

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	COSTA RICA/CID - Isthmus & DR
▪ TC Name:	Support to the Costa Rican Institute of Aqueducts and Sewerage (AyA) in the execution of the Water and Sanitation Program (CR-L1024; CR-X1009) and support to the institutional strengthening of AyA.
▪ TC Number:	CR-T1253
▪ Team Leader/Members:	ORTIZ STRADTMANN, SILVIA (INE/WSA) Team Leader; PERRONI, MARIA ALEJANDRA (INE/WSA) Alternate Team Leader; MADRIGAL BARQUERO, DIANA (INE/WSA); BORBON MUNOZ, ALVARO (CID/CCR); RUIZ MORA, DAVID JOSE (CID/CCR); LOZANO, RAUL ENRIQUE (VPC/FMP); DUGAND OCAMPO, JUAN CARLOS (VPC/FMP); JIMENEZ SALAS, KARLA VANESSA (VPC/FMP); DE DOBRZYNSKI, ESTEBAN (LEG/SGO); LESLIE CRESPIAN (INE/WSA)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Water and Sanitation Program - CR-L1024
▪ Date of TC Abstract:	26 Jul 2022
▪ Beneficiary:	Instituto Costarricense de Acueductos y Alcantarillados (AyA).
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$150,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	INE/WSA - Water & Sanitation
▪ Unit of Disbursement Responsibility:	CID/CCR - Country Office Costa Rica
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Institutional capacity and rule of law; Environmental sustainability

### II. Objective and Justification

- 2.1 The general objective of the TC is to contribute to the adequate execution of the resources that finance the investment projects of the Water and Sanitation Program (CR-L1024; CR-X1009). Specifically, the TC aims to support the Costa Rican Institute of Aqueducts and Sewerage (AyA) in the supervision of works under execution, the review of contractual management processes (modifications to contracts under execution) and at the same time support the institution's modernization process.
- 2.2 Given the high degree of progress in the execution of the projects financed by the Loan (81% disbursed and 99% committed) and the Agreement (90% disbursed and 89% committed) and the extensions already granted to both operations (CR-L1024 and CR-X1009), it is necessary to provide continuous and effective follow-up to ensure adequate completion of the works within the current period of the operations. It is especially necessary to supervise and ensure optimum performance in the execution of the works that represent the critical route for each financing source: South Collector

Sanitary Sewerage: Tiribí Diversion in the case of the Loan and the San José de Upala Aqueduct Expansion in the case of the Agreement, thus facilitating an effective and orderly closing. Likewise, the TC will support the elaboration of lessons learned from the execution of the PAPS and the review of the pre-investment of works that do not have financing given the increase in costs of the Program.

### III. Description of Activities and Outputs

- 3.1 **Component I: Component 1. Activities in support of the Drinking Water and Sanitation Program CR-L1024/ CR-X1009..** This component will finance the necessary advisory and consulting services to contribute to the supervision of the execution and closing of the last projects of the Program to ensure compliance with the goals and objectives of the Program.
- 3.2 **Component II: Component 2. Support to the AYA in its Modernization process.** This component is aimed at designing, guiding and implementing a process of institutional strengthening and strategic change based on projects, objectives and goals defined as priorities in the Comprehensive Transformation Plan that is being developed as a result of the implementation of the AquaRating with resources from the RG-T3377.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Activities in support of the Drinking Water and Sanitation Program CR-L1024/ CR-X1009.	US\$100,000.00	US\$0.00	US\$100,000.00
Component 2. Support to the AYA in its Modernization process	US\$50,000.00	US\$0.00	US\$50,000.00
<b>Total</b>	<b>US\$150,000.00</b>	<b>US\$0.00</b>	<b>US\$150,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The executing agency for this TC will be the IDB, through the Water and Sanitation Division in Costa Rica. Monitoring of the execution of the TC will be carried out through the following mechanisms: (i) technical working meetings between AyA or the Program Executing Unit (UE PAPS), as the case may be, the Bank and the individual consultants; and (ii) review by AyA or UE PAPS, and the Bank of the technical reports to be submitted by the consultants.
- 5.2 The beneficiary (AyA) has requested that the Bank be the executor of the TC, since implementation by AyA would require adjustments to the institutional budget and approval by the Office of the Comptroller General of the Republic for the use of the Bank's procurement policies, exercises that could jeopardize the timely approval of resources and, consequently, the timely support of this TC to the Program. In this regard, to facilitate the implementation of the required consultancies, the H&A requests that the Bank be in charge of contracting the consultancy services, which will be carried out in accordance with the Bank's procurement policies and procedures (Procurement Plan), and contracting for funds administered by the Bank (AM-650 and GN-2765- ). Therefore, WSA/CCR will act as the Core Responsibility Unit for these procurements and will be responsible for the request for proposals, evaluation and selection of individual consultants, and contract negotiation and technical follow-up. The deliverables of the consultancies must be made known to the beneficiary (AyA), who will designate a technical counterpart per Component for the coordination and

follow-up of the TC products. The activities to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement methods, namely: (a) Contracting of individual consultants, as established in AM-650; (b) Contracting of consulting firms for services of an intellectual nature in accordance with GN-2765-4 and its associated operational guidelines (OP-1155-4).

## **VI. Project Risks and Issues**

- 6.1 No significant risks have been identified that would substantially affect the execution of the TC. However, the following are considered as potential risks: (i) restrictions for field supervision of works due to a new pandemic wave; and (ii) lack of ownership of the deliveries generated. For the first risk, the measures imposed by the Ministry of Health and the Bank will be complied with in the event of a new wave caused by COVID-19. The second risk will be mitigated with direct follow-up by INE/WSA specialists with the AyA and the EU PAPS as appropriate.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".