

Project Summary for Public Disclosure

Project Name	SABESP Investment Program
Country	The Federative Republic of Brazil
Sector	Water Resource Management, Supply and Sanitation
Concept Approval Date	1 September 2020
Board Approval Date	18 July 2022
Total Project Cost	BRL 8 billion
Initial Limit of NDB Financing	Up to USD 300 million
Current Limit of NDB Financing	Up to USD 300 million
Borrower	Water and Sanitation Company of the State of Sao Paulo (Companhia de Saneamento Básico do Estado de São Paulo - SABESP) with Sovereign Guarantee from the Federative Republic of Brazil
Project Entity	SABESP
Project Context	<p>In the State of Sao Paulo (the State), water security remains one of the greatest development challenges. Irregular settlements, uncontrolled discharge of wastewater and untreated sewage continue to deteriorate water reservoirs that are important sources of water supply. Major gaps remain in expanding the water and sanitation service coverage towards the goal of universal access, reducing pollution in the water bodies, and increasing operational efficiency of water utilities.</p> <p>SABESP, the State’s main water and sanitation service provider covering 62% of its total population, has embarked on the SABESP Investment Program (the Program) in order to address these challenges.</p>
Project Objective	The objective of the Program is to support SABESP in its capital expenditure program for service expansion, environmental protection and operational sustainability.
Project Description	<p>The Program comprises the following components:</p> <ul style="list-style-type: none"> (i) Service expansion: connecting more households to water supply and sewage collection networks to ensure universal access; (ii) Environmental protection: delivering more wastewater to treatment facilities and augmenting treatment capacities to enhance pollution control; and

	(iii) Operational sustainability: supporting applications of sustainable solutions in selected sewage treatment plants, contributing to reduction of greenhouse gas emissions.	
Expected Benefits	<p>The Program will contribute to the water security and economic competitiveness of the State through the development of sustainable water supply and sanitation infrastructure, in accordance with Brazil’s national plan of the water sector. In particular, the Program will support expansion of water and sanitation services towards reaching universal access, meeting growing demand for services, and reduction of negative environmental impacts as well as water losses.</p> <p>The Program is aligned with NDB’s General Strategy and the Bank’s key areas of operation which include “Irrigation, water resource management and sanitation”. The Program will contribute to achieving the Sustainable Development Goal 6, which aims at ensuring availability and sustainable management of water and sanitation for all.</p>	
Environmental and Social Aspect	<p>The Program has been categorized as Category B in line with the NDB’s Environment and Social Framework (ESF), with an environmental and social risk tier of B-2 ‘Medium Risk’. Main E&S impacts will be addressed and mitigated by implementing relevant E&S management plans as per the country system, E&S permit conditions, and additional measures for the Program agreed with NDB and reflected in the Environmental and Social Impact Management Plan. Upon successful implementation of these plans, the Program will comply with the requirements of the E&S country systems and NDB’s ESF.</p>	
Financing Aspect	The Project will be financed through loan from NDB and counterpart funding from SABESP.	
	Source of Fund	Amount
	NDB	USD 300.0 million
	SABESP	BRL 6.5 billion
Implementation	The implementation period of the Program: 2022-2024.	
Contacts	NDB	Borrower and Project Entity
	Public Sector Department He Tian	SABESP Superintendent of Fundraising and Investor Relations Mario Sampaio

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