

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	ECUADOR/CAN - Andean Group
▪ TC Name:	Design of the National Program of Investments in Water and Sanitation
▪ TC Number:	EC-T1456
▪ Team Leader/Members:	GRAU BENAIGES, JAVIER (INE/WSA) Team Leader; MACHADO, KLEBER B. (INE/WSA) Alternate Team Leader; ORELLANA AREVALO, EDGAR R. (INE/WSA); OYAMADA KROUG, JORGE RUBEN (INE/WSA); GARCIA MERINO, LUCIO JAVIER (INE/WSA); SANCHEZ MALDONADO, ALEXANDRA (CAN/CEC); CLAUDIA PREHN (INE/WSA); SERGIO LEE (INE/WSA)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Investment Program in Water and Sanitation in Ecuador - EC-L1283
▪ Date of TC Abstract:	16 Mar 2023
▪ Beneficiary:	Ecuador, Banco de Desarrollo del Ecuador (BDE)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$150,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Not applicable
▪ Prepared by Unit:	INE/WSA - Water & Sanitation
▪ Unit of Disbursement Responsibility:	CAN/CEC - Country Office Ecuador
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Institutional capacity and rule of law; Environmental sustainability

II. Objective and Justification

- 2.1 The objective is to support the Ecuador Development Bank (BDE) and the decentralized autonomous governments and their public utilities, including rural providers, in preparing new investment projects to ensure proper supply of water, sanitation and solid waste services, with an emphasis on areas with high levels of malnutrition.
- 2.2 The Government of Ecuador (GOB) has requested assistance in improving access to water and sanitation in urban, peri-urban and rural areas. A request for a US\$ 120 million loan has been requested to the IDB. In order to prepare the operation, the Banco de Desarrollo del Ecuador (BDE) requires complementary designs of water and sanitation investments in beneficiary areas. In addition to this, there is a need to strengthen the contract administration, supervision and engineering capabilities of the BDE in order to ensure proper execution of investments by the Gobiernos Autónomos Descentralizados (GADs).

III. Description of Activities and Outputs

- 3.1 **Component I: Preparation of designs for Civil Works.** Under this component, studies to complete and review the designs for civil works in beneficiary towns and rural areas will be conducted to ensure that the designs meet the IDB requirements as well as the requirements of the Ministry of the Environment, Water and Ecological Transition (MAATE). Environmental and social analysis will be developed for projects to be financed under the investment operation.
- 3.2 **Component II: Institutional Strengthening of the Banco de Desarrollo del Ecuador (BDE).** Under this component, consultancies to strengthen the capacity of the BDE to support the beneficiary municipalities will be conducted. These consultancies will support the monitoring and supervision capabilities of the BDE as well as in contract administration by the BDE and beneficiary municipalities.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Preparation of designs for Civil Works	US\$100,000.00	US\$0.00	US\$100,000.00
Institutional Strengthening of the Banco de Desarrollo del Ecuador (BDE)	US\$50,000.00	US\$0.00	US\$50,000.00
Total	US\$150,000.00	US\$0.00	US\$150,000.00

V. Executing Agency and Execution Structure

- 5.1 The IDB will be the executing agency for this Technical Cooperation. The IDB will assist the Banco de Desarrollo del Ecuador (BDE) in reviewing and completing designs for investments projects in beneficiary areas. The IDB will also provide training for the BDE on contract administration and on monitoring and supervision to improve BDE's capacity to properly support the beneficiary GADs in the execution of projects.
- 5.2 The Water and Sanitation Division will be the Executing Agency for this Technical Cooperation. The WSA team based in Ecuador, with support from the WSA team in headquarters, will be in charge of procurement of the different activities to be financed under this TC.

VI. Project Risks and Issues

- 6.1 The main risk under this TC is related to the the need to ensure appropriate coordination among key government agencies in order for the selected projects to be designed under this TC to become eligible under the current requirements by the MAATE and other agencies in charge of approval of investment projects. The interventions proposed in this TC would require proper coordination among various agencies within the Government of Ecuador. In order to mitigate this risk, the WSA team in Ecuador will ensure proper coordination between the BDE, MAATE, and the regulator for water and sanitation services (ARCA) in order to ensure that the selected projects receive the technical viability by the Government of Ecuador.

VII. Environmental and Social Classification

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