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MULTILATERAL INVESTMENT FUND

**REGIONAL**

**MITIGATION OF URBAN HEALTH INEQUITY THROUGH PUBLIC-PRIVATE  
PARTNERSHIP SOLUTIONS**

**(RG-T2850)**

**DONORS MEMORANDUM**

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## **PROGRAM SUMMARY**

### **MITIGATION OF URBAN HEALTH INEQUITY THROUGH PUBLIC-PRIVATE PARTNERSHIP SOLUTIONS**

**(RG-T2850)**

As the world's urban population increases, so do health inequalities between the wealthiest and poorest city dwellers. In view of the growing urban concentration observed worldwide, ensuring universal health coverage for cities by 2030, or access for all to health care services without having to endure economic hardship, is an absolute necessity. This is addressed in one of the Sustainable Development Goals promoted by the United Nations. Unfortunately for the prospects of this goal, in the region alone public health networks are facing a US\$1 billion investment gap, which cannot be closed owing to serious budgetary, technical, and administrative constraints.

Public-private partnerships (PPPs) have been used by different health sectors as an attractive alternative for management and financing, enabling governments to tap private-sector financial and technical know-how for delivering public services to the population, thereby maximizing their quality, coverage, and cost-efficiency. Nonetheless, in the health sector serving the most vulnerable population, considerable institutional and technical challenges persist to utilizing the potential benefits of PPPs.

The IDB is diligently promoting the implementation of PPPs in the health sector, and to this end has requested support from the MIF, given its considerable experience in this area, to help close this investment gap, strengthen the region's public health networks, and improve the execution efficiency of public health projects targeting urban areas. The program's aim is to strengthen and supplement the efforts of the IDB's Social Protection and Health Division (SCL/SPH) to systematize and disseminate good practices, provide technical assistance to help prepare master investment and hospital business plans, and structure PPP pilot projects in health.

The program will develop and disseminate PPP methodologies and good practices in health to public officials in charge of hospital projects. It will also identify and select three to four innovative pilot projects in health with the potential to be structured through PPPs, with the aim of applying and validating the PPP methodologies and good practices in health prepared and systematized in the framework of the program. These projects will address urban health problems and include innovative features, whether in terms of their structuring as a PPP, the medical applications or services they involve, or the integration of small or medium-sized suppliers.

This program is a collaborative effort between SCL/SPH, the MIF, the Knowledge and Learning Sector, the Fiscal and Municipal Management Division, and the Inter-American Investment Corporation. The program will be executed by SCL/SPH and is aligned with the Update to the Institutional Strategy 2010-2020 (document GN 2788 5), since it promotes inclusive social development and equality by furthering the vulnerable population's access to health care, and boosting productivity and innovation in the region through health service offerings and the promotion of PPPs. The program will also contribute to the Bank's Corporate Results Framework 2016-2019 (document GN-2727-4) by supporting activities aimed at reducing maternal and infant mortality. In addition, it is aligned with the IIC priority intervention areas of promoting the delivery of basic goods and

services by private sector enterprise, and access of small and medium-sized enterprises to financing.<sup>1</sup> Consequently, it should be possible to scale this operation with potential SCL/SHP financing to governments of the region to modernize their investment systems in health and facilitate private sector involvement in these systems, as well as through potential IIC financing and structuring support to private operators for PPP projects in health.

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<sup>1</sup> IDB, 2015. [Summary Document: Delivering the Renewed Vision for the IDB Group Private Sector Merge-Out.](#)

## **ANNEXES**

Annex I	Results Matrix
Annex II	Budget Summary

## **APPENDICES**

Proposed resolution
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**INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE MIF PROJECT  
INFORMATION SYSTEM**

Annex III	Itemized Budget
Annex IV	Diagnostic Needs Assessment of the Executing Agency
Annex V	Project Status Reports, Fulfillment of Milestones, and Fiduciary Agreements
Annex VI	Procurement Plan
Annex VII	Technical Cooperation Document RG-T2723: Regional Advisory Program for Public-Private Partnerships in Health Infrastructure

## **ABBREVIATIONS**

PPPS	Public-private partnerships
PSR	Program status report
SCL/SPH	IDB Social Protection and Health Division
TBD	To be determined
TC	Technical cooperation operation
UN-Habitat	United Nations Settlements Programme
WHO	World Health Organization

**REGIONAL  
MITIGATION OF URBAN HEALTH INEQUITY THROUGH PUBLIC-PRIVATE PARTNERSHIP  
SOLUTIONS  
(RG-T2850)**

**EXECUTIVE SUMMARY**

<b>Country and geographic region:</b>	Regional program open to the Bank's borrowing member countries with the appropriate conditions for implementing PPP in health. The countries and specific localities where the program is to be executed will be determined as part of the activities of technical cooperation operation RG-T2723, which is being executed by the IDB's Social Protection and Health Division, which supplements this operation.		
<b>Executing agency:</b>	IDB Social Protection and Health Division (SCL/SPH).		
<b>Focus area:</b>	Inclusive Cities		
<b>Coordination with other donors/Bank operations:</b>	Close coordination with SCL/SPH in the framework of operation RG T2723, which is under its responsibility, and with the Inter-American Investment Corporation to identify future financing opportunities for public-private partnership (PPP) projects in health.		
<b>Program beneficiaries:</b>	Urban populations of three or four countries with the appropriate conditions in place to implement PPPs, and in which health establishments may be structured and operated under PPPs as a result of this operation.		
<b>Financing:</b>	Technical cooperation funding:	US\$1,000,000	50%
	Investment:	-	
	Loan:	-	
	Other:	-	
	<b>Total MIF contribution:</b>	<b>US\$1,000,000</b>	
	Counterpart: SCL/SPH (technical cooperation operation RG-T2723)	US\$1,000,000	50%
	<b>Total program budget:</b>	<b>US\$2,000,000</b>	<b>100%</b>
<b>Execution and disbursement period:</b>	Execution period:	24 months	
	Disbursement period:	30 months	



**Special  
contractual  
conditions:**

None anticipated precedent to the first disbursement.

**Environmental  
and social  
review:**

This operation was screened on 3 February 2017 and classified in accordance with the IDB's Environment and Safeguards Compliance Policy (Operational Policy OP-703). Since the program does not involve infrastructure financing, no direct adverse environmental or social impacts of any kind are envisaged. Given the limited impacts and risk, the program is proposed as a Category "C" operation.

**Unit  
responsible for  
disbursement:**

Inclusive Cities (MIF), in collaboration with SCL/SPH.

## I. THE PROBLEM

### A. Problem description

- 1.1 Health care and urban sustainability and inclusion are so intrinsically interrelated that various indicators of whether a city is sustainable and inclusive are either directly or indirectly related to health.<sup>2</sup> In fact, cities and health are so closely related that health data on urban dwellers in more than 100 countries show that as the world's urban population increases, so do health inequalities between the wealthiest and poorest urban residents:
  - 1.1.1. Health coverage among the poorest city dwellers tends to lag significantly. In fact, an estimated 400 million women, men, and children residing in cities lack one of the most basic human rights: access to affordable health care.<sup>3</sup>
  - 1.1.2. The urban poor suffer disproportionately from a wide range of diseases and health problems. The lowest-income families in urban areas are more at risk for adverse health outcomes.<sup>4</sup>
  - 1.1.3. Nearly 3.7 billion people are living in cities,<sup>5</sup> and by 2030 this figure is expected to increase by another billion (around 60%). However, 90% of this growth will be concentrated in low- and middle-income countries.<sup>6</sup>
- 1.2 In response to this growing urban concentration, the World Health Organization (WHO) and the United Nations Human Settlements Programme (UN-Habitat) are calling attention to the urgent need for cities to have universal health coverage by 2030, or access for all to health care services without having to endure economic hardship. In fact, universal health coverage is a target included under Sustainable Development Goal 3 promoted by the United Nations. Unfortunately, achieving this goal in Latin America and the Caribbean alone will require overcoming an estimated US\$100 billion investment gap in public health networks if the region is to maintain installed operating capacity, expand coverage, and provide for the delivery of complex health services. Owing to budgetary, technical, and administrative constraints facing the region, closing this gap is impossible, especially in light of the current economic downturn, since investments in health are routinely cut from public budgets under these circumstances.
- 1.3 In sectors other than health, public-private partnerships (PPPs) have proven to be an attractive alternative for management and financing, enabling governments to tap private-sector financial and technical know-how for delivering public services to the population, thereby maximizing their quality, coverage, and cost-efficiency. PPPs

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<sup>2</sup> Indicators of the Emerging and Sustainable Cities Initiative. Methodological Guide (2013 version). Inter-American Development Bank.

<sup>3</sup> WHO and UN-Habitat, 2016. Global Report on Urban Health: Equitable, Healthier Cities for Sustainable Development.

<sup>4</sup> Idem, 2010. Hidden Cities: Unmasking and Overcoming Health Inequities in Urban Settings.

<sup>5</sup> Equivalent to approximately 54% of the world's population, as compared with about 80% in Latin America and around 70% in the Caribbean.

<sup>6</sup> United Nations, 2014. World Urbanization Prospects. The 2014 Revision. Department of Economic and Social Affairs.

have been most widely used in the “productive” sectors, such as roads, telecommunications, and energy.<sup>7</sup>

- 1.4 Paradoxically, the needs of the most vulnerable population tend to be addressed in the “social” sectors, such as health and education, where challenges persist to leveraging the potential benefits of PPPs,<sup>8</sup> including the needs to:
  - 1.4.1. Build the State’s capacity to develop, tender, and manage projects during the term of a PPP contract in health;
  - 1.4.2. Ensure that the State is able to manage the risks associated with a PPP in a timely manner, such as hiring and managing staff or opening a clinic; and
  - 1.4.3. Promote the participation of the national private sector in long-term contracts of this kind, enabling it to base or adapt its business model to such contracts.

## II. THE INNOVATION PROPOSAL

### A. Program description

- 2.1 The aim of this program is to strengthen and supplement technical cooperation operation RG-T2723, Regional Advisory Program for PPPs in Health Infrastructure.<sup>9</sup> It was approved in June 2016 and is currently being executed by SCL/SHP, with the aim of systematizing and disseminating good practices, providing technical assistance to prepare master investment and hospital business plans, and structuring PPP pilot projects in urban health, through the following components:
  - 2.1.1. Development of methodological guides;
  - 2.1.2. Dissemination; and
  - 2.1.3. Innovative PPP pilot projects in urban health.
- 2.2 This program is being developed in response to the IDB’s very diligent promotion of PPP implementation in the health sector. Consequently, SCL/SPH has requested technical and financial support from the MIF, given its ample experience and competitive advantages concerning PPPs, with a view to help close the aforementioned investment gap, strengthen the region’s public health networks, and improve the execution efficiency of urban public health projects.
- 2.3 **Innovation.** The implementation of PPPs in the region’s health sectors can be considered an innovation in terms of how differently it has been done in most countries, since it requires more operational and technical sophistication than PPPs in other sectors. Moreover, the operation seeks to implement PPP arrangements in highly innovative areas of medicine, such as support services (e.g. drug logistics, centralized laboratories, and image reading), in which developing the economic and

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<sup>7</sup> United Nations Conference on Trade and Development. [World Investment Report 2014](#).

<sup>8</sup> With respect to traditional investment and management, these include compliance with budgets and expected execution periods, functionality during the term of the contract, innovation, quality, and patient satisfaction.

<sup>9</sup> Regional technical cooperation managed by SCL/SPH for the Special Program for Employment Promotion, Poverty Reduction, and Social Development in Support of the Millennium Development Goals (“The Social Fund”), approved in June 2016. Document attached for reference.

- financial model and its translation into contracts and bidding conditions is itself a challenge. This operation will also provide for the possibility of recovering or leveraging the investment through a fee-for-service arrangement and/or reimbursement of the resources stipulated in the bidding conditions, payable by the winning bidder of the PPP pilot projects included under Component III.
- 2.4 **Component I: Development of methodological guides.** This component will be financed entirely by SCL/SPH within the framework of operation RG-T2723. It will systematize and prepare the contents of the following three guides: (i) methodology for preparing master investment plans with a focus on the care network, which will enable the countries to identify and prioritize their investment ideas based on the network to which they relate (ii) methodology for preparing prefeasibility studies for hospital projects; and (iii) methodologies and criteria<sup>10</sup> for the preparation of projects to be executed through the PPP system. The component will include data collection and the preparation of documentation, as well as workshops to prepare the guides, the content of technical notes and papers.
- 2.5 **Component II: Dissemination.** This component will focus on disseminating and fostering awareness of the PPP methodologies and good practices in health to be prepared and systematized under Component I. The outputs will be disseminated in three online courses and as many face-to-face workshops, one for each guide. The pilot projects to be funded will be identified and selected in these workshops (Component III).
- 2.6 The online courses will be administered in sequence. Students who satisfactorily complete the courses may obtain IDB specialist certification in the development of PPP projects in health. A website will supplement this process, serving as a forum for sharing knowledge and experiences. The technical notes for the studies conducted will be published with a view to preparing the PPP guide and two papers: one will summarize five technical notes on PPP experiences in health (three already published and two under review) and the other will address PPP experiences in health in Latin America.
- 2.7 **Component III: Innovative PPP pilot projects in urban health.** Technical assistance will be provided to governments of the region in the structuring of three to four innovative PPP pilot projects in the health sector, to be selected in the face-to-face workshops, with a view to applying and validating the PPP methodologies and good practices in health developed and systematized under the program, establishing portfolios or feasible investment projects to be implemented, and generating and accumulating institutional and technical experience in the development of PPPs in the selected countries. The workshops will establish whether the necessary regulatory frameworks are in place to implement pilot projects in the different participating countries, and whether the latter are sufficiently interested and have the necessary technical and institutional conditions for this purpose. The pilot projects will address urban problems and include innovative features, whether in their PPP structuring or the medical applications or services they involve.

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<sup>10</sup> This guide will be supplemented by the massive open online course on PPPs prepared by the Bank in 2015 and will provide in-depth information on the specific features of health projects.

- 2.8 **The specific selection criteria for the pilot projects will include:** (i) the willingness of the authorities of the country in question to support the pilot project; (ii) the preliminary analysis of the viability of structuring the project as a PPP; and (iii) whether the necessary political, economic, and business conditions exist to implement the projects. These criteria seek to ensure that the projects to be selected have at least the minimum degree of maturity necessary for the resources to potentially structure contracts and not be limited to prefeasibility studies that will not necessarily result in a PPP.
- 2.9 The structuring of the PPP pilot projects will involve all or some of the following activities:
- 2.9.1. **Design of the contract's technical, financial, and administrative components.** This includes: (i) the development of a business model, (ii) a financial analysis of the project to determine its payment capacity and the possibility of including nonreimbursable public funding to give it financial viability and long-term fiscal adequacy; (iii) a cost/benefit analysis to determine if in fact there is a greater benefit to the entity to implement the project through a PPP arrangement instead of traditional public works arrangements; and (iv) drafting of bidding documents and the contract.
  - 2.9.2. **Transaction management.** This involves pitching the projects to private investors and conducting the corresponding bidding and award process.
  - 2.9.3. **Contract management.** This involves managing the different stages of the contract term, e.g. construction/investment, adjustment/rebalancing, dispute resolution, supervision, and termination. In this case, it involves providing the institutional tools to enable local public officials to perform this management role over the long term.
  - 2.9.4. **Management of risks retained by the State.** This involves the development of a social communication strategy to disseminate the project and, thus, institutional capacity building to manage social communication, development of the strategy to manage the anticipated changes due to the implementation and diagnostic assessment of the PPPs in health, especially with regard to the existing and new staff of the health establishments in which the PPPs are to be implemented.
  - 2.9.5. **Coordination of the necessary technical, economic, design, feasibility, and impact studies.** These studies will be financed with executing agency resources or additional resources committed under this technical cooperation operation.
- 2.10 This aim of this component is to determine if the MIF investment in each PPP pilot project can be recovered or leveraged through a fee-for-service arrangement in exchange for providing technical assistance to the government in question and/or reimbursement of the resources by stipulating this in the bidding conditions, payable by the private awardee of the PPP pilot projects. The implementation of these recovery mechanisms will hinge on the unique characteristics of each PPP project in health to be selected, as well as the country in question.

**B. Program outcomes, measurement, monitoring, and evaluation**

- 2.11 **Outcomes.** The program's expected outcomes include the development of three methodological guides to help countries strengthen planning of their investments in the health sector, the promotion of private sector involvement in these investments, and the structuring of three to four PPP pilot projects in health, with a view to ensuring that such projects are able to be launched on the market to serve as demonstrative experiences, offering objective elements to lay the groundwork for the subsequent institutionalization of PPPs in the health sector of various countries of the region. In turn, these pilot projects will lead to innovations in the business model, the financial structuring model, scope or some other attribute that improves bankability, as well as the projects' value for the money and long-term sustainability.
- 2.12 **Impact.** The program aims to help improve the following health indicators associated with the aspirational indicator of the of the Inclusive Cities thematic area, given it focus on the growing problem of urban environments:
- 2.12.1. Improved quality of urban life due to access to affordable health care services;
  - 2.12.2. Percentage of the urban population with access to universal health coverage, as well as prenatal and delivery care;
  - 2.12.3. Physicians and hospital beds per 100,000 population; and
  - 2.12.4. Jobs created in the health and related sectors.
- 2.13 **Evaluation and status reports.** The program includes a midterm and final evaluation. The team tasked with the program's execution will also be responsible for submitting program status reports (PSRs) within 30 days of the end of each six-month period. The PSRs will report the progress made in program execution, fulfillment of milestones, outcomes, and their contribution toward program objectives in accordance with the results matrix and other operational planning instruments. Within 60 days of the end of the execution period, a final PSR will submitted that: (i) briefly describes the program's execution; (ii) updates the results matrix and documents the program's final outcomes and impacts; (iii) identifies early evidence of replication and scaling by other actors; and (iv) identifies lessons learned from the program. This document will be prepared either by the executing agency or a third party, as determined by the Program Team Leader.
- 2.14 **Results-based disbursement.** Program disbursements will be contingent upon verification that the milestones have been fulfilled, in accordance with the means of verification agreed upon by the executing agency and the MIF, except for the first disbursement (which is not subject to any conditions). The achievement of milestones does not exempt the executing agency from the responsibility to comply with the indicators of the results matrix and program objectives.
- 2.15 Under the modality of performance and risk-based project management, the amounts of program disbursements will be determined in accordance with its liquidity needs for up to six months. These needs will be agreed upon between the MIF and SCL/SPH, as the executing agency, and will reflect the activities and costs scheduled in the annual planning exercise. Disbursements will be made provided the following two conditions are met: (i) MIF verification that milestones have been attained, as agreed in the semiannual planning exercise; and (ii) the executing

agency has justified the use of 80% of the cumulative advances of funds (except for the first disbursement, which is not subject to any conditions).

- 2.16 **Procurement and contracting.** For the procurement of goods and consulting services, the executing agency will be governed by the IDB's procurement policies (documents GN-2349-9 and GN-2350-9).
- 2.17 Since the diagnostic needs assessment of the executing agency returned a need/risk level of *low*, the review of program procurement and contracting will be performed on an ex post basis with *annual* frequency. Before program contracting and procurement begin, the executing agency will submit the program procurement plan for MIF approval, which should be updated semiannually and when there are changes in the methods or goods or services to be procured.
- 2.18 **Financial management and supervision.** The executing agency will establish and be responsible for keeping proper accounting records, internal control, and filing systems for the program, in line with IDB/MIF financial management standards and policies. Since the diagnostic needs assessment of the executing agency returned a need/risk level of *low* for the financial management section, the documentation supporting disbursements will be subject to ex post review, on an *annual* basis.
- 2.19 During program execution, the frequency of ex post reviews of procurement processes and supporting documentation for disbursements, as well as the need for additional financial reports, may be modified by the MIF based on the findings of ex post reviews conducted by the external auditors.

### III. PROGRAM ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS

#### A. Alignment with the IDB Group

- 3.1 The program has been designed in close collaboration with SCL/SHP in the framework of the Regional Advisory Program for Public-Private Partnerships in Health Infrastructure (technical cooperation operation RG-T2723).
- 3.2 Both are aligned with the Update to the Institutional Strategy 2010-2020 (document GN-2788-5) in terms of promoting social inclusion and equality, by promoting the access of vulnerable groups to health and increasing the region's productivity and innovation by supplying health infrastructure services and the promotion of PPPs. They also contribute to the Bank's Corporate Results Framework 2016-2019 (document GN-2727-4) by supporting activities to reduce maternal and infant mortality.
- 3.3 Furthermore, both programs are clearly aligned with two of the IIC's priority business areas: promoting infrastructure for development; and enhancing private provision of basic goods and services.<sup>11</sup>

#### B. Scalability

- 3.4 The expected path for scaling this program is as follows:

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<sup>11</sup> IDB, 2015. [Summary Document: Delivering the Renewed Vision for the IDB Group Private Sector Merge-Out.](#)

- 3.4.1. Significant increase in the potential market demand going forward for the delivery of health services that increasingly involve private sector participation and investment;
- 3.4.2. Potential financing for governments through SCL/SHP to modernize their systems for investment in health, and private sector involvement in such systems;
- 3.4.3. Potential IIC financing and structuring support to private operators for PPP projects in health. It should be noted that minimum investment required for each PPP project is approximately US\$50 million; and
- 3.4.4. Extensive technical scaling of the knowledge generated through regional knowledge sharing on PPPs specializing in health.

### **C. Program and institutional risks**

- 3.5 **External program risks: budget.** The amounts available for the proposed activities, especially the PPP pilot projects, are adjusted on the basis of the work plan, resulting in the risk of not being able to complete all outputs or carry out all planned activities. Several strategies have been considered to manage this risk: (i) promote the active participation of the IDB Group team and consultants (IDB/MIF/IIC); (ii) optimize the use of available resources by hiring individual consultants and centralizing their coordination; (iii) establish training programs that are financed or cofinanced by the participants; and (iv) identify pilot projects in which the beneficiaries contribute resources (essentially personnel) that make it possible to leverage the available resources.
- 3.6 **Methodologies.** Since this is a Bank initiative, there is a risk that countries may not use the methodologies to be disseminated as expected. The following strategies have been considered to mitigate this risk: (i) the inclusion of Component II, the aim of which is the practical application of these methodologies in developing PPP pilot projects, generating at once a demonstration effect; and (ii) inclusion in the IDB investment cycle of the instruments developed so that future hospital investment projects in health (PPP and traditional) are adapted to the methodological instruments developed for this program as well as technical cooperation operation RG-T2723.
- 3.7 **Institutional risks.** Because SCL/SHP will execute this program no institutional risks are anticipated, since that division is very familiar with the financial and procurement policies applicable to technical cooperation operations of the IDB Group. In addition, its specialists have extensive technical knowledge of public policy matters in the health sector and the promotion and participation of the private sector in that area.

## **IV. BUDGET PROPOSAL AND INSTRUMENT**

- 4.1 The program has a total cost of US\$2,000,000. Of that amount, US\$1,000,000 (50%) will be contributed by the MIF and a US\$1,000,000 (50%) counterpart will be provided by SCL/SHP through program RG-T2723, which is in turn financed by the Special Program for Employment Promotion, Poverty Reduction, and Social Development in Support of the Millennium Development Goals ("The Social Fund").



- 4.2 The instrument to be used is technical cooperation, which may be partially reimbursable by the private operators awarded the service delivery contracts under the PPP pilot projects described in Component III. This aim of this component is to determine the possibility of recovering or leveraging the investment in each PPP pilot project through a fee-for-service arrangement in exchange for providing technical assistance to the government in question, and/or reimburse the resources by stipulating this in the bidding conditions, payable by the private awardee of the PPP pilot projects. The implementation of these recovery mechanisms will hinge on the unique characteristics of each PPP project in health to be selected, as well as the country in question. Consequently, it is neither possible at this point to clarify the exact terms for the reimbursements in question, nor will it be possible to recover the investments in all PPP pilot projects to be implemented.
- 4.3 **Retroactive recognition of counterpart resources.** The Regional Advisory Program for Public-Private Partnerships in Health Infrastructure (technical cooperation operation RG-T2723) is intrinsically linked to this program. It is therefore recommended to recognize as a counterpart contribution, all expenditures up to US\$1,000,000 made from June 2016 through the approval date of this operation.

Program categories	MIF	Counterpart	Total
Component I: Development of methodological guides	–	406,000	406,000
Component II: Dissemination	100,000	294,000	394,000
Component III: Innovative PPP pilot projects in urban health	870,000	300,000	1,170,000
Midterm and final evaluation (if applicable)	30,000	–	30,000
<b>Grand total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>
<b>% of financing</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>

## V. EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

### A. Executing agency description

- 5.1 The IDB, through SCL/SPH, will be the program executing agency. This division is a strategic partner of the MIF and therefore has extensive technical knowledge and experience in the health field, which is key to achieving inclusion within cities, not to mention its mastery of the fiduciary policies applicable to a technical cooperation operation such as this one. This partnership with SCL/SPH significantly strengthens the scalability of the MIF investment while promoting the inclusion of other partners that may participate in the scaling effort, such as the IIC.

### B. Implementation structure and arrangement

- 5.2 SCL/SPH will be responsible for the overall coordination of the technical assistance the Program Team Leader of operation RG-T2723; the Knowledge and Learning Sector will be co-responsible for coordinating the dissemination component. A Technical Support Group will be formed, comprised of representatives of the Vice Presidency for Countries, the MIF, the Vice Presidency for Sectors and Knowledge, and the IIC. This group will review the content of the guides, structure the courses, and select and monitor the pilot projects.

- 5.3 The Program Team Leader will be supported by two thematic Technical Coordinators (PPP prefeasibility and structuring) covered by technical cooperation operation RG-T2723, whose responsibilities will include the following: (i) collaborate in the preparation of the terms of reference for the consultants; (ii) verify the progress made in content and format of the contracted outputs; (iii) collaborate in the selection of the students who will participate in the online courses; (iv) collaborate in the monitoring of the pilot projects; and (v) coordinate the preparation of technical notes and papers. The Program Team Leader will serve as the liaison with MIF staff assigned to the technical cooperation operation, as well as with other divisions and departments, and will effectively and efficiently manage the program's resources.
- 5.4 SCL/SHP will engage the services of individual consultants, consulting firms, and nonconsulting services in accordance with the policies and procedures in effect. It will also invite the health sector authorities of the various countries of the region to participate in different program activities.
- 5.5 It should be noted that the administrative aspects of technical cooperation operations RG-T2723 and RG-T2850 have been structured to operate independently. Considering that each operation finances entirely different components, they will be managed as two individual operations. Nonetheless, both operations strongly complement each other in their technical components and will therefore share the same Project Team Leader, Technical Coordinators, and Technical Support Group.

## **VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS**

- 6.1 **Results-based disbursements and fiduciary arrangements.** The executing agency will commit to the MIF's standard arrangements relating to results-based disbursements, the Bank's procurement policies,<sup>12</sup> and financial management<sup>13</sup> specified in Annexes V and VI.

## **VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY**

- 7.1 **Access to information.** The information generated from this program will be public.
- 7.2 **Intellectual property.** The IDB and the MIF will retain intellectual property rights to all tools and technological studies financed with program resources to ensure they are accessible to the governments of the region's countries.

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<sup>12</sup> Link to [Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank.](#)

<sup>13</sup> Link to [Financial Management Guidelines for IDB-financed Projects.](#)