

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/Regional
▪ TC Name:	Update of Sector Strategic Plans for the Achievement of the SDGs
▪ TC Number:	RG-T3244
▪ Team Leader/Members:	Kleber Machado (INE/WSA) Team Leader; María Julia Bocco (INE/WSA) Alternate Team Leader; Jorge Ducci, Corinne Cathala, Alejandra Perroni, Raul Muñoz, Germán Sturzenegger, Celia Bedoya, Javier Garcia, Keisuke Sasaki, Henry Moreno, Edgar Orellana, Evan Cayetano, David Wilk, and Irene Cartin (INE/WSA); Alfred Grunwaldt (CSD/CCS); and Betina Hennig (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	27 Mar 2018
▪ Beneficiary:	Countries of LAC
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$500,000.
▪ Local counterpart funding:	\$0.00
▪ Disbursement period:	42 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:	Social inclusion and equality and Climate change

### II. Objective and Justification

- 2.1 The objective of the TC is to enable the Bank, through its Water and Sanitation Division (INE/WSA), to assist the beneficiary countries in the preparation of water and sanitation sector strategic plans (SPs), which propose solutions to the sector's challenges. As a result of this process, a long-term road map (10 to 15 years horizon) will be set out uniting the country and the Bank's vision for the sector, combining institutional actions with financial resources, as appropriate.
- 2.2 The UN Sustainable Development Goals (SDGs), adopted in September 2015, pose a new challenge to the water and sanitation sector. The Goal 6 calls for holistic effort to "Ensure access to water and sanitation for all." Its targets embrace not only increasing access to services to achieve universal access, which requires the consideration of equity between rural and urban areas and among socioeconomic levels, but also improving the quality of services, promoting efficiency, and enhancing integrated water resource management. Advancement in water and sanitation is also critical to other goals of the SDGs, among others: (i) Goal 3 "Good health and well-being," through the reduction of water-borne diseases; (ii) Goal 5 "Gender equality," through decreased burden on women and girls of household water collection and/or unpaid care; and (iii) Goal 12 "Responsible consumption and production," through closing huge deficiency in wastewater treatment in the region. To achieve these goals, in the planning of water and sanitation sector, interdependencies become key considerations

(Water Utility Pathways in a Circular Economy, IWA, 2016). For example, for universal access to water it is fundamental (i) to protect the water sources from contamination; (ii) to promote efficiency and effectiveness of the sector, which include, among other things, developing strategies on behavioral aspects and social communication to improve (industrial and domestic) consumers' water use efficiency and/or for hygiene improvements; (iii) to enhance integrated water resource management that takes into account the impacts of climate change to water resources, in terms of volume, variability and seasonality; (iv) to integrate water reuse, where applicable, as part of alternative water sources; and (v) to incorporate gender considerations to infrastructure design. On the other hand, sanitation, particularly wastewater treatment process, is an opportunity not only for water reuse, but also for energy and materials recovery (fertilizer, construction materials, bioplastic etc.). It is worth noting that technological advancement in the sector also facilitates this interdependency approach. In order to successfully deal with this interdependency, it is vital to develop institutional capacity and to design adequate public policies.

### III. Description of Activities and Outputs

3.1 The only component is the preparation of sector strategic plans in countries where such document is needed. For most countries, it would be appropriate to update an existing strategy to fit the challenges under the SDGs. Such update would be particularly pertinent when significant sector institutional changes are perceived, when there are new unforeseen circumstances (for example natural disasters and climate change), or changes of the political authorities. It is anticipated that the SP will be developed in two phases. Phase I comprises a sector diagnosis, which defines the sector, identifies sector challenges, and proposes alternative solutions to the challenges. As a general methodology the sector diagnosis and proposed development alternatives would be presented in workshops and open consultations to arrive at the mentioned set of alternatives. It is expected that a series of short, medium and long term interventions could be defined, such as projects and products for which, if no financing has been sourced, could be financed or supported by the Bank. Phase II comprises the production and agreement on the SP. The activities involved are mainly the following:

- (1) Hiring (primarily) individual consultants to carry out specific the studies and assessments;
- (2) Prepare a thorough diagnosis of each subsector of interest, considering interdependencies that include the effects of climate change and gender considerations;
- (3) Prepare options for addressing the sector's challenges and constraints, solving the main issues or sector constraints, including innovative water and sanitation technical and management solutions that have proved effective in the region or have a high potential for success;
- (4) Carry out workshops with main stakeholders to agree upon the diagnosis and select the desired options for actions;
- (5) Define the main action plans agreed with the country to be developed including: specific objectives, activities, budgets, responsible institutions, role of the Bank, etc. for a medium term (say 5 years) and a longer term (10 to 15 years);
- (6) Produce a final report consolidating all the work carried out, and a formal synthesis to be published.

3.2 **Component I: Update of strategic sector plans.** The preparation of sector strategic plans in countries where such document is needed. For most countries, it would be appropriate to update an existing strategy to fit the challenges under the SDGs.

#### IV. Budget

##### Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Update of strategic sector plans	\$500,000.00	\$0.00	\$500,000.00

#### V. Executing Agency and Execution Structure

- 5.1 The TC will be executed by the Bank, through INE/WSA, given that it is a TC of regional scope that requires prioritization of and coordination with some five countries as well as regional sector knowledge. Tentatively, Colombia, Jamaica, and Paraguay have been prioritized to initiate this work. Other countries that may be considered later are Mexico, Haiti, Dominican Republic, Peru, Bahamas, and Uruguay. This is to be further analyzed during the TC preparation.
- 5.2 The Bank has extensive experience in executing studies for sector strategic plans through, among other things, the execution of RG-T2061 and RG-T2645.

#### VI. Project Risks and Issues

- 6.1 In general, the experience to date has shown that reaching agreement on the general strategy of the sector is much more difficult than sector diagnostics to be implemented and the specific actions to follow. This has been due to factors like: inability of the authorities to reach internal consensus; unresolved conflicts between stakeholders; the need of major interventions for which the government does not have the necessary political support; weak interest in dealing with sector issues; lack of governance required for proper decision making. A main lesson learned is the importance of assuring agreement among key sector authorities, and of duly informing key decision makers, including those outside the sector, primarily based on such agreement among key sector authorities, so that they are empowered for the decisions that need to be made. A secondary risk has been the difficulty of selecting proper consultants to do this kind of work, which requires not only technical knowledge, but also a good sense of the politics involved, and have the ability to reach and attract the attention of key stakeholders. By now the Bank has an adequate number of consultants that have provided good results in earlier studies. Thanks to the learning process over the years, the Bank has Terms of Reference from previous studies which will serve as the basis for clear definition of objectives and the scope of work.

#### VII. Environmental and Social Classification

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