

Appraisal Environmental and Social Review Summary Appraisal Stage (ESRS Appraisal Stage)

Date Prepared/Updated: 02/27/2022 | Report No: ESRSA01936

Feb 27, 2022 Page 1 of 20

Climate Resilience and Water Security in Angola-RECLIMA (P177004)

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)		
Angola	AFRICA EAST	P177004			
Project Name	Climate Resilience and Water Security in Angola-RECLIMA				
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date		
Water	Investment Project Financing	3/10/2022	3/29/2022		
Borrower(s)	Implementing Agency(ies)				
Ministry of Finance	Ministry of Energy and Water				

Proposed Development Objective

The Project Development Objective is to improve water supply services and strengthen water resources management for climate resilience in selected areas.

Financing (in USD Million)

Amount

Total Project Cost 450.00

B. Is the project 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 [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed project will build on the achievements of PDISA in terms of expanded access to improve WASH services and water resources management strengthening to improve climate resilience and water security in Angola. The PDISA2 project is supporting DNA, IRSEA, targeted PWSUs, on institutional strengthening, water supply and sanitation planning investments in urban and peri-urban areas. This project will scale up support to four new provincial utilities, providing increased access to services, and improving utility performance. The project will support new investments to increase access to rural water supply and a community-level infrastructure program to develop water resources, as well as strengthening the capacity of sector institutions, including INRH and GABHIC to enhance WRM.

Feb 27, 2022 Page 2 of 20



D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The objective of the project is to improve water and sanitation service provision in seven provinces of Angola namely Benguela, Zaire, Kwanza Sul, Huíla, Cunene, Namibe and Cuango – Cubango and Luanda. Except for the province of Luanda and Zaire, all the others are in the southern part of Angola.

Huila's total surface area is around 78,879 km2 (6% of the country's surface area) with a population density of around 30 people per km2, it can be defined as a relatively dispersed population.

A recent study indicates that Huíla is particularly vulnerable to future rainfall reduction as a result of climate change. The biodiversity in Huila has been threatened over the years by fires and charcoal production. Solid waste management in the province presents serious difficulties and identified failures in terms of collection, treatment and information provided to the population. The illegal deposition of waste is still a common practice, with consequences in terms of soil and ground water pollution. The main economic activities in Huíla are agriculture, mainly centered on the cultivation of maize, millet, sorghum, and livestock.

The project will support the reconstruction of the Sendi dam. This dam is in the Municipality of Quipungo, Huila Province, and located within 120 km East of the city of Lubango, the provincial capital. After 60 years of operation, this infrastructure broke down in December 2019 due to excessive flooding. Despite the dam collapse, there were no human losses or damage to properties or community settlements. The Protected Area (PA) closest to the Municipality of Quipungo, more specifically to the Sendi dam, is the Bicuar National Park, which is located about 67 km away and outside the normal hydrographic course downstream of the dam. Hence, the dam reconstruction subproject will not have any impact on this park. Additionally, an analysis carried out using Integrated Biodiversity Assessment Tool (IBAT), indicates no presence of Important Bird and Biodiversity Areas (IBAs) or Alliance for Zero Extinction Sites (AZEs).

The population of Cunene represents 4% of the country's population with the province's surface (77,213km2) covering 6% of the country's surface and a population density of 13 people per km2, making Cunene sparsely populated. In recent years, Cunene has been going through a crisis of drought and hunger with serious consequences for the population. Considering the years of drought, the main threats to biodiversity have been the overexploitation of water resources and forest resources, hunting and the introduction of invasive species.

The main economic activities of Cunene province are mainly focused on agriculture, with a focus on animal (mainly cattle) and vegetable (mainly maize and commercial crops, ie cotton, tobacco, sugarcane, wheat flour) production.

The Province of Cuando Cubango has a population of 510,369 inhabitants (INE, 2016), representing 2.1% of the Angolan population, distributed in 9 municipalities.

The main threats to biodiversity in the province of Cuando Cubango are poaching and anarchic fires. Other environmental problems observed in the province are the occupation of drainage ditches, riverbeds and erosion zones, the disposal of waste in vacant lots which compromises the soil, lack of sanitary sewage and untreated sewage dumping in riverside areas.

Feb 27, 2022 Page 3 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

The main economic activities in Cuando Cubango province are mainly focused on agriculture, with a focus on the cultivation of food crops (maize, cassava, sorghum, millet and sorghum) and cash crops (mainly cotton and tobacco).

The population of Namibe was estimated at 471,613 according to the 2014 census statistics for Angola (2014 Census), distributed in 5 municipalities. Namibe is a coastal province and much of its territory is desert, resulting in a warm semi-arid climate. Precipitation is typically less than 100 mm in most of the province. Environmental pressures in Namibe are quite similar to Cunene Province, that is, on water overexploitation for human consumption and irrigation and deforestation for land conversion to agriculture. Regarding solid waste, there are deficiencies in the urban collection system, mainly in peripheral areas, where it is common to find piles of waste, compromising the public health of communities.

The main economic activities in the region are predominantly fishing and agriculture. The province is considered the main fishing pole in the country. In terms of agriculture, it focuses mainly on animal (mainly livestock) and vegetable production. Fishing and livestock are produced both for domestic consumption at national level and for export, mainly to Namibia, being the main sources of employment and income in the province.

Benguela Province has an area of 39,826.83 km² and a population of 2,000,000 inhabitants, density of 50 inhabitants/km² of which 70% of the population is concentrated on the coast. The main environmental problems identified in Benguela are lack of basic sanitation and illegal occupation of land, mainly in urban areas, with significant negative impacts resulting from pollution of the coastal zone of the province, which is of high value for the development of tourist activity

Of the 39,826.83 km² of total area, around 1 million hectares are favorable land for the development of agricultural activity. Artisanal fishing is practiced by a wide range of the population that lives along the coast, pointing to around 7.307 artisanal fishermen.

The Province of Zaire has an area of 40,130 km² and its approximate population is 600,000 inhabitants. Its capital is M'Banza Kongo and is 481km away from Luanda, comprising 6 municipalities. The main environmental problems identified in the province of Zaire are the Concessions for the Exploration of quarries, forestry, and mining, which are sometimes located within the limits of the Kongo hydrographic basin, threatening its environmental quality. The province has important, agricultural, livestock and silvicultural resources arising mainly from dense humid forest valued by some species of hardwood with high commercial value.

The province of Cuanza Sul has a population of 2,109,999 and a territorial area of 55,660 km² (4.7% of the country's total area), making it the fifth most populous province in Angola. The main environmental problems in the province occur essentially in urban areas, are the illegal occupation of the population in risk areas, the existence of dust in the atmosphere and the poor management of solid waste, leaving the population vulnerable to safety problems (mainly in rainy season) and public health. As for agricultural production, which is important in the national economy, it is based on the cultivation of coffee, corn, beans, bananas, cotton, palm oil, sisal, pineapple, sunflower, and citrus. In the livestock sector, mainly cattle, goats, pigs, and poultry are exploited.

The Province of Luanda, according to population projections for 2018, prepared by the National Statistics Institute (INE), had a population of 7,976,907 inhabitants and a territorial area of 18,826 km², being the most populous and densely populated province of Angola. It is the richest and most developed province in the country, home to large industrial, commercial, and service conglomerates, and the one with the most infrastructure resources.

Feb 27, 2022 Page 4 of 20



This project will ultimately provide the GoA with the opportunity to scale up the efforts against the effects of COVID-19 and enhance urban water supply and sanitation service delivery while addressing climate change-exacerbated weather-related shocks in vulnerable communities in the south. These activities include community water point or WASH facility construction, emergency chemical supply, emergency rehabilitation of priority works including the reconstruction of the Sendi Dam under component 2 as well as the complementary technical, environmental, and social studies.

The Sendi Dam is located in Quipungo Municipality (an embankment dam) was built in the 1960's to supply irrigated perimeter of 1,500 ha built at the same time with a main conveyance canal of 15km. The dam was between 10 to 15m high and 450m long and impounded a reservoir with a capacity of over 5 to 6 Mm3 (and a surface area of 1,581,690 m2), which puts it in the "large dam" category under the ESS4. On December 31, 2019 during a period of intense rains, the dam failed from overtopping and embankment erosion with no reported casualties. When Sendi dam failed, other smaller reservoirs downstream failed (ones near Quipungo town), due to overtopping and erosion of right abutment of the structure.

The under-design spillway capacity and a non-operational bottom outlet gate (which has been in maintenance neglect for more than 20 years) were identified as the possible causes of the dam failure. The colonial era irrigation canals have been in disrepair for many years due to the civil war, leading to farmers seasonally diverting water directly from the river. The dam supplied water to 3,907 beneficiary households for agriculture (including fishing, animal husbandry, irrigation, etc.), for human consumption among other uses. 1,772 farmers are estimated to be direct beneficiaries of irrigation downstream of the dam. In addition, the population in the town of Quipungo (22,014 habitants) relies on the water flows from the river, and 2,135 households benefit from the piped water supply system in Quipungo (managed by EPAS-Huila), whose production depends on regulated flows of Sendi Dam.

D. 2. Borrower's Institutional Capacity

The Project will be implemented by MINEA, under the same arrangements established for PDISA II. MINEA has established and staffed an implementation unit, the FCMU, which is responsible for the management and implementation of all rehabilitation and expansion projects in the urban water sector throughout the country, regardless of the source of financing (development partners and government). The FCMU received a highly satisfactory performance rating under PDISA I; and they have continued to perform in a highly satisfactory manner under PDISA II. The FCMU is currently leading implementation of Angola: - Second Water Sector Institutional Development Project – PDISA II (P151224). This project was rated category B as per OP 4.01 on environmental assessment and its performance has been consistently rated as Satisfactory since its effectiveness. The FCMU has since managed the PDISA II; and the former PDISA I, through the rigorous implementation of the provisions set out in the Safeguards instruments, thus systematic safeguards compliance reporting is rigorously observed, and semester reports are timely submitted to the Bank for review and feedback.

Throughout the years, the FCMU has acquired considerable E&S risk management capacity, having recently strengthen its workforce by hiring two (2) seasoned staff (one Environmental and one Social Development specialist) to handle all E&S risk management issues, specifically to improve monitoring and reporting of safeguards compliance. FCMU technical staff has been trained and certified on a series of Safeguards/ESF trainings that were fundamental to ensure adequate manage E&S risks. Simultaneously, the Bank has also strengthened its supervision role using a handholding approach, which consists of thematic clinics and monthly meetings on key underlying safeguards matters such as completion of screening checklists, non-conformity and reporting of Occupational Health and Safety issues on the ground and on Grievance Redress Mechanism (GRM) implementation. At provincial level, Environment and

Feb 27, 2022 Page 5 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

Community Development technicians are designated as environment & social safeguard officers through the apprentice scheme supported by PDISA II to closely follow and oversee proper implementation of the Environmental and Social Safeguards. The project also entails community engagements and therefore the social safeguards accountability and its requirements are being adhered to, monitored, and reported on. The project has in place a robust and fully functional GRM, and information on the number, type, and resolution status of grievances is being included in regular safeguards reports.

While the FCMU E&S staff is well versed in the implementation of the Operational Policies, they will require additional training to be able to monitor and manage the environmental and social risks of this new project that will be governed by the Environmental and Social Framework (ESF). Their background experience, training, knowledge and understanding of the existing PDISA2 project gives them an added advantage to adequately manage additional E&S risks of new project. The Environmental and Social Management Framework (ESMF) assessed in detail the current capacity and is proposing strategic capacity strengthening for the FCMU in a manner proportionate to the new project's environmental risks and impacts. Under component 3 - institutional capacity, the E&S strategic capacity strengthening will be financed by this new project. In addition to the existence FCMU, the new project will hire a technical Sub Coordinator that will have responsibility for the day-to-day management of the Project and will report directly to the coordinator. In addition to the Sub-Coordinator, the FCMU will engage at least (i) one (1) an environmental specialist and (ii) one (1) social development specialist as deemed needed; all of which will need to be established within 90 days after effectiveness. The key professional staff to be engaged under FCMU for the proposed project will acquire qualifications and experience acceptable to the Bank and all financed under Component 3.

Provinces and Municipalities through their Departments of Infrastructure and Technical Services, and Directorates of Energy and Water have an important role in the project implementation at subnational level. At the provincial level, FCMU will appoint environmental and social officers (ESO) for each selected province. The ESO will liaise with the FCMU and provincial technical teams for implementation of these activities: a) regular monitoring and reporting of the project's environmental, social, health and safety (ESHS) performance; b) stakeholders consultation and maintenance of functional project GRM; c) selection of project site activities and technologies d) support to communities for maintenance and management of water points; d) active participation in supervision of works (along with the supervisor under the project); e) coordination of various project activities including activities under MOSAP3 and the Department of Agriculture. These provincial staff may have untested experience or capacity to implement World Bank financed projects under Environmental and Social Framework (ESF) requirements, so capacity strengthening of provincial level implementation units/staff will be covered through E&S implementation training capacity building programs. Capacity building training being an important element of the project, trainings for experts, workers and awareness raising for the community will be continuously targeted. These are included in the ESMF and ESCP as appropriate it will form part of other subproject level E&S instruments and training will incorporate stakeholder mapping and engagement.

Although, FCMU has continued to demonstrate highly satisfactory performance in terms of safeguards compliance and management under the Bank's Safeguards Policies, which it achieved through rigorous implementation of the ongoing projects. In addition, FCMU has recently further strengthen its workforce by hiring two (2) seasoned staff one (1) Environmental and one (1) Social Development specialist to handle all safeguard E&S risk management issues, specifically improving monitoring and reporting functions.

Feb 27, 2022 Page 6 of 20

Oublic Disclosure

In addition, implementation of ESF standards and instruments will be supported and monitored by World Bank staff throughout project implementation to assist the implementing agencies to undertake the planned environmental and social risk management measures, including stakeholder engagement and preparation of required site- specific assessments, management plans to be applied under the project and provide training to the designated focal persons and community members. The training programs and commitment between the project and provincial project staff and community members with respect of implementation of ESF requirements is be defined and referred to in the ESCP.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The project environmental risk rating is considered Substantial due mainly to the nature risk and impacts related to civil works activities of expansion and reconstruction of water supply infrastructure of targeted areas with provision their related services. The potential environmental risk and impacts are estimated to be site specific, not involving sensitive natural areas; temporary in nature; predictable and reversible. Although, there may be potential cumulative impacts downstream from the reconstruction of the Sendi Dam due to sedimentation, erosion, water supply abstraction, they aren't expected to be of regional scale or unprecedented; hence, estimated to range from moderate to substantial risk and impacts, which could be readily mitigated. The potential environmental impacts and risks of the proposed project are linked to small and medium scale civil works (Component 1 - rehabilitation and expansion of water supply, sanitation, and hygiene services and Component 2 - minor investments to enable the use of surface and groundwater resources for resilience of floods and droughts' & 'development of small water storage investments, such as sand dams, cisterns, small weirs, family level rainwater harvesting and small investment for ground water recharge and storage), and are expected to have moderate to substantial risk and impacts. The anticipated civil works from construction and expansion and rehabilitation activities and the number of construction activities will be undertaken in different locations that are not yet known. Although, the scale of the project is national (project investments will occur in these provinces: Benguela, Zaire, Kwanza Sul, Huíla, Cunene, Namibe and Cuango – Cubango and Luanda), the exact geographic locations and its sensitivities or magnitude are not fully known, except for the reconstruction of Sendi dam, whose location and some of the potential risks and impacts are known. These potential risks and impacts are connected to vegetation or sensitive habitats loss, soil erosion and degradation, soil and surface water pollution, dust and noise emissions, generation, and disposal of wastes (especially construction wastes), occupational health and safety concerns for workers as well as community health and safety. The environmental risk rating from these small to medium scale civil works are also considered substantial. Furthermore, common risks across all project components include health risks due to COVID-19 pandemic that are expected in crowded situations during civil works or TA activities. Proposed policy and regulatory reforms as well as the technical studies under the TA activities (Component 1 and 2) may lead to substantial downstream environmental risks when implemented through future investments that will require adequate assessment of environmental implications once detailed scope of such reforms and technical studies or capacity building programs are known. Similarly, activities to address emergency response (Component 4) due to natural disaster events, may have a moderate to substantial risk, depending on the type and extend of the natural disaster event. Since the extend and severity of the potential natural disaster cannot be predicted, measures were incorporated in the Borrower's ESMF to adequately assess and address risks and impacts associated with natural

Feb 27, 2022 Page 7 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

disasters when these arise. In addition, the proposed risk rating of Substantial takes in to account the Borrower's unknown experience in implementing projects under the new Environmental and Social Framework (ESF) requirements combined with the geographical fragmentation of the implementation teams at the subnational level, the untested ability of new staff to be recruited to oversee various subprojects and activities under ESF requirements.

Social Risk Rating Substantial

The project's social risk rating is Substantial. Civil works relating to the rehabilitation and expansion of water supply infrastructure, and the related provision of services, have the potential to result in significant social impacts in part due to the social context in some of the areas where project interventions will take place (e.g., rural communities affected by drought and characterized by extreme poverty). Although the social and economic impacts of the envisaged project interventions are expected to be highly positive overall, it is anticipated that there will be substantial social risks relating to the temporary or permanent impacts of civil works on communities, including issues relating to labor and working conditions (e.g., risk of child labor), labor influx, and sexual exploitation and abuse and sexual harassment (SEA/SH); potential temporary or permanent physical or economic displacement impacts; distribution of project benefits and social inclusion; and interventions in pastoralist and/or Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local (IP/SSAHUTL) communities in southern Angola, which will necessitate culturally-appropriate engagement and consultation activities and measures to ensure appropriate inclusion of such communities as project beneficiaries. In rural communities affected by drought in southern Angola, there is limited access to social services such as health clinics and high incidence of poverty and food insecurity. The project will need to ensure the inclusion of such vulnerable communities in the distribution of project benefits.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 is relevant as investments under Components 1 and 2 are likely to involve small to large scale of civil works to establish or improve water and sanitation services which can be carried out within or near areas of sensitive riparian ecosystems.

Overall, it's expected that, the project will have some environmental significant positive impact through improvement of water supply and sanitation services, the strengthening of water resources management with a view to incorporate climate resilience measures subproject activities in specific target areas, especially for areas most vulnerable to effects of climate change such as drought. Nonetheless, proposed investments to be financed under the project (such as the (i) reconstruction, rehabilitation and expansion of existing facilities of water supply, sanitation, and hygiene services or building of new facilities under Component 1; (ii) Sendi Dam Reconstruction, including support for its technical studies and design, and the elaboration of instrumentation and surveillance plan, under component 2; (iii) and minor investments to enable the use of surface and groundwater resources such as sand dams, cisterns, small weirs, family level rainwater harvesting and small investment for ground water recharge and storage under Component 2), are likely to generate direct, indirect and cumulative environmental and social impacts, although expected to be of medium-scale, temporary and readily manageable. Such risks and impacts will mostly

Feb 27, 2022 Page 8 of 20



components.

The World Bank

Climate Resilience and Water Security in Angola-RECLIMA (P177004)

occur during reconstruction works and may lead to loss of vegetation, soil erosion and degradation, soil pollution, surface and ground water pollution, dust and noise emissions, impact on water usage and quality, generation and disposal of construction waste, occupational health, and safety concerns to contracted workers and community health and safety risks caused by public nuisance, increase in road traffic, labour in influx and passible water user right conflicts. Furthermore, the proposed reconstruction of Sendi Dam, Quipungo in Huila province may lead to deterioration of water quality and quantity due to sedimentation, erosion, water abstraction, lubricants spillage, including substantial risks associated to the integrity of the infrastructure due to natural hazards.

On the other hand, inadequate operational and maintenance of water infrastructures may lead to community health and safety concerns such as diseases from stagnated water which become a breeding ground for mosquitoes that transmit diseases such as malaria and dengue fever due to water leaks or overflows. Water quality supplied to the community could also lead to outbreaks of cholera, diarrhea and typhoid which could be harmful and potentially fatal to vulnerable individuals especially the elderly, persons with immune compromise and young children. In addition, health risks associated with the spread of COVID-19 pandemic was identified to be a common risk across all project

To manage environmental and social risks associated of the project, the borrower has developed an Environmental and Social Management Framework (ESMF), during the project preparation phase to be disclosed prior to project appraisal. The ESMF provides an overview of the project and its components, the applicable legislative and regulatory frameworks and policies, an overview of the baseline conditions and a summary of key anticipated environmental and social impacts. It also provides mitigation and monitoring measures and a screening tool for assessing and classifying direct, indirect, and cumulative impacts at sub-project level. Additionally, it provides guidance for the preparation of a sub-project level environmental and social impact assessments and preparation of sub-project specific Environmental and Social Management Plans (ESMPs), sub-level project specific Occupational Health and Safety (OHS) plans, Community Health and Safety Plans (CHSP), Dam Safety Plan (DSP), Waste Management Plan (WMP), Traffic Management Plan (TMP), Labor Management Procedures (LMP) and Chance Find procedures during the implementation phase. The ESMF also contains a CERC section and emergency action plan which make provision for the Bank to assist the borrower in identifying, the need and level of environmental and social assessments required, E&S instruments to be prepared, reviewed, and approved in the event of an activity being triggered under Component 4. The ESMF also makes provision for identification and assessment of the potential impacts and risks associated with Resource Efficiency and Pollution Prevention and ensure that adequate mitigation measures are incorporated in the designs once developed in a manner consistent with ESS3. The "Chance Find" procedure consistent with ESS8 will form part of the sub-project specific ESMP and it is a procedure which will be followed if previously unknown cultural heritage is encountered during project activities. The subproject level will also identify and assess, to the extent appropriate, the potential environmental and social risks and impacts on ecosystems consistent with ESS6 and require the preparation of a Biodiversity Management Plan (BMP) when deemed necessary.

Potential social impacts and risks are expected including economic impacts on PAP and temporary or permanent land acquisition. Notwithstanding, a recent WB assessment around the proposed site for the reconstruction of Sendi Dam indicates that no encroachment of any kind as occurred after the Sendi dam collapse in 2019, therefore, this activity is not expected to lead to the acquisition of land and/or private properties or restriction to livelihoods access. The Borrower has developed a stand-alone Resettlement Policy Framework (RPF) that includes the procedures and approaches for land acquisition and provides guidance for preparation of site-specific Resettlement Action Plans (RAP) as required before civil works commence on specific sub-projects consistent with ESS5.

Feb 27, 2022 Page 9 of 20



The project will finance Technical Assistance (TA) and investment to enhance the drought response in southern Angola and provide water, sanitation and hygiene (WASH) services in targeted areas, especially for the poor, to address the consequences of the pandemic, under Components 1 and 2. The ESMF and the ESCP include provisions to ensure that the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance (TA) activities under the Project are carried out in accordance with terms of reference acceptable to the Bank, in a manner consistent with the ESSs.

An Environmental and Social Commitments Plan (ESCP) setting out the environmental and social commitments for the project has been developed by the borrower. The ESCP includes aspects such as the need for an environmental and social assessment and a site specific ESMP and OHS Plan for each sub-project, which will be developed in consultation with stakeholders, and approved and disclosed by the Bank. The Borrower also prepared a Stakeholder Engagement Plan (SEP) in accordance with ESS10 requirements which contains guidance and measures for the identification and analysis of all project stakeholders.

Ancillary facilities will be assessed accordingly. Mitigation to the potential risks and impacts connected to ancillary facilities such as access roads, waste disposal sites, quarries, labour camps, material sources, as part of the project were included in the ESMF and reflected in ESCP. Any identified associated facilities to be assessed as part of E&S risks and impacts will be managed on a case-by-case basis based on control and risk tolerance factors, which will be reflected clearly in ESCP.

In general, this project will not finance any subproject that is unsustainable in short, medium, and long-term due to its location sensitivity or having potential risks and impacts that cannot be mitigated. In summary, these activities are not eligible for financing under this Project.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant since meaningful consultation and engagement of affected communities and other stakeholders is crucial for interventions involving critical natural resources (water resources) and infrastructure, civil works, and project benefits which crucially affect human settlements and well-being.

The Borrower has prepared a Stakeholder Engagement Plan (SEP) in accordance with ESS10 requirements. The SEP contains identification and analysis of project stakeholders (including institutional stakeholders such as government entities at various levels and civil society organizations, pastoralists and agricultural organizations, women's organizations - as well as project-affected communities, and vulnerable or disadvantaged groups such as IP/SSAHUTLCs) and risks and other issues identified by stakeholders, including risks to vulnerable and disadvantaged people, the need to ensure social inclusion, possible physical or economic displacement, worker or community safety risks, and measures to enable stakeholders' effective participation and communication – including provisions for the effective management of concerns or grievances presented by members of affected communities. The communication, information-disclosure, and engagement methods – adapted to the circumstances of the COVID-19 pandemic – are discussed in detail within the SEP and will be adapted for the stakeholder engagement and consultation activities of the distinct phases of the project cycle. The public consultation with the identified stakeholder took place from 01 November 2021 to 9 February 2022, and were held in Huila, Cunene, Namibe, Cuando Cubango and Kwanza Sul covering a total of 735 people including local authorities and communities. Concerns and conclusions are incorporated in the SEP and a summary in the ESMF. The SEP also includes an outline of a grievance

Feb 27, 2022 Page 10 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

redress mechanism (GRM) to handle grievances by project-affected people regarding temporary or permanent adverse project impacts and include multiple grievance uptake channels. The project GRM shall be further developed and implemented by effectiveness and shall include specific channels and procedures to address risks relating to sexual exploitation and abuse/sexual harassment (SEA/SH) and specific channels for all workers (including community workers, as specified in the LMP). A well-developed GRM, which includes specific measures for SEA/SH grievances, is under implementation in the PDISA2 project and it is anticipated that this project will benefit from the experience and build on from the PIDISA2 GRM (suitably adapted for this project).

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is relevant to this project. Small and medium scale construction activities including building new facilities and expanding existing ones and rehabilitation of existing facilities, under Component 1 and Component 2, will require the recruitment and employment of direct and contracted workers, and, primary supply and community workers, according to the Labour Management Procedures (LMP). To ensure fair labor practices and health and safety of workers during the preparation, construction, and operational phases of the project, the borrower need to take into consideration the Angolan Labor Laws and the Bank's standards concerning labor conditions and Occupational Health and Safety.

Occupational health and safety risks associated with the construction and operational phases of water and sanitation projects include: physical hazards from repetitive exposure to work activities (noise, electrical and vibration) that can cause accidents and injuries; chemical hazards due to chronic repetitive exposure to toxic, corrosive, sensitizing or oxidative substances; biological hazards from exposure agents, to pathogens and vectors that can cause human disease; hazardous atmosphere. The borrower has included in the ESMF, measures for the identification and mitigation of project Occupational Health and Safety risks associated with the construction, rehabilitation, operation and maintenance aspects to be financed under Component 1 and 2 in line with the Good International Industry Practices (GIIP) and the World Bank Group General Environmental, Health and Safety Guidelines (EHSG), specifically the Industry Sector EHSG for Water and Sanitation.

Whenever necessary to proceed with the contracting, a tender will be opened in a transparent manner, and the selection requirements will be disclosed, which may include previous experience in carrying out works of the same nature, accident rates, business licenses, qualification of the contractor's human resources, compliance on issues of environment, health and safety, exclusion of child labor and forced labor. The ESMF provides guidance for the development of sub-level project specific ESMPs, Contractor ESMP and OHSP.

The borrower will ensure that these provisions are also extensive to any Associated Facilities or ancillary facilities such as quarries, borrow pits and others in a manner proportionate to its control or influence over the Associated Facilities to enable the project to achieve objectives materially consistent with the ESSs.

A model of Codes of Conduct for the employer/company, for company managers and for individual workers is presented in Annex VI of the ESMF. It emphasizes labor issues, Health and Safety, environmental and social issues, including gender-based violence (GBV) and violence against children (VAC). The borrower has prepared Labor

Feb 27, 2022 Page 11 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

Management Procedures (LMP) as part of the ESMF, consistent with the provisions of the World Bank's ESS2, which identify that all contractors and sub-contractors must ensure that there is no forced or child labor employed during construction that detail how workers, including project workers from the implementing agencies, are going to be managed throughout the project cycle.

The LMP will guide the production and implementation of Labor Management Plans for specific sub-projects including specification of responsibilities at sub-project implementation stage by all stakeholders to address labor management requirements. The LMP forms an important part of the project and will be disclosed alongside the ESMF and the ESCP prior to project appraisal. The LMP also includes guidelines for a worker's GRM for all types of workers (including community workers according to the LMP) and include provisions to ensure fair wages in line with local legislation and provide contractual hiring of workers (both male and female), adequate payment for overwork and other measures. If a Labor Camp is established for construction purposes, the facility must follow guidelines to be included in the Contractor ESMP and OHSP to ensure safe and hygienic living conditions.

To reduce the gender gap in water sector utilities, and to promote greater participation of women as project workers and managers, attention will be paid to the gender aspects of labor conditions (e.g., access to female-only toilets and other facilities, availability of childcare and flexible work arrangements). Labor Management Procedures (LMPs) will be developed as a standalone document by approval. The ESMF and LMP outlined a grievance redress mechanism (GRM) for project workers, which shall be operationalized prior to the implementation of project activities, drawing on national labor law and procedures, and in line with ESS2. ESMPs shall include procedures to mitigate COVID-19 spread to workers, including investigation, and reporting of incidences and non-compliance, emergency preparedness and response procedures and continuous training and awareness to workers. Contracts for all workers shall include a code of conduct specifically designed to prevent instances of sexual exploitation and abuse and sexual harassment (SEA/SH), and a SEA/SH Action Plan will be developed by approval. Should the hiring of workers from outside the local areas of project interventions be required, worker influx and accommodation will need to be managed in line with ESS2 and ESS4.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant to the Project. The project activities under Components 1 and 2 will require energy consumption, water, and raw material as well as generation of waste. At implementation of Sendi Dam Reconstruction (component 2), significant amount of water and construction material from borrow pits and quarries will be required. Also, other construction activities under component 1 & may require opening of borrow-pits and quarries as source of construction materials. These associated facilities and others will be assessed and managed as defined under the ESF in a proportionate manner consistent with objectives of ESS3.

Another risks and impact to be considered are generation and disposal of construction waste; impacts from noise, as well as air, and water pollution during construction. Sources of pollution during reconstruction/construction/expansion, rehabilitation of WASH facilities (under Component 1) and minor civil works under Component 2 (small investments in infrastructures such as sand dams, cisterns, small weirs, family level rainwater harvesting; and small investments for ground water recharge and storage) include dust and noise (likely to be generated from the use of construction machinery and vehicle movement), erosion and runoff, and handling and disposal of solid and liquid wastes. Actions resulting from the construction/rehabilitation/expansion works that are

Feb 27, 2022 Page 12 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

likely to cause pollution include (i) oil and fuel spills from construction vehicles and equipment; (ii) dust and vehicle emissions, noise, and vibrations from construction vehicles; and (iii) storage and use of hazardous substances during construction. Waste will be generated from both the construction/expansion and rehabilitation activities under Component 1 and 2. Potentially hazardous waste, such as waste containing asbestos resulting from building materials and pipes, may be generated during the rehabilitation of water and sanitation infrastructure, and should be handled in line with the General EHSG, specifically the Sector Industry Guidelines for Water and Sanitation.

At operational phase (Components 1 and 2), water will be abstracted from nearby surface water resources or from underground by means of drilling boreholes which may potentially have an impact on other water users in the project area and water quality. Design information related to proposed surface and groundwater abstraction under the project is not yet fully known, but due to the national scale of the project, it is anticipated that the project will be a significant user of water. Detailed water balance study and complete water quality analysis to ensure that the water source is suitable as a drinking water source will be initiated at each sub-project level. These studies will aim to identify all potential water users within the sub-project vicinity that may be negatively affected and stipulate measures for periodic monitoring and reporting of water use. This provision is duly reflected in the ESCP and ESMF. To address these potential risks and impacts of the project, ESMF was prepared and specifically included provisions for identification and assessment of water use appropriate to the level of design information that will be available to ascertain the magnitude of project risks, to ensure that direct, indirect, and cumulative impact of water use on communities is adequately investigated as well as TA activities to be financed under this project are compliant with ESS3.

The project is likely to use electricity both during the construction/rehabilitation/expansion and operational phases. During construction/rehabilitation/expansion, electricity usage will be mainly associated with the construction camp as well as with the use of machinery that requires electricity, whereas during operational phase it will be used to operate water and wastewater pumps, small administrative/ maintenance buildings, and operations of the wastewater treatment facilities, if any. Since the design is not fully yet known, the water, construction material and energy needs for the project are not yet fully known but are not anticipated to be of a significant scale. Notwithstanding, proposed project investments are expected to generate low GHG emissions.

In addition, the prepared ESMF includes provisions as part of the subproject specific ESIA/ESMPs, to adopt and implement measures for the rational use of resources and pollution prevention and management consistent with the ESS3. The ESMF also provides guidance for the development of sub-level project specific ESMPs as well as Contractor Waste Management Plan (WMP) in line with ESS3. Sub-project specific ESMPs will provide measures for addressing soil and water pollution, dust and noise emission, management of hazardous and non-hazardous waste and closure of borrow-pits and quarries during the construction phase. At operational and maintenance stage, the sub-project specific ESMPs will be updated, and additional management plans drafted to make adequate provision for the mitigation of potential environmental and social impacts associated with the operations and maintenance of the water and sludge treatment facilities in line with the General EHSG, specifically the Sector Industry Guidelines for Water and Sanitation.

The ESMF laid out guidance to be considered during the feasibility Studies to achieve the objectives of (i) conducting an assessment study of existing water uses and Water Balance in the water catchments identified by the Project; (ii) analyze the existing water quality at the sources selected by the Project. The parameters to be measured to allow a

Feb 27, 2022 Page 13 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

comparative analysis with the standards established by national legislation and international standards (eg World Health Organization); (iii) analyze sensitivity based on multiple environmental and social criteria (topography, water resources, biodiversity, ecosystem services, presence of vulnerable groups, economic activities, education level of the local population) and (iv) propose strategic environmental and social management actions.

ESS4 Community Health and Safety

ESS4 is considered relevant to the Project. The overall effective implementation of this project should benefit community health. Since the project will take place in peri-urban and low-income rural communities, the borrower is required to undertake an assessment of the risk and impacts of the project on the health and safety of the project affected communities. Risk and impacts on the community could relate to the design and safety of infrastructure, traffic and road safety during construction/expansion/rehabilitation, security and emergency situations, and community exposure to nuisance and public health issues. Moreover, vibration from construction vehicles and activities, may result in annoyance to local communities and disturbing effects on sensitive receptors (schools, hospitals). Earthworks, including trenching for installation of water pipelines, will be required and is likely to take place within the communities. Open excavations and trenches may pose a community safety concern, resulting in serious injuries or fatalities from community members and especially children falling into open excavations and trenches if access is not adequately prevented and managed. This will be managed as part of the CHS Plan. The subproject level ESIA/ESMPs will also identify and assess, to the extent appropriate, the potential environmental and social risks and impacts within the scope of ESS4 of any ancillary and associated facilities as defined under the ESF in a manner proportionate to its control or influence to enable the project to achieve objectives consistent with the ESSs.

The construction/expansion and rehabilitation works will require the movement of construction equipment and materials resulting in possible road and pedestrian accidents. The borrower prepared an ESMF that contains guidance for contractors to develop a sub-level project specific Traffic Management Plan (TMP) and Community Health and Safety Plans (CHSP) as part of the ESMP to mitigate and manage risks to the communities and vehicle-pedestrian interactions.

All TA activities to be supported under component 2 and 3 such as feasibility studies, technical designs and capacity will be carried out in accordance the Terms of Reference (TORs) acceptable to the Bank and in manner consistent with the ESS4 to ensure that the outputs or advice provided from such TA activities are compliant with the TORs.

The sub-project specific ESMP will address impacts and risks related community health and safety, and the development of a Community Health and Safety Plan as part of the Contractor ESMP in line with the General EHSG and Sector Industry Guidelines for Water and Sanitation.

The project will finance the reconstruction of Sendi Dam under component 2, which is considered "large dam" under ESS4. Consequently, the borrower prepared and ESMF with detailed guidance for the preparation of a detailed site-specific ESIA/ESMP. The site-specific ESIA/ESMP for the Sendi Dam will build upon measures set out in the ESMF and ESCP which also requires that Contractor's C-ESMP is prepared in a manner consistent with ESS4 and reviewed, cleared by the Bank prior to commencement of subproject activities and associated works. The ESMP will include a detailed dam safety plan (DSP), comprising: (i) a plan for construction supervision and quality assurance; (ii) an instrumentation plan; (iii) an operation and maintenance plan; and (iv) an emergency preparedness plan, all of which should be consulted upon, publicly disclosed, reviewed, and approved by qualified engineers in accordance with GIIP and in manner acceptable to the Bank. The ESMF also include guidance for the preparation of Emergency Response

Feb 27, 2022 Page 14 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

Plans (ERP) which shall be used to prepare ERP as part of the subproject's ESMPs and C-ESMPs in a manner consistent with the ESS2; ESS3 and ESS4. The ERP will identify the risks and implement measures to address emergency events, including a training program for contractors to implement the plan. Likewise, the ESCP contains provisions to ensure that FCMU engages experienced and competent professionals for the supervision of the design and construction of Sendi dam, as well as to adopt and implement dam safety measures during the design, bid tendering, construction, operation, and maintenance of the Sendi dam and ancillary facilities.

To address risks and impacts of traffic and road safety, the ESMF included guidance to develop and implement a site-specific traffic management plan (TSMP) that will form part of the subproject ESMP and C-ESMP with details on traffic volume, routes, and time of travel. On the other hand, the reconstruction works for Sendi dam project are likely to attract influx of direct, contracted labor and community workers. The FCMU shall require Contractor to prepare and implement site specific labour influx management plan and community health management plan consistent with ESS4 and in manner acceptable to the Association. These provisions were also included in the project's ESMF and ESCP. As with many construction projects, the project may result in an influx of workers and contractors from outside of the community which may result in conflict situations and potential health issues. Influx of workers, including contracted workers or job seekers, could add to the potential introduction and spread of communicable diseases and COVID-19 within the community if not managed.

A preliminary sexual exploitation and abuse/sexual harassment (SEA/SH) risk assessment has been conducted, and the risk rating has been assessed as substantial – particularly as it is envisaged that there will be project interventions involving civil works in rural and remote areas. Measures designed to manage potential SEA/SH risks in line with the risk level are outlined in the E&S documents developed for this project (e.g., ESMF, LMP, SEP, and IPPF), and a SEA/SH Action Plan will be developed and implemented by Effectiveness, building upon the experience of the PDISA2 project in implementing SEA/SH measures.

No security personnel are currently planned to be deployed to the project areas. But, if required, the FCMU will prepare, adopt, and implement a stand-alone Security Personnel Management Plan (SPMP) consistent with the requirements of ESS4, in a manner acceptable to the Bank. Any security personnel engaged by the project will be provided suitable training and sensitization according to national law and GIIP, and codes of conduct shall apply for such personnel.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant to this project. Civil works relating to the rehabilitation or expansion of water supply infrastructure may involve land take or restrictions to access/use of specific land areas. As the exact project sites are yet to be identified, the affected areas or nature of land take required are not yet known. A Resettlement Policy Framework (RPF) discussing the anticipated displacement impacts of the project and outlining the principles for conducting any land acquisition or resettlement activities (where avoidance is not feasible) in accordance with ESS5 has been developed and provides guidance for the development of site-specific Resettlement Action Plans (RAPs) during project implementation which shall be implemented to mitigate impacts prior to the commencement of civil works. It is anticipated that most impacts will be temporary, localized, and of low magnitude – relating primarily to economic displacement due to construction activity and/or temporary or permanent loss of access to specific areas. Compensation measures relating to any temporary or permanent loss of livelihoods (or access to areas used for

Feb 27, 2022 Page 15 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

economic activities), including replacement value compensation of crops or other economic assets, shall be implemented prior to the commencement of any construction activities and in line with the principles outlined in ESS5 and the RPF.

Given that the footprint of the Sendi Dam reconstruction is already known, it is thus determined that the interventions will be limited to sites already occupied by the previous dam structure and/or within its facilities. A recent Bank assessment also indicated that no encroachment of any kind as occurred after the Sendi dam collapse in 2019 Therefore, the reconstruction of the Sendi dam is not expected to lead to the acquisition of land and/or private properties or restriction to livelihoods access. In addition, the screening tool in the ESMF contains measures to avoid restriction of access to land or use of communities' resources.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is considered relevant to the project. At this stage, the locations of the sub-level projects, and the nature of biodiversity and its sensitivity within each project area, are not yet fully known, with exception for Sendi Dam which is located is in the Municipality of Quipungo, Huila Province. An assessment using the IBAT tool did not indicate presence of Important Bird and Biodiversity Areas (IBA) or Alliance for Zero Extinction Sites (AZEs) near the Sendi dam site, with exception of the Bicuar National Park, which is located about 67 km away of the dam. While the reconstruction of the dam is expected to maintain its original technical characteristics, mainly the storage capacity and flooded area, as such anticipated environmental risks and impacts on sensitive biodiversity are not expected to be significant or unprecedented.

Nonetheless, the ESMF makes provisions for the exclusion of these known areas. On the other, activities related with water abstraction will likely be implemented near or within sensitive riparian ecosystems. This will be cleared during sub-project screening at project implementation. Likewise, the ESMF also included provisions for the exclusion of any sensitive or protected areas for the implementation of any sub-projects.

Construction and expansion activities planned under Components 1 and 2, including Sendi Dam Reconstruction, are likely to include site clearance for construction purposes, the establishment of the contractor's camp, material laydown area and earth works consisting of excavations and trenching which may lead to potential habitat degradation and soil disturbance leading to the introduction of alien and invasive plant species and degradation of sensitive ecosystems. The rehabilitation of infrastructure is less likely to have an impact on any sensitive biodiversity as it will take place within existing facilities but is expected to include some degree of earth works to replace existing pipeline supply and therefore the site clearance and soil disturbance is likely to result in the establishment of alien and invasive plant species.

Communities living in rural areas rely heavily on natural resources, which are largely exploited using rudimentary technologies and practices. The use of natural resources in livelihood strategies is not limited to agriculture, other natural resources are collected, processed and/or marketed by many families, either as a predominant activity or as part of a diversified portfolio of livelihood strategies. Forests provide a range of resources central to peoples' livelihoods.

If the Project activities result in any proposed restrictions to existing land or natural resource uses which could cause livelihood impacts, or which would restrict local community access to provisioning ecosystem services, these will be

Feb 27, 2022 Page 16 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

identified, during the screening and adequate mitigation and management measures will be included in the site-specific ESMPs. The ESMF include criteria and procedures to allow for screening of any sensitive ecosystems and services; and make provisions for the exclusion of areas of important biodiversity or sensitivities, during sub-project site selection phase, to ensure that the investments are designed and implemented in ways that ensure avoidance of impacts to protected or sensitive areas or critical habitats, if any.

Generation of erosive processes due to site cleaning and removal of vegetation, earthworks (cuts, embankments, and material handling), excavation for material extraction, winds and precipitation, type of soils has been identified as risks that could stem from the proposed project activities. Likely impacts will include reduced soil quality and reduced water retention capacity of eroded soils, interference with riparian ecosystems and sedimentation leading to reduced surface water quality, sediment runoff and reduced harvest areas and loss and fragmentation of habitats. The measures outlined in the ESMF seek to avoid, minimize, mitigate, and compensate likely environmental risks during the execution and implementation of the project.

The ESMF was deliberately prepared to include guidance to prepare sub-level project ESMP and contractors C-ESMP that shall be disclosed, consulted upon, adopted, and implemented throughout project implementation. The ESMF also contains E&S screening procedures to identify risks. Adequate mitigation and E&S risk management measures shall be included in site specific ESIA/ESMPs, C-ESMPs and in accordance with ESS6 requirements and in a manner acceptable to the Association. Where significant risk and adverse impacts on biodiversity have been identified, a Biodiversity Management Plan should be developed, disclosed, and implemented in accordance with ESS6 and in manner acceptable to the Bank.

For Sendi Dam reconstruction, a site-specific ESMP shall be prepared, adopt, and implemented as well as Biodiversity Management Plan (BMP) including measures to address impacts on its ancillary structures, the catchment area, the area surrounding the reservoir, and downstream areas in manner consistent with ESS6 and acceptable to the Bank.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is relevant in this project. Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local (IP/SSAHUTL) communities meeting ESS7 criteria – such as the San (! Xun and Khwe), Mukwisi, Ovahimba, Ovatwa – are present within rural areas and in some settlements in the provinces of southern Angola. Special arrangements are being made for the project to engage with and assist such IP/SSAHUTL populations through culturally appropriate methods and involvement of relevant organizations. An Indigenous Peoples' Planning Framework (IPPF) has been developed and consulted amongst IP/SSAHUTL communities in southern Angola during project preparation and is a precursor to the development of Indigenous Peoples' Plans (IPPs) during project implementation and include sociocultural assessment sections, to better understand underserved traditional local communities and how they will be consulted and included as beneficiaries in specific project interventions (e.g., installation of rural water points). A grievance redress mechanism that is culturally appropriate and accessible to these groups will be developed and implemented during project implementation, in line with the SEP and IPPF. As the project is likely to involve interventions on natural resources (water resources) and temporary or permanent displacement, it will need to be established early on whether any negative project impacts on natural resources under customary use are anticipated and whether this would trigger a requirement to obtain Free, Prior and Informed Consent (FPIC). Due to the nature and scope of the potential interventions, it is unlikely that FPIC will be required. However, the IPPF contains relevant

Feb 27, 2022 Page 17 of 20



Climate Resilience and Water Security in Angola-RECLIMA (P177004)

guidance (to be made more detailed in IPP/s) should activities requiring FPIC be identified during project implementation.

ESS8 Cultural Heritage

ESS8 is considered relevant. The project will not finance activities that will affect legally protected cultural heritage areas. The investments include aspects such as site clearing, and earth works that could have an impact on tangible and intangible cultural heritage features located within the project footprint and underground. The project includes the rehabilitation of existing water and sanitation infrastructure, under Component 1 and 2, which is not likely to have an impact on any tangible or intangible cultural heritage as it will be within existing facilities and within existing right-of-way. The Sendi Dam Reconstruction also is not expected to have impact on tangible or intangible culture heritage as it will be reconstructed on the same location where the dam already existed. As the mostly locations of the project, and the likelihood of occurrence of cultural heritages features are not yet known. A cultural heritage screening template for contractors is included on the ESMF and shall be approved by the Association.

If necessary, subproject's level ESIA/ESMP and C-ESMP shall include "chance find" procedures. The "Chance find" procedures consistent with ESS8 will form part of the sub-project specific ESMP and it is a procedure which will be followed if previously unknown cultural heritage is encountered during project activities. The "chance finds" procedures will set out how chance finds associated with the project will be managed. In addition, the subproject level ESIA/ESMPs will also identify and assess, to the extent appropriate, the potential environmental and social risks and impacts within the scope of ESS8 of any Associated Facilities as defined under the ESF in a manner proportionate to its control or influence over the Associated Facilities to enable the project to achieve objectives materially consistent with the ESSs.

ESS9 Financial Intermediaries

This ESS is not relevant as the project is not a financial intermediary operation.

B.3 Other Relevant Project Risks

There are likely substantial environmental and social risks and impacts associated with the proposed reconstruction works of Sendi dam in Huila Province. However, such risks and impacts are not expected to be of large in scale or unprecedented. The risks and impacts are mostly predicted to be temporary in nature, predictable and reversible. Nonetheless, there are also potential direct, indirect and cumulative impacts upstream and downstream of the Sendi Dam that may lead to deterioration of water quality and quantity due sedimentation, soil erosion, lubricant spillages, multiple water supply abstraction, labour influx, including substantial risks associated to the integrity of the infrastructure due to natural hazards. during construction and operation phases.

Moreover, a recent WB assessment around the proposed site indicates that no encroachment of any kind as occurred after the Sendi dam collapse in 2019, therefore, this activity is not expected to lead to acquisition of land, private properties or restriction to livelihoods access or to affect areas of important Bird and Biodiversity Areas (IBAs) or Alliance for Zero Extinction Sites (AZEs).

The borrower developed and disclosed E&S instruments containing provisions to ensure that experienced and competent professionals for the supervision of the design and construction of Sendi dam, as well as to adopt and

Feb 27, 2022 Page 18 of 20

implement dam safety measures during the design, bid tendering, construction, operation, and maintenance of the Sendi dam and ancillary facilities.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

Yes

Accordingly, WB's Operational Policy - Projects on International Waterways (OP 7.50) is triggered and a notification letter presenting an indicative map of the intervention areas will be submitted to the Governments of Zambia and Botswana. Notifications are being prepared.

OP 7.60 Projects in Disputed Areas

No

B.3. Reliance on Borrower's policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where "Use of Borrower Framework" is being considered:

Use of the borrower framework is not considered for this operation.

IV. CONTACT POINTS

Nor	ld E	3ank
-----	------	------

Contact:	Aleix Serrat Capdevila	Title:	Sr Water Resources Mgmt. Spec.
Telephone No:	5340+3012 / -202-473-4592	Email:	aserratcapdevila@worldbank.org
Contact:	Marco Antonio Aguero	Title:	Senior Water Supply and Sanitation Specialist
Telephone No:	5220+245	Email:	maguero@worldbank.org
Contact:	Berta Adelaide Da Silva Macheve	Title:	Water Supply and Sanitation Specialist
Telephone No:	+1-202-458-9196	Email:	bmacheve@worldbank.org

Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: Ministry of Energy and Water

Feb 27, 2022 Page 19 of 20

V. FOR MORE INFORMATION CONTACT

The World Bank 1818 H Street, NW Washington, D.C. 20433 Telephone: (202) 473-1000

Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s): Aleix Serrat Capdevila, Marco Antonio Aguero, Berta Adelaide Da Silva Macheve

Practice Manager (ENR/Social) David Seth Warren Cleared on 26-Feb-2022 at 09:32:50 GMT-05:00

Safeguards Advisor ESSA Peter Leonard (SAESSA) Concurred on 27-Feb-2022 at 02:39:40 GMT-05:00

Feb 27, 2022 Page 20 of 20