



# Knowledge and Capacity Building Products (KCP) Proposal

Research & Development

## I. General Information

### KCP Title:

Key issues in water and sanitation governance

### OPUS Number:

RG-T1858

### Date of Proposal:

10/4/2010

### Linked to project:

N/A

### Team Leader / Unit:

KRAUSE, MATTHIAS - INE/WSA

### Peer Reviewer 1:

ARDILA, SERGIO

### Peer Reviewer 2:

STEIN, ERNESTO HUGO

### Joint Proposal:

Yes: ICF/ICS; RES/RES

**Proposed amount, without counterpart** in USD equivalent (enter whole number only): USD 337,000

Must match total of budget table on section VI, and of OPUS

**Proposed amount including counterpart** (if applicable) in USD equivalent:

USD 337,000

### Proposed Fund:

Aquafund

### Unit of Technical Responsibility:

INE/WSA

### Unit of Disbursement Responsibility:

INE

### Execution:

Bank

### Letters of Request available (or equivalent)

No

### Doc# (IDBdocs):

### Non-objection available:

No

### Doc# (IDBdocs):

**Execution period:** 24 months

**Disbursement period:** 26 months

**Required Start Date:** 11/1/2010

### Please provide justification why the Bank is the Executing Agency:

This is a KCP originated in the Bank. This is a Bank-wide regional project that will benefit governments in several countries and the Bank. The countries (3 to 4) in which specific studies will be carried out are still to be determined among the universe of countries checked below.

### Beneficiary Countries:

ARGENTINA, BOLIVIA, BRAZIL, CHILE, COLOMBIA, COSTA RICA, DOMINICAN REPUBLIC, ECUADOR, GUATEMALA, MEXICO, NICARAGUA, PANAMA, PARAGUAY, PERU, URUGUAY

**Beneficiary entity:** N/A

**Sector:** WATER AND SANITATION

## II. KCP Type

### Origination

Originated in Bank: KCP is the result of initiatives generated within the Bank.

These initiatives may include deepening the Bank's knowledge in new subjects, interpreting new economic and social phenomena, generating new databases and diagnostic tools, or organizing a seminar, workshop, a regional policy dialogue, training, a publication.

### Scope

Forward-looking purpose:

Demand for this KCP serves a longer-term, forward-looking purpose that may require the accumulation of new knowledge and experience. These products usually require a longer deployment time.

### III. Alignment of the KCP proposal with IDB's Institutional Priorities (GCI9).

2. Infrastructure for Competitiveness and Social Welfare  
Basic Services: Access to water

3.1 Explain how the knowledge produced with this KCP will be used (policy advice, operations, as input for programming and strategy documents, input for other KCPs:

The knowledge produced will be primarily used as input for programming and strategy documents and as input for operations. The results from the governance assessments carried out in the studies proposed below, will be codified in recommendations and tools with a high practical relevance for Bank operations. Thanks to this, the knowledge generated can be used to further develop and adapt the Bank's instruments to support WS sector reforms. The team leader will actively promote the inclusion of the knowledge products generated into the Division's operations and present an implementation plan to this respect to the Division Chief towards the end of the project. Moreover, the present KCP will benefit from the knowledge created in a complementary KCP (RG-T1972: Varieties of Governance: Effective Public Service Delivery) that analyzes on a higher level of abstraction the influence of sector governance on the delivery of water, transport and education services. Unlike KCP RG-T1972 - which primarily aims producing recommendations regarding institutional reforms based on a cross-sectoral governance analysis – the present KCP proposals aims at producing specific recommendations for the WS sector as well as concrete operational governance assessment tools that can be immediately applied by governments, think tanks and the Bank. These two complementary KCP projects will be closely coordinated.

3.2 Explain the strategy and resources that will be devoted to promoting the use of the knowledge produced:

Results and deliverables will be disseminated mainly through the following channels: (i) Technical Notes and Discussion Papers, using the established distribution channels which is primarily electronic distribution (email lists, downloads from website, linking of website), (ii) 2 regional dissemination & policy outreach seminars – one for each components (with the participation representatives from WS sectors, governments and donor organizations), (iii) Dissemination among the region's water operators through the Water Operator Partnership Program WOP-LAC, (iv) Dissemination within the IDB through Brown Bag Lunches. For the financial resources devoted to this dissemination strategy see 6.1. For details see the Dissemination Plan contained in the technical appendix IDBDocs # 35369979.  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35369979>

### IV. OBJECTIVES, EXPECTED RESULTS AND ACTIVITIES (Maximum 4 pages)

4.1 Describe the knowledge gap that this KCP intends to close:

Contrary to the 1990s, when most agencies advocated for reforms encompassing private sector participation (PSP) and independent regulation to address the challenges of increasing access to and quality of WS services as well as of reforming sector institutions to foster efficiency and sustainability of service delivery, nowadays there is no consensus on such a "unique reform model". The results of the PSP and regulatory reforms implemented in the past two decades in the region, which in several cases were supported by the Bank, are mixed (e.g. Ducci 2007; Krause 2009, 1-3). Apart from few exceptions, overall these reforms have brought up ambiguous results in terms of efficiency gains and increased access to services, they have encountered political resistance in many countries, and they have been reverted in several cases (e.g. PSP has been reverted in Buenos Aires and in La Paz/ El Alto, just to name two prominent cases). The great majority of the region's providers remain under public ownership. To date, low efficiency and financial sustainability of providers and poor quality of services are still common, just like flaws in sector institutions and policies in essential areas like: corporate governance of providers, regulation, investment planning and financing, tariff and subsidy policies. This means that there is still much need for the Bank to support WS sector reforms aiming at overcoming these deficiencies. However, what is missing is clear guidance regarding feasible and effective reform alternatives that go beyond the "PSP cum independent regulation model" (= knowledge gap). This guidance should be based on the lessons learned from the past reform efforts.

4.2 Describe how the question(s) asked relate to earlier literature on this subject (including any lessons learned from previous similar KCPs):

One of the most important lessons learned from the sector reforms undertaken in the last two decades is the crucial role of governance as a determinant of the effectiveness of sector institutions and policies, and consequently as a condition for achieving widespread access to services and good quality and high efficiency of service delivery (cf. Krause 2009; Stein et al. 2005, ch. 9). This means that in order to support substantial and sustainable progress in terms of access, quality and efficiency through Bank operations, it is necessary to analyze governance structures and adapt operations (reforms) accordingly. PSP and independent regulation must not necessarily follow as the preferred strategy from such a governance analysis. The governance analysis will shed light on the root causes of poor service delivery and lay the groundwork for identifying areas for reforming sector governance as well as for proposing delivery models that fit to the governance structures of a given country. With respect to this analysis, two main levels of governance can be distinguished:

**Sector governance (SG):** The essential elements that make up SG are decision makers relevant to the WS sector, their incentives and interactions as well as the rules of the game (institutions) of these interactions. Public actors and politics are particularly influential in WS, and the sector is very susceptible to politicization thanks to the combination of various factors: natural monopoly, large sunk costs, and consumption by extensive groups of the population. Therefore it is crucial to take a political-economy perspective to analyze failures in service delivery (for a conceptualization of the policy making process cf. Stein et al. 2005, Scharpf 1997; for an application to the WS sector see Krause 2009). The characteristics of SG will determine the direction and the effectiveness of policies in the essential areas mentioned above. Typical problems rooted in the governance and economic characteristics of the sector, apart from politicization, are: policy instability and time-inconsistency, lack of public-regardness, lack of coherence and coordination, and corruption (due to its actuality for the Bank – see GN-2540 – corruption will be a major focus within the governance analysis; for more details on corruption in the water sector see Boehm 2009, Halpern et al. 2008).

**Corporate governance (CG)** in its narrow sense is basically about the relation between the owners, the managers and the financiers of a WS service provider (Cuéllar 2009). The characteristics of CG will determine the objectives of the provider, the efficiency in the use of inputs, the distribution of the surplus among the actors involved and the sustainability of the provider over time. An analysis of CG seems particularly relevant because many of the Bank's investment loans target directly specific service providers. Moreover, since there is good evidence from the literature that flaws in CG are more widespread among public providers than among private providers (leading to operational inefficiency and lack of financial sustainability; cf. Cuéllar 2009, Irwin and Yamamoto 2004), and since the great majority of the region's providers are public, there is a need for operational tools that help analyzing and improving CG of these providers. The effectiveness of mechanisms to improve CG of providers will depend on SG characteristics.

The reference list of the cited literature can be found in the technical appendix IDBDocs#35369979

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35369979>

#### 4.3 State the KCP objectives:

The General Objective of this KCP is to deepen the Bank's knowledge on how to reform WS sectors, taking into account and addressing their governance failures, in order to overcome the deficiencies in service delivery that persist after the major sector reforms undertaken in the last two decades. Specific Objectives:

- Based on an analytical framework study, to carry out detailed SG assessment case studies in 3 to 4 countries that (i) analyze the relevance and root cause of the typical SG problems outlined above, and that (ii) provide specific recommendations concerning the consequences for Bank operations in these countries, including the issue of mitigating corruption risks.
- Based on the findings of these case studies, to develop an analytical screening tool that allows to relatively swiftly assess the SG of any given country in order to identify (i) priority areas for sector reform and policy dialogue and (ii) critical SG issues that may condition the success of loan operations and therefore require special attention.
- To apply in a sample of 3 to 4 countries a tool developed in an earlier KCP (RG-T1491: Cuéllar 2009), that allows to assess the CG practices of WS service providers and to develop CG action plans, this way generating a data base that will allow the Bank to learn about the effectiveness of the CG tool and improve it
- Based on the results of the CG assessments, identify the strategic elements for supporting CG governance reforms in the 3 to 4 countries analyzed.

#### 4.4 State the KCP expected results:

1. The bank possesses detailed SG assessments that provide strategic orientation for Bank operations in the respective 3 to 4 countries and that allow to design operations in a way that render them more effective as well as to advice governments on the issue of sector reform
2. The bank possesses the first version of a screening tool to assess SG that can be used in the future on a regular basis, e.g. by WS specialists based in the country offices, to identify priority areas of sector reform and policy dialogue and critical SG issues to be taken into consideration when preparing loan operations
3. The Bank possesses an improved tool that can be used in Bank operations to support WS providers in assessing and improving their CG, as well as an evidence-based strategy for supporting CG reforms in selected countries
4. The publication and dissemination of the knowledge products developed as well as their presentation at relevant

conferences and seminars contributes to strengthen the Bank's role as key knowledge institution for the region in the area of WS sector reform

#### 4.5 Provide a description of the main outputs and related activities expected to be carried out:

##### Component 1: Assessments of SG.

This component encompasses a sequence of studies and related activities that start from a rather high level of abstraction (development of an analytical framework to assess WS governance), go through an intermediate level of abstractions (field studies in 3 to 4 countries to assess SG) and end at a concrete operational level (development of a screening tool to assess SG in any given country):

- a. Desk study: (i) Development of an analytical framework to assess WS governance. (ii) Development of a field study plan for the application of the framework and proposition of the case study sample (Timeline: 01/2011)
- b. Field studies: Application of SG assessments in a sample of 3 to 4 countries; studies perform a mapping of SG, an analysis of the relation between governance flaws and weaknesses in WS policies and identify opportunities and perspectives for reforms. Studies elaborate on the governance problem of corruption (Timeline: 06/2011)
- c. Recommendations: Based on a summary of the results of the field studies, give specific recommendation (i) on how to improve Bank instruments to adapt to governance characteristics to reform WS governance; (ii) on priorities for WS governance reform; (iii) on prevention and mitigation of corruption in WS (Timeline: 10/2011)
- d. Tools: (i) Based on the results of the case studies: To condense and adapt the analytical framework so that it can be used as a SG assessment tool by the Bank in the context of its routine operations and possibly by other users (governments, think tanks, etc.). (ii) Based on the results concerning corruption in WS: To develop a framework for guidelines for the prevention and mitigation of corruption in WS that can be used in Bank operations (Timeline: 12/2011)

##### Component 2: Assessments of CG

This component encompasses carrying out CG assessments in a sample of 3 to 4 countries in the region (ideally the same countries like in component 1), the identification of the strategic elements necessary to support CG reform in the countries studied, and the improvement of an existing CG assessment tool.

- a. Desk study: Development of a field study plan for the application the CG assessment tool described in Cuéllar (2009) in 4 countries (coordination with the field study plan of component 1) (Timeline: 01/2011)
- b. Field studies: Application of the CG assessment tool in 3 to 4 countries including training workshops for participating providers, establishment of a data base containing the results of these assessments (two rounds of survey), and monitoring of the implementation of actions plans by the participating WS providers. Analysis of the relation between SG characteristics (from component 1!), CG practices, and WS provider performance (timeline 2nd round of survey & updated database: 04/2012)
- c. Recommendations: Based on a summary of the case studies, give specific recommendations to the Bank regarding (i) improvements of the CG assessment tool, and (ii) the strategic elements of how to improve CG of WS providers in the specific countries studied, relying on the CG tool as well as on other instruments (timeline: 07/2012)
- d. Tool: Based on the recommendations, improve and adapt the existing CG assessment tool (timeline: 09/2012)

##### Component 3: Publication, dissemination, monitoring and evaluation

- a. Editing and publication activities: Publication of at least 2 Technical Notes (1 for each component) that summarize the main findings of the studies carried out and of 1 Discussion Paper that summarizes the general conclusions of both components (possibly further separate publication of the tools developed – technical note – and of particularly appealing results – journal article (timelines: see dissemination plan in technical appendix IDBDOCS # 35369979)  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35369979>
- b. Dissemination of publications and outputs produced in two Final Seminars (one for each component 1, 2), through the Bank's website, through the Water Operator Partnership Program (WOP-LAC: sponsored by BID and UN-Habitat) and through other visible outlets (see also dissemination plan in the technical appendix IDBDOCS # 35369979).  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35369979>
- c. Monitoring and evaluation of the results and outcomes according to the monitoring plan (see 10.1)

#### 4.6 Describe the methodological approach to be used in the development of the activities and the type of data sources which might be used. Be as specific as possible.

Summary of methodological approach (the details are in technical annex IDBDOCS # 35369979):

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35369979>

**Component 1: Methodological approach:** Analytical: Analysis of the policymaking process in the WS sector, building on the main elements of institutions, actors and interactions, as developed in Stein et al. (2005, ch. 2) and Scharpf (1997) and as applied to the public services sector by Stein et al. (2005, ch. 9) and to the WS sector by Krause (2009). Empirical: Qualitative case studies; Comparative approach; Cases will be selected so that they encompass variability in the governance structures/problems that are representative for the region. Data sources: Secondary data from publicly available studies and data bases. Primary data gathered in interviews/ surveys during the field stay.

**Component 2: Methodological approach:** WS provider survey on CG practices and performance indicators, including a menu of recommended actions to improve CG, organized in a CG assessment tool as described in Cuéllar (2009) ; Quantitative (statistical) and qualitative analysis of data; Preferably it will be applied in the same countries like component 1. Data sources: Primary data: Survey of WS providers; Secondary data: existing data bases at regulatory agencies, publicly available studies.

In a final synopsis, the results of both dimensions are brought together and are analyzed jointly, linking the key problems identified in each of the dimensions and drawing general conclusions.

#### 4.7 Identify the main audience or expected users of knowledge generated or disseminated by this KCP

The knowledge produced aims at improving policies, institutions and instruments in the WS sector in order to overcome persisting deficiencies in service delivery that hamper achieving the water-related MDGs in several parts of LAC. The beneficiaries of the knowledge generated are: Governments, particularly from the countries included in the sample (tbd), water operators (particularly CG assessment tool) and the users of WS services, who will benefit from the application of the knowledge produced. The expected users of the knowledge generated are governments, water operators, think tanks and the Bank. The Bank will use the knowledge generated for the sole purpose of assisting governments in reaching the aforementioned objectives.

#### 4.8 Specify provisions for quality peer review of this KCP (ex. anonymous reviewers, Studies Committee)

The quality peer review of this KCP is specific to the type of deliverable: The quality of the reports produced will be reviewed by the IDB team (see 7.1) that will be supported by a consultant in this task(see also monitoring plan below). The publications (technical notes and discussion paper; possibly journal article) will be reviewed using the IDB provisions foreseen for this purpose (anonymous peer review in case of journal article).

#### 4.9 Additional technical information

If necessary, in an appendix please provide further technical details that you consider relevant to evaluate the technical quality of this KCP. Appendix Doc#( IDBDocs): 35369979  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35369979>

### V. KCPs RESULTS FRAMEWORK. Main Outcomes and Outputs.

#### 5.1 Results Matrix:

Please, in the first column fill in each outcome indicator with the relevant outputs. You can use the table of indicators here attached.

Results Matrix									
	Unit	Baseline		Year 1		Year 2		Expected Completion Date	Data Source
		Value	Year	Planned	Actual	Planned	Actual		
# of times knowledge produced has been used for operations (baseline year 2009)	#	0	0	0		2		12/31/2013	IDB project documents of new loans, TCs
• # of operational tools produced or improved	#	0	0	0		2		12/31/2012	Consultant's report, electronic files of tools
• # of country reports including specific recommendations delivered	#	0	0	0		6		10/31/2012	Consultant's report, electronic files

									final report
% of participating providers that develop and monitor CG actions plans (baseline year 2009)	%	0	0	0		25		12/31/2013	Consultant's report, monitoring report
• # of providers trained in the use of the CG assessment tool	#	0	0	0		24		12/31/2012	Consultant's report, list of participants
• # of new databases generated	#	0	0	0		1		12/31/2012	Consultant's report, file w database
# of downloads of technical notes and discussion papers produced	#	0	2009	0		150		12/31/2013	Webpage administrator
• # of Technical Notes produced	#	0	0	0		2		12/31/2012	Electronic files tech. note, webpage w publication
• # of Discussion Papers produced	#	0	0	0		1		12/31/2012	Electronic file disc. paper, webpage w publication
• # of dissemination seminars organized	#	0	0	0		2		12/31/2012	Seminar program, list of participants

**Note:** Please note that this outcome and output indicators will be the input for the PMR and will be monitored in the Quarterly Business Review.

**VI. BUDGET (\*): (for the detailed budget see IDBDOCS # 35410211)**

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211>

6.1 Budget should be presented by outputs or groups of outputs (for example: three publications, three conferences, seminars or workshops; one database; one survey; two training courses), and the relevant activities. Total available funds from counterpart sources should be reported. Use whole numbers only.

Costs	Project Cost – IDB Financing					Counter-part Resources	Other Financing
	Year 1	Year 2		Total request			
	Consult.	Travel (consultants only)	Other				
Component 1: SG assessments	10,000	0	0	120,000	130,000	0	0
• Desk study report w analytical framework	10,000			10,000			
• 3 to 4 country final reports w recommendations (publication of results as technical note)				100,000			
• Tools: SG screening tool & framew. f. corruption guideline				10,000			
Component 2: CG assessments	2,500	0	0	147,500	150,000	0	0
• Desk study w field study plan	2,500			2,500			
• 3 to 4 country reports w recommend. & database (publication of results as technical note)				140,000			
• Improvement of CG assessment tool				5,000			
Component 3: Public. & Dissemination	0	0	0	50,000	50,000	0	0
• Publication of disc. Paper w/ general conclusions				10,000			
• Organization of 2 dissemination seminars				40,000			
Sub-total	12,500	0	0	317,500	330,000	0	0
	Monitoring and evaluation				7,000		
Total	12,500	0	0	317,500	337,000	0	0

Approximate value of in-kind counterpart

(\*) More details may be required by donors (e.g. consultant cost per day);

## 6.2 Describe the source and type of counterpart resources

N/A

## 6.3 Types of Consultants: Firms or individuals and main activities/outputs:

Type: Individual or Firm (if available)	Nationality (if available)	Estimated Cost	Main Activities / Outputs
Individual	tbd	105,000	One lead consultant for each component 1,2: Main activities/outputs: Delivery of desk study, supervision of field studies, delivery recommendations, delivery of tools. For more details see outputs listed in 4.5 and detailed budget IDBDOCS # 35410211. <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211</a> .
Individual	tbd	136,000	One local consultant for each field study (components 1b/2b): Main activities/ outputs: Field studies, coordination with lead consultant for respective component. For more details see outputs listed in 4.5 and detailed budget IDBDOCS # 35410211. <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211</a> .
Individual	tbd	48,000	Main activities/ outputs: Support at HQ in monitoring & evaluation, editing & publications, and dissemination activities. For more details see outputs listed in 4.5 and detailed budget IDBDOCS # 35410211. <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35410211</a> .

## VII. Bank costs:

For the Bank's internal purposes, please provide information in Bank costs associated with the execution of this KCP:

### 7.1 Bank staff participation in KCP:

Staff Name	Bank Unit	FTEs
KRAUSE, MATTHIAS	INE/WSA	0.1
NUQUES, CYNTHIA M.	INE/WSA	0.01
DUCCI, JORGE H.	INE/WSA	0.04
ESCHOYEZ, GUILLERMO ANTONIO	LEG/SGO	0.02
SCARTASCINI, CARLOS	RES/RES	0.04
BAENA, PALOMA	ICF/ICS	0.04

### 7.2 Proposed administrative budget estimation required for the execution stages by year of execution (specify consulting, travel and other expenses)

Type	Year 1	Subsequent Years	Total
Consultants	0	0	0
Travel	2,000	6,000	8,000
Other	0	2,000	2,000
<b>Total</b>	<b>2,000</b>	<b>8,000</b>	<b>10,000</b>

## VIII. Risks:

Fill-out the KCP's Environmental Screening and Classification using this link to the [Environmental Screening and Classification Toolkit](#). Then save it in IDBDOCS and record its number in the box below (\*):

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35384774>

### 8.1 Implementation Risks:

The implementation risks are judged to be low and are mainly related to the possible delay and lower than desirable quality of the deliverables.

The related risk mitigation activities are described in the monitoring and evaluation plan.



**8.2 Please identify key environmental and social risks and impacts, and the strategy to address them:**

There are no key environmental and social risks associated with the proposed activities.

**IX. Coordination with other MDBs**

**9.1 Summarize collaboration or coordination with other MDBs, donors and other strategic partners (if any):**

Coordination with UN-Habitat regarding the dissemination of products via the Water Operator Partnership Program (WOP-LAC) which is sponsored by BID and UN-Habitat.

**X. Monitoring and evaluation plan.**

Fill-out the KCP's Development Effectiveness Matrix (DEM) using this link to the R&D [DEM template](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35428582). Then save it in IDBDOCS and record its number (\*): <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35428582>

**10.1 Summarize the basic elements of the Monitoring and Evaluation plan, including key activities and associated budget:**

Provisions for quality control of the deliverables: The technical notes and the discussion paper will be reviewed following the Bank's standard procedures for these products and using the experts from INE/WSA as peers. Intermediate and final reports will be monitored by team leader (supported by a consultant).

Provisions to rate the quality of the training workshops for providers and the final seminars: Participants will be asked to rate these events using an evaluation form. Learning achievements of the training workshop will also be measured (survey of participants before and after the workshop).

A follow-up survey will be made in order to monitor whether providers develop/ execute CG action plans.

Time management of deliverables: A time schedule with regard to important deliverables has been outlined above (4.5). This time schedule will be refined for each component, intermediate milestones will be defined and the delivery plan will be part of the ToR of the consultants. Milestones will be tightly monitored by the team leader.

Provisions for monitoring the intended outcomes of this KCP: Data on the outcome indicators will be collected and documented as stated in the results matrix (5.1) and following the time schedule sketched there.

Provision of assessing the KCP's relevance to policy dialogue: A question on this will be included in evaluation form of the final seminars.

Moreover it is planned to present the final results at relevant conferences and seminars which will provide further feedback on the relevance of the results.

The team leader is responsible for designing and implementing the monitoring activities described. He will be supported by a consultant in this task for whom a portion of the budget has been allocated. The timeline for monitoring of deliverables is sketched in 4.5 and for monitoring of outcomes in 5.1. The team leader will actively promote the inclusion of the knowledge products generated into the Division's operations and present an implementation plan to this respect to the Division Chief towards the end of the project.

**10.2 Exceptions to Bank policies:**

N/A

**10.3 Contractual Clauses:**

N/A

Terms of Reference Doc# ( IDBDOCS):

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35442463>

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35442466>



## KEY ISSUES IN WATER AND SANITATION GOVERNANCE

RG-T1858

### CERTIFICATION

I hereby certify that this operation was approved for financing under the AquaFund (AQF) through a communication dated on November 11, 2010 and send by Gerhard Lair, VPC/GCM. Also, I certify that resources from the AquaFund (AQF) are available for up to US\$337,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of twelve (12) calendar months counted from the date of signature below. 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 KCP. 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, for which the Fund is not at risk.



Marguerite S. Berger  
Chief



Grants and Cofinancing Management Unit  
VPC/GCM

11/12/10

Date

### APPROVAL

Approved:



Federico Basanes  
Division Chief  
Water and Sanitation Division  
INE/WSA

11/12/10

Date