

## TECHNICAL COOPERATION PROFILE

ENERO 13, 2009

### I. BASIC PROJECT DATA

<b>Country:</b>	Regional
<b>Program name:</b>	Support for the preparation of CReW – RG-X1011
<b>Program number:</b>	RG-X1050
<b>Team members:</b>	Yvon Mellinger (INE/WSA), Team Leader; Maria Navia (INE/WSA), Rosina de Souza (LEG/SGO), Rikke Olivera (INE/RND), Javier Grau (WSA/CGY), Evan Cayetano (WSA/CJA), and Yolanda Galaz (INE/WSA).
<b>Date of request:</b>	17 November 2008
<b>Beneficiary:</b>	Countries of the Wider Caribbean - Antigua and Barbuda, Barbados, Costa Rica, Guatemala, Guyana, Honduras, Panama, Saint Lucia, Suriname <sup>1</sup> .
<b>Executing agency:</b>	Inter-American Development Bank through the Water and Sanitation Division (INE/WSA) and UNEP
<b>Financing Plan:</b>	Global Environment Facility (GEF) - US\$ 245,000 Project Preparation Grant (PPG) Co-financing (PPG–UNEP Component) US\$ 135,000 Total US\$ 380,000
<b>Technical and basic responsibility:</b>	INE/WSA
<b>Tentative dates:</b>	Approval March 2009

### II. BACKGROUND AND PROBLEM STATEMENT

#### A. Wastewater management situation in the Wider Caribbean

- 2.1 The degradation of the Caribbean marine environment including through the discharge of untreated wastewater is a serious concern for those countries whose livelihoods depend heavily on their natural marine resources. Numerous scientific studies, including UNEP/GPA's 2006 report on the State of the Marine Environment, singled out untreated wastewater entering the world's oceans and seas as the most serious problem contributing to marine pollution. In the region, the recent Caribbean Sea Ecosystem Assessment (CARSEA) study similarly found that "sewage pollution from land sources and from ships has been the most pervasive form of contamination of the coastal environment."

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<sup>1</sup> Pending receipt of other endorsement letters in the course of the PPG, the project could apply to more countries.

- 2.2 Scientists have identified a number of serious consequences of marine pollution caused by untreated wastewater. In 2001, UNEP/GPA concluded that pathogenic organisms in waters contaminated by wastewater discharges cause “massive transmissions of infectious diseases to bathers and consumers of raw and undercooked shellfish”; researchers estimated the global impact at US\$10 billion per year. Discharge of untreated wastewater has other impacts as well. The CARSEA study found that sewage was one of the main factors that had caused some 80 percent of living coral in the Caribbean to be lost over the past twenty years.
- 2.3 Damage by untreated wastewater to the marine environment including living coral can bring about severe economic consequences for people in the Caribbean. The CARSEA study found that “the Caribbean is the region in the world most dependent on tourism for jobs and income,” while “fishing is also a significant source of both income and subsistence.” Yet both of these sectors are directly threatened by environmental degradation including due to wastewater discharge. To look just at the importance of coral reefs to the economy of Tobago: the World Resources Institute recently estimated that coral reefs currently provide upwards of US\$100 million per year in benefits associated with tourism, US\$18-33 million in shoreline protection, and another US\$1million in benefits to fisheries. These benefits represent about half of the island’s annual GDP. The potential economic harm to the region from further damage to the marine environment is enormous. It is for reasons like this that, for the wider Caribbean as well as seven other regions examined around the world, GESAMP scientists reported that controlling the discharge of untreated sewerage represents the number one priority for protecting the oceans from land-based activities.
- 2.4 There is thus urgent need to increase wastewater treatment in the Caribbean, which at present is far below needed levels. UNEP/GPA estimates that as much as 85 percent of wastewater entering the Caribbean is currently untreated. According to the Pan American Health Organization (2001), 51.5 percent of households in the Caribbean Region lack sewer connections of any kind; only 17 percent of households are connected to acceptable collection and treatment systems. Within Caribbean SIDS, less than two percent of urban sewage is treated before disposal; this is even lower in rural communities. On some islands (e.g., Antigua and Barbuda, Dominica, Haiti) there is no sewerage system; sewage is disposed mainly through septic tanks and pit latrines, many of which do not comply with minimum technical specifications or are not adequately maintained. Indeed, as a result, untreated sewage is often discharged into the environment with serious human and ecosystem health implications. Added to this is the discharge of untreated or partially treated sewage from many tourism facilities.
- 2.5 In recognition of the gravity of this situation, a number of Countries from the Wider Caribbean Region (WCR) have ratified the Convention for the Protection and Development of the Marine Environment in the WCR, also known as the Cartagena Convention (adopted in Cartagena, Colombia on 24 March 1983), and signed the Protocol on Land Based Sources (LBS) of Marine Pollution, which

was adopted on October 6, 1999 (see Annex 2). The LBS Protocol sets several goals to govern domestic sewage discharges into the waters of the Wider Caribbean.

- 2.6 While countries thus increasingly recognize the importance of improving wastewater management, obstacles exist to following the LBS Protocol and taking such steps. UNEP GPA reported in their 2006 State of the Marine Environment Report that significant financial constraints exist: there is a lack of adequate, affordable financing available for investments in wastewater management in the Wider Caribbean Region. Smaller communities in particular often find it difficult to obtain affordable financing for such improvements.
- 2.7 In addition to financial constraints and barriers, other substantial barriers also exist. These include inadequate national policies, laws and regulations; limited enforcements of existing laws and regulations; limited communications and collaboration between various sectors and agencies which contributes to a fragmented approach to wastewater management; and limited knowledge of and analytical capacity regarding appropriate, alternative and low cost wastewater treatment technologies. Other limitations in technical capacity (e.g., in developing project proposals, operating and maintaining treatment systems, and monitoring and analyzing wastewater discharges and impacts) constrain progress in effectively managing wastewater.
- 2.8 Thus, developing innovative financial mechanisms, and making affordable resources available, to assist countries in the WCR to establish or expand domestic wastewater management programs and policies, to provide for the financing of cost effective, sustainable and environmentally acceptable wastewater management facilities based on community needs, constitutes a priority for the region.
- 2.9 To this effect, IDB and UNEP have jointly requested a grant of 20 Million US\$ from the GEF. The Project Identification Form (PIF) was submitted to the Secretary of the GEF on September 25<sup>th</sup>, 2008 and received its CEO's endorsement. A joint request for a Project Preparation Grant (PPG) of an amount of 380,000 US\$ (for both IDB and UNEP components) has been presented to the GEF, and approved on December 22, 2008 (See approval in Annex 1).

### **III. PROGRAM OBJECTIVE AND DESCRIPTION**

#### **A. Objective**

- 3.1 Support the preparation of the Caribbean Regional Fund for Wastewater Management – RG-X1011

#### **B. Description**

- 3.2 The preparation of the Caribbean Regional Fund for Wastewater Management – RG-X1011 requires more detailed studies as per the list of activities described below.

- 3.3 Component 1 will further develop the structure and the operation mechanisms of the Fund and will be responsibility of the IDB.
- 3.4 Component 2 will define the measures required to enhance the impact of the Fund, specifically capacity building, awareness and policy setting. This component will be responsibility of UNEP
- 3.5 Component 3 will support the development of communication tools for the Fund and the specific projects developed under component 1. The responsibility will be divided between UNEP and IDB as per the table below.
- 3.6 Component 4 will define the execution mechanism for the Project; it will be developed under the responsibility of UNEP.

### Cost and Financing

List project preparation activities	IDB	UNEP	Total
<b>Component 1</b>			
Design of Financial Mechanism and Project Development Facility Execution Scheme	60,000		60,000
Identification and development of pilot projects in the Wider Caribbean region	100,000		1,00,000
Development of necessary documents for the implementation of the CReW pilot projects (including generic operations manual, loan agreements templates, security pledges)	50,000		50,000
<b>Component 1 TOTAL</b>	<b>210,000</b>		<b>210,000</b>
<b>Component 2</b>			
<b>Technology Capacity Building</b>			
• Collate documentation on appropriate technology and use in the region		22,500	22,500
• Wastewater needs assessment and subsequent training needs assessment at intervention sites		20,000	20,000
<b>Awareness raising</b>			
• Survey of Knowledge Attitude Practices related to wastewater management		10,000	10,000
• Assessment and preliminary identification of the mechanism for information dissemination		10,000	10,000
<b>Policy/institutional /legal capacity building</b>			
• Review of policies and legislation as well as relevant gap analysis in support of wastewater management at demo sites in support of capacity building needs		30,000	30,000
• Sector overview of waster water management for the region.		20,000	20,000
<b>Component 2 TOTAL</b>		<b>112,500</b>	<b>112,500</b>
<b>Component 3</b>			
Needs assessment and gap analysis for existing clearing house mechanism for wastewater management – formulation of TORs for a clearing house mechanism on waste water management building on IW:LEARN principles - <i>UNEP</i>		10,000	10,000
Survey for identification of stakeholders at the national and sub national level - <i>IADB</i>	10,000		10,000
Design and initial implementation of project communication and	25,000		25,000

outreach plan for project preparation and implementation (including regional workshops and publications) - <b>IADB</b>			
<b>Component 3 TOTAL</b>	<b>35,000</b>	<b>10,000</b>	<b>45,000</b>
<b>Component 4</b>			
Design of Project Execution Scheme – <b>UNEP</b>		12,500	12,500
<b>Component 4 TOTAL</b>		<b>12,500</b>	<b>12,500</b>
<b>Total project preparation financing</b>	<b>245,000</b>	<b>135,000</b>	<b>380,000</b>

#### IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 The Bank through INE/WSA will be the executing agency for component 1 and parts of component 2 of the Project, while UNEP will be the executing agency for components 2, 4 and parts of component 3. Periodic meetings will be held to ensure an optimal coordination between components.

#### V. MAJOR ISSUES

- 5.1 The main area of concern would be the integration of the components of UNEP and IDB into one single proposal to be submitted to the GEF. Both the format of the contracting with clear-cut responsibilities and the periodic coordination meetings between UNEP and IDB should guarantee a seamless execution. Additionally, an execution agreement will be signed between UNEP and IDB.

#### VI. ACTION PLAN

- 6.1 The Terms of references will be developed for the Plan of Operations.

#### VII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 7.1 No negative effects on the environment are anticipated from the proposed TC. In fact, the project RG-X1011 that will be prepared with this TC will contribute to the environmental strategy of the IDB, in reducing the discharge of untreated wastewater in the coastal ecosystems of the wider Caribbean.
- 7.2 No negative impacts are anticipated in terms of social safeguards. Safeguard Classification: C; cleared as per ESR communication 12<sup>th</sup> of January, 2009.

#### VIII. APROBACIÓN

(original firmado)

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Federico Basaños, INE/WSA

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