

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC812

Project Name	Manta Public Services Improvement Proj. (P143996)
Region	LATIN AMERICA AND CARIBBEAN
Country	Ecuador
Sector(s)	General water, sanitation and flood protection sector (60%), Urban Transport (40%)
Theme(s)	City-wide Infrastructure and Service Delivery (90%), Water resource management (10%)
Lending Instrument	Specific Investment Loan
Project ID	P143996
Borrower(s)	Municipality of Manta
Implementing Agency	Municipality of Manta
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	18-Apr-2013
Date PID Approved/ Disclosed	22-Apr-2013
Estimated Date of Appraisal Completion	30-Apr-2013
Estimated Date of Board Approval	31-Jul-2013
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The World Bank Group and the Government of Ecuador (GoE) are working on a gradual reengagement following three years of limited dialogue. The country has seen a period of relative political stability and the Government has invested unprecedented amounts of resources in infrastructure and the social sectors in an effort to reduce inequality and promote inclusion. The World Bank has rebuilt the dialogue with key ministries and has increased the support to the Government in several areas, with a focus on subnational governments. Water and Sanitation and Transport in subnational governments have been identified as priority sectors where the GoE has expressed strong interest in re-engagement with the Bank.

Sectoral and Institutional Context

Since the early 1990's, the goal of responsible decentralization in Ecuador, with transfer of

resources and responsibilities to municipalities, has been on the political agenda. In 1997, the Law on Decentralization of the State and Public Participation was promulgated with the intent to foster decentralization of the Ecuadorian state, and that principle was further reinforced in the country's new constitution in 2008. As established by law, municipal governments are responsible for planning, regulating and controlling traffic and public transportation within its canton territory, on top of planning, building and maintaining the urban road network, as well as for the operation and maintenance of water supply and sanitation systems. The National Water and Sanitation Policy (PNAS), in effect since 2002, is consistent with the decentralization process, and defines a clear distribution of powers between the different institutions in the sector and proposes rate guidelines for the local governments to make the services sustainable.

Despite substantial improvements in water and sanitation services coverage, especially in the large cities, Ecuador still faces a significant challenge in providing better services in medium and small size cities and rural areas, particularly regarding wastewater treatment. In 2008, urban coverage levels for water and sanitation services were 76.1 and 57.6 percent, respectively, whereas rural coverage levels were 25.3 and 14.6, respectively. National coverage of domestic wastewater treatment was found to be 24.0 percent in urban areas in 2007. Other water and sanitation service quality levels such as the number of water hours per day, efficiency levels (substantial water losses) and sustainability (better integration with water resources, achieving financial closure and resilience to natural disasters and climate change) also require urgent attention.

Ecuador is experiencing rapid growth of its urban areas, with an increase in the rate of urbanization reaching 65 percent in 2011. Urbanization is accompanied by similar increases in motorization rates (from 65 vehicles per 1000 inhabitants in the early 2000's to approximately 90 by 2011) and a concomitant increase in the related negative externalities, particularly air pollution and road accidents. To arrest the deterioration of mobility in urban areas and particularly in medium-sized cities, actions are urgently needed to ensure the more efficient functioning of urban areas.

Historically, the levels of investment in transport networks have not kept pace with development needs, but recently the GoE has started to address those trends through enhancement of the planning and management of transport systems and increases in the level of investments in infrastructure. In particular, the GoE has committed to the implementation of mass transit systems in the largest cities (such as with the Quito Metro and Cuenca Tramway projects) and interventions in the urban road network in medium-sized cities to improve their conditions for transit operations, pedestrian use, and overall safety.

The city of Manta (pop. 226,000 in 2010) is a medium-sized fast growing port city with fisheries and tourism as its main economic activities. Water supply and sanitation services are provided by the municipal water company Empresa Pública Aguas de Manta (EPAM), and current coverage levels are 79 and 64 percent for water supply and sewerage respectively, as the first phase of its Water and Sanitation Master Plan has been finalized. Manta's road network has a total length of 350 km consisting of 52 km of arterials and collectors, and 298 km of local streets, and is considered to be in regular-good condition, with low levels of congestion. Proactive planning and incentives for both the demand and supply sides may enable planned growth, ensuring that more sustainable transport modes remain available, even as motorization rates and motorcycle ownership increase.

Relationship to CAS

The proposed operation is fully consistent with the Interim Strategy Note (ISN) developed for the 2014-2015 fiscal years, which includes financing for investment lending operations with a focus on

sub-national lending. Ecuador has identified access to water and sanitation as one of the key immediate priorities to ensure the quality of life and social cohesion for its citizens and is putting together a long-term investment program aimed at addressing coverage and quality issues, to be implemented at the municipal level. Furthermore, the authorities have requested capacity building support from the Bank for sub-national governments in the infrastructure sector and improving transport in several cities and provinces in the country, particularly in urban centers, where limited mass transport services affect productivity and create a trend towards a high-carbon motorized urban footprint. The ISN focus on three strategic areas and the proposed operation is particularly consistent with the first two pillars, namely “Sustainable and Inclusive Growth” and “Access to Social Protection and Quality Services for all”. Increasing water and sanitation service coverage as well as mobility is also in line with the GoE’s priority to ensure the quality of life and social cohesion for its citizens, in this particular case, the citizens of Manta.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Project Development Objective (PDO) focuses on supporting the Municipality of Manta in increasing the efficiency and sustainability of public services, including water, sanitation and transport, through investments in infrastructure and institutional strengthening.

The objective will be achieved by (i) increasing coverage and the quality of water and sanitation services; (ii) improving urban mobility and accessibility through improvements to the street network, including sidewalks; and (iii) enhancing the capacity of the municipal government in planning and managing the provision of water and sanitation and urban transport services.

Key Results (From PCN)

The achievement of the objective will be measured through a series of indicators, which will be further refined and identified during project preparation. Expected impact indicators for water and sanitation interventions include: (i) increased coverage as measured by the number of people in urban areas provided with access to water supply and sanitation services; (ii) improved service efficiency as measured by a reduction in non-revenue water; and (iii) improved water service continuity under the project, as measured in hours of service per day.

The achievement of the objectives related to transport interventions will be measured through: (i) improved safety measured as a reduction in fatalities and serious injuries in the “zona 30”; (ii) increased walkability score; and (iii) improved quality of public transport services in the project area. In addition, to assess enhanced capacity, the project will measure/monitor the number of staff attending technical training in urban transport topics as well as the adoption of a sustainable urban mobility plan, an urban safety plan and a multi-year road maintenance strategy for Manta.

III. Preliminary Description

Concept Description

The proposed project would achieve the above mentioned objective through the implementation of four components:

Component 1: Investments in Water Supply and Sewerage. This component will support infrastructure investments including: (i) water network expansion and rehabilitation; (ii) the construction of a water treatment plant; (iii) sewerage network expansion and rehabilitation,

including sewage pumping stations; and (iv) associated works supervision. The interventions will be in support of the second phase of the Master Plan developed by EPAM to address service coverage deficiencies and deteriorating water and sewage networks. Network expansion works will allow water supply coverage to increase from 79 to 97 percent, and sewerage collection coverage from 64 to 95 percent, at the end of the design horizon. Water production would also be increased by 33 percent to respond to the city's projected demand for the next 10 years.

Component 2: Investments in Road Improvement. This component will support infrastructure investments including: (i) road improvement works; and (ii) associated works supervision. The road works are divided into three main categories:

- Urban streets upgrading, consisting in widening to include sidewalks and street furniture, including upgraded bus stops and tree planting. Other principal arterials and collectors are included in this component to provide more complete streets with attention to pedestrians. The project also envisions incremental enhancements to public services along the par vial corridor (upgraded bus stops) improved bus flows, through studying traffic patterns and possibly prioritizing public transport flows;
- Urban street resurfacing, including street paving and resurfacing of roads in poor conditions, allowing for improved access to expand and improve the quality of public transport options, including in lower-income neighborhoods;
- Sidewalk construction and reconstruction, including the provision of pedestrian facilities, with a concentration to the core urban center and the introduction and piloting of the “zona 30” concept. The project envisions traffic calming as well as enhanced traffic regulation in this commercial zone to reduce and manage speeds so as to minimize risks to non-motorized traffic (pedestrians, cyclists).

Component 3: Institutional Strengthening. This component will support institutional strengthening activities for EPAM, the Traffic Directorate and the Public Works Directorate of the Municipality of Manta. These activities will include, in water and sanitation: (i) institutional strengthening of the management of water and sanitation services by EPAM, including operational and commercial efficiency, strategic planning and energy efficiency; (ii) the development of a household connections program for both water and sewerage to increase water network efficiency and tariff collection, as well as promote the health and environmental benefits of connecting to the network; (iii) the elaboration of a water and sewage quality control program, including a monitoring plan, the construction of laboratories to measure water and effluent quality, related equipment and training, as well as technical assistance in improving the operation and maintenance of the existing wastewater treatment plant; and (iv) the preparation of a water resources integrated management plan for EPAM.

The activities in transport will include institutional strengthening of: (i) the Traffic Directorate, including updating the mobility plan and developing the road safety plan; and (ii) the Public Works Directorate. The project will provide capacity building activities to enable an incremental shift to integrated corridor management citywide so as to improve the efficiency and effectiveness of urban transport options, in particular of public transport services, as well as safety aspects. In addition, the project includes institutional strengthening activities to enable multi-year planning and programming of road maintenance activities to allow preserving the overall road network in good or regular condition. The project also envisions training for the staff of both directorates on technical matters such as traffic analysis, urban transport planning, bridge inspections, road asset management, road safety, emergency preparedness, and evacuation procedures, relevant M&E (such

as for traffic safety), amongst others.

During preparation, the Project Team will further explore how to incorporate resilience to natural disasters and climate change as well as gender aspects in the project scope and activities.

Component 4: Project Administration. This component will finance costs associated with program management, including project-related audits, monitoring and evaluation, equipment and training to strengthen the project implementation unit, as well as individual consultants. It will include staff support related to environmental and social management, including land acquisition and resettlement. This component will also finance actions to promote positive environmental and social impacts (benefits) such as a public communications campaign on sustainable water usage and a study on sustainable beach management.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	102.50	Total Bank Financing:	100.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
Borrower		2.50	
International Bank for Reconstruction and Development		100.00	
Total		102.50	

VI. Contact point

World Bank

Contact: Oscar E. Alvarado
 Title: Sr Water & Sanitation Spec.
 Tel: 458-5840
 Email: oalvarado@worldbank.org

Borrower/Client/Recipient

Name: Municipality of Manta
Contact: Jaime Estrada Bonilla
Title: Mayor of Manta
Tel:
Email: jestrada@manta.gob.ec

Implementing Agencies

Name: Municipality of Manta
Contact: Gabriela Verdesoto
Title:
Tel:
Email: gmverdesoto@gmail.com

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>