

**Inter-American Development Bank  
Technical Cooperation Program (Trust Fund Financing)**

**TC/FUNDS BRIEF**

**TC N°: RG-T1671**

**I. GENERAL INFORMATION:**

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|----|--|--|
| 1. | Name of the T.C. Project               | Support to partnerships and strategic alliances for water projects (RG-T1671).                               |
| 2. | Name of the Trust Fund:                | INWAP  |
| 3. | Beneficiary countries:                 | IDB member countries   |
| 4. | Executing Agency:                      | IDB -INE/WSA-  |
| 5. | Team Members:                          | Jorge Ducci, Team Leader (INE/WSA), María Navia (INE/WSA); Carlos de Paco (ORP/ORP); Diego Buchara (LEG/SGO) |
| 6. | Estimated Total Amount to be financed: | US\$ 107,320   |
|    | Financed by trust fund (INWAP):        | US\$ 107,320   |
|    | Financed local counterpart:            | NA   |
|    | Financed by other sources              | NA   |
| 7. | Execution and Disbursement Deadlines:  | Execution: 12 months,<br>disbursement: 16 months   |

**II. BACKGROUND AND JUSTIFICATION**

- 2.1 In May 2007, the Bank approved the Water and Sanitation Initiative (WSI) with the aim of helping IDB borrowing member countries in Latin America and the Caribbean achieve universal access to sustainable, reliable, quality water and sanitation service. The (WSI) proposes to foster the participation from the traditional donor community, as well as private sector entities to provide contributions for supporting water and sanitation projects in the region.
- 2.2 ORP is already carrying out a mapping of main donors and actors involved in the water sector in Latin America and the Caribbean that will be finalized in March 2009. As a next step, the Bank will be using the results of this mapping exercise to design project-specific engagements with private sector actors and donors for the implementation of water and sanitation projects in the region.
- 2.3 INWAP was created to support activities related to water sector policy and operational support, as well as to build capacity within the Bank and borrowing member countries.

The promotion of new partnerships and innovative approaches to water-related Bank operations through a mix of strategic activities and applications of lessons learned is a priority for the Fund. The support provided by this technical cooperation will help identify innovative approaches and to solidify project-specific engagements with external donors and actors, which are an important part of the partnership building process, as it provides learning by doing and is typically focused on a discrete set of results.

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

#### **A. Objective:**

- 3.1 The objective of this technical cooperation is to promote innovative approaches to water-related Bank operations through the creation of strategic alliances with private sector actors (donors/implementing NGOs) for the identification and implementation of projects that respond to the Water and Sanitation Initiative.

#### **B. Description:**

- 3.2 Components: According to the objective, the proposed technical cooperation will be implemented in two components:
- 3.3 The objective of the first component is to identify project-specific opportunities of collaboration between the IDB and private sector actors and donors. Activities under this component are: i) identifying IDB water projects/programs (new, existing or in pipeline) that can attract private donors' and actors' participation; ii) identifying existing water projects or programs in the region led by private actors where the IDB could participate; iii) identifying opportunities to replicate those existing water projects or programs in other countries/cities/sub-region.
- 3.4 The objective of the second component is to provide support for setting up project-specific engagements with private sector donors and actors. Activities under this component are: i) designing pilot projects, including innovative approaches for implementation, and responsibilities of the different actors involved; ii) completing project profiles, donor application forms and other required documents; iii) coordinating technical communication between donors and Bank staff for the design of sound projects; iv) documenting lessons learned from the process, and proposing recommendations for future engagements.
- 3.5 Consulting Services Required: The project will finance the contracting of a consultant with knowledge of the water sector donor priorities and key international and regional water partners, and experience on negotiating and coordinating with key water donors and actors, and project identification and design. The selection and contracting process will be carried out in accordance with the Bank's procurement rules (Document GN-2350-7).
- 3.6 Duration: The project will be executed within 12 months, with a disbursement period of 16 months.

- 3.7 Outputs required: The consultant will provide the following outputs: i) an initial report including a work plan and strategy for the implementing this technical cooperation; ii) a list of recommended private donors and actors with whom the IDB could form partnerships in the short and mid term for the implementation of innovative water and sanitation projects; iii) project profiles for identified pilot projects.: pilot projects will be identified and designed based on information gathered through meetings with private donors and actors, field interviews with potential beneficiaries, as well as consultations with IDB specialists on country specific and regional priorities and needs; iv) report on lessons learned from the interaction with the different private donors and actors and recommendations for future engagements.

#### **IV. COST AND FINANCING**

- 4.1 The total cost of the project is US\$107,320, which will cover the cost of contracting a consultant and related costs, specifically travel and per diem expenses. These costs will be financed with INWAP resources.

Activities	USD
Consulting Services	
One consultant 12 months @ US\$ 6,933/month	83,200
Health Insurance (12 x US\$ 250)	3,000
Travel Expenses	
7 tickets @ USD 1,500/ticket	10,500
Per diem (35 days)	10,602
<b>TOTAL</b>	<b>107,320</b>

#### **V. SOCIAL AND ENVIRONMENTAL IMPACTS**

- 5.1 The project will not have direct environmental or social impact, as it implies contracting a consultant. The project has classification C according to the Sustainable Finance Toolkit.

#### **VI. RESPONSIBILITY IN THE BANK**

- 6.1 Administrative and technical responsibility for this operation, including disbursements, will rest with the Water and Sanitation Division of the Infrastructure and Environment Sector. The team leader for the project is Jorge Ducci (phone: 202-623-2013; Fax: 202-312-4197; e-mail: [jducci@iadb.org](mailto:jducci@iadb.org)).

#### **VII. RECOMMENDATION**

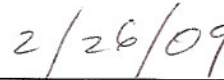
- 7.1 Jorge Ducci, designated team leader for the project of the reference, recommends the approval of this operation and the use of resources from INWAP (NWP), totaling up to US\$107,320 in order to finance the corresponding project.

### VIII. CERTIFICATION

8.1 I certify that this operation was approved for financing under the IDB-Netherlands Water Partnership Program (NWP) through an email dated January 30, 2009 from Wijnand Marchal, First Secretary of The Netherlands Embassy. Also, I certify that resources from the INWAP (NWP) are available for up to US\$107,320 to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of six months counted from the date of signature below. Were the project not approved by the IDB within that period, the reserve of resources will be cancelled. If the project is not approved by IDB within that period, the reserve of resources will be cancelled, except if a new certification is obtained. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except that local consultants working in their own borrowing member country shall have their remuneration defined and paid in the currency of that country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this T/C Funds Brief. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.



Marguerite S. Berger  
Chief  
Grants and Cofinancing Unit  
VPC/GCM



Date

### IX. APPROVAL

Approved:



Federico Basaños  
Chief  
Water and Sanitation Division  
INE/WSA



Date