

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Management, operation, improvements, support of the implementation and dissemination of the AquaRating Program
▪ TC Number:	RG-T3377
▪ Team Leader/Members:	CATHALA, CORINNE (INE/WSA) Team Leader; SASAKI, KEISUKE (INE/WSA) Alternate Team Leader; CARTIN, IRENE (INE/WSA); PEREZ PENALOSA, FEDERICO (INE/WSA); VERISSIMO DA SILVA, CAROLINA (LEG/SGO); GUERRERO RIVERA, MARILYN IVETTE (INE/WSA)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	08 Jan 2019
▪ Beneficiary:	Regional LAC countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$500,00
▪ Local counterpart funding:	-0-
▪ Disbursement period:	40 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Water & Sanitation
▪ Unit of Disbursement Responsibility:	Infrastructure & Energy
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Environmental sustainability

II. Objective and Justification

- 2.1 The main objective of this Technical Cooperation (TC) operation is to manage, support dissemination and operate the implementation of the AquaRating Program in a selected number of water and sanitation utilities in Latin America and the Caribbean (LAC), and to promote its use in LAC.
- 2.2 A technical cooperation operation under execution has been supporting the launch to market of the AquaRating tool in Ecuador, Colombia, Argentina, Jamaica, El Salvador, and Mexico, among others (RG-T2883), as well as the update of the AquaRating tool. The main outputs obtained from that technical cooperation operation include: (i) a revamped version of the AquaRating tool; (ii) implementation of the Aquarating evaluation process in over 60 water utilities in LAC; (iii) workshops to train technical and management staff to use AquaRating in Colombia, Mexico, Argentina and El Salvador; (iv) Aquarating certification of 5 water utilities; (v) training and authorization of 4 audit firms to act as AquaRating auditors; (vi) preparation of the AquaRating Validation of Consistency guidelines Vol.1; (vii) updating and re-design of the AquaRating website (www.aquarating.org); (viii) the AquaRating Auditors Guidelines in English and Spanish; and (ix) promotional and marketing materials in English and Spanish (i.e. production of videos in collaboration with water operators to disseminate good practices associated with the application of AquaRating).
- 2.3 The implementation of AquaRating among water and sanitation utilities in the

LAC region and elsewhere since late 2014 has brought very valuable information to the IDB and IWA on how to optimally implement the tool. This new TC operation will make it possible to further disseminate the AquaRating evaluation tool through direct promotion in international events as well as the development of a Massive Open On-line Course (MOOC). This new TC operation will also help disseminate the AquaRating tool in other borrowing member countries of the Bank in LAC such as Brazil, Bolivia, Perú, Argentina, as well as in the Caribbean.

III. Description of Activities and Outputs

- 3.1 Component 1. Management of AquaRating and implementation in LAC. This component will finance the following activities: (i) provide the technical support that utilities require during the application of AquaRating; (ii) validate the consistency of the information provided by utilities to assess their performance prior to the auditing process; (iii) program management, monitoring, license management, process administration, communication management, budget management, contract management, strategic planning, AR implementation support, AR knowledge management, articulation / participation of events, identification and implementation of improvement opportunities. Component 2. Updating of the AquaRating Standard. This component will finance: (i) the update and inclusion of new relevant components in the sector and replacement by elements defined as not relevant; and (ii) the update of the Aquarating tool. Component 3. Development of the AquaRating business model. This component will finance the design of a new business model, which contemplates sustainable growth of AquaRating with optimal and rational use of resources. Component 4. Promotion and dissemination of AquaRating. This component will finance: (i) the promotion of AquaRating in different events, and special visits to interest groups and financial institutions as well as development agencies
- 3.2 **Component I: Component 1. Management of AquaRating and implementation in LAC.** (i) Provide the technical support that utilities require and (ii) validate the consistency of the information provided by utilities
- 3.3 **Component II: Component 2. Updating of the AquaRating Standard.** This component will finance: (i) the update and inclusion of new relevant components in the sector and replacement by elements defined as not relevant; and (ii) the update of the Aquarating tool.
- 3.4 **Component III: Component 3. Development of the AquaRating business model.** Will finance the design of a new business model, which contemplates sustainable growth of AquaRating with optimal and rational use of resources.
- 3.5 **Component IV: Component 4. Promotion and dissemination of AquaRating.** Will finance: (i) the promotion of AquaRating in different events, and special visits to interest groups and financial institutions as well as development agencies

IV. Budget

Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Management of AquaRating and implementation in LAC.	150,000.00	0.00	150,000.00
Component 2. Updating of the AquaRating Standard.	150,000.00	0.00	150,000.00
Component 3. Development of the AquaRating business model.	120,000.00	0.00	120,000.00
Component 4. Promotion and dissemination of AquaRating.	80,000.00	0.00	80,000.00

V. Executing Agency and Execution Structure

- 5.1 As the Aquarating technical and management teams are based at IDB headquarters and have been executing the previous technical cooperation operations, the IDB will be the Executing Agency for the TC through the Water and Sanitation division. All contracting activities will be carried out in accordance with Bank policies and procedures. The execution will be done and supervised from the HQ, the focal point is Corinne Cathala, WSA Specialist; in coordination with the WSA specialist in each country where AquaRating is implemented.
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VI. Project Risks and Issues

- 6.1 One of the risks in achieving the objectives of this TC is the potentially high and low demand picks. AquaRating could generate a lot of interest from too many utilities and sponsors at the same time, which could impact negatively the AquaRating Technical Unit. To mitigate that risk, local consultants will be contracted to attend the utilities on a day-to-day basis in each of the countries where demand is high, as has been successfully implemented in Colombia and Mexico, or through consultants to support regionally as well as firms to support complementary services such as validations, audit, support, etc. In addition, to avoid any low pick in demand, promotional activities will continue throughout the implementation of this TC.

VII. Environmental and Social Classification

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