

Proposed Project Summary for Public Disclosure

Project Name	Rio de Janeiro Water & Sanitation Concession Project
Country	The Federative Republic of Brazil
Sector	Water Resource Management, Supply and Sanitation
Concept Approval Date	5 July 2022
Total Project Cost	USD 11 billion during the first 12 years
Proposed Loan Amount	USD 100 million
Borrowers	SPE Saneamento Rio 1 S.A. (AR1) and SPE Saneamento Rio 4 S.A. (AR4)
Project Context	To improve the penetration of the Water and Sanitation Services (WSS) in Brazil, a new regulatory framework was approved in 2020. Under the framework, the country is targeting to achieve universalization of water and sewage services (99% access to water supply and 90% connection to sewage network) for the entire Brazilian population by 2033. An international competitive bidding process was held in April 2021 to grant four WSS concessions in the city of Rio de Janeiro (State of Rio de Janeiro), Brazil, which became the largest WSS concession auction in Brazilian history. The Project relates to the financing of two of such WSS concessions.
Project Objective	The Project will support the Borrowers to achieve their obligations under the concession contracts, expanding WSS infrastructure in 27 cities in Rio de Janeiro State, including 124 districts in Rio de Janeiro city, and contributing to the achievement of the universalization objectives defined under the new regulatory framework. Moreover, the Project will also help in bringing down water losses and other inefficiencies experienced by the prevailing WSS infrastructure in the concession area. And, by expanding access to basic water and sanitation services in the region, the Project ultimately aims to significantly improve life conditions of the population of the concession areas.
Project Description	The Borrowers will improve and expand the existing WSS infrastructure in two separate geographical locations—(i) Block 1 (concession awarded to AR1 which comprises 18 municipalities and certain parts of Rio de Janeiro); and (ii) Block 4 (concession awarded to AR4 which comprises 8 municipalities and certain other parts of Rio de Janeiro). The Project entails capital expenditures in the areas of (i) water services infrastructure: construction of reservoirs, pumping

	<p>stations, distribution network, new connections and other auxiliary facilities; (ii) sewage services infrastructure: dry weather collectors, waste water treatment plants, waste water collection network, waste water pumping stations; and (iii) commercial and other improvements: installation and replacement of hydrometers, monitoring, and fraud detection systems.</p>
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