

**Third Party Opinion
Urban Potable Water Supply Project**

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Relevance

The improvement in the supply of potable water for its inhabitants has been a priority for the Government of Costa Rica, which has been shown in the National Development Plans of the last years. The most important commitments have been related to the maintenance of water sources, the rehabilitation and optimization of the water and sewage systems and the protection of hydro resources and rivers. The ultimate commitment of the government has been to ensure the access of drinking water to the entire population in an environmentally sustainable way.

The financing of the Urban Potable Water Supply Project enabled the improvement in the supply of potable water and sewage system in the targeted cities. This project brought benefits to approximately two hundred and thirty thousand people. The cities of Cañas, Liberia, Esparza, Puntarenas, Guapiles, Guacimo and Pasito had very few sources of employment and a low income population. In addition, there was an important increase in the population due to heavy immigration. They also suffered frequently from diarrhea and Hepatitis A, because of the pollution of the wells, water sources and water intakes, lack of chlorination and bad piping; this also allowed the theft and waste of the liquid. These problems, added to the lack of a local administrative capacity from the Costa Rican Institute of Aqueducts and Sewers in charge of the water supply management in these communities demonstrate how important the implementation of this project was. It has allowed these communities to have a higher level of development, a better quality of life and more job opportunities for their inhabitants because of the ability of the executive agency to provide a constant water supply, which is also more efficient and of better quality.

Impact

There are several points of view to take into account regarding the impact of this project in the six communities. As a result of increasing the access of the potable water supply in remote cities (which would have been almost impossible without this support), they were given the opportunity to promote tourist activities, to increase agriculture and rendering of services. These activities became the main sources of employment in the communities and translated into higher levels of income. In addition, their health index improved as well.

Regarding the environmental aspect, the project has had a great positive impact in the protection of water sources, and the systems of recollection and water distribution are being used correctly.

The other issue is the economic-administrative performance of the project by the Costa Rican Institute of Aqueducts and Sewers. This institution – therefore the Costa Rican Government – obtained important benefits through this project such as: the establishment of local offices with trained personal to manage and service the water intakes, water piping and water service facilities. Also, they achieved to educate people regarding customer service and implemented the installation of micro-meters, which improved the fees and collection rates for the services provided.

We conclude that one important element that contributed to the successful implementation of this project was the good coordination between the Japan Bank of International Corporation (JBIC), Inter-American Development Bank (IDB), the Costa Rican Institute of Aqueducts and Sewers (AYA) and the contractors.