

PUBLIC
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

COLOMBIA

**COMPREHENSIVE DEVELOPMENT OF URBAN WATER AND SEWERAGE
COMPANIES IN COLOMBIA**

(CO-T1457)

TECHNICAL COOPERATION DOCUMENT

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TECHNICAL COOPERATION DOCUMENT

I. BASIC INFORMATION

| | |
|---|---|
| ▪ Country/Region: | Colombia |
| ▪ TC Name: | Comprehensive Development of Urban Water and Sewerage Companies in Colombia |
| ▪ TC Number: | CO-T1457 |
| ▪ Project Team Leader/Members: | María del Rosario Navia (INE/WSA) Project Team Leader; Manuel José Navarrete (WSA/CCO) Project Team Co-leader; Corinne Cathala, Celia Bedoya, Miguel Campo, Keisuke Sasaki, Irene Cartin, William Carrasco, and Federico Pérez (INE/WSA); José Luis Alba (CAN/CCO); Edgar Orellana (CAN/CPE); Taos Aliouat (LEG/SGO); Miguel A. Orellana and Eugenio Hillman (FMP/CCO); Heleno Barbosa (ORP/PTR); and Claudia Ogliadoro (ORP/GCM) |
| ▪ Taxonomy: | Client support |
| ▪ TC Abstract authorization date: | N/A |
| ▪ Beneficiary: | Colombia |
| ▪ Executing agency: | Inter-American Development Bank |
| ▪ Donors providing financing: | Swiss government, through the State Secretariat for Economic Affairs (SECO) |
| ▪ IDB financing requested: | US\$15.5 million |
| ▪ Local counterpart, if any: | N/A |
| ▪ Disbursement period: | 60 months |
| ▪ Required start date: | 7 August 2017 |
| ▪ Types of consultants: | Individual consultants and consulting firms |
| ▪ Unit responsible for preparation: | Water and Sanitation Division (INE/WSA) |
| ▪ Unit responsible for disbursement: | Energy Division (INE/INE) |
| ▪ TC included in Country Strategy (y/n): | Yes |
| ▪ TC included in CPD (y/n): | No |
| ▪ Alignment with 2010-2020 Institutional Strategy Update: | (i) Social inclusion and equality; (ii) productivity and innovation; and (iii) economic integration |

II. TC OBJECTIVES AND RATIONALE

- 2.1 The general objective of this technical cooperation operation (TC) is to finance a program that improves the performance of water and sanitation (W&S) companies in Colombia, in terms of service quality and financial sustainability. This would be achieved through attainment of the following specific objectives: (i) help at least 10 urban W&S companies improve their management capacity in terms of service quality, financial sustainability, enhanced organizational capacity, and continuous improvement processes; (ii) use AquaRating¹ as a baseline to determine the current status of W&S companies and identify potential opportunities for improvement, and, based on the results of the assessment, identify short- and medium-term actions aimed at improving the companies' performance, with special emphasis on their corporate development; and (iii) promote sector dialogue involving different entities in the sector.
- 2.2 In Colombia, 97.7% of people in urban areas have access to water services. When the quality parameter is included, that percentage is slightly lower (94%). These areas have a sanitation coverage rate of 92.3%.² Although coverage rates are high, W&S companies face significant challenges in terms of service management and quality and financial sustainability.
- 2.3 According to the 2014-2018 National Development Plan, these challenges are driven by: (i) deficient sector planning processes, which do not allow adequate targeting of investments; (ii) water and sewerage service delivery methods that are not economically, financially, environmentally, and socially sustainable, thereby impeding any improvement in coverage, quality, and continuity indicators; and (iii) service delivery risks associated with the environmental sustainability of water resources. In addition, an information system is needed that will ensure access to complete, reliable, and timely information to serve as a basis for setting policies related to public utility services and proper implementation of planning, regulatory, oversight, and control functions for such services.³
- 2.4 An analysis of a representative sample of urban W&S companies⁴ found that the primary causes affecting service management, quality, and sustainability are related to high unaccounted-for water rates,⁵ service continuity,⁶ complaint management,⁷

¹ AquaRating is an impartial, universal international standard for rating water and sanitation service providers, developed by the Inter-American Development Bank in collaboration with the International Water Association, (IWA), to evaluate the overall status of the companies and identify their main opportunities for improvement in eight rating areas that cover their entire value chain. AquaRating is now being implemented in various countries in the region, including Colombia, Mexico, El Salvador, Argentina, and Jamaica, as well as in countries like Spain, Fiji, and Sierra Leone.

² Departamento Administrativo Nacional de Estadística [National Administrative Department of Statistics].

³ Informe Sectorial de los Servicios Públicos Domiciliarios de Acueducto y Alcantarillado [Sector Report on Public Water and Sewerage Companies]. 2015 <http://www.superservicios.gov.co/content/download/11224/91303>.

⁴ Idem.

⁵ The unaccounted-for water rate averages 43%, and more than 70% in some cities. That rate is calculated as water invoiced/water produced.

⁶ The continuity index ranges from 8.9 to 24 hours.

⁷ The average complaint rate is 12.7 per 1,000 users.

collection efficiency, micrometering,⁸ and the EBITDA margin.⁹ In addition, through the technical cooperation projects “Support for Implementation of AquaRating” (RG-T2456) and “Support for the Water and Sanitation Sector through the Application of AquaRating in Colombia” (CO-T1417), the AquaRating tool is being used in five W&S companies in Colombia.¹⁰ A preliminary analysis of results found shortfalls in the areas of environmental sustainability, operations management, service access management, financial sustainability, and efficiency in investment planning and execution. It also flagged low levels of energy efficiency and confirmed high levels of unaccounted-for water.¹¹

- 2.5 **Institutional framework and program regulations.** Law 142 of 1994 (the Public Utilities Act) establishes guidelines for the delivery of public services and how policy, regulatory, control, oversight, and delivery functions are distributed. Public policy-making and technical regulation of the sector are the responsibility of the Ministry of Housing, Cities, and Territory (MVCT), complemented by the National Planning Department (DNP). Economic regulation is entrusted to the Water and Sanitation Regulatory Commission (CRA) with respect to rates, quality, and measuring the efficiency and performance of W&S companies. Control and oversight duties are performed by the Public Utilities Superintendency (SSPD). The municipios are responsible for ensuring the delivery of services through a W&S company, which may be public, private, or mixed. The sector also has a local development bank, Financiera de Desarrollo Territorial (FINDETER), which provides financing and technical support for regional development.¹²
- 2.6 Switzerland’s Cooperation Program for Economic Development, financed by the State Secretariat for Economic Affairs (SECO), provided a US\$15.5 million grant. This technical-cooperation operation, which will be supported by the grant, is aligned with SECO’s current economic cooperation strategy for Colombia covering the periods from 2013-2016 and 2017-2020, and with the general objectives of Swiss international cooperation for the same periods, particularly the goal of promoting “efficient institutions and services” and the line of action aimed at supporting the development and strengthening of “reliable basic public services.” This line of action under Switzerland’s Cooperation Program for Economic Development specifically stresses the importance of public utilities having a solid platform for comprehensive measurement of corporate governance and development.¹³
- 2.7 To complement this TC, operation CO-T1417 was approved for US\$600,000 from the AquaFund, the IDB’s principal TC financing mechanism for water and sanitation, with the support of SECO, the Swiss Agency for Development and Cooperation

⁸ Average micrometering rate is 79.8%.

⁹ The average is 28.46%. EBITDA: earnings before interest, taxes, depreciation, and amortization.

¹⁰ Ibagué, Neiva, Pasto, Popayán, and Villavicencio.

¹¹ Although these shortfalls have been quantified through the AquaRating score for each company, they are still preliminary figures and have not been discussed with the companies. The order that appears here highlights the most common deficiencies with the lowest AquaRating score.

¹² FINDETER lends to national public entities, private entities with their own assets, local and regional entities, and public utilities (public, private, or mixed).

¹³ The objective is to turn public utilities into self-financed, sustainable, and customer-oriented entities, by developing operations, financial management, human resources, and the organization and management of customer relations.

(COSUDE), and others. The support from operation CO-T1417 will finance the startup costs of this program, so that when this operation is approved, the Program Coordination Unit (PCU) will be partially set up, and five W&S companies will have started to use the AquaRating tool (see paragraph 3.1).

- 2.8 **Government strategy.** The government, through the National Development Plan, is planning the following actions: (i) consolidation of a water and sanitation business framework; (ii) creation of dynamics for generating economies of scale and reducing the high fragmentation of providers (primarily small companies) in order to optimize resources and investments; (iii) improvement of operating and commercial efficiency indicators in W&S companies to improve their cash flow and increase their ability to cover needed system investments; and (iv) increased access to finance for the companies based on conditions in the sector, with amortization periods that are comparable to investment recovery periods. In addition, the National Policy to Consolidate the Cities System in Colombia (PNCSC)—CONPES Document 3819 of 2014—focuses on urban improvement and the positive relationship between urban development and economic growth, innovation, competitiveness, and quality of life, as a result of agglomeration economies. The proposed action plan to meet the policy objectives is to implement a “sustainable vision and green growth,” including the formulation of an instrument to strengthen comprehensive and sustainable management of water and basic sanitation services.
- 2.9 **Strategic alignment.** This TC operation is aligned with the IDB’s Country Strategy with Colombia 2015-2018 (document GN-2832), which seeks to support areas to help Colombia become a high-income country, which requires addressing vulnerabilities that affect sustained growth, making institutions more productive, and achieving greater social mobility. The strategy identifies three main policy areas: (i) economic productivity; (ii) public management effectiveness; and (iii) social mobility and consolidation of the middle class. Regarding the last area, the strategy focuses on increasing equitable access to quality basic services and proposes making energy and water services more efficient and sustainable.
- 2.10 This TC is consistent with the 2010-2020 Institutional Strategy Update (document AB-3008) and is aligned with the following development challenges: (i) social inclusion and equality; (ii) productivity and innovation; and (iii) economic integration, given that the use of an innovative tool and approach will improve the quality and efficiency of water and sanitation services that are fundamental to the country’s development, and for improving the population’s living conditions in an equitable and inclusive manner.
- 2.11 This TC is also aligned with the Sustainable Infrastructure Strategy for Competitiveness and Inclusive Growth (document GN-2710-5), by helping to: (i) promote access to infrastructure services; and (ii) support the construction and maintenance of socially and environmentally sustainable infrastructure. It is also consistent with the dimensions for success of the Water and Sanitation Sector Framework Document (document GN-2781-3) regarding universal access and better quality services.

III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component 1. Assessment of urban public utilities using AquaRating¹⁴ (US\$10,500).** This component will cofinance, together with operations RG-T2456 and CO-T1417, the current use of AquaRating in five W&S companies.^{15,16} In addition, together with operation CO-T1417, it will finance the use of AquaRating in five additional W&S companies,¹⁷ which will be selected based on the eligibility criteria.¹⁸ As part of this component, individual consultants will verify the consistency of the information entered into the AquaRating system by those five additional W&S companies.¹⁹ With the five initial companies and the five additional ones, there will be a total of 10 W&S companies that have undergone the AquaRating self-assessment process, whose information has been verified and who will participate in the program (see paragraphs 2.4 and 2.7).
- 3.2 **Component 2. Formulation of strategic plans and technical proposals (US\$797,934).** This component will finance the formulation of strategic plans with a 10-year horizon in the 10 assessed W&S companies, dovetailing with the rate plan and including improvements in infrastructure, operating, organizational and commercial processes, and corporate governance. As outcomes of the strategic plans, technical proposals will be formulated that will contain high-impact short- and medium-term actions that could be immediately implemented, with a special emphasis on corporate development and management. The actions of the prioritized technical proposals will be financed under this operation (see paragraph 3.3). They will entail transformation processes that will be implemented from a technical standpoint and largely complemented by corporate development aspects. This component will finance the contracting of consulting firms specializing in strategic planning that will perform this work and use the analysis conducted in Component 1 as primary input. Since the nature of the actions to be carried out in Component 3 will only be known once progress has been made in this

¹⁴ The main activities associated with the use of AquaRating are: (i) self-assessment: the W&S companies upload information through the AquaRating platform; (ii) technical support provided by the AquaRating team during the self-assessment; (iii) checking data for consistency: the AquaRating team reviews the information entered into the system by the companies and generates a report with details on any anomalies or inconsistencies for each company; (iv) executive session following the self-assessment process: the AquaRating team and the company discuss any anomalies and inconsistencies encountered, which will be used by the company as a basis for correcting them and obtaining a validated rating; (v) audit: as an optional step, the company may request that an auditing firm accredited by AquaRating audit the information input into the system and issue a report; and (vi) certification: based on the audit, the company will receive an AquaRating certification.

¹⁵ Due to the approval dates of each operation.

¹⁶ In operations RG-T2456 and CO-T1417, AquaRating is already being used by five companies in Ibagué, Neiva, Pasto, Popayán, and Villavicencio (see paragraph 2.4 and footnote 12).

¹⁷ Operation CO-T1417 will finance the self-assessment and technical support, and the present operation will finance checking the consistency of the information and the executive session with these five additional W&S companies.

¹⁸ Eligibility criteria: (i) demonstrated interest and need to improve performance, and use of AquaRating as a tool for determining the baseline and the impact of the measures to be implemented; (ii) support of senior management for participating in the program; (iii) willingness to appoint a full-time coordinator to execute the program; and (iv) being part of the Sustainable and Flagship Cities Program is desirable.

¹⁹ The consultants have been working for AquaRating under operation CO-T1417, so they will be contracted for this component through direct selection.

Component 2, the preparation of the final terms of reference enabling the execution of Component 3 will be financed.

- 3.3 **Component 3. Implementation of technical proposals (US\$10 million).** This component will finance the activities resulting from a prioritization exercise carried out based on the technical proposals, leading to an improvement in the corporate performance and development of at least 10 W&S companies. These activities will be identified in detail as Component 2 progresses and may focus on one or more of the following areas:²⁰ (i) corporate development and capacity-building activities; (ii) operational improvement activities (i.e. design and implementation of apparent loss management plans, energy audits); (iii) purchase of software, adaptation, implementation and purchase of licenses; and (iv) investment in equipment to improve the operational management of the company. One of the objectives to be highlighted is capacity-building in the W&S companies in terms of employees and processes; accordingly, training workshops will be conducted to support the activities being carried out, in order to ensure their sustainability. This component will finance the contracting of consulting firms. The contracts entered into for this consulting work may include the purchase of goods, in accordance with Bank policies.
- 3.4 **Component 4. Closure and certification (US\$321,000).** A second use of AquaRating by the participating W&S companies will be financed to assess their performance and analyze the impact of the actions that were taken. This process involves a self-assessment of the company using AquaRating, verification of information, and an AquaRating audit. The audit process will end with the AquaRating Certification of each participating W&S company. Individual consultants will be contracted to verify the consistency of information. The audit must be conducted by an audit firm accredited by AquaRating.
- 3.5 **Component 5. Sector dialogue and strengthening (US\$830,956).** This component will finance activities to support the national government agencies in charge of the water and basic sanitation sector, to build their capacity and strengthen public policies related to improving the performance of W&S companies and their corporate development. These activities will focus on (i) studies and workshops that promote and provide input for the sector dialogue. A Sector Dialogue Advisory Committee will be formed that will decide on these activities (see paragraph 4.4); (ii) training for personnel in the various entities (MVCT, DNP, CRA, SSPD, and FINDETER) on subjects related to AquaRating, the evaluation of W&S company management, corporate development, and change management; and (iii) studies and activities aimed at institutional strengthening, e.g. for the Business Management Branch of the MVCT and FINDETER's Water and Basic Sanitation Office, to ensure the technical and financial continuity of AquaRating use and activities for improving the management of the W&S companies.
- 3.6 The estimated budget for the program financed by the Swiss government through the State Secretariat for Economic Affairs (SECO) is US\$15.5 million.

²⁰ For more details, see the annex [Potential activities to be carried out under Component 3](#).

Indicative Budget (US\$)

| Component | IDB/SECO | Local counterpart | Total financing |
|-------------------------------|-------------------|--------------------------|------------------------|
| Component 1 | 10,500* | 0 | 10,500 |
| Component 2 | 797,934 | 0 | 797,934 |
| Component 3 | 10,000,000 | 0 | 10,000,000 |
| Component 4 | 321,000 | 0 | 321,000 |
| Component 5 | 830,956 | 0 | 830,956 |
| Program Coordination Unit | 1,934,610 | 0 | 1,934,610 |
| Midterm and final evaluations | 80,000 | 0 | 80,000 |
| Contingencies | 750,000 | 0 | 750,000 |
| Management fee (5%) | 775,000 | 0 | 775,000 |
| TOTAL | 15,500,000 | 0 | 15,500,000 |

* The use of AquaRating is cofinanced with operation CO-T1417. The amount specified here is for checking the consistency of information and the executive session for five W&S companies, in accordance with Sections 2.7 and 3.2. See [Itemized Budget](#).

- 3.7 The program resources will be provided to the Bank through a project specific grant (PSG). The Bank will manage these operations in accordance with the contents of the “Report on COFABs, Ad-Hocs and CLFGs and a Proposal to Unify Them as Project Specific Grants (PSGs)” (document SC-114). The Bank will manage the resources for this program and will charge a nonreimbursable management fee equal to 5% of the SECO contribution. This fee will be distributed to the Bank’s offices that support management of the contribution and program execution, through a cost center.

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 It was agreed with the Colombian government that the five components of the program will be executed by the Bank, which will manage the SECO resources, since this program is derived from a Bank initiative and the IDB has extensive experience in the design and implementation of AquaRating. This will ensure fulfillment of the commitment to the donor to execute the program efficiently, while at the same time strengthening relations with sector entities and boosting their involvement in strategic decision-making on the program.
- 4.2 The TC will have a Program Coordination Unit (PCU) responsible for carrying out the program’s procurement, management and supervision processes. It will be located in Bogotá and will be comprised of a coordinator, a project management specialist, and three technical specialists familiar with the water and sanitation sector in the technical and engineering, corporate development, and commercial and financial areas. It will also use consultants for specific tasks ([see Execution Structure](#)). Three members of the PCU will be contracted initially with resources from operation CO-T1417 (paragraph 2.7). The PCU will be supervised by INE/WSA personnel,²¹ which will receive support from the Operations Financial Management and Procurement Services Office. The PCU will provide ongoing support for the

²¹ It is proposed that the disbursement unit be placed within INE/INE, since the team in charge of AquaRating works at Bank Headquarters, and this program is expected to generate lessons learned that can be incorporated in future cases where AquaRating is used.

- W&S companies and will visit and supervise their work and results throughout the program. Overhead costs include travel expenses for PCU members and IDB staff.²² All program documents and records, particularly those that support financial management, will be kept by the PCU. These documents and records will be sufficient to: (i) support activities, decisions and transactions related to the program, including all expenses incurred; and (ii) substantiate the correlation between expenses incurred and expenses charged to the program resources.
- 4.3 Program governance will be the responsibility of a Steering Committee comprised of the IDB, SECO, DNP, and MVCT. The committee's rules of procedure state that it will be chaired by the MVCT (see [Execution Structure](#)). The Steering Committee's main function is to supervise the execution of the program and provide strategic guidance to ensure attainment of the targets. In addition, it will approve the activities to be financed in Component 3, as well as the Advisory Committee's work plan. The Steering Committee will also be responsible for coordinating the preparation, execution, and monitoring of annual work plans and activities required for optimal program implementation.
- 4.4 For purposes of Component 5, in which activities will be carried out simultaneously with the execution of Components 1 through 4, the program will be supported by the Advisory Committee, which will also have its own rules of procedure (see [Execution Structure](#)). This committee will work to ensure the participation of all entities in the sector, to promote discussion and development of sector reforms that support better performance of the W&S companies.²³ Accordingly, it will be comprised of the IDB, SECO, MVCT, DNP, CRA, and SSPD as permanent members. FINETER and the Colombian Association of Public Utilities (ANDESCO) will be invited to specific meetings of this committee. Meetings will be held on a quarterly basis, but the Committee will be expected to continuously work together throughout the program.
- 4.5 The program's execution period is 54 months (see [timetable](#)). Goods, works, and consulting services will be procured in accordance with Bank policies. The activities to be carried out under this operation are included in the procurement plan (Annex II) and will be executed in accordance with the established procurement methods. For the procurement of goods, services, and software by consulting firms under Component 3, these firms will be acting as intermediaries, and any goods, services, and software they procure will be the property of the W&S companies.
- 4.6 INE/WSA will prepare semiannual reports on program progress for SECO. SECO's counterpart for monitoring activities will be SECO Bogotá. INE/WSA will conduct the

²² Under the Bank's Policy on Technical Cooperation (document GN-2470-2), the resources of this TC operation will not be used to supplement the budget of a Bank department or division for routine or customary activities. Costs associated with travel by Bank staff during program implementation are restricted to essential activities that are required to achieve its objective and enable the Bank to continue developing know-how during program implementation that could be replicated in other countries.

²³ Potential activities: design of a model for supervising and monitoring the performance of urban services, potentially using AquaRating as a tool to support this process; sector studies (potentially based on the information uploaded by the companies into the AquaRating platform) to strengthen or provide information for the regulatory framework and policies aimed at modernizing the sector; analysis of the economic and financial sustainability of the operators, including their access to capital and cost recovery markets; conducting studies to adapt the regulation to different contexts in the country (potentially based on information from utilities that use AquaRating); consulting for building the capacities of sector entities, inter-operability, information-sharing, and other tools; specific consulting to improve governance of the sector.

program's midterm and final evaluations. SECO will review the terms of reference for commissioning these evaluations. The content of these semiannual reports will be agreed upon with SECO. In principle, they will include: (i) the activities carried out during the period in question, progress made, problems encountered, and how to resolve them; (ii) review of the results matrix, annual work plan, procurement plan, multiyear execution plan, and risk analysis; and (iii) analysis of the Monitoring and Reporting System (SSPI). INE/WSA will also use the SSPI for reports submitted to the Bank.

- 4.7 Operating Regulations will be formulated to clarify the actors, processes, and functions for implementation of the program (see [draft Operating Regulations](#)).

V. MAJOR RISKS

- 5.1 The program's main risks are associated with the continuity of the program and/or its activities in each W&S company, as a result of changes in national or local governments, delays in the transition process, redirecting of priorities, changes in management, or a possible loss of commitment on the part of the utilities. To mitigate this risk, the program team will seek to involve the companies' senior management from the outset, including the CEO and operations personnel (who will receive training). In addition, each company will sign a letter of commitment with the IDB before the intervention begins. Different training, knowledge sharing, and discussion scenarios will also be retained at different levels, to ensure increasing knowledge about and interest in the program.
- 5.2 Several firms are expected to simultaneously provide consulting services during the execution of the program. To mitigate this risk, the PCU will include an individual contracted to monitor and track contracts on the administrative end, as well as three specialists in sectoral issues (see paragraph 4.2). In addition, during competitive bidding processes, contracts will be grouped to streamline contracting and monitoring.
- 5.3 Consulting contracts for implementing the technical proposals will likely involve purchasing software and certain goods. To ensure that the beneficiary of these items is not the consulting firm that purchases them but rather the W&S companies, the terms of reference for the contracts will require that the software or good be the property of the W&S companies.
- 5.4 Since the Bank is the executing agency, there is a risk that local capacities will not be strengthened. The mitigation measures pertain to the training activities mentioned in paragraph 5.1. In addition, specific types of support for institutional strengthening are included in Component 5.

VI. EXCEPTIONS TO BANK POLICY

- 6.1 No exceptions are required.

VII. ENVIRONMENTAL SAFEGUARDS

- 7.1 In accordance with the provisions of the Environment and Safeguards Compliance Policy (operational policy OP-703), this is classified as a Category “C” operation (see [Safeguard Screening Form/Safeguard Policy Filter](#)).

Required annexes:

- Annex I: [Results matrix](#)
- Annex II: [Procurement plan](#)

Required electronic links:

- [Client's letter of request](#)
- [Terms of reference](#)

Results Matrix

| Outcomes | | | | | | | | | | | |
|--|--|----------|-----------|---|------|------|--------|------|--------|-------|--------|
| Outcome | 1 The 10 selected water and sanitation companies improve their overall performance | | | | | | | | | | |
| Indicators | Unit of Measure | Baseline | Base Year | Means of Verification | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP |
| 1.1 The companies' score according to AquaRating improves as a result of the implementation and financing of action plans. | Companies | 0.00 | 2017 | AquaRating score | P | | | | | 10.00 | 10.00 |
| | | | | | P(a) | | | | | | 0.00 |
| | | | | | A | | | | | | |
| Outcome: | 2 AquaRating becomes the benchmark for evaluating the performance of water and sanitation services and provides key input for Colombia's strategic plans | | | | | | | | | | |
| Indicators | Unit of Measure | Baseline | Base Year | Means of Verification | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP |
| 2.1 Number of additional companies that request or participate in AquaRating | Companies | 0.00 | 2017 | Service provider request | P | | 1.00 | 2.00 | 4.00 | | 7.00 |
| | | | | | P(a) | | | | | | 0.00 |
| | | | | | A | | | | | | |
| 2.2 Leveraging of resources | US\$ | 0.00 | 2017 | Resources approved or allocated | P | | 100.00 | | 250.00 | | 350.00 |
| | | | | | P(a) | | | | | | 0.00 |
| | | | | | A | | | | | | |
| Outcome: | 3 Strengthening of sector institutions (Ministry of Housing, National Planning Department, SSPD, and CRA) to implement strategic sector reforms | | | | | | | | | | |
| Indicators | Unit of Measure | Baseline | Base Year | Means of Verification | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP |
| 3.1 Institutional reforms, guidelines, and regulatory improvements. | Reforms | 0.00 | 2017 | Documents accepted by sector institutions | P | | | | | 2.00 | 2.00 |
| | | | | | P(a) | | | | | | 0.00 |
| | | | | | A | | | | | | |

RF - Contribution

It was agreed that the indicator "Number of people with access to water and sanitation services" would be reported to SECO.

Outputs: Physical and financial progress

| 1 Assessment of urban public services through AquaRating | | | | | | Physical Progress | | | | | | | | | | Financial Progress | | | | | |
|--|--|-----------------|----------|-----------|--|-------------------|------|------|------|------|------|------|------|------|------------|--------------------|--------------|------|--------------|--|--|
| Output Indicator | Details associated with indicator | Unit of Measure | Baseline | Base Year | Means of Verification | 2017 | | 2018 | 2019 | 2020 | 2021 | EOP | 2017 | | 2018 | 2019 | 2020 | 2021 | EOP | | |
| 1.1 Consistency of information verified by AquaRating | | Reports | 0 | 2017 | Reports on AquaRating verification of consistency discussed with each service provider | P | | 5 | | | | 5 | P | | 10,500.00 | | | | 10,500.00 | | |
| | | | | | | P(a) | | | | | 0 | P(a) | | | | | - | | | | |
| | | | | | | A | | | | | | A | | | | | | | | | |
| 2 Formulation of strategic plans and technical proposals | | | | | | Physical Progress | | | | | | | | | | Financial Progress | | | | | |
| Output Indicator | Details associated with indicator | Unit of Measure | Baseline | Base Year | Means of Verification | 2017 | | 2018 | 2019 | 2020 | 2021 | EOP | 2017 | | 2018 | 2019 | 2020 | 2021 | EOP | | |
| 2.1 Institutional development plans designed | Strategic plans and technical proposal | Plans (#) | 0 | 2017 | Reports on strategic plans and technical proposals | P | | 5 | 5 | | | 10 | P | | 398,967.00 | 398,967.00 | | | 797,934.00 | | |
| | | | | | | P(a) | | | | | 0 | P(a) | | | | | - | | | | |
| | | | | | | A | | | | | | A | | | | | | | | | |
| 3 Implementation of technical proposals | | | | | | Physical Progress | | | | | | | | | | Financial Progress | | | | | |
| Output Indicator | Details associated with indicator | Unit of Measure | Baseline | Base Year | Means of Verification | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP | | |
| 3.1 Institutional development plans implemented | Prioritized actions from technical proposals | Plans (#) | 0 | 2017 | Consultant and beneficiary W&S company reports | P | | | | 5 | 5 | 10 | P | | | 6,250,000.00 | 3,750,000.00 | | 9,500,000.00 | | |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | - | | |

Please note that the Overall Stage represents the stage of the operation at the time of this report's publication, which might not necessarily match the stage of the operation during the PMR Cycle to which the report pertains.

| | | | | | | | | | | | | | | | | | | | | |
|---|--|--------------------------|----------|-----------|--|-------------------|------|------|------|------|-----|------|------|------|------------|--------------------|------------|------------|------------|---|
| 3.2 Training workshops | Training workshops for the W&S companies | Workshops (#) | 0 | 2017 | Consultant and beneficiary W&S company reports | A | | | | | | | A | | | | | | | |
| | | | | | | P | | 2 | 2 | 2 | 1 | 7 | P | | 100,000.00 | 150,000.00 | 150,000.00 | 100,000.00 | 500,000.00 | |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | | - |
| | | | | | | A | | | | | | | A | | | | | | | |
| 4 Closure and certification | | | | | | Physical Progress | | | | | | | | | | Financial Progress | | | | |
| Output Indicator | Details associated with indicator | Unit of Measure | Baseline | Base Year | Means of Verification | 2017 | 2018 | 2019 | 2020 | 2021 | EOP | 2017 | 2018 | 2019 | 2020 | 2021 | EOP | | | |
| 4.1 Consistency of information verified by AquaRating | | Reports | 0 | 2017 | Reports on AquaRating verification of consistency discussed with each service provider | P | | | | 5 | 5 | 10 | P | | | | 10,500.00 | 10,500.00 | 21,000.00 | |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | - | |
| | | | | | | A | | | | | | | A | | | | | | | |
| 4.2 AquaRating audits and certification | | Report and certification | 0 | 2017 | AquaRating certification | P | | | | | 10 | 10 | P | | | | | 300,000.00 | 300,000.00 | |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | - | |
| | | | | | | A | | | | | | | A | | | | | | | |

| 5 Sector dialogue | | | | | | Physical Progress | | | | | | | Financial Progress | | | | | | |
|--|---|----------------------------|----------|-----------|---|-------------------|------|------|------|------|------|-----|--------------------|-----------|------------|------------|------------|-----------|------------|
| Output Indicator | Details associated with indicator | Unit of Measure | Baseline | Base Year | Means of Verification | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP | | 2017 | 2018 | 2019 | 2020 | 2021 | EOP |
| 5.1 Training workshops | | Workshops (#) | 0 | 2017 | List of attendees | P | 1 | 1 | 1 | 1 | | 4 | P | 31,161.00 | 31,161.00 | 31,161.00 | 31,161.00 | | 124,644.00 |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | - |
| | | | | | | A | | | | | | | A | | | | | | |
| 5.2 Diagnostic assessments and evaluations completed | Studies to provide input for the sector dialogue and strengthen sector institutions | Diagnostic assessments (#) | 0 | 2017 | Instruments approved by sector institutions on the Advisory Committee | P | | 1 | 1 | 2 | | 4 | P | | 207,739.00 | 207,739.00 | 207,738.00 | | 623,216.00 |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | - |
| | | | | | | A | | | | | | | A | | | | | | |
| 5.3 Policy dialogue events | | Events (#) | 0 | 2017 | Event proceedings | P | | 1 | 1 | 1 | 1 | 4 | P | | 20,774.00 | 20,774.00 | 20,774.00 | 20,774.00 | 83,096.00 |
| | | | | | | P(a) | | | | | | 0 | P(a) | | | | | | - |
| | | | | | | A | | | | | | | A | | | | | | |

SECO has requested that the "change processes and measures initiated or implemented" output be reported to it.

| Other Costs | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | Cost | |
|------------------------------|------|--------------|----------------|----------------|----------------|----------------|-----------------|--------------|------|--------------|------------|----------------|
| Program coordination unit | P | \$123,535.43 | | \$431,857.15 | | \$439,327.14 | | \$458,038.14 | | \$481,852.14 | | \$1,934,610.00 |
| | P(a) | | | | | | | | | | | \$0.00 |
| | A | | | | | | | | | | | |
| Midterm and final evaluation | P | | | | | \$40,000.00 | | | | \$40,000.00 | | \$80,000.00 |
| | P(a) | | | | | | | | | | | \$0.00 |
| | A | | | | | | | | | | | |
| Contingencies | P | | | | | | | | | \$750,000.00 | | \$750,000.00 |
| | P(a) | | | | | | | | | | | \$0.00 |
| | A | | | | | | | | | | | |
| Management fee | P | \$775,000.00 | | | | | | | | | | \$775,000.00 |
| | P(a) | | | | | | | | | | | \$0.00 |
| | A | | | | | | | | | | | |
| Total Cost | | | | | | | | | | | | |
| | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | Total Cost | |
| | P | \$929,696.43 | \$1,049,063.15 | \$7,336,033.14 | \$4,426,277.14 | \$1,758,930.14 | \$15,500,000.00 | | | | | |
| | P(a) | | | | | | | | | | | |
| A | | | | | | | | | | | | |

[illegible]

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/17

Colombia. Nonreimbursable Technical Cooperation ATN/_____
Comprehensive Development of Urban Water Supply and Sewerage Companies in Colombia

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank ("Bank"), or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreement or agreements as may be necessary with the Republic of Colombia, for the purpose of granting it a nonreimbursable technical cooperation for a sum of up to US\$15,500,000 chargeable to the resources granted by the Government of Switzerland, through the State Secretariat of Economic Affairs ("Donor"), pursuant to the agreement or agreements specified in paragraph 2 below, and to adopt any other measures as may be pertinent for the execution of the project proposal contained in document AT-_____.

2. Such nonreimbursable financing will be chargeable to the resources of the Project Specific Grant from the Donor, as per the terms of the Administrative Agreement executed between the Donor and the Bank on July 10, 2017.

(Adopted on _____ 2017)

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