ECUADOR
RURAL AND SMALL TOWNS WATER SUPPLY AND SANITATION PROGRAM (PRAGUAS)

Solid Waste Management Component

PRAGUAS I
Water and Sanitation Sector (WSS)

Characteristics (2001):
- Low coverage levels
  Urban: 82% / 73%; Rural: 39% / 29%
- Low service quality and efficiency, Water - Intermittent supply / low pressure
- Limited cost recovery through tariffs - Cover 67% of O&M (2001) nationwide
- Incomplete legal / institutional framework
PRAGUAS I

Water and Sanitation Sector (WSS)


PRAGUAS services
- Technical assistance
- Financial incentives

Achievements (2005)
- Coverage levels
  - New water supply (252,000 people)
  - On-site sanitation (127,000 people)
- Service
  - 25 municipalities delegating to autonomous operators
  - 10 completed transition, result improved operational efficiency / raised tariffs to cover at least O&M costs.
PRAGUAS I
Water and Sanitation Sector (WSS)

Legal/Institutional Framework
- Implementation, Sub-Secretary of Water Supply, Sanitation and Solid Waste
- Telephone use tax – National government transfer for WSS investments

PRAGUAS

<table>
<thead>
<tr>
<th>Phase</th>
<th>World Bank Loan (US$ million)</th>
<th>Total Finance (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>$ 32.00</td>
<td>$ 50.25</td>
</tr>
<tr>
<td>II</td>
<td>$ 48.00</td>
<td>$ 81.48</td>
</tr>
<tr>
<td>III</td>
<td>$ 50.00</td>
<td>$ 78.27</td>
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<tr>
<td>TOTAL</td>
<td>$130.00</td>
<td>$210.00</td>
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</tbody>
</table>
PRAGUAS II
Solid Waste Management Sector

Components

- Sector Reform/Institutional Development

- Water Supply and Sanitation, Rural Areas

- New Management Models Water, Sanitation, and Solid Waste Cantonal Capitals

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PRAGUAS II
Solid Waste Management Sector

- Municipalities: 10,000 to 50,000 population (55 cities)

- Inadequate waste mgt service, 75% of waste collected only 17% disposed of in environmental sound manner
PRAGUAS II
Solid Waste Management Sector
**PRAGUAS II**

**Solid Waste Management Sector**

Program: 5 municipalities for pilot program

Objectives

- Proper collection/disposal services
- Accountability for program costs
- Tariff rate setting/cost recovery
- Outsourcing portion of collection operation
- Regional landfill/composting/transfer system

**Cost Recovery**

<table>
<thead>
<tr>
<th>(RS1) Cost Recovery</th>
<th>(RS2) Outsourcing</th>
<th>(RS3) Regional</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>0.05</td>
<td>Landfill 0.25</td>
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<tr>
<td>40%</td>
<td>0.15</td>
<td>Compost 0.15</td>
</tr>
<tr>
<td>60%</td>
<td>0.25</td>
<td>Transfer 0.10</td>
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</tbody>
</table>
PRAGUAS II
Solid Waste Management Sector

- Financial incentive to be combined with 50% financing by municipalities
- Early lessons learned will be provided as pilot programs develop
- Program lessons basis for larger solid waste management program in PRAGUAS III (2010 – 2013)