

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC13053

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Angola	Project ID:	P151224
Project Name:	Water Sector Institutional Development Project II (P151224)		
Task Team Leader(s):	Luiz Claudio Martins Tavares		
Estimated Appraisal Date:	28-Jul-2016	Estimated Board Date:	29-Sep-2016
Managing Unit:	GWA07	Lending Instrument:	Investment Project Financing
Sector(s):	Water supply (65%), Public administration- Water, sanitation and flood protection (35%)		
Theme(s):	City-wide Infrastructure and Service Delivery (90%), Water resource management (10%)		
Financing (In USD Million)			
Total Project Cost:	380.00	Total Bank Financing:	300.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			80.00
International Bank for Reconstruction and Development			300.00
Total			380.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective is to strengthen the institutional capacity of water sector agencies and increase water service coverage in target cities.

C. Project Description

The proposed project will finance strategic institutional development activities and priority water

supply investments in targeted provincial cities of Kuito-Cunje, Huambo, Lubango, Namibe, N'dalatando-Villa De Lucala, Malange, Uige, Dundo, and Luena (seven of these cities were included under WSIDP I). The project seeks to harness the momentum created under WSIDP I and will deepen and expand the development impacts of that project, using “Design and Build” contracts. The WSIDP II will include activities designed to strengthen water sector institutions, including regulatory capacity, utility operations and water resource management. The proposed institutional interventions will be coupled with infrastructure investments to address key physical challenges and constraints. Water supply infrastructure investments will focus on increasing the capacity of systems and expand water service coverage, predominately in under-served, low-income peri-urban areas.

The proposed project has been designed in coordination with the Government's water sector infrastructure investment program and is strategically aligned with AfDB's water sector projects.

The project is expected to include four components, as follows:

Component 1: Water Supply Institutional Strengthening and Capacity Development (US\$55.0 million). The objective of this Component is to strengthen the institutional framework for the water supply sub-sector at central and provincial levels. To achieve this objective the Component will finance activities designed to support the PWSUs, the regulator, and the asset management entity – supporting the creation of an enabling environment for sustainable water service delivery.

The World Bank will finance technical assistance (TA) to provide critical start-up support for the recently created PWSUs. The intention of the TA is to establish effective organizational structures, improve operating systems, and develop institutional capacity through the transfer of knowledge and skills to enhance service delivery and improve efficiency. The proposed Component 1 will finance technical assistance, management contracts, goods, capacity building/training, and equipment in the project cities related to water supply and utility management.

Regulatory support will include creation and expansion of the sector regulatory framework for oversight of water service quality and tariffs, particularly for the newly created PWSUs. In particular, the regulator will be supported to establish tariff application and review procedures and appropriate mechanisms (i.e. social tariffs) to promote access, whilst maintaining a balance to ensure affordability of water bills for low-income customers and financial sustainability of the PWSUs. This Component will also provide goods, operational support, capacity building/training, and technical assistance to the regulator.

This Component will finance activities to support institutional capacity development of INAS, the asset management entity responsible for the assets of all urban water supply systems that involve water treatment facilities on behalf of the GoA. This Component will finance activities designed to improve the institutional capacity of INAS to fulfill its mandate, including to mobilize, plan, and manage dedicated funds; plan and oversee the execution of investments; promote public-private partnerships for the development and delivery of services; and strengthen performance-based contracting systems. This Component will also provide goods, operational support, capacity building/training, and technical assistance to INAS.

Component 2: Water Resource Management (US\$12.5 million). The objective of this Component is to support the strengthening of the institutional framework for water resources management. This Component will focus on completing activities that will not be implemented as planned under WSIDP I due to cost overruns. Key activities will include: (1) strengthening and support to INRH;

(2) development of systems for water resource monitoring and management; and (3) finance for two new river basin plans. Specific activities include analysis of infrastructure investment requirements; preparation of two new river basin management plans; development of policy and monitoring frameworks; and installation of hydrometric stations and monitoring systems. This Component will provide goods, works, operational support, capacity building/training, and technical assistance to the INRH.

Component 3: Rehabilitation and Expansion of Water Supply Production and Distribution (US\$274.0 million, including contingencies). The objective of this Component is to support the PWSUs in the development of priority infrastructure to expand system capacity, increase service coverage and service quality, and improve the operating efficiency of the production and distribution systems in targeted cities. The proposed investments have been selected to build upon the works implemented through the WSIDP I, and complement the Government's and AfDB's water sector investments. Whilst improving utilities' operations is an important element of the WSIDP II, service coverage within the selected systems is low (on average less than 34 percent), and therefore proposed interventions under the project focus substantially on necessary infrastructure investments to expand systems. Through project implementation, coverage is expected to increase to as high as 75 percent in some of the project cities. A project baseline and specific targets for service coverage expansion will be developed for each city during project preparation and closely monitored during implementation. Specific activities to be financed are further defined below:

Sub-component 3a - Rehabilitation and Expansion of Production Facilities (US\$65.5 million, including contingencies). Investments will include civil, electrical and mechanical works to improve water production in targeted cities where required to support expanding service coverage. Key activities will include expansion and refurbishment of well fields and intake facilities and expansion and refurbishment of water treatment facilities. Also, it will include construction of clear-water storage tanks and the rehabilitation and expansion of transmission infrastructure, including new pipelines, pump stations, telemetry/SCADA, and associated fittings.

Sub-component 3b - Rehabilitation and Expansion of Distribution Systems (US\$208.5 million, including contingencies). Investments under this sub-component will include the development of priority infrastructure to increase service coverage and improve operational efficiency of the water distribution systems in selected cities. Investments will include rehabilitation of existing and construction of new distribution centers, including increasing storage with ground tanks and pressure through elevated water towers, water supply network expansion and rehabilitation, installation of district meters and pressure control valves within existing pipelines, telemetry, and approximately 155,000 new household meters and associated materials for connections (primarily for yardtaps) – directly benefiting some 930,000 people. Network investments (estimated to be around 1,145 km of pipeline) will be predominantly directed towards expanding coverage to underserved low-income peri-urban areas (mostly with un-paved roads). These investments will have substantial development impacts by providing services to the poor. In addition, they complement WSIDP I-supported network rehabilitation of the urban centers in the targeted cities, which was critical for supporting sustainability of services and economic growth and development within the provincial cities.

Component 4: Management and Engineering Support (US\$38.5 million). This Component includes support for engineering studies; design and supervision of works and performance contracts; project management; project audits; project monitoring and evaluation; implementation of environmental and social safeguards; economic and financial reviews of investments; support for community consultation and communication activities; and development of various other technical studies such

as the Luanda Water Master Plan. This Component will partially finance the operations of the Ministry of Energy and Water (MINEA) Project Implementation Unit – the FCMU – which manages implementation of all projects in the sector regardless of the financing source. A training budget will also be provided to support capacity-building activities at the national and provincial levels. This Component will verify the technical feasibility of integrating the existing "Sistema Integrado Sectorial de Agua e Saneamento -SISAS" with IBNET.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project investments will take place in nine provincial capital cities, as follows: Kuito-Cunje, Huambo, Lubango, Namibe, N'dalatando-Villa De Lucala, Malange, Uige, Dundo, and Luena (seven of these cities were included under WSIDP I). In addition, the project will finance the rehabilitation of 110 hydrometric stations nationwide. The project will use extensively 'Design and Build' contracts to reduce the liability during construction, experimented successfully under WSIDP I. Given the nature, scale and scope of the infrastructure investments planned, the potential adverse environmental and social impacts of the project are expected to be moderate, reversible and temporary. The civil works will be carried out either on land already owed by the Government or along existing roads right-of-way.

There are no protected areas for nature conservation, species or habitats of particular interest that will be directly or indirectly affected. It is expected that most of the potential adverse environmental and social impacts associated with the project investments will be avoided and/or mitigated through provisions adopted during the project preparation phase and/or the development of the technical designs.

Since the precise location of Project activities, along with their footprints will not be known prior to appraisal, the borrower will update and disclose Environmental and Social Management Framework (ESMF) to comply with OP/BP 4.01 requirements. The ESMF will include both an environmental and social screening form (ESSF) and a set of Environmental and Social Clauses (ESC) for project implementers. The ESMF will be reviewed by both the Social and Environmental Safeguards Specialists, and cleared by the Regional Safeguards Advisor (RSA), and ultimately disclosed both in-country and at the InfoShop prior to appraisal. Nonetheless, project implementation will be preceded by a preparation and disclosure of site specific the Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) will identify safeguards risks and define mitigation measures of negative environmental and social impacts associated with the construction works.

The proposed WSIDP II project is a repeater of the ongoing WSIDP I project, which is a Category B project. WSIDP II will finance the same nature of investments as those financed by WSIDP I in largely the same Provinces in Angola. WSIDP II is also a Category B project. In addition, the locations of infrastructure investments under both projects are similar - urban areas and rights-of-way of existing roads.

The borrower has long lasting proven experience and expertise in managing World Bank funded operations, both in water and sanitation. Borrower had since recurrently prepared consulted and disclosed in country and in Infoshop nineteen Safeguards Documents including a number of Environmental and Social Management Plans (ESMP) for different constructions sites across the country.

The proposed project investments and associated potential impacts are summarized below:

Typical project-supported infrastructure investments:

The proposed infrastructure investments include:

- (a) Civil, electrical and mechanical works to improve water supply production, which include expansion and refurbishment of well fields, a water intake, and water treatment plants;
- (b) Priority infrastructure to increase service coverage and operational efficiency of the water distribution system, which include goods and rehabilitation or construction of water distribution centers, increasing water storage capacity and pressure;
- (c) Rehabilitation or expansion of water transmission infrastructure, including new pipelines and pump stations, as well as rehabilitation and expansion of water supply networks.
- (d) Rehabilitation or replacement of hydrometric stations nationwide.
- (e) Supply of chlorine, aluminum sulfate, caustic soda, and fuel.

Typical negative environmental and social impacts expected from the project-supported investments:

- Infrastructure investments under (a), (b), and (d) above will be constructed in Government-owned land, in which similar infrastructure already exists but is in need of expansion or rehabilitation. When carrying out the field visits, the project team observed that Government properties are partially fenced, free of encroachment and, in general, well kept. The negative environmental and social impacts expected from the project investments in these areas will be limited to the construction phase; these impacts will be mitigated through implementation of the ESMF and the subproject specific ESIA/ESMPs. It is expected that there will be little or no land acquisition in the project, but in case any construction requires land acquisition and/or affects community or individual livelihoods, Government will follow the provisions of the RPF addressing compensation requirements. The Resettlement Action Plans (RAPs) of WDSIP I will be updated to be used in WDSIP II.
- Infrastructure investments under (c) will be constructed on the existing rights-of-way of roads. During field visits, the project team observed that the road rights-of-way envisaged for the investments are free of encroachment, but detailed information about any required land acquisition and/or impact on livelihoods (such as of street vendors who may eventually use the area) will be available only during the preparation of the detailed engineering designs. Given the technical flexibility allowed for the installation of water pipelines, it will be possible to avoid land acquisition and also impacts on livelihoods. In case these impacts cannot be avoided, the Government will follow the provisions in the RPF addressing compensation requirements.

Specific project infrastructure investments and associated impacts to be noted:

In Dundo and Luena, the project will expand the water distribution network and install new connections without increasing the total production in the systems. The water treatment in Dundo uses the water from the Luachimo River, which is an affluent of the Congo/Zaire River. The water treatment in Luena uses the water from the Luena/Lumeje river that is an affluent of the Zambezi River. Although the project will not increase the abstraction from Luachimo and Luena/Lumeje rivers, and the project will not affect the flows of the rivers, this activity triggers the Policy on International Waterways OP/BP 7.50.

E. Borrowers Institutional Capacity for Safeguard Policies

Adequate staffing capacity and procedures exist within FCMU/MINEA, including specialists

dedicated to oversight on similar projects, AfDB and WSIDP I, whose implementation is ongoing. There is a strong record of experience with environmental and social Safeguards aspects of projects financed by the World Bank and other international and bilateral donors. An ESMF and RPF acceptable to the Bank were prepared and disclosed for WSIDP I. Prior to appraisal of the proposed project; the exiting ESMF and RPF will be updated and re-disclosed in Angola and in the World Bank's InfoShop. Where necessary, ESIAAs, ESMPs, and RAPs will be inserted in the works contracts obligations.

F. Environmental and Social Safeguards Specialists on the Team

Kristine Schwebach (GSURR)

Paulo Jorge Temba Sithoe (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This project is a repeater of WSIDP I, which was classified Environmental Category B. The nature, scale and scope of the infrastructure investments proposed for the project are similar to those financed under the original project. Nonetheless, the precise location of Project activities, along with their footprints will not be known prior to appraisal, this policy is triggered to set forth the basic principles and prerogatives to be followed to comply with safeguards requirements related to due to potential negative environmental impacts expected during the construction phase. During project preparation, existing Environmental and Social Management Frameworks (ESMF) and Environmental and Social Management Plans (ESMP) prepared for the original project and disclosed in the Bank's InfoShop (3/31/2008) will be updated and re-disclosed prior to appraisal. The ESMF will contain both an environmental and social screening form (ESSF) and a set of Environmental and Social Clauses (ESC) for project implementers.
Natural Habitats OP/BP 4.04	No	There are no sensitive or critical natural habitat areas affected by proposed investments.
Forests OP/BP 4.36	No	The project does not involve or affect forests.
Pest Management OP 4.09	No	The proposed project activities do not require the use of pesticides or other inputs that trigger this policy.

Physical Cultural Resources OP/BP 4.11	No	The presence of physical cultural resources has not been identified in the project area. In addition, the project will avoid disturbing or affecting physical cultural resources. Nonetheless, civil works contracts will include "chance finds" procedures as described in the project ESMF.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/ BP 4.12	Yes	<p>The proposed project activities might result in temporary or permanent loss of assets, i.e., crops or other means of income generation. Therefore, appropriate compensation for these negative social impacts may be needed.</p> <p>Under the original project, the Borrower developed a Resettlement Policy Framework (RPF). This was reviewed, approved and disclosed in the Bank's InfoShop (3/31/2008). The RPF will be updated and made available prior to appraisal. In case land acquisition or restriction of access to resources will be identified as a requirement for a project activity, a RAP will be prepared, consulted upon, publicly disclosed, and implemented prior to civil works causing impact.</p> <p>The ESMF will contain both an environmental and social screening form (ESSF) and a set of Environmental and Social Clauses (ESC) for project implementers.</p>
Safety of Dams OP/BP 4.37	No	This policy is not triggered.
Projects on International Waterways OP/BP 7.50	Yes	<p>This policy is triggered because the project will finance activities potentially affecting two International rivers, the Congo/Zaire River and the Zambezi River.</p> <p>Congo/Zaire River – In Dundo, the project investments will include about 140 km of new water supply network expansion and rehabilitation, installation of district meters and pressure control valves within existing pipelines, telemetry, and approximately 20,000 new household meters and associated materials for connections (primarily for yardtaps).</p> <p>The Congo/Zaire River is shared by Republic Democratic of Congo and Angola. RDG is the</p>

		<p>downstream riparian.</p> <p>Zambezi River – In Luena, the project investments will include about 120 km of new water supply network expansion and rehabilitation, installation of district meters and pressure control valves within existing pipelines, telemetry, and approximately 10,000 new household meters and associated materials for connections (primarily for yardtaps).</p> <p>The Zambezi river is shared by Angola, Botswana, Mozambique, Namibia, Zambia and Zimbabwe. Mozambique, Namibia, Zambia and Zimbabwe are the downstream riparians.</p> <p>Based on the detailed review, notifications to riparian states may be required during project preparation.</p>
Projects in Disputed Areas OP/ BP 7.60	No	The project is not taking place in disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 25-Jan-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Updating and Disclosure of Safeguards Documents – from April 2015 through September 2015

- Environmental and Social Management Framework (ESMF)
- Generic Environmental Management Plan (EMP)
- Resettlement Policy Framework (RPF)

International Waterways – review from May 2015 through November 2015

- Request exceptions to the notification requirement - Paragraph 7(a) of OP 7.50

IV. APPROVALS

Task Team Leader(s):	Name: Luiz Claudio Martins Tavares	
Approved By:		
Safeguards Advisor:	Name: Glenn S. Morgan (SA)	Date: 18-Aug-2015
Practice Manager/ Manager:	Name: Alexander E. Bakalian (PMGR)	Date: 18-Aug-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.