

TECHNICAL COOPERATION DOCUMENT

I. Basic Information for TC

▪ Country/Region:	Regional
▪ TC Name:	Promoting Behavioral Change in the Water and Sanitation Sector
▪ TC Number:	RG-T2712
▪ Team Leader/Members:	Team Leader: Germán Sturzenegger (INE/WSA); Cristina López-Mayher and Carol Smith Jones (INE/WSA) Maria Elisa Arango (LEG/SGO); Ileana Pinto and Miguel Angel Baruzze (VPC/FMP)
▪ Taxonomy:	Client Support (CS)
▪ Date of TC Abstract authorization:	October 15 th 2015
▪ Beneficiary:	Latin America and the Caribbean
▪ Executing Agency and contact name:	One Drop Contact: Ernenek Duran: Ernenek.Duran@onedrop.org
▪ Donors providing funding:	Aquafund (AQF)
▪ IDB Funding Requested:	US\$1,000,000
▪ Local counterpart funding, if any:	US\$200,000 (in kind)
▪ Disbursement period:	Disbursement period: 48 months Execution period: 42 months
▪ Required start date:	January 2016
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	Water and Sanitation Division (INE/WSA)
▪ Unit of Disbursement Responsibility:	INE
▪ TC Included in Country Strategy:	No
▪ TC included in CPD:	No
▪ GCI-9 Sector Priority:	Social policy for equity and productivity ; Institution for growth and social welfare

II. Objectives and Justification

- 2.1 According to the last Progress Report on Sanitation and Drinking Water, in Latin America and the Caribbean (LAC) 34 million people and 106 million people respectively lack access to safe drinking water and adequate sanitation. More than half of these people live in rural areas¹. In addition, an estimated 30% of existing rural water systems don't work or present serious functionality problems, not leading to improved living conditions. This lack of sustainability is mostly explained by the inadequate maintenance and use of the infrastructure and the scarce capacity of local water utilities to operate the infrastructure. Local habits not aligned with good hygiene practices also affect living conditions in rural areas.
- 2.2 Promoting behavior change represents one of the key strategies of sustainable water, sanitation and hygiene (WASH) interventions. However, the approach taken by government programs (supply driven and not adapted to the needs and cultural norms of the communities) has not generated sustainable results in terms of infrastructure use and maintenance and adequate hygiene practices. Some governments² have tried to solve this sustainability problem by financing awareness campaigns and educational programs aiming to educate beneficiaries in good sanitation and water use practices, and teach them how to

¹ Progress Report on Sanitation and Drinking Water (2015 Update and MDG Assessment), UNICEF-WHO, 2015.

² Bolivia included an educational component in a sanitation program, and 70% of households constructed a bath or shower in their homes, compared to 35% of families that did not receive the education component. *Sanitation is a business*. COSUDE. 2004

operate and maintain local WASH infrastructure. However, these interventions have not had a lasting impact on behavior change.³ A potential explanation is the lack of culturally adequate programs: these educational programs did not take into account local culture, practices, and beliefs. Behavior change is critical to properly maximize effectiveness and sustainability of the intervention (Sigler et al 2014; Whaley & Webster, 2011).

- 2.3 Learning from these past experiences, this Technical Cooperation (TC) will focus on changing behaviors through innovative social arts tools (built on local traditions and cultures) as the main driver for project sustainability. To achieve this goal this TC will use an innovative and scalable methodology, developed by One Drop Foundation, based on three components (ABC approach): (i) improving **A**ccess to water and sanitation services; (ii) changing WASH **B**ehaviors through social arts; and (iii) providing access to **C**apital and strengthening income-creating activities linked to water and sanitation access. The ABC methodology understands that behavior change is critical to properly maximize the effectiveness and sustainability of WASH interventions. One Drop has been implementing this methodology since 2008 in countries like Honduras, El Salvador, and Guatemala⁴.
- 2.4 The main focus of the ABC methodology is to understand the reality of the community that will benefit from a WASH intervention, including its water usage, culture, arts, and WASH challenges, in order to design a program tailored to its social, cultural and economic necessities. The A component supports the community to obtain the necessary water and sanitation infrastructure and services. Once access is in process or granted, through local art organizations, component B reaches the population to change behaviors towards: i) adequate water and infrastructure use, and ii) healthy sanitation practices. Finally, to support the sustainability of infrastructure, services and new behaviors, component C promotes income generating activities around water and sanitation products and services. This model is designed to empower local agents to guarantee that positive changes are sustained in time.
- 2.5 Through this new approach we expect to mobilize, raise awareness and trigger behavior change of individuals, communities and institutions around WASH issues (e.g. importance of good hygiene practices, effective community water and sanitation management, use of latrines, stopping open defecation, etc.). Local governments, water utilities and communities will be adequately and timely informed about the interventions, and will be involved from the design phase. The objective of this TC⁵ is thus to design and implement innovative WASH interventions based on One Drop's ABC methodology to increase sustainable access to safe and affordable drinking water and sanitation in rural communities. By showcasing the effectiveness of this approach we ultimately expect to influence government policies and programs to adopt behavior-change-centered strategies in the rural WASH sector.
- 2.6 This is a regional project. Countries of intervention will be selected to reach the poorest and most vulnerable communities, considering as selection criteria: access to water (coverage below 50%) and sanitation (coverage below 50%), the need for improved sanitation and hygiene practices, and the interest/commitment of local governments. The community selection process will also take into account the existence of local art organizations (at the

³ In Latin America, most of health and sanitation programs are only managed by health institutions, instead of following a holistic approach. Gabriela Wald, Community arts and health promotion: a case study in a photography workshop in "Ciudad Oculta" (Hidden City), the shanty town N° 15 of the City of Buenos Aires. 2009

⁴ One Drop Impact Report. [Link](#).

⁵ This TC is aligned with the document GN-2487 *Proposal for the establishment of the AquaFund*, specifically, with section VII C by support for the development of an innovative approach and methodology, that have a potential for replication.

community, municipality or national level) and their capacity to implement the component B methodology. In all cases, art organizations will be trained and strengthened to implement the behavioral change. Resources from this operation are expected to benefit about 58 communities with promotion activities and 1,100⁶ households in a maximum of two countries or intervention areas with new access to water systems. The intervention areas will be selected following the aforementioned criteria (access level and local commitment). Data on access needs will be collected to identify the benefited communities.

- 2.7 This TC is part of a bigger initiative led by One Drop with the support of other conveners. One Drop is contributing with US\$10 million and FEMSA Foundation has approved US\$5 million. Additionally, Coca-Cola is expected to contribute US\$5 million. The Multilateral Investment Fund is exploring the possibility of contributing with USD2.5 million. In addition, One Drop will select strategic implementing partners who will provide counter-part resources to local projects. The whole Initiative is expected to cover 6 different countries in the region; this TC will finance pilot interventions focused in one or two countries to strengthen its impact and to provide lessons learned through knowledge products to the rest of the initiative.
- 2.8 This TC is aligned with the Bank GCI-9 priority, social policy for equity and productivity by establishing preventive health practices, as well as Institutions for growth and social welfare, by supporting local governments and entities to strengthen access to sustainable water and sanitation services in rural areas.

III. Description of activities/components and budget

- 3.1 The following activities will be carried out in the estimated 58 communities.
- 3.2 **Component 1. Access to Water and Sanitation Services⁷:** The goal of this component is to increase sustainable access to safe and affordable drinking water, adequate sanitation and hygiene by: (i) providing new and/or improved access to water services; and (ii) by promoting an enabling environment at the community level that accelerates access to sanitation and hygiene. This component will finance: (i) baseline assessments of current access to WASH services and socio-cultural diagnostics of the communities (including legal framework, institutions, water availability and quality at the community, household, and school levels; sanitation infrastructure and practices, cultural beliefs around water and sanitation⁸, gender roles, and relevant social arts) in the rural communities of intervention; (ii) infrastructure work design and construction and/or rehabilitation of 10 rural water systems; and (iii) training local water utilities.
- 3.3 **Component 2. Promoting Behavior Change:** The goal of this component is to promote behavior change through innovative social arts tools built on local traditions and cultures of the estimated 58 communities. This component will finance: (i) selection of social arts partners (local art groups); (ii) the development and implementation of social arts training programs; (iii) implementation of theatrical touring show using local arts; and (iv) sanitation, hygiene and health promotion and education (such as hand washing, use of latrines, connection to the grid, adequate use and maintenance of water and sanitation infrastructure). The Initiative will pay special attention to the youth, to promote good

⁶ Approximately 110 households per community.

⁷ Investment in infrastructure will not exceed 30% of the total budget of this TC.

⁸ Especially relevant in the case of indigenous communities.

practices from an early stage. It has been demonstrated that youth⁹ make decisions to solve individual and communal problems they face; therefore they have been recognized as important agents of change in their communities.

3.4 Component 3. Assistance to Capital Creation Strategies. The goal of this component is to finance technical assistance to local financial institutions to support the design of new WASH-related credit products¹⁰ to facilitate access to capital and to income generating activities¹¹ around water and sanitation products and services in the communities.

3.5 Component 4: Knowledge development and dissemination. In order to scale up results, the project will develop knowledge products such as experimental impact evaluations, case studies, promotion materials, and guidelines for local governments to include behavior change strategies in their WASH policies. This knowledge will support both local entities and the Bank in future rural projects.

Indicative Results Matrix¹²

Outcome Indicators	Unit of measure	Baseline	Year 2 (2017)	EOP (2019)	Means of Verification	Estimated Cost per Unit \$
Number of households with new or upgraded access to drinking water	Households	0	220	1100	Progress and Final Reports to be sent by One Drop	
Number of households with new or upgraded access to sanitation	Households	0	33	100	Progress and Final Report to be sent by One Drop	
Percentage of people who have adopted new WASH practices or technologies	%	0		30%	Progress and Final Reports to be sent by One Drop	
Percentage of water supply systems operating according to design specifications	%	0		95%	Progress and Final Reports to be sent by One Drop	
Output Indicators	Unit of measure	Baseline	Year 2	EOP	Means of Verification	
Component 1						
Baseline assessment (access to water and sanitation, socio-cultural diag., access to capital) of the communities completed	Number of Baseline Assessments	0	1	1 ¹³	Progress and Final Reports sent by One Drop	30,000
Number of rural water systems constructed and/or rehabilitated	Water systems	0	2	10 ¹⁴	Progress and Final Reports to be sent by One Drop; Pictures shared by One Drop	27500
Number of water rural	Institutions	0	15	58	Progress and Final	644

⁹ Betty Soto Terrazas, Quechua Young women and girls, and behavior change in water and sanitation in Aiquile, Bolivia.

¹⁰ In Bolivia, a study showed that families did not improve or build sanitation infrastructure due to lack of financial resources, and fear/ little understanding of getting debt for a non-income generating activity. "Sanitation is a business",2004

¹¹ Engaging the private sector and entrepreneurs in the supply of water, sanitation and hygiene products and services, can provide new, innovative solutions that meet users' needs, while creating a stronger demand through marketing and communication campaigns. "Sanitation is a business",2004

¹² The targets are set proportionally for IDB INE/WSA contribution. The whole initiative will be able to reach more beneficiaries.

¹³ The baseline document will be based on a sample of the potential beneficiary communities.

¹⁴ Through this TC, INE/WSA will fully finance the construction or rehabilitation of 10 rural water systems out of the 58 communities; the remaining 48 communities will be covered with other resources of the Initiative.

committees trained or built					Reports to be sent by One Drop	
Component 2						
Number of people reached by theatrical touring shows	Individuals	0	6,000	26,100	Social Arts partner's report shared by One Drop	8.72
Number of participants in artistic training programs	Individuals	0	85	329	List of Participants. Progress and Final Reports to be sent by One Drop	562.3
Number of people reached by sanitation, hygiene and health promotion activities	Individuals	0	6,120	24,485	Progress and Final Reports to be sent by One Drop	3.06
Component 3						
Number of WASH-related credit products developed	Credit products	0	0	2	Progress and Final Reports to be sent by One Drop	25,000
Component 4						
Number of Experimental or quasi-experimental impact evaluation implemented	Evaluation final report	0	0	1	Evaluation final report submitted by hired consultants	50,000
Number of knowledge products (project fact sheet, case studies, "How-to" guide, audiovisual, event, network) developed	Knowledge products	0	0	2	Technical notes and other knowledge products submitted by hired consultants	10,000

3.6 The results matrix reflects the expected outputs and outcomes attributed to IDB's financial contribution. Other conveners of the initiative will finance additional activities related to the selected projects.

Indicative Budget [\(see link\)](#)

Activity/Component	Description	IDB	Counterpart (One Drop)	Total
Component 1	Access to W&S*	342,350	-	342,350
Component 2	Behavior Change	487,650	-	487,650
Component 3	Assistance to Capital Creation	50,000	-	50,000
Component 4	Knowledge	70,000	-	70,000
Monitoring and Evaluation	Certification of Expenses & Midterm/Final evaluation	50,000		50,000
Project Management	Management		200,000	200,000
Total		US\$ 1,000,000	200,000	1,200,000

*Includes construction (less than 30% of total project) and training

3.7 One Drop's contribution will be in kind (measured in staff time) and allocated to cover project management costs.

3.8 The project team from the Water and Sanitation Division will supervise the project. One Drop will submit a progress report to the IDB following a biannual basis. The content of the progress report will replicate (as applicable) MIF's PSR (Project Status Report) including the following information: (i) financial progress of the TC; (ii) achieved outputs and outcomes; (iii) work plan for the next reporting period.

3.9 The evaluation of the operation will be conducted by external consultants financed by the project on the following basis: (i) an intermediate evaluation when 50% of disbursements have been executed or when half of the execution period has expired (whichever occurs first); and (ii) a final evaluation when the execution period has ended.

- 3.10 Following Bank TC guidelines (GN-2629-1), IDB's project team will prepare monitoring reports on a yearly basis and an internal final report within 6 months of closure of the operation. This final report will include lessons learned, results reached, and any other relevant information for future similar projects.

IV. Executing agency and execution structure

- 4.1 **Executing Agency:** One Drop Foundation (known as One Drop), an international water and sanitation non-profit organization created by Guy Laliberté, Cirque du Soleil founder, and organized under the laws of Canada, will execute this technical cooperation and will co-finance the project. One Drop's main focus is the promotion of behavioral change in the WASH sector through a unique know-how on social arts inherited from Cirque du Soleil.
- 4.2 **Execution Structure:** For execution purposes, the IDB and One Drop will sign a non-reimbursable technical cooperation agreement. One Drop will be responsible for the administration of the resources provided by the Bank, in accordance to Bank policies and procedures. For project implementation, One Drop will: i) contract products and services in accordance with a procurement plan, and ii) sign agreements with implementing partners, which will function as sub-executing agencies. These sub-executing agreements will be consistent with the agreement signed between One Drop and the IDB. Both One Drop and the sub-executing agencies will follow all relevant IDB policies and procedures.
- 4.3 **Financial Management and procurement aspects:** Financial Management matters will be conducted according to the Financial Management Guidelines for IDB-financed projects (OP-273-6). Prior to each disbursement, excepting for the first Advance of Funds, the Bank will request a certification of expenditures by an independent certified public accountant, together with the bank account reconciliation of corresponding project expenditures. The IDB shall have the right to request from One Drop, as the case may be, an audited financial report of the project and supervise both One Drop and these sub-executing agencies if and when considered necessary.
- 4.4 One Drop must use a unique bank account for the use of the resources of the TC. Procurement execution by One Drop and sub-executing agencies will observe IDB Procurement Policies GN-2349-9 and GN-2350-9, in particular Appendix 4 for private sector executing agencies, and Annex 1 of OP-639 specific non-reimbursable technical cooperation guidelines for entities that do not have written official procurement policies, all of which will be part of an Operating Manual to be prepared for the administration of the project.
- 4.5 **Special Contractual Conditions & Covenants:** Special conditions precedent to the first disbursement will include the submission to the IDB, or fulfillment (as the case may be), by the Executing Agency to IDB's satisfaction, of the following: (a) appointment/designation of (i) a full time program/project coordinator, (ii) procurement/financial specialist, (iii) a technical specialist, and (iv) a monitoring and evaluation specialist; (b) a template agreement to be signed between the Executing Agency and each of the Implementing Partners; (c) evidence of a designated bank account in dollars opened or set up in a financial institution, by the Executing Agency, solely for the use of this TC's resources; and (d) an approved Project Operating Manual, including at least the following items: (i) project eligibility criteria, (ii) disbursements and financial planning and reporting arrangements, and (iii) monitoring and evaluation arrangements that will be applied to each "intervention".
- 4.6 Special conditions prior to the financing and execution of any and all activities (as applicable) of each individual "intervention" will include the submission to the IDB, or fulfillment (as the case may be), by the Executing Agency to IDB's satisfaction, of the

following: a) a procurement and financial plan for the proposed intervention including a detailed budget, (b) notice of clearance from the IDB team confirming receipt of the non-objection letter issued by each country's official correspondent entity with the Bank in the respective country where each project will be located; and (c) with respect to any works (i) an environmental assessment and (ii) an environmental and social management plan.

- 4.7 During the life of the Project, One Drop will present on a yearly basis its consolidated audited financial statements and the project annual statements of cash flow and cumulative investments, within 90 days following the end of its fiscal year. One Drop will also provide on a yearly basis and Annual Operating Plan. Given that some of the main products of this TC will be knowledge products, One Drop and the IDB will specify in the TC agreement all intellectual property rights of such products.

V. Major issues

- 5.1 One of the main risks of this project is One Drop's lack of experience working with the IDB, which could delay project execution. This increases the execution risk of this project, which could lead to execution delays. IDB team will provide constant support to One Drop to reduce this learning curve. In addition, the delegation of project execution to local partners will require the implementation of stronger execution controls from One Drop.
- 5.2 The existence of sub-executing agencies for specific projects bears an additional execution risk. To minimize the latter, One Drop will need to implement stronger execution controls on the use of IDB resources. Hence, the TC agreement will require the establishment of mitigation measures as indicated above. In addition, the IDB through INE/WSA will be informed of the potential sub-executing agencies and it will have a say in their final selection. Nevertheless, these sub-executing agencies are expected to be big, well-known organizations with a reputation already built in the Region.

VI. Exceptions to Bank policy

- 6.1 This TC does not present any exceptions to Bank policies.

VII. Environmental and Social Strategy

- 7.1 It is anticipated that, overall, the program will produce a positive environmental and social impact in the area of influence, since it will improve the living conditions of the population by providing drinking water and sanitation. In accordance with the guidelines of the Policy Environment and Safeguards Compliance (OP -703) the proposed operation was classified as category B ([see environmental filters](#)). Expected environmental and social impacts might occur primarily in the construction phase, and they will be insignificant, localized, short-term and reversible. The corresponding environmental management measures are known and easy to apply. These measures will be identified and specified in the Plan for Environmental and Social Management to be developed in the framework of this technical cooperation

Required Annexes:

- [Terms of Reference](#)
- [Client Request](#)
- [Informe de Gestión Ambiental y Social](#)
- [Procurement Plan](#)

PROMOTING BEHAVIORAL CHANGE IN THE WATER AND SANITATION SECTOR

RG-T2712

CERTIFICATION

I hereby certify that this operation was approved for financing under AquaFund (**AQF**) through a communication dated November 2, 2015 and signed by Felipe Caicedo (ORP/GCM). Also, I certify that resources from said fund are available for up to **US\$1,000,000** in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

(original signed)

12/09/2015

Sonia M. Rivera
Chief
Grants and Cofinancing Management Unit
ORP/GCM

Date

APPROVAL

Approved:

(original signed)

12/11/2015

Pablo Pereira dos Santos
Sector Manager
Infrastructure and Environment Sector
INE/INE

Date