

BUCARAMANGA POTABLE WATER

(TC-00-05-02-1)

EXECUTIVE SUMMARY

Requester:	National Planning Department [Departamento Nacional de Planeación] (DNP) on 23 June 2000.		
Executing agency:	Bucaramanga Metropolitan Water Supply Company [Compañía del Acueducto Metropolitano de Bucaramanga S.A., E.S.P.] (CAMB) and the Ministry of Economic Development.		
Amount and source:	MIF:	US\$ 900,000	
	Local:	US\$ 600,000	
	Total:	US\$1,500,000	
Terms and conditions:	Phase II Partial Contingent Recovery (US\$480,000). Responsibility for repayment of this sum will fall to CAMB, using funds from the private company with the winning bid.		
Terms:	Execution period:	30 months	
	Disbursement period	36 months	
Objectives:	The principal objective of this project is to maintain the current coverage while providing improved potable water service in the Bucaramanga metropolitan area through active private sector participation that is comprehensive and sustainable in the long term. This experience is intended to be used for moving ahead with studies on participation by the private sector in other intermediate cities.		
Description:	The program is divided into two components: (i) Component A: to be carried out in two phases for structuring of the investor and/or operator selection process under a financial, technical, commercial, institutional and/or legal framework that will make it possible to develop a water and sanitation investment plan in Bucaramanga, proposing the most suitable arrangement for private sector participation in project implementation and subsequent service delivery; and (ii) Component B: prefeasibility studies for private participation in intermediate cities global water plan. Accordingly, a global water and sanitation program for intermediate cities (GWP) will be prepared.		

Social and environmental review:

15 September 2000.

Special contractual clauses:

(i) As a condition of eligibility, the Bank must approve the terms of reference for the consulting services and bidding procedures, as well as the proposal evaluation methodology; (ii) the Bank must approve the results of Phase I, authorize start-up of Phase II, and approve the start-up of the global water program; (iii) to ensure that sewer and water service are provided together, the prospective contract with the private sector, prepared by the consultants, must guarantee that the charge for sewer service is included in water bills (alternative mechanisms could also be established to achieve the same objective); and (iv) also contained must be a contingent-recovery clause for US\$480,000, with the borrower being the private company with the winning bid.

Exceptions to Bank policy:

None.