



## Modernization of Water Supply and Sanitation Services (P157043)

LATIN AMERICA AND CARIBBEAN | Peru | Water Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2019 | Seq No: 13 | ARCHIVED on 14-Sep-2023 | ISR57641 |

Implementing Agencies: Republic of Peru, Technical Organization for the Administration of WSS Services (OTASS)

### Key Dates

#### Key Project Dates

Bank Approval Date: 26-Jul-2018

Effectiveness Date: 16-May-2019

Planned Mid Term Review Date: 28-Feb-2022

Actual Mid-Term Review Date: 24-Feb-2022

Original Closing Date: 31-Dec-2023

Revised Closing Date: 31-Aug-2025

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed Development Objective is to increase access to, and quality of, water and sanitation services in selected areas, and develop the Borrower's sectoral institutions and participating EPS management capacity to provide efficient water and sanitation services.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Improving Governance of Water Supply and Sanitation Service Providers:(Cost \$35.82 M)

Improving and Expanding Water Supply and Sanitation Services in the Participating EPS:(Cost \$151.52 M)

General Project Administration:(Cost \$12.66 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<span style="color: orange;">□</span> Moderately Satisfactory	<span style="color: orange;">□</span> Moderately Satisfactory
Overall Implementation Progress (IP)	<span style="color: red;">□</span> Moderately Unsatisfactory	<span style="color: red;">□</span> Moderately Unsatisfactory
Overall Risk Rating	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial

### Implementation Status and Key Decisions

This ISR covers the January 2023 to August 2023 period, also conveying the main messages that have come forth from the Supervision Mission held between August 14-17:

**The IP rating will remain unchanged at moderately unsatisfactory due to the slow disbursements.** The rating is expected to be upgraded once the following projects are awarded by the end of the 2023 calendar year (December 2023): three works contracts in Cusco, including the subprojects Margin Derecha del Rio Huatanay and Agua y Alcantarillado in the city of Cusco, as well as subprojects N-31 and N-39 in Arequipa. Overall, by the end of 2023, the program aims to commit 61% of the loan value (BIRF funds).

**The Project continues to be on track to achieve the PDO targets by the closing date.** Among others, this is attributable to a strong technical team. The task team has observed improvements in program coordination, especially in Component 1. The formal appointment of focal points under each of the participating institutions (SUNASS, OTASS, MVCS) has been instrumental and is essential to ensure the effective implementation of the project up to its closure date in August 2025. Additionally, high-level meetings with the Vice MVCS, PROMOTASS, and the new focal point from



MVCS have been agreed upon every two months to monitor the progress of the activity plan. The mission agreed that in the event of changes in the focal points, replacements will be promptly designated to ensure continuity.

**The World Bank continues to actively support gender-related initiatives to complement activities under Component 1, integrating a gender-equity perspective in various consultancies.** This includes establishing a gender quota in the Advanced Program in Water and Sanitation Management (PADAS), integrating gender equity into SUNASS's Customer Satisfaction Surveys, and promoting gender equality in the communication plans of the six participating EPSs, among other actions. The task team also organized a Human Resources Training Program in collaboration with the Global Water Unit's Equal Aqua platform to emphasize the importance of gender equity within utilities. The project framework incorporates a gender indicator, and in response to demand from utilities during the mission and training program, the task team is collaborating with the PIU to include Gender Equity technical assistance and training for Communication staff in the program's budget under Component 1. This is pivotal in achieving the project's gender indicator (Number of utilities (EPS) supported by the Project that use gender-sensitive messages in their sanitary education activities).

**The World Bank continues to provide technical assistance to promote the digital transformation of participating utilities.** In collaboration with the Global Water team on Digital Transformation and the international firm IDRICA, SEDACUSCO has initiated the implementation of the Digital Maturity methodology. This approach involved conducting a diagnostic assessment and planning the path forward to enhance its digital transformation through the elaboration of a comprehensive Digital Transformation Strategy for SEDACUSCO. Similar digital maturity diagnostics are also underway with SEDAPAR and EPS Lima Norte. These activities are reinforcing ten consultancies under Component 1, which all include at least one element related to digitalization. In this context, a Digital Transformation event was organized during the mission, targeting Peru's water sector. It featured international experts from the World Bank and Japan who shared insights on how utilities worldwide are strengthening their digital maturity, as well as presented the advancements being made in Peru through the WSS Modernization Program.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Moderate	☐ Substantial	☐ Substantial
Macroeconomic	☐ Low	☐ Moderate	☐ Moderate
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Moderate	☐ Low	☐ Low
Institutional Capacity for Implementation and Sustainability	☐ High	☐ Moderate	☐ Moderate
Fiduciary	☐ Substantial	☐ Substantial	☐ Substantial
Environment and Social	☐ Moderate	☐ Substantial	☐ Substantial
Stakeholders	☐ High	☐ Moderate	☐ Moderate
Other	--	--	--
Overall	☐ Substantial	☐ Substantial	☐ Substantial

## Results

### PDO Indicators by Objectives / Outcomes

Improve access to water and sanitation services in selected areas



▶ People provided with access to improved water sources (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	65,586.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Of which female (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	32,859.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
▶ People provided with access to improved sanitation services (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	52,409.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Of which female (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	26,257.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
Increase quality of water services				
▶ Number of participating EPSs that meet their water continuity goals (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	2.00	6.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Continuity increased in SEDAPAR (Hours, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	23.13	23.30	23.25	23.27
☐ Continuity increased in SEDACUSCO (Hours, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.01	19.80	19.24	21.37



<input type="checkbox"/> Continuity increased in EMAPACOP (Hours, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	17.72	19.70	19.04	19.34
<input type="checkbox"/> Continuity increased in EPS Barranca (Hours, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15.68	21.50	20.55	19.99
<input type="checkbox"/> Continuity increased in EMAPA Huaral (Hours, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.68	17.60	17.87	16.33
<input type="checkbox"/> Continuity increased in EPS Aguas de Lima Norte (Hours, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	13.61	14.00	13.38	14.31

<b>Increase the quality of sanitation services</b>				
<b>► Number of participating EPSs that meet their sewer line blockages goals (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	6.00	6.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<input type="checkbox"/> Number of sewer line blockages reduced in SEDAPAR (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.87	1.95	2.41
<input type="checkbox"/> Number of sewer line blockages reduced in SEDACUSCO (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.11	1.07	3.11
<input type="checkbox"/> Number of sewer line blockages reduced in EMAPACOP (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.26	1.44	2.89



<input type="checkbox"/> Number of sewer line blockages reduced in EPS Barranca (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.05	0.61	2.51
<input type="checkbox"/> Number of sewer line blockages reduced in EMAPA Huaral (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.08	4.35	8.71
<input type="checkbox"/> Number of sewer line blockages reduced in EPS Aguas de Lima Norte (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.22	0.06	15.73

Develop the Borrower's sectoral institutions' management capacity to provide efficient WSS services				
▶ Number of instruments validated that improve the management and governance capacity of SUNASS, PNSU, MVCS, and OTASS to increase WSS service efficiency (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025

Develop the participating service providers' management capacity to provide efficient WSS services				
▶ Nonrevenue water reduction achieved in selected utilities (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	0.00	6.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<input type="checkbox"/> Nonrevenue water reduction achieved in SEDAPAR (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	34.13	30.00	31.70	27.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<input type="checkbox"/> Nonrevenue water reduction achieved in SEDACUSCO (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	37.81	42.00	43.11	32.00



Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Nonrevenue water reduction achieved in EMAPACOP (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.98	43.00	44.20	35.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Nonrevenue water reduction achieved in SEMAPA Barranca (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.04	59.00	44.63	40.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Nonrevenue water reduction achieved in EMAPA Huaral (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.60	32.00	35.30	32.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
☐ Nonrevenue water reduction achieved in EPS Aguas de Lima Norte (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	34.02	35.00	34.81	29.00
Date	15-Feb-2018	30-Sep-2022	31-May-2023	29-Aug-2025

### Intermediate Results Indicators by Components

Improving Governance of Water Supply and Sanitation Service Providers				
▶ Number of utilities (EPS) supported by the Project that use gender-sensitive messages in their sanitary education activities (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
▶ SUNASS: Information management system for coordination and regulation of sanitation service providers developed (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	No	No	No	Yes
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► MVCS: Number of policy management instruments (regulatory, administrative, and technical) developed for the WSS sector (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	3.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► PNSU: Number of processes, platforms and instruments to improve the management of WSS investment projects developed (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► OTASS: Norms developed for service providers' comprehensive salary systems, performance evaluation systems, career development plans and incentive plans for voluntary retirement (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	3.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Numbers of participating EPSs with updated optimized master plans (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Number of participating EPSs with an Integrated Management System implemented (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Number of participating EPSs with commercial and technical cadasters migrated to GIS platform (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00



Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Number of participating EPSs with a technical assistance plan adapted to improve their business management implemented (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025

Improving and Expanding Water Supply and Sanitation Services in the participating EPS				
<b>► New piped household water connections that are resulting from the Project intervention (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15,460.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► New household sewerage connections that are resulting from the Project intervention (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	13,460.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Piped household water connections that are benefiting from rehabilitation works undertaken by the Project (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	152.00	152.00	1,601.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Household sewerage connections that are benefiting from rehabilitation works undertaken by the Project (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	797.00
Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Customer satisfaction increased in selected utilities (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	6.00





Date	13-Mar-2018	30-Sep-2022	31-May-2023	29-Aug-2025
<input type="checkbox"/> Customer satisfaction in SEDAPAR (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	68.00	62.00	62.00	85.00
Date	13-Mar-2018	30-Sep-2022	30-Sep-2022	29-Aug-2025
<input type="checkbox"/> Customer satisfaction in SEDACUSCO (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	78.00	67.00	67.00	85.00
Date	13-Mar-2018	30-Sep-2022	30-Sep-2022	29-Aug-2025
<input type="checkbox"/> Customer satisfaction in EMAPACOP (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	66.00	68.00	68.00	75.00
Date	13-Mar-2018	30-Sep-2022	30-Sep-2022	29-Aug-2025
<input type="checkbox"/> Customer satisfaction in SEMAPA BARRANCA (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	64.00	75.00	75.00	75.00
Date	13-Mar-2018	30-Sep-2022	30-Sep-2022	29-Aug-2025
<input type="checkbox"/> Customer satisfaction in EMAPA HUARAL (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	67.00	61.00	61.00	75.00
Date	13-Mar-2018	30-Sep-2022	30-Sep-2022	29-Aug-2025
<input type="checkbox"/> Customer satisfaction in EPS Aguas de Lima Norte (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	61.00	76.00	76.00	75.00
Date	13-Mar-2018	30-Sep-2022	30-Sep-2022	29-Aug-2025
<input checked="" type="checkbox"/> Kilometers of the new drinking water network built in the Project area (Kilometers, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	1.50	1.50	177.50
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Increase in the volume of potable water storage in the Project area (Cubic Meter(m3), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	13,750.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Number of micrometers installed in the Project area (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15,460.00
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Kilometers of new sewerage network built in the Project area (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	25.00	25.00	150.30
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Kilometers of rehabilitated water network in the Project area (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.80	1.80	21.20
Date	31-Mar-2022	30-Sep-2022	31-May-2023	29-Aug-2025
<b>► Kilometers of sewerage network rehabilitated in the Project area (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.60
Date	31-Mar-2022	30-Sep-2022	31-May-2023	31-Mar-2022
<b>► Volume of treated wastewater (Cubic Meter(m3), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	21,843,382.00	65,288,276.00	36,447,411.47	80,637,679.00



Date	22-Jun-2022	30-Sep-2022	31-May-2023	29-Aug-2025
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**Performance-Based Conditions**

**Data on Financial Performance**

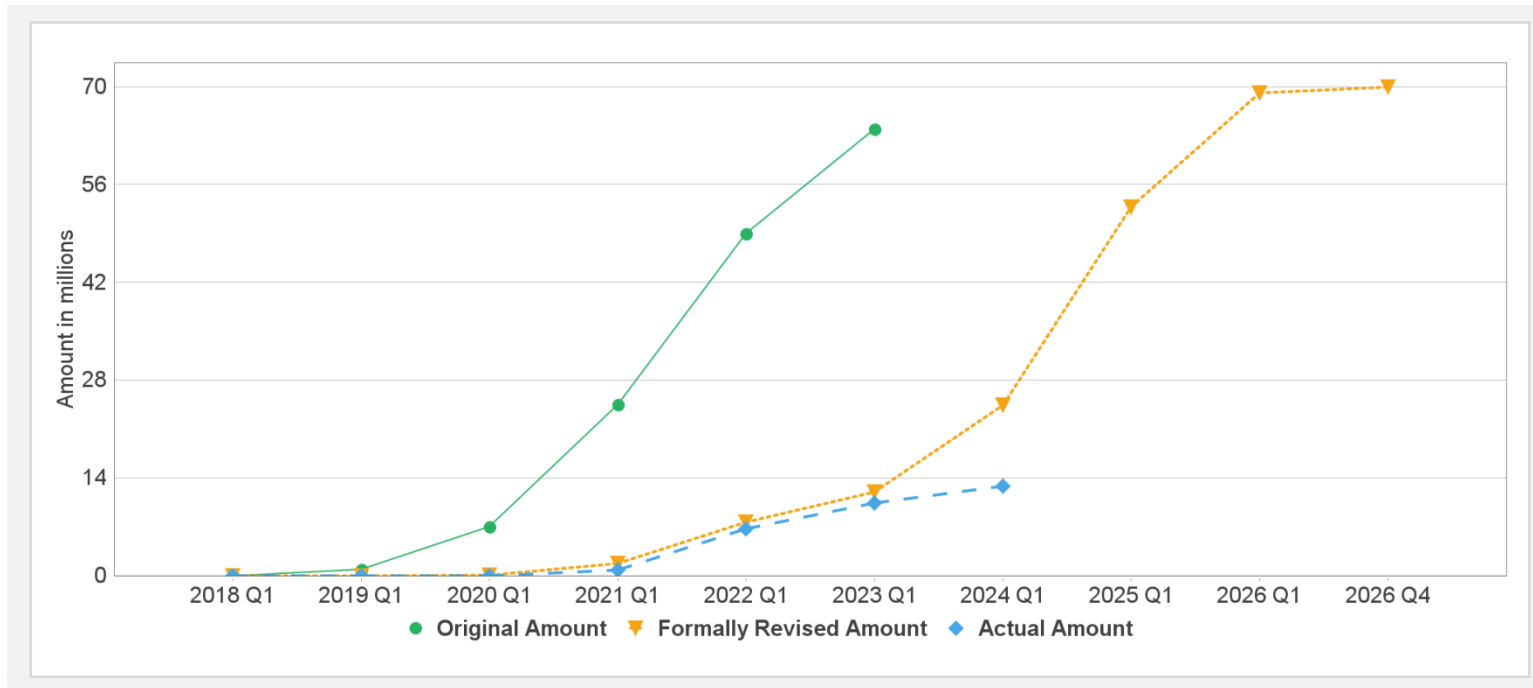
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P157043	IBRD-88990	Effective	USD	70.00	70.00	0.00	12.79	57.21	18%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P157043	IBRD-88990	Effective	26-Jul-2018	28-Jan-2019	16-May-2019	31-Dec-2023	31-Aug-2025

**Cumulative Disbursements**





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### **Restructuring History**

Level 2 Approved on 13-Jul-2022

### **Related Project(s)**

There are no related projects.

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