

## TC Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL/CCB - Caribbean Group
▪ TC Name:	Governance in the Water & Sanitation Sector for the English Speaking Caribbean and Suriname
▪ TC Number:	RG-T2775
▪ Team Leader/Members:	Yvon Mellinger (WSA/CBA) Team Leader; Evan Cayetano (WSA/CTT) Alternate Team Leader; Team Members: Goro Mutsuura (ORP/GCM); Marle Reyes (WSA/CGY); Glaister Cunningham (CCB/CJA); Irene Cartin (INE/WSA); and Javier Jimenez (LEG/SGO)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Research and Dissemination
▪ Date of TC Abstract authorization:	27 June 2016
▪ Beneficiary:	English speaking Caribbean countries and Suriname
▪ Executing Agency and contact name:	US-IDB - yvonm@iadb.org
▪ Donors providing funding:	AQUAFUND
▪ IDB Funding Requested:	\$300,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (includes Execution period):	24 months (22 months Execution period)
▪ Required start date:	24 October 2016
▪ Types of consultants (firm or individual consultants):	Firms
▪ Prepared by Unit:	INE/WSA
▪ Unit of Disbursement Responsibility:	INE
▪ TC Included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Infrastructure for competitiveness and social welfare

### II. Objectives and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to support the development and the dissemination of knowledge products and promote best practice exchanges, with a specific emphasis on Governance, within the sub-region of the English speaking Caribbean and for the Water and Sanitation Sector. It will specifically develop a baseline and the framework for an Action Plan for improvement.
- 2.2 The Inter-American Development Bank (IDB), through its Water and Sanitation Division (INE/WSA) and in the context of its Water and Sanitation Sector Framework, supports LAC countries in consolidating and strengthening the structure of the water and sanitation sector ensuring (i) prioritization of the sector within national agendas; (ii) definition of roles and responsibilities of the institutions; and (iii) promotion of the development and application of public policies and standards that meet local needs; and conditions, thus leading to increased coverage, improved services and enhanced long-term sustainability.

- 2.3 The English speaking Caribbean Countries, facing similar challenges in the Water and Sanitation Sector and sharing common culture and language, have organized themselves around regional organizations, among which are the Caribbean Water and Wastewater Association (CWWA) and the Caribbean Association of Water and Sewerage Authorities (CAWASA) while regional institutions such as the Caribbean Development Bank (CDB) directly support those countries. Initiatives like the Global Water Partnership (GWP) or the Water Operator Partnership (WOP) have also developed Caribbean specific chapters.
- 2.4 INE/WSA, recognizing the importance of sub-regional exchanges, has supported a number of related initiatives. For instance, has supported the development and implementation of the Caribbean Regional Fund for Wastewater (CReW); it has carried out workshops and presentations as part of the yearly CWWA Conferences; it is part of WOP-LAC Caribbean, and has provided assistance to Caribbean workshops on Solid Waste Management, as well as to specific activities such as Energy Efficiency and Non-Revenue Water reduction studies and workshops, often in collaboration with the CDB, thus expanding the benefits of those exchanges to the Organization of the Eastern Caribbean States (OECS) Countries. These initiatives have positioned the IDB as a major actor in the sector and have triggered requests for continuous and additional support for those exchanges within the sub-region. This TC will specifically assess the governance gaps and propose an action plan framework for the improvement of the governance of the water and sanitation sector in the English speaking Caribbean. All of the public water supply utilities in the English speaking Caribbean are government-owned enterprises, governed by boards tied to the political administration of government. Most of these enterprises, some more than others, rely on government subsidies/ transfers to assist with meeting operational expenses. Recognizing the need for improvements in the efficiency of the operations of the utilities and their service delivery, and also the need for these enterprises to operate on a more commercial basis, the governments have recognized the limitations of the current governance arrangements. Accordingly, this TC will finance a position paper on the governance structure of the on the Water and Wastewater Sector in 7 countries and recommendations for institutional development. A better understanding of the governance of the water and sanitation issues by the sector authorities will support the institutional strengthening interventions of the Bank in the sector.
- 2.5 This TC is aligned with the Bank's GCI-9 as it supports the development area of the Infrastructure for competitiveness and social welfare sector priority: governance and efficiency in the water and sanitation sector. It is aligned with the Aquafund mandate as it promotes exchanges in the sector.

### **III. Description of activities/components and budget**

#### **A - Activities**

- 3.1 The TC will support exchanges and discussions on sector relevant topics, with a particular emphasis on sector governance and financing, including: (i) preparation of a baseline evaluation and comparison of the sectors governance structure in the beneficiary countries (The Bahamas, Barbados, Belize, Guyana, Jamaica, Surinam and Trinidad & Tobago) that would include a framework for an improvement Action Plan; (ii) staging, in coordination with the Government of Jamaica (Planning Institute

of Jamaica (PIOJ), National Water Commission (NWC), the Water Resources Authority (WRA) and the Office of Utility Regulation (OUR)) of a regional water and sewerage conference; and (iii) High Level Forum of Ministers (and high level authorities) in charge of water (HLF) of the Caribbean Water and Wastewater Association (CWWA) 2016 Conference in Trinidad and Tobago.

## **B – Components**

- 3.2 **Component 1 – Knowledge Development.** This component will finance the development of a position paper on governance for the Water and Wastewater Sector in the sub-region that would be the basis for dialogue between stakeholders. This document would build upon the sectorial work developed between 2008 and 2011 under the IDB Water and Sanitation Initiative, highlighting key issues relating to governance and financing of the Sector. It is expected that this product, once discussed and validated by the beneficiaries, would be consolidated with a CDB's update of their technical "assessment of the water sector in the Caribbean", and constitute the basis of a sub-regional presentation to the World Water Week 2018 (WWW2018), as part of the Latin America and Caribbean focus Day, to be coordinated by INE/WSA.
- 3.3 Specifically, under this component the position paper on governance will provide a baseline assessment of the governance structure of the water and sanitation sector in 7 countries and recommendations for improvements. The assessment will cover: (i) the legal and regulatory framework; (ii) the sector policies and strategies; (iii) the financial situation of the sector including tariff structures; (iv) an evaluation of financing options; and (v) recommendations for water and wastewater utility institutional development.
- 3.4 The output of this product will be a position paper, in English, with the results of the analysis and with recommendations on the points for discussion in the events covered in Component 2, besides WWW2018.
- 3.5 **Component 2 – Client Outreach, communication, dissemination and logistics.** This component will finance the participation of key regional experts (Utility General Managers and Financial Managers) and decision makers (Ministers in charge of water and other high level authorities of the sector) at regional seminars and workshops, as well as the logistic costs of organizing those events. The events objectives would be to validate and build upon the position paper financed under Component 1. Those events would be held in collaboration with the CWWA, in the context of their annual Conference to be held in Trinidad and Tobago in October 2016 and in Jamaica, with the support of the PIOJ, the Office of Utilities Regulation (OUR) and the National Water Commission (NWC).

### Indicative Results Matrix

The outcome of this TC will be a better understanding of the governance of the water and sanitation issues by the sector authorities. It will guide the institutional strengthening interventions of the Bank in the sector.				
Outcome Indicator	Unit	Baseline 2016	Target 2018	Verification method
Bank driven position paper on governance in English speaking Caribbean region has been used by clients	Position paper on governance	0	4	Results of workshops surveys

Component	Name	Output indicator	Unit	Base	Final	Verification method
1	Knowledge Development	Position paper on governance approved by the IDB	Report	0	1	Report acceptance
Component 2	Client Outreach, communication, dissemination and logistics	Governance workshops for key regional experts conducted	Workshop	0	2	Workshops Surveys

### Indicative Budget (US\$)

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1	Knowledge Development	145,580.00	0.00	145,580.00
Component 2	Client Outreach, communication, dissemination and logistics	154,420.00	0.00	154,420.00

[Detailed budget](#)

#### IV. Executing agency and execution structure

- 4.1 Since this is a Research & Dissemination (RD) of sub-regional character, the TC will be executed by the Inter-American Development Bank through the Water and Sanitation Division (INE/WSA).
- 4.2 The execution and disbursement period is 20 and 24 months respectively. The IDB will follow IDB Corporate Procurement Policies for contracting consulting firms and other services (GN 2350-9). The justifications for single-source selections (SSS) and Direct Contracting (DC) are in line with the criteria set forth in the respective policies (paragraph 3.10 of policy GN-2350-9 and paragraph 5.13.A of policy GN-2303-20).
- 4.3 Under Component 1, the IDB will hire Castalia Strategic Advisors under a Single Source Selection (SSS) for the development of the Regional Governance Study. This SSS is based on the principle of efficiency as Castalia has an extensive knowledge of the sector governance in the Region, having worked in the institutional aspects of the water and sanitation sector in most of the Countries covered by this study. The consultant's proposal, annexed, is priced competitively, taking into account the

knowledge already in possession of the firm. Castalia being a US based consultancy is eligible under the IDB procurement policies.

- 4.4 For Component 2, the IDB will hire CWWA to organize the HLF session under a Direct Contracting (DC) as CWWA is the event host and only entity providing these services for the HLF. CWWA, based in Trinidad and Tobago is eligible under the IDB procurement policies.
- 4.5 In addition, the IDB will hire an individual consultant who will support the preparation of the Jamaican workshop, including the facilitation and reporting. It will also set-up a planning committee, including the facilitator, and representatives from PIOJ, NWC, OUR to discuss the steps and activities required for the Regional water and sewerage conference in Jamaican.

## **V. Major issues**

- 5.1 There are no major risks associated to this TC, the major challenge being that of ensuring meaningful attendance and participation in the workshops. The partnerships and collaboration already developed should guarantee interest from the key stakeholders; both CWWA and PIOJ from the Government of Jamaica have proved their capacity to convene relevant sectorial stakeholders to similar venues

## **VI. Exceptions to Bank policy**

- 6.1 This TC does not involve any exceptions to the Bank's Policies.

## **VII. Environmental and Social Strategy**

- 7.1 Following ESG's project classification process requirements and based on the Environment and Safeguards Compliance Policy (OP-703), this TC falls under Category "C" ([see filters](#)).

### **Required Annexes:**

- Annex I - [Request letter](#)
- Annex II - [Terms of Reference](#)
- Annex III - [Procurement Plan](#)
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### **Other Annexes and links:**

- [CWWA Proposal for the Convening of the HLF](#)
- [CASTALIA Strategic Advisors Proposal](#)

GOVERNANCE IN THE WATER & SANITATION SECTOR FOR THE ENGLISH SPEAKING CARIBBEAN AND SURINAME

RG-T2775

CERTIFICATION

I hereby certify that this operation was approved for financing under IDB AquaFund (AQF) through a communication dated June 23, 2016 and signed by Carmen Alvarez-Basso (ORP/GCM). Also, I certify that resources from said fund are available for up to **US\$300,000** in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. 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 US 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, represent a risk that will not be absorbed by the Fund.

*(origina firmado)*

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Sonia M. Rivera

Chief

Grants and Co-Financing Management Unit

ORP/GCM

8/26/2016

\_\_\_\_\_  
Date

*(origina firmado)*

Approved: \_\_\_\_\_

Sergio I. Campos

Division Chief

Water and Sanitation Division

INE/WSA

8/29/2016

\_\_\_\_\_  
Date