

TC DOCUMENT

I. Basic Project Data

▪ Country/Region:	SURINAME/CCB - Caribbean Group
▪ TC Name:	Support to SWM Institutional and Operational Strengthening
▪ TC Number:	SU-T1102
▪ Team Leader/Members:	EVAN STEPHEN CAYETANO, Team Leader (INE/WSA); DAVID WILK, Alternate Team Leader (INE/WSA); MARLE DOLORES REYES PANTOJA, STEFAN BUSS, IRENE CARTIN BARRIOS, MARILYN GUERRERO, (INE/WSA); MONICA CENTENO LAPPAS (LEG/SGO); and RAIJANT AMARNATH GANGADIN (CCB/CSU).
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	June 11, 2018
▪ Beneficiary:	Republic of Suriname, and N.V. <i>Surinaamsche Waterleiding Maatschappij</i> (SWM)
▪ Executing Agency:	Inter- American Development Bank (IDB)
▪ IDB funding requested:	US\$500,000.00 OC Strategic Development Program for Infrastructure (INF)
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months (24 months execution period)
▪ Types of consultants:	Firms and Individual
▪ Prepared by Unit:	Water & Sanitation
▪ Unit of Disbursement Responsibility:	INE/WSA
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation, Institutional capacity and rule of law and Climate change

II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is the development of a Strengthening Action Plan (AP) for the improvement of N.V. *Surinaamsche Waterleiding Maatschappij* (SWM) operations performance and the strengthening of its groundwater management capacities and risk pollution control. The AP will identify areas for SWM improvement and provide guidelines to achieve measurable improvement.
- 2.2 The Action Plan will assess the needs and identify measures to ensure the company has the capacity to undertake the investment interventions included in the Master Plan¹, improving the quality of service, and increasing the efficiency of the company. Additionally, the AP will also identify activities to prepare SWM for new obligations and responsibilities (including protection of groundwater resources and drinking water quality) outlined in new sector legislation expected to be approved in the short term. The TC will undertake a comprehensive review of the operational culture of SWM and define its training needs. Therefore, the TC will be sustainable since it will contribute to the

¹ The Water Supply Master Plan for Suriname prepared by Genivar in 2010 was identified by the Government of Suriname in December 8, 2008 and financed by the IDB as a necessary project to determine the infrastructure investment and institutional strengthening needed to meet growing water demands for the entire country to the year 2024.

improvement of SWM organizational and operational efficiency as well as to enhance SWM capacities for risk pollution control, which would be replicable in other areas.

- 2.3 The SWM is a state-owned utility that supplies water to approximately 91% of Suriname's population. Other agencies with responsibilities in the water sector include: (i) the Ministry of Health, which oversees monitoring environmental health; (ii) the Ministry of Agriculture, which oversees irrigation; and (iii) the Ministry of Public Works (MPW) and the Ministry of Regional Development, which oversee drainage systems. The SWM has been working towards advancing the implementation of the US\$250 million investment program established in the 2011 Water Master Plan through the ATN/SF-11374-SU. However, to manage increasing investment programs, as well as maintaining and operating the facilities to be constructed requires a strong and resilient institutional structure. Additionally, the responsibility for the supply of potable water to some coastal communities was recently transferred from the Ministry of Natural Resources (DWV/NH) to SWM. As SWM continues to take over these areas, there is an urgent need to increase its operations performance. The SWM institutional capacity is weak and the additional responsibility requires an Action Plan that properly describes the issues and the steps needed to overcome the weaknesses.
- 2.4 The water supply in Greater Paramaribo relies almost entirely on groundwater extraction, which represents about 85% of all groundwater exploitation currently in Suriname. While SWM has successfully executed the ATN/OC-14410-SU assessing the aquifer potential and groundwater level of the Coastal aquifer in Suriname, there is the need to complement this study with a pollution risk assessment and model to consolidate SWM groundwater management capacities. The groundwater study will provide for understanding the impact of climate change and assuring sustainable yields given climate change scenarios on groundwater levels. Sustainable water supply contributes to gender equality given that lack of water supply impacts more on women and girls.
- 2.5 This operation is linked to the Country Strategy's objective of Modernization of the Public Sector governance and efficiency. Specific elements of the CS to which this TC would contribute through the Institutional Strengthening AP include reducing subsidies and lowering public spending while protecting the social safety net and strengthening public administration. The AP will provide guidance on improving operating efficiencies, financial management (including debt management, cost containment, and revenue maximization), and governance arrangements. The program is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and is aligned with the development challenges of productivity and innovation. This TC is aligned with the Water and Sanitation Sector Framework Document as the Action Plan will provide for improving service quality and efficiency in the management of the SWM. This TC is also aligned with the objective of Ordinary Capital Strategic Development Programs (GN-2819-1), addressing challenges of low productivity, climate change and environmental sustainability, and will help to enhance the quality of design and efficiency in execution of infrastructure projects in water and sanitation, and provide for diagnostics, assessments and country dialogue.

III. Description of Activities/ Components and Budget

- 3.1 In order to achieve the above-mentioned objective, the TC would finance consulting services to an institutional strengthening action plan and a groundwater pollution risk assessment and model to evaluate vulnerability of the aquifers in *La Vigilantia*, as well as activities to strengthen the SWM's capacity on pollution risks assessments.
- 3.2 **Component I: SWM Institutional Strengthening Plan.** The component will finance the development of the Institutional Strengthening Plan for the SWM. The activities will comprise a review of the management and operations of SWM and identification of aspects of SWM performance that need to be improved, and clear definition of

recommendations for improvement, including when necessary preparation of required tender documents. The component's output will be the Institutional Strengthening Plan approved by the SWM.

- 3.3 **Component II: Strengthening of groundwater pollution risk assessment capacity.** The component will finance the development of a pollution risk assessment model to be applied to the aquifer in *La Vigilantia*, building upon the recently developed Hydrogeological Assessment of the Coastal Aquifer in Suriname (HCAS) model, with replication possibilities by SWM in other areas. The activities will include water quality analysis and hydrologic flows modelling. The component's output will be the model and a specific pollution assessment for La Vigilantia.
- 3.4 **Component III: Project Evaluation.** The component will finance the conduct of a final evaluation of the execution and results of the TC.
- 3.4 The total cost and the amount that would be made available by the IDB for the proposed TC is US\$500.000 (see [Detailed Budget](#)).

Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
SWM Institutional Strengthening Plan	350,000	0.00	350,000
Component 2. Strengthening of groundwater pollution risk assessment capacity.	120,000	0.00	120,000
Component 3. Project Evaluation	30,000	0.00	30,000
Total	500,000	0.00	500,000

IV. Executing Agency and Execution Structure

- 4.1 At the request of the Government of Suriname, this TC will be executed by the IDB. the IDB's Water and Sanitation Division (INE/WSA) will be responsible for the execution of this TC. Supervision of this TC will be the responsibility of the Project Team Leader assigned by INE/WSA, with the support of the Chief of Operations in the IDB's country office of Suriname and the assigned Operations Analyst. INE/WSA will be responsible for procurement of the required services. In accordance with Annex 10 of GN-2629 the justification for IDB execution is that the Beneficiary and the IDB agree that contracting by the IDB would enhance independence of the studies.
- 4.2 As an IDB Executed Operation (BEO) the activities to be executed are included in the Acquisition Plan (Annex) and will be contracted in accordance with Bank policies as follows: (i) AM-650 for Individual consultants; (ii) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature; and (iii) GN-2303-20 for logistics and other related services. Accordingly, the selection and contracting process will be done in the "Firm Procurement Module" within Convergence, which guides and documents the selection and contracting process of Consulting Firms for BEO Work. For procurement for individual consultants, the contracting will be in accordance with AM-650.

V. Project Risks and Issues

- 5.1 There are no major risks foreseen under this TC. The execution will be simplified by maintaining three procurement processes; two for consulting firms and one for an individual consultant. The consulting firms will be one for each Components I and II, and an individual consultant for the final evaluation.

VI. Exceptions to Bank Policy

6.1 No exceptions to Bank policy identified.

VII. Environmental and Social Classification

7.1 In accordance with the guidelines of the Policy Environment and Safeguards Compliance Policy (OP-703) the proposed operation was classified as category C ([Environmental Filters](#)). No potential negative environmental and/or social impacts of the TC were identified and therefore no mitigation strategy is required to address any impact.

Required Annexes:

- [Request from the client](#)
- [Results Matrix](#)
- [Terms of Reference](#)
- [Procurement Plan](#)