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Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 11/19/2024 | Report No: ESRSC04598

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I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P506439	Investment Project Financing (IPF)	AFE WASH MPA	2025

Operation Name	Accelerating Access to WASH in the Eastern and Southern Africa Region

Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Eastern and Southern Africa	Angola, Botswana, Burundi, Comoros, Congo, Democratic Republic of, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Sao Tome and Principe, Somalia, South Sudan, Tanzania, Zambia	EASTERN AND SOUTHERN AFRICA	Water

Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
TBD	TBD	06-Jan-2025	22-Feb-2025

Estimated Concept Review Date	Total Project Cost
29-Oct-2024	5,000,000.00

Proposed Development Objective

The PDO for phase 1 is to improve governance, institutional capacities and resource mobilization for water and sanitation service delivery in the Eastern and Southern Africa (AFE) Region The PrDO for the overall MPA is to increase access to drinking water supply, sanitation and hygiene services in participating countries in the Eastern and Southern Africa (AFE) Region

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

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The regional WASH Access MPA aims to increase access to at least basic WASH services at people's home, in schools and in health centers, following a common intervention framework across participating countries (country-level phases) and through a regional WASH acceleration platform (regional phase). There are multiple phases proposed, of which one is a regional phase. The framework for the MPA is flexible and additional countries could be added if the operating environment improves. The MPA proposes an investments of around US$ 5.4 billion in IDA and US$ 0.65 billion in IBRD (Angola, Botswana), aiming to leverage US$ 0.9 billion of Government financing, US$ 1.4 billion of other development partner financing, and US$ 0.5 billion of private capital financing, with the objective to reach around 73 million people with access to at least basic water and sanitation services (of which around half with basic service level and the other half with safely managed service level). The MPA supports a "systems change" approach tailored to the context of each participating country. The MPA designed with four pillars (or components), each with a different menu of activities and interventions: Pillar 1: Platforms to Accelerate Access to WASH : The national platform approach consolidates government-led efforts to achieve universal, sustainable WASH services by integrating funding and promoting cross-sectoral cooperation. National platforms, steered by political and sectoral leadership, will focus on the preparation and/or implementation of National WASH Investment Plans, as well as on policy development, and coordination and mobilization of various sources of financing, while emphasizing inclusivity and gender equality. Digital applications will be leveraged to enhance planning and transparency. Country-level implementation of WASH platforms will involve various government entities. Regional support is provided through benchmarking progress towards SDG6, facilitating knowledge exchange, and attract climate-focused financing to improve WASH access and environmental outcomes across Africa. The Regional WASH Platform (phase I), will serve as a catalyst for countries within the region to embrace more systematic approaches in scaling up access to WASH. Phase 1 aims to facilitate countries' progress in accelerating sustainable access to WASH, through capacity building, progress monitoring, while fostering knowledge sharing among participants. Additionally, the Regional WASH platform plays a pivotal role in providing incentives and mobilizing funds, all directed towards advancing the regional WASH agenda. Through these concerted efforts, phase 1 under the MPA seeks to drive meaningful and sustainable improvements in WASH access across the region. Pillar 2: Sector Governance Reforms: This pillar focuses on strategic governance reforms, addressing non-financial barriers, and enhancing regulatory oversight. It will provide incentives and technical assistances to conduct necessary governance and institutional reforms to improve the enabling environment and the efficiency of public investments to attract increased private sector capital. Sector reforms and their implementation will be informed through analytics and the deployment of tools like Public Expenditure and Institutional Reviews, and Water Sector Assessment Programs (Water SAPs) to identify bottlenecks and establish roadmaps for improvement. The approach includes designing incentive schemes to promote efficient capital expenditure and regulatory alignment, with a focus on decentralized government levels. Under the Regional WASH Platform (phase 1), regulators and policy makers will receive technical assistance to expand their capacities and mandates through regional twinning arrangements, knowledge exchange and technical assistance on governance reforms. Pillar 3: Service Providers Performance Improvement: This pillar focuses on enhancing WASH service delivery models by improving the sustainability of operations and service provision in both urban and rural areas. This pillar aims at improving the creditworthiness of urban utilities as well as the implementation of sustainable operations and maintenance (O&M) models in rural areas. It will support the development and implementation of Performance Improvement Action Plans (PIAPs) and Rural Water and Sanitation Service Professionalization Strategies (RWSSPS) to set medium-term objectives and improve operational and financial sustainability. The implementation of such plans and strategies will aim at reducing water losses and energy consumption, improving the operating ratio of utilities and rural service providers through increasing revenues, cost-efficiency measures, leveraging digitalization. It emphasizes the importance of synchronized strategies for service expansion and operational efficiency, particularly in sanitation, and may involve City-Wide Inclusive Sanitation (CWIS) Plans and their implementation where relevant.

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Additionally, the pillar aims to ensure affordability and inclusion for low-income populations, promote citizen engagement, and improve service delivery through mechanisms like utility scorecards and closing customer feedback loops. Regional capacity building initiatives for utilities, rural service providers, city administrations and rural WASH agencies will be supported through the Regional WASH Platform (phase 1). Pillar 4: Leveraging Financing for Resilient Investments to expand WASH coverage: This pillar aims to leverage both public and private financing to expand resilient water and sanitation infrastructure, focusing on investments in access expansion, including trunk investments, water supply networks, WASH facilities in schools and health centers, and rural sanitation programs. By working with IFC and MIGA, this pillar will finance WASH resilient infrastructure designed to withstand climatic shocks and aims to enable and mobilize private capital, for example through PPP transactions and risk mitigation instruments to mobilize commercial financing and equity. The pillar includes a range of resilience-building activities, by improving the broader water resource management (WRM) context, promoting basin-level WRM strategies, supporting investments in water storage, aquifer recharge, and water reuse. The regional WASH Platform (phase 1) will support countries with state-of-the art analytical and advisory services on climate-resilient design and private financing opportunities, including regional private sector forums. Subsequent regional phases may aim to foster a regional financing facility for WASH, to attract private and climate finance.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

This project (P506439) is Phase 1 of the WASH AFE MPA, the regional WASH Access Accelerator platform, that includes technical assistance and capacity building activities to improve governance, institutional capacities and resource mobilization for water and sanitation service delivery in the AFE region. The scope of the Phase 1 WASH AFE MAP does not include civil works but includes Type 2 and 3 technical assistance activities including capacity building, policy, institutions, and regulatory analysis and reforms, flood and drought management plans, Public Expenditure and Institutional Reviews (PEIRs), etc., which may lead to future investments involving civil works. The project is regional in scope, however, there are no civil works planned under the Phase 1 of WASH AFE MAP and no site has been identified to have potential negative E&S impacts from direct operations and activities.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

Implementing entity for Phase 1 of this MPA (P506439) is yet to be determined. Once the implementing entity is determined during project preparation, the E&S risk management capacity of implementing entity will be assessed further. Given the TA nature of Phase 1 activities, necessary actions for improvement will be reflected in the ESCP at the project preparation stage.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) — Moderate

A.1 Environmental Risk Rating — Moderate

The environmental risk rating is Moderate. The Phase 1 of WASH AFE MPA (P506439) will finance Type 2 and 3 technical assistance activities, including capacity building, policy, institutions, and regulatory analysis and reforms, flood and drought management plans, Public Expenditure and Institutional Reviews (PEIRs), etc. Although the Phase 1 of WASH AFE MPA (P506439) will not finance any infrastructure or activities that may have direct environmental

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footprints on the ground, it will finance technical assistance studies that have potential downstream environmental risks with the objectives to lead to new investments that may include civil works and may impact water usage. Potential downstream environmental risks and impacts are associated with environmental pollution, hydrological ecosystem services, occupational and community health and safety, and impact to water balance, however, the potential downstream environmental risks and impacts are expected to be moderate in scale as the nature of civil works related to WASH interventions occur in already established site with limited physical footprint. Relevant environmental requirements for technical assistance will be incorporated into the terms of reference for that activity. For the AFE country-specific projects, environmental risks will be assessed, and may have different environmental risk classification and risk management instruments as required.

Moderate

A.2 Social Risk Rating

Phase 1 activities of the program are mostly related to TA activities (Type 2 and 3) on improving governance, institutional capacities and resource mobilization for water and sanitation service delivery in the Eastern and Southern Africa (AFE) Region. The social risks stemming from these activities, based on the currently available information, are deemed Moderate at this stage. These are mostly related to: (i) potential exclusion from some socioeconomically vulnerable sections of the population from project benefits, including those experiencing economic hardship and those in geographically distant areas, particularly given the interest in improving the financial sustainability of the WASH operation, which could potentially create incentives to avoid activities and sectors in the less cost-effective areas and sectors; (ii) potential opposition from some groups of stakeholders to some of the policy changes to be supported by the project, such as those concerned with potential increases in the cost of accessing WASH services for the final users after the improvements (particularly those activities that involve private capitals), or those with a vested interest in alternative uses of water, such as irrigation; (iii) other potential downstream social impacts of country-level WASH investment plans, to be supported by Phase 1, which will need to be assessed further once participating countries and activities are formally confirmed. The country-specific projects to be prepared and implemented in the context of the WASH MPA will each have their own assessment of social risks, and may have a different social risk classification and risk management instruments, as needed. The Bank's due diligence during project preparation will also further assess the capacity of AU to manage social risks. Stakeholder engagement activities will play key role in the identification and management of social risks, the program's inclusion aspects,

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B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts — Relevant

Phase 1 of WASH AFE MPA (P506439) are mostly related to TA activities, including support to country-level WASH investment plans, on improving governance, institutional capacities and resource mobilization for water and sanitation service delivery in the Eastern and Southern Africa (AFE) Region. The environmental and social risks stemming from these activities deemed Moderate at this stage. Although the activities will not finance any infrastructure or activities that may have direct environmental and social footprints on the ground, it will support policy reforms and finance technical assistance studies that have potential downstream environmental and social risks with the objectives to lead to new investments that may include civil works and may impact water usage.

Downstream environmental and social impacts will be assessed further once participating countries are formally confirmed. Stakeholder engagement activities will play key role.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

Stakeholder engagement activities will play key role in the program to coordinate with various stakeholders to improve program's outcomes and identify potential opposition, particularly in relation to the expected regulatory changes to be supported by the project. The project will need to identify its key stakeholders and undertake stakeholder activities with them during project preparation. A record of them will need to be included in a Stakeholder Engagement Plan (SEP), a document to be prepared and disclosed by project appraisal. The SEP will also include the planned stakeholder engagement measures expected after appraisal and during implementation, along with a grievance mechanism sensitive to SEA/SH issues.

ESS2 - Labor and Working Conditions Relevant

ESS2 is currently relevant to the project activities. The labor risks associated with phase 1 are expected to be low. Direct workers and contracted workers are expected to be engaged with the project on Type 2 and 3 TA activities. Although the activities will not finance any civil works that may have direct environmental footprints on the ground, it will finance technical assistance studies that have the objectives to lead to new investments that may include civil works. The potential downstream environmental impacts from these TA activities include OHS-related negative risks and impacts, should these investments materialize. Phase 1 of MPA will finance consultants services. Necessary ESS2/LMP requirements will be embedded as part of ESCP.

ESS3 - Resource Efficiency and Pollution Prevention and Management Relevant

ESS3 is currently relevant to the project activities. Although the activities will not finance any civil works that may have direct environmental footprints on the ground, it will finance technical assistance studies that have the objectives to lead to new investments that may include civil works and may impact water quality and usage. The potential downstream environmental impacts from these TA activities are associated with waste management, improper handling of hazardous materials and hazardous waste, water use, impact to water balance, etc., should these investments materialize.

ESS4 - Community Health and Safety Relevant

ESS4 is currently relevant to the project activities. Although the activities will not finance any civil works that may have direct environmental footprints on the ground, it will finance technical assistance studies that have the objectives to lead to new investments that may include civil works and may impact water quality and usage. The potential downstream environmental impacts from these TA activities are associated with inappropriate disposal of wastes and wastewater of all types leading to the spread of infectious disease among workers and community members, impacts to potable water quality, community health impacts from local water resource and land contamination from inappropriate management of solid and hazardous waste, negative impacts on community water use, etc., should these investments materialize. The hiring of consultants may also pose some minimal SEA/SH risks, particularly sexual harassment.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Not Currently Relevant

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ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant

ESS6 is currently not relevant to the project activities.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS8 - Cultural Heritage	Not Currently Relevant
ESS9 - Financial Intermediaries	Not Currently Relevant

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways	No
OP 7.60 Operations in Disputed Areas	No

B.3 Other Salient Features

Use of Borrower Framework	No
Use of Common Approach	No

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C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

The following instruments will be prepared and disclosed by Appraisal:

- Draft Environment and Social Commitments Plan (ESCP), which will include embedded LMP elements and requirements.
- Stakeholder Engagement Plan (SEP), including a grievance mechanism sensitive to SEA/SH.

III. CONTACT POINT

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V. APPROVAL

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