

Proposed Project Summary for Public Disclosure

Project Name	AEGEA Water & Sanitation Project Facility
Country	The Federative Republic of Brazil
Sector	Water Resource Management, Supply and Sanitation
Concept Approval Date	8 October 2021
Total Project Cost	USD 1 billion
Proposed Loan Amount	USD 100 million
The Client	AEGEA Saneamento e Participações S.A. (AEGEA)
Project Context	<p>According to the most recent national data on Water and Sanitation Services (WSS)¹, only 61.9% of the Brazilian urban population have access to sewage collection, and 49.1% benefit from sewage treatment.</p> <p>To address the issue of Brazil's poor WSS infrastructure, a new sanitation legal framework sets national goals of 99% of water coverage and 90% of sewage coverage by 2033. This framework also enables a more attractive business environment for private operators by establishing competitive bidding processes to award concessions for WSS. It is expected that the increased participation of the private sector will increase efficiency of the sector by bringing efficient managerial and operational expertise and investments.</p>
Project Objective	<p>The Project's investments will result in increased access to clean water with simultaneous decrease of water distribution losses, connections of new household to sewage networks, and reduction of untreated wastewater discharge into environment. Ultimately, the Project will contribute to the Brazilian government's goal to achieve universalization of WWS in Brazil by 2033.</p> <p>WSS is one of the priority sectors to NDB, according to the Bank's 2017-2021 General Strategy. The Project is expected to contribute primarily towards SDG #6, in particular:</p> <ul style="list-style-type: none"> (i) achieving universal and equitable access to safe and affordable drinking water for all; and (ii) protecting and restoring water-related ecosystems.

¹ SNIS Water and Sanitation Services Diagnostic Report, 2019

	<p>The Project will also support private sector participation in WSS sector in Brazil.</p>
Project Description	<p>The NDB is considering a long-term loan to AEGEA, one of the leading Brazilian private operators in the water supply and wastewater treatment sector. The loan proceeds will be used to support the AEGEA in upgrading its water and sanitation infrastructure in multiple municipalities, improving service quality, and increasing safety and efficiency of operations.</p>