

TECHNICAL COOPERATION DOCUMENT

I. Basic Information for TC

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|---|---|
| ▪ Country/Region: | Paraguay/CSC |
| ▪ TC Name: | Promotion of Behavior Change and Strengthening of the Water and Sanitation Sector in Paraguay |
| ▪ TC Number: | PR-T1224 |
| ▪ Team Leader/Members: | Jorge Oyamada (Team leader) (WSA/CPR); German Sturzenegger (Alternate team leader); Lourdes Alvarez, Cristina López-Mayher, Keisuke Sasaki and Irene Cartin (INE/WSA); Mariano R. Perales and Bruno J. Candia (FMP/CPR); and Alonso Chaverri-Suarez (LEG/SGO) |
| ▪ Indicate if: Operational Support, Client Support, or Research & Dissemination | Client support |
| ▪ Date of TC Abstract authorization: | August 25 th 2016 |
| ▪ Beneficiary (countries or entities which are the recipient of the technical assistance): | <ul style="list-style-type: none"> ▪ 84 rural communities ▪ 9 small towns ▪ Sanitation Boards in rural communities and small towns through SENASA (National Environmental Sanitation Service) ▪ Entrepreneurs and financial institutions offering WASH services and products |
| ▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program) | Co-execution <ul style="list-style-type: none"> • One Drop Foundation. Contact: Ernenek Duran ernenek.duran@onedrop.org • Centro de Estudios Ambientales y Sociales (CEAMSO-Paraguay). Contact: María Ofelia Yegros López oyegros@ceamso.org.py |
| ▪ Donors providing funding: | Japan Special Fund Poverty Reduction Program (JPO) |
| ▪ IDB Funding Requested: | US\$750.000 |
| ▪ Local counterpart funding, if any: | One Drop Foundation: \$448,100 |
| ▪ Other funding, if any ¹ : | MIF: \$951,900 |
| ▪ Disbursement period (which includes Execution period): | Disbursement: 48 months Execution: 42 months |
| ▪ Required start date: | December 1 st 2016 |
| ▪ Types of consultants (firm or individual consultants): | Firms and Individual Consultants |
| ▪ Prepared by Unit: | INE/WSA |
| ▪ Unit of Disbursement Responsibility: | CSC/CPR |
| ▪ TC Included in Country Strategy (y/n): | Yes |
| ▪ TC included in CPD (y/n): | No |
| ▪ Update to the Institutional Strategy (UIS) 2010-2020 (GN-2788-5) priorities: | Social inclusion, gender equality and diversity, and Climate change and environmental sustainability |

II. Objectives and Justification of the TC

- 2.1 In 2015 the total population of Paraguay was 6.82 million people, of which 40% lived in rural areas². The level of poverty in the country, measured as the proportion of Paraguayans who live with less than US\$4 a day (regional poverty line) fell from 32.5% in 2009 to 10.1% in 2016. While the decline is significant, the level is still high especially in certain departments,

¹ The Multilateral Investment Fund (MIF) is expected to separately approve a technical cooperation operation which would include financing of up to US\$951,900 that would be transferred to One Drop Foundation to carry out activities contemplated in this TC. If MIF does not approve the TC, One Drop Foundation will cover the \$951,900 as a counterpart amount, for a total of US\$1.4 million. See also paragraph 2.8.

² World Bank, 2016. World Development Indicators. Paraguay.

such as San Pedro and Caaguazú, with more than 60% of their population under poverty levels³.

- 2.2 The Paraguayan Government established in 2014 the National Development Plan 2014-2030 with the aim of reducing extreme poverty in the country⁴. The Plan highlights the objective of achieving the “universal access to water and sanitation services”, in line with the Sustainable Development Goals objectives for the sector⁵. The Plan prioritizes the development of activities in three departments: Concepción, San Pedro and Canindeyú.
- 2.3 In the past 25 years, Paraguay has accelerated its access to potable water, sanitation and hygiene (WASH), being the country with the largest increase in access to piped water during this period (53 percentage points)⁶. However, there are still major challenges in the sector. In 2015 access to piped drinking water in rural areas reached 68% compared to 89% in urban areas. Regarding sanitation coverage, levels reached 60% in rural areas that same year. Despite the prioritization of government investments in rural areas more than 870,000 people still have no access to drinking water and over 1,1 million lack basic sanitation solutions.
- 2.4 The National Environmental Sanitation Service (SENASA) is the technical agency within the Ministry of Public Health and Social Welfare responsible for serving rural communities and small towns with less than 10,000 inhabitants. SENASA’s main functions are to plan, promote, implement, manage and monitor the activities related to the provision of potable water and basic sanitation and to support the creation of Sanitation Boards (SB), non-profit organizations that manage and operate the water system, giving specific technical assistance in operational and management issues⁷.
- 2.5 SENASA investment in water and sanitation systems has led to the expansion of the network and the increase of access in rural areas. However, important challenges remain, as (i) to develop and implement a financial policy for the sector; (ii) to strengthen sector governance schemes; (iii) to improve the quality of service delivery; (iv) to strengthen sector entities; and (v) to promote the financial sustainability of the operators⁸. Operationally, some of the challenges are linked with (i) the improvement of the administrative, accounting and billing systems of the sanitation boards; (ii) the increase of levels of service payment; (iii) the acceptance of water meters at household level; (iv) the increase of levels of chlorination of the systems; (v) the improvement of hygiene habits and rational use of water; and (vi) the increase of connectivity to sanitation systems; among others.
- 2.6 The Bank has supported the country in terms of improving access to water and sanitation services, and strengthening institutional capacities. During the last years, the IDB has increased its focus on sustainable use of facilities and improvement of proper hygiene practices. However, challenges in the promotion of behavior change to ensure long-term impact of interventions are still important.

³ Dirección General de Estadística, *Encuestas y Censos, 2016. Mapa de pobreza por Departamentos y Distritos*. Gobierno de Paraguay.

⁴ *Plan Nacional de Desarrollo Paraguay 2030*. <http://www.stp.gov.py/pnd/wp-content/uploads/2014/12/pnd2030.pdf>

⁵ Goal number 6: "achieving universal and equitable access to safe water at an affordable price for all" and "achieving equitable access to sanitation and hygiene suitable for all and ending open defecation". <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>.

⁶ Joint Monitoring Program, 2015. *Paraguay: estimaciones para el uso de recursos hídricos e instalaciones de saneamiento (1980 - 2015)*.

⁷ Law 369/72 establishing the National Environmental Sanitation Service (SENASA), Art. 13.

⁸ *Banco Interamericano de Desarrollo (2015). PR-L1094 Proyecto de Construcción de Sistemas de Agua y Saneamiento para pequeñas ciudades y comunidades rurales e indígenas del Paraguay. Documento de préstamo. Diciembre 2015.*

- 2.7 The objective of this TC is to design and implement WASH innovative interventions through social arts⁹ to encourage behavioral changes that increase the sustainable use of water and sanitation systems build in communities up to 10,000 inhabitants¹⁰ and that encourage good hygiene practices. The TC will focus in (i) improving the appropriation of WASH systems; (ii) promoting good hygiene practices (e.g. hand washing); (iii) improving the sustainable management of sanitation facilities; (iv) encouraging the payment of fees; and (v) increasing levels of system chlorination, among others. The TC will also analyze the possibility of creating market-based solutions to WASH needs, supporting the design of financial instruments to strengthen or develop a new market around WASH products. Finally, the TC will promote activities to strengthen the technical capacity of the SB to improve their management and promote sustainability of WASH services provided. The project is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (GN-2788-5) in the development challenge of social inclusion and equality. The program is also aligned with the cross-cutting themes of: (i) gender equality and diversity; and (ii) climate change and environmental sustainability. The TC is also consistent with the IDB Country Strategy with Paraguay 2014-2018 (GN-2769) that includes water and sanitation as one of the priority sectors, supporting the strategic objective of increasing the coverage of water and sewage services in the metropolitan area of Asunción and in rural areas. Finally, the TC is aligned with the JPO program, supporting poverty alleviation activities impacting low-income and vulnerable populations through community-based development projects.
- 2.8 This TC will build upon the efforts and experience acquired during the design and execution of the regional TC RG-T2712 “Promoting Behavior Change in the WASH Sector,” approved in 2015, funded through the IDB Aquafund (AQF) and executed by One Drop Foundation (creator of the ABC methodology, which is the base of the two first components of this TC), extending its reach to a new country in the region, The Multilateral Investment Fund (MIF) is preparing a contribution of US\$951,900 that would be channeled through a TC and would cover part of the total counterpart amount (US\$1.4 million)¹¹.

III. Description of activities/components and budget

- 3.1 The following activities will be carried out during the TC implementation.
- 3.2 **Component 1. Promotion of behavior change.** The objective of this component is to promote behavior change in the WASH sector through social arts (activities including theater, music, documentaries, circus, among others), based on local traditions. A socio-cultural diagnosis in a sample of beneficiaries’ communities is being developed by One Drop Foundation. The diagnosis will analyze the current context in the water and sanitation sector at social, cultural and technical level. The results will highlight the main behaviors to be improved through social art activities. The diagnosis will help to better define the specific activities to develop and baselines and targets of the program.
- 3.3 The activities of this component include:
- Training of local artists’ partners in behavior change techniques in WASH: local artists will be trained by behavior change experts from One Drop Foundation in specific activities to develop and execute performances linked with WASH behaviors identified

⁹ Social artists use creative skills to work with people or organizations in their communities to affect change and to promote and improve better behaviors to address specific conducts, as hygiene practices. Social art can incorporate several different art forms including theater, music, poetry, circus or visual arts.

¹⁰ See Optional Annex for communities preliminarily identified (which may subject to some changes during the execution of the TC).

¹¹ If the MIF TC finally is not approved, One Drop Foundation will cover the entire counterpart amount (US\$1,4 million).

during the diagnosis. This activity will reinforce the sustainability of the program, creating know-how in the local communities.

- Development and implementation of social art activities focused on behavior change in WASH: the activities will be developed in schools, health centers and the community. The type of activities (e.g. theater, music, circus) will be defined depending on the local artist partners and the type of behaviors to be improved, in local language and taking into account the socio-cultural context. The activities developed will complement and improve SENASA's current social work with communities.

3.4 This component will be developed in rural communities and small towns assisted by SENASA in the departments of Concepción, San Pedro, Cordillera, Guaira, Caaguazú, Caazapá, Itapúa, Paraguari, Alto Paraná, Central and Canindeyú (see optional annex). After the diagnosis the list of communities could be adjust, depending on community involvement in the project and socio-economic criteria. The behavioral change activities will reach approximately 90,000 beneficiaries.

3.5 **Component 2. Access to Capital.** Access to credit for households, sanitation boards, and small and medium enterprises is essential to increase access (e.g. increase household connectivity to community sanitation systems) and improve water services and its sustainability in the sector. The objective of this component is to accelerate affordable access to WASH services in certain rural communities and small towns through funding:

- Needs assessments and market research for WASH services: the assessment will analyze the current market situation regarding local financial institutions with WASH products in the market, as well as services offered by entrepreneurs and small and medium enterprises. This assessment will help to better define the specific activities to develop and baselines and targets of this component.
- Financial skills training for entrepreneurs and small and medium enterprises in the WASH sector: the training will improve financial, administrative and operative skills and will promote new WASH services for households, SB and SB associations.
- Promotion through financial institutions of specific loans in WASH for households, SB, SB Associations and WASH service enterprises. The TC will not provide micro-loans but support local organizations in the design of appropriate financial instruments to attend the WASH sector. It is expected that the resulting improved access to credit will increase connectivity to community sanitation systems in small towns, and will improve water services in rural areas through the SB and SB Associations.

3.6 The activities linked with access to capital expect to reach 500 households receiving credit products associates with water and sanitation activities. Furthermore, 20 training courses on financial skills and financial promotion will be developed for direct beneficiaries (entrepreneurs, employees of financial institutions/local organizations) and financial institutions/local organizations to develop products linked with WASH services, to be determined after the diagnosis.

3.7 **Component 3. Institutional strengthening.** This component will finance technical support activities to SB and Associations of SB, in particular to strength sector governance schemes and sector entities, to increase the quality of service delivery and to promote the financial sustainability of the sector. This component will finance:

- Studies on defining and implementing new organizational patterns of SB and technical assistance strategies to SB;
- Feasibility studies of the Association of SB and SB organizational strategies;

- Other studies to improve the effectiveness and efficiency of the management of SB with SENASA.

3.8 The detailed results matrix shows the main outcomes, outputs, targets and means of verification ([see detailed matrix](#)). Some targets will be defined after the diagnosis, where the specific behaviors to be improved and activities to be developed will be specified. The MIF TC results matrix would share almost the same indicators, although some indicators would be specific for each TC because of the focus on specific activities. For the common indicators, targets in MIF and WSA operations will be common and will be achieved with the common financing. One Drop will report the achievement of targets in a single report, in order to ensure avoiding double-counting. The main results and products expected for this TC are shown in the next table.

| Results | Target |
|--|---------------|
| Percentage of households connected to the collective sanitation network in beneficiary small towns in each small town participating in the project | 85 |
| Number of households participating in the project receiving credit products associated with water and sanitation | To be defined |
| Percentage of target individuals participating in the project practicing an effective WASH behavior on the topics covered in the social activities | 500 |
| Percentage of Sanitation Boards participating in the project working according to the operative standards | 40 |
| Average of annual sales growth of WASH related SMEs participating in the project | 80 |
| Number of Sanitation Boards in the country that receive technical assistance from the Associations of Sanitation Boards participating in the project | 100 |
| Products | Target |
| <i>Component 1</i> | |
| Number of local artists trained in social arts for behavior change | 50 |
| Number of behavior change products or activities developed | 5 |
| Number of people exposed to new behavior change products or activities during the project implementation | 90,000 |
| Number of Sanitation boards participating in training workshops (at least, one representative of the board) regarding promotion of behavioral change | 84 |
| <i>Component 2</i> | |
| Training workshops with entrepreneurs on water and sanitation products delivered | 20 |
| Number of Sanitation boards (at least, one representative of the board) selected and graduated from financial management training program | 84 |
| Number of Associations of Sanitation Boards with business plans developed and approved by the board of the Association | 5 |
| Number of SMEs participating in the project offering products linked with water and sanitation services | 200 |
| Number of new credit or other financial products on market created by financial institutions linked with WASH activities | 6 |
| Number of financial institutions offering financial products linked with water and sanitation services | 2 |
| <i>Component 3</i> | |
| Number of studies prepared | 3 |

IV. Indicative Budget

4.1 This TC requires an amount of US\$2,150,000 distributed according to the following table. The counterpart will come from One Drop Foundation. The MIF is preparing a technical cooperation for US\$951,900 that would cover part of the total US\$1,4

million of counterpart (if finally approved, the counterpart would come from MIF – US\$951,900– and One Drop Foundation –US\$448,100–)¹². CEAMSO-Paraguay will not contribute as financial counterpart.

Indicative Budget (US\$)

| Component | JPO Fund | Counterpart One Drop Foundation | MIF financing | TOTAL |
|---|----------------|---------------------------------|----------------|------------------|
| Component 1. Promotion of behavior change | 600,000 | 383,100 | 70,000 | 1,053,100 |
| Component 2. Access to Capital | 0 | 0 | 475,500 | 475,500 |
| Component 3. Institutional strengthening | 150,000 | 0 | 0 | 150,000 |
| Audit, Evaluation and Project Management | 0 | 65,000 | 406,400 | 471,400 |
| Total | 750,000 | 448,100 | 951,900 | 2,150,000 |

[Detailed budget](#)

- 4.2 The project team from the Water and Sanitation Division will supervise the project. One Drop Foundation will submit a progress report to the IDB following a biannual basis. The reports will be submitted the last day of January and the last day of July annually. The content of the progress report will replicate (as applicable) MIF's PSR (Project Status Report) including the following information: (i) financial progress of the TC; (ii) achieved outputs and outcomes; and (iii) work plan for the next reporting period. The biannual report will also include an update of the operation manual and procurement and financial plans if necessary.
- 4.3 The evaluation of the operation will be conducted by external consultants financed by the project on the following basis: (i) an intermediate evaluation 60 days after the Bank has disbursed 50% of its contribution or 60 days after half of the execution period has expired (whichever occurs first); and (ii) a final evaluation 60 days after the end of the execution period. This final evaluation will include lessons learned, results reached, and any other relevant information for future similar projects. The terms of references of the external consultants will require the Bank's approval.

V. Executing agency and execution structure

- 5.1 **Executing agency.** The executing agency for the components 1 and 2 will be the international One Drop Foundation. One Drop Foundation is an international water and sanitation non-profit organization created by Guy Laliberté, Cirque du Soleil founder, and organized under the laws of Canada. One Drop Foundation will execute components 1 and 2 of this TC and will co-finance the project. One Drop Foundation is specialized in promoting behavior change through social art in the WASH sector through the A-B-C methodology for Sustainability (Access, Behavior change, Capital). After a selection process, One Drop Foundation has selected Fundación Bertoni and CEAMSO-Paraguay as local strategic partners to implement some of the activities of the program¹³. One Drop will send for non-objection the draft

¹² If MIF does not approve the TC, One Drop Foundation will cover the entire counterpart amount (US\$1,4 million).

¹³ The selection process has followed verification tools (financial, technical, monitoring and evaluation capacities) based on MIF DNA tool and used their selection of executing agencies. CEAMSO-Paraguay and Fundación Bertoni were selected due to their knowledge and experience in the WASH sector and with SB, as well as their financial and technical capacities to develop the expected activities.

agreements/contracts between One Drop and local NGOs before signature. One Drop Foundation will assess technical and financial capacities of art groups to work in some of the activities of the program, developing the methodology and the performances to be implemented in the field.

- 5.2 The Paraguayan NGO CEAMSO-Paraguay will be responsible for implementing component 3, hiring consultants to develop studies to support SB and SB Associations to define new organizational schemes with SENASA and to improve service delivery and sustainability of the services. CEAMSO-Paraguay has extensive experience in working in the water and sanitation sector in Paraguay, and it is familiar with SENASA, the SB and other stakeholders in the sector.
- 5.3 **Execution Structure:** Regarding the implementation of the TC, the IDB and One Drop Foundation will sign a technical cooperation agreement for components 1 and 2, and the IDB and CEAMSO-Paraguay will sign a technical cooperation agreement for component 3. Both One Drop Foundation and CEAMSO-Paraguay will be responsible for the administration of resources contributed by the Bank, in accordance with the policies and procedures of the Bank, for the corresponding components. To implement the project, One Drop Foundation and CEAMSO-Paraguay will: (i) contract products and services in accordance with a procurement plan; and (ii) sign agreements with other contractors implementing partners for specific activities. These sub-executing agreements will be consistent with the agreement signed between One Drop Foundation and the IDB and between CEAMSO-Paraguay and the IDB. One Drop Foundation, CEAMSO-Paraguay and the sub-executing agencies will follow all relevant IDB policies and procedures. Both executing agencies will sign a collaboration agreement with SENASA to ensure the coordination with the social activities developed by SENASA and to strengthen the technical assistance in operational and management issues that SENASA gives to the SB.
- 5.4 **Financial management and procurement aspects.** Aspects related to financial management are governed by the Financial Management Guidelines for projects financed by the IDB (OP-273-6). Procurement processes will follow IDB's procurement policies GN-2349-9 and GN-2350-9, particularly Appendix 4 for implementing agencies of the private sector, and in Annex 1 of document OP-639 (technical cooperation guidelines for entities that do not have written official procurement policies), all of which will be part of an Operating Manual to be prepared for the administration of the project. The operation manual will apply to One Drop Foundation, providing guidelines for the administration and management of the components 1 and 2 of the TC. Prior to each disbursement, excepting for the first Advance of Funds, the Bank will request a certification of expenditures by an independent certified public accountant, together with the bank account reconciliation of corresponding project expenditures. For expenditures in local currency, the exchange rate used for accountability will be the exchange rate from the date the expense was incurred, published by the Paraguayan Central Bank on a daily basis. The IDB shall have the right to request from One Drop Foundation and CEAMSO-Paraguay, as the case may be, an audited financial report of the project and supervise One Drop Foundation, CEAMSO-Paraguay and the sub-executing agencies if considered necessary. Procurement execution by One Drop Foundation, CEAMSO-Paraguay and sub-executing agencies will observe IDB Procurement Policies.

- 5.5 **Special contractual conditions and covenants.** Special conditions precedent to the first disbursement for components 1 and 2 (executed by One Drop Foundation) will include the submission to the IDB, and/or fulfillment (as the case may be), by the Executing Agency to IDB's satisfaction, of the following: (a) appointment/designation of (i) a full time program/project coordinator; (ii) procurement/financial specialist; (iii) a technical specialist; and (iv) a monitoring and evaluation specialist; (b) a signed sub-execution agreement to be signed between the Executing Agency and each of the Implementing Partners (sub-executing agencies); (c) evidence of a designated bank account in dollars opened or set up in a financial institution, by the Executing Agency, solely for the use of this TC's resources; (d) an approved Project Operating Manual, including at least the following items: (i) project eligibility criteria; (ii) disbursements and financial planning and reporting arrangements; and (iii) monitoring and evaluation; (e) the signature of a collaboration agreement with SENASA; (f) submission to the IDB, and/or fulfillment (as the case may be), by the Executing Agency to IDB's satisfaction, of a procurement and financial plan for the proposed intervention including a detailed budget; (g) submission to the IDB of an evidence of the agreement signed between One Drop Foundation and the MIF to receive the financing approved by MIF. If the MIF TC is not approved, One Drop Foundation will submit the agreement with the IDB, indicating the entire financial counterpart (US\$1,4 million) financed by One Drop Foundation.
- 5.6 Special conditions precedent to the first disbursement for component 3 will include the submission to the IDB, and/or fulfillment (as the case may be), by the Executing Agency to IDB's satisfaction, of the following: (a) evidence of a designated bank account in dollars opened or set up in a financial institution, by the Executing Agency, solely for the use of this TC's resources; (b) the signature of a collaboration agreement with SENASA; and (c) submission to the IDB, and/or fulfillment (as the case may be), by the Executing Agency to IDB's satisfaction, of a procurement and financial plan for the proposed intervention including a detailed budget.
- 5.7 During the life of the Project, One Drop Foundation and CEAMSO-Paraguay will present on a yearly basis its consolidated audited financial statements and the project annual statements of cash flow and cumulative investments, within 120 days following the end of its fiscal year. One Drop Foundation and CEAMSO-Paraguay will also provide on a yearly basis an Annual Operating Plan, that will cover at least the activities to be developed during the fiscal year, a chronogram of the activities and the financial resources to be used. The Operating Plan should be presented before the first day of the fiscal year and it will be updated if needed in the progress reports to the IDB following a biannual basis.
- 5.8 **Intellectual Property Rights and License Agreement.** One Drop Foundation will own any and all intellectual property rights, including but not limited to copyright, in relation to and/or arising out of the works produced by One Drop Foundation and approved by the Bank. One Drop Foundation will grant the Bank a nonexclusive, perpetual, irrevocable, royalty-free license for non-commercial purposes to use the works. One Drop Foundation and CEAMSO-Paraguay and the IDB will specify in the TC agreement all intellectual property rights of knowledge products.

VI. Major issues

- 6.1 The main risk of this TC is the coordination in the implementation of social development activities, which will be implemented on the one hand by One Drop Foundation with resources of this TC, and on the other hand by SENASA through

consulting firms or NGOs, financed with other resources. To mitigate this risk that could impact on the quality of the results, One Drop Foundation and CEAMSO-Paraguay will sign as a condition prior to first disbursement a collaboration agreement with SENASA. Furthermore, a specific unit with staff from SENASA with expertise in social management will be defined to coordinate the activities.

- 6.2 The existence of sub-executing agencies for specific activities in components 1 and 2 bears an additional execution risk. To minimize the latter, One Drop Foundation will need to implement stronger execution controls on the use of IDB resources. In addition, the IDB through INE/WSA will be informed of the potential sub-executing agencies and it will have a say in their final selection. Furthermore, as part of the special conditions (see paragraph 5.5) a signed sub-execution agreement will be signed between the Executing Agency and each of the Implementing Partners (sub-executing agencies). Nevertheless, these sub-executing agencies are expected to be well-known organizations with a recognized institutional capacity and an excellent reputation already built in the Region.
- 6.3 Finally, another risk is the lack of experience of consulting firms, NGOs and SENASA on issues of behavioral changes in the WASH sector. To mitigate this risk One Drop Foundation will develop specific training activities on behavior change through social arts, and it will provide ongoing support and supervision.

VII. Exceptions to Bank policy

- 7.1 This TC does not present any exceptions to Bank policies.

VIII. Environmental and Social Strategy

- 8.1 It is anticipated that, overall, the program will produce a positive environmental and social impact in the area of influence, since it will improve the living conditions of the population by providing drinking water and sanitation. In accordance with the guidelines of the Policy Environment and Safeguards Compliance (OP-703) the proposed operation was classified as category C ([see environmental filters](#)).

Required annexes

- Annex I [Letters of request](#)
- Annex II [Procurement Plan](#)
- Annex III [Terms of Reference](#)
- Annex IV [DNA CEAMSO-PARAGUAY](#)
- Annex V [DNA ONE DROP FOUNDATION](#)

Optional annexes

- [Communities](#)