

TC ABSTRACT

I. BASIC PROJECT DATA

▪ Country/Region:	Brazil
▪ TC Name:	Strengthening the Governance and Management of the Guanabara Bay
▪ TC Number:	BR-T1290
▪ Team Leader/Members:	Fernando Bretas (INE/WSA) Team Leader, Yvon Mellinger (WSA/CBR); y Yolanda Galaz (INE/WSA)
▪ Type of TC:	Client Support
▪ Reference to Request ¹ :	IDB docs #38165422
▪ Date of TC Abstract:	October 15, 2013
▪ Beneficiary:	Government of the State of Rio de Janeiro, Brazil
▪ Executing Agency and contact name:	State Secretary of Environment of Rio de Janeiro (SEA)
▪ IDB Funding Requested:	US\$1000.000
▪ Disbursement period:	12 months
▪ Required start date:	November 1 ST 2013
▪ Types of consultants:	Firm and individuals
▪ Prepared by Unit:	INE/WSA
▪ Unit of Disbursement Responsibility:	WSA
▪ Included in Country Strategy/CPD:	No
▪ GCI-9 Sector Priority:	Yes - Protecting the environment, respond to climate change, promoting renewable energy, and enhancing food security

II. OBJECTIVE AND JUSTIFICATION

- 2.1 The Guanabara Bay (GB) is one of the most important natural, recreational and economic resources in Brazil and home to over 10 million people. The State of Rio de Janeiro made a commitment to the International Olympic Committee to invest in the restoration of the GB when Rio de Janeiro was chosen to host the 2016 Olympic Games. In March 2012, the State of Rio de Janeiro announced new plans for the clean up the Guanabara Bay with support from the Inter-American Development Bank's Environmental Sanitation Program for the GB Area –PSAM (BR-L1282). PSAM is US\$200 million loan that is directed towards the collection and treatment of the sewage generated by the municipalities located around the GB.
- 2.2 To complement PSAM's initiative, in November 2012 the Brazilian Institute for Sustainable Development hosted a meeting with experts on environmental issues with the goal of launching an initiative to clean the GB. The IDB and the U.S. Environmental protection Agency (USEPA) were invited and after the meeting, could coordinate with representatives from the Rio de Janeiro State Secretary of Environment (SEA) to start a partnership, that eventually involved the Government of the State of Maryland, to launch a process of identification and consolidation of a governance structure and the necessary instruments to clean the GB. To have a good understanding of the issues involved and to better design this technical cooperation, representatives from the Maryland's secretaries of environment and natural resources went to Rio de Janeiro on May 2013 and a delegation from the SEA with representatives from two of the ten municipalities located around the GB visited Maryland and got acquainted with the work done in the

¹ A copy of the Letter of Request, Programming/Portfolio Review Mission Aide Memoire or Report requesting the TC should be submitted with the Abstract.

Chesapeake Bay. After these meetings, the SEA requested the IDB support to finance the next steps of the process.

- 2.3 With this background, the present Technical Cooperation was conceived to finance a Program to establish and ensure the effectiveness of the governance structure and management programs for the GB. This cooperation will build on the existing partnership between the State of Rio de Janeiro, the State of Maryland, and the USEPA to share experiences from the GB and Chesapeake Bay and on the IDB role as the financing institution for the PSAM in execution. This TC is aligned with the Bank's GCI-9 sector strategy "Protecting the environment, respond to climate change, promoting renewable energy, and enhancing food security". IDB support will be fundamental to guarantee an open dialogue with the stakeholders and community at large in the search for effective governance for the GB cleaning initiative.

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

- 3.1 The TC will be executed in 12 months and have two components: **Component 1 - Establish a Governance Structure for the Guanabara Bay**
- 3.2 **Activity 1: Guanabara Bay Authority** - Will finance a consultant to conduct an institutional analysis of the current governance structure for the GB, prepare comparative analysis of other Bay governance structures particularly the Chesapeake Bay Program, and develop recommendations for a new governance model for the Guanabara Bay. This activity will involve extensive stakeholder consultations, including at least four workshops to engage the public in the development and review of recommendations. Output: an agreed governance model for the GB.
- 3.3 **Activity 2: State of the Bay Report** – Will finance the assessment of the environmental and social issues facing the GB, taking a comprehensive and prospective examination of these issues, and develop a shared vision for the situation encountered. This activity will involve extensive stakeholder consultations, including at least four workshops to gauge public awareness and discuss shared vision for GB. Output: An assessment of the actual environmental and social issues of the GB in lieu of the state environmental standards and the goals set by the Olympic Committee.
- 3.4 **Activity 3: Public Private Partnership for the GB** – Will finance the establishment of a public private partnership between state and local governments, industries, businesses, community organizations, civil society to restore the GB. The Partnership will combine energy and resources to raise public awareness, support citizen action programs, and fund cleanup projects in the GB Bay. Output: Agreed PPP model and a strategy for its implementation.
- 3.5 **Activity 4: Steering Committee/Unit for GB** – This activity will establish a Steering Committee/Unit within INEA to lead and coordinate the restoration, cleanup and public awareness efforts for the GB. Output: Steering Committee formed and operational.
- 3.6 **Component 2 – Strengthen the Regulatory Framework for the Guanabara Bay. Activity 1: Wetlands sanitation pilot project** – Will finance the hiring of experts to develop a pilot project that will use constructed wetlands for wastewater treatment and flood control. Output: Pilot wetland sanitation project implemented.

- 3.7 **Activity 2: Solid waste management pilot project** – Will finance the hiring of experts to develop a pilot project that will improve trash collection and solid waste management, particularly in underserved communities. Output: Pilot solid waste project implemented.
- 3.8 **Activity 3: Technical workshops** – Will finance the three workshops to share technical expertise and best practices in wastewater treatment, solid waste management, monitoring and modeling, and enforcement and compliance to strength institutional capacity. Output: Three workshops conducted.
- 3.9 **Activity 4: Performance Indicators** – Will finance the development of specific performance goals and milestones for key regulatory programs to measure progress towards restoration of the GB to ensure accountability and transparency. Output: An agreed set of Goals and Milestones will be set to pursue the objective of cleaning the GB.

IV. INDICATIVE BUDGET

Component/Activity	Description	IDB Funding	Counterpart	Total US\$	Timeframe
C 1, Activity 1	Guanabara Bay Authority	US\$ 300,000		300,000	March 2014
C 1, Activity 2	State of the Bay Report	US\$ 250,000		250,000	December 2013
C 1, Activity 3	Public Private Partnership	US\$ 100,000	US\$50,000	150,000	March 2014
C 1, Activity 4	Steering Committee/Unit	US\$ 50,000		50,000	November 2013
C 2, Activity 1	Wetlands/Sanitation Pilot	US\$ 50,000	US\$50,000	100,000	May 2014
C 2, Activity 2	Solid Waste Manag Pilot	US\$ 50,000	US\$50,000	100,000	June 2014
C 2, Activity 3	Technical Workshops	US\$ 150,000		150,000	March 2014
C 2, Activity 4	Program goals/milestones	US\$ 50,000		50,000	April 2014
TOTAL		US\$1,000,000	US\$150,000	1,150,000	

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The executing agency will be the SEA through the GB Environmental Sanitation Program (PSAM) Executing Unit, known as UEPSAM, directly related to the SEA. The UEPSAM has acquired the necessary experience to execute the TC acting as PSAM's executing unit which required expertise on procurement and project supervision of a US\$ 200 million IDB loan to the State of Rio de Janeiro and it is in the second year of execution. The UEPSAM will be responsible to hire the necessary consultants and to supervise the execution of the TC.

VI. PROJECT RISKS AND ISSUES

- 6.1 The major risk toward the establishment of effective governance for the GB cleaning initiative is institutional. If institutions do not want to participate in a coordinated way, the major efforts laid down in the strategic plan may fail. The mitigation is to conduct a transparent process of defining the governance structure with a broad participation of stakeholders and representatives of the community. The TC includes a series of workshops to obtain consensus on the chosen governance structure

VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 7.1 The TC main objective is to create the governance structure and the instruments to unleash the process that would result in the appropriate actions to clean the GB. Presently, the GB is being contaminated by untreated effluents and solid wastes. Being the objective of the financing mainly studies and plans, no negative environmental or social impact will be generated. Nevertheless, in the medium and long run, the TC's results may promote positive environmental and social impacts. Following the IDB policies and procedures, the project team proposes the Classification C for the operation.