5.00	75	3.75	
4.2- Provision of Emergency Response Vehicles for the District of Bam	goods	2.00	100	2.00	
4.3- Risk Assessment, Engineering Designs and Construction Supervision	cs	3.00	88	2.64	
E- Project Management & Technical Assistance		7.80		5.85	
5.1- Project Management					
(a)- BRO Staffing Cost	cs	1.50	88	1.32	
(b)- BRO Investment Cost	goods	0.20	100	0.20	
(c)- BRO Running Cost	goods	1.40	0	-	
5.2- Technical Assistance					
(a)- Procurement Advisory Services	cs	2.75	95	2.61	
(b)- Monitoring Advisory Services	cs	1.20	88	1.06	
(c)- Technical Advisory Services	cs	0.75	88	0.66	
Total Baseline Cost		209.22		198.04	
Physical and Price Contingencies		24.68		20.86	
Front End Fee (0.5% of Loan Amount)		1.10		1.10	
TOTAL PROJECT COSTS		235.00		220.00	

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
COMPONENT-A:**

Provision of Construction Material and Equipment for Housing and Commercial Buildings

1. Scope

Immediately following the earthquake of December 2003, the Government initiated the revision of the land-use plan (2025) for the city of Bam. Also, considering the high rate of resident ownership in the city (about 80%), a reconstruction strategy based on rebuilding the housing and commercial units “in-situ” has been implemented by the Government. This strategy promotes the efficient reconstruction of the city whilst securing an appropriate level of quality control during the reconstruction process. This will be achieved through: (i) training of local engineers and contractors; (ii) close supervision and monitoring of the reconstruction activities by the Housing Foundation (HF) and the Engineering Association of Iran; and (iii) the provision (on a grant basis) of basic construction material.

As such, Component-A under the BEERP will finance total of US\$150 million: (i) the provision of basic construction material as detailed in Annex-1 (*US\$110 million*); and (ii) the provision of construction equipment (*US\$40 million*) for housing and commercial buildings.

2. Construction material for housing and commercial buildings

(Estimated Cost: US\$110.00 million; IBRD financing: US\$110.00 million)

(a)- Urban Housing

Most of the housing in the urban areas consisted of individual and low-rise buildings. These were built mainly by owners using traditional construction methods with local adobe material or steel structural elements and masonry. The traditional adobe buildings had very thick, heavy roofs and almost all such buildings collapsed during the earthquake. Also, a high percentage of steel framed masonry buildings collapsed in Bam, Baravat and the surrounding areas. According to the latest available information, 24,598 housing units were severely damaged. These will be totally rebuilt on existing sites using higher construction standards and appropriate material. The average size of a housing unit in the urban areas is assumed to be around 100sq.m. and damage is estimated at 120 US\$/sq.m. The damage estimates for urban housing are equal to US\$295million.

(i)- Design and Supervision: The city of Bam was divided into eleven lots and each lot was awarded to an architectural firm for the design of around 2,000 housing units in each lot. In addition, two architectural firms were entrusted with the design of commercial units and one firm will be responsible for the coordination of the overall design activities. Another firm will provide back-up design support when needed. Firms will prepare architectural and engineering designs for housing units up to 250 sq.m. in size. The designs will be reviewed by the “National Engineering Association of Iran” and will need to comply with a set of financial, architectural, climatic and seismic criteria set by the newly established “Architectural Committee”. The Committee includes five prominent local architects and representatives from the MHUD, the MOI and the HF. The cost of engineering design will be met by the Government of Iran and construction supervision will be delegated to the “National Engineering Association of Iran” through a contract with the Housing Foundation.

(ii)- Reconstruction: The Government is in the process of pre-qualifying around twenty (20) to thirty (30) national contractors based on their: (i) relevant experience; (ii) ability to introduce new and appropriate construction technologies; and (iii) technical capacity and financial situation. Each contractor is expected to be awarded the reconstruction of 500-1000 housing units of 100sq.m. in size each. Individual house owners will select among the pre-qualified contractors and enter into a contractual agreement with the retained contractor. The cost of reconstruction will be financed through a combination of loans and grants that will be provided by the Government to each individual house owner. Basic construction material will be provided through pre-assigned distributors in Bam via a voucher system. However, the cost of labor and finishing material will be funded through a loan scheme. The provision of basic infrastructure such as water and sanitation will be entrusted to local utilities and Government agencies.

(iii)- Government Compensation: The Government will compensate individual house owners through a combination of grants and loans. Payments will be made in four installments as shown in Table-1. The level of Government compensation is expected to cover the provision of a 100sq.m. of a housing unit at a unit cost equal to US\$200/sq.m. The first two payments will cover the cost of the basic construction material excluding the internal finishing. The third payment is optional and is provided at a higher interest rate.

Table-1: Proposed Government Compensation per Urban Housing Unit

Payment	US\$	Terms of Payment	Remarks
1 st payment	4,167	Grant	<i>Provided as vouchers for basic construction material</i>
2 nd payment	7,143	Loan @ 5% for 15 years	<i>Remaining construction material</i>
3 rd payment	4,762	Loan @ 16% for 15 years	<i>Optional for internal finishing</i>
4 th payment	2,381	Loan @ 5% for 15 years	<i>For property walls (fence more than 100m in length along the main street)</i>
TOTAL	18,453		

Note: 1US\$= 8400 Source: Housing Foundation (June 2004)

In the case of multi-ownership of a housing unit, and provided the size of the damaged property is larger than 154sq.m., each individual owner will be eligible to the above-mentioned Government compensation. In the case where auxiliary households (married children, parents, etc..) are sharing the property with the owner, each auxiliary household will be only eligible to loans (2nd and 3rd payments) but not to grants. In the case of tenants, they will be eligible to participate in the "Rent-to-Own" Government funded program or to use the 2nd and 3rd payments. The Government will offer new land added to the city through the expansion of city lines at Government pricing to the later two groups.

(iv)- Bank Support to the Reconstruction of Urban Housing: World Bank support to the reconstruction of urban housing in Bam will focus on financing the procurement, by the Housing Foundation, of part of the steel and cement requirements for the reconstruction of a 100sq.m. housing unit. Bank financing only covers the cost of production and excludes the cost of transportation within Iran.

Table-2: Bank-Financed Construction Material for Urban Housing

Material	Steel rebars 8mm	Steel rebars 12mm	Steel components for frames	Portland cement, Type II
unit	kg	kg	kg	metric ton
Unit cost(US\$)	0.525	0.475	0.881	53.750
unit quantity	234.00	525.00	3,350.00	10.00
No. of houses	22,140.00	22,140.00	11,284.00	24,598.00
TOTAL (US\$)	5,180,760.00	11,623,500.00	37,801,400.00	245,980.00

Note: 1US\$= 8400 Source: Housing Foundation (June 2004)

(b)- Rural Housing

Rural housing units within about 4 km of Bam were destroyed and an estimated 24,715 rural housing units suffered heavy damage and will need to be rebuilt. The average size and property value of a rural housing unit are assumed to be equal to 60sq.m. and 100 US\$/sq.m. respectively. The reconstruction scheme for rural housing in Bam is summarized below:

(i) *Design and Reconstruction:* Details of the rural housing designs are shown in Annex-2 and Annex-3. Government support to the reconstruction of rural housing will involve securing the access by house owners to basic construction material (such as sand, gravel, cement, steel frames, pre-cast ceiling beams at market prices. The steel frames will be supplied through (*supply-install*) or (*supply only*) contracts with house owners. These will hire a contractor to build the foundations, set-up the frames and erect the house with the internal finishing.

(ii) *Government Compensation:* Each house owner will receive a combination of grants and loans equal to US\$7,144 per housing unit as shown in the Table below. This will finance a 60sq.m. housing unit at approximately 120US\$/sq.m. including the excavation and construction of the house foundations.

Table-3: Proposed Government Compensation Per Rural Housing Unit

Payment	US\$	Terms of Payment	Remarks
1 st payment	1,786	Loan @4% for 15 years	Paid after excavation for foundations
2 nd payment	1,786	Loan @4% for 15 years	Paid after completing the house foundations
3 rd payment	1,786	Loan @4% for 15 years	Paid after installation of steel frames
4 th payment	1,786	Grant	Paid after completing the roof ceiling
TOTAL	7,144		

Note: 1US\$= 8400 Source: Housing Foundation (March 2004)

(iii) *Bank Support to the Reconstruction of Rural Housing:* World Bank support to the reconstruction of rural housing will focus on financing the procurement, by the Housing Foundation, of part of the steel and cement that is required for the reconstruction of a 60sq.m. housing unit. Bank financing will only cover the cost of production and will exclude the cost of transportation within Iran.

Table-4: Bank-Financed Construction Material for Rural Housing

Material unit	Steel rebars 8mm kg	Steel rebars 12mm kg	Steel components for frames kg	Portland cement, Type II metric ton
Unit cost(US\$)	0.525	0.475	0.881	53.75
unit quantity	140	315	1,800	6.2
No. of houses	22,850	22,850	22,850	24,715
TOTAL (US\$)	3,199,000	7,197,750	41,130,000	153,233.00

Note: 1US\$= 8400 Source: Housing Foundation (June 2004)

(c)- Commercial Properties

(i) Damage To Commercial Properties: Prior to the disaster, services, including commercial activity, represented 73% of Bam urban employment. An estimated 3,346 commercial units were destroyed in the disaster, including shops and workshops. About 60% of the commercial units were shops; the rest were classed as workshops. The average area per unit is estimated at 100 sq.m. In addition there were approximately 15,000 sq.m. of warehouses and 4,200 sq.m. of small refrigerated warehouses. In total about 619,200 sq.m. of commercial area was lost. The average unit cost of replacing these structures is estimated at US\$180 per sq.m. and the total replacement cost of the structures amounts to approximately US\$111.5million.

(ii) Government Compensation and Bank Support to the Reconstruction of Rural Housing: The proposed reconstruction scheme for commercial properties is similar to the one adopted by the Government for the reconstruction of urban housing. The pre-qualified contractors for the urban housing will be involved in the reconstruction of commercial properties as well. Each commercial property owner will receive an initial US\$1,190 grant and loans of US\$144 per sq.m. with a ceiling of US\$7,143 (5% annual interest over 15 years). It should be noted that dual or mixed use commercial and housing units will be eligible for both facilities offered to the housing and commercial units. Bank support to the reconstruction of commercial properties in Bam will focus on funding part of the procurement of steel and cement material for a 30sq.m. size commercial units.

Table-5: Bank-Financed Construction Material for Commercial Buildings

Material unit	Steel rebars 8mm kg	Steel rebars 12mm kg	Steel components for frames kg	Portland cement, Type II metric ton
Unit cost(US\$)	0.525	0.475	0.881	53.750
unit quantity	92	204	1170	4
No. of houses	3,011	3,011	3011	3,346
TOTAL (US\$)	277,012	614,244	3,522,870	13,384

Note: 1US\$= 8400 Source: Housing Foundation (June 2004)

3. Construction Equipment for the Housing Foundation of Iran

(Estimated Cost: US\$40.00million; IBRD financing: US\$40.00million)

The mandate of the Housing Foundation includes emergency reconstruction of rural villages following natural disasters like floods and earthquakes. The emergency response activities rely on a fleet of heavy and medium construction equipment strategically distributed in the 28 provinces

of Iran. At times of heavy equipment demand, for debris removal or emergency reconstruction, the fleet supplements the services provided by the private sector. The fleet includes about 1,015 pieces of equipment, more than half of which are dump trucks. About 90% of the equipment is more than 10 years old and more than 500 pieces are out of service and beyond their economic life. The Bank has already started assisting the Housing Foundation with the renewal of the equipment fleet under the first EERP and will continue this assistance by financing the purchase of an additional 454 pieces of equipment, of which about 312 dump trucks. Other main items include debris excavation and removal equipment – wheel loaders and excavators. The total estimated cost of this sub-component is about US\$40million as detailed in Table 6.

Table-6: Construction Equipment to Be Procured under Component-A

	Type of Machinery	Number	Estimated Cost (US\$million)
1	Wheel Loaders	36	5.55
2	Dump trucks (6x4)	204	17.00
3	Dump trucks (4x2)	96	6.86
4	Transit Mixers (6x4)	29	4.19
5	Wheel Excavators	11	1.50
6	Motor graders	7	1.50
7	Pick Up trucks	54	1.35
8	Stone crushing plant	2	0.82
9	Concrete batching plant	1	0.23
10	Quality control and testing equipment	155	1.00
	Sub-total		40.00

Annex-1
Summary of Construction Material for Component-A

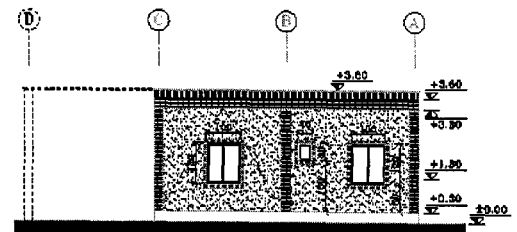
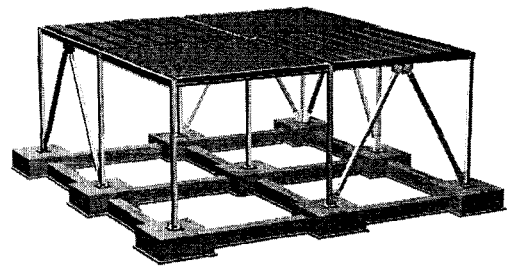
Material	Steel rebars 8mm	Steel rebars 12mm	Steel components for frames	Portland cement, Type II
unit	kg	kg	kg	metric ton
URBAN HOUSING				
unit quantity	234.00	525.00	3,350.00	10.00
No. of houses	22,140.00	22,140.00	11,284.00	24,598.00
sub-total	5,180,760.00	11,623,500.00	37,801,400.00	245,980.00
RURAL HOUSING				
unit quantity	140.00	315.00	(prefab steel frames) 1,800.00	6.20
No. of houses	22,850.00	22,850.00	22,850.00	24,715.00
sub-total	3,199,000.00	7,197,750.00	41,130,000.00	153,233.00
COMMERCIAL BLDGS.				
unit quantity	92.00	204.00	1,170.00	4.00
No. of bldgs.	3,011.00	3,011.00	3,011.00	3,346.00
sub-total	277,012.00	614,244.00	3,522,870.00	13,384.00
TOTAL Quantity	8,656,772.00	19,435,494.00	82,454,270.00	412,597.00
TOTAL including 10% for waste	9,522,449.20	21,379,043.40	90,699,697.00	
Unit cost(US\$)	0.525	0.475	0.881	53.750
TOTAL COST	\$4,999,286	\$10,155,046	\$72,662,825	\$22,177,089
rounded to	\$5,000,000	\$10,160,000	\$72,660,000	\$22,180,000
TOTAL COST: MATERIALS	\$110,000,000			

Source: Housing Foundation (June 2004)

Annex-2
Bam Earthquake Emergency Reconstruction Project
Typical Rural Housing Unit
 Source: Housing Foundation (March 2004)

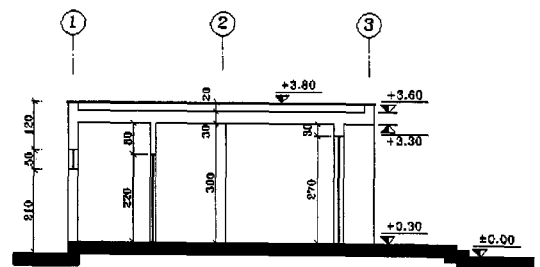
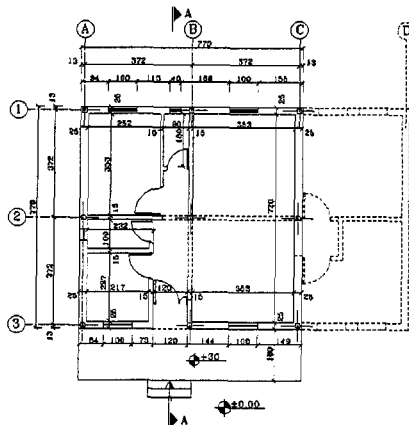
TYPE: 60 m² Prefabricated Bolted Steel Frame System with Composite Concrete Slab Roof

- | | |
|---|--|
| 1- Lateral and vertical resisting systems: | Steel frame and eccentric braces |
| 2- Design code: | Iranian seismic Building Design code, Standard n.o.2800, Chapter3 |
| 3- Built-up area: | 60 m ² |
| 4 - Construction method: | Prefabricated beams, columns and braces with bolted connections. |
| 5- Amount of cement required: | 6.2 cubic tons |
| 6 - Amount of steel required: | Frame: 1,800 kg
Other: 400 kg |
| 7 - Construction period: | (a)-Construction of members in factory: 4 days
(b)-Erecting beams and columns on the foundation: 5 hours
(c)-Foundation and brickwork
(d)-Total = 30 days |



Plan of 60 m² Housing Unit Proposed for Rural Areas of Bam
 Unit: cm

- 1) Living Room
- 2) Kitchen
- 3) Bed Room
- 4) Bath
- 5) Toilet
- 6) Porch



SEC A-A

ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
COMPONENT-B:
Transport Infrastructure

1. Scope

Because of the emergency nature of the BEERP, the transport infrastructure activities included in the project are limited to urgent works for the physical rehabilitation of the Kerman-Bam highway, the civil aviation airport of Bam and of major internal roads in 22 severely damaged villages. The BEERP will finance also the consulting services required for the detailed design and construction supervision of these works. The total of the Component-B is estimated to be US\$29.32 million, which will finance rehabilitation of key transport infrastructure affected by the Earthquake as follows:

2. Repair of the Kerman-Bam highway

(Estimated Cost: US\$21.00million; IBRD financing: US\$15.75million)

(i) Rehabilitation Works: No major damages as a direct consequence of the earthquake have been reported to the highway network in the province. Minor isolated damages to the vertical profile, bridges and drainage structures are being repaired by the General Office (GO) of the Ministry of Roads and Transportation (MORT) of Kerman province with own financing. However, a summary condition survey of the Kerman-Bam highway (190km), carried out in May-June 2004 indicates early signs of severe pavement deterioration on several sections and some minor damages to cross drainage structures. The road was originally built in the mid 1970's, but no information was available on the scope and time of overlays and maintenance operations. Recent (June 2004) automated traffic counts, carried out by MORT, have measured traffic volumes of about 5500 passenger vehicles and about 1850 trucks per day. The additional traffic originated by the transport of construction materials and equipment is expected to generate only marginal increases; however, these levels are already sufficient to accelerate a further deterioration of the pavement if urgent rehabilitation is not carried out.

A provisional estimate carried out by the GO of MORT provides for a leveling course, bituminous overlays and extension of the bituminous base over the shoulders as detailed below. In addition the works will include strengthening of structures and provision of signs, road markings and other equipment (guardrails, traffic islands, etc.) to enhance traffic safety.

Table 1: Kerman-Bam Road Rehabilitation

Item	Thickness (mm)	Width (m)	Length (km)	Quantity (cu m)	Unit Rate ¹ (US\$)	Total Cost (US\$)
Leveling course	50	7.30	190	69,350	57	3,952,950
Bit. base 1	50	10.4	190	98,800	57	5,631,600
Bit. base 2	50	10.4	190	98,800	57	5,631,600
Wearing course	50	7.3	190	69,350	62	4,299,700
Base on shoulders	150	3.7	190	105,450	7	738,150
<i>Sub-total</i>						20,254,000
Structures repairs					Lump-sum	246,000
Signs & Safety equip.					Lump-sum	525,000

¹ Source: MORT and MPO Standard Rates, 2004

Item	Thickness (mm)	Width (m)	Length (km)	Quantity (cu m)	Unit Rate ¹ (US\$)	Total Cost (US\$)
TOTAL (rounded)						21,000,000

(ii) *Implementation Arrangements:* The GO of MORT of Kerman province will be responsible for implementation of the works through contracts procured on the basis of ICB. In order to enhance competition and to ensure a short completion period (i.e. 18 months) the works will be advertised in two lots of about the same value following a slice and package approach, with the option of one contractor being awarded both lots if pre-qualified for the corresponding amount.

3. Repair of the Bam Airport

(Estimated Cost: US\$4.10million; IBRD financing: US\$3.15million)

(iii) *Rehabilitation Works:* The earthquake has caused the collapse of the control tower and the destruction or irreparable damage to ancillary buildings (fire fighting, emergency power supply, etc.). The airport runway, taxiway and parking apron were originally built below standard in 1991: a 5 cm thick bituminous wearing course, provided for in the design, was not actually constructed. Besides the initial weakness, these pavements have suffered damages from the intense traffic in the weeks immediately following the earthquake (2500 take-offs and landings in the first two weeks alone). A preliminary engineering assessment by the Iran Civil Aviation Organization provides for a complete resurfacing of the runway, taxiway and apron with an asphalt base (70mm thick) and an asphalt wearing course (50mm thick). In addition the project will finance the reconstruction of technical and ancillary buildings as detailed below. All estimates are based on existing standard designs for this type of buildings and on current standard rates for construction works published by the MPO:

Table 2: Bam Airport Rehabilitation

Item	Quantity	Estimated Cost (US\$'000)
Civil Works		
Asphalt resurfacing of traffic areas	30,624 cu m	2,130
Technical block building	1,000 sq m	600
Land leveling	2,000 sq m	120
Fire fighting building	1,000sq m	330
Secondary power supply building	220 sq m	75
Storage building	500 sq m	60
Water reservoir	120 cu m	40
Airport Fencing	8 km	145
Helipad (five positions)	3,000 sq m	300
Sub-total		3,800
Goods		
Communication and ATC equipment	Lump-sum	60
Fire fighting equipment	1 engine	240
TOTAL		4,100

(iii) *Implementation Arrangements:* As for the highway, the Governorate Office of MORT of Kerman province will be responsible for implementation of the works through private contractors. It is anticipated that the pavement rehabilitation and the civil works for buildings will constitute two separate contracts procured on the basis of NCB due to the relatively small value. Communication and ATC equipment will be procured under shopping procedures while the fire-fighting engine will be procured separately under NCB procedures.

4. Repair of the Village Streets

(Estimated Cost: US\$2.05million; IBRD financing: US\$1.54million)

No major damages to the rural roads have been reported. However, roads in the heavily damaged villages will require rehabilitation, mainly after the completion of the housing reconstruction activities and the renovation of the village infrastructure (water, sewage, side ditches, culverts, etc) and the. A list of those villages and the respective estimated investment costs required are included in Table 3.

Table 3: Rehabilitation of Village Streets

No	Name of Villages	Number of Dwellings	Length of Road to be reconstructed (m)	Rehabilitation and Reconstruction Cost ⁽¹⁾ (US\$)
1	Poshtrod	600	1700	166 512
2	Espican	350	1300	127 930
3	Khageh Askar	500	1500	146 302
4	Baghchmak	210	1100	109 558
5	Pakam	160	900	93 023
6	Amir Abad	150	900	93 023
7	Gasdar	120	900	93 023
8	Eslam Abad	100	700	72 818
9	Dar Bagh	60	700	72 818
10	Ghaleh Askar	50	700	72 818
11	Bidaran	65	700	72 818
12	Bidaran Kohneh	70	700	72 818
13	Nartij	210	1100	109 558
14	Kork	200	900	93 023
15	Tamik	65	700	72 818
16	Zeid Abad	50	700	72 818
17	Chehel Toghm	52	700	72 818
18	Nezam Vefa	60	700	72 818
19	Sar Janghal	50	700	72 818
20	Bagh Bala	60	700	72 818
21	Tarz	370	1300	127 930
22	Mohammad Abad Kork		700	72 818 ⁽²⁾
TOTAL			20,000	2,033,698

(1) Cost estimation provided by the Rural Department of Housing Foundation

The width of proposed streets varies between 8 to 12 meters including the sidewalks. The roads are designed to have 15 cm of sub-base, 15 cm of base and 7 cm of pavement layers. On the basis of above figures, preliminary estimates for the reconstruction of the major roads in the 22 heavily earthquake-affected villages amount to US\$2.05million.

5. Engineering Designs and Construction Supervision

(Estimated Cost: US\$2.17million; IBRD financing: US\$1.91million)

(i) Engineering Design and Construction Supervision under the repair of the Kerman-Bam highway: In line with current practices by MORT, a consulting firm will be hired to carry out the detailed design and construction supervision of the works. The cost of the services is estimated a about 8% of the work value, corresponding to about US\$1.7 million, and is in line with current MPO rates for this type of services. Selection of the consultants will follow the QCBS method. The scope of the study would include: (i) detailed condition survey of about 200 km of main highways; (ii) traffic counts and forecast of traffic growth including estimates of reconstruction traffic; (iii) design of pavement rehabilitation/strengthening including economic analysis of

optimum year of implementation; and (iv) preparation of detailed plans, bill of quantities and technical specifications suitable for inclusion in WB Standard Bid Documents (SBD).

(ii) Engineering Design and Construction Supervision under the Repair of the Bam Airport: Also in this case, the Governorate Office of the MORT in Kerman will employ consultants for the design and supervision of the civil works contracts. The cost of the services is estimated at 8% of the value of the civil works and goods or about US\$330,000. The consultants will be selected following QCBS procedures and the scope of their services will include: (i) detailed condition survey of the airport runway and apron; (ii) design of the rehabilitation works required; (iii) design of the civil works for the control tower and ancillary buildings; and (iv) preparation of detailed plans, bill of quantities and technical specifications, including separate technical specifications for communication, ATC and fire-fighting equipment, suitable for inclusion in the IBRD's SBD.

(iii) Engineering Design and Construction Supervision under the Repair of the Village Streets: Road design studies for those villages will be carried out in coordination with the other type of structures undertaken by the other authorities. Implementation will start after the completion of the housing construction and placement of water distribution lines. This project component will be implemented by the Rural Department of Housing Foundation under the overall coordination of BRO. Depending on the capacity of the local contractors works can be tendered under one or, the most, two packages. NCB procedure is proposed for the tender of the works. Local consultants for design and supervision could be selected on the basis of CQ procedures.

ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
COMPONENT-C:
Repair of the Telecommunications Infrastructure

1. Scope

The Telecommunication system in Bam, Baravat and surrounding villages was heavily damaged during the earthquake. This includes damage to the telecommunication lines in Bam (350km) and Baravat (35km) and the rural area in the Bam district (70km). Damage was also considerable at the three switching centers in Bam (2) and Baravat (1) and at the microwave station in Bam. It is reported that sixteen (16) administrative and operative units in Bam and Baravat were severely affected. The total cost for Component C under BEERP is estimated to be US\$12.10.

Currently the Kerman Telecommunications Company (KTC) is offering fixed line and mobile phone services to the inhabitants in the cities of Bam and Baravat as part of the emergency relief to ensure essential communication systems. Prior to the earthquake, there were 16,745 subscribers in Bam and 2,300 in Baravat. Currently less than 1,500 lines are restored and the local phone services are offered free of charge, however, this is not sufficient. Since the earthquake, the ITC/KTC has restored: (i) a trunk switching center with a capacity of 2200 trunks in Bam City; (ii) a local switching center with a capacity of 2,200 in the city of Baravat;; and (ii) around 300 rural telecommunication offices.

The KTC is a subsidiary of Iran Telecommunications Company (ITC) (the holding company) and the Ministry of Information Communication Technology (MICT). KTC is accountable to the ITC for maintenance, operation and expansion of the telecommunications networks (including fixed lines, mobile phones, microwave, fiber optic, data and any other infrastructure networks). The KTC is an independent legal entity with financial autonomy. All the company's asset belong to ITC and are 100% Government owned.

Bam telecom network is connected to the national grid through fiber optic and microwave transmission systems. All the above investments are area networks and are operated and maintained by the KTC. Rebuilding of the damaged cable network requires serious reconstruction of the buildings and cable ducts. The KTC intends to install around 20,000 subscriber lines based on Wireless Local Loop (WLL) in order to avoid restoring of 350 km of twisted pairs subscriber distribution network. This will ensure fast provision of services even to those living in the temporary housing. It is also proposed that the mobile GSM network which had 3 BTS (Base Stations) before the earthquake will be increased to 10 BTS with a capacity of 112 TRX.

The repair of the telecommunications infrastructure under this project are shown in Table-1 and consist of the following investments (works, goods and consulting services):

- (a) The reconstruction of the telecommunications buildings
- (b) The repair of transmission networks
- (c) The expansion of mobile and data services
- (d) Engineering designs and construction supervision

2. Reconstruction of the telecommunications buildings

(Estimated Cost: US\$2.20million; IBRD financing: US\$1.65million)

This component involves the reconstruction and equipping of a number of key telecommunications buildings in the Bam district as described below:

- (a) Technical building for new switching, transmission and power supply. (item 11 in the Table 1): Only one new standard building will be constructed and will be located in the same site as the current site of Microwave Center (MC) to use existing towers and power supply infrastructure;
- (b) Repair of the Principal Switching Center (PC) at Etemadi (item 12 in the Table 1);
- (c) Repair of the Baravat telephone center building (item 13 in the Table 1); and,
- (d) Installation of four containers in two sites (item 14 in Table 1)²

3. Repair of the of the transmission networks

(Estimated Cost: US\$7.10million; IBRD financing: US\$7.10million)

This sub-component will be tendered as one turnkey contract for the whole network, including the procurement of transmission and switching equipment:

- (a) Reconstruction of the Bam and Baravat telephone centers with host (item 1 in the Table 1) at existing PC building;
- (b) Installation of the 10,000 number Bam third phone center (item 2 in the Table 1);
- (c) Installation of the 10,000-subscriber capacity in Shahid Etemadi Center (item 3 in the Table 1);
- (d) Installation of 3000 subscribers remote capacity in existing Baravat building (item 4 in the Table 1);
- (e) Expansion of optical fiber network connecting switching sites and providing enough connectivity for future expansion. of service coverage;(item 5 in the Table 1);
- (f) Restoration and reconstruction of the Bam subscriber distribution cable network (item 6 in the Table 1);
- (g) New SDH microwave link between Bam and Kerman (item 7 in the Table 1);
- (h) Installation of intelligent public phones across the city of Bam (300 units, item 8 in the Table 1);
- (i) Reconstruction of subscriber distribution network utilizing WLL technology for about 20 000 subscribers (item 9 in the Table 1); and,
- (j) Installations of fiber optic links between Bam and Baravat , and between Bam and Arg-e Jadid (item 10 in the Table 1).

4. Expansion of mobile and data services

(Estimated Cost: US\$2.00million; IBRD financing: US\$2.00million)

This sub-component involves the expansion of the GSM network (both BTS, towers and microwave connections) to cover surrounding rural areas. It includes:

²A technical alternative was proposed to replace above damaged Shahid Etemadi building by containers in which remote switching capacity is to be installed on new concrete foundations. (Item 14 in the table). Existing heavily damaged building and old equipment will be scrapped. Initially a remote local switching capacity of about 10 000 subscriber lines will be installed in containers on concrete foundations (the remaining 2 containers of the item 14 in the Table), which are to be moved later to the new building.

- (a) Installation and startup of mobile BTS in 10 points (items 15 and 16 in Table 1). This will enable the installation and startup of telecommunications coverage in the Bam, Baravat and Arg-e Jaddid areas.
- (b) Construction of towers for the above BTS and radio links, as well as providing coverage for the “WILL” subscriber distribution network in Bam and Baravat. (items 17 and 18 in Table 1).

5. Engineering designs and construction supervision

(Estimated Cost: US\$0.80million; IBRD financing: US\$0.70million)

For each of the above three sub-components, consultant services will be procured for engineering designs and construction supervision services.

- (a) Sub-Component-1: Design services (total estimate: US\$150,000); and,
- (b) Sub-Component-2: Design services (total estimate: US\$400,000); and Supervision services (Total estimate: US\$100,000);
- (c) Sub-Component-3: Supervision services (total estimate: US\$150,000).

6. Implementation arrangements

The overall implementation responsibility will rest with the ITC. On the other hand, the KTC will be responsible for construction supervision tasks. In line with current practices by the ITC, a consulting firm will be hired to carry out the detailed designs and construction supervision of the works and equipment installation for each sub-component. In close coordination with the BRO, the ITC will ensure compliance with the sector standards through the KTC.

Table-1: Details of the Repair of the Telecommunications Infrastructure in the Bam District

Package	Item no.	Activity	No.	Capacity	Description	Estimated Cost
a	1	LOCAL SWITCH HOST	1	2000-SBN TOTAL 25K	CETRAL CONTROL UNIT	\$2,500,000 1 TO 4
	2	LOCAL EXCHENG (NEW-LX)	1	10000	REMOTE FROM NEW-LX	INCLUDED
	3	LOCAL EXCHANG (SH.ETEMADI)	1	10,000	REMOTE FROM NEW-LX	INCLUDED
	4	LOCAL EXCHENG (BARVAT)	1	3000	REMOTE FROM NEW-LX	INCLUDED
	5	OPTICAL LINE TERMINAL	4 LINK	STM16	NEW EQUIPMENT	\$600,000
	6	OPTICAL LINE TERMINAL	2 LINK 1 REPEATER	STM64	NEW EQUIPMENT	\$400,000
	7	RADIO SDH (2+1)	1 LINK 2 REPEATER	155Mbit/s	NEW EQUIPMENT	\$700,000
	8	PAY PHONE	300	PREPAID CARD	NEW SERVICE	\$100,000
	9	WLL	1	20,000 SBN	NEW SUBSCRIBER	\$2,500,000
	10	FIBER OPTIC CABLE	1	30Km	2*12 CORE	\$300,000
b	11	TECHNICAL BUILDING (COLOCATED IN M.C)	1	2000m2	FOR NEW SWITCHING & TRANSMISTION& POWER SUPPLY	\$1,500,000
	12	REPAIR PC BUILDING	1	EXISTING 2 STOREY STRUCTURE	SMALL REPAIR OF CRACKED WALLS &ANTI EARTHQUAKE MEASURES	\$250,000
	13	REPAIR BARAVAT BUILDING	1	EXISTING 2 STOREY STRUCTURE	SMALL REPAIR OF CRACKED WALLS &ANTI EARTHQUAKE MEASURES	\$250,000
	14	CONTAINER IN 2 SITES	4	4*36 m2 FOUNDATION	FOR REMOTE SBN CAPACITY	\$200,000
c	15	CELLULAR EXTENTION	10 BTS	840 TRX	NEW EQUIPMENT	\$1,500,000
	16	BTS MOBILE TRANSMISTION	10 LINK	RADIO 2*2	NEW EQUIPMENT	\$300,000
	17	TOWER (SELF SUPORT)	10	35 meter	FOR NEW MOBILE BTS	\$100,000
	18	TOWER (SELF SUPORT)	1	85 meter	FOR NEW EQU. (BTS, WLL, RADIO)	\$100,000
d	DESIGN & SUPERVISION	PACKAGE A: DESIGN (US\$400K), SPN (US\$100K); PACKAGE B: DESIGN (US\$150K); and, PACKAGE C: SPN (US\$150K)				\$800.000

ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
COMPONENT-D:
Improved Emergency Preparedness in the Province of Kerman

1. SCOPE

The experience of the Bam earthquake and the failure of key emergency response buildings in the district has confirmed the urgent need to retrofit and strengthen key emergency response buildings throughout Iran. This component aims to improve the earthquake emergency preparedness in the Province of Kerman and the city of Bam through: (i) risk assessment and retrofitting, on a pilot basis, of key emergency response buildings in the Province of Kerman; and (ii) the procurement of emergency response vehicles for the city of Bam. It is expected that the experience acquired under this component could be replicated by the Government in the remaining 26 Provinces of Iran. The total estimated cost for Component-D is estimated at US\$10.00 million, under which all of the activities will be implemented by BRO through close coordination with the Governorate of Kerman and concerned entities.

2. Retrofitting of key emergency response buildings in the Province of Kerman *(Estimated Cost: US\$5.00million; IBRD financing: US\$3.75million)*

This activity will involve the retrofitting of emergency response buildings based on: (i) the results of the Risk Assessment and; (ii) their strategic importance for emergency response intervention in case of an earthquake. Being a pilot exercise, this activity will only focus on the buildings with the highest ranking. The use of appropriate construction materials and techniques will be taken into consideration during the design of retrofitting works. The unit cost of retrofitting work in Iran represents 40% to 50% of the reconstruction cost and is estimated to be equal to US\$95 per sq.m. It is also anticipated that approximately 50,000sq.m. of emergency buildings will be retrofitted under this component at a total cost of US\$5.00million.

Description	Expenditure Category	Estimated Cost (US\$ mil.)
• Retrofitting of Emergency Response Building	Works	5.00
TOTAL		5.00

3. Provision of emergency response vehicles for the District of Bam *(Estimated Cost: US\$2.00million; IBRD financing: US\$2.00million)*

A number of emergency response vehicles were destroyed during the earthquake in the District of Bam. This sub-component will help the municipalities of Bam and Baravat restore their emergency response capacity by replacing the vehicles and equipment lost. This includes firefighting trucks, ambulances and support rescue vehicles.

Description	Emergency Response Vehicles	Expenditure Category	Estimated Cost (US\$million)
• Firefighting trucks	5 normal size for Bam 3 small size trucks for Bam 2 normal size for Baravat	Goods	1.40
• Ambulances	5 for Bam 1 for Baravat	Goods	0.40
• Rescue cars	2	Goods	0.20
TOTAL			2.00

4. Sub-Component-3: Risk assessment, engineering designs and construction supervision
(Estimated Cost: US\$3.00million; IBRD financing: US\$2.640million)

(a)- *Identification of Key Emergency Response Buildings:* An indicative list of key emergency response buildings in the province of Kerman was prepared during project appraisal (see Table-1). The selection criteria used included:

- Buildings that are important for rescue and relief operations (*health services, fire stations, Red Crescent Society, etc.*);
- Buildings that are important for disaster management (telecommunications, water and electricity);
- Buildings that are important for maintaining security;
- Buildings that can be used as temporary shelters (i.e. schools, universities, etc.).
- Proximity of retained buildings to densely populated areas;
- Location of retained buildings and level of coverage throughout the Province.

(b)- *Risk Assessment:* This activity involves the classification of key emergency response buildings in the Province of Kerman based on a structural condition assessment to be financed under this component. The assessment involves the review of structural and architectural designs and an evaluation of the structural strength of the buildings through both destructive and non-destructive testing. The key emergency response buildings would then be classified among the following three categories: (i) Category-A: Buildings in good condition; (ii) Category-B: Buildings in need of retrofitting; and (iii) Category-C: Buildings to be demolished and rebuilt.

(c)- *Design of Retrofitting Works:* This activity will involve ranking Category-B buildings based on: (i) the results of the Risk Assessment and: (ii) their strategic importance for emergency response. Being a pilot exercise, this activity will only focus on the buildings with the highest ranking.

(d)- *Documentation and Knowledge Dissemination of the Risk Assessment and Retrofitting process:* This activity will focus on the thorough documentation and dissemination of this initiative through regional and national workshops and training programs.

Description	Expenditure Category	Estimated Cost (US\$ mil.)
• Preparation of TOR for main consultant	Services	0.05
• Risk assessment, design and construction supervision and documentation and knowledge dissemination	Services	2.95
TOTAL		3.00

Table-1 :
Indicative List of Key Emergency Response Buildings in the Province of Kerman

No	Name of Building	Location	Year of Construction	Type of Structure	Availability of Structural Designs	No. of Blocks	Number of Floors	Built-up Area (m ²)	Priority	Remarks
1	Bahonar Hospital	Kerman (Center)	Varies	Steel & Masonry	Available only for some of the blocks	9	2	24 000	1	Information for each block available in Persian
2	Shafa Hospital	Kerman (Center)	Varies	Steel & Masonry	N/A	10	1 and 2	19 000	2	Information for each block available in Persian
3	Task Force Bld.	Kerman (Center)	1988 & 2000	Steel & Masonry	Available only for the blocks constructed in 2000	2	4	3 000		1988 bld. masonry and the other steel
4	Gharane'i Fire Station	Kerman (Center)	1974	Steel	N/A	1	2	450	4	Addition made in 1992
5	Tehran Roag Fire Station	Kerman (Center)	1999	Masonry	N/A	1	1	240	5	
6	Red Crescent Emergency Rescue Bld.	Kerman (Center)	1978	Steel	N/A	2	2	3 900	6	Information for each block available in Persian
7	Red Crescent Headquarter	Kerman (Center)	1993	Steel	N/A	2	4	11 000	7	Information for each block available in Persian
8	G. Governor Office Bld.	Kerman (Center)	1971 & 1991	Steel	Available only for the block constructed in 1991	2	3	4 000	8	
9	Telecom. Bld.	Kerman (Center)	1988 & 1961	Steel & Masonry	Available only for the block constructed in 1988	3	3	3 225	9	Informt. for each block available in Persian
10	TV and Radio Stations	Kerman (Center)	1992 & 1971	Steel & RC	Available only for the block constructed in 1992	3	2	7 000	10	Informin. for each block available in Persian
11	Province Police Headquarter	Kerman (Center)	1999 & 1973	Steel & masonry	Available only for the block constructed in 1992	2	3	5 480	11	Informt. for each block available in Persian
12	Kerman City Police HQ	Kerman (Center)	1976	Steel	N/A	2	3	7 830	12	Informt. for each block available in Persian
13	Sina Hospital	Zarand District (Center)	varies	Steel & Masonry	Available for some of the blocks	8	2	2 600	13	
14	Kashani Hospital	Jiroft District (Center)	1964	Masonry	N/A	1	1	10 000	14	
15	Baft Hospital	Baft District (Center)	1968	Masonry	N/A	5	1	4 000	15	
16	Red Crescent Emergency Rescue Bld.	Zarand District (Center)	1987	RC	N/A	1	1	485	16	
17	Red Crescent Emergency Rescue Bld.	Ravar District (Center)	1966	Masonry	N/A	1	1	680	17	
18	Red Crescent Emergency Rescue Bld.	Baft District (Center)	1951	Masonry	N/A	1	1	780	18	
19	Red Crescent Emergency Rescue Bld.	Malhan Town	1963	Masonry	N/A	1	1	690	19	Administratively connected to Kerman District
20	Red Crescent Emergency Rescue Bld.	Darb Behesht Town	1992	Masonry	N/A	1	1	300	20	Administratively connected to Jiroft

21	Red Crescent Emergency Rescue Bld.	Orzuyie Town	1992	Masonry	N/A				1	1	300	21	Administratively connected to Baft District
22	Zarand Fire Station	Zarand District (Center)	1996 & 1986	Steel	N/A				2	2	950	22	
23	Ravar Governor Office	Ravar District (Center)	1996	Steel	Yes				1	2	1 700	23	
24	Rafsanjan Governor Office	Rafsanjan District (Center)	1982	Masonry	N/A				1	2	1 040	24	
25	Kerman Municipality Bld.	Kerman (Center)	1999	RC	Yes				1	4	5 000	25	
26	Jiroft Fire Station	Jiroft District (Center)	1971	Masonry	N/A				1	1	450	26	
27	Jiroft Municipality Bld.	Jiroft District (Center)	1961	Masonry	N/A				1	1	3 500	27	
28	Water Company Bld.	Rayen Town	1989	Masonry	N/A				1	1	300	28	Administratively connected to Kerman District
29	Water Company Bld.	Chatrud Town	1989	Masonry	N/A				1	1	250	29	Administratively connected to Kerman District
30	Water Company Bld.	Kuhbaban town	1986	Masonry	N/A				1	1	200	30	Administratively connected to Kerman District
31	Water Company Bld.	Anar Town	1993	Masonry	N/A				1	1	180	31	Administratively connected to Zarand District
32	Electricity Dispatching HQ	Kerman (Center)	1990	Steel	N/A				1	1	3 000	32	Administratively connected to Rafsanjan District
33	Ali Ibn Abi-Talep Primary School	Kuhbaban City	1990	Masonry	Yes				3	2	3 050	33	Administratively connected to Zarand District
34	Shahid Maleki Secondary School	Jiroft District (Center)	1988	Masonry	Yes				2	2	980	34	
35	Allame Helli Primary School	Zarand District (Center)	1973	Masonry	N/A				2	2	2 000	35	
36	Taleghani Technical High School	Zarand District (Center)	1975	Steel	N/A				1	2	3 000	36	
37	Zeynabieh High School	Zarand District (Center)	1976	Masonry	N/A				2	2	1 240	37	
38	Sardar Jangal Primary School	Sinjan District (Center)	1986	Masonry	Yes				1	2	2 900	38	
39	Hajar Dormitory	Ravar District (Center)	1981	Masonry	Yes				3	2	1 360	39	
40	Zeynep Kobra Primary School	Ravar District (Center)	1993	Masonry	Yes				4	2	1 800	40	
41	Hazrat Masoumeh Dormitory	Golbaf Town	1992	Steel	Yes				2	1	800	41	Administratively connected to Kerman District
42	Honarstan Fani-Herfei	Bardsir	1991	Masonry	Yes				6	2	1 920	42	

43	Tech. High School Shahid Khodadadi Sec. School	District (Center) SHAHRBABA DISTRICT (Center)	1982		Masonry	Yes		3	2	1 650	43
44	Andisheh High School	SHAHRBABA DISTRICT (Center)	1990		Masonry	Yes	2	1	650	44	
45	Besat Secondary School	KAHNOUJ DISTRICT (Center)	1983		RC	Yes	1	2	1 720	45	
46	Fatima Zahra Second. School	KAHNOUJ DISTRICT (Center)	1981		Masonry	Yes	2	2	1 430	46	
TOTAL										150 030	

ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
COMPONENT-E:
Project Management and Technical Assistance

1. Scope

This component supports (i) project management through the establishment of the BRO; and (ii) technical assistance to BRO through the provision of consultants for Procurement, Monitoring and Technical Advisory Services. The estimated cost for this Component is US\$7.80 million.

2. Project Management

(Estimated cost: US\$3.10million, Proposed Bank financing: US\$1.52million):

(a)- Establishment of the BRO: Project management support will be provided through the establishment of the BRO and the Financial Management Unit (FMU) at the Housing Foundation. BRO will be responsible for the monitoring of implementation progress as well as contract management and procurement assistance to all implementation agencies involved. BRO will play also an oversight function to ensure the adherence of the implementing agencies to the safeguard policies under the project. BRO will establish offices in both Tehran and Bam and will consist of 13 staff; 6 based in Tehran and 7 in Bam.

3. Technical Assistance

(Estimated cost: US\$4.70million, Proposed Bank financing: US\$4.33million):

The BRO will be assisted by three specialized consultancy/advisory services (international and local, firms and individuals) as detailed below:

(a)- Procurement Advisory Services: The PASC will be responsible for the timely execution of procurement and contract management activities and will work in closely with the Sr. Procurement Coordinator at the BRO.

(b) Monitoring Advisory Services: The MASC will assist BRO in establishing a Project Management Information System (PMIS) and will carry out regular technical audits of project activities. The Consultant will monitor implementation progress through regular field visits and will ensure the compliance of the reconstruction activities with the project's technical, environmental and safeguards criteria. A set of performance monitoring indicators will be used to evaluate progress towards achieving the project's Development Objectives. The Consultant will prepare quarterly reports that will be shared with the BGPTF and the World Bank. The reports will include detailed updates on the project's performance and will recommend mitigation measures for the timely implementation of the project.

(c) Technical Advisory Services: This sub-component will finance short-term consultants that will be mobilized on needs-basis to carry out specific technical tasks in support of the various project components (e.g. preparing specifications for construction equipment and emergency response vehicles, preparing and implementing social surveys and environmental assessments, preparation of Resettlement Action Plans, preparation and implementation of communication activities, etc.).

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-2:

Performance Monitoring Indicators

**ATTACHMENT-2:
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Performance Monitoring Indicators**

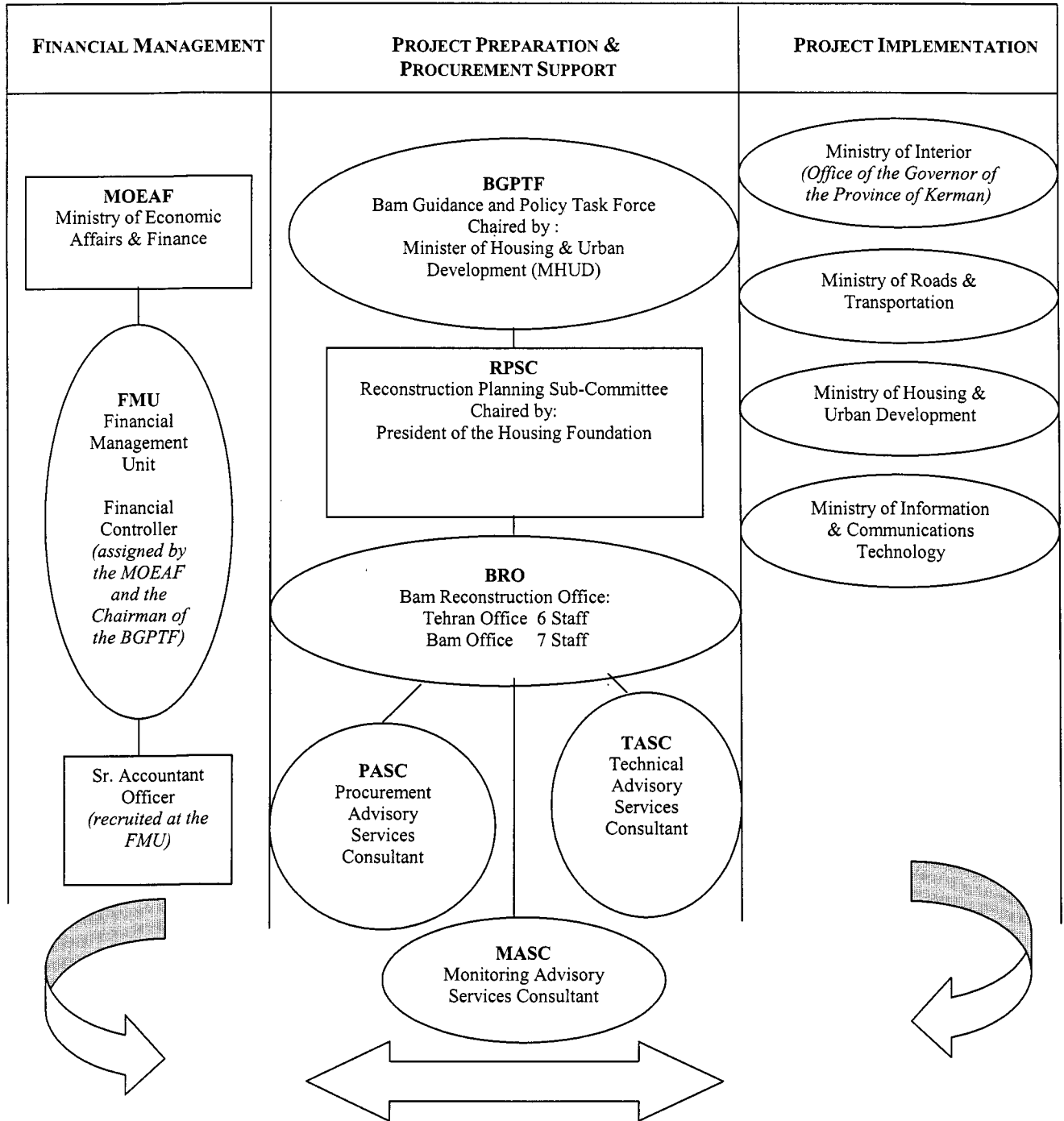
	<i>Components</i>	Indicators	Baseline	Mid-Term	End of Implementation
A	Provision of Construction Material and Equipment for Housing and Commercial Buildings	<ul style="list-style-type: none"> ● % number of urban housing units reconstructed out of 22,100 units. ● number of rural housing units reconstructed out of 22,800 units. ● number of commercial units reconstructed out of 3,000 units. ● number of construction equipment procured out of 440 units. ● Number of quality control and testing equipment out of 155 units. 	0%	25%	100%
B	Repair of the Transport Infrastructure	<ul style="list-style-type: none"> ● % length of the Kerman-Bam highway rehabilitated out of 190km. ● % physical completion of the rehabilitation and reconstruction of the Bam Airport: (i) control tower; (ii) technical buildings; and ancillary buildings. ● % physical completion of the construction of the Communications and navigation equipment for the Bam Airport. ● % length of village streets rehabilitated out 20km. 	0%	40%	100%
C	Repair of the Telecommunications Infrastructure	<ul style="list-style-type: none"> ● % physical completion of the reconstruction of the Technical Building for new switching, transmission and power supply facilities. ● % physical completion of the repair of the Principal Switching Center at Etemadi. ● % physical completion of the repair of the Baravat telephone center building. ● % physical completion of the reconstruction of the cable and radio transmission networks and switching sites in Bam and Bavarat . ● % physical completion of the expansion of GSM network to surrounding rural areas. 	0%	25%	100%
D	Improved Emergency Preparedness in the Province of Kerman and the District of Bam	<ul style="list-style-type: none"> ● % disbursement on retrofitting works in the Province of Kerman out of a total allocated equal to US\$5million. ● % number of emergency response vehicles procured for the District of Bam out of a total of 18 vehicles. 	0%	25%	100%

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-3:

Project Implementation Arrangements

**ATTACHMENT-3
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Project Implementation Chart**

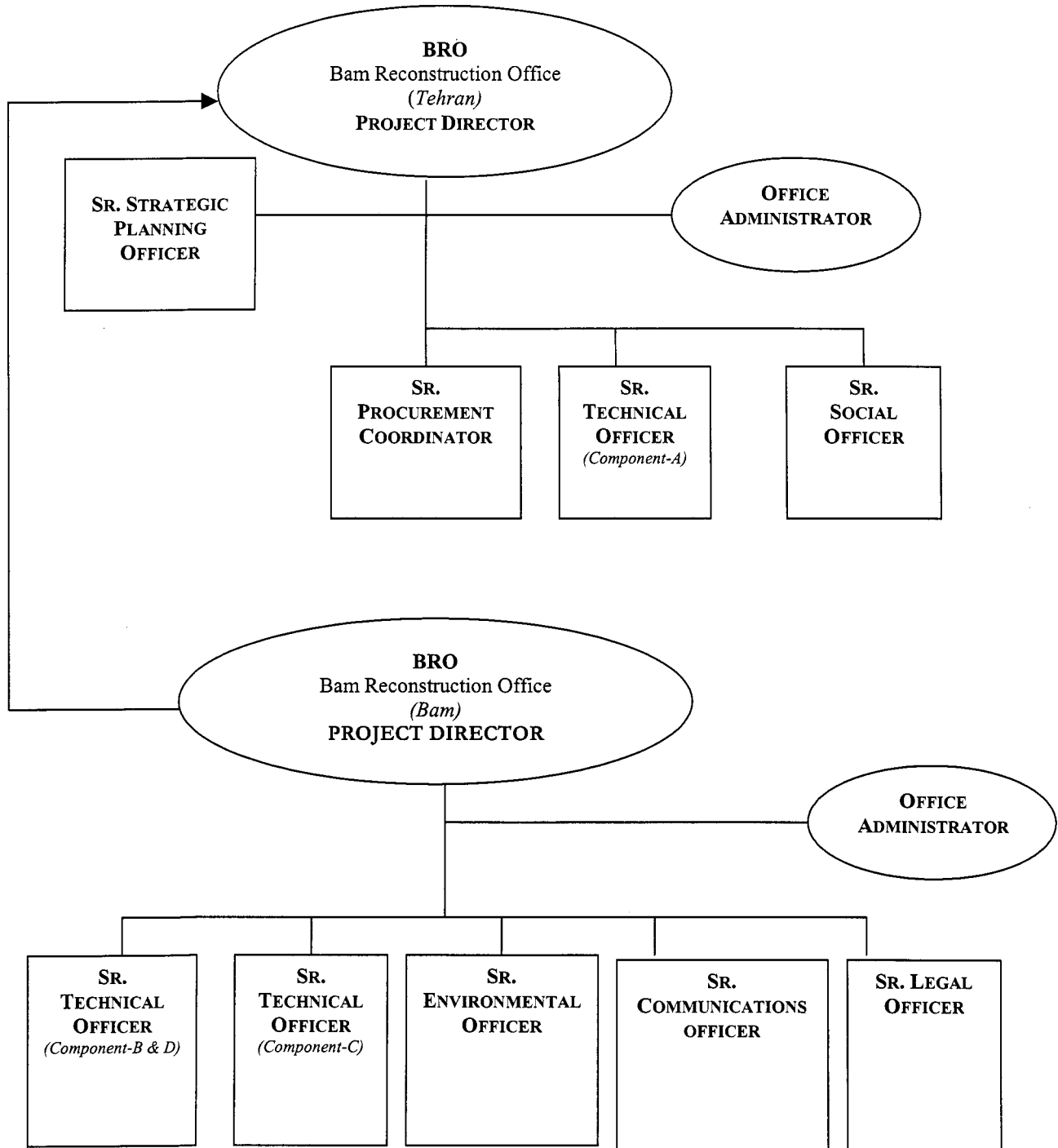


**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-4:

Terms of Reference for the BRO and the Financial Management Unit

**ATTACHMENT-4:
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
BRO**



**ATTACHMENT-4:
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
BRO**

(a) Organization of the BRO

Under the guidance of the Bam Policy and Guidance Task Force (an inter-ministerial committee convened under a presidential decree to act as a decision-making body on the reconstruction of Bam), multi-disciplinary experts will be recruited to establish BRO . The BRO will be located in Teheran and Bam. Reporting to the Task Force, the BRO will be responsible for the management and monitoring of project implementation. Its key activities include:

- Working as the main counterpart to the World Bank during the Project implementation;
- Coordination with Government agencies to ensure timely implementation;
- Preparing internal documents and obtaining necessary internal approvals in a timely manner;
- Ensuring compliance with World Bank's fiduciary procedures (procurement, financial management, social and environmental safeguards); and,
- Preparing progress reports (to be sent to the World Bank on quarterly basis).

(b) Staffing of the BRO

The BRO will be composed of 13 staff allocated as follows:

BRO-Tehran (6)

- Director;
- Strategic Planning Officer;
- Sr. Procurement Coordinator;
- Sr. Technical Officer (Construction Material & Equipment);
- Sr. Social Officer; and
- Office Administrator

BRO-Bam (7)

- Manager (BRO-Deputy Director)
- Sr. Technical Officer (Telecommunications & Transport)
- Sr. Technical Officer (retrofitting)
- Sr. Environment Officer
- Sr. Communications Officer
- Sr. Legal Officer
- Office Administrator

Proposed Terms of References are as below.

**BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
BRO (BRO-Tehran)**

**Terms of References for:
Project Director**

Scope of Work

The Director will be responsible for leading the BRO team (Teheran and Bam) through providing overall guidance and policy support to ensure effective functioning of the team for the Project implementation. The Director will report to the President of the Housing Foundation and will be responsible for coordination with all the ministries and organizations concerned including Ministry of Economic Affairs and Finance (MoEAF), Ministry of Interior, Management and Planning Organization (MPO), the Province of Kerman, Municipality of Bam, relevant sector ministries to ensure quality and timely implementation.

The Director will:

- Head the BRO and supervise the performance of the BRO staff to ensure that day-to-day activities for the project implementation are carried out in a satisfactory manner;
- Ensure that the Project implementation carried out in compliance with the World Bank procedure;
- Authorize launching of procurement by the implementation agencies and contractual payments;
- Provide overall guidance to the implementation agencies on the progress of reconstruction works;
- Coordinate with the relevant ministries to ensure obtaining necessary internal approvals in a timely manner based on the Project Implementation Plan (PIP) agreed with the World Bank;
- Act as the direct counterpart/focal point of communications vis-à-vis the World Bank's task team and ensure that the necessary communications with the Bank are made in a timely manner;
- Facilitate the communications and consultations with relevant ministries and institutions on the necessary follow-up actions based on the outputs and recommendations from the technical assistance activities;
- Review the monthly/quarterly reports and submit to the Bam Policy and Guidance Task Force, all agencies concerned in the proposed Project, and to the Bank.

Qualifications

- Relevant University Degree (e.g. civil engineering, urban planning, finance);
- Minimum 10 years of professional experience in the relevant area;
- Experience in managing projects of similar size/scale in Iran; with minimum of 5 years in positions with management responsibility;
- Past working experience and ability to establish good working relationship with the relevant institutions on disaster management for project implementation;
- Computer literacy is essential;
- Good English speaking and writing/reporting skills are essential;
- Proven capacity for leading and ensuring the teamwork; and,
- Capacity to adjust and responding to the demanding working environment.

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Strategic Planning Officer (Tehran)

Scope of Work

The Strategic Planning Officer will be responsible for assisting the BRO Director in facilitating all project implementation activities. The primary duties will include the following;

(a) Implementation planning and monitoring:

- Supervise the progress of Monitoring Assistance Consulting Services in the establishment and operation of the Project Management Information Systems (PMIS), a project planning and monitoring database, including developing a set of formats to be shared across the implementation agencies to monitor the implementation of the project (e.g. timeline, cost, contractor, design criteria);
- Based on the database and in consultation with the technical engineers in BRO, monitor the project implementation speed and process to ensure adherence to the Project Implementation Plan;
- Provide timely reporting and advise to the Director on any priority actions that require to be communicated to the parties involved;
- Coordinating the execution of regular technical audit activities (defining the scope and frequency of the technical audits, identifying appropriate technical expertise to mobilize consultant services and supervise to ensure quality output).
- Communicating the outputs from the technical audits to the BRO's technical specialists and assisting them in their technical coordination with the implementation agencies to ensure these outputs are reflected/feed-backed in the implementation planning and that any necessary remedial measures are put in place with minimum delay.

(b) Reporting and communications

- Quality assurance of the output of the Monitoring Assistance Consulting Services in the establishment and operation of the Project Monitoring Information Systems (PMIS);
- Based information consolidated using the database, assist the Director in preparing Monthly/Quarterly Progress Reports be submitted to the Bam Policy and Guidance Task Force, all agencies concerned in the proposed Project, and to the Bank¹;
- Assist the PMU Director on communication with the Bank on all matters concerning the Project activities.

Qualifications:

- Relevant University Degree (e.g. civil engineering, urban planning, finance);
- Minimum 3 years of professional experience in disaster management;
- Minimum of 3 years in positions with management/coordination responsibility;
- Computer literacy is essential;
- Good English speaking and writing/reporting skills are essential;
- Experience with international organizations in project management is an asset;
- Willingness to learn from multi-disciplinary/sectoral operations and ability to adjust to different working environments (office and the field).

¹ For the World Bank, reporting will be on quarterly basis in principle.

**BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
BRO -Tehran**

**Terms of References for:
Sr. Procurement Coordinator**

Scope of Work

In consultation with the Project Director, manages and supervises the “ Procurement Advisory Services Consultant (PASC)”. He defines and implements a procurement strategy aiming at economic and efficient procurement of goods, works and services required for the project, optimum use of resources available and consistent with the project implementation schedule . He will obtain the full support of PASC and will :

- (i) Establish and update regularly a project Procurement Plan in the format agreed with the Bank and request timely no objection from the Bank for occasional modifications to the same;
- (ii) Ensure adequate publicity to business opportunities through the preparation and publication, and periodic updating when applicable, of the General Procurement Notice, Specific Procurement Notices and invitations for Expressions of Interest in the format and timing acceptable to the Bank;
- (iii) In consultation with the PC and in coordination with technical staff of the Housing Foundation and/or of other executing agencies ensure the completeness of the BD in every section and the consistency of the technical provisions (TOR, technical specifications, plans etc.) with the commercial provisions of the BD or RFP;
- (iv) Manage the complete procurement process for goods, works and services included in the project components executed by the Housing Foundation, while ensuring its compliance with the provisions of the LA and the Bank Guidelines;
- (v) Manage the preparation of draft and final contracts for goods, works and services procured under the project and of contract variations and /or amendments when required;
- (vi) Manage contracts under execution, including preparation of documentation required to certify progress, conclusion or acceptance of works, goods and services;
- (vii) Ensure the timely submission of procurement documentation, reports and procurement decisions to the Bank for no objection in all cases of mandatory prior review;
- (viii) Establish and maintain complete and accurate procurement records including all actions and documents for review by the Bank's supervision missions. This includes advertisement, preparation of bids, invitation to bid, record of bid submissions, bid opening, evaluation of bids, contract award and performance of the contracts;
- (ix) Facilitate post-review and procurement audits on a random basis by the Bank; and
- (x) Perform other relevant duties as required by the Project Director.

Qualifications

- Relevant degree (civil engineering, industrial management, business administration, finance);
- At least ten-year experience in contract management, and procurement of the similar size involved in the project;
- Working experience and knowledge in international competitive bidding (based on Bank procedure is an asset, if not at least working with international corporations/organizations is an asset)
- Familiarity with the domestic (MPO's) procedures of procurement;
- Must be familiar with Computer Programs and Applications; and
- Fluency in English required.

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Sr. Technical Officer (Bam)
(Civil Works-Retrofitting and Transport)

Scope of Work

- Assemble and document all available information in the project area (in Kerman Province) concerning the implementation of Component-B and Component-D of the project (investment program, detailed studies including designs, drawings, cost estimates, contracts, environmental permits and clearances, etc.)
- Analyze available information and data for sufficiency, in order to identify data gaps and the need for additional information or studies and, any overlaps with ongoing/planned investment activities;
- Assist in preparation of detailed ToRs for consultants (firms and individuals, international and local), which shall incorporate scope of studies, engineering and design requirements;
- Carry out final reviews for all the TORs, bidding documents, work programs and any other project related documents prepared by the implementation agencies,
- Review and provide timely feedback and comments on reports prepared by the Technical Assistance consultants;
- Facilitate and coordinate contacts between the consultants, the contractors and the implementation agencies;
- Assist the Director in conducting the final validation of the technical outputs (pre/feasibility studies, technical designs) before proceeding to the procurement of civil works to ensure technical specifications and bill of quantities are appropriate;
- Coordinate with the implementation agencies/the counterparts to ensure all the technical outputs meet the standards acceptable and required by the Bank on social, environmental, technical and economic aspects (in consultation with the social and environmental officers);
- Review and provide timely feedback and comments on all designs and engineering studies and reports prepared by the Consultants, and/or Ministries/sector-Companies;
- Take necessary actions to ensure that the signed contracts or agreements are fully implemented by the contractors;
- Check all progress reports and invoices for the works, goods and services, which are executed in Kerman/Bam prior to the submission to the Financial Controller in BRO-Tehran through Sr. Procurement Coordinator; and,
- Provide monthly progress reports to the Director including recommendation or comments on the progress of the project, problems faced on the site and the recommended actions to be taken to remedy the problems.

Qualifications

- Relevant degree (civil engineering);
- At least seven-year experience in design, construction and supervision in the relevant area (transport, structures) of the similar scale;
- Familiarity with the domestic procedures of construction management; and
- Fluency in English required.

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Sr. Technical Officer (Bam)
(Telecommunications)

Scope of Work

- Assemble and document all available information in the project area (in Kerman Province) concerning the implementation of Component-C of the project (investment program, detailed studies including designs, drawings, cost estimates, contracts, environmental permits and clearances, etc);
- Analyze available information and data for sufficiency, in order to identify data gaps and the need for additional information or studies and, any overlaps with ongoing/planned investment activities;
- Assist in preparation of detailed ToRs for consultants (firms and individuals, international and local), which shall incorporate scope of studies, engineering and design requirements;
- Carry out final reviews for all the ToRs, bidding documents, work programs and any other project related documents prepared by the implementation agencies;
- Facilitate contacts between the Province of Kerman/other implementation agencies and the contractors and assist the Province of Kerman in decision-making on the pilot buildings for retrofitting works;
- Assist the Director in conducting the final validation of the technical outputs (pre/feasibility studies, technical designs) before proceeding to the procurement of civil works to ensure technical specifications and bill of quantities are appropriate;
- Coordinate with the implementation agencies/the counterparts to ensure all the technical outputs meet the standards acceptable and required by the Bank on social, environmental, technical and economic aspects (in consultation with the social and environmental officers);
- Review and provide timely feedback and comments on all designs and engineering studies and reports prepared by the contractors;
- Take necessary actions to ensure that the signed contracts or agreements are fully implemented by the contractors;
- Check all progress reports and invoices for the works, goods and services, which are executed in Kerman/Bam prior to the submission to the Financial Controller in BRO-Tehran through Sr. Procurement Coordinator; and,
- Provide monthly progress reports to the Director including recommendation or comments on the progress of the project, problems faced on the site and the recommended actions to be taken to remedy the problems.

Qualifications

- Relevant degree (Telecommunications);
- At least seven-year experience in design and supervision of construction works of the similar scale;
- Familiarity with the recent technology in Telecommunications used in Iran and other countries (working knowledge in this area in other countries is an asset);
- Fluency in English required.

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Sr. Technical Officer (Tehran)
(Construction Material & Equipment)

Scope of Work

- Review technical specifications to ensure technical soundness and cost efficiency and to comply with the requirements of the World Bank procurement guidelines;
- Assist the Director in conducting the final validation of the technical outputs/specifications before proceeding to the procurement of goods;
- Take necessary actions to ensure that the signed contracts or agreements are fully implemented by the contractors;
- Assist the Strategic Planning Officer and Monitoring Assistance Consulting Services with necessary inputs in defining the scope of technical audits in housing reconstruction;
- Check all progress reports and invoices for the goods, which are executed in Kerman/Bam prior to the submission to the Financial Controller in BRO-Tehran through Sr. Procurement Coordinator; and,
- Provide monthly progress reports to the Director including recommendation or comments on the progress of the project, problems faced on the site and the recommended actions to be taken to remedy the problems.

Qualifications

- Relevant degree (civil/structural engineering, mechanical engineering);
- At least seven-year experience in procuring materials and equipments of similar scale and nature (housing construction, municipal equipments);
- Basic knowledge of seismic engineering is compulsory.
- Technical knowledge of emergency response equipments is an asset;
- Working experience of International Competitive Bidding (preferably under the World Bank procedure, if not working experience on import through international corporations or organizations) is an asset;
- Fluency in English required.

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Sr. Environmental Officer (Bam)

Scope of Work

Based on the Social and Environment Safeguards Framework (SESAF) prepared for the Project, Sr. Environmental Officer will be responsible for ensuring all the project investments comply with the World Bank's social and environment safeguard policy requirements through;

- Carrying out environmental screening based on the criteria set in the SESA F;
- Ensuring proper recording and filing on environmental aspects of the reconstruction investments;
- Advising the implementation agencies on necessary measures to be incorporated in the technical specifications in the bidding documents;
- Collect necessary data to set baseline for impacts monitoring and in consultation with Sr. Technical Officers, preparing Environmental Management Plan as needed based on the screening criteria and monitor its implementation and environmental impacts.

Qualifications

- Degree in environmental engineering.
- Minimum 5 years working experience in enforcement of environmental requirements and procedures (screening, monitoring, designing mitigation measures) in investments of similar nature/scale (this includes working knowledge of domestic provisions on environment safeguards);
- Working knowledge in English.

**BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office**

**Terms of References for:
Sr. Social Officer (Tehran)**

Scope of Work

Based on the principles defined in the Social and Environmental Safeguard Framework (SESAF), Sr. Social Officer is responsible for overseeing all the social safeguard aspects of the project, to ensure feedbacks from the stakeholders (beneficiary populations, implementation agencies, local governments and national organizations) are integrated in the project planning and implementation in an efficient and timely matter. The officer will be responsible for developing a robust and participatory Monitoring and Evaluation program with an authoritative baseline with which progress can be tracked.

The officer's tasks include:

- Arranging updating of land records and the establishment of an authoritative base line for receipt of benefits;
- Consolidation of existing, and preparation and administration of needed future census surveys to determine the nature and level of need in consultation with the affected communities;
- In consultation with the Monitoring Assistance Consulting Services, developing a set of monitoring indicators and benchmarks for the achievement of the objective of the reconstruction program. These will include process indicators to measure project inputs, expenditures and staff deployment for example, output indicators that indicate results in terms of numbers reached, compensation received, houses built, and outcome indicators related to the longer term impacts of the program on people's lives;
- Training and orientation of staff and agencies that will be responsible for the implementation of the reconstruction program. This will require coordination between different agencies working in different zones and it will be particularly important to ensure that contractors are sensitized to people's needs and concerns;
- Procure technical advisory consulting services on needs basis to ensure timely application of the SESA F;
- Contract with an external agency to assist to undertake independent evaluations at least twice during the lifetime of the program to input into a mid-term review and to a project completion report;

Qualifications

- Relevant degree (sociology, other social sciences such as anthropology, communications/journalism);
- Minimum 7 years' experience in designs, carrying out social surveys and consolidating data for assessing social impacts of investments (public or private investments);
- Working experience with international organizations on social development/safeguard issues is an asset;
- Familiarity with the World Bank's safeguard procedures is an asset;
- Fluency in English (Speaking and Writing).

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Sr. Communications Officer (Bam)

Scope of Work

- The person shall be assisting other BRO-Bam technical experts in ensuring smooth communication/public relations of the reconstruction program (implementation status and any issues arising at both local and national levels) to the stakeholders (project beneficiaries, implementation agencies, local governments) and the general public.
- With advisory support from the Sr. Social Officer in BRO-Tehran, the Officer will be responsible for the development and implementation of a communications strategy for the Project that outlines initiatives to ensure better understanding and support for the project from general public and particularly the project's direct beneficiaries.
- The Officer will implement community outreach initiatives to ensure smooth communication and understanding about project implementation. In particular, when the issues pertaining to the project implementation arise, whether social or technical, the Officer will work closely with other officers in BRO and implementation agencies to find reasonable solutions and communicate them to the beneficiaries.
- In particular, tasks include:
 - Communication of the entitlement framework and arrangements being made for reconstruction through regular neighborhood meetings and the preparation of information booklets and regularly updated neighborhood notice boards (for example) that simply and clearly identify people rights, and create opportunities for enhancing transparency and accountability;
 - Establish a Grievance Redressal Committee for the independent review of possible disputes.
 - Preparation and dissemination of information materials (brochures, organization of community/public relations event on the project).

Qualifications

- Relevant degree (sociology, other social sciences such as social work, anthropology, communications/journalism);
- Minimum 5 years experience in communications or social development activities including at least one-year field experience;
- Good writing and editing skills in Farsi, to be able to design and produce information materials;
- Working experience with international organizations on social development/safeguard issues is an asset;
- Familiarity with the World Bank's safeguard procedures is an asset;
- Fluency in English (Speaking and Writing).

BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Bam Reconstruction Office

Terms of References for:
Sr. Legal Officer (Bam)

Scope of Work

Sr. Legal Officer will be responsible for providing advisory support on all the legal affairs pertaining to the project implementation. The Officer will also act as the point of reference on legal concerns for the project beneficiaries. The tasks include:

- Provide regular primary legal advisory support/consultations to the project beneficiaries and implementation agencies, in particular on issues closely related to social safeguard aspects (resettlement and compensation) in order to facilitate timely and fair resolutions of conflicts;
- Provide referral to the specialists on a case-by-case basis;
- In coordination with Sr. Social and Sr. Communication Officers, ensure compliance of the legal measures with the World Bank's social safeguards requirements;
- In coordination with Sr. Social and Sr. Communication Officers, ensure that the feedbacks from the beneficiary population are communicated to the BRO and the relevant implementation agencies;
- Ensure sufficient technical consultation are held between BRO and implementation agencies to incorporate any necessary feedbacks in the project design and implementation;
- Ensure filing and tracking of all the legal records concerning the project.

Qualifications

- Degree in law;
- Minimum 5 years professional experience in Iranian law;
- Working knowledge in the area of property rights (e.g. inheritance, absentee rights, appropriation/expropriation, resettlement compensation);
- Willingness to work in a multi-disciplinary work environment;
- Fluency in English is an asset but not mandatory.

**BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Financial Management Unit**

**Terms of References for:
Accountant (Tehran)**

Scope of Work

Under the Supervision of the FC, the Accountant will assist the FC in monitoring and coordination aspects of the financial management, audit and disbursement arrangements of the project that are provided in and governed by the LA. Those arrangements include the responsibility for maintenance of project accounts, preparation of reports, coordination of audit arrangements, and compliance with disbursement arrangements.

In particular, the tasks include:

- To assist the FC in preparing all the necessary groundwork /preparatory tasks needed to ensure compliance with the Bank's financial management requirements. In particular, the Assistant will provide sufficient help in translating between Farsi and English and inputting in the system the relevant data to facilitate the FC's responsibilities and to ensure proper recording and maintenance of project's SA.
- To assist the FC in data consolidation and the preparation of the financial statements and reports in a timely manner and in line with the requirements of the World Bank.
- To assist the FC in processing Withdrawal Applications for the SA (review and verification of invoices, translation of relevant data and papers); and
- To assist the FC in preparing responses to the requests from the World Bank, and/or the auditors for clarification or additional information.

Qualifications

- Degree in accounting from an accredited university;
- Minimum five years of accounting experience;
- Ability to read and write in English;
- Familiarity with use of the computer, and basic accounting software;
- Familiarity with International Accounting Standards (IAS) is preferred but is not required.

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-5:

Procurement Arrangements and Provisions

ATTACHMENT-5
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Procurement Arrangements and Provisions

The following main Procurement principles will be adhered to in preparation and implementation of the Project:

Universal Eligibility Principle – For any contract to be financed in whole or in part from the IBRD loan the Implementing Agency/Unit will not deny participation of any firm/company/supplier for reasons unrelated to its capability and resources to successfully perform the contract; nor can it disqualify any bidder for such reasons (paragraph 1.6 and 1.7 of the Guidelines). Exceptions to the foregoing are provided in the attached Guidelines (Paragraph 1.8).

- a. **International Competitive Bidding (ICB)** – Contracts to be procured under the Project using ICB method shall fully comply with the Section II of the Guidelines and shall provide all eligible prospective bidders an equal opportunity to bid for the required goods and works. To this effect;
 - i. The use of the IBRD issued standard documents (Specific Procurement Notice (SPN), Pre-Qualification Documents, Standard Bidding Documents (SBD), standard evaluation reports, and form of contracts) is mandatory;
 - ii. Domestic Preference for Goods (15%) could be used as long as it is provided for in the LA and the Bidding Documents (BD).
- b. **Simplified ICB:** Where the loan provides financing for a program of imports, ICB with simplified advertising and currency provisions may be used for large-value contracts, as to be defined in the LA. The simplified provisions for notification of ICB procurement do not require a General Procurement Notice. Specific Procurement Notices shall be inserted in at least one national newspaper of national circulation in the Borrower's country (or in the official gazette, if any, or in an electronic portal with free access) in addition to *UNDB online* and *dgMarket*. The period allowed for submission of bids may be reduced to four weeks. Bidding and payment may be limited to one currency widely used in international trade.
- c. **National Competitive Bidding (NCB)** –For contracts for works below US\$5 million for goods below US\$1,000,000, the competitive bidding procedure normally used for public procurement in the country of the Borrower may be applied. However, to be acceptable for use in IBRD-financed procurement, these procedures are reviewed and modified as necessary to assure economy, efficiency, transparency and broad consistency with the provisions included in Section I and III of the Guidelines (Paragraph 3.1, 3.3, and 3.4 of the Guidelines). To this effect, Contracts to be procured under the Project using NCB method shall comply with the following:
 - i. Any prospective bidder from a country eligible under the Guidelines who propose to provide goods produced in or services supplied from any such country shall be eligible to bid for such contracts.

- ii. Invitation to bid shall be advertised in at least one widely circulated national daily newspaper and bidding documents shall be made available to prospective bidders, at least 28 days prior to the deadline for the submission of bids.
 - iii. Government owned enterprises shall be eligible provided they are legally and financially autonomous, operate under commercial law, and are not selected or hired by the supervising or reporting authority, and will be subject to the same bid and performance security requirements as other bidders.
 - iv. Bids shall be opened in public. The time for the bid opening shall be the same as for the deadline for receipt of bids or promptly thereafter.
 - v. If a multi-envelope bid submission system is required, all the envelopes should be open at the same time in one single stage.
 - vi. Bids shall be evaluated based on price and on other criteria fully disclosed in the bid documents and quantified in monetary terms, and no provision for preferential treatment for national companies shall be applied.
 - vii. The contract shall be awarded to the bidder having submitted the lowest evaluated responsive bid, and no negotiation shall take place.
 - viii. The procedures shall include publication of evaluation results and the award of contract and provisions for bidders to protest.
- d. To further facilitate the use of the NCB method in IBRD financed Projects, the following actions will be carried out:
- i. The IBRD will conduct an assessment of the MPO national contractors and consultants ranking system to determine its suitability with regards to transparency, fairness and the presence of an adequate complaints systems. On the basis of that assessment, the IBRD will determine the possibility of using the system in the IBRD financed NCB and Shopping procedures;
 - ii. A standard NCB Package (including SPN, SBD, evaluation report, and form of contract) that takes the above provisions into consideration has been developed under the on-going Earthquake Emergency Recovery Project (Loan.No.4697, approved in June 2003). This same package will be disseminated to all implementation agencies/sectors responsible for execution of the Project.
- e. **Shopping/Smaller Works** – A standard package (including Request for Quotation, Evaluation sheets, and Form of Contract) for use of these methods (quotations vs. bids) will be developed and MOEAF will disseminate the same to all implementing agencies/units responsible for execution of the Project.
- f. **Selection and Appointment of Consultants** – The universal Eligibility principle applies to all consultancy contracts to be procured under the IBRD Financed Projects and they shall comply with the following:
- i. **Firms:**
 - Services of consultants: open competitive bidding will not be used. In accordance with the IBRD's procedures, the Borrower addresses a request for proposals to a predetermined short list. For consultants, the envelopes

containing the financial proposals will be opened in public in a second stage, only after the technical evaluation is completed.

- The selection shall be based primarily (or in some cases only) on the quality and secondarily on the cost using short lists (six firms with not more than two from the same country and at least one firm from a developing country – Paragraph 2.6 of the Consultants Guidelines) developed through issuance of Expressions of Interests (EOI).

- For small assignments of less than US\$ 100,000, the shortlist may be limited to local consultants (paragraph 2.7 of Consultants Guidelines) provided local expertise is available at a comparative level. However, if foreign firms have expressed interest, they shall not be excluded from consideration.

- The use of the IBRD standard documents including the EOI, Request for Proposal (RFP), Evaluation Report, and form of contract is mandatory for contracts above US\$200,000.

- For assignments of less than US\$200,000, selection based on consultants' qualification (CQ) method may be applied as specified in Paragraph 3.7 of the Consultants Guidelines.

- The award of contracts shall be published in United Nations Development Business (UNDB) and dgMarket including: (a) the names of the consultants who submitted the proposals; (b) the technical points assigned to each consultant; (c) the evaluated points of each consultant; (d) the final point ranking of the consultant; (e) the name of the winning consultant and the price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals.

ii. Individuals:

- Selection of individual consultants shall be based on comparison/evaluation of at least three CVs, based on the Section V of the IBRD's Consultants Guidelines.

ATTACHMENT-5A
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Procurement Arrangements and Provisions
Terms of Reference for the Procurement Advisory Services Consultant (PASC)

Objectives

One of the main functions and responsibilities of the BRO is to ensure the compliance of all procurement activities under the project with the World Bank's procurement Guidelines and the procurement provisions of the LA. Procurement under the project will include, but not limited to:

- a. Construction materials (steel and cement);
- b. Construction equipment, including dump trucks;
- c. Civil works for transport infrastructure (roads and airport) and for retrofitting of earthquake damaged buildings;
- d. Civil works and equipment for telecommunication;
- e. Miscellaneous equipment and vehicles for municipal services, including fire-fighting and emergency response; and
- f. Consulting services for design and construction supervision of all civil works above.

The Procurement Advisory Service Consultant (PASC) will be responsible for all procurement activities by the BRO and by other implementation agencies under the overall responsibility of the Sr. Procurement Coordinator (PC) at the BRO.

Tasks of the PASC

- I. In consultation with the PC, prepare customized Bidding Documents and Request for Proposals (RFP) for goods, works and services, including consultants services, using the World Bank's Standard Bidding Documents, including standardized Formats for International and National Shopping Procedures.
- II. Regularly update the project's Procurement Plan for the next 18 months and establish a procurement management system for monitoring the progress of procurement activities, in consultation with the PC;
- III. Update the annual General Procurement Notice (GPN), prepare Specific Procurement Notices (SPN) and Expressions of Interest (EOI) when required, in addition to establishing and updating a register of qualified contractors, suppliers and consultants;
- IV. In consultation with the PC, review Pre-qualification Documents, Bidding Documents and Requests for Proposals to ensure their conformity with the agreed formats and their adequacy for the type of works, goods and services, including consultants services, being procured;
- V. Provide expert advice on strategic procurement decisions like procurement method, size and composition of lots of goods and/or works, delivery schedules, delivery terms, employment of consulting firms or individuals, etc;
- VI. Advise upon and assist in the revision of Terms of Reference, Technical Specifications, drawings and plans, evaluation criteria and methodology, delivery terms and other technical and commercial conditions to ensure overall consistency within the bidding

documents, conformity with prevailing industry standards or local conditions and with current market conditions;

- VII. Initiate the procurement process, and assist the PC in the establishment of short lists for consultants' services, and the pre-qualification of contractors and suppliers (when applicable);
- VIII. Coordinate the timely forwarding of procurement communications and documentation to the Bank, where "no objection" is required and maintain records of such communications. Initiate and maintain correspondence for the Project Director's signature in response to requests for clarifications by bidders and monitor and ensure timely responses to procurement related questions which may be raised by the Bank;
- IX. Provide assistance to the bid opening and evaluation committees for the preparation of bid opening and of evaluation reports in the standard format of the Bank;
- X. Oversee preparations for negotiations and assist BRO in the negotiations with consultants, contractors and suppliers, including finalization of draft contracts for submission to Bank review and no-objection. Ensure the timely distribution of all final procurement and contract documents to interested parties (implementing agencies, Financial Management Controller, technical staff, consultants, suppliers, and the World Bank);
- XI. Advise and assist the PC and other executing agencies in key aspects of contract management for goods, works and consultants' services including: (i) reception and acceptance of materials and equipment; (ii) review, validation and monitoring of quality assurance systems by contractors and supervision consultants, including site inspections when required; (iii) prior and/or post review, on a spot check basis, of statements by, and Payment Certificates to contractors, including those related to the final acceptance and taking over of the works; (iv) review of monthly reports from supervision consultants; (v) advise on claims, variation orders, extensions of time and other contractual matters affecting the cost and/or the duration of the works; and (vi) review and acceptance of design work by consultants and monitoring of supervision consultants activities;
- XII. Oversee the establishment and maintenance of a central procurement filing system in the BRO, including complete documentation of the procurement process for contracts subject to the Bank post-review;
- XIII. Establish and maintain a detailed database of technical specifications, prices and other relevant information of major items procured; establish and maintain a database of suppliers and contractors qualified for procurement of goods, works and services under the shopping method;
- XIV. Carry out any other procurement and contract management related periodic duties requested by the PC.

Reporting

The PASC will report in all matters related to his duties to the PC. They will work closely with the Sr. Technical Officers at BRO offices and other staff responsible for project implementation.

Key Staff and Qualifications

- One Senior Procurement Specialist with Bachelor's Degree in one of the following: Engineering, Project Management, Finance and/or Business Administration. A master's degree in a relevant subject to the project activities would be an added advantage. At least 12 years of international working experience in progressively responsible

procurement functions, of which at least 5 years of international public procurement, including experience of World Bank procurement procedures and Guidelines.

- One Procurement Specialist with Bachelor's Degree in one of the following: Engineering, Accounting, Finance and/or Business Administration. A master's degree in a relevant subject to the project activities would be an added advantage. At least 8 years of international working experience in progressively responsible procurement functions, of which at least 3 years in international public procurement, including experience of World Bank procurement procedures and Guidelines.
- One Senior Civil Engineer with at least 12 years of international working experience in design, construction and/or supervision of transport infrastructure of which at least 5 years in construction management or supervision of roads and airports. Experience in bituminous pavement rehabilitation and construction of airport service buildings would be desirable.
- Short-term Specialists in procurement and disciplines related to the goods, works and services, including consulting services, to be procured.
- All positions require excellent writing and speaking communication skills in English. Knowledge of Farsi would be desirable.
- Total number of professional key staff-months required is estimated at about 92 staff-months.

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-6:

Procurement Plan

ATTACHMENT-6
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Procurement Plan

I. General

1. Project information:

Country: Iran
 Borrower: The Islamic Republic of Iran
 Project Name: BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
 Loan/Credit No.:
 Project Implementing Agency (PIA): Ministry of Interior; Ministry of Roads and Transport;
 Ministry of Information and Communication
 Technology ; and the Housing Foundation.

2. **Bank's approval Date of the procurement Plan** [Original: August 1, 2004; Revision-1: August 25, 2004]
3. **Date of General Procurement Notice:** July 28, 2004
4. **Period covered by this procurement plan:** First eighteen (18) months from effectiveness

II. Goods and Works and non-consulting services.

1. Prior Review Thresholds:

	Procurement Method	Prior Review Threshold	Comments
1.	ICB and LIB (Goods)	All contracts	
2.	NCB (Goods)	=>\$250,000 and the first two contracts <\$250,000	
3.	ICB (Works)	All contracts	
4.	NCB (Works)	=>\$500,000 and first two contracts <500,000	
5.	ICB (Non-Consultant Services)	NA	
6.	Shopping	First contract	
7.	Direct contracting (Goods and/or Works)	First contract of each category	

2. **Pre-qualification.** Bidders for work contracts estimated to cost US\$10 million equivalent or more shall be pre-qualified in accordance with the provisions of paragraphs 2.9 and 2.10 of the Guidelines.

3. **Proposed Procedures for CDD Components (as per paragraph. 3.17 of the Guidelines):**

a. *Not Applicable*

4. **Reference to (if any) Project Operational/Procurement Manual:**

a. *Not Applicable*

5. **Any Other Special Procurement Arrangements:**

a. *Not Applicable*

6. Procurement Packages with Methods and Time Schedule

1	2	3	4	5	6	7	8	9
Ref. No.	Contract (Description)	Estimated Cost (US\$ million)	Procurement Method	Pre qualification (yes/no)	Domestic Preference (yes/no)	Review by Bank (Prior / Post)	Expected Bid-Opening Date	Comments
A Component A: Provision of Construction Materials for Housing and Commercial Buildings-Goods								
1	Steel re-bars ø 8 mm	5.00	ICB	no	yes	prior	Aug-05	
2	Steel re-bars ø 12 mm, ribbed	10.16	ICB	no	yes	prior	Aug-05	
3	Structural steel – Lot 1	25.00	ICB	no	yes	prior	Sep-05	
4	Structural steel – Lot 2	25.00	ICB	no	yes	prior	Mar-06	
5	Structural steel – Lot 3	22.66	ICB	no	yes	prior	Sep-06	
6	Portland Cement – Lot 1	6.00	ICB	no	yes	prior	Sep-05	
7	Portland Cement – Lot 2	5.09	ICB	no	yes	prior	Jan-06	
8	Portland Cement – Lot 3	6.00	ICB	no	yes	prior	Apr-06	
9	Portland Cement – Lot 4	5.09	ICB	no	yes	prior	Sept-06	
Component A: Provision of Construction Equipment-Goods								
10	Wheel Loaders	5.55	ICB	no	yes	prior	Nov-05	
11	Dump trucks (6x4) Lot 1	17.00	ICB	no	yes	prior	Dec-05	One bid with Lot 2
12	Dump trucks (4x2) Lot 2	6.86	ICB	no	yes	prior	Dec-05	One bid with Lot 1
13	Transit Mixers (6x4)	4.19	ICB	no	yes	prior	Jan-06	
14	Wheel Excavators	1.50	ICB	no	yes	prior	Mar-06	
15	Motor graders	1.50	ICB	no	yes	prior	Apr-06	
16	Pick Up trucks	1.35	ICB	no	yes	prior	Feb-06	
17	Stone crushing plant	0.82	NCB	no	no	prior	Nov-05	
18	Concrete batching plant	0.23	NCB	no	no	prior	Nov-05	
19	Quality Control equipment	1.00	ICB	no	yes	prior	Feb-06	
B Component B: Repair of the Transport Infrastructure – Works								
1	Airport pavement rehabilitation (incl. Helipad)	2.43	NCB	no	no	prior	Aug-06	
2	Airport buildings	1.37	NCB	no	no	prior	Aug-06	
3	Repair of the Kerman-Bam Highway-Lot 1	11.00	ICB	Yes	no	prior	Oct-06	Slice and package with Lot 2
4	Repair of the Kerman-Bam Highway-Lot 2	10.00	ICB	Yes	no	prior	Oct-06	Slice and package with Lot 2
5	Repair of the Village streets-Lot 1	1.00	NCB	no	no	Prior	May-06	
6	Repair of the Village streets-Lot 2	1.05	NCB	no	no	prior	May-06	
Component B: Repair of the Transport Infrastructure – Goods								
7	Communication and ATC equipment	0.06	IS	no	no	post	Oct-06	
8	Fire fighting truck	0.24	NCB	no	no	prior	Dec-06	
C Component C: Repair of the Telecommunications Infrastructure – Works								
1	Reconstruction of the Telecommunications buildings	2.20	ICB	No	No	Prior	Oct-06	Project completion: Dec.06
Component C: Repair of Telecommunications Infrastructure – Goods								
2	Repair of the transmission networks	7.10	ICB	No	No	Prior	Oct-06	Projected completion: Jun. 07
3	Expansion of Mobile and Data Services	2.00	ICB	No	No	Prior	Dec-06	Projected completion: Feb.06
D Component D: Improved Earthquake Preparedness in the Province of Kerman and the District of Bam – Works								
4	Structural retrofitting	5.00	ICB	no	no	Prior	Jun-07	
Component D: Improved Earthquake Preparedness in the Province of Kerman and the District of Bam – Goods								

Ref. No.	Contract (Description)	Estimated Cost (US\$ million)	Procurement Method	Pre qualification (yes/no)	Domestic Preference (yes/no)	Review by Bank (Prior / Post)	Expected Bid-Opening Date	Comments
1	Firefighting trucks	1.40	ICB	no	no	prior	Aug-05	
2	Ambulances	0.40	ICB	no	no	prior	Nov-05	
3	Rescue cars	0.20	ICN	no	no	prior	Nov-05	
Component E: Project Management and Technical Assistance - Goods								
1	BRO office equipment	0.20	NCB				Mar-05	
2	BRO office running cost	1.40	NCB				Mar-05	

1. **Prior Review Threshold:** Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

	<i>Selection Method</i>	<i>Prior Review Threshold</i>	<i>Comments</i>
1.	Competitive Methods (Firms)	=> \$100,000	
2.	Single Source (Firms)	All selection decisions	
3.	Individuals	= > \$40,000 All contracts	
4.	Individuals	< \$40,000 Only TOR	

2. **Short list comprising entirely of national consultants:** Short list of consultants for services, estimated to cost less than \$200,000 equivalent per contract, may be comprised of entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

3. **Any Other Special Selection Arrangements:** NA

4. **Consultancy Assignments with Selection Methods and Time Schedule**

1	2	3	4	5	6	7
Ref. No.	Description of Assignment	Estimated Cost (US\$ million)	Selection Method	Review by Bank (Prior / Post)	Expected Proposals Submission Date	Comments
Component-B						
	• Airport Design and Supervision	0.33	QCBS	Prior	Oct-05	
	• Highway Design and Supervision	1.70	QCBS	Prior	Aug-05	
	• Village Streets Design and Supervision	0.14	QCBS	Prior	Jun-05	
Component-C						
	• Design and supervision of local switching stations installation	0.50	QCBS	Prior	Jan-05	As turn-key with works and goods
	• Supervision of rehabilitation works of principle centers in Bam and Baravat	0.15	QCBS	Prior	Nov-05	As turn-key with works and goods
	• Design for GSM networks expansion works in rural areas	0.15	QCBS	Prior	Nov-05	As turn-key with works and goods
Component-D						
	• Risk Assessment, Design and Supervision	3.00	QCBS	Prior	Jun-06	
Component-E						
	• BRO Staffing (Individuals)	1.50	Section V		Jan 05	

	• Procurement Advisory Services	2.75	QCBS	Prior	Dec-04	
	• Monitoring Advisory Services	1.20	QCBS	Prior	Dec-05	
	• Technical Advisory Services	0.75	Section V		Jan-05	

IV. Implementing Agency Capacity Building Activities with Time Schedule

1. In this section the agreed Capacity Building Activities (some items could be from CPAR recommendations) are listed with time schedule

No.	Expected outcome / Activity Description	Estimated Cost	Estimated Duration	Start Date	Comments

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-7:

Disbursement and Financial Management Arrangements

ATTACHMENT-7:
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Disbursement and Financial Management Arrangements

1. Disbursement Arrangements.

The Loan will be disbursed over a period of four years. Managing the project funds and all related financial transactions, including preparation and submission of disbursement applications will be the responsibility of the FMU reporting to the BGPTF. Payments made for expenditures prior to the Loan signature date but after August 25, 2004 in an aggregate amount not to exceed the equivalent of US\$ 40,000,000 will be reimbursed to the Government upon presentation of a withdrawal application.

The allocation of Loan proceeds by expenditure category are summarized in Table-1 below:

Table-1: Allocation of Loan Proceeds

	Category	Amount of the Loan Allocated (Expressed in US Dollars)	% of Expenditures to be Financed
(1)	Civil works	25,540,000	75%
(2)	Goods:		100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for items procured locally
	(c) for Parts A, B, C, and D of the Project	161,400,000	
	(d) for Part E of the Project	200,000	
(3)	Consultants' services and training:		88% of local expenditures for services of consulting firms and individuals domiciled within the territory of the borrower and 95% for foreign firms and individuals.
	(c) for Parts A, B, C, and D of the Project	5,250,000	
	(d) for Part E of the Project	5,650,000	
(4)	Fee	1,100,000	Amount due under Section 2.04 of the LA
(5)	Unallocated	20,860,000	
	TOTAL	220,000,000	

Documents for Withdrawals. The loan proceeds will be disbursed in accordance with the Bank's disbursement guidelines as outlined in the Disbursement Handbook. Transaction-based disbursement will be used and requests for payments from the loan account will be initiated through the use of Withdrawal Applications (WA) either for Direct Payments or for the replenishment of project SA. All WA will include the appropriate supportive documentation including detailed Statements of Expenditures (SOEs).

Use of Statements of Expenditures (SOEs). SOEs will be used for all expenditures for: (i) works under contracts costing less than US\$ 500,000 equivalent each; (ii) goods under contracts costing less than US\$ 250,000; (iii) services under consultant firms contracts costing less than US\$100,000 equivalent each and under individual consultant contracts costing less than US\$50,000 equivalent each; under such terms and conditions as the IBRD shall specify by notice to the Borrower.

SA. The SA will have an authorized allocation of US\$10 million and an initial deposit of US\$5 million, while the full allocation may be claimed when disbursements and special commitments reach US\$30 million. Replenishment of the SA would follow IBRD's procedures, and a bank's statement of SA transactions would support all replenishment applications. The minimum amount for applications regarding direct payments and special commitments would be 20% of the respective authorized allocations to the SA.

Independent auditor acceptable to the Bank will audit the SA statements annually and a separate opinion will be issued accordingly. The audit report should be submitted to the Bank for review no later than six months after the end of each project fiscal year.

2. Financial Management

Overall Arrangements. The IBRD Loan will be provided to the Islamic Republic of Iran who will allocate the loan proceeds, on grant basis, to the HF and the respective Government agencies. The following legal documents define the overall arrangements with regards to the financial management:

- Presidential Decree establishing the "Bam Guidance and Policy Task Force (BGPTF)", an inter-ministerial committee chaired by the Minister of Housing and Urban Development. The decree mandates the BGPTF with the same level of decision-making authority as the Cabinet until the post-earthquake reconstruction is declared as completed.
- Budget addendum No. 16. that provides the above-mentioned BGPTF with the budgeted financial resources to achieve its mandate. It authorizes it to manage the flow of funds for all reconstruction activities in all sectors².

Considering the above framework, financial management functions will be centralized at the Financial Management Unit (FMU) that will be established in parallel with the BRO and will be located at the HF. Reporting to the BGPTF, the FMU will be responsible for financial management and project disbursements while procurement and contract award will be carried out by the respective implementing agencies assisted by BRO.

Control Environment. All payments, under the project, will be subject to Government controls and regulations and will be complemented by the BRO approval of all invoices and the engagement of an independent external auditor to perform year end audits. The Government controls are applied through the MPO; the MOEAF; and the Diwan Mouhassaba (DM).

² The current regulations do not allow a unique financial envelope for a multi-sectoral program and that the flow of funds should be managed per sector. Given this understanding, the mission notes that the arrangement on BPGTF is a special arrangement for Bam.

The project budget is allocated by the MPO, budget expenditure controls are implemented by the MOEAF through the provision of funds and payments approval. The DM applies post-reviews on transactions made to confirm compliance with the budget and other applicable laws. Approval of invoices will be carried out by the MOI, HF and by the BRO. An external independent auditor will perform yearly audits on the project financial statements.

Budget Accounts: Two project accounts were established by the MPO and a framework agreement, detailing the flow of funds and project implementation arrangements, will be signed between the MPO and the BGPTF once the loan is declared effective. The loan proceeds and the counterpart funds will be allocated to those two accounts during project implementation. All payments under the project will be charged to those accounts. These will be reconciled on monthly basis with the parallel accounting system that will record the project financial transactions and provide periodical detailed reports.

Accounting System: To ensure timely project monitoring reports under project implementation, the FMU will seek the services of a full time accounting consultant³ who will report directly to the MOEAF Financial Controller located at the FMU. The accounting consultant will be responsible for the installation and operation of the accounting system. The accounting system will reflect the separate project activities, by sector and categories indicating the source of financing. An accounting system is currently being developed under a different Bank financed project and will be used under this project to generate the required financial reports.

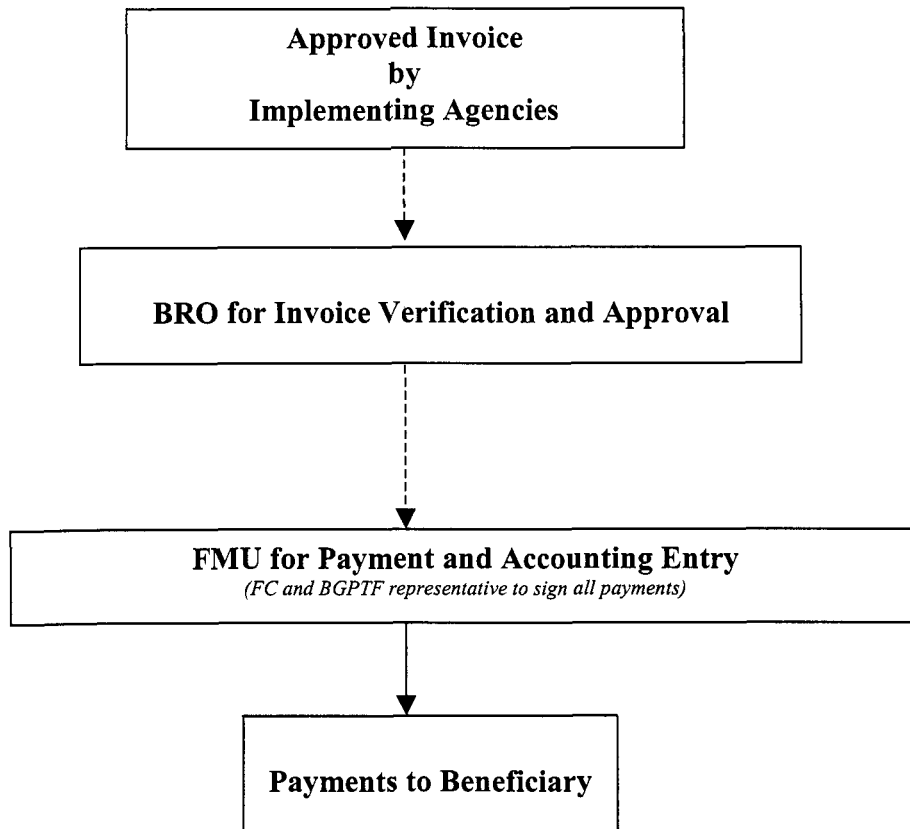
Flow of Information: While the project will be implemented by different implementing agencies, the accounting system will be managed by the FMU in Tehran. Each implementing agency will provide, on a monthly basis, the necessary data on implementation progress and the overall financial situation under the project. The data submitted will be compile in the FMR and will include:

- List of all signed contracts, detailing the amounts paid to date and showing the disbursement forecast, under each, for the coming six months;
- The activities that will be committed (contracts to be signed) during the next six months and the disbursement forecast under each;
- Physical progress report detailing the progress of the activities being implemented.

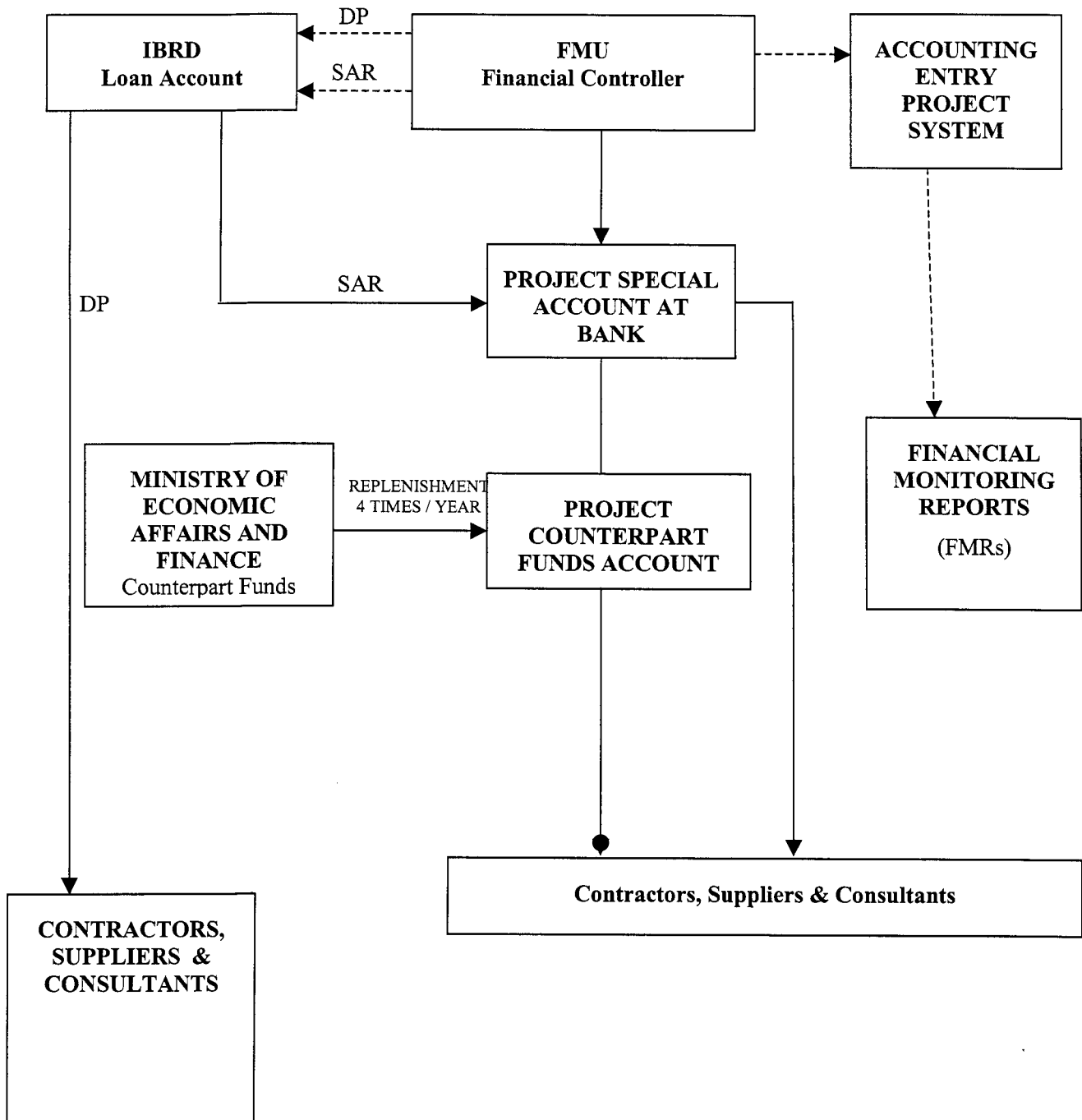
Processing of Invoices. All payments under the project made from the SA will be issued through cheques signed by the: (i) MOEAF's Financial Controller (FC) located at the FMU; (ii) and by the Chairman of the BGPTF (i.e. the Minister of Housing and Urban Development) or any person he authorizes to sign on his behalf. This FC will be responsible for the project funds and for the management of the SA. The FMU will transfer funds from the loan account to the project's SA that will be opened at a commercial bank as per the Central bank instructions. He will be also responsible for requesting counter part funds from the MOEAF. Deposits and payments out of the SA will be made in accordance with the provision of the LA. The invoice processing chart and the cash and information flow chart are shown in Figure-1 and Figure-2.

³ If the workload justifies a second accountant will be hired at a later stage in the project life.

**FIGURE-1:
INVOICES PROCESSING CHART**



**FIGURE-2:
CASH & DOCUMENTS FLOW CHART**



DP : Direct Payment
 SAR : Special Account Replenishment
 - - - - : Document Flow
 _____ : Cash Flow

Reporting. Project reporting will be on quarterly and annual basis.

(a)- Quarterly reports will consist of:

- *Financial Reports:* Which set forth sources and uses of funds for the project, both cumulatively and for the period covered by said report, showing separately funds provided under the loan, and explains variances between actual and planned uses of such funds.
- *Physical Progress Reports:* Which will reflect the progress in project implementation.
- *Procurement Reports:* Which set forth the status of procurement under the Project and details the signed contracts values and amounts paid to date, including information on all authorized contracts variations.

These reports should be remitted to the Bank within 45 days from the end of the period. The format of the Financial Monitoring Reports (FMRs) was agreed upon during negotiations.

(b)- Annual reports will consist of Audited Project Financial Statements (PFS) to be submitted to the Bank. They include:

- Statement of sources and utilization of funds, indicating funds received from various sources;
- Appropriate schedules classifying project expenditures by activity and by implementing entity, showing yearly and cumulative balances;
- SA Reconciliation Statement reconciling opening and year-end balances;
- Statement of payments made using SOEs procedures as defined in the legal agreement.

Audit arrangements. The FMU will remit to the Bank not later than six months after the end of each year, the audit report of the project. The external audit report will encompass all project related activities and will be in accordance with internationally accepted auditing standards e.g., International Standards on Auditing (ISA). The annual audit report of the project accounts will include an opinion on the PFS and a separate opinion on the SA and payments made using SOEs procedures. In addition to the audit reports, the auditor will prepare a "management letter" identifying any observations, comments and deficiencies, in the system and controls, that the auditor considers pertinent, and will provide recommendations for their improvements. The selection of the external independent auditor and the Terms of Reference will be subject to the Bank's no objection, at least nine months prior to the end of the project fiscal year.

Risk Assessment. The following summarizes the risk assessment findings for the project:

	Risk	Comments
A- Inherent Risk		
1.Country Financial Management Risk	H	<ul style="list-style-type: none"> The CFAA report for The Islamic Republic of Iran has not been prepared.
2.Project Financial Management Issues	M to H	<ul style="list-style-type: none"> The Task Force through the FMU has not implemented Bank financed projects in the past and the systems in place are not capable to follow on the project activities and funds.
3.Counterpart Funds	L	<ul style="list-style-type: none"> MPO opened two accounts for the project within the FY 04 budget to facilitate flow of funds.
B- Overall Inherent Risk		
C- Control Risk		
1.Implementing entity	M to H	<ul style="list-style-type: none"> The Task Force through the FMU has not implemented Bank-financed projects in the past.
2.Funds Flow	L	<ul style="list-style-type: none"> The flow of funds requires the opening of the two accounts within the budget, MPO has approved this activity and has opened these accounts.
3.Staffing	H	<ul style="list-style-type: none"> An experienced accountant will be hired to follow on the project accounting while the Financial Controller will sign all project payments.
4.Accounting Policies and procedures	M	<ul style="list-style-type: none"> Upon finalizing the project's Financial Operations Manual, well-defined financial policies and procedures will be in place. However the control policies applicable to the public sector in Iran will be complemented by the BRO verification when used to follow on the project accounts.
5.Internal Audit		<ul style="list-style-type: none"> N/A
6.External audit	M	<ul style="list-style-type: none"> External audit will be carried out by an independent auditor acceptable to the Bank. There was no capacity assessment for the audit profession to determine capability to perform audits as per ISA
7.Reporting and Monitoring	H	<ul style="list-style-type: none"> The project accounting activities will be reported on the basis of the FMRs.
8.Information systems	M	<ul style="list-style-type: none"> This risk will be reduced through the installation of an accounting software that will follow-up on the project accounts and transactions
D- Overall Control Risk		
H		

Bank Supervision. Bank supervision will remain intensive initially in order to ensure that the systems to be in place and operational. Three full supervision missions are planned for the first year of implementation and two full supervision missions will be conducted each year in the field thereafter during which SOEs review and procurement post-reviews will be carried out. The first supervision mission following effectiveness will take the form of a launch workshop where a seminar on Bank rules, regulations and guidelines will be carried out. Bank supervision missions will consist of visits to the BRO, the FMU and the MPO to review financial management practices, budget accounts balances, procurement methods, payment procedures and documentation, in addition to field visits to the project sites and other agencies concerned.

Responsibility Matrix. Based on the outcomes of the above-mentioned risk assessment, the following Responsibility Matrix was agreed upon during project appraisal:

Responsibility Matrix

Process	Assignment of Responsibility		
	MPO	FMU	BRO
A. Project Approval and Insertion in the Development Budget			
1. Project Approval by the Task Force	X	X	X
2. Allocation of Budget Codes to the Project	X		
B. Expenditure Execution			
1. Budget Allocation (Availability of the Counterpart funds)	X and the MOEAF		
2. Determining (initiating) Expenditure		X	
3. Credit Commitment		X	
4. Incurring Expenditure and Verification of Delivery of Goods and Services			X
5. Liquidation of Commitment		X	
6. Signing Checks and/or Approving Payment Transfers		X	
7. Payment to the Supplier		X	
8. Request for Funds:			
a. Withdrawal Application (Foreign Currency)		X	
b. Counterpart Funds (Local Currency)		X	
9. Recording of Expenditure and Reporting			
a. For National Budget Purposes		X	
b. To meet the Bank's requirements		X	
c. Regular reconciliation between a. and b. above		X	
C. Control During Execution			
1. Pre-audit Verification and Due Diligence Functions for:			
a. Credit Commitment,		X	
b. Liquidation of Commitment		X	
1. keeping of Financial Records and Documents for			
a. Expenditures under the Loan		X (Copy)	
b. Expenditures of Counterpart funds, and Contributions.		X(Original)	

Process	Assignment of Responsibility		
	MPO	SAC (DM)	Independent Auditors
Control Subsequent to Execution			
1. A compliance audit of the budget execution for:	An overall review of project implementation (Not an audit)	Regular and the annual audits	Acceptable to the Bank, an annual audit of the PFS
a. Expenditures of Counterpart funds and contributions			
2. A financial audit of the project execution for:			
b. Expenditures under the Loan			

Next Steps

Process	Assignment of Responsibility		
	FMU	BRO	World Bank
Recruit an Accountant Officer		X	
Finalize the Project's Financial Manual	X		
Install Accounting System	X		
Provide Training Support to the FMU			X

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-8:

Summary of Social and Environmental Screening and Assessment Framework

ATTACHMENT-8
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Summary of Social and Environmental Screening and Assessment Framework

Objectives

The Social and Environmental Screening and Assessment Framework (SESAF) provides general guidelines, codes of practice and procedures that are to be integrated into the initial phase of the World Bank-supported emergency earthquake recovery project. It provides a framework for ensuring compliance with the World Bank's safeguard policies under current conditions in the Islamic Republic of Iran. Consistent with existing national legislation, the objectives of the SESAF are to ensure that activities carried out under the proposed recovery operations will address the following issues:

- Enhance positive social and environmental outcomes;
- Protect human health and welfare;
- Minimize environmental degradation as a result of individual sub-projects or their cumulative effects;
- Fairly compensate for any loss of livelihood; and,
- Minimize impacts on cultural property

General Principles

Recognizing the emergency nature of the proposed recovery operations, and the related need to provide emergency assistance, while at the same time ensuring due diligence in managing potential social and environmental risks, the SESAF is based on the following principles:

- To ensure the effective application of the World Bank's safeguard policies, the SESAF provides guidance on the approach to be taken during implementation for the selection and design of sub-projects, and the planning of mitigation measures.
- Resettlement issues are likely to be minimal as most reconstruction efforts are likely to take place *in situ*. In the event that involuntary resettlement is necessitated then detailed Resettlement Action Plans (RAP) will be developed in accordance with Operational Policy (OP) 4 will be prepared and based on the RAP, the project authorities will make every effort to minimize displacement and restore livelihoods.
- Environmental category 'A' sub-projects are not expected in the Project. But environmental screening will be carried out based on the checklist (see Attachment 1) to confirm this before obtaining approval for sub-project launch. If any do occur, Environmental Assessments (EAs) for specific sub-projects will be prepared during implementation. Corrective measures in the form of an Environment Management Plan (EMP) will be built into the emergency recovery project, in accordance with #13 of O.P. 4.01 and #5 of B.P. 4.01.
- The proposed emergency recovery operations will finance feasibility and detailed design studies for these investments when and if they should be envisaged. These will include social as well as environmental assessments as required by World Bank safeguard policies.
- Care will be taken to ensure that vulnerable sections of the population (particularly the poor, women, orphans, the elderly and the physically disabled) are included in project

design. Where employment opportunities are available within sub-projects, care will be taken to ensure that the affected populations can benefit. In all sub-projects, arrangements for ensuring effective consultations with and the meaningful participation of local communities (both male and female) will be made to elicit their different views and foster local ownership of the design.

- The SESAF will be disclosed in the offices of the concerned implementing agencies, in prominent public places locally, and in the World Bank InfoShop.

Project Description

The project objectives will be met through the five components that are described below:

- **Component-A- *Provision of Construction Material and Equipment for Housing and Commercial Buildings:*** This component will finance the procurement of: (i) construction material (steel bars, steel components for frames and Portland cement) for housing and commercial buildings; (ii) construction equipment; and (iii) design and supervision activities.
- **Component-B- *Repair of the Transport Infrastructure:*** This component will finance: (i) the rehabilitation and preventive works for the main highway linking Bam with the provincial capital city of Kerman; (ii) the rehabilitation and reconstruction of the Bam Airport facilities; (iii) the rehabilitation and paving of village streets ; and (iv) design and supervision activities.
- **Component-C- *Repair of the Telecommunications Infrastructure:*** This component will finance: (i) the repair and reconstruction of telecommunication center buildings; (ii) the reconstruction of the transmission networks; (iii) reconstruction and expansion of mobile and data services ; and (iv) design and supervision activities.
- **Component-D- *Improved Emergency Preparedness in the Province of Kerman and the District of Bam:*** This component will finance: (i) retrofitting works of strategic emergency response buildings in the Province of Kerman; (ii) the provision of emergency response vehicles for the District of Bam (fire fighting trucks and ambulances) to replace equipment lost during the earthquake ; and (iii) risk assessment and design and supervision activities.
- **Component-E- *Project Management and Technical Assistance:*** This component supports (i) project management through the establishment of the BRO; and (ii) technical assistance to the BRO, aiming at assisting project implementation and improving project management capacity through the procurement of consultants for Procurement Advisory Services, Monitoring Advisory Services and Technical Advisory Services.

Social and Environmental Screening and Assessment Framework (SESAF)

This SESAF has been developed specifically for the proposed sub-projects to ensure due diligence, to avoid causing harm or exacerbating social tensions, and to ensure consistent treatment of social and environmental issues by project authorities and those working for them. The purpose of this framework is also to assist the Project Implementing Agencies in screening all sub-projects for their likely social and environmental impacts, identifying documentation and preparation requirements and prioritizing investments.

OP. 4.01 Environmental Assessment. Most of the proposed sub-projects are likely to focus on the repair and structural reinforcement of damaged buildings, roads, Bam airport and telecommunication networks.

Considering the limited nature and scale of potential environmental impacts, most, if not all, of the proposed operations are likely to be classified as Category 'B' sub-projects. Therefore, for sub-projects with potential adverse impacts, a limited Environmental Assessment will be undertaken during project and will apply the following minimum standards during implementation:

- The inclusion of standard environmental codes of practice in the repair and reconstruction bid documents of all sub-projects;
- Review and oversight of any major reconstruction works by specialists;
- Implementation of socially and environmentally sound options for the disposal of debris; and,
- Provision of adequate budget and satisfactory institutional arrangements for monitoring effective implementation through the inclusion of an Environment Officer in the BRO .

The environmental guidelines are designed to provide guidance to the BRO and the implementation agencies on the procedures used to identify those investments that may induce negative environmental impacts. Guidance is given on the mitigation of negative environmental impacts that may accrue from sub-project construction. The guidelines are to be implemented during the application, screening, assessment, approval and execution of investments.

Under the BEERP most of the eligible investments will involve repair and structural reinforcement of transport facilities (airport buildings), public buildings (retrofitting works) as well as telecommunication networks and village streets in affected areas. Sewage treatment plants, solid waste equipment, waste disposal sites are not eligible for financing under the BEERP. All investments will be subjected to environmental screening and assigned to one of three categories (A, B, and C) depending on the magnitude and adversity of predicted environmental impacts. No BEERP investments are expected to be given a category 'A' classification. Most are expected to fall into category 'C' and will thus not require an environmental assessment. In most cases, any necessary impact mitigation will be inherent in standard engineering design and good construction practice. Investments considered to impose unacceptable negative environmental impacts will not be approved for financing.

OP 4.12 Involuntary Resettlement. The need for land acquisition or for involuntary resettlement in specific sub-projects will only be known during project implementation, when site-specific plans are available. Sub-projects will therefore be screened for applicability of the resettlement policy. Any sub-projects involving involuntary resettlement or land acquisition of more than 25 families will only be approved after the preparation of a Resettlement Action Plan (RAP) acceptable to the Bank. Several issues are likely to increase the complexity of land acquisition – the availability of reliable land records, the inability of people to document ownership, the demise of occupants and subsequent uncertainty about transfers of title. The Government has also agreed to implement the principles of full compensation and livelihood restoration for any Project Affected Person (PAP). This includes any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by the involuntary taking of land resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location, resulting in adverse impacts on the livelihood of such person, provided that such person should have before the occurrence of the Earthquake, either: (i) formal legal rights to land, including customary and traditional rights recognized under the laws of the Borrower; or (ii) claims to such land or assets, provided that such claims are recognized under the

laws of the Borrower, or become recognized through a process identified in the Resettlement Action Plan (RAP). The GOI will review relocations on a case-by-case basis and will provide information to the Bank about any secondary displacement that has occurred to date. The safeguards framework includes procedures for identifying eligible project affected people, calculating and delivering compensation, and mechanisms for dealing with grievances. It is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse social impacts, particularly as they affect poor and vulnerable groups.

OP 4.20 Indigenous Peoples. The five defining characteristics normally used to define indigenous peoples are inappropriate in Iran's case and positive discrimination in favor of any group on these grounds is likely to be counter-productive and to exacerbate divisions between communities. A vulnerability assessment will be built into the social assessments to be undertaken for cases at high risk in terms of social safeguard/protection, to ensure effective consultations with and culturally appropriate benefits to each of the vulnerable groups and will incorporate adequate measures to address such vulnerability in sub-project design.

OPN 11.03 Cultural Property. Sub-projects will be reviewed for their potential impact on cultural property, and clear procedures will be developed for the identification and protection of cultural property and will be included in standard bidding documents. Sub-project preparation may involve the identification of and assistance for the preservation of culturally important sites. If these opportunities occur, cultural property management plans will be prepared for these sub-projects.

OP 4.37 Safety of Dams. No dams will be repaired under the project.

Safeguard Screening and Mitigation. The selection, design, contracting, monitoring and evaluation of sub-projects will be consistent with the guidelines, codes of practice and requirements included as Attachments to the Social and Environmental Screening and Assessment Framework. These include:

- A list of negative characteristics rendering a proposed sub-project ineligible for support;
- A proposed checklist of likely social and environmental impacts to be submitted for each sub-project;
- A sample Environmental and Safeguards procedure for inclusion in the technical specifications of contracts;
- Procedures for the protection of cultural property, including chance discoveries;
- Relevant elements of the codes of practice for the prevention and/or mitigation of potential environmental impacts;
- Guidelines for land and asset acquisition, entitlements and compensation.

Responsibility for Safeguard Screening and Mitigation. Each implementation agency (Housing Foundation of Islamic Revolution, sector ministries and utilities represented at the provincial Government level) will be responsible for applying the safeguard screening and mitigation requirements as defined in the Framework to its own investments and will work closely with the BRO and the Department of Environment. The BRO will be responsible for close coordination with the implementation agencies in order to ensure compliance by the implementation agencies with the safeguard requirements as defined in the framework.

Capacity-Building and Monitoring of Safeguard Framework Implementation. Technical assistance services will be mobilized under the Project Management Component of the Project to

provide guidance and review of the application of the SESAF. As part of the technical assistance, the BRO, together with relevant staff of the implementation agencies will receive training in SESAF's application. During supervision of the project, the World Bank will assess the implementation of the SESAF, and recommend additional strengthening if required.

Consultation and Disclosure. The Government of Islamic Republic of Iran will publicly disclose the SESAF. It will be disclosed in Farsi by the BRO on behalf of the Government of the Islamic Republic of Iran, both nationally and locally. It will also be made available to the public at the BRO offices, and at the World Bank's InfoShop. Relevant project specific safeguards documents/mitigation plans subsequently prepared will also be disclosed and be publicly available to local citizens. The implementing agencies will consult project-affected people, local government and non-government organizations on the project's social and environmental aspects, and will take their views into account during preparation of sub-projects. The implementing agencies will initiate these consultations as early as possible to solicit the effective participation of the local population in its activities wherever appropriate. The implementing agency will also provide relevant materials in a timely manner prior to consultations, in a form and a language that are understandable and accessible, to ensure that meaningful consultations can take place and that relevant information is available to concerned citizens. Draft reports and plans will be made available to project-affected groups and to local civil society organizations and will normally be considered to be in the public domain.

**ISLAMIC REPUBLIC OF IRAN
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT**

ATTACHMENT-9:

Documents in the Project Files

ATTACHMENT-9
BAM EARTHQUAKE EMERGENCY RECONSTRUCTION PROJECT
Document in the Project Files

A. Project Implementation Plan

B. Bank Staff Assessments

- (a) Damage Assessment Report, February 2004
- (b) Procurement Capacity Assessment, March & June 2004
- (c) Financial Management Capacity Assessment, June 2004
- (d) Rapid social assessment, prepared by David Marsden, Lead Social Development Specialist, March 2004

C. Others

- (a) Mission report: Review of Urban Development Master and Detailed Plans, Danielle Pini, Ph.D., April 2004
- (b) Bam Earthquake Emergency Reconstruction Project, Structural Analysis, Dr. Haluk Sucuolu (Middle Eastern University, Ankara, Turkey), March 2004.