

ARGENTINA

**STRENGTHENING OF THE SANITATION SERVICES
REGULATORY AGENCY IN THE PROVINCE OF SANTA FE**

(TC-96-09-18-4)

EXECUTIVE SUMMARY

EXECUTING AGENCY: Ente Regulador de Servicios Sanitarios [Sanitation Services Regulatory Agency] (ENRESS)

BENEFICIARY: Ministry of Works, Public Services, and Housing of the Province of Santa Fe

OBJECTIVE: Contribute to strengthening ENRESS so that it is capable of performing its functions effectively, particularly those set forth in the current regulatory framework.

DESCRIPTION: The program provides for the use of MIF resources to support execution of four components that would be carried out simultaneously: (i) design and implement information systems and methodologies to monitor and regulate service delivery by the concession holder – Aguas Provinciales de Santa Fe (APSF); (ii) design and implement development and training programs for ENRESS staff; (iii) provide technical assistance to help service providers outside the APSF concession area adjust to the regulatory framework; and (iv) set up customer service systems and design outreach programs.

FINANCING:

Modality:	Grant
Recipient:	US\$ 600,000
MIF:	<u>US\$ 600,000</u>
Total:	US\$1,200,000

IMPLEMENTATION SCHEDULE:

Execution period:	18 months
Disbursement period:	21 months

CESI APPROVAL: This document was approved by the CESI at its meeting of March 25, 1997.

FEASIBILITY AND RISKS: ENRESS is an agency that has difficulties fulfilling its regulatory functions properly. Its executive staff has expressed interest in increasing the agency's efficiency and active participation in the program by all staff members is expected.

Executive Summary

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**SPECIAL
CONTRACTUAL
CONDITIONS:**

Six months from the effective date of the agreement, the beneficiary will quantify the monitoring indicators for presentation to the Bank, so that program effectiveness can be ascertained.

**PROCUREMENT OF
GOODS AND
SERVICES:**

The Bank's procedures for procurement of goods and contracting of consulting services will be followed. No exceptions to the guidelines are anticipated.

I. COUNTRY ELIGIBILITY

- 1.1 On November 30, 1993, the Donors Committee declared Argentina eligible for all modalities of financing under the Multilateral Investment Fund (MIF).

II. BACKGROUND

A. The water supply sector in Santa Fe

- 2.1 Historically, water supply and sewerage services in Argentina were delivered by the public sector. In accordance with the new economic policy framework, the federal government decided to privatize the National Sanitation Works, the entity responsible for delivering water and sanitation services in the Buenos Aires metropolitan area. It has also encouraged similar efforts in this sector in the country's interior.
- 2.2 In November 1994, the Government of the Province of Santa Fe enacted Law 11,220, which established the legal framework for completing the transformation of the drinking water, sewerage, and sanitation sector. The law sets forth the terms, mechanisms, limits, and procedures for authorizing the activities of all of the service providers in the province.
- 2.3 The sector transformation plan called for the creation of an Ente Regulador de Servicios Sanitarios [Sanitation Services Regulatory Agency] (ENRESS) (sections 19 and 20, Law 11,220, see Annex II), which would be responsible for inspection and supervision of service providers. Its main activities include: (i) regulating and monitoring the quality of services provided in the province; (ii) protecting the interests of the community; (iii) approving rates and adjustments thereto; (iv) streamlining expropriation procedures necessary to expand services; and (v) monitoring compliance with applicable sector regulations. ENRESS was established as an autonomous provincial government entity, under the Province's Ministry of Works, Public Services, and Housing and is run by a five-member board of directors appointed by the governor and subject to approval by the provincial legislature. Currently, ENRESS employs 68 people and is funded by a surtax on the user rate (sections 27 and 28, Law 11,220, see Annex II). 1/
- 2.4 In accordance with the procedures set forth in provincial Law 11,220, in early 1995 the Ministry of Works, Public Services, and Housing, issued a call for the private sector to bid on

1/ Currently, only APSF users pay this surtax, which is equivalent to 4.92% of the cost of service.

concessions to deliver services to 15 districts by the Santa Fe Department of Sanitation (DIPOS) (section 33, Law 11,220, see Annex II), the public utility responsible for delivering water and sanitation services in the Province of Santa Fe. The concession was awarded for a 30-year period to a consortium under the name of Aguas Provinciales de Santa Fe (APSF), consisting of: Lyonnaise des Eaux S.A. (32.8 percent), Sociedad Comercial del Plata, S.A. (19.2 percent), Sociedad General de Aguas de Barcelona S.A. (16.4 percent), Banco de Galicia y Buenos Aires, S.A. (12 percent), Meller S.A. (9.6 percent), and DIPOS employees through an employee ownership program (10 percent).

- 2.5 On December 1, 1995, APSF began delivering services in the two largest cities in the province (Rosario and Santa Fe) and in 13 additional localities, comprising a 17,500-hectare area with a population of approximately 2,162,000, representing 77 percent of the province's total population (section 3, Law 11,220, see Annex II). 2/
- 2.6 APSF currently delivers services in conjunction with a network or more than 170 small independent operators, 110 of which are organized as service cooperatives. Approximately 74 percent of the province's population receives water supply services, while 30 percent receives sewerage services. It should be pointed out that the provincial government retains ownership of the assets in each case, and the scope of the regulations should be extended to apply to all service providers.
- 2.7 At the same time as APSF began to deliver services, ENRESS initiated its regulatory activities, although it was not prepared to play this role beforehand nor did it have a well-defined organizational structure. To overcome these drawbacks, the provincial government contracted a consulting firm to "set up, organize, and start up the regulatory agency." The firm spent one month on the initial task of strengthening the agency, which should be followed up. Despite the efforts made by the three directors appointed to date, ENRESS still lacks the capacity to perform the functions it has been assigned. Effective measures to strengthen the agency and provide staff training will therefore continue to be necessary.

B. The project's general framework

- 2.8 Given that the provinces are responsible for delivering sanitation services in their respective jurisdictions, the IDB has provided support for the development of these services through various projects. More recently, through the national water supply and

2/ The cities of Rosario and Santa Fe account for 53 percent of the province's total population. According to the 1991 census, total population was 2.8 million.

sewerage program (loans 621/OC-AR and 855/SF-AR), the Bank is cofinancing a comprehensive program in conjunction with the World Bank designed to make resources available to municipal and provincial water supply and sanitation services in order to improve their operating efficiency. This program, currently in the final stage of execution, included funding from the World Bank to upgrade operations of the former Santa Fe Department of Sanitation Works (DIPOS) before responsibility for delivering services was transferred to APSF, the concession holder. APSF continues to execute the projects approved. In addition, funds from the sixth stage of the water supply and sanitation program (Loan 857/OC-AR) will be used to finance works at 18 locations outside of the concession area.

- 2.9 On December 18, 1996, the Board of Executive Directors of the Bank approved two loans through the Private Sector Department to the concession holder (APSF) in the amount of US\$85 million to cover capital expenditures required by the master plan to improve and expand water and sanitation services as stipulated by contract for the years 1996-1998. The corresponding loan proposal highlighted the current risk involving the regulatory agency's insufficient institutional capacity and proposed to strengthen ENRESS through technical cooperation to be financed with MIF funds. The proposal contained herein addresses this concern.

III. THE PROJECT

A. Objectives

- 3.1 The Government of the Province of Santa Fe requests support from the MIF through its Technical Cooperation Facility to launch an 18-month program with the aim of strengthening the Regulatory Agency for Sanitation Services (ENRESS) so that it is capable of performing its functions effectively, particularly those set forth in the current regulatory framework.
- 3.2 Upon completion of the project, the regulatory agency is expected to have a greater capacity to execute the functions assigned to it by law, relying on trained staff and policy instruments to facilitate the performance of its regulatory functions with respect to all service providers, and particularly APSF.

B. Components

1. Information systems and methodologies for monitoring and regulating the concession contract
- 3.3 Objective: Provide ENRESS with the information tools and systems needed to verify compliance with the concession contract,

specifically those aspects related to: (i) compliance with the master plan to improve and develop water supply and sanitation services (PGMDS); (ii) adapting rates and the rate structure to legal and contractual provisions; and (iii) methodologies to analyze unexpected situations or situations that have not been clearly addressed in the law (sections 66, 81, 83, 87, and 88 of Law 11,220, see Annex II).

- 3.4 Expected outcomes: The development of information models and systems is expected to upgrade the capacity of ENRESS to request and analyze relevant information, shorten its response time to requests and approvals required by the concession holder, and gain the ability to assess in a timely fashion possible changes in compliance with the contract and the impact of these changes on cost indices, the PGMDS, and rate formulas and indices. The goal is to ensure greater transparency, precision, and certainty in ENRESS's activities and to establish its independence.

3.5 Specific tasks:

- a. Identify, compare, and select indicators to monitor the PGMDS and meet goals set forth in the contract, using as a reference the APSF concession contract and tender offer. This information will serve as a tool for assessing the impact of possible changes on relevant PGMDS parameters. Special emphasis will be given to the procedures set forth in Law 11,220, particularly in the analysis of the impact of infrastructure expenses with a view toward possibly renegotiating the investment goals set in the contract;
- b. Design financial and economic models to assess the rate structure and its effectiveness in encouraging efficient consumption, and to quantify implicit subsidies. Define specific procedures for analyzing the impact of changes in internal pricing, possible devaluations, and other external factors on the cost structure of the services;
- c. Identify the type and level of information disaggregation necessary for decision-making and design a management information system;
- d. Design a technical information system and economic and financial models to make projections allowing a sensitivity analysis under various hypotheses. Develop methodologies to assess marginal and fixed costs associated with expansion of the concession to unserved areas; and
- e. Define the scope of the environmental standards to be enforced by the regulatory agency with respect to EIAs and quality control, including the necessary coordination with environmental authorities at the provincial and federal levels (sections 17, 117, 118 and 122, Law 11,220, see Annex II).

2. ENRESS staff training and development program

- 3.6 Objective: Provide technical tools to train staff, taking into consideration the regulatory experiences of other countries and using technical assistance specialized in areas related to the day-to-day exercise of the regulatory function.
- 3.7 Expected outcomes: Creation of a team of regulators and technical and administrative support staff with the capacity to carry out their functions in accordance with modern guidelines and practices in the regulatory area.
- 3.8 Specific tasks:
- a. Conduct seminars and workshops geared to promoting internal discussion and to clarifying the agency's role, mission, immediate objectives, and priorities. Clarify the limits of the regulatory function with respect to APSF and other service providers in the province;
 - b. Train staff in the design and operation of tools and models developed to simulate and assess factors provided for in the regulatory framework as well as unexpected situations and in aspects of its role in the environmental area;
 - c. Train staff in specific aspects of regulatory management and concession monitoring through courses and visits to other national and foreign regulatory agencies.
3. Program for service providers outside the APSF concession area to adjust to the regulatory framework
- 3.9 Objective: Provide assistance to reach the technical and institutional agreements that provide for the delivery of services in localities not included in the concession, in the time period and within the limits set by Law 11,220 (sections 16, 20, 54, 65, 66, 68, 70, 84, and 98, Law 11,220, see Annex II).
- 3.10 Expected outcomes: Adjustment to applicable regulations on the delivery of services through negotiation and subsequent signing of concession contracts with existing service providers or through the selection of new concession holders.
- 3.11 Specific tasks:
- a. Adjust and complete the survey on technical, administrative, institutional, environmental, and socio-cultural factors for independent operators in order to define where strengthening measures are needed and how the existing regulatory framework should be adjusted in accordance with the provisions of Law 11,220 (section 69, see Annex II);

- b. Based on each service provider's circumstances, coordinate proposals covering the following areas: institutional (merger, separation, integration, strengthening, training), technical (drawing up plans for upgrading and expansion), environmental (time frame for adapting to quality standards, treatment levels to be attained), economic (adjustments and/or changes in rate levels and structures), and financial (analysis of funding needs);
- c. Provide support in technical standard specifications for the execution of activities by the various concession holders and create incentives to encourage them to obtain quality certifications that meet prevailing international standards (e.g., ISO 9000 and ISO 14000); and
- d. Design model contracts and agreements to be signed; participate in the debate on specific objectives and targets; and clarify the scope of ENRESS's authority vis-à-vis that of the municipalities and districts (*comunas*).

4. Strategy for public relations, social outreach, and handling of community complaints

3.12 Objective: Introduce communication, press, and internal administrative mechanisms to manage public information, user information systems, use of channels of communication between the agency and consumers and the agency and provincial authorities (sections 73 and 75, see Annex II).

3.13 Expected outcomes: A flexible and modern communication system will be established with users that can also be used to handle complaints and claims. Transparent systems for communicating decisions made by the agency will also be introduced.

3.14 Specific tasks:

- a. Draw up regulations on user rights and responsibilities and identify issues related to dealing with users (Law 11,220, section 66c, 114, and Annex C, see Annex II). A system for regular publication of water quality information and other data of interest to the community will be established.
- b. Define the agency's action plan with respect to other general issues related to the concession holder, the commercial and technical auditor, consumers, the provincial government, and other authorities, including those charged with environmental control; and
- c. Devise a system to receive, process, and expedite service-related complaints and a system for publicly disseminating agency decisions.

C. Organization and implementation

- 3.15 The program will be implemented by ENRESS, under the Ministry of Works, Public Services, and Housing of the Province of Santa Fe (MOSPV). Annex II provides a list of the executing agency's functions.
- 3.16 Three of the agency's five directors provided for under Law 11,220 have been appointed and approved by the legislature and will serve for four years (sections 22 and 23, Law 11,220, see Annex II). There are 68 people on staff (approximately 60 percent of whom have a university education). Most of the staff has come from the former DIPOS, and they are assigned to one of the two head offices located in Santa Fe and Rosario. Annex III shows the organization, responsibilities, and distribution of ENRESS staff.
- 3.17 To cover maintenance expenses, ENRESS receives a 4.9 percent share of the total invoice amount, which is collected by the concession holders and transferred to the agency directly. The expense budget requires the approval of the MOSPV (section 28, Law 11,220, see Annex II).
- 3.18 As a result of execution of the planned activities, ENRESS is expected to become a more efficient agency with lower operating costs, in response to the justifiable pressure to reduce the above-mentioned share of the total invoice amount it receives (sections 27 and 28, Law 11,220, see Annex II).
- 3.19 ENRESS will set up a technical coordination group to manage and supervise implementation of the proposed activities. The hiring of various consulting services is being considered, bearing in mind the respective terms of reference attached. Depending on the nature of the contract, ENRESS will designate suitable in-house staff for each contract to monitor and support the respective consulting work.

D. Procurement

- 3.20 The procurement of goods and contracting of consulting services will be carried out in accordance with Bank procedures (see Annex C to the Agreement). Fees for consulting services are not expected to exceed US\$200,000, and accordingly, calls for bids may be limited to the local market.
- 3.21 About 70 person-months of consulting services are estimated to be necessary in addition to resources needed to acquire hardware, software, and bibliographical materials.

E. Budget

- 3.22 Project costs, estimated in accordance with the components identified, are summarized in the following table:

PROJECT BUDGET	MIF	LOCAL	TOTAL (US\$)
Development of systems and methodologies to regulate the APSF	250,000	100,000	350,000
Design and execution of a training plan	110,000	232,000	342,000
Adjustment of small providers to the regulatory framework	100,000	133,000	233,000
Strategy for public relations and handling of complaints	60,000	135,000	195,000
Indirect costs or contingencies	80,000	0	80,000
TOTAL	600,000	600,000	1,200,000

Annex IV contains a detailed budget.

- 3.23 Counterpart funds will be comprised of the agency's operating resources and will be provided in the form of salaries of staff assigned to the program, secretarial services, offices, office equipment, communication expenses, transportation, and any other logistical support needed to carry out the project.

IV. ENVIRONMENTAL CONSIDERATIONS

- 4.1 Provincial Law 11,220, which governs the concessions for water supply and sanitation services, called for the establishment of a government agency to promote, protect, restore, and monitor the environment and to conserve national resources in the province of Santa Fe. This agency, called the Undersecretariat for Ecology and the Environment, was established by Decree 1,550 of October 18, 1996 (section 117, Law 11,220, see Annex II).
- 4.2 The Province of Santa Fe is part of the institutional strengthening program for environmental management (loans 768/OC and 907/SF) that the Bank is cofinancing to promote more efficient environmental management practices in Argentina by establishing a legal and institutional framework at the provincial and national level. As a result of this program, the Province will receive federal funds to strengthen its environmental protection structure.
- 4.3 The management of ENRESS will be subject to the control of the Undersecretariat for Ecology and the Environment, according to Law 11,220. For its part, Aguas Provinciales de Santa Fe (APSF) must comply with the quality standards and requirements for drinking water, wastewater discharge, and sludge disposal set forth in Law 11,220 and in the concession contract (sections 18 and 122, Law 11,220, see Annex II).

- 4.4 Strengthening ENRESS, as proposed under this operation, will contribute to upgrading the agency's environmental regulatory capacity. For this reason, the operation is expected to have a positive effect on the environment. Moreover, ENRESS's ability to protect the interests of the community and users will be strengthened, with very important socioeconomic benefits.

V. DISBURSEMENTS

- 5.1 Disbursements will be made according to Bank procedures. Implementing all of the project's components is expected to take 18 months, and the final disbursement, 21 months.

VI. MONITORING

- 6.1 The executing agency will prepare an initial action plan and monitoring indicators for presentation to the Bank, so that progress in project execution can be assessed.
- 6.2 Twice-yearly progress reports will be prepared and presented to the Bank so that the program may be appropriately monitored. The reports will contain: (i) an account of progress attained in activities and measures adopted by the executing unit; and (ii) a final report describing the activities undertaken, achievements, obstacles, and findings.
- 6.3 The final reports prepared by each of the consulting groups contracted will require the Bank's nonobjection.
- 6.4 The executing agency will present financial statements for the program to the Bank, examined by independent auditors whose fees will be covered by resources drawn from the Bank's contribution (section 29b, Law 11,220, see Annex II).

VII. FEASIBILITY AND RISKS

- 7.1 ENRESS management and technical staff have demonstrated their interest in strengthening their skills, and have openly recognized their weaknesses and deficiencies. For this reason, they are expected to participate actively in the program.
- 7.2 At the executive level, there seem to be some difficulties in clarifying ENRESS's role and responsibilities. As a result, specific activities are planned in which the agency's image and objective will be discussed.

VIII. COMPLIANCE WITH ELIGIBILITY CRITERIA

A. Eligibility criteria

- 8.1 The proposal is fully consistent with the MIF's overall objective, which is to bolster investment and expand the role of the private sector as a way of boosting economic growth and contributing to social progress in the country. It is also consistent with the funding criteria of the Technical Cooperation Facility, Article 3, Sections 2 (c) and (d) of the Agreement Establishing the MIF, which stipulate that funding will be provided to governments to finance consulting services needed to set up and/or strengthen regulatory agencies and to advise on the design and implementation of privatization programs.
- 8.2 In addition, the project is consistent with the priorities established by the Donors for the Technical Cooperation Facility. Furthermore, similar projects have already been approved for Mendoza in Argentina (see 10.2), Bolivia, Colombia, Ecuador, Nicaragua, and Paraguay.

IX. COMPATIBILITY WITH THE BANK'S COUNTRY PROGRAM

- 9.1 The operating strategy followed by the Bank in Argentina has identified as a priority activities in the following basic three areas: (i) advancing and consolidating the modernization of the State; (ii) reducing poverty and raising the standard of living of the population; and (iii) increasing productivity and improving the competitiveness of national products. The program proposed in this document is in line with this strategy, as it would provide further support for the process of reform and modernization of the State.
- 9.2 The operation is consistent with the Bank's strategy in Argentina and would complement it.

X. AVAILABILITY OF MIF RESOURCES

- 10.1 The project would be financed through a grant, given that: (i) on November 30, 1993, the Donors Committee declared Argentina eligible for all modalities of MIF financing; (ii) Argentina meets the eligibility criterion for obtaining grant financing, as detailed in Article 3, Section 5 (b) of the country eligibility memorandum; and (iii) the proposed project has a significant impact on investment flows, as required by Article 3, Section 5 (a) of the Agreement Establishing the MIF, insofar as one of its objectives is to create

the conditions for an expansion in national and international private investment.

- 10.2 A project to assist in the transformation of the water supply and sanitation sector and strengthen the regulatory agency in the Province of Mendoza is nearing completion and has satisfactorily fulfilled the objectives set.

<p style="text-align: center;">MIF</p> <p style="text-align: center;">STRENGTHENING OF THE SANITATION SERVICES REGULATORY AGENCY IN THE PROVINCE OF SANTA FE</p>		
<p><u>General objective of the project</u></p> <p>To contribute to the strengthening of the Provincial Sanitation Services Regulatory Agency (ENRESS) so that it may suitably perform its functions, particularly those set forth in the current regulatory framework.</p>		
<p><u>Specific objective of the project</u></p> <p>To create a regulatory agency with a greater capacity to execute the functions assigned to it by law, relying on trained staff and policy instruments to facilitate the performance of its regulatory functions with respect to all service providers, and particularly Aguas Provinciales de Santa Fe (APSF).</p>		
Components	Specific tasks	Indicators
1. Information systems and methodologies for monitoring and regulating the concession contract	Identify, compare, and select indicators to monitor the master plan to improve and develop water supply and sanitation services (PGMDS) and meet goals set forth in the contract, using as a reference the APSF concession agreement and tender offer. This information will serve as a tool for assessing the impact of possible changes on relevant PGMDS parameters.	Number of indicators assessed.
	Design financial and economic models to assess the rate structure and its effectiveness in encouraging efficient consumption, and to quantify implicit subsidies. Define specific procedures for analyzing the effect of changes in internal pricing, possible devaluations, and other external effects on the cost structure of the services.	Number of simulations run.
	Identify the type and level of information disaggregation necessary for decision-making and design a management information system.	Information system designed.
	Design a technical information system and economic and financial models to make projections allowing a sensitivity analysis under various hypotheses. Develop methodologies to assess marginal and fixed costs associated with expansion to unserved areas.	Models implemented.
	Define the scope of the environmental standards to be enforced by the regulatory agency with respect to EIAs and quality control, including the necessary coordination with environmental authorities at the provincial and federal levels.	Flow chart of responsibilities and procedures defined.

<p style="text-align: center;">MIF</p> <p style="text-align: center;">STRENGTHENING OF THE SANITATION SERVICES REGULATORY AGENCY IN THE PROVINCE OF SANTA FE</p>		
2. ENRESS staff training program	Conduct seminars and workshops geared to promoting internal discussion and to clarifying the agency's role, mission, immediate objectives, and priorities. Clarify the limits of the regulatory function with respect to the APSF and other service providers in the province.	Number of staff trained (person-months).
	Train staff in the design and operation of tools and models developed to simulate and assess factors provided for in the regulatory framework as well as unexpected situations and in aspects of its role in the environmental area.	Number of staff trained (person-months).
	Train staff in specific aspects of regulatory management and concession monitoring through courses and visits to other national and foreign regulatory agencies.	Exchanges completed.
3. Program for service providers outside the APSF concession area conform to the regulatory framework	Adjust and complete the survey on technical, administrative, institutional, environmental, and socio-cultural factors for independent operators in order to define where strengthening measures are needed and how the existing regulatory framework should be adjusted.	Surveys conducted
	Based on each service provider's circumstances, gather and approve proposals on different objectives, including: institutional (merger, separation, integration, strengthening, training), technical (drawing up plans for upgrading and expansion), environmental (time frame for adapting to quality standards, treatment levels to be attained), economic (adjustments and/or changes in rate levels and structures), and financial (analysis of funding needs).	Agreements reached.
	Adapt technical standard specifications for the execution of activities by the various concession holders and create incentives to encourage them to obtain quality certifications that meet prevailing international norms.	Tools proposed.
	Design model contracts and agreements to be signed; participate in the debate on specific objectives and targets.	Agreed upon models available.
4. Strategy for public relations, social outreach, and handling of community complaints	Draw up regulations on user rights and responsibilities and identify issues related to dealing with users. A system for regular publication of water quality information and other data of interest to the community will be established.	Regulations improved/publications designed and printed.
	Define the agency's action plan with respect to other general issues related to the concession holder, the commercial and technical auditor, consumers, the provincial government, and other authorities, including those charged with environmental control.	Coordination framework proposed for negotiation.
	Devise a system to receive, process, and expedite service-related complaints and a system for publicly disseminating agency decisions.	System for addressing consumer needs made as effective as possible.

PROPOSED RESOLUTION

(ARGENTINA). NON REIMBURSABLE TECHNICAL COOPERATION
PROGRAM TO STRENGTHEN THE SANITATION SERVICES REGULATORY
BODY IN THE SANTA FE PROVINCE

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the de Santa Fe Province, in Argentina, and to adopt such other measures as may be pertinent for the execution of the plan of operations referred to in Document MIF/AT-_____ with respect to a technical cooperation to strengthen the sanitation services regulatory body in such Province.
2. That up to the amount of US\$600,000, or its equivalent in other convertible currencies, is authorized, for the purpose of this resolution, chargeable to the Technical Cooperation Facility of the Multilateral Investment Fund.
3. That the above mentioned sum is to be provided on a non-reimbursable basis.