





























Multilateral Days IDB & Water and Sanitation























**Lisbon 2023 October 30th, 2023
Esther Rodriguez
Senior Operations Specialist, IDB**

IDB Member Countries

26 Borrowing Countries

 Argentina	 Haiti
 Bahamas	 Honduras
 Barbados	 Jamaica
 Belize	 México
 Bolivia	 Nicaragua
 Brazil	 Panamá
 Chile	 Paraguay
 Colombia	 Perú
 Costa Rica	 Dominican Republic
 Ecuador	 Suriname
 El Salvador	 Trinidad y Tobago
 Guatemala	 Uruguay
 Guyana	 Venezuela

22 Non-Borrowing Countries

 Germany	 Italy
 Austria	 Japan
 Belgium	 Norway
 Canada	 The Netherlands
 China	 Portugal
 Croatia	 United Kingdom
 Denmark	 Republic of Korea
 Slovenia	 Sweden
 Spain	 Switzerland
 United States	
 Finland	
 France	
 Israel	

LATIN AMERICA AND THE CARIBBEAN FACE A

TRIPLE CHALLENGE THIS DECADE

SOCIAL



Poverty
Inequality
Food insecurity

FISCAL



Spending and income pressures
Increased debt

GROWTH



Historically low productivity
Low resilience to shocks
Uncertainty of reforms

CROSS-CUTTING ISSUES: *CLIMATE CHANGE, GENDER & DIVERSITY AND STATE OF LAW*

ADDRESS THEM REQUIRES MEDIUM-TERM AND DEALING WITH CYCLICAL FLUCTUATIONS

→ Aligned with International Agreements



**FINANCING FOR
DEVELOPMENT**

13-16 JULY 2015 • ADDIS ABABA • ETHIOPIA

TIME FOR GLOBAL ACTION

SUSTAINABLE DEVELOPMENT GOALS

17 PARTNERSHIPS
FOR THE GOALS



PARIS2015

UN CLIMATE CHANGE CONFERENCE

COP21·CMP11



→ Introducing the IDB, IDB Invest, and IDB Lab

Improving lives by investing in the region's
public and private sectors.



*Is the leading source of development
finance for LAC countries.
We work with national and subnational
governments as well as with NGOs*

2022 Approvals:

\$12.7
billion



*Is the partner of choice for the private sector
in LAC.
We finance projects to advance clean energy,
modernize agriculture, strengthen
transportation systems, and expand access to
financing.*

2022 Approvals:

\$8.3
billion



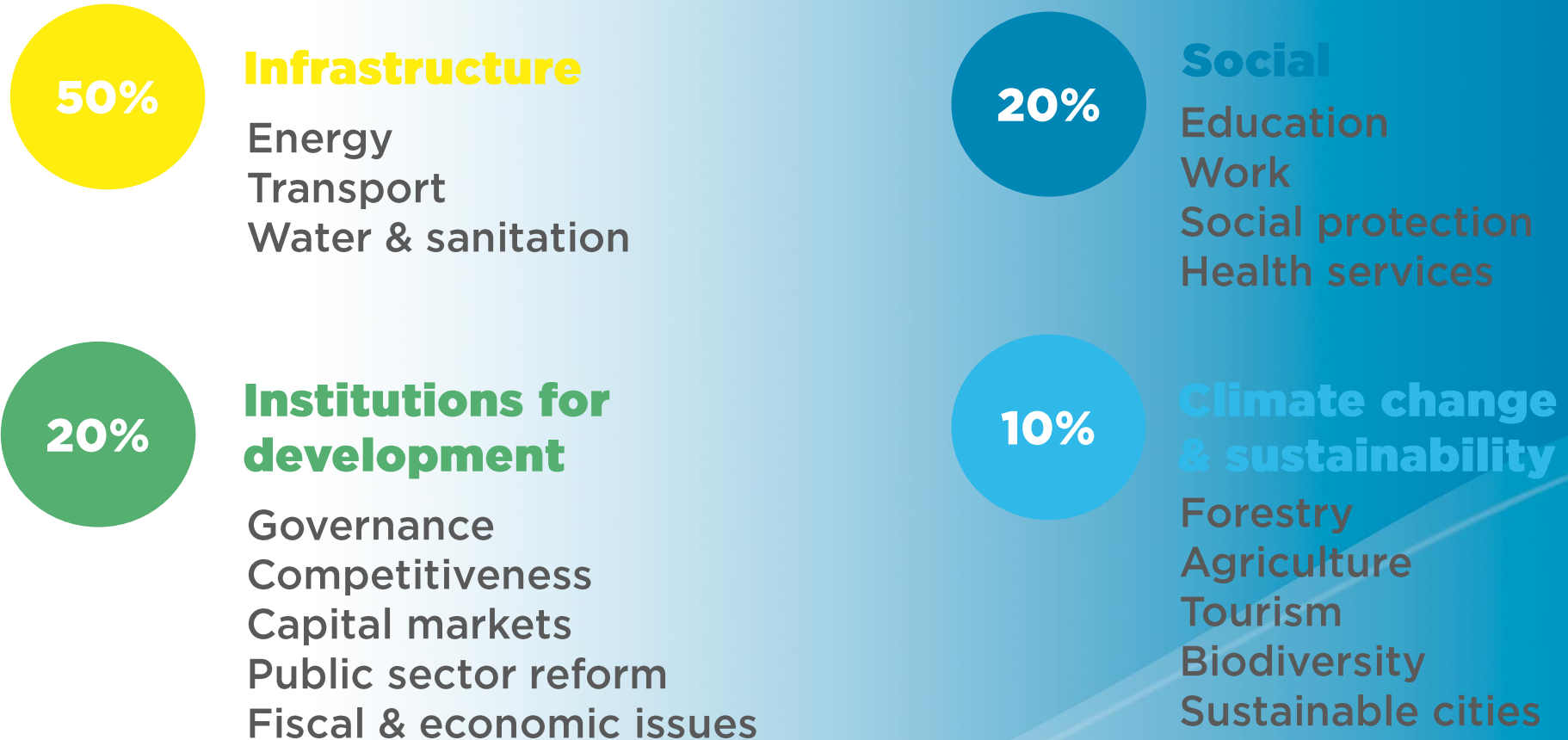
*We are the IDB's innovation laboratory.
We mobilize financing, knowledge, and
connections to catalyze innovation for
inclusion in LAC.*

2022 Approvals:

\$103.8
million



Financing Per Sector



CLIMATE FINANCE: 2022, 42% with an additional 3% of green finance

→ IDB Work



FINANCING



CAPACITY-BUILDING



KNOWLEDGE



Education



Science & Technology



Social Investment



Urban Development



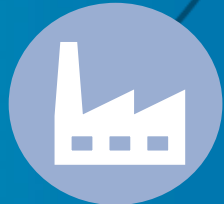
Agriculture



Trade



Tourism/
Transport



Industry



Financial Markets



Private Firms/
SMEs



Environment



Health



Modernization
of the State



Integration



Water and
Sanitation



Energy



App | Build the Americas

Build the Americas

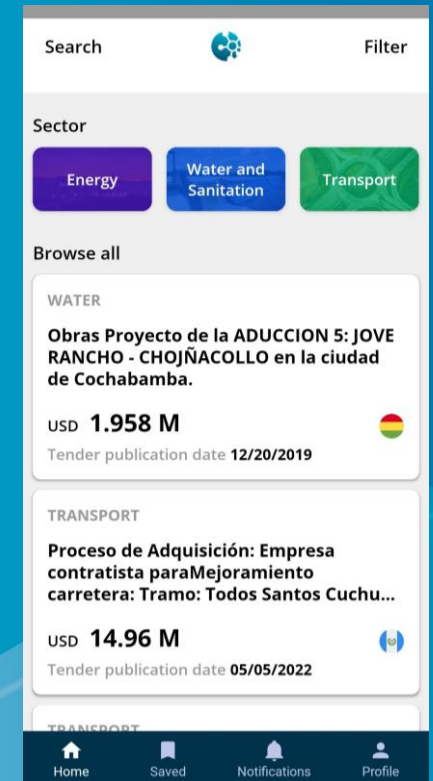
A **mobile app** designed to:

Increase transparency about upcoming infrastructure procurement in LAC

Facilitate connections between infrastructure developers and local partners and suppliers

How to download the app?

- 1 Grab your mobile
- 2 Turn on the camera
- 3 Scan the code



IDB Invest Work

Infrastructure



Energy



Transport



Water and Sanitation



Social Infrastructure

Corporates



Agribusiness



Manufacturing



Tourism



Telecommunications, Media and Technology

Financial Intermediaries



Investment Funds



Financial Institutions



Non Banking Financial Institutions

Financial products



Loans



Guarantees



Equity and Mezzanine Investments

Financial solutions



Trade and Supply Chain Finance



Capital Market Instruments & Structured Finance



Blended Finance

Financial services



Resource Mobilization

Advisory services



Climate Change



Gender, Diversity and Inclusion



Technology and Innovation



MSMEs and Sustainability



Public-Private Partnerships (PPP)

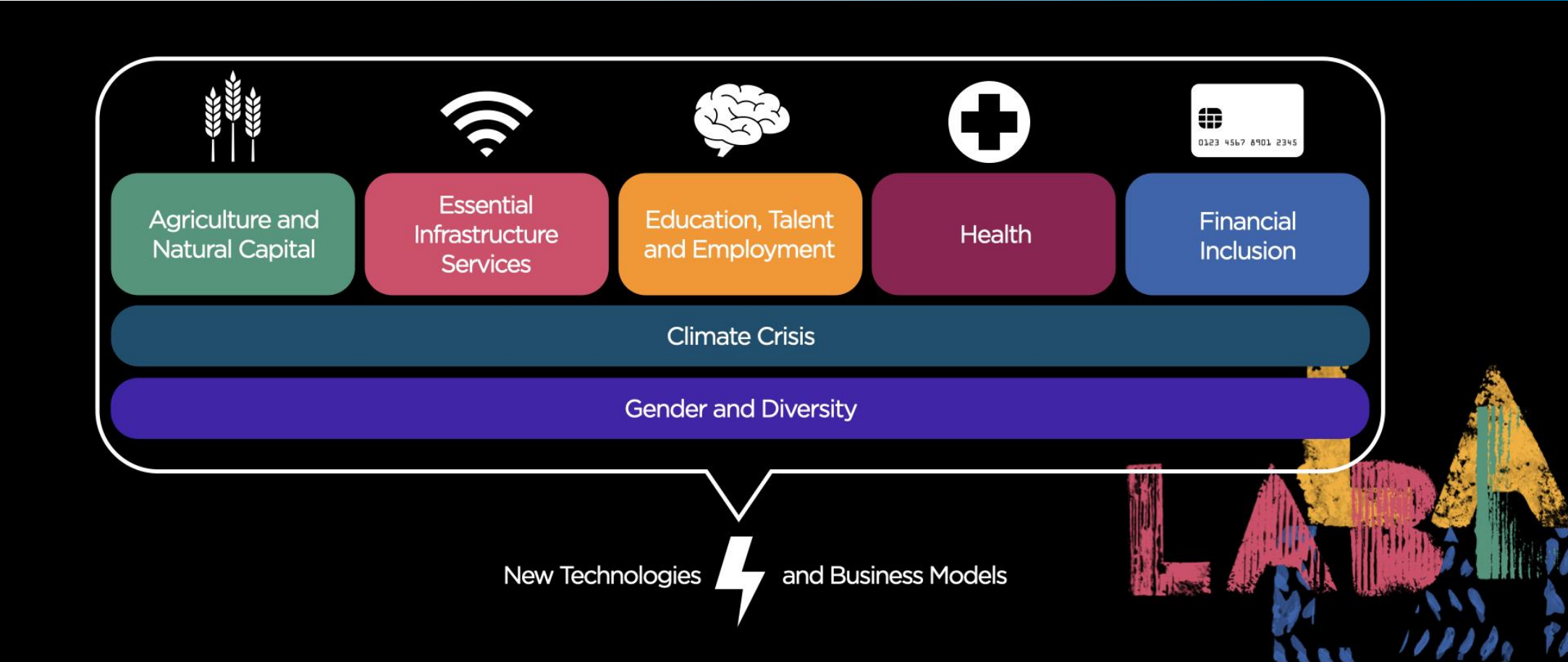


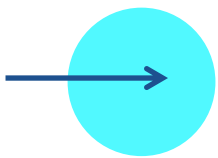
Corporate Governance



Environmental & Social Risk Management

IDB LAB Work





RECENT PUBLICATIONS



RECENT

PUBLICATIONS

IDB GROUP FLAGSHIP PUBLICATIONS



2022 Partnership Report:
Envisioning a New Future
Together



Dealing with Debt: Less
Risk for More Growth in
Latin America and the
Caribbean



2023 Latin American and
Caribbean Macroeconomic
Report. Preparing the
macroeconomic terrain for
renewed growth



Digitalizing Public Services.
Opportunities for Latin
America and the Caribbean



Fiscal Policy and Climate
Change: Recent Experiences of
Finance Ministries in Latin
America and the Caribbean



Accelerating Blue Bonds
Issuances in Latin America and
the Caribbean



Scaling Adaptation Finance
in the Private Sector

IDB is contributing to the EU's Global Gateway Investment Agenda in LAC with projects worth US\$15B.

HOW THE IDB GROUP CONTRIBUTES TO THE GLOBAL GATEWAY INVESTMENT AGENDA

IN LATIN AMERICA AND THE CARIBBEAN

\$15.8 billion

- \$736 M in technical cooperation grants
- \$15 B in investment

462 projects

- 225 TC
- 237 INV



Water and Sanitation- Agenda



IDB's Strategy on Water and Sanitation

**Recent Work and Cooperation with Portugal –
RegWAS LAC**

Case Study

Agenda

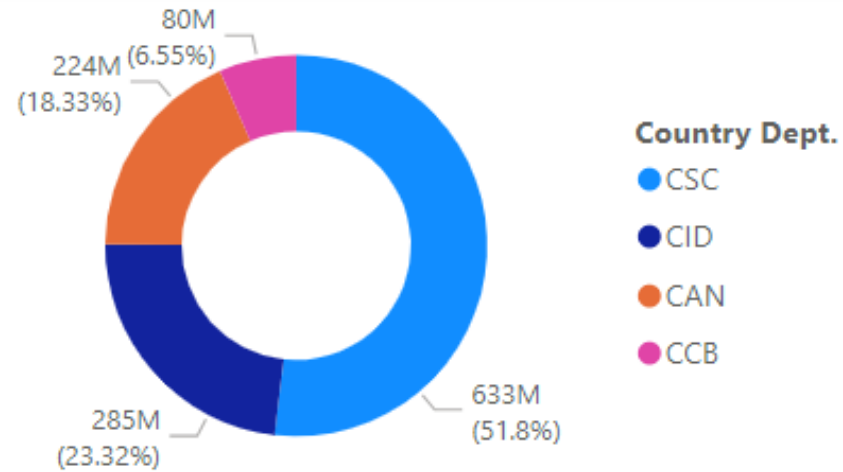
IDB's Strategy on Water and Sanitation

Integrated sector approach



Water and Sanitation Division Portfolio in LAC

Amount Approved in 2022



Sum of Current...

1.22bn

Average of Current...

87.29M

Sector relevance

HEALTH

ENVIRONMENT

EDUCATION

**CLIMATE
CHANGE**

GENDER

POVERTY



5 Challenges

- 1. Access, quality, and inequality**
- 2. Environmental resilience and sustainability**
- 3. Governance, information, and financing**
- 4. Management of services and private participation**
- 5. Innovation and digital transformation**

1. Access, quality, and inequality

97%

75%



2020

2030

- MDG Basic access to water
- SDG Safe water

86%

34%



2020

2030

- MDG Basic sanitation
- SDG Safe sanitation

1. Access, quality, and **inequality**



Source: JMP, 2017.



2. Environmental resilience and sustainability

A photograph showing a man in a pink shirt and light-colored pants walking across a narrow wooden bridge over a body of water. The water is dark and contains floating debris, including plastic bottles and other trash. The background shows a residential area with simple buildings and lush green trees under a clear sky. The scene illustrates environmental pollution in an urban setting.

- ▶ Water bodies in urban areas contaminated by industrial and sewer discharge and solid waste.
- ▶ Systems vulnerable to extreme natural events linked to the effects of climate change, pollution, natural disasters, COVID, etc.

3. Governance, information, and financing

❖ Low levels of funding

❖ Institutional and legal framework

- ▶ Political interference
- ▶ Strengthen sector leadership

❖ Regulation

- ▶ Affordability
- ▶ Rates and subsidies

Only 20 countries provide for universal services in any of their regulations.

13 countries have regulations that address and provide incentives for community participation in project execution.

Only 2 countries address gender issues in sector regulations and policies.

3. Governance, information, and financing

A woman in a white lab coat and safety glasses is shown in profile, looking intently at a piece of equipment in a laboratory setting. The background is slightly blurred, showing other laboratory equipment and a grid pattern overlaid on the image.

Transparency and integrity:

- ▶ Corruption is estimated to raise the cost of obtaining a water and sewer connection by 30%.

Lack of information:

- ▶ Only 18 countries have formal sector information systems.

Employment:

- ▶ Challenges in staff capabilities, retention, and availability.
- ▶ Only 23% of management positions in the companies are occupied by women.



4. Management of services and private participation

Operational and financial inefficiency of urban providers:

- ▶ High levels of network losses in water (40%), low metering (79%)

Low connectivity in sewer networks:

- ▶ Around **50% of households** choose to connect **once works are completed**

Inadequate management in rural areas:

- ▶ Between **30%** and **40%** of systems built in rural areas do not work properly

4. Management of services and private participation

- **Low private sector participation:** private investment in water and sanitation infrastructure in the region accounts for only **6%** of total investment.
- Failure to leverage the potential of **innovation** to **improve management and the circular economy** (wastewater reuse, sludge and solid waste management).

5. Innovation and digital transformation

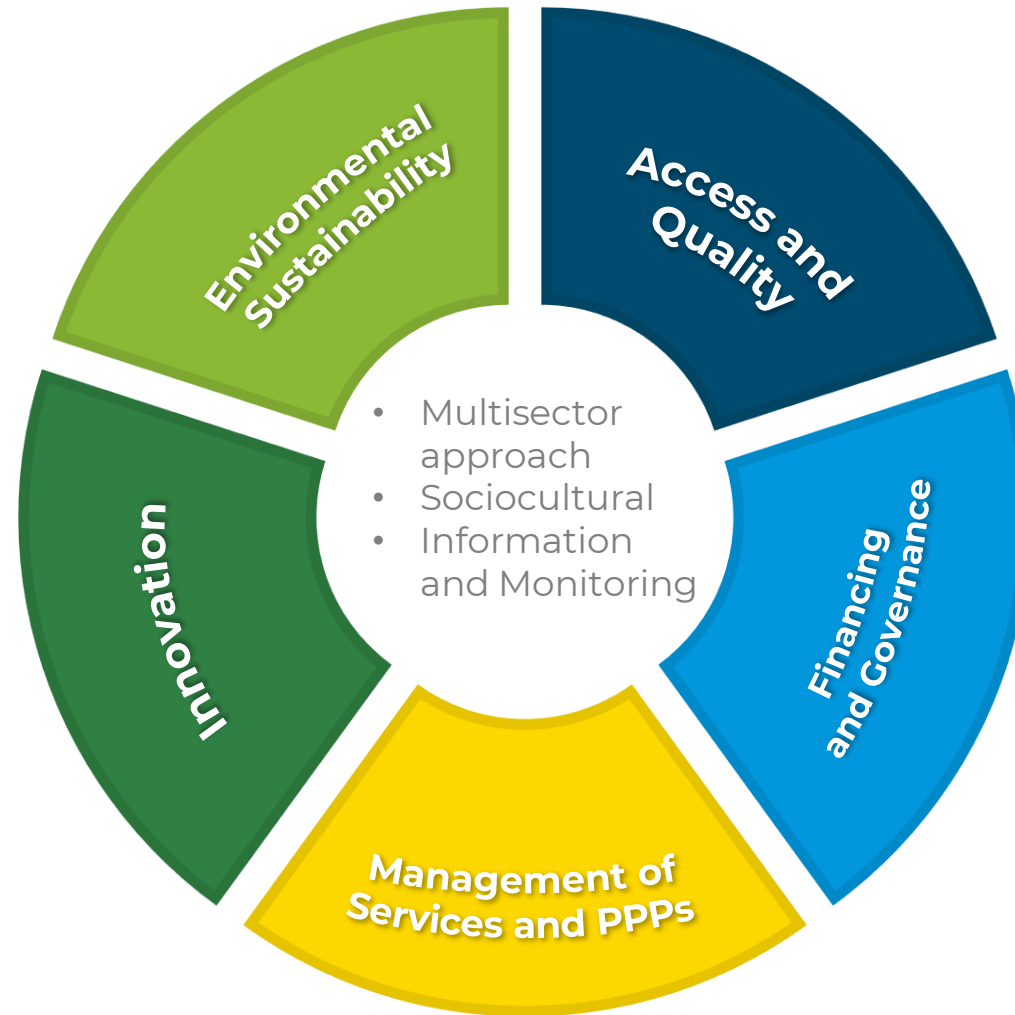


- **Low penetration in service providers**
- **Innovation challenges:**
 - ▶ **Regulatory restrictions**
 - ▶ **Absence of innovation ecosystems**
 - ▶ **Lack of an innovation culture**

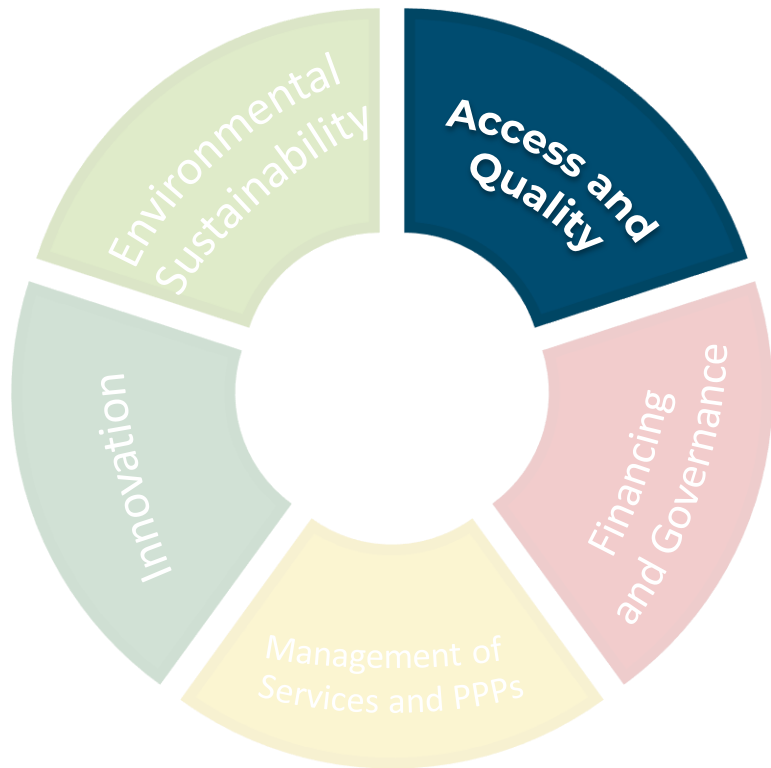
Digitalization in the sector has increased operating profits by 25% and reduced water supply failures by 30%.

Lines of Action

Achieve a focus on services rather than infrastructure



Line of Action 1: Promote **universal access** to quality water and sanitation services with equity, inclusion, and affordability



- Prioritize sanitation
- Improve service quality
- Prioritize vulnerable populations
 - Gender-based approach
 - Disabled population
 - Indigenous and Afro-descendant communities

Line of Action 2: The sector contributes to environmental sustainability, is resilient to disaster and climate change risks, and promotes **water security**



- Preserve and improve the quality of water resources using a risk management approach
- Infrastructure that mitigates GHG emissions and is resilient to climate change
- Move toward a multisector, circular economy approach

Line of Action 3: Improve **financing** and governance frameworks



- Increase sector funding
- Strengthen regulatory and sector leadership frameworks
 - Enhance planning and information
- Improve transparency and sector employment

Line of Action 4: **Improve management** to ensure efficient, sustainable service delivery and promote **private sector participation**



- Improve operational and commercial efficiency
- Strengthen planning and access to financing for service providers
- Increase private sector participation
- Strengthen service delivery in rural areas

Line of Action 5: Drive **innovation** in the sector



- Stimulate supply and demand for innovation in the sector
- Nonconventional technologies
- Smart Water Infrastructure Technologies
- Digitalization to improve information

Agenda



**Recent Work and Cooperation with Portugal –
RegWAS LAC**

Program for the improvement of public policy and the regulation of water and sanitation services in Latin America and the Caribbean



Promoters



Support



Reguladores



- Program for the improvement of public policies and the regulation of water and sanitation services in Latin America and the Caribbean
- Collaborative initiative aimed at strengthening the framework and practice of public policy and regulation of drinking water and sanitation services in LAC.
- It brings together regulators, governments, international organizations and experts in an effort of cooperation and joint action.

Future Activities

Support Toolbox



Plataform WaterGov
de evaluación,
benchmarking y
mejora regulatoria



**International
regulatory
observatory**



**Capacity
Building
Platform**



**Best Practice
Guides**

Actions to support regulators



**Evaluation,
benchmarking
and regulatory
improvement**



**Strategic
advice to
regulators**



**Reflections and
exchange of
experiences
between
regulators**



**Reflections
and
exchange of
experiences
between
regulators**

Mobilization, awareness and communication



**Regulatory
Agencies**



**Political
Actors**



**Water
Service
Providers**



Media

Agenda



Case Study

CASE STUDY



Non-Revenue Water Program in Jamaica Water Supply Improvement Program

Program Objectives

- **Primary Objective**

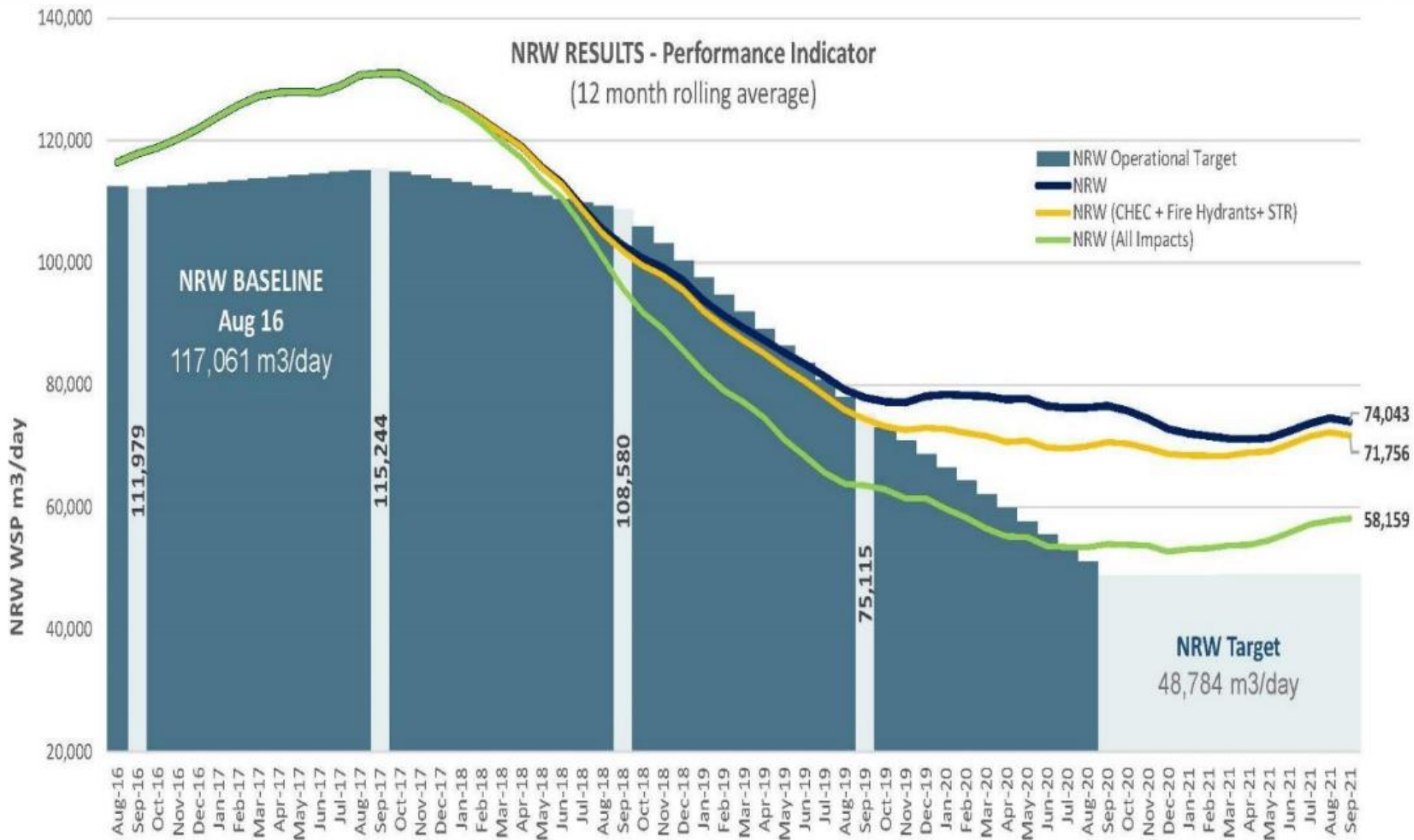
- “To establish sustainable NRW management capability to deliver long-term NRW targets and objectives of NWC.”

- **Secondary Objectives**

- a) Reduce NRW in KSA from contract start date to 30% by the end of year 5.
- b) Maximize income collected
- c) Prepare, implement Strategies and Action Plans for improved performance & efficiency



KSA NRW Reduction Results



NRW Results
Reduction (37%)
from
117,061 m3/day
To
74,043 m3/day

NRW Results
August 2023
48,390 m3/day

THANK YOU!