

 Early Warning System

IADB-UR-T1387

Behavioral Interventions to Encourage Timely Payment and Prevent
Debt Accumulation in Water Services



Quick Facts

Countries	Uruguay
Specific Location	uninformed
Financial Institutions	Inter-American Development Bank (IADB)
Status	Proposed
Bank Risk Rating	U
Borrower	Government of Uruguai
Sectors	Finance, Technical Cooperation
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 0.18 million
Project Cost (USD)	\$ 0.18 million



Project Description

The TC aims to design, implement, and rigorously evaluate low-cost behavioral interventions to reduce delinquency in paying residential water bills, accelerate debt regularization, and improve users' understanding of the tariff structure. The proposal addresses a problem relevant to the provider's financial sustainability: approximately 13% of bimonthly residential billings are not paid on time, and accumulated arrears exceed US\$140 million, limiting OSE's operating, maintenance, and investment capacity, particularly for climate-resilient infrastructure. The Bank's added value consists of combining sector experience in water and sanitation with specialized capacities in behavioral economics and impact evaluation. The TC will generate the first rigorous evidence in Latin America on behavioral interventions to improve payment compliance in water services, through a randomized controlled trial comparing redesigned notifications and SMS/WhatsApp reminders, as well as their complementarity. The TC is linked to operations UR-L1207 and UR-T1349, aimed at strengthening water resource management, service quality, and reducing drinking water losses, and to operation UR-L1213, currently in preparation, which includes actions to reduce commercial losses in the Costa de Oro region. It also contributes to the IDB Group's Country Strategy with Uruguay by strengthening public resource management, environmental sustainability, and social inclusion through more sustainable, affordable, and resilient water services.



Investment Description

- Inter-American Development Bank (IADB)



Contact Information

IDB

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