

DOCUMENTO DEL BANCO INTERAMERICANO DE DESARROLLO

ARGENTINA

**PROGRAMA DE DESARROLLO DE LOS SERVICIOS DE AGUA POTABLE
Y SANEAMIENTO – PLAN BELGRANO**

(AR-L1258)

PERFIL DE PROYECTO

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De conformidad con la Política de Acceso a Información, el presente documento está sujeto a divulgación pública.

PERFIL DE PROYECTO

ARGENTINA

I. DATOS BÁSICOS

| | | | |
|-----------------------------|---|---|--|
| Nombre del Proyecto: | Programa de Desarrollo de los Servicios de Agua y Saneamiento – Plan Belgrano | | |
| Número de Proyecto: | AR-L1258 | | |
| Equipo de Proyecto: | Henry Moreno, Jefe de Equipo (WSA/CAR); Maria Julia Bocco, Jefe de Equipo Alterno (INE/WSA); Jorge Oyamada y Gustavo Gonnelli, (WSA/CAR); Tania Páez Rubio (WSA/CUR); Javier García Merino, y Liliana López (INE/WSA); Luca Marini (VPS/ESG), Natalia Benasso (CSC/CAR); Alonso Chaverri-Suárez (LEG/SGO); y Brenda Álvarez y Juan Carlos Lazo (FMP/CAR). | | |
| Prestatario: | República Argentina | | |
| Organismo Ejecutor: | El Prestatario, por intermedio del Ministerio del Interior, Obras Públicas y Vivienda de la Nación (MIOPyV) | | |
| Plan Financiero: | BID (CO): | US\$ 200.000.000 | |
| | Local: | US\$ 50.000.000 | |
| | Total: | US\$ 250.000.000 | |
| Salvaguardias: | Políticas activadas: | OP-102; OP-704; OP-710; OP-761; OP-765; OP-703 (B.1, B.2, B.3, B.4, B.5, B.6, B.7, B.9, B.10, B.11, B.17) | |
| | Clasificación: | Categoría “B” | |

II. JUSTIFICACIÓN GENERAL Y OBJETIVOS

- 2.1 Según proyecciones del Censo 2010¹, Argentina tiene una población de 44 millones de habitantes. Las regiones del Noroeste Argentino (NOA) y Noreste Argentino (NEA) están conformadas por las provincias de Catamarca, Chaco, Corrientes, Formosa, Jujuy, La Rioja, Misiones, Santiago del Estero, Salta y Tucumán, las cuales representan un 20% del área del país (850.000 km²) y de la población nacional (9,5 millones). La región se caracteriza por sus altos índices de pobreza, marginalidad y rezago en el desarrollo². En general la estructura productiva regional es desarticulada, con una baja dotación de infraestructura y precario acceso a servicios para la población.
- 2.2 Según el Censo 2010, el 84,4% de los habitantes del país tienen acceso a agua por red pública y el 58,4% a cloacas. Para el NEA y NOA, la cobertura de agua por red a nivel urbano fue del 92,4%, por encima del promedio nacional,

¹ Censo Nacional de Población y Vivienda 2010, Instituto Nacional de Estadísticas y Censos (INDEC).

² Según datos del INDEC, en 2016 más del 37% de la población estaba bajo la línea de pobreza y 6% por debajo de la línea de indigencia (a nivel nacional esos índices son 32% y 6%). Ambas regiones generan el 10% del PIB y exportan el 7% del total; su tasa de analfabetismo es del 3,6%, casi el doble de la media nacional, y la mortalidad infantil es del 12.3 por mil, sobre una media nacional de 10.6 por mil (datos para el año 2014).

debido a un aumento en las inversiones en agua ocurrida durante los últimos años. Sin embargo, para el servicio de cloacas la cobertura urbana fue 46,7%, con un rezago mayor en las provincias de Chaco (24%), Formosa (30%), Misiones (17%) y Santiago del Estero (19%)³. El déficit de más de la mitad de la población sin cobertura de cloacas es un indicador de exposición de riesgo sanitario que se agrava cuando se observa que coincide con las zonas de mayor pobreza e indigencia. Efectivamente, las brechas de cobertura se intensifican y afectan a los sectores sociales más vulnerables: en el NOA y NEA la cobertura de agua por red de hogares con necesidades básicas insatisfechas (NBI) se ubica en 65%, mientras que en aquellos que no presentan NBI la cobertura se eleva al 81% (73% y 85% a nivel país), y para cloacas los indicadores son 24,8% y 60,1% respectivamente (31% y 56% a nivel país). Esto es relevante ya que existe un vínculo positivo⁴ entre calidad ambiental⁵, salud⁶ y acceso a agua y saneamiento (AyS). Finalmente, se estima que sólo entre el 15 y el 20% de las aguas recolectadas en el país recibe algún tipo de tratamiento, y la poca infraestructura existente por lo general tiene su capacidad superada y reporta una inadecuada operación y mantenimiento.

- 2.3 En el área financiera y operativa, la mayoría de las empresas prestadoras de los servicios de A&S de las regiones del NEA y NOA presentan desafíos para, entre otros, incrementar los índices de micro-medición⁷, reducir sus niveles de Agua No Contabilizada (ANC)⁸, incrementar los índices de cobertura de costos operativos con tarifas⁹, así como fortalecer las capacidades de su personal.
- 2.4 **Estrategia del Gobierno.** El Gobierno Nacional aprobó en 2016 el Plan Nacional de Agua Potable y Saneamiento ([PNAPyS](#))¹⁰, donde se proponen las bases para el desarrollo del sector con el objetivo de alcanzar para 2019 niveles de cobertura de 100% en agua potable y del 75% en cloacas en las áreas urbanas del país. A su vez, el Plan Belgrano del Gobierno Nacional¹¹, tiene como principal objetivo transformar a las 10 provincias del NEA y NOA en un territorio económicamente competitivo y socialmente desarrollado. Dentro del mismo se incluyen componentes para la ampliación y mejora de los servicios de agua potable, saneamiento básico, así como el mejoramiento de la gestión operacional-institucional. El programa en preparación se encuentra alineado con ambos planes.

³ Algunos factores que explican los bajos niveles de cobertura incluyen: falta de priorización de inversión en el sector, falta de planificación para acompañar el crecimiento poblacional, y recursos insuficientes para hacer frente a las necesidades de mantenimiento y expansión.

⁴ Documentado en numerosos estudios, como los resumidos por Brennenman y Kerf (2002).

⁵ Evidencia de efectividad de acciones en calidad ambiental: *Avaliação Projeto Belém-Pará. Estudo da Bacia UNA*, 2004 ([enlace](#)); evaluación ex post del Proyecto 649/OC-BR ([enlace A](#) y [enlace B](#)).

⁶ Evidencia de efectividad de intervenciones en reducir incidencia de enfermedades de transmisión hídrica: Galiani et al., (2009) ([enlace](#)).

⁷ Salta (2015): 25%; Catamarca (2011): 35%; Chaco (2014): 47%; Santiago (2015): 3%.

⁸ Salta (2015): 40%; Catamarca (2011): 47%; Chaco (2014): 45%.

⁹ Salta (2015): 68%; Catamarca (2011): 66%; Chaco (2014): 43%; Santiago (2015): 108%.

¹⁰ [Plan Nacional de Agua Potable y Saneamiento \(MIOPV\)](#).

¹¹ El Plan Belgrano tiene cuatro objetivos: (1) desarrollar el aspecto social, la vivienda y el hábitat; (2) potenciar la infraestructura, la logística y el transporte; (3) fortalecer las economías regionales; y (4) luchar contra el narcotráfico. Su ejecución está a cargo de la Unidad Plan Belgrano, que depende de la Jefatura de Gabinete de la Nación y sus competencias están previstas en el decreto 435/2016.

- 2.5 **Objetivo.** El objetivo de la presente operación es incrementar el acceso a los servicios de agua potable y saneamiento, mejorando al mismo tiempo el desempeño operativo y financiero de los operadores de estos servicios, principalmente en las provincias que forman parte del Plan Belgrano. Los objetivos específicos son: (i) ampliar la cobertura de los servicios de agua potable y desagüe cloacal; (ii) optimizar las condiciones ambientales, de sanidad e higiene a través del tratamiento de aguas residuales; y (iii) mejorar la capacidad de gestión de los operadores de servicios de agua y saneamiento.
- 2.6 **Componentes. (i) Obras de infraestructura (US\$ 227 millones)**, que incluirá la construcción, rehabilitación y/o ampliación de obras de agua potable, desagüe cloacal y tratamiento de aguas residuales; y **(ii) Desarrollo Institucional y Estudios (US\$ 20 millones)**, que estará orientado a mejorar la sostenibilidad y la eficiencia de los operadores, a través de la implementación de acciones establecidas en los planes de gestión y resultados (PGR), y a la preparación de estudios de pre-inversión.
- 2.7 Se han previsto US\$3 millones para la administración y supervisión del programa, evaluación y auditoría.
- 2.8 **Diseño del Programa.** La operación se estructurará como un programa de obras múltiples por un monto total de US\$250 millones, de los cuales US\$200 serán financiados por un préstamo del Banco y US\$50 serán financiados con aporte local. Con un plazo de ejecución de cinco años, el programa responderá a las demandas priorizadas entre el gobierno nacional y los gobiernos provinciales y será regido por un manual operativo; se focalizará principalmente en las 10 provincias que forman parte del Plan Belgrano, donde se invertirán al menos el 70% de los recursos, con la posibilidad de financiar inversiones en otras zonas del país. Para determinar la viabilidad del programa y para agilizar la ejecución una vez aprobado, se analizará una muestra de proyectos representativos del tipo de obras a ejecutar que cubra el 30%, calculado en términos de valor, de todos los proyectos (GN-750-1). Se espera que el inicio material de todas las obras del programa ocurra durante los dos primeros años de ejecución.
- 2.9 **Resultados esperados.** Los beneficiarios serán los hogares cuyo bienestar y calidad de vida se incrementará debido al acceso a nuevos o mejores de servicios de agua y saneamiento, y por las mejoras ambientales logradas a partir del adecuado tratamiento de aguas residuales.
- 2.10 **Alineación Estratégica.** La operación se alinea con la Estrategia de País del Grupo del BID con Argentina para el periodo 2016-2019 (GN-2870) en el área prioritaria de “Reducción de la pobreza y la desigualdad”, que tiene como uno de sus objetivos estratégicos *Mejorar el hábitat y acceso a servicios básicos en regiones de menores ingresos*. El programa es consistente con la actualización de la Estrategia Institucional 2010-2020 (AB-3008) y se alinea con el desafío de desarrollo de inclusión social e igualdad, por medio del incremento del acceso a servicios de AyS en regiones con índices de pobreza mayores al promedio nacional. El programa también se alinea con el área transversal de cambio climático y sostenibilidad ambiental, ya que mejorará las condiciones ambientales a través de la construcción de infraestructura para la provisión

de servicios de cloacas y tratamiento de aguas residuales. Adicionalmente, el programa contribuirá al Marco de Resultados Corporativos 2016-2019 (GN-2727-4) mediante los productos “Hogares con acceso nuevo o mejorado a saneamiento”, “Hogares con acceso a agua nuevo o mejorado” y “Hogares con tratamiento de aguas residuales”. Finalmente, está alineado con la Estrategia de Infraestructura Sostenible para la Competitividad y el Crecimiento Inclusivo (GN-2710-5), particularmente con el área prioritaria de “Apoyar la construcción y mantenimiento de infraestructura social y ambientalmente sostenible para que contribuya a aumentar la calidad de vida”, y es consistente con las Dimensiones de Éxito y Líneas de Acción del Marco Sectorial de AyS (GN-2781-3) de acceso universal y mejora de calidad de los servicios, y de sostenibilidad social y ambiental.

- 2.11 **Apoyo del Banco al Sector.** Esta operación es una continuación del trabajo realizado en el marco del Programa de Desarrollo de las Provincias del Norte Grande Proyectos de Infraestructura Hídrica II (2776/OC-AR) y está asociada a una estrategia del Banco de apoyo integral al mejoramiento de los servicios de AyS. Esta estrategia contempla, para el caso del Área Metropolitana de Buenos Aires, las líneas CCLIP AR-X1013 y AR-O0004 y el Programa de Saneamiento Ambiental de la Cuenca del Río Reconquista (3256/OC-AR), y para el resto del país sendas líneas CCLIP para Comunidades Menores, AR-X1005, y para Centros Urbanos, AR-X1017. Asimismo, contempla dos cooperaciones técnicas, una para la elaboración de Planes de Drenaje y Control de Inundaciones (ATN/OC-14213-AR y ATN/LA-15934-AR) y otra de apoyo a la Modernización del Sector de AyS (ATN/OC-15932-AR). Con estos programas se aborda la problemática en las zonas más rezagadas del país en servicios de AyS y de fortalecimiento empresarial para su adecuada gestión.

III. ASPECTOS TÉCNICOS Y CONOCIMIENTO DEL SECTOR

- 3.1 **Institucionalidad del Sector.** El organismo que posee la competencia sectorial de AyS a nivel nacional es el Ministerio del Interior, Obras Públicas y Vivienda (MIOPyV). A través de la Secretaría de Obras Públicas (SOP) y de la Subsecretaría de Recursos Hídricos (SSRH) se establece la política y planificación nacional de los servicios y se asigna la mayor proporción de los recursos financieros al sector para inversiones y erogaciones corrientes. La organización institucional a nivel provincial consiste en un organismo responsable de la planificación sectorial y la captación de recursos (ministerio, secretaría o subsecretaría) y un ente regulador (cuando no existe un ente sus funciones son ejercidas por direcciones o administraciones provinciales). La prestación se encuentra generalmente a cargo de empresas provinciales que cubren las ciudades principales, quedando bajo la responsabilidad de entidades municipales o cooperativas las comunidades menores y rurales.
- 3.2 **Esquema de Ejecución del Programa.** El prestatario será la República Argentina. El organismo ejecutor será el prestatario por intermedio del MIOPyV de la Nación, a través de la Unidad Ejecutora de Programas Hídricos – Plan Belgrano (UEP) perteneciente a la Unidad de Coordinación de Programas y Proyectos con Financiamiento Externo (UCPyPFE), que actualmente ejecuta el

Préstamo 2776/OC-AR. Durante la preparación del programa se actualizará el análisis de Sistema de Evaluación de Capacidad Institucional (SECI) del organismo ejecutor y se propondrán actividades de fortalecimiento institucional para promover una ejecución eficiente del programa. No se contempla financiamiento retroactivo.

IV. RIESGOS AMBIENTALES Y ASPECTOS FIDUCIARIOS

- 4.1 **Aspectos Ambientales y Sociales.** De acuerdo con los lineamientos de la Política OP-703, el programa ha sido clasificado como Categoría “B” en el sistema de clasificación ambiental. Se anticipa que las inversiones producirán un efecto social y ambiental positivo sobre la calidad de vida y el bienestar de los beneficiarios y sobre el medio ambiente. El proyecto es probable que no cause impactos ambientales y sociales negativos, para los que se pueden conseguir fácilmente medidas eficaces de mitigación; sin embargo, por su naturaleza, las obras pueden tener impactos ambientales moderados, localizados y de corta duración, tales como generación de ruidos, polvo, desechos sólidos y líquidos, interrupción del tráfico y del acceso de la población a viviendas y comercios, así como el riesgo de accidentes laborales, para los que se dispone de medidas de mitigación efectivas que serán aplicadas principalmente en las etapas de construcción y operación. La estrategia ambiental y social elaborada (Anexo III) contempla la realización de un anexo al Estudio de Impacto Ambiental (EIA) existente de los proyectos de la muestra: Santiago del Estero y Salta. Para Santiago del Estero se incluirá evaluación del tráfico y el cumplimiento de las políticas de reasentamientos y población indígena. Para el proyecto en Salta se presentará un EIA según los requerimientos incluidos en el Anexo, así como el desarrollo de una evaluación de riesgo por desastre debido a que la expansión de la planta de tratamiento estará parcialmente ubicada en la ribera del Río Arenales. Durante el desarrollo de la operación se establecerán las especificaciones y requerimientos ambientales y sociales aplicables a cada una de las obras que se integren al programa, así como, en caso de ser necesario, se prepararán los correspondientes planes de reasentamiento.
- 4.2 **Riesgos.** Los principales riesgos que inicialmente se han identificado son: (i) el desvío en la programación de obras por factores externos; para mitigarlo se prevé la coordinación con las instituciones locales intervinientes en la ejecución de las obras para agilizar así los permisos, certificados ambientales y titularidad de terrenos; y (ii) demoras en la ejecución de las actividades del componente de desarrollo institucional, para lo cual se prevé que cada operador a ser beneficiado cuente con un PGR.

V. RECURSOS Y CRONOGRAMA DE PREPARACIÓN

Se prevé que la distribución de la Propuesta para el Desarrollo de la Operación al Comité de Revisión de Calidad y Riesgo será el 18 de julio, el envío del Borrador de la Propuesta de Préstamo al OPC se realizará el 21 de agosto, y se espera que la aprobación por parte del Directorio ocurra el 27 de septiembre del 2017. Los recursos administrativos necesarios para la preparación de la operación se detallan en el Anexo V.

CONFIDENCIAL

¹ La información contenida en este Anexo es de carácter deliberativo, y por lo tanto confidencial, de conformidad con la excepción relativa a “Información Deliberativa” contemplada en el párrafo 4.1 (g) de la “Política de Acceso al Información” del Banco (Documento GN-1831-28).



Safeguard Policy Filter Report

Operation Information

| | | |
|---|-----------------------------|-------------|
| Operation | | |
| AR-L1258 Water and Sanitation Development Program - Belgrano Plan | | |
| Environmental and Social Impact Category | High Risk Rating | |
| B | {Not Set} | |
| Country | Executing Agency | |
| ARGENTINA | {Not Set} | |
| Organizational Unit | IDB Sector/Subsector | |
| Water & Sanitation | WATER SUPPLY URBAN | |
| Team Leader | ESG Lead Specialist | |
| HENRY ALBERTO MORENO MORENO | LUCA MARINI | |
| Type of Operation | Original IDB Amount | % Disbursed |
| Loan Operation | \$0 | 0.000 % |
| Assessment Date | Author | |
| 25 Apr 2017 | Imarini ESG Lead Specialist | |
| Operation Cycle Stage | Completion Date | |
| ERM (Estimated) | 15 May 2017 | |
| QRR (Estimated) | 19 Jun 2017 | |
| Board Approval (Estimated) | {Not Set} | |
| Safeguard Performance Rating | | |
| {Not Set} | | |
| Rationale | | |
| {Not Set} | | |

Safeguard Policy Items Identified

B.1 Bank Policies (Access to Information Policy– OP-102)

The Bank will make the relevant project documents available to the public.

B.1 Bank Policies (Disaster Risk Management Policy– OP-704)

The operation is in a geographical area exposed to [natural hazards](#) ([Type 1 Disaster Risk Scenario](#)). Climate change may increase the frequency and/or intensity of some hazards.



Safeguard Policy Filter Report

B.1 Bank Policies (Disaster Risk Management Policy– OP-704)

The sector of the operation is vulnerable to natural hazards. Climate change may increase the frequency and/or intensity of some hazards.

B.1 Bank Policies (Resettlement Policy– OP-710)

The operation has the potential to disrupt the livelihoods of people living in the project area of influence (not limited to involuntary displacement, see also Resettlement Policy)

B.2 Country Laws and Regulations

The operation is expected to be in compliance with laws and regulations of the country regarding specific women's rights, the environment, gender and indigenous peoples (including national obligations established under ratified multilateral environmental agreements).

B.3 Screening and Classification

The operation (including [associated facilities](#)) is screened and classified according to its potential environmental impacts.

B.5 Environmental Assessment Requirements

An environmental assessment is required.

B.6 Consultations

Consultations with affected parties will be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation by women and men, (b) socio-culturally appropriate participation of indigenous peoples and (c) mechanisms for equitable participation by vulnerable groups.

B.7 Supervision and Compliance

The Bank is expected to monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.

B.10. Hazardous Materials

The operation has the potential to impact the environment and occupational health and safety due to the production, procurement, use, and/or disposal of hazardous material, including organic and inorganic toxic substances, pesticides and persistent organic pollutants (POPs).

B.11. Pollution Prevention and Abatement

The operation has the potential to pollute the environment (e.g. air, soil, water, greenhouse gases).

B.17. Procurement

Suitable safeguard provisions for the procurement of goods and services in Bank financed operations may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.

Potential Safeguard Policy Items

B.1 Bank Policies (Disaster Risk Management Policy– OP-704)

The operation has the potential to exacerbate risk to human life, property, the environment or cause economic disruption ([Type 2 Disaster Risk Scenario](#)).



Safeguard Policy Filter Report

B.1 Bank Policies (Gender Equality Policy– OP-761)

The operation has the potential to affect negatively women or gender equality ([Negative gender impacts may include the following](#))

B.1 Bank Policies (Indigenous People Policy– OP-765)

The operation has the potential to negatively affect indigenous people (also see [Indigenous Peoples Policy](#)).

B.4 Other Risk Factors

The borrower/executing agency exhibits weak institutional capacity for managing environmental and social issues.

B.9 Natural Habitats and Cultural Sites

The operation will result in the degradation or conversion of Natural Habitat or Critical Natural Habitat in the project area of influence.

B.9 Natural Habitats and Cultural Sites

The operation will result in the degradation or conversion of Critical Cultural Sites in the project area of influence.

Recommended Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

Additional Comments

[No additional comments]



Safeguard Policy Filter Report



Safeguard Screening Form

Operation Information

| | | |
|--|-----------------------------|-------------|
| Operation | | |
| AR-L1258 Water and Sanitation Development Program - Belgrano Plan | | |
| Environmental and Social Impact Category | High Risk Rating | |
| B | {Not Set} | |
| Country | Executing Agency | |
| ARGENTINA | {Not Set} | |
| Organizational Unit | IDB Sector/Subsector | |
| Water & Sanitation | WATER SUPPLY URBAN | |
| Team Leader | ESG Lead Specialist | |
| HENRY ALBERTO MORENO MORENO | LUCA MARINI | |
| Type of Operation | Original IDB Amount | % Disbursed |
| Loan Operation | \$0 | 0.000 % |
| Assessment Date | Author | |
| 25 Apr 2017 | Imarini ESG Lead Specialist | |
| Operation Cycle Stage | Completion Date | |
| ERM (Estimated) | 15 May 2017 | |
| QRR (Estimated) | 19 Jun 2017 | |
| Board Approval (Estimated) | {Not Set} | |
| Safeguard Performance Rating | | |
| {Not Set} | | |
| Rationale | | |
| {Not Set} | | |

Operation Classification Summary

| | |
|------------------|-------------------------|
| Overriden Rating | Overriden Justification |
| | |
| Comments | |
| | |



Safeguard Screening Form

Conditions / Recommendations

Category "B" operations require an environmental analysis (see Environment Policy Guideline: Directive B.5 for Environmental Analysis requirements)

The Project Team must send to ESR the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports. These operations will normally require an environmental and/or social impact analysis, according to, and focusing on, the specific issues identified in the screening process, and an environmental and social management plan (ESMP). However, these operations should also establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.) where necessary.

Summary of Impacts / Risks and Potential Solutions

Conversion or [degradation](#) of natural habitat causing [minor](#) to [moderate](#) impact on [ecosystem services](#).

Mitigation measures presented in the Biodiversity Management Plan must be acceptable: The mitigation measures should be presented in the Biodiversity Management Plan (included in the ESMP) and should follow the mitigation hierarchy: impacts to biodiversity should be avoided in the first instance (i.e. proposed activities relocated or reconfigured); if avoidance of all impacts is not possible, those remaining should be minimized, mitigated by restoration, or compensated for. The BMP should also explain what consultation activities are planned. The BMP must define how these measures will be implemented (roles and responsibilities, monitoring, budget, etc.). Confirmation should be obtained from competent experts that they are confident that the BMP can mitigate impacts and that approval has been granted by relevant authorities. Regular (bi-annual or annual) reporting is required, in addition to independent audits of BMP. Depending on the financial product, the BMP should also be referenced in appropriate legal documentation (covenants, conditions of disbursement, project completion tests, etc.).

Generation of solid waste is [moderate](#) in volume, does not include [hazardous materials](#) and follows standards recognized by multilateral development banks.

Solid Waste Management: The borrower should monitor and report on waste reduction, management and disposal and may also need to develop a Waste Management Plan (which could be included in the ESMP). Effort should be placed on reducing and re-cycling solid wastes. Specifically (if applicable) in the case that national legislations have no provisions for the disposal and destruction of hazardous materials, the applicable procedures established within the Rotterdam Convention, the Stockholm Convention, the Basel Convention, the WHO List on Banned Pesticides, and the Pollution Prevention and Abatement Handbook (PPAH), should be taken into consideration.



Safeguard Screening Form

Likely to have [minor](#) to [moderate](#) emission or discharges that would negatively affect [ambient environmental conditions](#).

Management of Ambient Environmental Conditions: The borrower should be required to prepare an action plan (and include it in the ESMP) that indicates how risks and impacts to ambient environmental conditions can be managed and mitigated consistent with relevant national and/or international standards. The borrower should (a) consider a number of factors, including the finite assimilative capacity of the environment, existing and future land use, existing ambient conditions, the project's proximity to ecologically sensitive or protected areas, and the potential for cumulative impacts with uncertain and irreversible consequences; and (b) promote strategies that avoid or, where avoidance is not feasible, minimize or reduce the release of pollutants, including strategies that contribute to the improvement of ambient conditions when the project has the potential to constitute a significant source of emissions in an already degraded area. The plan should be subject to review by qualified independent experts. Depending on the financial product, this information should be referenced in appropriate legal documentation (covenants, conditions of disbursement, etc.).

Project activities will moderately impact [water quality](#), [water quantity](#) and/or [water availability](#).

Water Resources: A targeted Water Resources Assessment should be undertaken, which in addition to undertaking the relevant analyses, must include justification for assigning a moderate risk classification. Project activities (and any associated facilities) will be required to be constructed and operated so as to avoid impacts to water quality, water quantity and/or water availability. Evidence of appropriate stakeholder consultation should also be provided. Monitoring requirements should be included in relevant legal documentation.

Project construction activities are likely to lead to localized and temporary impacts (such as dust, noise, traffic etc) that will affect local communities and [workers](#) but these are [minor](#) to [moderate](#) in nature.

Construction: The borrower should demonstrate how the construction impacts will be mitigated. Appropriate management plans and procedures should be incorporated into the ESMP. Review of implementation as well as reporting on the plan should be part of the legal documentation (covenants, conditions of disbursement, etc.).

Safety issues associated with structural elements of the project (e.g. dams, public buildings etc), or road transport activities (heavy vehicle movement, transport of [hazardous materials](#), etc.) exist which could result in [moderate](#) health and safety [risks](#) to local communities.

Address Community Health Risks: The borrower should be required to provide a plan for managing risks which could be part of the ESMP; (including details of grievances and any independent audits undertaken during the year). Compliance with the plan should be monitored and reported. Requirements for independent audits should be considered if there are questions over borrower commitment or potential outstanding community concerns.

The negative impacts from production, procurement and disposal of [hazardous materials](#) (excluding POPs unacceptable under the Stockholm Convention or toxic pesticides) are [minor](#) and will comply with relevant national legislation, [IDB requirements on hazardous material](#) and all applicable International Standards.



Safeguard Screening Form

Monitor hazardous materials use: The borrower should document risks relating to use of hazardous materials and prepare a hazardous material management plan that indicates how hazardous materials will be managed (and community risks mitigated). This plan could be part of the ESMP.

The project is located in an area prone to [droughts](#) and the likely severity of the impacts to the project is [moderate](#).

A Disaster Risk Assessment, that includes a Disaster Risk Management Plan (DRMP) may be necessary, depending on the complexity of the project and in cases where the vulnerability of a specific project component may compromise the whole operation. The DRMP should propose measures to manage or mitigate these risks to an acceptable level. The measures should consider both the risks to the project, and the potential for the project itself to exacerbate risks to people and the environment during construction and operation. The measures should include risk reduction (siting and engineering options), disaster risk preparedness and response (contingency planning, etc.), as well as financial protection (risk transfer, retention) for the project. They should also take into account the country's disaster alert and prevention system, general design standards and other related regulations.

The project is located in an area prone to [inland flooding](#) and the likely severity of the impacts to the project is [significant or extreme](#).

A Disaster Risk Assessment that includes a Disaster Risk Management Plan (DRMP) must be prepared. The DRMP should focus on the specific risks inland flooding poses to the project, and propose measures to manage or mitigate these risks to an acceptable level. The measures should consider both the risks to the project, and the potential for the project to exacerbate risks to people and the environment during construction and operation. The DRMP includes risk reduction measures (siting and engineering options), disaster risk preparedness and response (contingency planning, etc.), as well as the financial protection (risk transfer, retention) of the project. The DRM Plan takes into account existing vulnerability levels and coping capacities, the area's disaster alert and prevention system, general design standards, land use regulations and civil defense recommendations in flood prone areas. However, the options and solutions are sector- and even case-specific and are selected based on a cost analysis of equivalent alternatives. The amplified uncertainties due to climate change should also be considered.

The project is located in an area prone to [landslides](#) and the likely severity of the impacts to the project is [moderate](#).

A Disaster Risk Assessment, that includes a Disaster Risk Management Plan (DRMP), may be necessary, depending on the complexity of the project and in cases where the vulnerability of a specific project component may compromise the whole operation. The DRMP should propose measures to manage or mitigate these risks to an acceptable level. The measures should consider both the risks to the project, and the potential for the project itself to exacerbate risks to people and the environment during construction and operation. The measures should include risk reduction (siting and engineering options), disaster risk preparedness and response (contingency planning, etc.), as well as financial protection (risk transfer, retention) for the project. They should also take into account the country's disaster alert and prevention system, general design standards and other related regulations.

The project is located in an area prone to [earthquakes](#) and the likely severity of impacts to the project is [moderate](#).



Safeguard Screening Form

A Disaster Risk Assessment, that includes a Disaster Risk Management Plan (DRMP), may be necessary, depending on the complexity of the project and in cases where the vulnerability of a specific project component may compromise the whole operation. The DRMP should propose measures to manage or mitigate these risks to an acceptable level. The measures should consider both the risks to the project, and the potential for the project itself to exacerbate risks to people and the environment during construction and operation. The measures should include risk reduction (siting and engineering options), disaster risk preparedness and response (contingency planning, etc.), as well as financial protection (risk transfer, retention) for the project. They should also take into account the country's disaster alert and prevention system, general seismic design standards and other related regulations.

The project will or may require [involuntary resettlement](#) and/or economic displacement of a [minor](#) to [moderate](#) nature (i.e. it is a [direct](#) impact of the project) and does not affect [indigenous peoples](#) or other vulnerable land based groups.

Develop Resettlement Plan (RP): The borrower should be required to develop a simple RP that could be part of the ESMP and demonstrates the following attributes: (a) successful engagement with affected parties via a process of Community Participation; (b) mechanisms for delivery of compensation in a timely and efficient fashion; (c) budgeting and internal capacity (within borrower's organization) to monitor and manage resettlement activities as necessary over the course of the project; and (d) if needed, a grievance mechanism for resettled people. Depending on the financial product, the RP should be referenced in legal documentation (covenants, conditions of disbursement, project completion tests etc.), require regular (bi-annual or annual) reporting and independent review of implementation.

The project will result in a [minor](#) to [moderate](#) increase in community [risks](#) from disease or natural resources [risks](#).

Manage Increased Risk of Disease: Where a project will generate environmental health risks (such as increased risk from disease and environmental hazards), the borrower should be required to develop an environmental health risk plan (this will require input from professionally competent advisers/ consultants). There should be engagement with affected communities and compliance with the plan should be monitored and reported. Where specific diseases are endemic in communities in the investment area of influence, the borrower is encouraged to explore opportunities to reduce their incidence.

Transport of [hazardous materials](#) (e.g. fuel) with [minor](#) to [moderate](#) potential to cause impacts on community health and safety.

Hazardous Materials Management: The borrower should be required develop a hazardous materials management plan; details of grievances and any independent health and safety audits undertaken during the year should also be provided. Compliance with the plan should be monitored and reported. Depending on the financial product, this information should be referenced in appropriate legal documentation (covenants, conditions of disbursement etc). Consider requirements for independent audits if there are concerns about commitment of borrower or potential outstanding community concerns.

Disaster Risk Summary



Safeguard Screening Form

Disaster Risk Level

High

Disaster / Recommendations

The reports of the Safeguard Screening Form (i.e. of the Safeguards Policy and the Safeguard Classification Filters) constitute the Disaster Risk Profile to be summarized in and annexed to the Environmental and Social Strategy (ESS). The Project Team must send the PP (or equivalent) containing the ESS to the ESR.

The Borrower should consider including disaster risk expertise in the organization of project oversight, e.g. in the project's panel of experts. For the Bank's requirements, the Borrower addresses the screened disaster risks in a Disaster Risk Management Summary reviewing disaster and climate change risks associated with the project on the basis of a Disaster Risk Assessment (DRA). Based on the specified hazards and the exposure of the project area, it demonstrates the potential impact of the rapid onset events and/or slow onset changes for the project and its area including exacerbated risks for people and environment, given local vulnerability levels and coping capacities. Furthermore the DRM Summary presents proposed measures to manage or mitigate these risks in a Disaster Risk Management Plan (DRMP). The DRA /DRMP to which the DRM Summary refers may be a stand-alone DRA document (see Directive A-2 of the DRM Policy OP-704) or included in other project documents, such as feasibility studies, engineering studies, environmental impact assessments, or specific natural disaster and climate change risk assessments, prepared for the project. These documents should be accessible for the Project Team.

The Project Team examines and adopts the DRM summary. The team remits the project risk reduction proposals from the DRMP to the engineering review by the sector expert or the independent engineer during project analysis or due diligence, and the financial protection proposals to the insurance review (if this is performed). The potential exacerbation of risks for the environment and population and the proposed risk preparedness or mitigation measures are included in the Environmental and Social Management Report (ESMR), and are reviewed by the ESG expert or environmental consultant. The results of these analyses are reflected in the general risk analysis for the project. Regarding the project implementation, monitoring and evaluation phases, the project team identifies and supervises the DRM approaches being applied by the project executing agency.

Climate change adaptation specialists in INE/CCS may be consulted for information regarding the influence of climate change on existing and new natural hazard risks. If the project requires modification or adjustments to increase its resilience to climate change, consider (i) the possibility of classification as an adaptation project and (ii) additional financing options for climate change, and consult the INE/CCS adaptation group for guidance.

Disaster Summary

Details



Safeguard Screening Form

The project has been classified initially as high disaster risk because the likely severity of impacts from at least one of the natural hazards is significant or extreme. During the disaster risk assessment the project may be reclassified. Please contact ESG or a Disaster Risk Management Specialist for guidance.

Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

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**ARGENTINA
WATER AND SANITATION DEVELOPMENT PROGRAM - BELGRANO PLAN
AR-L1258**

**ENVIRONMENTAL AND SOCIAL STRATEGY
(ESS)
02/05/2017**

This document was prepared by:
Luca Marini (VPS/ESG)

| Environmental and Social Strategy (ESS) | |
|---|---|
| Operation Name | Water and Sanitation Development Program - Belgrano Plan |
| Operation Number | AR-L1258 |
| Operation Details | |
| IDB Sector | Water and Sanitation - Water Supply Urban |
| Type of Operation | GOM (Global of Multiple Works Operation) |
| Impact Categorization | B |
| Disaster Risk Rating | High |
| Borrower | Republica Argentina |
| Executing Agency | Ministerio del Interior, Obras Públicas y Vivienda de la Nación (MIOPyV) |
| IDB Loan US\$ (and total project cost) | US\$ 200 million (US\$ 250 million) |
| Applicable Policies/Directives | OP-102; OP-704; OP-710; OP-761; OP-765; OP-703 (B.1, B.2, B.3, B.4, B.5, B.6, B.7, B.9, B.10, B.11, B.17) |
| Operation Description | |
| <p>The proposed Program aims at increasing water and sanitation coverage in the north Provinces of the country. The Program focuses in increasing access and improving quality/efficiency in the provision of water and sanitation services in the provinces covered by the Belgrano Plan¹ (the infrastructure development plan for Northern Argentina provinces) that currently present access indicators lower than the national average. Objectives of the Program are:</p> <ul style="list-style-type: none"> i) increase the coverage and improve the potable water and sanitary/pluvial sewerage services in areas without service or with poor service; and ii) strengthen the sector governmental bodies at provincial level, and improve efficiency and operational and financial management of service providers. <p>Within these operations, the following Projects are the ones already selected and constitute the “muestra” for these Multiple Works Program composed of seven projects (five yet to be defined):</p> <ul style="list-style-type: none"> a) renovation of the urban sewage network for the city of Santiago del Estero, including the replacement of existing pipelines with newer ones (for total linear extension of approximately 50 km), replacement of existing pumps/ pumping stations with newer more efficient ones, replacement of all main valves. The project will be developed on public land, on existing routes and right of ways, with no land acquisition necessary for now (future developments might include land acquisition). b) optimization and expansion of the Wastewater Treatment Plant (WWTP) Sur of the city of Salta to increase the treatment capacity from 3,600 m3/h to 10,000 m3/h ensuring a wastewater treatment service coverage of 95% of all connections by 2037. The Project will consist of two phases. Phase one: construction an additional treatment line with a capacity of 5,000 m3/h adjacent to the existing Sur facility (requiring the acquisition (expropriation) of 5.84 ha). Phase two: optimization of the existing plant to increase the actual maximum capacity from 3,600 to 5,000 m3/h through the installation of newer equipment and streamlining of the process. | |

¹ <https://www.argentina.gob.ar/planbelgrano>

The Operation is a Multiple Work, and a Framework related to a previous operation in the Region with the same authorities is already available and will need to be updated.

Furthermore, ESIA's and brief ESMPs are already available for the two selected Projects

Key Potential ESHS Risks and Impacts

The key potential Environmental, Social and Health and Safety (ESHS) risks and potential impacts associated with the Program mainly refer to the two Projects to be developed (renovation of the urban sewage network for the city of Santiago del Estero, and optimization and expansion of the WWTP Sur of the city of Salta), and could be summarized as follows:

a) Renovation of the urban sewage network for the city of Santiago del Estero

- Construction activities will occur in many areas of the city, generating temporary moderate to high potential impacts to local communities: traffic disruption; dust and minimal to moderate air emission and affectation of air quality; impacts on water/soil, especially if waste and hazardous materials are not adequately managed; temporary noise impacts; occupational and community health and safety impacts.
- Construction activities might obstruct the access to businesses, residences and social infrastructure and might cause temporary loss of livelihoods.
- Indigenous People (IP) are present in the province of Santiago del Estero, and the Project might generate affectation (i.e. temporary loss of livelihoods) if any recognized IP live within the direct area of influence of the Project.
- The local authority might not have the in-house capacity to ensure the proper management of all ESHS aspects associated with the Program, especially regarding information, meaningful consultations and engagement with stakeholders.
- The Project does not include land acquisition and/or any kind of physical resettlement. However, it presents the remote possibility of construction of new lines within the city, that might lead to possible physical/economic displacement.

b) Optimization and expansion of the WWTP Sur of the city of Salta

- The Project includes land acquisition/expropriation of one "vivienda" of 5.84 ha. Additional Right of Way acquisition might be required for the construction of the inflow and discharge pipelines.
- The expansion of the WWTP will require the modification of the river banks as it will be partly constructed within the river bed. Constructing within the river bed will increase risks of exposure to flooding and natural disasters of the project.
- Daily operations generate possible impacts on water quality, soil, and local biodiversity (especially within the river habitat). Daily operations will generate impacts to local communities (i.e. odors). Local communities could experience also affectation of resources/ecosystem services in case water quality and fish availability are affected.
- Failures of the WWTP or mismanagement might generate impacts to the water quality of the river, considering also that approximately 35 km downstream there is a reservoir (Dique Cabra Corral) this could lead to affectation of local biodiversity and community health and safety. Furthermore, the WWTP will not treat industrial wastewater. However, if industrial wastewater enters the system (illegally or by accident) and the incoming wastewater is not properly monitored at intake, this could lead to a decreasing of the WWTP efficiency, leading to affectation of the water quality downstream to the WWTP.
- The WWTP will receive wastewater also via trucks, increasing the risks of accidents, spills, and exposure of environment and communities to possible impacts.
- Vector Borne Diseases (VBD) might increase/spread due to the presence of the WWTP.

- The expanded WWTP will increase the amount of solid hazardous/non-hazardous wastes produced on sites, and it is not clear if there is enough capacity in the city of Salta for the proper management of all the wastes produced.
- Construction activities generate temporary minimal to moderate potential impacts to local communities: traffic disruption; dust and minimal to moderate air emission and affectation of air quality; impacts on water/soil, especially if waste and hazardous materials are not adequately managed; temporary noise impacts; occupational and community health and safety impacts.
- Indigenous People (IP) are present in the province of Salta, and it is not clear if the Project will generate any affectation (i.e. IP use of water downstream to the WWTP).
- The local authority might not have the in-house capacity to ensure the proper management of all ESHS aspects associated with the Program.

Given that the objectives of the Projects are to improve water and sanitary conditions for the local population of the two provinces, it is expected that there will be long term positive environmental and social impacts at communities' level.

Information Gaps and Strategy for Analysis and Management

The overall Program has been classified as Category B, as it is anticipated that it is likely to cause mostly local negative environmental and social impacts for which effective mitigation measures should be implemented.

An Environmental and Social Management Framework is available; however, it has to be updated and reviewed. Following B.3 and B.5 Directives of Operation Policy 703 (OP-703), the Borrower already developed an Environmental and Social Impact Assessment (ESIA), with associated Environmental and Social Management Plan (ESMP), for each of the two Projects selected as muestra. Aim of the studies is identifying and managing ESHS impacts and risks of the Projects (during both construction and operation), including consultation with stakeholders. Both ESIA appears to be comprehensive providing a good assessment of the impacts, even though integrations are required to ensure compliance with the IDB requirements. Both ESMPs provides a preliminary structure for all the plans and mitigations measure to be further developed ahead of construction or operation phases.

Renovation of the urban sewage network for the city of Santiago del Estero

The ESIA for includes a brief assessment of the impacts of the Project during construction, defined as temporary moderate to high, especially in relation to traffic disruption, dust and minimal to moderate air emission and affectation of air quality, temporary noise impacts, occupational and community health and safety impacts. However, the ESIA should be further integrated with the assessment of potential impacts of the construction works on the livelihoods of businesses, including street vendors. To avoid/minimize loss of livelihoods, the ESMP will propose measures to decrease the duration of the construction works, maintain access to businesses and keep the population informed about the programming and advancement of works. If the integrated ESIA identifies potential significant loss of livelihoods due to the works, a Livelihood Restoration Plan will be developed.

General mitigation measures and plans for construction are briefly listed in the ESMP. If necessary, the Borrower will develop a specific Traffic Management Plan (TMP), not currently included in the ESMP. The ESMP does not include specific plans for operations, that will need to be developed and implemented by the Borrower (especially the Environmental Monitoring Plan (EMP)).

The ESIA mentions the presence of IP in the province of Santiago del Estero. Reportedly no recognized IP will be affected by the Project. If IP are within the area of influence, a sociocultural

evaluation will be developed to determine the type of impacts, and the Borrower will carry out specific consultation activities (according to the level of risk identified), and implement mitigation measures (i.e. an Indigenous Peoples Plan will be developed to be part of the ESIA/ESMP).

In Santiago del Estero the Project does not include land acquisition and/or any type of resettlement, since it will entail only works related to the replacement of existing infrastructures. However, it presents the remote possibility of construction of new lines within the city, so the ESIA should be reviewed and updated if needed. In addition, the ESIA was published in 2015, and the layout of the city might have slightly changed. If resettlement will occur, the Borrower will assess the risk of temporary/ permanent resettlement in the ESIA, and a Resettlement Action Plan (RAP) will be developed and included in the ESMP.

A first round of consultation was carried out in 2013. The Borrower will carry out additional consultations activities to ensure the most updated design and impacts associated to the Project are presented when the final design will be ready. Consultation must be inclusive, meaningful, gender-sensitive and sociocultural appropriate with all affected groups, including indigenous people/communities in case present. The project will seek the equitable participation of women and men in its consultation process. If applicable, specific consultation activities with women will be carried out. Following B.6 Directive, the main goal of the consultations will be to inform, gather comments, and adjust the ESIA and the corresponding ESMP. A comprehensive Stakeholders Engagement Plan (SEP) that includes a Grievance Mechanism (GM) will be prepared, and will be continuously assessed and improved at the different stages of the operation, aiming at ensuring that proper information sharing, stakeholders involvement and GM have been put into practice. In case IP are identified within the area of influence of the project, separate consultations will be carried out accordingly, and it should be reflected in the SEP.

A revised/integrated and fit-for-disclosure ESIA, ESMP, SEP, GM, EMP, TMP (if applicable), Indigenous Peoples Plan (if applicable), RAP (if applicable), must be ready for review and public disclosure prior to the analysis mission through the Borrower and IDB's webpage following the Access to Information Policy OP-102.

The Bank will assess if the Borrower has enough organizational capacity to properly assess and manage all ESHS aspects of the Project, especially in relation to meaningful consultation activities with possible affected stakeholders and/or IP (i.e. hiring a dedicated social specialist to support the Borrower).

Optimization and expansion of the WWTP Sur of the city of Salta

The ESIA includes a brief assessment of the impacts of the Project during construction defined as temporary minimal to moderate potential impacts to local communities, especially in relation to traffic disruption, dust and minimal to moderate air emission and affectation of air quality, temporary noise impacts, occupational and community health and safety impacts.

The ESIA includes also the assessment of the impacts in relation of the operation of the plant. However, the ESIA should be further integrated with the definition of impacts at sensitive receptors during operation (especially odors, affectation of resources/ecosystem services, river habitat, etc.). In addition, the ESIA will be further integrated with the impacts associated with trucking of wastewater to the plant. The ESIA will be further integrated with an assessment of possible impacts to the reservoir Dique Cabra Corral (and to all associated users), as failures of the WWTP or mismanagement might generate impacts to the water quality of the river and of the reservoir.

The ESMP presents a preliminary Emergency Preparedness and Response Plan (EPRP), however the Borrower will ensure that the EPRP is fully developed and implemented for operations and it includes the management of emergency associated to trucking and to the reservoir.

The Borrower will develop a specific management procedure to ensure no industrial wastewater is received at the plant. This will include monitoring of the wastewater incoming and of the efficiency of the plant, investigation/assessment of wastewater sources, and specific emergency procedures in case industrial wastewater is found within the WWTP process.

The Borrower will develop a Disaster Risk Assessment (DRA) since the expansion of the WWTP will be partly constructed within the river bed. Specific mitigation measures and procedures will be included in the ESMP. In addition, the design of the new river banks has been done considering a flooding event with return period of 50 years. The Borrower will assess the design specifications for events with higher return period, developing a cost/benefit analysis to justify the selection and/or propose alternative locations.

The biodiversity baselines of the ESIA have been carried out through literature review. The Borrower will integrate the biodiversity baselines with field campaigns (especially regarding fish fauna and riparian vegetation), to ensure that no endangered species are affected by the Project.

General mitigation measures and plans for construction and operation are briefly listed in the ESMP. The Borrower will develop and implement all plans and mitigation measures necessary for all phases. Specific provision for the management of VBD will be included in the ESMP. All plans and mitigation measures will be developed in line with IDB Requirements and International Finance Corporation (IFC) Performance Standards (PS) and applicable Environmental Health and Safety (EHS) Guidelines.

Since the expansion of the WWTP will increase the amount of solid hazardous/non-hazardous wastes produced on sites, the Borrower will assess local treatment facilities (to ensure practices in line with IDB requirements) and their capacity. If all facilities are at full capacity or do not operate as per IDB requirements, the Borrower will provide suitable alternative solutions.

If environmental or social issues associated with the current WWTP are present, the Borrower will develop a corrective action plan to ensure all issues are resolved/mitigated and no legacy issues will affect the project.

The Project include land acquisition (expropriation) and resettlement of one vivienda. Additional land acquisition might be required for the construction of the inflow and discharge pipelines. The Borrower will integrate with ESIA with an assessment of the impacts associated with permanent resettlement, and a RAP will be developed and included in the ESMP.

The ESIA mentions the presence of IP in the province of Salta. A specific assessment on the affectation of IP should be included in the ESIA. If IP are within the area of influence a sociocultural evaluation will be developed to determine the type of impacts, and the Borrower will carry out specific consultation activities and implement mitigation measures. The consultation requirements will be defined according to the level of risk identified by the sociocultural evaluation, and an Indigenous Peoples Plan will be developed to be part of the ESIA/ESMP.

A first round of consultation/census was carried out during the ESIA development, however these appear not be in line with IDB requirements since were based on few interviews with selected stakeholders and on multiple-choice questionnaires sent to part of the population. The

Borrower will carry out additional consultations activities to ensure the most updated design and impacts associated to the Project are presented. Consultation must be inclusive, meaningful, gender-sensitive and sociocultural appropriate with all affected groups, including indigenous people/communities in case present. Following B.6 Directive, the main goal of the consultations will be to inform, gather comments, and adjust the ESIA and the corresponding ESMP. A comprehensive SEP that includes a GM will be prepared, and will be continuously assessed and improved at the different stages of the operation, aiming at ensuring that proper information sharing, stakeholders involvement and GM have been put into practice. In case IP are identified within the area of influence of the project, separate consultations will be carried out accordingly, and it should be reflected in the SEP.

A revised/integrated and fit-for-disclosure ESIA, ESMP, SEP, EPRP, DRA, RAP, and Indigenous People Plan must be ready for review and public disclosure prior to the analysis mission through the Borrower and IDB's webpage following the Access to Information Policy OP-102.

The Bank will assess if the Borrower has enough organizational capacity to properly assess and manage all ESHS aspects of the Project, especially in relation to meaningful consultation activities with possible affected stakeholders and/or IP (i.e. hiring a dedicated social specialist to support the Borrower).

Opportunities for IDB Additionality (if any)

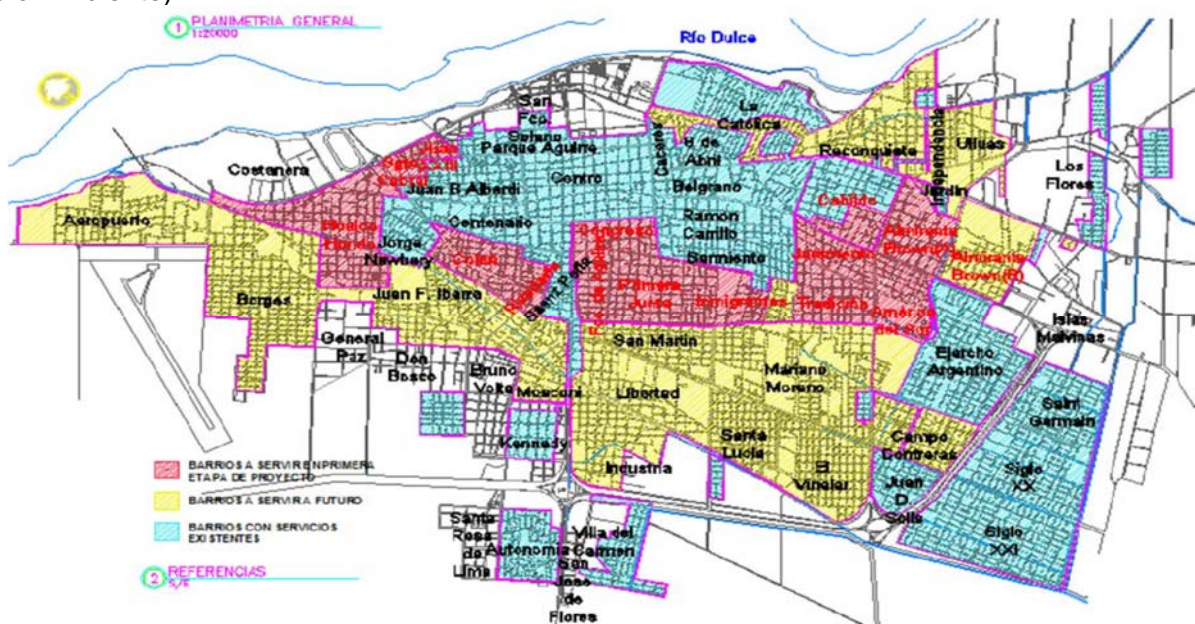
NA

Annex Table: Operation Compliance with IDB Safeguard Policies

Operation Compliance table attached at the end of the document.

Additional Annexes (if any)

Proposed area of intervention (in red and yellow) in Santiago del Estero (source Ministerio de Agua y Medio Ambiente)



Proposed layout of the WWTP expansion and optimization works in Salta (source HYTSA Estudios y Proyectos S.A.)

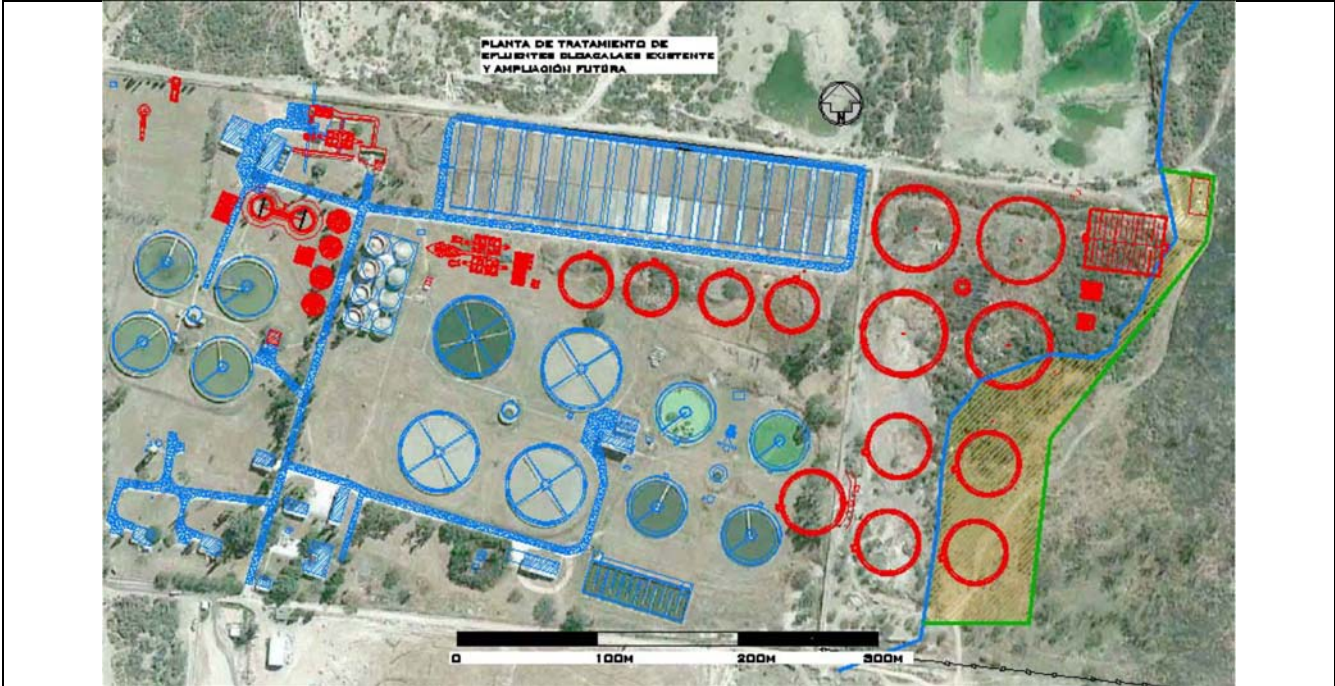


Table: Operation Compliance with IDB Safeguard Policies

| Policies / Directives | Relevant Aspect of Policy / Directive | Is This Policy / Directive Applicable? | Rationale for Applying Policy / Directive Rationale | Actions required during Preparation & Analysis |
|--|---------------------------------------|--|--|--|
| OP-703 Environment and Safeguards Compliance Policy | | | | |
| B.2 Country Laws and Regulations | Project Design | Yes | The Operation will comply with Argentina ESHS laws and regulations. | The Borrower will comply with Argentina ESHS regulations (i.e. development of Evaluación de Impacto Ambiental). |
| B.3 Screening and Classification | Screening and Classification | Yes | The Operation was screened and classified as Cat. B. | No Actions Required. |
| B.4 Other Risk Factors | Institutional Capacity | More information required | Both local institutions might not have the capacity to ensure the proper management of all ESHS aspects of the Program, especially consultation with possible affected stakeholders and/or IP. | During due diligence, the Bank will assess local institutions capacity to manage ESHS aspects of the operations, especially consultation with possible affected stakeholders and/or IP. |
| | Traffic | Yes | In Santiago del Estero, construction activities will generate possible moderate to high impacts on traffic. | The Borrower will integrate the ESIA with a specific assessment of traffic impacts. The ESMP will include specific provisions for traffic management. If impacts will result to be high, a specific TMP will be developed. |
| | Sensitive Receptors | Yes | In Salta, the project will generate impacts to sensitive receptors during operations (odors, | The Borrower will integrate the ESIA with a specific assessment of impacts at all sensitive |

| | | | | |
|---|-------------------------------------|-----|---|--|
| | | | affectation of resources/ecosystem services, river habitat, etc.). | receptors (if any identified). |
| | Trucking | Yes | In Salta, the Project might generate impacts due to trucking of wastewater to the plant. | The Borrower will integrate the ESIA with the assessment of impacts associated to trucking. |
| | Reservoir | Yes | In Salta, failures of the WWTP or mismanagement might generate impacts to the reservoir Dique Cabra Corral and to all associated users. | The ESIA will be further integrated with an assessment of possible impacts to the reservoir Dique Cabra Corral. |
| | Emergency Preparedness and Response | Yes | In Salta, emergency management procedures for the WWTP are still general. | The Borrower will ensure that the EPRP is fully developed and implemented for operations and it includes the management of emergency associated to trucking and the reservoir. |
| | WWTP Status | Yes | In Salta, environmental or social issues associated with the WWTP might be present. | If necessary, the Borrower will develop a corrective action plan to ensure all previous issues are resolved/ mitigated and no legacy issues will affect the project. |
| B.5 Environmental Assessment and Plans Requirements | ESIA and ESMP | Yes | An Environmental and Social Management Framework is available. ESIA's and ESMPs have been developed for the Project of the muestra. | The Borrower will review and update the Environmental and Social Framework. The Borrower will integrate the available ESIA's and ESMPs to |

| | | | | |
|--|--|-----|---|---|
| | | | | ensure compliance with IDB requirements, IFC PS and applicable and EHS Guidelines. |
| B.5 Social Assessment and Plans Requirements | ESIA and ESMP | Yes | The ESIA's include socio-cultural analysis aimed to identify and address potential social impacts. | The Borrower will further integrate the ESIA and ESMPs social assessment (see below). If IP are within the area of influence of the projects a sociocultural evaluation will be prepared by the Borrower for each project. A SEP will be prepared for each project which includes a GM. |
| B.6 Consultation | Meaningful consultations with key stakeholders and affected population | Yes | Since these projects have been categorized as Category B, gender-sensitive and socio-culturally appropriate consultation activities with all the affected parties are necessary during project preparation. A SEP will need to be included as part of the ESMP. | Additional consultation required prior to analysis mission for Salta (In Santiago del Estero additional consultations will have to be carried out when final design will be ready). The Borrower will report on public consultation activities per IDB requirements. IDB will support the Borrower to guarantee that meaningful consultations are carried out during the preparation of the project. Additionally, IDB will supervise the implementation of the |

| | | | | |
|--------------------------------|----------------------------|---------------------------|--|---|
| | | | | SEP during the execution phase. |
| B.7 Supervision and Compliance | Monitoring from IDB | Yes | Continuous monitoring is necessary to ensure compliance with ESIA, ESMP, Loan Agreement, and IDB Requirements. | ESHS requirements will be included in the loan agreement. Ensure that budget for monitoring activities is allocated in the project total costs The EMPs will include indicators that will be supervised by the IDB. |
| B.8 Transboundary Impacts | - | No | Impacts are local. | No actions required |
| B.9 Natural Habitats | Natural Habitats | More information Required | The Operations are carried out in urbanized areas/brownfield and should not affect natural habitats. In Salta, the biodiversity baseline of the ESIA has been carried out through literature review. | IDB will verify it during the Due Diligence process. In Salta, the Borrower will integrate the biodiversity baselines with field campaigns. |
| B.9 Invasive Species | - | No | The Operation will not introduce invasive species. | No actions required |
| B.9 Cultural Sites | Cultural Sites | More information Required | The project entails replacement of existing infrastructures and there will not be excavation of new areas. Therefore, right now construction works should not affect cultural sites. | IDB will verify it during the Due Diligence process. |
| B.10 Hazardous Materials | Use of hazardous materials | Yes | Construction work and operations will include the use, generation, and disposal of hazardous materials and waste. In Salta, industrial waste water could reach the plant. | The Borrower will include in the ESMP provisions for hazardous material, wastewater, and solid and hazardous waste management. |

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| | | | | In Salta, the Borrower will assess local treatment facilities practices and capacity. The Borrower will develop specific management procedure to ensure no industrial wastewater is received at the plant. Specific provision for the management of VBD will be included in the ESMP. |
| B.11 Pollution Prevention and Abatement | Pollution prevention | Yes | Construction work and operation will cause possible pollution (air, noise, water, and soil). | The Borrower will include in the ESMP specific mitigation measures to ensure pollution prevention and monitoring during all phases. |
| B.12 Projects Under Construction | - | No | Project still in the design phase. | No Action Required |
| B.13 Noninvestment Lending and Flexible Lending Instruments | - | No | Not Applicable | No Action Required |
| B.14 Multiple Phase and Repeat Loans | - | No | Not Applicable | No Action Required |
| B.15 Co-financing Operations | - | No | Not Applicable | No Action Required |
| B.16 In-Country Systems | - | No | Bank Policies will be applied | No Action Required |
| B.17 Procurement | Incorporate sustainable procurement into loan agreement, operating manual and bidding documents | Yes | ESHS requirements should be included into the contracts of all contractors. | Contractors contract will include reference to IDB ESHS requirements. |

| OP-704 Natural Disaster Risk Management Policy | | | | |
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| Disaster Risk Assessment | Exposure to natural disaster risks | Yes | Due to the location, natural disaster risks could be high (especially in Salta), generating possible affectation to structures, users, and local community. | In Salta, the Borrower will develop a DRA since the expansion of the WWTP will be partly constructed within the river bed. In addition, the Borrower will assess the design specifications for events with return period higher than 50 years, developing a cost benefit analysis to justify the selection and/or propose alternative locations. |
| Disaster Risk Management Plan | Exposure to natural disaster risks | Yes | Possible exposure to natural disaster risks. | Within the ESMP, the Borrower will include specific procedures and mitigation measures to prevent, and be applied during, any event. |
| OP-710 Operational Policy on Involuntary Resettlement | | | | |
| Resettlement Minimization | Resettlement | Yes | In Santiago del Estero, the Project does not foresee so far any physical displacement. However, it presents the remote possibility of construction of new lines within the city. In Salta the Project includes land acquisition (expropriation) and resettlement of one vivienda. Additional land acquisition might be required for the | In Santiago del Estero, the Borrower will assess the risk of temporary/ permanent physical and/or economic resettlement/displacement in the ESIA, providing solutions and mitigation measures (i.e. RAP). In Salta, the Borrower will integrate with ESIA with an assessment of the impacts associated with |

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| | | | construction of the inflow and discharge pipelines. | permanent resettlement, and a RAP will be developed and included in the ESMP. |
| Resettlement Plan Consultations | Resettlement | Yes | In Santiago del Estero, the Project does not foresee so far any physical displacement. However, it presents the remote possibility of construction of new lines. In Salta the Project includes land acquisition (expropriation) and resettlement of one vivienda. Additional land acquisition might be required for the construction of the inflow and discharge pipelines. | In Santiago del Estero, if any type of resettlement will occur, the Borrower will perform adequate consultations with all affected parties. In Salta, the Borrower will conduct specific consultation activities with the interested stakeholders. Any RAP will be subject of consultations. |
| Impoverishment Risk Analysis | Resettlement | Yes | In Santiago del Estero, the Project does not foresee so far any physical displacement. However, it presents the remote possibility of construction of new lines. In Salta the Project includes land acquisition (expropriation) and resettlement of one vivienda. Additional land acquisition might be required for the construction of the inflow and discharge pipelines. | In Santiago del Estero, if any type of resettlement is applicable, the Borrower will perform adequate Impoverishment Risk Analysis (and mitigation measures to address those risks). In Salta, the Borrower will integrate the ESIA with an Impoverishment Risk Analysis. |
| Resettlement Plan or Resettlement Framework | Resettlement | Yes | In Santiago del Estero, the Project does not foresee any | In Santiago del Estero, if resettlement is necessary, |

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| (Prior to Analysis Mission/Board Approval) | | | <p>resettlement. However, it presents the remote possibility of construction of new lines.</p> <p>In Salta the Project includes land acquisition (expropriation) and resettlement of one vivienda. Additional land acquisition might be required for the construction of the inflow and discharge pipelines.</p> | <p>the Borrower will develop a specific RAP/LRP. In Salta, the Borrower will develop specific RAP/LRP</p> |
| Livelihood Restoration Program (LRP) | Impacts on livelihoods | Yes | <p>In Santiago del Estero, construction activities might obstruct the access to businesses, residences and social infrastructure and provoke temporary loss of livelihoods.</p> | <p>In Santiago del Estero, the Borrower will integrate the ESIA with an assessment of the potential impacts of the construction works on the livelihoods of formal businesses as well as street vendors. The ESMP will include measures to minimize the duration of the works, secure access to businesses and keep the population informed about the programming and advance of works. If serious negative impacts are expected, a LRP must be developed.</p> <p>In Salta, if required, a LRP will be developed for the vivienda to be resettled.</p> |

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| Consent (Indigenous Peoples (IP) and other Rural Ethnic Minorities) | IP Resettlement | More information required | In principle, the Operation will not affect the territories of indigenous people or rural ethnic minorities and therefore, no consent is required. | If resettlement of IP communities occurs, the Borrower will conduct consultation activities and obtain consent from them. |
| OP-765 Operational Policy on Indigenous Peoples | | | | |
| Sociocultural Evaluation | Identify potential affected indigenous peoples, lands and resources and assess potential risk and impacts | More information required | Reportedly, the Projects will not affect IP. However, the presence of IP communities must be assessed and, if found within the area of influence, a sociocultural evaluation must be undertaken. | The ESIA's will be integrated with the assessment of the presence of IP communities in the area of influence of the projects. If IP are identified in the area of influence a sociocultural evaluation will be prepared. Identify level of risk according to OP-765 to define consultation requirements and prepare an Indigenous Peoples Plan as needed as part of the ESIA/ESMP. |
| Good-faith Negotiations | Indigenous People | More information required | See Above | See Above |
| Agreement with Affected Indigenous Peoples | Indigenous People | More information required | Reportedly, the Projects will not affect IP. However, the presence of IP communities must be assessed and, if found within the area of influence, a sociocultural evaluation must be undertaken. | If it is determined that IP lands, resources or livelihoods are significantly affected a process of good faith and agreement is required. |

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| Indigenous Peoples Protection, Compensation, and Development Plan or Framework prior to Board Approval | Indigenous People | More information required | Reportedly, the Projects will not affect IP. However, the presence of IP communities must be assessed and, if found within the area of influence, a sociocultural evaluation must be undertaken. | The ESIA's will be integrated with the assessment of the presence of IP communities in the area of influence of the projects. If IP are identified in the area of influence a sociocultural evaluation will be prepared. Identify level of risk according to OP-765 to define consultation requirements and prepare an Indigenous Peoples Plan as needed as part of the ESIA/ESMP. |
| Discrimination Issues Assessed and Addressed | Indigenous People | More information required | See Above | See Above |
| Transborder Impacts Addressed | - | No | The Operation only finances Projects within the Northern provinces of Argentina covered by Plan Belgrano | No Action Required |
| Impacts on Isolated Indigenous Peoples Addressed | - | No | Not Applicable | No Action Required |
| OP-761 Operational Policy on Gender Equality in Development | | | | |
| Gender-based Exclusion Addressed | Gender-based Exclusion | More information required | No gender-based exclusion is expected | The ESIA's will be integrated with an assessment of risks of gender-based exclusion. |
| Equal Access to Project Benefits/ Compensation Measures | Equal Access of men and women to economic opportunities and | More information required | The project will promote requirements for equal access to the project benefits (including jobs) and | The project will include design mitigation measures to secure equal access of men and |

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| | benefits of the projects | | compensation measures (i.e. in case of resettlement or livelihood restoration). | women, including economic opportunities, and equal compensation measures for a RAP/LRP |
| Uneven Impact Burden Addressed | - | No | No gender-based adverse impacts are expected | No Action Required |
| Disaggregation of Impact Data by Gender | Disaggregate project impacts and beneficiaries by gender | Yes | The project indicators will be disaggregated by gender | The social baseline of the ESIA will include impact data disaggregated by gender |
| Consultation of Affected Women | Consultation | Yes | The project will seek the equitable participation of women and men in its consultation process. If applicable, specific consultation activities with women will be carried out. | The inclusion of women at all consultation activities (especially in case of RAP/LRP) will be monitored |
| OP-102 Access to Information Policy | | | | |
| Disclosure of relevant Environmental and Social Assessments ² Prior to Analysis Mission, QRR and submission of the operation for Board consideration ³ | Disclosure of information | Yes | A fit-for-disclosure Environmental and Social Management Framework, ESIA, ESMP, SEP, EMP, Indigenous People Plan (if needed), RAP/LRP (if needed), (for Santiago del Estero), and ESIA, ESMP, SEP, EPRP, DRA, RAP/LRP, Indigenous People Plan (if needed) (for Salta) must be ready for review and public disclosure prior to the analysis mission | The Borrower will prepare the relevant assessments and documents, and the Bank will ensure they are disclosed prior to the analysis mission through the Borrower and IDB's webpage. In addition, IDB will disclose the final versions of the documents prior to the QRR. |

² Environmental and Social Assessments include ESIA, ESMPs, RPs, RFs, and ESMFs.

³ Please refer to the Protocols for ESHS Documentation and Information Disclosure for more details on the disclosure timing of the different Environmental and Social Assessments.

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| | | | through the Borrower and IDB's webpage. IDB will disclose the final versions of the documents prior to the QRR. | |
| Provisions for Disclosure of Environmental and Social Documents during Project Implementation | Disclosure of information | Yes | In case during the Program execution phase new relevant ESHS documents are delivered, these will be made available to the public. | The Borrower will make public all new relevant ESHS documents that will be developed during the Program's implementation. It will be also included as condition in the Loan Contract. |

Índice del Trabajo Sectorial Propuesto

| Estudios | Descripción | Fechas | Archivos Técnicos (referencias y enlaces electrónicos) |
|--|---|------------|--|
| Análisis institucional | Análisis SECI (Sistema de evaluación de la Capacidad Institucional) del Organismo Ejecutor, esquema de ejecución del programa, evaluación de riesgos potenciales y propuestas de fortalecimiento institucional del Organismo ejecutor. | Junio 2017 | |
| Análisis financiero | Análisis financiero de las empresas prestadoras de los servicios de agua y saneamiento de la muestra de proyectos. Definición de las actividades a incluir en los Planes de Gestión y Resultados (PGyR). | Junio 2017 | |
| Estudios de ingeniería | <p>Durante la preparación del programa se revisarán los diseños disponibles que se definan como parte de la muestra y que harán parte de esta operación, revisando la validez de los principales parámetros de diseño frente a las características y condiciones de las ciudades. También se revisarán los presupuestos de las soluciones propuestas para verificar que contemplen adecuadamente todos los costos necesarios para la construcción eficiente de las obras y que reflejen las condiciones del mercado local. El equipo verificará la disponibilidad y el tipo de solución sanitaria y los requerimientos de tratamiento de las aguas residuales.</p> <p>Para efectos de determinar la viabilidad técnica, financiera, socioeconómica y ambiental del Programa, así como para garantizar un conjunto de proyectos que permita el inicio oportuno de las acciones del Programa una vez aprobado, se ha conformado una muestra de proyectos compuesta por:</p> <p>(1) Redes secundarias de cloaca en la ciudad de Santiago del Estero (aprox. US\$ 25 millones), completando áreas actualmente sin cobertura y no abarcadas por las que se construirán mediante financiamiento del Programa 2776/OC-AR (proyectos actualmente en proceso de licitación); y (2) ampliación de redes de cloaca y planta de tratamiento de aguas residuales de Salta (aprox. US\$ 65 millones).</p> | Junio 2017 | |
| Estudios socioeconómicos | A los efectos de la preparación del programa, se realizará un análisis costo-beneficio de los proyectos de la muestra. Para los proyectos de saneamiento (cloacas y plantas de tratamiento de aguas residuales), se utilizará la metodología de valuación contingente, que consiste en estimar la disposición a pagar de la población por soluciones de saneamiento (mediante encuestas tipo referéndum) para luego comparar tal disposición a pagar con los costos del proyecto. Los proyectos de saneamiento de Salta y Santiago del Estero ya cuentan con evaluación económica, las cuales serán revisadas y ajustadas para cumplir con la metodología aceptada por el banco. | Junio 2017 | |
| Evaluación ambiental y social y preparación del PGAS | El apoyo del equipo de proyecto evaluará los EIA disponibles de los proyectos de la muestra y preparará el Informe de Gestión Ambiental y Social de la operación de acuerdo con los requerimientos del Banco. | Junio 2017 | |

CONFIDENCIAL

¹ La información contenida en este Anexo es de carácter deliberativo, y por lo tanto confidencial, de conformidad con la excepción relativa a “Información Deliberativa” contemplada en el párrafo 4.1 (g) de la “Política de Acceso al Información” del Banco (Documento GN-1831-28).