

**SANITATION REGULATORY FRAMEWORK AND CONCESSION DEVELOPMENT FOR GOIAS,
BRAZIL**

(TC-96-07-295)

EXECUTIVE SUMMARY

EXECUTING AGENCY: Empresa de Saneamento do Estado de Goiás (SANEAGO)
Secretaria de Recursos Hídricos (SRH)

BENEFICIARIES: Service Users, SANEAGO and SRH

FINANCING: Modality: Grant from Facility I, TC
Beneficiary: US\$ 700,000
MIF: US\$ 700,000
Total: US\$1,400,000

OBJECTIVES: The project's objective is to create favorable conditions for private sector participation in the sanitation sector in Goiás. The project will develop: (i) an independent self-financing regulatory state agency; (ii) a plan which proposes alternative structures for service provision which would increase private sector participation in the management and provision of sanitary services in Goiás; and (iii) a model B.O.T. agreement using new Brazilian concession legislation.

SCHEDULE OF EXECUTION: Execution 24 months
Disbursement 30 months

SPECIAL CONTRACTUAL CONDITIONS: In addition to the general contractual conditions applicable to this operation, the following special conditions will be included in the agreement.

a. As conditions precedent to the first disbursement of MIF resources, the executing agency must furnish the Bank evidence of the following: (i) that it has hired or appointed the project coordinator; and (ii) the submission of an action plan for program execution.

b. A clause will also be included requiring that the contractor winning the B.O.T. reimburse the MIF for the costs of its development estimated at US\$300.000.

EXCEPTIONS TO BANK POLICY: None.