Early Warning System

WB-P519578

St Lucia Water Security and Caribbean Regional Water Improvement Project

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Quick Facts

Countries	St. Lucia
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2027-07-02
Borrower	Saint Lucia
Sectors	Infrastructure, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 51.00 million
Loan Amount (USD)	$ 51.00 million
Project Cost (USD)	$ 170.00 million

Project Description

According to the wB, this Operation is the second phase of the Caribbean Regional Water Security Multi-Phased Program (MPA), which was approved in May 2026. The MPA was conceptualized to address the Region's complex water security challenges at scale through a regional approach that replicates effective policies, programs, and investments across multiple countries -- creating a platform for seamless engagement with multilateral development partners and enabling highly specialized, continuous technical support that individual nations struggle to sustain on their own, In so doing, the Program aligns with the MPA's overarching Program Development Objective to "enhance water security, pollution management, and water services for select Caribbean nations". This second phase of the MPA aims to demonstrate and scale up three interconnected approaches. First, it combines IDA and private financing to deliver island-wide, climate-resilient, and affordable water and sanitation services for St Lucia, backed by strong policy, institutional, and regulatory frameworks that ensure accountability and long-term sustainability. Second, it strengthens the country's water security by supporting sustainable management of existing water resources while building resilience through diversified, climate-adaptive solutions. Third, it harnesses the shared characteristics of Caribbean countries, particularly their common cultural, social, economic, and climate challenges, to establish a regional water platform that gives countries access to pooled expertise, knowledge, financing, and investment support that no single country could efficiently build on its own. IFC and the Bank are working closely together, designing a hybrid PPP; in which IFC is responsible for preparing the PPP transaction and advicing GoSL on its contracting.The tentative program investment package consists of approximately USD 170 million, of which USD 45 million would come from IDA, USD 6 million from the Clean Energy and SIDS Resilience (CESR) Fund, and the rest from PCM through a PPP. Additional co-financing from the European Investment Bank is been explored to contribute with approximate USD 30 million targeted at a wastewater treatment plant in Castries. Final investment amounts and co-financing commitments will be confirmed during the technical review phase. This MPA phase is one of the first flagship operations under the WBG's "Water Forward" Initiative, developed with a 'One WBG' approach. It leverages the MPA's regional platform and learning agenda to replicate and scale urban water and sanitation service optimization (Scalable Solution #1); bankable investments in wastewater and reuse (Scalable Solution #2); and the restoration, protection and diversification of water sources (Scalable Solution #7). Moreover, by promoting enabling regulatory reforms and by mobilizing blended public and private financing, the operation creates conditions to unlock private sector participation at scale. In Saint Lucia, where water insecurity directly threatens jobs, the blue economy, and population's well-being, these investments translate into tangible Water Forward outcomes: reliable and affordable services, cleaner coastal environments, and stronger economic and climate resilience.The Project components are:Component 1- Country-wide safely managed Water Supply and Sanitation (WSS) services: Support to water services upgrades, NRW reduction, septage management, lower-cost sewers, digital modernization through an Island-wide PPP concession. Institutional reforms for WSS services and Private sector participation.Component 2 - Improving water security and climate adaptation: Rehabilitate John Compton Dam using nature-based and engineering solutions to restore storage capacity. The component will also assess additional surface water and groundwater sources and the feasibility of renewable-energy-powered desalination to strengthen climate resilience.Component 3 - Caribbean Regional Water Centre of Excellence: Establish a Regional Water Platform providing Caribbean countries with advisory services, policy advice, and create a knowledge hub to turn fragmented country-level initiatives into a sustained regional effort for water security and climate resilience.

Investment Description

- World Bank (WB)

Contact Information

No contacts available at the time of disclosure

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Bank Documents

- Initial Environmental and Social Review Summary (ESRS) - St Lucia Water Security and Caribbean Regio
- Initial Project Information Document (PID) - St Lucia Water Security and Caribbean Regional Water Im