

**TC Annex PN-T1079**  
(IDBDOCS #35192470)

**Country: Panama**

**Program Name and Number:** Programa de Inversiones en Agua Potable y Saneamiento del IDAAN

PN-L1042

<b>Date</b>	5/6/2010
<b>Relationship to Loan</b>	Support the development of IDAAN's modernization component
<b>Project Team</b>	Gustavo Martínez Montoya(WSA/CPN), Jefe de Equipo; Camilo Garzón y Jorge Ducci (INE/WSA); Karina Díaz Briones e Ilia Nieto (CID/CPN); y Cynthia Nuques (INE/WSA)
<b>Responsible Division</b>	INE/WSA
<b>Executing Agency</b>	INE/WSA at the request of GOP
<b>Unit of Disbursement Responsibility</b>	INE/WSA
<b>Objective</b>	To design a strategic and implementation plan for the IDAAN's modernization, and related institutional framework.
<b>Description</b>	Consulting services will be hired to identify main elements for a strategy for IDAAN's modernization, obtain consensus from GOP authorities, and design implementation plan
<b>Activities</b>	The TC will finance the following activities
	<b><u>1. Activity 1:</u></b> To identify and evaluate a set of options for the modernization of IDAAN, including judicial and administrative reforms.
	<b><u>2. Activity 2:</u></b> To identify critical stakeholders and decision makers and promote a consensus with respect to the most feasible and convenient option for the stated objective.
	<b><u>3. Activity 3:</u></b> To propose a short and medium term plan for the implementation of the agreed upon reforms.
<b>Expected outputs</b>	1. Report with options, risk analysis and recommendations on subjects such as: corporatization of IDAAN, corporate

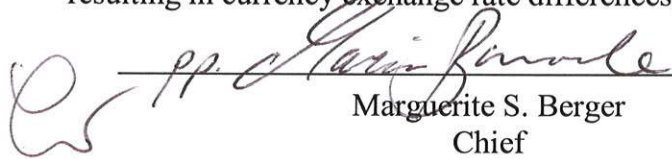
	<p>governance, performance contract, business plan (including tariff adjustments); reinforcement of regulator, reinforcement of Health Ministry, and others.</p> <p>2. Report with an analysis identifying critical stakeholders, including authorities, incentives, constraints, etc.</p> <p>3. Report of final decisions made on strategy</p> <p>4. Report of implementation plan</p>
<b>Expected outcomes</b>	Political decision by cabinet or president made on the extent and process for the modernization of IDAAN and related institutions. Specifics of the modernization of these institutions, with outcome indicators will be determined as part of the strategy.
<b>Timeline</b>	4 months of execution, 5 months disbursement
<b>Estimated Administrative Budget of execution by year of the execution</b>	<p>2010: 1 trip DC-Panama City-DC : \$ 600</p> <p>5 per diem days: \$1,270</p> <p>Total: \$1,870</p>
<b>Budget</b>	<p>Est. \$250,000, from TC funds, no counterpart considered</p> <p><a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35220602">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35220602</a></p>
<b>Procurement/contracting plan</b>	Public international bidding to consulting companies, in accordance with Bank policies.
<b>Conditions for disbursements</b>	Disbursements by the Bank to the Consultants (payments) will be based upon approval of consultant's reports by the Bank
<b>Revolving Fund</b>	None
<b>Evaluation</b>	Follow up of reports
<b>Reports</b>	3 reports: Critical issues and options, and stakeholder analysis; Consensus Strategy; Implementation Plan.
<b>Audits</b>	N/A
<b>Terms of Reference</b>	DRAFT: IDBDOCS# 35164578

**SUPPORT THE DEVELOPMENT OF IDAAN'S  
MODERNIZATION COMPONENT**

**PN-T1079**


**CERTIFICATION**

I hereby certify that this operation was approved for financing under the AquaFund-IDB (AQF) through an electronic message dated July 20, 2010 from Gerhard Lair, Operation Lead Specialist, Grants and Co-Financing Management Unit (VPC/GCM). Also, I certify that resources from the AquaFund-IDB (AQF) are available for up to US\$250,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of 12 (twelve) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in U.S. dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such 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 operation. 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.

  
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Marguerite S. Berger  
Chief  
Grants and Co-financing Management Unit  
VPC/GCM

08/12/2010  
\_\_\_\_\_  
Date

**APPROVAL**

  
\_\_\_\_\_  
Federico Basaños  
Chief  
Water and Sanitation Division  
INE/WSA

03/13/2010  
\_\_\_\_\_  
Date