Early Warning System

IDBI-12249-01

BRK/RMR W&S Project in Recife

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Quick Facts

Countries	Brazil
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	B
Voting Date	2019-12-11
Borrower	BRK Ambiental
Sectors	Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 442.00 million
Loan Amount (USD)	$ 442.00 million

Project Description

According to IDB Invest, IDB Invest financing will permit improvements and the expansion in the sanitation services infrastructure for 15 municipalities in the Metropolitan Region of Recife by installing sewage treatment plants and pumping stations, increasing the number of residences connected to the sanitation system and adding approximately 440 km of new sewage collection pipeline, along with investments in improvements to existing sewage treatment plants.

People Affected By This Project

This project has been classified as Category B according to IDB Invest's Environmental and Social Sustainability Policy. The risks and impacts are site specific, moderate in magnitude, and may be addressed through existing mitigation measures that are simple to implement. It should be emphasized that the principal purpose of the project is to improve the environmental and social conditions in the Metropolitan Region of Recife via the collection and treatment of sewage. Therefore, this investment has important positive externalities.

Among the impacts associated with this type of operation there are aspects of workers health and safety and adequacy of working conditions, community safety in the surrounding areas of the construction of the sewage collection pipeline and around the sewage treatment plants (or sanitary wastewater treatment plants), environmental aspects of the treatment and discharge of liquid and solid effluents, and land acquisition and involuntary resettlement in areas where the sewage treatment plants or pumping stations are to be installed.

The following International Finance Corporation (IFC) Performance Standards apply to this project: PS 1 - Assessment and Management of Environmental and Social Impacts and Issues; PS 2 - Labor and Working Conditions; PS 3 Resource Efficiency and Pollution Prevention; PS 4 - Community Health, Safety, and Security; PS 5 - Land Acquisition and Involuntary Resettlement; and PS 8 - Cultural Heritage.

The scope of this analysis focuses on the operations of Cycle I and II of the improvement and expansion of the sanitation network in the Metropolitan Region of Recife (State of Pernambuco, Brazil). The company responsible for these operations is BRK Ambiental Regiao Metropolitana de Recife/Goiana SPE S.A. ("RMR" or "Client"), which is controlled by the company BRK Ambiental Participacoes S.A. Under the Public-Private Partnership (PPP) signed by Companhia Pernambucana de Saneamento (COMPESA), a public institution, and RMR, sanitation activities were limited to sewage collection and treatment. The partnership did not include services associated with access to potable water, urban cleanup, solid waste management, and stormwater drainage.

The analysis involved extensive checking of documents and a field visit. Telephone interviews and in-person meetings were held with the environment, health and safety, personnel management, community relationships, integrity (compliance), administrative management, property security, laboratory analyses, PPP contract management, and the Operations Control Center (OCC) teams. Field visits were made on October 1st to 5th 2018, during which IDB Invest Social and Environmental Officer visited RMR administrative facilities; Janga, Peixinhos and Roda de Fogo sanitary wastewater treatment plants; the OCC and the construction site in Jardim Sao Paulo. During the visit, a meeting was held with the environmental agency that licensed the project - the State Environment Agency of Recife (CPRH)--and chats were held with residents of Jardim Sao Paulo close to the construction site.

The sanitation plan adopted by RMR includes the phases of: a) sewage collection, b) connection to pipeline sanitation network, c) treatment and d) disposal - all of them in the urban consolidated area of Recife. During the collection phase, the effluent catchment system (collector system) will be either installed or restored, with placement (or repair) of underground piping network. Effluent is conveyed via the collection network to the load towers (LT) or to pumping stations that take the effluent to the treatment plants. After physical and chemical treatment, the effluent is discharged into bodies of water located in the vicinity of the treatment plant. The complex consisting of treatment plants, pumping stations and, possibly, load towers forms the Sanitation System (SS).

As described above under "Project Scope," Cycle I of the operations consisted on the restoration of the collector network and treatment system already installed by COMPESA, as well as the construction of three new SSs (Sao Lourenco da Mata, Jardim Sao Paulo, and the first part of Prazeres). Following improvements to the network, the population served increased from 1.05 to 1.3 million people.

Investment Description

- IDB Invest (IDBI)

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ACCOUNTABILITY MECHANISM OF IDB Invest

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- Environmental and Social Review Summary - BRK