

**WATER AND SANITATION SPANISH FUND
FOR LATIN AMERICA AND THE CARIBBEAN**

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1. What are the objectives of the Fund?

- *Contribute to the achievement of the Millennium Development Goals*
- *Contribute to poverty reduction*
- *Contribute to the reduction of inequality*
- *Trigger more financing for the sector*
- *Prioritize investment in the water and sanitation sector*

2. What are the Fund's main lines of action?

- *Extend access to potable water*
- *Extend access to sanitation*
- *Institutional strengthening*
- *Integrated water resource management*

3. Which countries are eligible?

The following countries are eligible: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela.

4. How have countries been classified for co-financing purposes?

Three (3) groups have been established based on the following criteria: (GDP per capita; GDP; Human Development Index; Water coverage deficit; Sanitation coverage deficit).

GRUP A	GRUP B	HIPC
<i>50% Financing*</i>	<i>80% Financing *</i>	<i>100% Financing *</i>
Argentina	Ecuador	Bolivia
Brazil	El Salvador	Honduras
Colombia	Guatemala	Nicaragua
Costa Rica	Peru	Haiti
Chile	Dominican Rep.	
Mexico	Paraguay	
Panama		
Uruguay		
Venezuela		

** Represents the maximum percentage the Fund can finance for a project*

5. What are the priority areas?

- *Rural areas*
- *Periurban areas*
- *Areas with low access to water and sanitation*
- *High poverty areas*

6. What type of operations can be financed?

- *Investment projects*
- *Technical cooperation*

7. What are the characteristics of the Fund?

The Fund is mainly non-reimbursable.

8. Who is eligible to apply?

National, regional and local government entities are eligible, as are companies, cooperatives and other types of entities that provide water and sanitation services. NGOs are also eligible as long as their activities are related to the provision of water and sanitation services.

9. What type of projects can be financed?

- *Potable water*
- *Sewage systems*

- *Wastewater treatment*
- *Urban rainwater drainage systems*
- *Water resource management*
- *Solid waste management (when it contributes to the sustainability of water and sanitation infrastructure)*
- *Efficiency and operations management.*

10. What type of activities can be financed?

- *Expansion and rehabilitation of water and sanitation infrastructure*
- *Strengthening of government agencies and water operators*
- *Project preparation*
- *Training and research*

11. What are the selection criteria?

- *Match one or more of the priority areas (see question 5)*
- *Match the strategic priorities of the beneficiary country for the water and sanitation sector*
- *Match the strategic priorities of the Spanish Government for the sector and region*
- *Socio-economic, environmental, financial, technical and institutional viability of the project in accordance with IDB policies and procedures.*

12. What criteria will be valued when selecting the projects?

Besides the criteria specified in the previous point, it will be valued:

- *Existence of a legislative and regulatory framework for the water and sanitation sector*
- *Existence of national development plans, poverty reduction plans, water and sanitation sector plans or similar documents*
- *The potential impact of the project on poverty reduction*
- *Existence of an entity responsible for coordination with the donor community*
- *Commitment of developing/pursuing the previous criteria*

13. How to apply?

Complete the application form available on this website and send it to: agua@iadb.org or ofcas@aecid.es.

14. Is it necessary a non-objection letter from the beneficiary country?

Yes, it is necessary to obtain a no-objection letter from the beneficiary country together with the application form. The letter must be signed by the official ministry/institution in charge of the relationship with the IDB (designated as borrower for IDB).

15. Are there deadlines for applications?

No, there are no deadlines. Applicants can send their application forms, together with the no-objection letter, at any time of the year. There will be three approvals per year (March, June, and October) after which the applicant will be notified of the decision.

16. Are there maximum/minimum amounts per project?

No, there are no maximum/minimum amounts per project.

17. What is the project cycle?

After the approval of the project by the Spanish Government, all projects will follow IDB procedures, including disbursements.

18. What to do if you need assistance for project preparation?

In these cases the applicant can apply for the Aquafund, a fast-disbursing grant fund created by the IDB for project preparation. More information on: <http://www.iadb.org/topics/water/waterinitiative>