

Proposed Project Summary for Public Disclosure

Project Name	Pernambuco Water and Sanitation Efficiency and Expansion Project
Country	The Federative Republic of Brazil
Sector	Water Resource Management, Supply and Sanitation
Concept Approval Date	June 1, 2022
Total Project Cost	Around BRL 1.1 billion
Proposed Loan Amount	Up to USD 202 million
Borrower	Water and Sanitation Company of the State of Pernambuco (Companhia Pernambucana de Saneamento, or COMPESA)
Guarantor	The Federative Republic of Brazil
Project Entity	COMPESA
Project Context	<p>Among 27 federative units of Brazil, the State of Pernambuco (the State) has one of the lowest rates of water availability per capita equivalent to 3.2% of the national average. Although about 91% of urban households in the State have been connected to the public water supply network, the scarcity of water resources significantly impacts the water supply services and results in intermittencies. The sanitation sector of the State also faces challenges in terms of service coverage and effectiveness.</p> <p>COMPESA, the State's main water and sanitation service provider covering more than 90% of the municipalities, has embarked on the Pernambuco Water and Sanitation Efficiency and Expansion Project (the Project) in order to address these challenges.</p>
Project Objective	The objective of the Project is to support COMPESA in its efforts to sustainably expand the supply and distribution network of treated water in the State, reduce intermittence in water supply, and improve sanitation services.
Project Description	The Project will develop services and enhance operational efficiency to cope with frequent water rationing, high non-revenue water rates and low sanitation coverage. This will be done through construction of new and rehabilitation of existing infrastructure consisting of waterworks, storage facilities and distribution networks, sewage collection and treatment systems, as well as associated monitoring and control systems.