

Draft TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Update of Sector Strategic Plans for the Achievement of the SDGs
▪ TC Number:	RG-T3244
▪ Team Leader/Members:	Kleber Machado (INE/WSA) Team Leader; María Julia Bocco (INE/WSA) Alternate Team Leader; Jorge Ducci, Corinne Cathala, Alejandra Perroni, Raul Muñoz, Germán Sturzenegger, Celia Bedoya, Javier Garcia, Keisuke Sasaki, Henry Moreno, Edgar Orellana, Evan Cayetano, David Wilk, and Irene Cartin (INE/WSA); Alfred Grunwaldt (CSD/CCS), and Betina Hennig (LEG/SGO)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request ¹ : (IDB docs #)	N/A
▪ Date of TC Abstract:	March 12, 2018
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Regional
▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {If Bank: Contracting entity} {If the same as Beneficiary, please indicate}	IBD – INE/WSA
▪ IDB Funding Requested:	\$500,000.
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (which includes execution period):	Execution period: 36 months, Disbursement period: 42 months
▪ Required start date:	May 15 th . 2018
▪ Types of consultants (firm or individual consultants):	Individual consultants and firms
▪ Prepared by Unit:	INE/WSA
▪ Unit of Disbursement Responsibility:	INE/WSA
▪ Included in Country Strategy (y/n);	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	(i) Social inclusion and equality, and (ii) Climate change and environmental sustainability

¹ A copy of the Letter of Request, Programming/Portfolio Review Mission Aide Memoire or Report requesting the TC should be submitted with the Abstract.

II. Objective and Justification

- 2.1 The UN Sustainable Development Goals (SDGs), adopted in September 2015, pose a new challenge to the water and sanitation sector. The Goal 6 calls for holistic effort to “Ensure access to water and sanitation for all.” Its targets embrace not only increasing access to services to achieve universal access, which requires the consideration of equity between rural and urban areas and among socioeconomic levels, but also improving the quality of services, promoting efficiency, and enhancing integrated water resource management. Advancement in water and sanitation is also critical to other goals of the SDGs, among others: (i) Goal 3 “Good health and well-being,” through the reduction of water-borne diseases; (ii) Goal 5 “Gender equality,” through decreased burden on women and girls of household water collection and/or unpaid care; and (iii) Goal 12 “Responsible consumption and production,” through closing huge deficiency in wastewater treatment in the region.
- 2.2 To achieve these goals, in the planning of water and sanitation sector, interdependencies become key considerations². For example, for universal access to water it is fundamental (i) to protect the water sources from contamination; (ii) to promote efficiency and effectiveness of the sector, which include, among other things, developing strategies on behavioral aspects and social communication to improve (industrial and domestic) consumers’ water use efficiency and/or for hygiene improvements; (iii) to enhance integrated water resource management that takes into account the impacts of climate change to water resources, in terms of volume, variability and seasonality; (iv) to integrate water reuse, where applicable, as part of alternative water sources; and (v) to incorporate gender considerations to infrastructure design. On the other hand, sanitation, particularly wastewater treatment process, is an opportunity not only for water reuse, but also for energy and materials recovery (fertilizer, construction materials, bioplastic etc.). It is worth noting that technological advancement in the sector also facilitates this interdependency approach. In order to successfully deal with this interdependency, it is vital to develop institutional capacity and to design adequate public policies
- 2.3 The objective of the TC is to enable the Bank, through its Water and Sanitation Division (INE/WSA), to assist the beneficiary countries in the preparation of water and sanitation sector strategic plans (SPs), which propose solutions to the sector’s challenges mentioned above. As a result of this process, a long-term road map (10 to 15 years horizon) will be set out uniting the country and the Bank’s vision for the sector, combining institutional actions with financial resources, as appropriate. Although it is beneficial to update the SPs of all the countries, under this TC the Bank will be able to work only on approximately five countries³.

² Water Utility Pathways in a Circular Economy, IWA, 2016

³ Tentatively, Colombia, Jamaica, and Paraguay have been prioritized are to initiate this work. Other countries that may be considered later are Mexico, Haiti, Dominican Republic, Peru, Bahamas, and Uruguay. This is to be further analyzed during the TC preparation.

- 2.4 The TC is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and aligns with the challenges of social inclusion and equality, and with the cross-cutting area of climate change and environmental sustainability. In addition, the CT is aligned with the strategy "Sustainable Infrastructure for Competitiveness and Inclusive Growth" in the priority areas for action of "Promote access to infrastructure services," "Promote continuous improvements in infrastructure governance," and "Support the construction and maintenance of infrastructure environmentally and socially sustainable." Finally, it is consistent with the objectives of the Water and Sanitation Sectoral Framework Document and included as a proposed analytical activity for the success dimension 1 "Countries achieve universal access to water and sanitation while improving the quality of services."

III. Description of activities and outputs

- 3.1 The only component is the preparation of sector strategic plans in countries where such document is needed. For most countries, it would be appropriate to update an existing strategy to fit the challenges under the SDGs. Such update would be particularly pertinent when significant sector institutional changes are perceived, when there are new unforeseen circumstances (for example natural disasters and climate change), or changes of the political authorities. It is anticipated that the SP will be developed in two phases. Phase I comprises a sector diagnosis, which defines the sector, identifies sector challenges, and proposes alternative solutions to the challenges. As a general methodology the sector diagnosis and proposed development alternatives would be presented in workshops and open consultations to arrive at the mentioned set of alternatives. It is expected that a series of short, medium and long-term interventions could be defined, such as projects and products for which, if no financing has been sourced, could be financed or supported by the Bank. Phase II comprises the production and agreement on the SP.
- 3.2 The activities involved are mainly the following:
- (1) Hiring (primarily) individual consultants to carry out specific the studies and assessments;
 - (2) Prepare a thorough diagnosis of each subsector of interest, considering interdependencies that include the effects of climate change and gender considerations;
 - (3) Prepare options for addressing the sector's challenges and constraints, solving the main issues or sector constraints, including innovative water and sanitation technical and management solutions that have proved effective in the region or have a high potential for success;
 - (4) Carry out workshops with main stakeholders to agree upon the diagnosis and select the desired options for actions;
 - (5) Define the main action plans agreed with the country to be developed including: specific objectives, activities, budgets, responsible institutions, role of the Bank, etc. for a medium term (say 5 years) and a longer term (10 to 15 years);

- (6) Produce a final report consolidating all the work carried out, and a formal synthesis to be published.

IV. Budget

- 4.1 The TC budget is US\$500,000.

Indicative Budget (US\$)

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Update of strategic sector plans	Carry out the studies in approx. five countries.	500,000	0	500,000
TOTAL		500,000	0	500,000

V. Executing agency and execution structure

- 5.1 The TC will be executed by the Bank, through INE/WSA, given that it is a regional knowledge and dissemination TC of regional scope that requires prioritization of and coordination with five countries as well as regional sector knowledge. The Bank has extensive experience in executing studies for sector strategic plans through, among other things, the execution of RG-T2061 and RG-T2645.
- 5.2 Procurement. The Bank will hire the services of individual consultants and firms as well as non-consulting services according to Bank's procurement policies and processes.

VI. Project Risks and issues

- 6.1 In general, the experience to date has shown that reaching agreement on the general strategy of the sector is much more difficult than sector diagnostics to be implemented and the specific actions to follow. This has been due to factors like: inability of the authorities to reach internal consensus; unresolved conflicts between stakeholders; the need of major interventions for which the government does not have the necessary political support; weak interest in dealing with sector issues; lack of governance required for proper decision making. A main lesson learned is the importance of assuring agreement among key sector authorities, and of duly informing key decision makers, including those outside the sector, primarily based on such agreement among key sector authorities, so that they are empowered for the decisions that need to be made.
- 6.2 A secondary risk has been the difficulty of selecting proper consultants to do this kind of work, which requires not only technical knowledge, but also a good sense of the politics involved, and have the ability to reach and attract the attention of key stakeholders. By now the Bank has an adequate number of consultants that have provided good results in earlier studies. Thanks to the learning process over the years, the Bank has Terms of Reference from previous studies which will serve as the basis for clear definition of objectives and the scope of work.

VII. Environmental and Social Classification

- 7.1 Given the nature of the activities to be financed by this TC, no potential negative environmental and social impacts have been identified. In accordance with the guidelines of the Environment and Safeguards Compliance Policy (OP-703), this TC has been classified as C category.