



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 03/13/2023 | Report No: ESRSA02627



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
El Salvador	LATIN AMERICA AND CARIBBEAN	P178734	
Project Name	El Salvador Water Sector Resilience Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Water	Investment Project Financing	3/7/2023	4/27/2023
Borrower(s)	Implementing Agency(ies)		
Republic of El Salvador	Administración Nacional de Acueductos y Alcantarillados		

Proposed Development Objective

The proposed Project Development Objective (PDO) is to improve the quality, reliability, and efficiency of water supply services in selected areas of El Salvador, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

Financing (in USD Million)	Amount
Total Project Cost	100.00

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 US\$100 million Water Sector Resilience Project will be the first World Bank water supply and sanitation operation in El Salvador. Upon Government request, the Project’s physical interventions will focus on improving the quality and efficiency of water supply services in the Metropolitan Area of San Salvador (MASS), which houses about 30 percent of the country’s population. Through these improvements, the Project intends to enhance the beneficiaries’ resilience to climate change-exacerbated droughts, storms, and floods and to reduce greenhouse gas emissions. The proposed Project will support the implementation of priority no-regret actions identified in ANDA’s



recently adopted Business Plan, while developing planning instruments for longer-term resilience and sustainability of services.

Component 1: Improve the quality and efficiency of water service provision in selected areas of El Salvador (US\$80 million). 21. This component will increase the quality and efficiency of water services by financing works, goods, and services aimed at improving the resilience of water supply infrastructure and water service delivery for the at-risk and underserved population in the urban and peri-urban areas of San Salvador. The investments will make the target population less vulnerable to climate-induced drought and water shortages by encouraging rational use of water and enhancing water availability through reduced physical water losses and improved continuity of water services, leading to more efficient use of limited water resources. The Project will also increase the resilience of water services to droughts, storms, and floods by considering climate hazards in infrastructure design and rehabilitation, as informed by the Bank's Resilient Water Infrastructure Design Brief, and improving the reliability of water services. This component will finance the implementation of a comprehensive non-revenue water reduction program targeting physical and commercial losses in the area of influence of the Torogoz water supply system, as well as the rehabilitation of existing power supply lines and installing redundant electrical interconnections to assure energy supply to critical bulk water infrastructure in the Torogoz water supply system. This component will also support the design and implementation of an energy efficiency program in the area of influence of the Torogoz water supply system, which will improve the efficiency of energy use and reduce greenhouse gas emissions. Additionally, this component will finance the acquisition of equipment, technical assistance, and training on asset management; predictive, preventive, and corrective maintenance programs; automation; system operation and maintenance for efficiency optimization, and telecontrol systems (SCADA) that contribute to the rapid identification and repair of failures in the Torogoz system, including in response to climate-induced storms and floods.

Component 2: Modernize utility management and strengthen planning to improve resilience to climate risks (US\$15.75 million). To increase resilience to the identified climate hazards, Component 2 will support ANDA in its modernization process which includes implementing a new institutional structure (including a unit dedicated to non-revenue water reduction), simplifying internal processes for operational and commercial management, and support in the areas of human resource management, and digitalization (through new and/or upgraded technical, operational, administrative and commercial information systems that will be key to further develop a data-driven culture at ANDA), as well as developing key planning instruments for the provision of climate resilient water supply and sanitation services and preparing the utility for a green, resilient and inclusive future.

Activities financed under Component 2 include: (i) preparation of master plans for water supply and sanitation for the cities of San Miguel and Santa Ana and (ii) development of risk profiles and contingency plans for climate events and emergencies for ANDA's priority water supply and wastewater systems. These planning instruments will improve the resilience of communities in the target areas and improve the resilience of water supply and sanitation systems by considering the impact of climate change on the intensity and frequency of climate hazards (including droughts, storms, and floods) and on the future quality and quantity of available water resources, as well as by incorporating the principles of decision making under uncertainty and circular economy and prioritizing the use of renewable energy where technically and economically feasible.

Component 2 will also finance technical assistance to strengthen ANDA's institutional capacity for climate adaptation and mitigation, including by enhancing ANDA's responsiveness, efficiency, professionalism, citizen engagement, and inclusion to improve the operations and maintenance of water supply networks and ANDA's ability to quickly respond



to and recover from climate-related hazards such as droughts, storms, and floods. The component will further support ANDA's commercial and community engagement units on improving citizen engagement and the gender unit and human resources department to increase gender equity in the workplace. Specifically, to increase women's representation in the water sector, the Project will finance activities including gender sensitivity and bias trainings, technical and operational trainings that include female staff, and selected actions from the recommendations of a gender study (to be developed with financing from the IADB) that are aligned with improving women's inclusion in the labor force.

Component 2 will further finance a tariff study that will propose a roadmap to gradually minimize the distortions found in the current tariff structure, promote rational use of water, and better target subsidies. The tariff study will ensure that the proposed tariffs are guided by the principles of financial sustainability, economic efficiency, equity, and simplicity.

Component 3: Project management (US\$4 million). This component will provide project management support including financing of operating costs, technical assistance for capacity building, technical support, support towards the implementation of the Environmental and Social Framework as well as the Environmental and Social Commitment Plan, the preparation of progress reports, and independent audits, as well as support on Project financial, procurement, environmental, and social management, as needed.

Component 4: Contingency Emergency Response Component (CERC) (US\$0). This component will support potential disaster recovery needs by providing immediate response to an eligible crisis or emergency, as needed.

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 Togoroz water treatment plant (WTP) located in San Pablo Tacachico, La Libertad was rehabilitated and modernized in 2021, with the installation of 29 new motors and 24 filters, completely renewing the drinking water treatment process at the intake and the entire production line works at 100 percent of its capacity benefiting 1.5 million citizens of the Metropolitan Area of San Salvador (MASS). The area of influence of the Torogoz water supply system includes the distribution network from the Torogoz Water Treatment Plant (which covers 40 percent of the population in the MASS), as well as the geographically dispersed traditional systems (wells) that interconnect with the Torogoz distribution network. The area of intervention of the Project spans the 6 municipalities (San Salvador, Apopa, Ciudad Delgado, Cuscatancingo, Ayutuxstepeque, and Mejicanos) where physical investments will be made in reducing non-revenue water and improving energy efficiency.

In addition, technical assistance (TA) activities under Component 2 aim to develop key planning instruments for the provision of resilient water supply and sanitation services and include the cities of San Miguel and Santa Ana. These localities differ substantially in terms of their socioeconomic and demographic indicators, which requires implementing differentiated approaches for having meaningful consultations with service users throughout implementation.

The Department of San Salvador located in the West central part of the country is the capital and the largest city in the country. It is characterized by a tropical wet and dry climate with several different mountains and volcanos. The



MASS is in the Boquerón Volcano Valley, a region of high seismic activity and highly susceptible to severe impacts of natural disasters such as floods, droughts, cyclones, landslides, earthquakes, volcanos, wildfires, and extreme heat. San Salvador has small streams running down from Lake Ilopango (located on the borders of San Salvador, La Paz, and Cuscatlán departments), and a few old aqueduct systems, but the municipality itself has no major bodies of water. The Nejapa aquifer serves as the water source for the majority of MASS, and water quality and supply are deficient. El Salvador has been categorized as the most water-stressed nation in Central America with more than 90% of surface water resources contaminated.

During preparation, the stakeholder engagement plan (SEP) considered specific needs of vulnerable populations that may be disproportionately benefitted or affected by improvements in the water service, reduction of commercial losses, and participation in emergency response plans. The SEP identifies the following vulnerable and disadvantaged groups that might be affected by the project: (i) elderly populations; (ii) poor urban households living in slums and highly exposed to crime and violence, flooding, and environmental risks; (iii) persons with disability (PwD); (iv) girls and women head of households; (v) children and adolescents; and (vi) LGBTI populations. The SEP identifies that these groups, despite national laws, have substantially lower access to water and sanitation than that the general population.

The Special Law for the Inclusion of PwD was approved in 2020 and the Municipal Code sets guidelines to ensure universal access to infrastructure, transport, and public services including water and sanitation. However, gaps in services, including water and sanitation services, remain. According to the World Bank, 13.7 percent of households nationwide have at least one person with disability. Of these, only 41.8 percent of households with persons with disabilities have access to basic sewerage (versus 47 percent of the overall population) do not have access to safe water and sanitation in El Salvador, and an estimated 41.7 percent of these live in urban slums.

In urban areas, multidimensional poverty rate among households with at least one person with disabilities is 37.5 percent versus 29.3 percent among households without disabilities. Further, proximity to improved water and sanitation services and solid waste collection has direct impacts on mortality rates and economic productivity. For example, targeted investment in water and sanitation has demonstrable effects in improving literacy and incomes while reducing household health care expenditures. Civil works may require working in marginalized communities, municipal marketplaces, and other public buildings in municipalities like Nejapa, Ayutuxtepeque, Apopa, San Salvador, San Martín, Soyapango, Ciudad Delgado, Mejicanos, Panchimalco, and Ilopango, which have a high prevalence of households living in slums (approximately 29 percent), as well as in areas which may experience high levels of crime and violence.

D. 2. Borrower's Institutional Capacity

The project will be implemented by ANDA. ANDA has established a Project Management Unit (PMU) and has already appointed environmental and social specialists in the PMU who will be responsible for the implementation of the project according to the requirements of the ESF and the E&S instruments. This may include reviewing subproject proposals, conducting screening, preparing subproject instruments or ensuring they are prepared by consultants or contractors, as well as monitoring the implementation of the E&S instruments and subproject instruments as general, as well as overseeing GRM complaints related to the project processed through ANDA's existing #915 system, all in line with the ESSs and approved E&S documents. While ANDA has not previously worked with the ESF, the environmental and social specialists that will work on the project have already been appointed and they have received training and close support from the Bank. In addition, project management funds are available to hire



additional environmental and social consultants as needed based on the need related to the preparation and implementation of subprojects. This environmental and social personnel will form the Environmental and Social Management Team (EGAS in Spanish), these requirements will be set out in the Project’s Environmental and Social Commitment Plan (ESCP).

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

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The environmental risk rating for the Project is considered moderate at this stage, given that the scope of the expected investments will be limited to rehabilitation works within existing footprints. Based on available information, the Project will finance civil works for the rehabilitation and replacement of pipes and water connections, and power supply lines. Other investments will include the implementation of micro and macro metering, installation of redundant electrical interconnections, and acquisition of equipment for water quality monitoring, and tele control systems in the Torogoz system. Technical Assistance (TA) activities will focus on developing instruments for resilient water supply and sanitation services, including the preparation of master plans for water supply and sanitation, and contingency plans for emergencies. The terms of reference (TOR) for all TA activities will be reviewed to anticipate E&S risks. Potential environmental risks and impacts related to the civil works for the rehabilitation activities are expected to be site-specific, short-term, and effectively avoided, minimized, or mitigated subject to the establishment of proper E&S measures. Key environmental risks and impacts include (i) generation of solid waste, hazardous and non-hazardous, from residual construction materials, potentially including removing old asbestos-cement water or sewage pipes; (ii) nuisance related to dust generation, vibration, and noise; (iii) temporary disruptions to local traffic during the construction phase; and (iv) health and safety risks to the project workforce and local communities. Exposure and vulnerability to natural disasters in the project area may result in direct or indirect impacts on the work sites and/or surrounding areas. ESS1 below includes detailed information on the proposed E&S instruments to manage and mitigate these risks and impacts. The exact location and scale of the proposed civil works will be determined during implementation, and the risk rating may be increased or decreased proportionately if deemed necessary. The Project does not include the construction of new dams and/or rehabilitation of and/or intervention in existing dams.

Social Risk Rating

Substantial

With the information available at Appraisal stage and given that the specific locations of the infrastructure interventions are not yet known, the social risk classification is Substantial. The Project is expected to generate positive social impacts from better quality and availability of water supply services, as well as improved commercial management and citizen engagement in ANDA. Social risks of the Project may include (i) disproportionate impacts on vulnerable individuals or groups resulting from project-supported reduction of commercial losses, for example through increased economic burdens for those who benefit from illegal water connections; (ii) risks related to civil works, including temporary disruptions to water service, traffic, noise, dust, and occupational and community health and safety; (iii) potential limited land acquisition or access restrictions resulting in small-scale involuntary resettlement; (iv) opposition from individuals or groups currently benefitting from illegal water connections resulting in escalation of social conflict; (v) crime and violence in the project area, which may constitute a barrier to stakeholder engagement and a risk for contractors and workers; and (vi) risk of exclusion or perpetuation of exclusion

Public Disclosure



of vulnerable groups resulting from the development or improvement of commercial management; from citizen engagement and community outreach activities, as well as resulting from the development of new master plans for water supply and sanitation, and contingency plans for emergencies and climate events. While ANDA has not worked with the ESF before, a social specialist has been appointed and borrower capacity has been strengthened throughout preparation through trainings and discussions with Bank specialists and this will continue throughout project implementation. In addition, funds are available as part of the project management component for hiring additional E&S personnel as needed.

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:

This Standard is relevant. Component 1 aims to improve the efficiency of ANDA's provision of water services in the MASS and will include construction works, acquisition of equipment, and institutional strengthening activities. Civil works will include supply and installation and replacement of meters and accessories, rehabilitation works within existing footprints for the rehabilitation and replacement of pipes and water connections and pressure control, rehabilitation of existing power supply lines, and installation of redundant electrical interconnections. This component also includes the creation of a permanent non-revenue water monitoring unit in ANDA, as well as the acquisition of equipment, technical assistance, and training. Component 2 will support institutional strengthening through simplification of internal processes for operational and commercial management, support in the areas of human resource management. Activities under this Component also involve TA assistance for the development of key planning instruments (e.g., master plans) for the provision of resilient water supply and sanitation services.

The specific location and design of the investments is not known during project preparation. For this reason, ANDA has developed a draft Environmental and Social Management Framework (ESMF) for the project in line with the Environmental and Social Framework (ESF) and the World Bank Group (WBG) Environment, Health and Safety (EHS) Guidelines. The draft ESMF includes, inter alia: (i) identification of applicable national legislation; (ii) a general environmental and social assessment (ESA), including an E&S characterization of the project area, and the identification and evaluation of positive and negative, direct and indirect E&S risks and impacts related to project activities; (iii) generic E&S mitigation measures in accordance to the mitigation hierarchy; (iv) implementation arrangements (including monitoring, supervision, and reporting) during the design, construction and operational phases, based on the information available during preparation; and (v) a preliminary budget for E&S related activities and measures. The ESMF requires E&S screening and classification of subprojects, as well as the development, consultation with local communities, approval and disclosure, of site-specific ESMPs or Environmental and Social Impact Assessment (ESIA), as deemed applicable, before the start of works in each subproject. The ESMF includes generic E&S risk management procedures in line with the WBG's ESF and the WBG's EHS Guidelines, that can be quickly and easily adapted and tailored to specific subprojects and incorporated into site-specific ESMPs and bid documents, as relevant. These E&S procedures cover ESHS aspects, such as (i) risk management of diverse construction impacts; (ii) occupational and community health and safety hazards; (iii) COVID-19 transmission prevention and response; (iv) hazardous materials management; and (v) Chance Finds Procedures for the rehabilitation works. The draft ESMF includes a preliminary natural disaster risk assessment tailored to the project



site and the areas close in proximity. ANDA will be ultimately responsible of ensuring requirements related to site-specific ESMPs are met. If necessary, the specific roles and responsibilities for E&S management in the ESMF will be updated as implementation arrangements and procurement approaches are further refined.

The social portion of the ESA within the ESMF provides a characterization of groups in the municipalities in the project area who may be affected or benefitted by the project’s infrastructure investments as well as activities related to the improvement of ANDA’s internal procedures, customer/commercial management, citizen engagement and technical assistance activities. This characterization identifies vulnerable groups who may be disproportionately affected or who may benefit from proactive social inclusion measures in project activities. Identified vulnerable groups include: (i) elderly populations; (ii) poor urban households living in slums and highly exposed to crime and violence, flooding, and environmental risks; (iii) PwD; (iv) girls and women head of households; (v) children and adolescents; and (vi) LGBTI populations.

The risk analysis in the ESA considers the risks described in the risk section above, including those related to, impacts on households and businesses resulting from reduction of commercial losses, the impact of crime and violence as well construction risks and impacts including related to land use, land acquisition, and involuntary resettlement. The analysis develops generic mitigation measures and recommendations for project design to address the risks also considers opportunities for greater inclusion of vulnerable or disadvantaged groups. These measures include: (i) house visits and consultation events in nearby and accessible locations and schedules for the elderly and women head of households; (ii) outreach to community leaders in urban slums affected by the project; (iii) consultations with civil society organizations representing PwD; (iv) and inclusion of LGBTI community leaders and citizens throughout project implementation.

The draft ESMF was disclosed both in-country and on the Bank’s website by Appraisal, in addition to the draft Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), and Resettlement Policy Framework (RPF). Feedback will be sought on the draft instruments from stakeholders that participated or were invited to the consultations carried out during preparation, and such feedback will be incorporated in the final versions, to be disclosed within 60 days after the Project Effective Date. The final versions will also include updated implementation arrangements, responsibilities, and management tools, as well as any additional feedback received from stakeholders that participated or were invited to the consultation process during project preparation.

The Borrower and the Bank also prepared and disclosed Environmental and Social Commitment Plan (ESCP) by appraisal. The ESCP includes all necessary measures that the project will need to address during implementation in relation to all E&S instruments and in compliance with the ESF, as well as monitoring and reporting arrangements during project implementation

Component 1 will include technical assistance (TA) activities to strengthen ANDAS’s institutional capacity to lead the permanent program for the reduction and monitoring of non-revenue water initially in the MASS and then at the country level. In addition, Component 2 includes the development of planning instruments for the provision of resilient water supply and sanitation services. The requirements set out in paragraphs 14–18 of ESS1 will be applied to TA activities as relevant and appropriate to the nature of the risks and impacts. As described in the draft ESMF, the terms of reference (TOR) for all TA activities will be reviewed to include E&S aspects, and related outputs will be reviewed as needed to ensure consistency with the ESF prior to completion. The ESMF describes some risks that need



to be considered in these TOR, so they are properly considered in the development of planning instruments, including the risk of exclusion or further marginalization of vulnerable groups in the provision of water and sanitation services, risks related to land acquisition and involuntary resettlement from new planned investments, risks related to construction activities, among others. According to the ESMF, the TORs must also include a consultation strategy for the development of the planning instruments, in line with the objectives of ESS10. Component 3 is related to project management, and no E&S risks are anticipated from these activities.

Under Component 4, the Project will include a Contingent Emergency Response Component (CERC). The Borrower (with the Bank's support) will use the CERC Operation Manual already adopted by the country for other operations which already describe the potential emergencies and the types of activities likely to be financed, list the monitoring, capacity building measures that may be required, and institutional arrangements in place in case the CERC is activated. The CERC Manual will be required to be implemented if the component is activated and will follow the Bank's CERC Guidance (Oct 2017). The draft ESMF includes a section describing the E&S aspects of the Contingency Emergency Response establishing that its activities will need to comply with the same environmental and social requirements applicable to non-CERC activities.

ESS10 Stakeholder Engagement and Information Disclosure

The PMU prepared and disclosed a stakeholder analysis and Stakeholder Engagement Plan (SEP) informed by consultations carried out during project preparation by project Appraisal to map out the various stakeholders and develop a strategy on how to engage with them, share project information, mitigate potential social conflicts and/or misperceptions about project impacts and benefits and solicit feedback on the project. The SEP outlines (i) who the key stakeholders are; (ii) how they are to be engaged; (iii) how feedback will be solicited, recorded and monitored over the project; (iv) who will be charged/responsible with this engagement; (v) timeline for this engagement, and (vi) budget for implementation of the plan.

The project will rely on ANDA's existing #915 customer service line as the main project Grievance Redress Mechanism (GRM). Work orders are registered in a central #915 system, and redirected to their relevant local branches, where technical staff is designated for each case. The system allows for confidential complaints and will be strengthened to include an anonymous mechanism. The appealation procedures are documented in the #915's operational manuals. The #915 system operates through a call center free to the public from Monday to Friday from 8:00am to 4:00pm and Saturdays from 8:00am to 12:00pm. Users can also submit grievances and information requests through WhatsApp line 7838-1462, Twitter (@ANDASV) and ANDA's Facebook page (<https://www.facebook.com/andasvoficial/>). ANDA also has local branches in four regions: Metropolitan, Central, Western, and Eastern that are open on weekdays from 8:00am to 4:00pm. Only the local branches located in the Metropolitan and Central region open on Saturdays.

During project preparation, consultations were carried out between October 21, 2022, and November 17, 2022, in three rounds: (i) a technical consultation with experts and institutional stakeholders; (ii) a consultation with local communities in one of the municipalities expected to be impacted by the project (selected randomly and with participation of authorities from the other municipalities), and (iii) a public consultation with larger participation from civil society. Stakeholders participating in consultation generally agreed with the project's objectives and activities. As a result of the comments and feedback received during these consultations, ANDA agreed to maintain an open



dialogue with stakeholders through a technical roundtable with experts and institutional actors. This roundtable will serve as a platform to help raise and address potential bottlenecks that may come up during project implementation. Other issues raised include requests for service provision improvements, for ANDA to address potable water leaks urgently, considering that existing pipes are obsolete and need replacement as have been in place over their lifespan, and action regarding illegal connections, all issues which are line with the objectives of the project. The draft SEP includes a detailed description of each of the consultations, the feedback received, including specific feedback from vulnerable group organizations, and how it has been answered by ANDA and considered in the project, or why it cannot be considered. Consultations with experts, local community leaders, and civil society will continue during project implementation as the location of investments is defined.

The SEP describes the consultations held to identify specific issues and contextual factors affecting male and female stakeholders. The project will ensure to engage beneficiaries and other stakeholders (including the implementing agencies) in gender-sensitive project design and implementation to build skills and knowledge for gender-sensitive water services and resource management.

The final version of the SEP with updated implementation arrangements, responsibilities, and management tools, as well as any additional feedback received from stakeholders that participated or were invited to the consultation process during project preparation will be disclosed within 60 days of the Project Effective Date.

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

This standard is relevant. The project will be implemented by a mixture of government officials, consultants, and contractors, including specialized personnel and laborers for different aspects of project implementation. The project will therefore include direct workers, contracted workers, and potentially community workers. The involvement of community labor or primary suppliers will be assessed during project implementation. Community labor is expected to be limited to the implementation of the SEP, organization and logistics for consultations, and ongoing dialogue and local roundtables between ANDA users, contractors, labor unions, and workers. At this stage of the project, it is uncertain, given the lack of detail about the location and scope of project interventions, whether there would be labor influx or workers will come from the local area.

The draft LMP identifies the different types of workers and risks according to the activities they will be performing. Risks for project workers may include occupational health and safety risks from construction and rehabilitation activities, as well as risks related to work in areas with high levels of crime and violence. The draft LMP identifies the equipment, safety, and emergency protocols that are needed to protect the integrity of every different type of worker for activities related to Components 1 and 2, and such measures will also be adopted in subproject ESMPs and bidding documents. The project will not hire children under the age of 18 and will promote transparency in terms and conditions of employment, non-discrimination, and equal opportunity. The project will target workers aged between 19 and 59 years old, although El Salvador does not establish a maximum working age. In addition, the LMP includes a GRM specifically for project workers to ensure they have a mechanism in place for complaints and grievances. The



GRM will work through the 915 service lines and the online contact form (<https://www.anda.gob.sv/anda/index.php/contactenos>). Worker grievances will be managed separately from other project grievances as they will be directed to the Department of Human Resources, where they will be addressed. To ensure that the project promotes safe workspaces for women, and to avoid beneficiaries from become targets of sexual harassment and assault, the LMP includes a draft Code of Conduct, addressing respectful interaction with the community in general and SEA-SH in particular. This Code of Conduct will apply to project workers within the LMP and is consistent with the ESF and international good practices. Both the labor GRM as well as the overall project GRM will include specific procedures and train personnel, to register and refer potential complaints related to gender-based violence (GBV) or sexual exploitation and abuse (SEA).

In addition to identifying potential SEA/SH impacts, and establishing the proper mitigation and response mechanisms, the LMP applies the principle of equal opportunity and fair treatment in the employment of project workers, to avoid gender discrimination, and to promote women’s empowerment. The Borrower will ensure to provide appropriate measures of protection and assistance to address the vulnerabilities of project workers, including specific groups of workers such as women, people with disabilities, migrant workers (including potentially returnees), and young workers.

To ensure the health and safety of workers during the construction and implementation phases of the project, the Borrower developed and will implement operational health and safety (OHS) procedures in line with the WBG EHS Guidelines and Good International Industry Practice (GIIP) throughout project implementation. The OHS procedures are comprised as a section in the draft LMP and is part of the Project’s ESMF. The OHS procedures include procedures for the use of Personal Protective Equipment (PPE), incident/accident investigation and recording and reporting of non-conformances, emergency preparedness, and response procedures, and continuous training for workers. OHS hazards associated with the project activities may include among others: (i) working at height; (ii) slips, trips, and falls; (iii) material and manual handling; (iv) failure to use proper protective equipment; and (iv) exposure to hazardous substances. The final ESMF will also include a COVID -19 transmission prevention plan and an Emergency Response Procedure (ERP) with emergency prevention, preparedness, and response arrangements in the event of any social, labor related and/or natural disaster situation that could take place or evolve during project implementation. Bidding documents for all investments will include OHS requirements, a worker Code of Conduct, and requirements for other labor issues such as labor influx, non-discrimination, equal opportunity, and prevention of all forms of forced labor. The Borrower will be actively monitoring these processes throughout the project cycle to ensure adherence to the standard.

The Borrower prepared and both the Bank and the Borrower disclosed a draft LMP by Appraisal and will develop a final version incorporating any updated information regarding project processes, implementation arrangements and any relevant additional feedback from stakeholders will be disclosed within 60 days after the project effective date. The LMP will be implemented throughout project implementation.

ESS3 Resource Efficiency and Pollution Prevention and Management

This Standard is relevant as there are potential sources of pollution from the construction and operation of the project activities under Component 1. The draft ESMF includes generic mitigation measures for the anticipated types



of impacts and is in line with the WBG's General EHS Guidelines and industry specific EHS Guidelines, as well as national legislation standards. Detailed site-specific mitigation measures will be identified and included in subproject ESMPs or ESIA's that will be prepared during Project implementation. Some possible mitigation measures to be considered based on the available Project's information known to date include the following:

Vegetation and soil removal: may occur from construction activities for the rehabilitation and replacement of pipes and water connections. All construction material needed for the rehabilitation works (sand, stones, timber, etc.) will be obtained from licensed quarries and certified timber suppliers.

Waste Management: Construction waste will include mostly waste from excavated soil and debris and hazardous waste such as hydrocarbon oils from construction machinery and vehicles, as well as obsolete asbestos-cement water or sewage pipes. Any waste generated by construction activities will be disposed according to national regulations and international best practices.

Air emissions and noise: These may be generated during the construction phase from the use of heavy vehicles, machinery, and construction activities. However, based on the proposed project activities, these are expected to be controlled on-site. Nonetheless, all E&S instruments will consider mitigation measures, which may include dust suppression and vehicle maintenance, to minimize the impact of air emissions and to minimize and manage the noise levels, such as applying standard restrictions to hours of site work.

GHG emissions: As part of the project preparation, a GHG emissions accounting was carried out using a model informed by the World Bank's Water GP's GHG Accounting Tool. Over the life of the Project (25 years), the total gross emissions are 114,304 tCO₂-eq, which is a conservative analysis because it does not consider the carbon footprint derived from construction materials or transportation. On average, the net emissions of the Project are estimated at -68,034 tCO₂-eq over 25 years (or -2,721 tCO₂-eq annually) due to reductions in physical losses and improvements in energy efficiency. During project implementation and once more information becomes available, the environmental specialist of the PIU with the support of the Bank will revise and update the GHG estimation accordingly.

Resource Efficiency measures: The Project will invest in improving energy efficiency, which will translate in a more reliable water supply service provision. Recommended measures for energy, resource, and water efficiency are detailed in the draft ESMF to facilitate quick incorporation into project designs where feasible. Such measures will also be incorporated into the technical assistance activities under Component 2, as deemed appropriate.

ESS4 Community Health and Safety

This Standard is relevant given that all project activities may potentially expose communities to health and safety risks, especially if there are communities that are immediately close to the rehabilitation works and/or other relevant project sites. The presence of near-by communities will be confirmed during project implementation once the exact locations of the project construction activities are known. Some impacts from the rehabilitation works that may cause inconvenience to local communities may include air emissions, noise, smells, incremented amount of construction waste and hazardous materials, closure of roads, traffic disruptions, health, and safety hazards for the surrounding communities, including the potential spread of Covid-19, among others. Nuisances to local communities from the use



of construction machinery and vehicle movement during rehabilitation works causing disturbance to nearby homes is addressed in the draft ESMF through specific guidance, and subproject ESMPs or ESIAAs will include specific measures to reduce the impacts from these activities, including traffic management and other specific plans, as necessary, to ensure adherence to this Standard. The draft ESMF assesses and addresses natural disaster risks common in El Salvador to inform project investments contemplated under Components 1 and 2. Additionally, where technically and financially feasible, the concept of universal access will be applied in works under the project.

The Project will include activities for the implementation of a comprehensive non-revenue water reduction program in the area of influence of the Torogoz water supply system in the Metropolitan Area of San Salvador. The water supply of the Torogoz system relies on a gated intake structure system managed by ANDA that was constructed to stabilize the water level at the intake pumping station and has a small retention capacity (124,500 m³). All gates are opened on a frequent basis, (i.e., bi-weekly) to avoid accumulation of sediments near the water intake with no impacts observed downstream. The draft ESMF of the Project includes an assessment of the potential risks of failure of the gated water intake structure. This assessment confirmed that there is no or negligible risk of significant adverse impacts due to the potential failure of the gated structure to local communities and assets, including those proposed to be financed by the Project. Thus, according to paragraph 5 of ESS4 Annex 1, the project must have dam safety measures designed by qualified engineers and implemented in accordance with Good International Industry Practice. The Project will review the gated structure Operation and Maintenance Plans and the Torogoz water treatment plant's contingency emergency plans to incorporate the principles and guidelines of ESS4 and the World Bank Good Practice Note on Dam Safety and guidance as relevant.

Limited use of security forces by ANDA or contractors is possible during implementation of project activities to provide security for works. In the event that in-house or external security personnel are required to safeguard the security of the Project, its personnel or assets, the measures of the ESMF and/or the specific ESIAAs/ESMPs shall be implemented by ANDA or included in bidding documents and contracts, guided by the principles of proportionality and GIIP, and by applicable law, in relation to hiring, rules of conduct, training, equipping, and monitoring of such personnel. ANDA will also ensure the project GRM can identify and respond to complaints related to the presence of security forces, including the project's mechanisms related to EAS/SH complaints.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is relevant.

The project will involve civil works related to the provision of water services, as well as the rehabilitation or construction of electrical supply lines. While the government anticipates most of these works to be carried out in relation to existing public infrastructure, the specific location, and designs of the works as well as the potential impacts related to land use, are not yet known. It is possible that some of the project activities described above may cause temporary or permanent restrictions of access to land or cause involuntary physical or economic displacement, including of people who may be encroaching on public property. For this reason, ANDA has prepared a draft Resettlement Policy Framework (RPF).



The RPF has identified that rehabilitation activities under Component 1 are unlikely to require land acquisition or permanent physical relocation as they will be done within the existing infrastructure’s footprint and right of way. However, these works cause temporary relocations of informal businesses functioning within the right of way. Activities related to the construction of new electric supply lines may require limited land acquisition or the establishment of new easements rights with land use restrictions, as well as potential impacts on existing crops. A feasibility and alternatives study will be carried out to determine the precise location of these lines. Involuntary resettlement will be minimized and technically viable alternatives with the least possible impact will be sought from this feasibility and alternatives study, as described in the RPF.

In case involuntary resettlement cannot be feasibly avoided, the RPF requires the preparation of Resettlement Action Plans (RAPs), and also develops eligibility criteria for affected persons including owners and occupants and relating to new land acquisition and creation of new easements, as well as impacts on existing crops or structures. It also includes measures to compensate informal business that may be located in work sites. The RPF describes how compensation will be determined based on the principle of full replacement cost based on market rates, transaction costs, restitution of incomes, and resettlement assistance. The Borrower will secure the funds to implement the RAPs and compensation will not be paid from project funds. The Borrower will not resort to forced evictions of affected persons, as defined under ESS5.

The RPF also describes the process and responsibilities for RAPs, including how will be prepared, consulted with the affected parties, reviewed by the Bank, approved, and implemented, all in alignment with the subproject process to ensure they are included in technical files or bidding documents for works and fully implemented before any impacts take place. While the specific budget for compensation and resettlement assistance cannot be known at this stage, the RPF includes the commitment to ensure national funds are made available for the development and implementation of RAPs in the context of the project. Finally, the RPF describes that the project GRM will capture and respond to grievances related to involuntary resettlement.

A draft of the RPF was developed by the Borrower and disclosed by the Bank and the Borrower by appraisal. A final version of the RPF incorporating any updated information regarding project processes, implementation arrangements and any relevant additional feedback from stakeholders will be disclosed within 60 days after the project effective date.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This Standard is relevant. Project activities under Component 1 are not expected to have a negative impact on biodiversity, as these will not be located within or in the proximity of protected areas and their buffer zones, as well as forests and wetlands. Most of the infrastructure works under this Component will take place in urban areas within already existing infrastructure, while some activities may occur in rural areas in locations to be determined during project implementation. The draft ESMF provides guidance on biodiversity screening and mitigation measures to ensure that project activities do not alter or cause destruction or degradation of any critical or sensitive natural habitats, especially forests and wetlands outside these legally designated protected areas.



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

The standard is not relevant

Interventions under the project are expected to be limited to areas within the urban footprint of the MASS, and beneficiaries will include users in urban and peri-urban areas. While some Nahua Pipil communities are present in the MASS, specifically in the Toncotepeque Municipality, Bank screening carried out during preparation has determined that the project intervention area does not include this municipality or any municipalities where Indigenous Peoples have been identified. Technical assistance covered under the project for the Water and Sanitation Plans in San Miguel and Santa Ana are likely to only cover urban areas where no indigenous communities meeting the criteria of ESS7 have been identified either. In any case, the TORs for technical assistance under the project will include screening criteria to determine whether indigenous peoples (IPs) could be affected or benefitted and if so, guidelines for the inclusion of the elements of ESS7, including consultations with relevant communities, in the technical assistance products. As noted in ESS1 above, the Bank will review the final technical assistance products to ensure consistency with the ESSs.

Some project beneficiaries in urban areas may self-identify as indigenous even if they are not part of communities meeting the four criteria. Indigenous persons who have emigrated to cities may be considered vulnerable individuals under ESS1 and ESS10, and the Social Assessment and Stakeholder Engagement Plan includes measures to ensure any barriers to access to projects benefits or to the opportunity of participating in the project for vulnerable individuals are identified and addressed.

ESS8 Cultural Heritage

Although no construction works are anticipated within the Historical Center of San Salvador or any other cultural or historical monument, this standard is relevant since some of the rehabilitation activities will involve soil excavations. The draft ESMF includes general screening procedures for any known sites of cultural or historic importance and includes appropriate measures to avoid, minimize or mitigate impacts as necessary, as well as a broad chance finds procedure. Site-specific ESMPs or ESIAs, as applicable, will provide further details on Chance Finds Procedures for civil works to be carried out under the project. All construction contracts will also include a Chance Finds clause which will require contractors to take protective measures in case cultural heritage sites are discovered during construction. In addition, in case ANDA decides to replace water valves within the perimeter of the Historical Center of San Salvador, it will comply with national legislation and applicable permits, and will consult the corresponding authorities and experts.

ESS9 Financial Intermediaries

The standard is not relevant. FI's are not part of this project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

Yes

Public Disclosure



OP 7.50 is relevant. Project activities will involve the use of water resources from the Lempa River which is shared by Guatemala, El Salvador, and Honduras. However, the Project falls within the exception to the notification requirement specified in paragraph 7 (a) of the Policy.

OP 7.60 Projects in Disputed Areas

No

OP 7.60 Projects in Disputed Areas is not triggered. This policy does not apply as the project is not expected to support investments in disputed areas.

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:

None

IV. CONTACT POINTS

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Implementing Agency(ies)

Implementing Agency: Administración Nacional de Acueductos y Alcantarillados

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Lizmara Kirchner, Maria Eliette Gonzalez Perez
Practice Manager (ENR/Social)	Maria Gonzalez de Asis Cleared on 07-Mar-2023 at 21:48:26 EST