



37 Argentina Project for Improvement of the Hygienic Environment of the Reconquista River Basin

Reducing flood damage and contributing to the improvement of the hygienic environment of residents in the region

Loan Amount/Disbursed Amount 8.150 billion yen/4.730 billion yen
Loan Agreement March 1995
Terms & Conditions Interest rate 5.0%, Repayment period 25 year (grace period 7 years), General untied
Final Disbursement Date August 2002
Executing Agency Province of Buenos Aires Government



Project Objectives

The objective of this project was to develop sewage treatment facilities, strengthen systems such as wastewater management, and perform flood control in the Reconquista River Basin, thereby cleaning up rivers and mitigating flood damage, as well as contributing to the improvement of the hygienic environment of the residents in the region.

Effectiveness & Impact

Rating **b**

Satellite images have confirmed that flood damage has not expanded since 2001 as a result of this project's flood control. In a beneficiary survey (administered to 21 residents in seven areas of the Reconquista River Basin), all respondents indicated that implementation of this project has reduced flood damage. Project effects are limited in terms of river cleanup, as debt problems resulting from Argentina's economic crisis forced JBIC to halt loan disbursements, and this in turn caused construction to be halted on sewage treatment facilities. Although work implemented by this project for the dredging of riverbeds allowed river cleanup in FY2002 to reach numerical goals for water quality improvement set by the Inter-American Development Bank (IDB), a drop in water quality was observed in FY2005. There is a continuing need for the monitoring of water quality in rivers. Therefore, this project has brought certain effects, and effectiveness is moderate.

Relevance

Rating **a**

This project has been highly relevant with the Argentina's national policy both at the time of the appraisal and at the time of the ex-post evaluation. At the time of appraisal, environmental conservation was being emphasized in Argentina's medium-term development plan and the project's priority was high as a pilot project.



The Reconquista River Basin developed by this project

At the time of ex-post evaluation, the issues of environmental conservation and improvement of the hygienic environment were being raised in the Millennium Development Goals designed by Argentina.

Efficiency

Rating **b**

The project costs were well below plan (58% of planned amount), the project period greatly exceeded the planned period (156% of planned period), and therefore the evaluation for efficiency is moderate. The main causes of project delays included a delay in establishing the maintenance agency and the time required to hire a consultant. The reduction in project costs was caused by the cancellation of the initially planned construction of sewage treatment facilities.

Sustainability

Rating **b**

After project completion it was observed that the maintenance agency was not adequately functional. However, the agency involved in implementing the project assumed maintenance duties and sustainability of this project is moderate.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be moderately satisfactory. The need to work in close coordination with the cofinancing IDB to perform project supervision can be cited as a lesson learned. Recommendations to the executing agency include the need for the prioritized development of sewage treatment facilities following the country's economic crisis, the strengthening of the operating system of the maintenance agency, and quantitative measurements of project effects.

Third-Party Opinion

This project is evaluated as having contributed, to a certain degree, to flood control in the country. The construction of sewage treatment facilities and pollution prevention programs that remain incomplete due to the effects of the economic crisis is an issue affecting the attainment of improvements in the residents' hygienic environment.

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 Doctorate in economics from the University of California. Economist. Formerly held such posts as the Minister of Energy; Minister of International Economic Public Works and Services; Minister of International Economic Relations; Minister of Industry, Trade, and Mining; Argentine Ambassador to Brazil; and Executive Director to the World Bank. Currently at the Universidad Torcuato di Tella. His specialty is international economics.