



Water and Sanitation Program for the Buenos Aires Metropolitan Area

Overview

Agua y Saneamientos Argentinos (AYSA), in collaboration with the Inter-American Development Bank (IDB), implemented a project aimed at integrating sustainability into public procurement processes for water and sanitation infrastructure in the Buenos Aires metropolitan area. The project focused on enhancing gender equality, improving environmental outcomes, and supporting local small and medium enterprises (MIPYMES). Despite challenges such as resistance to change and misconceptions about sustainable procurement costs, the project achieved significant outcomes, including successful inclusion of gender criteria and maintaining cost-efficiency.

Background

Buenos Aires faced significant challenges in providing adequate water and sanitation services to its growing population, particularly in underdeveloped metropolitan areas. Traditional procurement processes often overlooked sustainability and gender equality, leading to missed opportunities for social and environmental improvements.

Country / Region

Argentina-Buenos Aires

Case study project name

Water and Sanitation Program for the Buenos Aires Metropolitan Area

Sector Category

 Water

Thematic Area

 Social Impact

Project executing agency and Implementing agency

- Inter-American Development Bank (IDB)
- Agua y Saneamientos Argentinos (AYSA)

Project objectives

- To expand water and sewage coverage
- Reduce environmental contamination
- Enhance water availability through improved infrastructure.

Process: Integrating Sustainability into the Procurement Planning

Opportunities and Champions: The project provided an opportunity to promote gender equality and sustainable practices within the procurement process. AYSA, with support from the IDB, championed these initiatives by incorporating gender policies and sustainability criteria into procurement documents and processes.



Intervention Point: Sustainability and gender considerations were integrated at the planning and procurement document preparation stages. Bidders were required to comply with gender policies and demonstrate sustainable practices.

Risks and Mitigation: Risks included potential non-compliance with new sustainability criteria and perceived increased costs. These were mitigated by providing clear guidelines, conducting gender sensitivity training, and demonstrating that sustainable procurement did not necessarily increase costs.

Evaluating Supplier Responses: Supplier evaluations required compliance AYSA's Gender Policy, including anti-harassment measures and diversity training. Environmental and social criteria were also key in the evaluation process, ensuring suppliers were committed to sustainable practices.

Bidders were required to present along with their offer, and were evaluated on a pass/fail basis:

- 1. Gender Policy or Strategy:** Indicate whether the bidder has a Gender Policy or Gender Strategy and diversity promotion. If affirmative, the offer must include the date of approval and the latest update.
- 2. Sworn Declaration:** Sign a Sworn Declaration, included with the offer, in which the bidder acknowledges and accepts AySA's Gender Policy. Additionally, the following is added to the "Environmental, Social, and Occupational Health and Safety Requirements": "MINIMUM REQUIREMENTS OF THE BIDDER'S CODE OF CONDUCT," item 16 "Compliance with AYSA's Gender Policy," which includes, among others:
 - (i) Prohibition of any type of workplace harassment.
 - (ii) Establishing actions for prevention, treatment, management, and timely and appropriate response to harassment complaints.
 - (iii) Including a harassment complaint system that comprises a) Protocol for responding to complaints; b) Management of the complaint; c) Preliminary analysis procedure and referral of the complaint; d) Disciplinary sanctions and other remedial measures; e) Communication with the complainant; and f) Measures against retaliation.
- 3. Contractor's Obligations:** The contractor must conduct a gender sensitivity activity/course for all employees involved in the project (including field staff, supervisors, administrative teams, and Human Resources, etc.), directed by a person specialized in gender issues. The sensitivity training aims to ensure that all employees learn about:
 - The importance of having diverse work groups (women, men, diverse identities, etc.);
 - The benefits of integrating diverse groups into teams;
 - Information on how to maintain a respectful and safe work environment for everyone;

- Knowledge of the code of conduct to guarantee good coexistence practices. All employees on the project must attend this sensitivity training. The activity must include a final assessment to measure the impact of the training and education on gender issues once the course is completed.

The contractor must communicate the fulfillment of the required hiring. The hired individual(s) must:

- Supervise, respond to, and/or present solutions to gender issues that may arise during the project.
- Promote actions to incorporate a gender perspective and prevent all types of gender violence, sexual harassment, and harassment in public spaces or construction areas within the work groups, including the contractor's management areas.
- Take preventive actions against potential cases of gender violence and/or workplace harassment at the work site and construction areas.

Achievements & Impact

Key results:

- Three bids were received, and none of the bidders requested more time to meet the established requirement.
- The amounts in question did not increase: the contract is being awarded within the budget, even below it (no cost overruns).
- The natural schedule of the bidding process was followed.
- The practice was successfully replicated in a second tender for an amount of US\$63,000,000 (Las Catonas Plant Expansion).
- An additional tranche has been agreed upon in the Conditional Credit Line for Investment Projects, allowing the continuation of sustainability policies (AR-L1354).
- The executing agency has expressed interest in providing more advanced training to its staff on sustainable procurement and has enrolled in courses offered by the Bank and the School of Government of the Organization of Americas States on the subject.

Other qualitative outcomes:

- Enhanced gender equality within the procurement and construction processes.
- Improved environmental management and reduced contamination from sewage.
- Significant expansion of water and sewage coverage in the target areas.
- Inclusion of sustainability and gender criteria in procurement, resulting in successful bids from compliant suppliers.

Organization Outcomes:

- The project supported Argentina's SDGs by promoting clean water and sanitation (SDG 6), gender equality (SDG 5), and sustainable cities and communities (SDG 11).

Challenges and Success Factors

Obstacles: 1) Resistance to Change: Some stakeholders were resistant to integrating sustainability criteria, fearing increased costs. 2) Misconceptions: There was a belief that sustainable procurement would be more expensive.

Approaches to Overcome: 1) Training and Awareness: Conducting gender sensitivity and sustainability training for all project participants. 2) Evidence-Based Approach: Demonstrating through pilot projects and cost analyses that sustainable procurement could be cost-neutral or even cost-saving.

Lessons Learned:

- **Success Factors:** Strong leadership and commitment from AYSA and IDB. Effective training and capacity building for stakeholders. Clear and enforceable sustainability criteria in procurement documents.
- **Failure Points and Lessons:** Initial resistance highlighted the need for continuous engagement and education. The importance of aligning sustainability initiatives with local market capabilities to ensure feasibility and compliance.



Conclusion

This case study demonstrates the potential of integrating sustainability into public procurement processes, providing valuable insights for similar projects aiming to achieve social and environmental benefits alongside economic development.